

A partnership between the business community and local government

& a federated board of the South East Local Enterprise Partnership

**Thursday 25 November 2021, 4.30-7pm**

Lecture theatre, Ground floor of the Verena Holmes Building, Christ Church University (CCCU), North Holmes Road, Canterbury, Kent, CT1 1QU.

[*Campus map here*](https://www.canterbury.ac.uk/campusmaps/2ea30af3d92c45ee851a1e01/search)

**AGENDA**

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|  |  | **Approx. time** | **Page** |
| 1. | Arrival at site. Please report to the foyer of the Verena Holmes Building, and you will be directed to the lecture theatre. | 4.30 | - |
| 2. | **Tour of the Kent & Medway Medical School** and the **Kent & Medway Engineering, Design, Growth and Enterprise (EDGE) Hub** **There will be three tour groups, led by:*** **Professor Rama Thirunamachandran,** CCCU Vice-Chancellor & Principal
* **Professor Mohamed Abdel-Maguid**, Pro Vice-Chancellor (STEM) & Dean of Science, Engineering & Social Sciences
* **Professor Paula Kersten**, the new Pro Vice-Chancellor & Dean, Faculty of Medicine, Health & Social Care

*KMEP has invested £9m of Local Growth Funding (LGF) to enable CCCU and the University of Kent to establish a brand-new Medical School.* *KMEP also invested £7.021m of LGF to create the EDGE Hub, which delivers technical, professional opportunities (from degree apprenticeships to doctoral programmes) in Engineering, Product Design and Technology*. | 4.30 | - |
| 3. | Board meeting commences in the Lecture Theatre. | 5.15 |  |
| 4. | **Welcome by the KMEP Chairman** | 5.15 |  |
| 5. | **Declaration of Interests** | 5.17 | - |
| 6.  | **Minutes of previous meeting**  | 5.18 | 3 |
| 7. | **AOB & matters arising** | 5.20 | - |
| 8. | **The progress achieved by the EDGE Hub in supporting local companies to innovate and adopt the latest research in a commercialised setting**.*Presentation by Professor Mohamed Abdel-Maguid, Pro Vice-Chancellor (STEM) & Dean of Science, Engineering & Social Sciences*PTO | 5.25 | Presentation |
| 9. | **Southern Water’s plans to upgrade the waste-water treatment facilities through the AMP process, and to ensure there is a resilient waste-water network that can cope with the predicted future demand caused by housing growth.** *Presentation by Ian McAulay, CEO of Southern Water, and Dr Toby Willison, Director of Environment & Corporate Affairs at Southern Water.* | 5.40 | Presentation  |
| 10. | **Progress Update of the Stodmarsh Nutrient Neutrality Work***Presentation by Simon Thomas, Head of Planning at Canterbury City Council, and lead on nutrient neutrality regional strategy work.**There will be a joint Q&A on items 9 and 10, following the conclusion of Simon’s presentation.* | 6.00 | Presentation & page 14 |
| 11. | **South East Creative Economy Networks’ (SECEN) Statement of Intent***Presentation by Sarah Dance, Vice-Chairman of the South East LEP & member of the SECEN working group.* | 6.30 | Presentation & *separate report* |
| 12. | **Brief update on responses to KMEP survey re: meeting arrangements for 2022.***Sarah Nurden (KMEP Manager) will rely the responses received so far and seek your agreement on proposed meeting arrangements during 2022.* | 6.50 | Verbal update |
|  | For information item: |  |  |
|  | 1. KMEP Business Member Priorities for 2021. This is being used to identify possible future agenda topics, so if you feel something is missing, please do say.
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**ITEM 3**

**Subject:** DRAFT MINUTES of the Kent & Medway Economic Partnership (KMEP) meeting held at NIAB EMR on 16 September 2021.

**Attendees:**

|  |  |
| --- | --- |
| **KMEP Board Members** |  |
| Geoff Miles (Maidstone TV Studios & KMEP Chairman)**Matthew Arnold (Stagecoach)**Miranda Chapman (Pillory Barn)Roland Cooper (Considine Ltd)Nigel Earnshaw (IOD)Carol Ford (Horticultural Taskforce)Andrew Metcalf (Maxim PR)David Milham (FSB)Jo Nolan (ScreenSouth)Paul Winter (Wire Belt Company Limited)**Rural Sector Business Members**Prof. Mario Caccamo (NIAB)Dr Nicola Harrison (NIAB EMR)Oliver Doubleday (G H Dean & East Malling Trust) | Prof. Jane Harrington (University of Greenwich)Cllr Ash Ashbee (Thanet District Council)Cllr Trevor Bartlett (Dover DC)Cllr Matt Boughton (Tonbridge & Malling BC) Cllr David Burton (Maidstone Borough Council)Cllr Tom Dawlings (Tunbridge Wells Borough Council)Cllr David Robey (Kent County Council alternate)Cllr David Wimble (Folkestone & Hythe District Council alternate)Ben Olins (Prep World)James Simpson (Adrian Scripps Ltd) |
| **Apologies:****KMEP Board Members**  |
| Jo James (KMEP Vice-Chairman & Kent Invicta Chamber of Commerce)**Troy Barratt** (Contracts Engineering)Liz Gibney (Lee Evans Partnership)John Keefe (Getlink/Eurotunnel)Vince Lucas (VA Rail)Bob Russell (Copper Rivet Distillery)Mayer Schreiber (Discovery Park)Simon Cook (Mid-Kent College) | Cllr John Burden (Gravesham Borough Council)Cllr Rodney Chambers (Medway Council)Cllr Gerry Clarkson (Ashford BC) Cllr Ben Fitter-Harding (Canterbury City Council)Cllr Peter Fleming (Sevenoaks District Council)Cllr Jeremy Kite (Dartford Borough Council)Cllr Roger Truelove (Swale Borough Council) |

**Item 1 – Welcome, introduction and apologies.**

* 1. Geoff Miles (the KMEP Chairman) welcomed attendees to the meeting. She accepted the apologies for absence as listed above.
	2. The Chairman thanked Prof. Mario Caccamo and Dr Nicola Harrison for hosting the KMEP meeting at their site, and thanked them for the tour of the construction site for their new advanced horticultural zone and wine innovation centre.

**Item 2 – Declaration of Interests**

2.1 There were no declarations of interest.

**Item 3 – Minutes of previous meeting**

3.1 The minutes of the previous meeting were agreed as a correct record.

**Item 4 – Any Other Business**

Water Quality

* 1. Roland Cooper spoke about the nutrient neutrality issue. The levels of nitrates and phosphates in the Stodmarsh catchment are affecting East Kent’s housing delivery. Natural England has issued advice that the planning authorities should not grant any further planning permission that could worsen water quality in the Stodmarsh catchment until the matter is resolved. It is anticipated this is affecting the construction of 33,000 to 50,000 homes per annum.
	2. Stephanie Holt-Castle explained that Derek Murphy is pulling together a sub-group of stakeholders to seek a solution to this issue. There is a meeting of the relevant District Planning, KCC, Natural England, Homes England and Southern Water Officers on 24th September to discuss progress, and Nick Fenton (Kent Developers’ Group Chairman) and Roland Cooper (KMEP nominee) will be invited to join.
	3. Tracey Kerly (Ashford BC CEO) described how Ashford Borough Council could not deliver the local plan or issue planning consents at this moment in time and this situation applies to Canterbury and parts of Maidstone. This is a significant regional issue. Ashford BC has commissioned water environment consultants, that have developed a local methodology that Natural England are comfortable with, so that they can begin to progress some planning permissions, however there is absolutely a need for a regional approach that wider stakeholders are signed up to. Once ABC’s current local plan concludes in 2030, the local methodology will no longer to applicable. This is not an issue that district councils can solve alone, it requires the agreement of Southern Water, Natural England, that Kent Wildlife Trust, and the wider community (including the farming community, as agricultural run-off does impact on nutrient levels).
	4. Roland Cooper explained the Government have indicated that this will become a national issue. There are 44 regions in the country where nitrates are publicly reported as being an issue. Kent has the opportunity to be the first in the country to create a blended solution, which could be rolled out in some shape or form across the country. Roland Cooper fully endorsed Tracey Kerly’s point that there must be a united front from all local stakeholders to persuade the Government to invest in the solution.
	5. Cllr Ash Ashbee (Thanet District Council Leader) commented on how helpful the CEO of Southern Water had been, following the discharge of wastewater into the sea. He agreed to give a briefing for all local district councillors and the local MPs. She suggested he might be amenable to attending a future KMEP meeting.
	6. **The KMEP Board agreed that the CEO of Southern Water should be invited to attend the next board meeting.**

Broadband, 5G, and mobile connectivity

* 1. **Jo Nolan requested that an update on broadband, 5G, and mobile connectivity is included on a future KMEP agenda.**

SELEP Careers Event

* 1. Jo Nolan alerted board members to SELEP’s virtual South East Careers events on the 19th October (for young people aged 15+, parents and careers/teaching staff) and on the 21st October (for adult jobseekers and intermediaries).
	2. The invitation for this event was sent to KMEP board members after the meeting.

KMEP survey of meeting preferences

* 1. Sarah Nurden (KMEP Manager) explained she will be sending a survey to seek board members’ preferences regarding meeting arrangements next year. A good response rate would be appreciated.

Local Energy Strategies

* 1. Nigel Earnshaw (Institute of Directors) referred to [Energy South2East’s Local Energy Strategy](https://www.southeastlep.com/energysouth2east/) that shows how local stakeholders can play a key role in addressing Government’s Industrial Strategy Grand Challenge of achieving clean growth and how the area can capitalise on the opportunities of the emerging low carbon economy. He was impressed by the high quality of the document, and asked if KMEP were aware of it.
	2. Sarah Nurden said KMEP were sighted on it (during the strategy’s formation in May 2018 Siemens came to present to the KMEP board), and KCC’s Head of Environment is a member of the SELEP working group that oversees the implementation of the plan.
	3. Stephanie Holt-Castle referred to the [Kent and Medway Energy and Low Emissions Strategy](https://www.kent.gov.uk/about-the-council/strategies-and-policies/environment-waste-and-planning-policies/environmental-policies/kent-and-medway-energy-and-low-emissions-strategy), which contains 10 Priority Actions, and commended it to KMEP.

**Item 5 – The Rural Agenda**

5.1 The Chairman welcomed Stephanie Holt-Castle (KCC Director of Growth and Communities) to give an introduction to today’s event.

5.2 Stephanie Holt-Castle advised that 2007 was the last time Kent had a rural strategy, and following on from that a Kent Rural Board was established, and chaired by the Deputy Cabinet Member.

5.3 In early 2020, Kent County Council was contacted by many different networks that suggested that it was an appropriate time to reinvigorate and reconstitute the Kent Rural Board.

5.4 In 2020, KCC led a short, focused inquiry into the farming economy, which also advised that a rural partnership board would be beneficial.

5.5 In March 21, the Government published ‘[Rural Proofing in England 2020’](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/982484/Rural_Proofing_Report_2020.pdf). This report says rural areas are in large measure no different from any other region or place. Whether one lives in a city, a town, or a remote rural setting, all residents expect the same opportunities and protections. There are however certain characteristics of rural life which require particular attention when designing and monitoring policy and programme delivery. Issues such as a low population density, longer community times, and service being located further away can impact on outcomes.

5.6 In light of these points, KCC has decided it does wish to reconstitute the Kent Rural Board with a revised membership. The board will assist in problem solving and helping with the creation of a rural action plan, which will be evidence-based and intelligence-led.

5.7 The current suggestion is that the board will focus on three strands: the rural economy, the rural environment, and the rural communities. Four specialists have been invited to this KMEP meeting to provide the board with an initial overview on some issues that may feed into an action plan.

5.8 Finally, Stephanie Holt-Castle asked KMEP to reflect on how it wishes to link in with the Kent Rural Board going forward.

**Item 6 – The Rural Economy**

6.1 The Chairman invited Carol Ford (KMEP Private Sector Board Member and Chairman of the Horticultural/Fresh Food Taskforce) to present on the rural economy.

6.2 During her presentation, Carol Ford made the following comments:

Facts about the sector

* With a history of growing soft fruit, top fruit, stone fruit, greenhouse salads and leaves of the highest quality, Kentish fruit is known across the world.
* Kent is the gateway to international fresh food growing, packing and supply businesses delivering the food supply chain nationally.
* 40% of all horticultural products (food, medical, etc) consumed in the UK are grown in Kent.
* 80% of all fresh fruit comes through the UK comes via Kent ports, and much of it is processed here.
* 80% of all UK eligible top fruit is grown in Kent.
* Most of the UK's high-value fruit packaging and processing takes place here in Kent.
* 85% of Kent and Medway is classified as rural land; 62% of Kent and Medway’s land is farmed.
* Fresh fruit production is a market-driven sector, meeting the demand of food consumers who want the highest quality of food.
* Fruit producers receive one of the lowest subsidies from Government.
* The sector is future-focussed, and there is a big focus on sustainability and the careful use of resources. Net-zero and minimising climate change are very important to the sector.
* The industry is investing in high-tech and automation – not only at the farms, but all the way through to processing and packaging.
* Across the wider food and drink sector, the industry contributes over £120 billion and employs over 4.1 million people, roughly 13% of the whole UK workforce.

The Fresh Food Taskforce

* The Fresh Food Taskforce formed to celebrate the success of the sector; to demonstrate how we can work together locally to seize new market opportunities; and to become fit for future by attracting skilled workers to the sector, which is a major driver of growth employment.
* Every fortnight, the Fresh Food Taskforce meets. It is a dynamic diverse group of growers and producers, which get together to share their knowledge and address common challenges.
* The Fresh Food Taskforce is represented on the Employment Taskforce, led by KCC.
* The Fresh Food Taskforce has/is:
* Created a heat map of seasonal employment to support a 12-month role
* Assessed existing apprenticeships and career routes
* Demonstrating how skills developed in other sectors are transferable
* Championing the brilliant entrepreneur grower businesses
* Learning from young people what would attract them to the sector
* DWP partners are funding new training for HGV drivers as a result of the group’s work.
* The Fresh Food Taskforce is looking at how the sector needs to change, and as part of that is piloting employment initiatives, for example with the University of Kent and charities, such as rounders.
* The group is seeking to normalise the educational work experience and placements in the fast-changing farming food sector and to highlight to young people the worthwhile livelihoods that can be found in the sector. Learning whilst earning is important.

Championing the sector and local successes

* It is important to champion Kent and Medway as the Garden of England and highlight the recent innovation and successes that are really changing the sector. For example, the Growing Kent and Medway consortium has been successful in securing £18m in funding to help further horticultural innovation.
* Kent and Medway’s MPs have been invited by the Fresh Food Taskforce to come and pick fruit themselves, and several have agreed to do so.
* Started 40 years ago, Berry Gardens is a local success story, and a member of the Fresh Food Taskforce. It achieved sales of £317m in 2018, and the firm supplies every supermarket apart from the Co-op.
* Thanet Earth is another great case study. Its enormous glass houses are estimated to produce around 400 million tomatoes, 30 million cucumbers, and 24 million peppers each year.

Employment Shortages

* Horticulture produces a significant economic output in terms of the vast number of people employed within the sector, the supply chain, and supporting industries (ranging from IT jobs to jobs in haulage firms). The sector offers amazing career opportunities.
* In Kent and Medway, circa 20,000 seasonal workers are employed each year with an estimated 5000 additional all-year-round full-time roles.
* The Fresh Food Taskforce welcomed the Government’s Seasonal Workers Pilot, originally launched in 2019, which has been extended and expanded for an additional year with 30,000 visas available.
* But… the sector is facing real and immediate challenges. The current serious labour shortage has led to many growers and producers actually not producing food. Carol Ford cited an example of one farmer that has left the heads of broccoli to rot in the field, as there are no workers available to harvest them.
* There are in excess of 5,000 vacancies across the food and drink sector currently.
* This is despite wages increasing by 34% in the five-year period leading up to 2020.
* The food and drink industry are still struggling to recruit domestic candidates.
* 12 sectorial bodies – *Agricultural Industries Confederation, Food & Drink Federation, British Frozen Food, British Meat Processors Association, British Poultry Council, National Pig Association, Diary UK, Road Haulage Association, Cold chain association, NFU, UK Hospitality, and Federation of Wholesale Distributors* - have written a well thought-out [report](https://www.nfuonline.com/nfu-online/westminster/labour-availability-final-report-2021-26-august/) that lays out the establishment of the labour availability issue that the food and drink sector is facing.
* The report shows the average vacancy rate is 13.5% across the sector.
* The problems are not only due to Brexit, but also from COVID.
* The age profile of workers is also a challenge. The average age of HGV driver is 55, and a third of the workforce is set to retire between 2033-35.

Employment Initiatives

* One initiative the group would welcome KMEP’s support for is a 12-month Covid Recovery Visa to enable more recruitment.
* The group wants the Migration Advisory Committee (MAC) to undertake a detailed review of the food and drink sector, to identify the shortages, so that short-term immigration solutions can be implemented and/or key roles added to the Government’s shortage occupations list.

Food security

* Research has shown that 7 August would be the nominal day that Britain would run out of food if the UK were asked to be wholly self-sufficient based on seasonal growth.

The National Food Strategy & Consumer Choice

* The sector is central to the delivery of the recently released [National Food Strategy](https://www.nationalfoodstrategy.org/) and Carol Ford’s opinion is that Kent and Medway should be creating its own food strategy, to help improve health outcomes for residents. There is a need to change the national diet to improve health outcomes.
* There has been a change in consumer preferences, for example, a growing interest in vegan and vegetarian options, and this is reflected in increasing demand for fresh food, salads, and berries.
* If people consumed 30% more fresh food, there is a real possibility of reducing diseases such as type-2 diabetes, easing the burden on the NHS.

6.3 The Chairman thanked Carol Ford for her presentation, and for all her hard-work and passionate advocacy for the horticultural sector. He invited Ben Olins of PrepWorld and a member of the Fresh Food Taskforce to provide a short update.

6.4 Ben Olins of Prep World made the following comments:

* [PrepWorld](https://prepworld.com/) are a specialist prepared fruit supplier whose objective is to supply fresh, tasty and innovative prepared fruit salad packs. The business is based at two sites in Gravesham.
* The firm was founded in 2012, with 5 staff operating in a room above a hayloft in north Kent.
* The firm has grown quickly, and now employs over 600 people, and supplies every major supermarket within the UK.
* It is now the second largest fruit pack producer in the UK.
* The firm’s turnover is £30m this year.
* Ben Olins echoed Carol Ford’s points about the labour shortage crisis, which has become acute across the whole sector, especially since April/May 21.
* This is in part due to EU nationals returning home, and partly due to increasing competition for staff from firms such as Amazon.
* For the first time in its history, the firm found it could not take on new orders due to these labour shortages, losing £1m in potential business.
* Ben Olins also outlined how utility issues can hinder economic growth and business expansion.
* By 2018, the firm had outgrown its original site, so signed a 15-year lease for a new 130,000 sqft site in Northfleet. It secured the necessary water rights from South East Water and electricity rights.
* The firm has already invested £1.1m to date in converting the site, and is starting a 9-month construction project, and will invest a further £8m to create the largest prepared fruit factory in the UK (and possibly in Europe).
* However, there has been difficulty in securing the trade effluent consent from Southern Water.
* The new factory is located next door to a waste water treatment facility (WWTF), and the factory’s effluent would account for only 0.5% of the WWTF’s capacity. All the effluent would be biodegradable (i.e. just water and fruit juice).
* It transpires that Southern Water has been in breach of its environment permit for dry weather flow since 2013. No investment has been made since then to upgrade the WWTF.
* Ofwat and the local MP are both very sympathetic to the situation, but no additional trade effluent can be processed by the WWTF until the breach has been resolved.
* Consequently, the firm will have to tanker the waste water across the country to another WWTF once the new site opens in June 22, costing £0.5m per annum. This is not an environmentally-friendly option.

 6.5 The Chairman thanked Ben Olins for his comments.

**Item 7 – Research, Development, and Innovation in the Rural Economy**

7.1 The Chairman invited Dr Nicola Harrison (Growing Kent & Medway’s Programme Director) to present on how to encourage R&D in the rural economy.

7.2 Dr Harrison started her presentation with a case study on Larry Turner, who she met whilst on a scholarship in Australia last year. Larry Turner was a sheep farmer on Kangaroo Island, Australia, but decided to innovate and become a eucalyptus farmer, and started to sell eucalyptus oil. With his knowledge, he optimised crop growth, and he sought investors to pay for an innovative eucalyptus extraction system, so he could increase his eucalyptus oil yield, and look at eucalyptus genetics, to really drive his business forward. With a tax refund, he decided to build a research laboratory on his land to fractionate his oil to create new products from it. He also decided to turn the waste wood into pellets. With the help of a federal fund programme for local innovation, Larry Turner and the local community are going to invest in a new district heating system that could use these pellets and move away from a fossil-fuel based heating system into a renewable source.

7.3 Dr Harrison explained this whole process, encapsulated within this one business, shows the mindset for continual innovation that is required. What makes a mindset for continual innovation is:

* Skills and education within the business
* Research and Development (taking the idea and experimenting to see the outcome)
* Funding the necessary infrastructure
* Having research laboratories and facilities available
* Designing new products, and
* Having community innovation grants available

7.4 Dr Harrison then gave an overview of the [Growing Kent and Medway](https://www.growingkentandmedway.com/) (GK&M) initiative. It is an enterprise cluster, that aims to:

* support innovation-led regional growth in the food and drink sector
* enhance local collaborations involving research and innovation.

7.5 The cluster was awarded Strength in Place funding by Innovate UK. Partners include KMEP, the Universities of Greenwich and Kent, and private sector firms such as Berry Gardens, Chapel Down, Thanet Earth, Worldwide Fruit, etc.

7.6 GK&M will undertake activities such as:

* Developing a cluster that catalyses collaborations between businesses and research organisations, and stimulates research and innovation activity across the region;
* Supporting inclusive growth. Strength in Places funding allows GK&M to resource activities that are specifically focussed at opening up opportunities for hard-to-reach and under-represented groups to access support for business innovation and growth.
* Development and delivery of a Food Innovation Laboratory in Chatham.
* Offering various types of grant funding to stimulate activity between research organisations and businesses.
* Providing mentoring and coaching support, and
* Piloting a skill hub to grow entrepreneurial and businesses skills to commercialise innovation.

7.7 The Chairman thanked Dr Nicola Harrison for her presentation.

**Item 8 – The Rural Environment**

8.1 The Chairman invited Nick Johannsen (Director, Kent Downs Area of Outstanding Natural Beauty) to present the rural environment.

8.2 The Kent Downs Area of Outstanding Natural Beauty brings in circa £1-£2m per year from the Government to support the preservation, conservation and enhancement of the natural environment. The organisation also now handles DEFRA’s grant programme for [farming in protected landscapes](https://kentdowns.org.uk/our-projects/farming-in-protected-landscapes/), where grants are offered to farmers, land managers, local authorities, and other organisations, to make improvements that focus on People, Place, Climate and Nature outcomes. The grant programme is open until 31 January 22. Nick Johannsen said it is similar to the former LEADER programme, but with less paperwork.

* 1. Nick Johannsen agreed with the proposed approach of the rural board considering which actions are required to support the rural economy, the rural environment, and the rural communities. He concurred with taking a collaborative partnership approach. He added that it is important to remember that the rural environment also deals with the fundamentals, i.e. water supply, water quality, soil, air quality, flooding, etc. Three-quarters of local drinking water comes from the aquifer under the Kent Downs, and the quality and quantity of that water depends, in part, on how the landscape is managed. Soil has an important role in climate mitigation and is an ecosystem in its own right. The woodlands locally are some of the most important woodland within the UK for managing air-quality.
	2. The rural environment is experiencing a period of unprecedented change, and it is increasingly the focus of the government’s legislative agenda with: COP 26, the [Environment Act](https://www.gov.uk/government/news/world-leading-environment-act-becomes-law), the [Agriculture Act](https://www.gov.uk/government/news/landmark-agriculture-bill-becomes-law), the [Environmental Land Management](https://www.gov.uk/government/publications/environmental-land-management-schemes-overview) (ELM) schemes, the [Landscape Review](https://www.gov.uk/government/publications/designated-landscapes-national-parks-and-aonbs-2018-review) from 2019 that considers the future of the national parks and AONB.
	3. Locally, Kent and Medway are facing unprecedented growth. An additional 396,300 homes are anticipated from 2011 to 2031 – that is equivalent to adding at least the double the existing population of Herefordshire to Kent and Medway.
	4. Nick Johannsen reflected on the role of the rural environment in supporting the economy. Key sectors are naturally food and farming, but also a high-quality environment supports a thriving tourism economy (particularly post-COVID as people prefer outdoor pursuits). Also, people, such as high-value entrepreneurs, like to live in beautiful environments, so the environment plays a role in business location. The demand for rural business locations may increase as COVID-19 affects commuting and work patterns.
	5. Nick Johannsen mentioned the NFU [Fertile Ground](https://www.nfuonline.com/archive?treeid=148630) report for the south east, which considers growth in the regional agri-food sector, and provides a helpful evidence base. He also mentioned the viticulture sector. The Kent Downs did some work for DEFRA on how it could enhance the environmental management of the UK’s vineyards. This is a particular focal point for Kent given it is the most planted county for vines.
	6. Regarding the rural environment and climate, the rural environment is part of the solution, and part of the problem. 10% of greenhouses gases are from agriculture. To tackle climate change, a blend of technical and nature based solutions is required. Nick Johannsen commended KCC for producing the [Climate Change Risk and Impact Assessment for Kent and Medway](https://www.kent.gov.uk/environment-waste-and-planning/climate-change/kents-changing-climate/climate-change-risk-and-impact-assessment) in 2019, which describes the changes Kent might face, and the potential risks to Kent’s society, economy and environment.
	7. In relation to the rural environment and nature, preserving natural ecosystems is vital. An illustration given was Chinese workers standing in an orchard hand pollinating their fruit trees as the natural pollinating insects had been destroyed. The UK is facing a biodiversity decline, which is a grave concern.
	8. With respect to the rural environment and health and wellbeing, the quality of rural environment is important to both urban and rural communities. Research and evidence has been clear for some time, however, the COVID-19 pandemic has emphasised the need for a high-quality rural environment for all residents to enjoy. In certain places in Kent, the usage of public rights of way (PROW) increased ten-fold during the pandemic, and on most PROWs, the usage is still at least double the pre-pandemic level.
	9. The NHS is also beginning to issue [green social prescriptions](https://www.england.nhs.uk/personalisedcare/social-prescribing/green-social-prescribing/). This links people to nature-based interventions and activities, such as local walking for health schemes, community gardening and food-growing projects.
	10. Many of Kent and Medway’s green recreational resorts are already at capacity, and this situation will be exacerbated by the future housing and population growth. Many county parks and national trust car parks are full by 11am. Nick Johannsen encouraged partners to start thinking about how environmental land management might pay for new access, for instance, should farmers be paid for diversifying and allowing access to their farms, could these be the new county parks? Alternatively, should local authorities be purchasing new county parks, or is there a commercial opportunity to use the land to secure carbon whilst allowing recreational use?
	11. Nick Johannsen concluded his presentation by adding his support for a reconstituted Kent Rural Board, which would already have a link through to Government via the Kent Rural Farming Network. He also stressed the need for data-led intelligence and evidence bases informing a strategic approach.
	12. In the question and answer session, Oliver Doubleday stressed the need for good research in relation to ecosystems. There have been many changes to the ecosystems with novel problems arising (e.g. new pests and diseases entering Kent), but research institutes, like NIAB EMR, have demonstrated how we can harness natural predators to control ecosystem problems. Professor Mario Caccamo mentioned the wildflower pasture that NAIB EMR had planted, and the work they are doing with regard to pheromones to change the behaviour of pests.
	13. The Chairman thanked Nick Johannsen for his presentation.

**Item 9 – Rural Communities**

9.1 The Chairman invited Keith Harrison (Chief Executive of Action with Communities in Rural Kent (ACRK)) to present the rural communities.

9.2 [ACRK](https://ruralkent.org.uk/about-us/) was founded in the 1923 by Kent County Council, to bring together groups of rural community stakeholders for the betterment of the county. It is a charity that is part of a wider national network, and it:

* Provides direct advice and support to community organisations
* Stimulates community action, particularly voluntary action, and encourage good practice
* Develops and manage demonstration projects
* Provides professional support and advice to key service providers
* Raises awareness of rural issues and influence decision makers

9.3 Keith Harrison chose to concentrate on three elements that are vital to rural communities, which are village halls, affordable rural housing, and ‘coffee and cake’ i.e. social isolation services.

9.4 There are 402 village halls in Kent and Medway, all in community ownership. They are a £3m asset base, they host 2,800 jobs, and provide a wide array of services, acting as sports centres, childcare providers, surgeries, polling stations, co-working spaces, etc. They provide vital community functions.

9.5 ACRK has been operating a Rural Housing Enabling service, which works in partnership with communities, housing associations, and local authorities to develop affordable housing in villages across the county. The service is about developing rural houses for affordable rent in perpetuity. Also, ACRK has also been involved in developing, with others, a [Kent Rural Housing Protocol](https://www.kenthousinggroup.org.uk/protocols/guide-developing-affordable-homes-rural-communities/). A third version was launched this year. It works really well, and is a model being picked up elsewhere across UK.

9.6 The housing, ACRK has been involved in delivering, has contributed £100m benefit to the local economy, providing a good return on investment.

9.7 Social isolation services may not generate income, but they often save money elsewhere. Keith Harrison spoke about ACRK’s rural coffee caravan, which travels to communities where village halls don’t exist. It is based on the model used in Suffolk as an anti-suicide initiative. 80 agencies now use it for outreach through ACRK staff and volunteers. It is funded by the Big Lottery Fund currently. It has been nationally cited as a great example of how to tackle social isolation well. It returns a £7.56 saving to the public purse according to Healthwatch. Keith Harrison encouraged stakeholders to consider investing in innovation that does not return a profit, but has a knock-on benefit.

9.8 In his concluding remarks, Keith Harrison spoke about his desire to see a rural aspect within the forthcoming UK Shared Prosperity Fund (UKSPF), and the roll-out of investment funds similar to LEADER, which can be used towards rural infrastructure.

9.9 The Chairman thanked Keith Harrison for his presentation.

**Item 10 – Concluding Remarks**

10.1 The KMEP Chairman suggested that a link was required between the reconstituted Kent Rural Board and KMEP. He sought a volunteer from KMEP to sit on the KRB. **Carol Ford was selected as the nominee by the board.**

* 1. The Chairman thanked everyone for attending, and reminded everyone that the next meeting in November will be taking place at the Kent and Medway Medical School/EDGE Hub in Canterbury.
	2. The Chairman drew the meeting to a close at 6.55pm.



A partnership between the business community, education sector, and local government

& a federated board of the South East Local Enterprise Partnership

**ITEM 10**

**Date:** 25th November 2021

**Subject: Unlocking housing development in East Kent**

**Stodmarsh - Update report**

**Report author:** Simon Thomas, Head of Planning, Canterbury City Council

1. **Introduction**

1.1 This report is the latest update on the situation with the water quality at the Stodmarsh lakes and the approach that the affected councils are taking to find mitigation solutions along with a multi-agency strategic approach to allow Local Planning Authorities to issue planning permissions for new homes within the River Stour catchment.

1. **Background**

2.1 As a reminder, the issue is that Natural England has issued water quality advice that has had a significant impact on the ability of Local Planning Authorities to permit new homes or development with overnight accommodation e.g. some forms of tourism. The advice sets out that until the Stodmarsh protected site is restored to good condition, new developments cannot go ahead unless it can be shown that they will not contribute to any further deterioration of water quality at Stodmarsh. Developments need to show “neutrality” in terms of two nutrients - phosphorus and nitrogen - which, Natural England has found to be causing harm to the ecology at Stodmarsh due to eutrophication (excessive algae growth). In the absence of an agreed strategic solution being implemented, there will be a significant break in development activity in East Kent, which is the key growth area for the County.

2.2 KMEP last received an update report in March 2021 on the water pollution issues affecting the Stodmarsh lakes and the consequential impact on housing delivery in East Kent.

2.3 Subsequently in April 2021, a letter was sent by the East Kent Leaders, the Leader of Kent County Council, and the Chairman of KMEP, to the Secretaries of State for Housing and Local Government and Agricultural and Rural Affairs setting out the problem and requesting Government support to tackle the problem.

2.4 A series of meetings were held earlier this year arranged by the Planning Advisory Service, involving the affected Kent Authorities along with Natural England, Southern Water, Environment Agency, DEFRA and MHCLG where it was agreed that there is a need to develop a catchment-wide Mitigation Strategy and to seek upgrades to Canterbury WWTW much sooner than 2030.

2.5 The broader issue of development viability will also be at the heart of any solution. It is highly likely that any agreed mitigation scheme will have a relatively significant financial cost associated with it. The current position is that developers will be asked to find a solution. This will mean that where viability of a scheme is marginal then this itself could result in development not coming forward or any financial contributions from developers for community facilities and / or affordable housing will be reduced. The availability of grant or loan funding will therefore be an important consideration. The bottom line is that this isn't just about being able to deliver housing but it is about being able to deliver the types of schemes that serve the needs of local communities.

2.6 The various Councils and agencies continue to meet regularly to share information and to develop solutions to this issue. We are currently working together with the aim of establishing a joint strategic approach to deliver improvements that will bring the water quality at Stodmarsh back to favourable condition whilst facilitating the delivery of new homes.

1. **Latest update on solutions**

Nationally

3.1 The issue is one that now impacts on a number of areas throughout England and Wales and we are aware that there is significant discussion at Ministerial level to find solutions to the issue: to allow housing development to continue whilst ensuring that the Habitats Regulations are not breached.

3.2 The nature of the problem does vary throughout the Country where some areas only have a problem either with Phosphorus or with Nitrogen. Stodmarsh is an area with both freshwater and tidal waters and so is affected by both, which complicates finding a solution. Also, the opportunities for wetland creation and biodiversity gains are relatively limited by the availability of suitable land within the catchment, compared to some other parts of the country which are more rural and less populated.

Locally - Stodmarsh

3.3 Officers at each of the affected Councils are working to find appropriate solutions to address the issue and allow planning permissions to start being granted again.

3.4 There has been some success with finding solutions for large scale developments whilst the solution for smaller developments and brownfield/regeneration sites necessitates a coordinated strategic solution which is less straightforward. A more detailed update is set out below.

Strategic sites (over 300 dwellings)

3.5 There has been progress with establishing a solution for the strategic sites. The solutions to date have been in the form of on-site wastewater treatment plants along with environmental enhancements that together will achieve nutrient neutrality. There is however a cost associated with providing on site treatment works that is very roughly estimated to be in the region of around £1,500 per dwelling. The cost of mitigation can be borne by landowners for sites that are now coming forward. However, for sites that are now owned or with established options held by developers, the significant upfront cost of these works potentially will impact on the viability of housing developments and not only risk a restriction in the supply of new homes but also, in some cases, could reduce the ability of developers to fund vital infrastructure such as schools and affordable housing.

3.6 On-site treatment works and biodiversity enhancements have been agreed with Natural England as solutions for two strategic sites in Canterbury District. A similar approach has been agreed for the Otterpool strategic site at Folkestone. For a strategic allocation at Lenham Heathlands, it is anticipated that there will be a combination of Sustainable drainage/Green Habitat blend, private package treatment and interceptor wetland though this strategy will depend on Lenham WWTW being upgraded as part of WINEP. These sorts of measures should enable very large sites to demonstrate that they are “nutrient neutral”.

Smaller sites

3.7 The Natural England advice recognises, however, that smaller sites and brownfield developments may be harder to mitigate. A coordinated strategic solution is required to remove nutrients from the water courses and as such to create headroom for new housing development by overall no worsening of the problem.

3.8 The districts most affected by the issue are Ashford and Canterbury and both Councils are actively investigating solutions to the problem across the catchment in the affected Districts, with a view to ensuring that a joined up strategic approach is taken to implementing mitigations schemes in order to unlock development within the wider east Kent.

3.9 Stodmarsh is impacted by both Phosphorus and Nitrogen. At this stage it is likely that the solutions for each will be different. In the following paragraphs is an update on where we currently are with finding solutions for each of those nutrients.

3.10 The Councils are currently in discussion with Natural England and the Environment Agency to agree a Framework Strategy. This framework strategy will be based upon the principles set out in section 3.0 of this report. The strategy will be set out in two Phases which will necessarily overlap. The First Phase will be to 2030 to deliver current Local Plans. The Second Phase will be developed through the new Local Plans being produced within the affected areas.

3.11 The Framework Strategy, by necessity will be a catchment-wide strategy. The reason for this amongst other things is that the Habitats Regulations require in-combination effects of the various plans or projects that would impact positively or negatively on water quality at the Stodmarsh lakes to be taken into account through Appropriate Assessments.

3.12 Both Ashford and Canterbury Councils have appointed the same consultant to carry out studies to develop a catchment wide strategy. The outcomes of these studies will be shared with the other affected areas to support and inform further studies within those Districts should they be necessary

**Dealing with Phosphorus and Nitrogen**

Phosphorus

3.13 Since the last update to KMEP, we have been working to establish a solution to the issue of Phosphorus. There are a number of planned upgrades to several Wastewater Treatment Works within the River Stour catchment, due to be implemented by 2023/4. These upgrades will remove a significant amount of phosphorus from the watercourse. As previously reported to KMEP, there was also agreement by Natural England that a strategic approach whereby nutrient “credits” from planned and potential projects in the catchment can be used as part of a long term strategy that will deliver housing in the short, medium and long term. Upgrades to the Canterbury Wastewater Treatment Works and a review of its Phosphorus permit, is currently expected to be implemented in the next investment period, 2025-30.

* 1. It would be unrealistic to expect upgrades to happen sooner than the 2025-30 period, given the process that needs to be followed and the necessary timescale for those. However, in the meantime as we are able to rely upon the headroom created by existing planned upgrades to various smaller works, there would be sufficient headroom created to allow for planning permissions for smaller and brownfield developments to be given on the basis that occupation of those homes will be restricted until 2023/4. This is the position regarding Phosphorus only.

Nitrogen

3.15 At this stage, no solution is in place to mitigate the impact of nitrogen on the Stodmarsh lakes for the smaller sites. It is clear the mitigation for nitrogen will need to involve a strategic approach. The two most realistic options that are currently being explored in detail are: the removal of agricultural land from agricultural use and the creation of wetlands to remove nitrogen from the catchment. The latter being significantly more land efficient than the former.

3.16 The option of removing agricultural land from agriculture requires a significant amount of land. It can require around 0.1 hectare of land to be removed from use to create headroom for a single home, although the amount of land required will depend upon the intensity of the current agricultural use. For example the removal of land from use as poultry or pig farms would require less land than removal of land from cereal production. By far the most land efficient of these two potential solutions is the creation of wetlands which can create headroom for several hundred homes per hectare.

3.17 There is therefore the opportunity for wetlands to be created, with the express purpose of mitigating housing development, should affected Councils adopt a catchment-wide mitigation strategy. There are however different requirements depending upon the proximity of the development site to the Stodmarsh lakes, so the amount per dwelling of offsetting land required for Canterbury sites will be likely to be greater than that required for sites in the Ashford District.

1. **Mitigation options and the funding requirements**

Strategic sites

4.1 The letter sent to Government in April 2021 was intended to raise the issue with Ministers and request their support in working towards a solution and to raise the issue of funding and the viability implications of the need to mitigate the problem. The letter also set out a request for upfront funding for the provision of on site Wastewater Treatment Works infrastructure for the strategic sites. The reason for the request is to maintain the viability of sites whereby developers have purchased on the basis of connection to the main sewer and as such the land value has not reflected the additional cost of mitigation for the Stodmarsh. As yet there has been no response to that letter.

Non-strategic sites

4.2 Options for strategic wetland creation from agricultural land are being considered to deliver a catchment wide wetlands scheme to mitigate for the impacts of Nitrogen, so as to allow housing development to resume across all of the affected Districts.

4.3 Canterbury Council has potentially the largest land requirement of all the Districts for wetlands and is currently investigating potential sites for wetland within its administrative area. Ashford Council, which has identified areas of land which could be used to provide wetland to offset new development. Ultimately, a catchment wide solution will be necessary, which disregards administrative boundaries. The recent Ashford Cabinet report identified potential areas for wetland creation within Ashford District to be able to mitigate impacts on development across the wider catchment.

4.4 The letter sent to Government in April 2021 made a number of requests for funding support, including for support to fund the land purchase for wetlands and the costs of creating and maintaining the wetlands in perpetuity (80+ years).

4.5 The cost of the wetlands to address the issue of Nitrogen is not fully known although early rough estimates are that it could be greater per dwelling than the cost of the strategic site mitigation. The letter to Government sent by the East Kent Council leaders, the leader of KCC and the Chair of KMEP, requested support to forward fund the cost of the Councils agreeing a strategic approach to creating wetlands to deliver housing development on the non-strategic sites across East Kent. Wetland will also have some impact in terms of the removal of phosphorus from the watercourse, albeit that phosphorus removal requires a significantly greater amount of land per dwelling than does nitrogen removal.

4.6 In order to deliver the wetland solution, it is estimated that initial upfront costs will be significant and that scheme will need to include the cost of the scheme will also include long term maintenance and management costs.

4.7 There is also a broader question about the funding available to Southern Water to provide any necessary upgrades or mitigation. This will need agreement from the regulator Ofwat and it assumed (and can be posed in our subsequent letter to Government) that a discussion about what the water company should fund (raised through taxpayers bills) and what will then effectively be left to the developers to fund, if not grant or other subsidy is available, with the potential impact on viability of some developments.

4.8 To date no response has been received to this letter, although we understand that Ministers are aware of the issue and are currently looking at the issue at national level. It is considered unlikely that funding will be provided directly from the Government. The East Kent Leaders now intend to contact the new Secretary of State for the Department for Levelling Up, Housing and Local Government to highlight the matter and ask for his intervention to support us in securing a solution and to reiterate the ask for funding to support this.

**5. Other initiatives to improve water quality at Stodmarsh**

5.1 The overall reduction in nitrogen and phosphorus entering the water course will improve the water quality in the Stodmarsh lakes.

5.2 Natural England is responsible for the management and maintenance of the lakes. An example of this is that NE can carry out dredging to remove the phosphorus and nitrogen however, they have chosen not to take this action until such time that the source of the problem is addressed. The logic being that if the lakes are dredged and the other sources of pollution are not addressed, the problem will simply reoccur.

5.3 Natural England also has a wider role in coordinating initiatives that will result in improvement to the water environment. This work includes working with farmers to reduce run-off and also catchment improvement groups.

**6. Next steps**

6.1 All agencies will continue to work together to establish a Strategic Framework for resolving the issue to unlock development in the short, medium and long term.

6.2 The Councils, in conjunction with Natural England, will pursue all options for delivering strategic wetland solutions, as part of the Strategic Framework, as a matter of urgency. Kent County Council has agreed to take a coordinating role where necessary and appropriate.

6.3 A further letter will be sent from East Kent Leaders to Government Ministers with an update on the work going on in Kent and to seek the Government position with regard to the funding requests that have been made.

**For Information Item:** KMEP business leader priorities

