

**REGENERATION AND ECONOMIC DEVELOPMENT
POLICY OVERVIEW AND SCRUTINY COMMITTEE**

Tuesday, 19th January, 2010

10.00 am

Darent Room, Sessions House, County Hall, Maidstone

***Members are asked to bring with them their copy of the
Draft Budget and Medium Term Financial Plan which
was circulated on 5 January 2010***





AGENDA

REGENERATION AND ECONOMIC DEVELOPMENT POLICY OVERVIEW AND SCRUTINY COMMITTEE

Tuesday, 19th January, 2010, at 10.00 am Ask for: Theresa Grayell
Darent Room, Sessions House, County Hall, Telephone 01622 694277
Maidstone

Tea/Coffee will be available 15 minutes before the meeting

Membership (12)

Conservative (11): Mr M C Dance (Chairman), Mr R W Bayford, Mr J R Bullock, MBE,
Mr K A Ferrin, MBE, Mr P J Homewood, Mr J A Kite, Mrs J Law,
Mr K Pugh, Mr K Smith, Mr M V Snelling and Mrs E M Tweed

Liberal Democrat (1): Mr I S Chittenden (Vice-Chairman)

UNRESTRICTED ITEMS

(During these items the meeting is likely to be open to the public)

Item No

A. COMMITTEE BUSINESS

- A1 Substitutes
- A2 Declarations of Interest by Members on items on today's agenda
- A3 Minutes of the meetings held on 12 and 17 November 2009 (Pages 1 - 10)

B. ITEMS FOR DISCUSSION

- B1 Regeneration and Economy - A District Perspective: Report Back from visit to Dover on 15 December 2009 (oral)
- B2 21st Century Kent (Pages 11 - 14)
- B3 Local Economic Assessment - Progress update (Pages 15 - 32)
- B4 Growth Without Gridlock - An Integrated Transport Strategy for Kent (Pages 33 - 34)
- B5 Digital Strategy (Pages 35 - 46)
- B6 Review of Regeneration and Economy Project Activity (Pages 47 - 70)
- B7 Update on Major Projects (Pages 71 - 80)

B8 Financial Monitoring 2009/10 (Pages 81 - 86)

B9 Budget 2010/11 and Medium Term Financial Plan 2010/13 (Pages 87 - 90)
Members are asked to bring with them their copy of the Draft Budget and Medium Term Financial Plan which was circulated on 5 January 2010

B10 Half Yearly Business Plan Monitoring 2009/10 (Pages 91 - 96)

C. SELECT COMMITTEE UPDATE

C1 Update on Select Committee Work (Pages 97 - 98)

EXEMPT ITEMS

(At the time of preparing the agenda there were no exempt items. During any such items which may arise the meeting is likely NOT to be open to the public)

Peter Sass
Head of Democratic Services and Local Leadership
(01622) 694002

Monday, 11 January 2010

Please note that any background documents referred to in the accompanying papers may be inspected by arrangement with the officer responsible for preparing the relevant report.

KENT COUNTY COUNCIL

**REGENERATION AND ECONOMIC DEVELOPMENT POLICY
OVERVIEW AND SCRUTINY COMMITTEE**

MINUTES of a meeting of the Regeneration and Economic Development Policy Overview and Scrutiny Committee held in the Darent Room, Sessions House, County Hall, Maidstone on Thursday, 12 November 2009.

PRESENT: Mr M C Dance (Chairman), Mr I S Chittenden (Vice-Chairman), Mr D L Brazier (Substitute for Mr J R Bullock, MBE), Mr K A Ferrin, MBE, Mr P J Homewood, Mr J A Kite, Mrs J Law, Mr K Pugh, Mr K Smith, Mr M V Snelling and Mrs E M Tweed

ALSO PRESENT: Mr K G Lynes and Mr A Wickham

IN ATTENDANCE: Mr D Cockburn (Executive Director, Strategy, Economic Development & ICT), Ms B Cooper (Director of Economic Development) and Miss T Grayell (Democratic Services Officer)

UNRESTRICTED ITEMS

26. Membership - to report that Mr K Smith has joined the Committee in place of Mr B J Sweetland
(Item A1)

27. Mrs Barbara Cooper, Director of Economic Development

The Chairman introduced and welcomed the recently-appointed Director of Economic Development, Mrs Barbara Cooper, to her first meeting of the Committee.

28. Minutes of the meeting held on 24 September 2009
(Item A4)

RESOLVED that the Minutes of the meeting held on 24 September 2009 are correctly recorded and that they be signed by the Chairman.

29. Presentation - Environmental Technologies: Greener Opportunities for Kent
(Item B1)

Mr R Gill, Economic Strategy and Policy Manager, and Ms C Mckenzie, Greener Kent Manager, were in attendance for this item.

1) Mr Gill introduced a series of slides which set out the need for the KCC to assess the economic opportunities which could arise when addressing climate change issues. He emphasised that the issue was being addressed by councils across the UK and Europe, and was fast changing. He presented a draft report – *Low Carbon Opportunities for Growth* – which sets out a menu of potential actions that KCC could take, and invited further comments.

2) Ms Mckenzie set out work which was progressing in the meantime, including:- measures to improve the take-up rate of grants available to improve the environmental performance of individual homes, working with partners such as district councils, the fire authority and supporting people; work to increase the use of renewable energy sources and the resource efficiency and competitiveness programme.

3) Mr Gill and Ms Mckenzie responded to questions and comments raised by Members in discussion of the issue, as follows:-

- a) Members congratulated Mr Gill and his team on the work they had done, and on the clarity of the report;
- b) timber which would otherwise go to landfill should be used as a renewable energy source, whenever and as far as was possible. Kent was the second largest wooded county in the UK but did not make optimum use of this resource. Coppicing of woodland was not widely carried out as the resulting product was not considered economically viable. Coppicing skills could be taught to a new generation, perhaps in an apprenticeship scheme;
- c) KCC was aiming to reduce the total annual energy bill of £20mill across its whole estate, and had invested £1mill in measures to improve energy efficiency. This investment had already yielded £1.1mill of savings so was already generating an encouraging return;
- d) Kent was the only local authority in the UK to have installed LED lights across its entire traffic light network;
- e) Regeneration and Economic Development should join with Environment, Highways and Waste in working on the Renewable Energy Select Committee topic review, as this would strengthen the KCC's role on renewable energy and get optimum value from the Select Committee's work. The terms of reference of the review would need to be very clear and precise;
- f) Kent had a large number of listed residential properties which would be difficult and expensive to convert to more efficient forms of fuel, but most free support to convert homes was geared to helping the most vulnerable homeowners rather than the oldest properties. However, a bid for European funding sought to address the issue of updating historic properties;
- g) the committee should add questions about environmental sustainability measures to the questions it asks when visiting districts to look at their regeneration priorities;
- h) Kent could gain much from looking at the examples of renewable energy sources employed by other authorities. Canterbury City Council, for example, had an environmental policy which was applied across all their directorates; and

- i) Similarly, the UK could learn much from the experiences of other European countries (eg Austria, where there would be no question of what heating mechanism to install in a building, as the use of biomass was very well established).
- 4) RESOLVED that the information in the report be noted, with thanks, and that Members' ideas and views on environmental opportunities for Kent, set out in paragraph 3) above, be taken into consideration.

30. Local Economic Assessment, Partnership Structures and Devolution *(Item B2)*

Mr R Gill, Economic Strategy and Policy Manager, was in attendance for this item.

1) Mr Gill introduced the report, which set out the need for Kent to work in multi-area agreements with other authorities to meet its new duty. He responded to a number of questions and comments raised by Members in discussion of the issue, as follows:-

- a) Members expressed a range of views on the usefulness of partnership working between Kent and Medway, with some Members having reservations and others feeling that it was imperative;
 - b) District councils need to be involved in discussions and consultations right from the beginning, as their input and support was vital;
 - c) Working more closely with partners would mean that councils were better placed to face challenges and would avoid duplication of effort between county and district councils across the UK; and
 - d) It was vital to the success of this joint working that the timing of the exercise was right and that county and district partnerships were established as early in the process as possible.
- 2) RESOLVED that the information in the report be noted, with thanks, and that Members' views, set out in para 1) above, be taken into consideration as work moves forward.

31. Regeneration and Economy - A District Perspective: Members' oral report back from visit to Swale Borough Council, 2 November 2009 *(Item B3)*

Mr K A Ferrin declared a prejudicial interest in this item due to his involvement in the development of the Kent Science Park at Sittingbourne, which was one of the sites viewed and discussed during the visit. He left the room and took no part in the discussion which followed.

1) The Chairman placed on record his thanks to Swale Borough Council for organising and hosting the visit, and thanked the Members of the POSC who had attended.

2) Mrs Cooper reminded Members that the aim of the visit was for the Borough Council to show POSC Members its priorities, for Members to see examples of different practice and best practice, and to seek to identify and understand the future funding needs of the areas visited.

3) Members agreed on the general usefulness of the visit in helping them towards the aims which Mrs Cooper had listed, and expressed the following views:-

- a) money spent on the Kent Science Park would need to show a return, and some Members were concerned that this might not happen;
- b) it is important to focus on people in an area and not just on the buildings and the physical economy;
- c) while some Members were impressed with what had been done in Sittingbourne town centre and the Queenborough - Rushenden coastal area, others felt Sittingbourne town centre could benefit from building up the night time economy with some fine dining establishments, and that more could be done to promote the heritage of the coastal area;
- d) it was vital to improve the quality of life in Sheppey to bring it up to the level of the rest of the county;
- e) Kent's Universities should be involved in the development of the Kent Science Park, to bring industry and science together;
- f) in undertaking this series of visits, the POSC needed to be able to gather consistent, comparative information from all areas. It was vital that the visit produced a useful report at the end which the POSC could present to Cabinet; and
- g) Members needed background and introductory information in advance of each visit, to get the optimum benefit from what they are visiting. Information packs given out by the borough on the visit need to be copied to those Members who could not attend.

3) RESOLVED that:-

- a) the views expressed by the Members who attended the visit be noted; and
- b) protocols and paperwork to prepare for and report back from the visit be further developed to give full and consistent information.

32. Quarterly Budget Monitoring Report 2009/10

(Item B4)

33. Autumn Budget Statement and Draft Medium Term Plan 2010/11 to 2012/13

(Item B5)

Mr D Shipton, Finance Strategy Manager, was in attendance for these items.

The Chairman asked Members if they wished to consider items B4 and B5 today as urgent business, as the papers had not been placed in the public domain with the required notice, or reconvene on another day especially to consider these items.

RESOLVED that consideration of items B4 and B5 be deferred until a specially-convened meeting on another date.

(Members subsequently agreed that the special meeting take place on Tuesday 17 November 2009, commencing at 3.00 pm) *The minutes of that meeting follow these.*

34. Update on Major Projects

(Item B6)

- 1) Mrs Cooper introduced the report and answered questions from Members about the Kent Savers scheme, credit unions and other ways to support the people of Kent through the recession, and how best to publicise, as widely as possible, what the KCC was doing and could do to help.
- 2) RESOLVED that the information in the report be noted, with thanks.

35. Update on Select Committee Work

(Item C1)

- 1) Miss Grayell introduced the report and acknowledged the links with the 'Renewable Energy' Select Committee which this Committee was likely to have, which had been referred to by several Members while discussing the report on Environmental Technology.
- 2) RESOLVED that the information in the report be noted.

This page is intentionally left blank

REGENERATION AND ECONOMIC DEVELOPMENT POLICY OVERVIEW AND SCRUTINY COMMITTEE

MINUTES of a meeting of the Regeneration and Economic Development Policy Overview and Scrutiny Committee held in the Darent Room, Sessions House, County Hall, Maidstone on Tuesday, 17 November 2009.

PRESENT: Mr M C Dance (Chairman), Mr I S Chittenden (Vice-Chairman), Mr P J Homewood, Mr K Smith and Mrs E M Tweed

ALSO PRESENT: Mrs J A Rook

IN ATTENDANCE: Ms B Cooper (Director of Economic Development), Mr D Oxlade (Head Of Policy), Mr D Shipton (Finance Strategy Manager) and Miss T Grayell (Democratic Services Officer)

UNRESTRICTED ITEMS

1. Financial Monitoring 2009/10 (Item B1)

The Chairman secured the Committee's agreement to consider this and the following item as urgent business as the papers had not been placed in the public arena with the required notice.

1. Mr Shipton introduced the report and explained that there had been no significant change since the monitoring report which was submitted to the Committee at its September meeting.
2. RESOLVED that the information in the report be noted.

2. Budget 2010/11 and Medium Term Financial Plan 2010/11 to 2012/13 (Item B2)

1. Mr Shipton introduced the report and explained that the Government's formula grant settlement had been confirmed only for 2010/11 as the last year of the current 3 year local government settlement, and the comprehensive spending review which will inform the next 3 year settlement was due to start in the summer of 2009 but had been deferred until after the forthcoming general election, making the consultation timetable for the review both late and tight. He indicated that officers were working on an assumption that future settlements were likely to be less than they had been accustomed to for a number of years. He also indicated that there was no certainty over some specific grants which could impact in 2010/11. One optimistic piece of news for the Regeneration and Economic Development Portfolio is that income from the Local Authority Business Growth Incentive (LABGI) scheme in 2009/10 is £500k more than expected when the budget was set, and it is estimated that the KCC will receive a similar amount in 2010/11 which will help towards the overall budget. However, after 2010/11, the current LABGI scheme comes to an end and there was no indication of what might replace it.

2. Mr Shipton, Mr Oxlade and Mrs Cooper answered questions from Members, explaining the following:-

- a) KCC is assuming average inflation levels of 1.5%, 1.5% and 1.8% for 2010/11, 2011/12 and 2012/13 respectively in the draft budget proposals presented to the Committee and thus there is little scope to make further savings from the current low levels of inflation;
- b) no provision had been included for a cost of living pay increase for staff in 2010/11, so any figure which is awarded will be an extra budget pressure to be met;
- c) SEEDA had withdrawn £0.5 million of funds for 2010/11 from the South East, and it was expected that other agencies would also be reducing expenditure;
- d) securing sponsorship for activities undertaken by bodies such as Visit Kent would have only partial benefit, as the tourism team already exploits external funding wherever possible. KCC funding often acts as leverage for significant external funding;
- e) the directorate worked on long term projects, and had to be certain of being able to follow through and complete a project. The Government's funding mechanism does not always support the long term picture; and
- f) the directorate's draft budget included a service growth item of £400k for a new statutory duty for KCC in relation to undertaking a Local Economic Assessment and setting up an Economic Prosperity Board, which was set out in a report to the POSC on 12 November 2009.

3. In discussion, Members expressed the following views about priorities:-

- a) so many aspects of the budget are unknown at this stage. It is very difficult for Members to give a view without being able to judge the effect of their decision. In partnerships, and in the field of regeneration and economic development, KCC's decisions have an impact on others' prosperity, and in a poor economic climate there is more pressure on KCC to support the economic health of the county;
- b) a major consideration is that most of what the directorate does is achieved with other people's money. KCC money is so often either core funding or match funding in a much larger project. A small change in KCC's contribution has a magnified effect when part of a bigger project;
- c) directorate staff working in an area of expertise in which KCC is a pioneer and/or leads the field should be protected – eg the Research and Intelligence unit;
- d) KCC does not necessarily have to be a leader or driver in a project; it could put its weight behind other people's innovations (an example given was of the regeneration of Hadlow College);

- e) The POSC's programme of visits to districts would help to identify priorities, and at the end of the year's programme, Members will be able to have an overview of the county's regeneration priorities;
- f) After successive years of trimming expenditure, there was now no longer the opportunity to trim any further, and KCC directorates were at the stage of needing to reshape themselves to deliver services in other ways. Budget cuts made now, however, left less room to manoeuvre in the future, both in continuing current projects and undertaking new activities;
- g) partnership working gives an opportunity to share overheads and avoid duplication, and can be seen as a way of protecting partners; and
- h) the KCC is setting its current budgets and looking at savings in a culture of widespread economic hardship which is easy for the public to relate to. KCC needs to work together with Kent businesses and communities to face reality constructively.

4. In addition to the above, Members supported efficiency measures totalling £197,000 outlined by Mrs Cooper which are already planned for next year, which include freezing vacant posts as well as reviewing the level of funding given to Locate in Kent and Visit Kent.

5. In conclusion, Members expressed the view that, as the unexpected income outlined by Mr Shipton had helped the budget position this year, there was less need to identify savings in the regeneration budget for 2010/11, and it will be easier to identify clear priorities for 2011/12 onwards as the programme of district visits continuing through 2010 will make clear where Kent's regeneration priorities lie and make it easier for Members to make priority judgements when setting the 2011/12 budget.

6. RESOLVED that Members' views on budget priorities, set out in paragraphs 3 and 4 above, be passed on to the Cabinet as this Committee's contribution to the budget setting process for 2010/11.

This page is intentionally left blank

By: Kevin Lynes, Cabinet Member for Regeneration and Economic Development
David Cockburn, Executive Director, Strategy, Economic Development and ICT

To: Regeneration and Economic Development Policy Overview and Scrutiny Committee - 19th January 2010

Subject: “21st Century Kent”

Classification: Unrestricted

Summary:

This paper introduces the scheduled update on “21st Century Kent”, a strategic overview being produced by Sir Terry Farrell to add strategic clarity to KCC’s Regeneration Framework and to help shape long term growth and regeneration ambitions for the county.

1. Introduction

- 1.1 *21st Century Kent* aims to bring clarity, purpose and vision to an increasingly crowded strategic landscape.
- 1.2 Building directly on KCC’s framework for regeneration and produced by Sir Terry Farrell, *21st Century Kent* will provide an exciting vision of the county’s future in 20-30 years time.
- 1.3 *21st Century Kent* is being developed by KCC in its strategic capacity to complement and add value to local planning and regeneration strategies across Medway and Kent. It will provide an important strategic overview, underpinned by the Regeneration Framework and work in Kent’s Districts.

2. Background

- 2.1 Kent County Council and Medway Council both have strong and effective Local Strategic Partnerships and both have a responsibility – independently and within their LSPs - to address the major spatial and strategic challenges for their respective areas. Local development is addressed by Medway and Kent Districts through their LDFs and Sustainable Community Strategies.
- 2.2 Recognising the challenging economic climate, in January 2009, Kent County Council launched “Unlocking Kent’s Potential”, KCC’s framework for regeneration across the county. It identified the need to look at regeneration and development more widely than economic growth alone and set out a

series of challenges and opportunities for Kent to unlock the county's economic and community potential.

- 2.3 To achieve this, the Regeneration Framework identified the need for a series of county-based strategies including work on transport, housing and environment, together with an overarching 20 year spatial vision for Kent from Sir Terry Farrell - *21st Century Kent*.

3. Strategic Focus and Context

- 3.1 Importantly, as seen above, the development of *21st Century Kent* has not been a sequential process, but a dynamic one, with strategies commissioned simultaneously. This has enabled *21st Century Kent* to inform the work underway and, in turn, to be informed by it.
- 3.2 In mapping an ambitious vision for the county, *21st Century Kent* will draw upon a range of strategic and regeneration documents. It will also complement Medway's highly regarded "Five towns – one city" strategy, the Thames Gateway "Parklands" strategy and latest Thames Gateway vision, also produced by Sir Terry, while being compatible with ongoing policy work around regions and localism.
- 3.3 Wide-ranging consultation has also taken place over the last 12 months, with workshops facilitated by Farrells and detailed feedback and discussion with District Councils on the Kent Regeneration Framework.

4. Launch

- 4.1 *21st Century Kent* will be launched at a series of events across the county on 28th January, each of which will focus on a particular aspect of the report with audiences targeted appropriately.
- 4.2 Reflecting the civic leadership which transformed cities such as Birmingham in the Victorian era through to Docklands in more recent times, *21st Century Kent* will indicate what could be possible for Kent in decades to come by creating a visionary environment for growth and by unlocking the massive potential of Kent's economy, environment and people.
- 4.3 Full details of the launch will be provided in the verbal update to the Committee.

5. What will change as a result?

- 5.1 *21st Century Kent* aims to provide clear strategic ambition and spatial context for economic development and regeneration within the county.
- 5.2 It will be an aspirational document, not a statutory one, recognising the status of the Local Development Frameworks (LDFs) in Medway and in the Kent Districts as the primary local planning documents for their areas.

5.3 To unlock Kent's potential, clear strategic direction and drive will be vital. In providing a blueprint for the future, *21st Century Kent* will reinforce our priorities for action and inform the way KCC operates and works with partners to deliver our shared and exciting ambitions for the county.

6. Recommendation

The Regeneration & Economic Development Policy Overview & Scrutiny Committee is asked to note the contents of the report.

Author Contact Details:

David Godfrey
Strategy, Economic Development and ICT

Email: david.godfrey@kent.gov.uk Tel: 07920 428556

Background Documents: None

This page is intentionally left blank

By: Kevin Lynes
Cabinet Member for Regeneration and Economic Development

David Cockburn
Executive Director, Economic Development, Strategy and ICT

To: Regeneration and Economic Development Policy Overview and
Scrutiny Committee - 19 January 2010

Subject: Local Economic Assessment: Progress update

Classification: Unrestricted

Summary:

Under new legislation, Kent County Council has both a duty to prepare a Local Economic Assessment and a number of opportunities to take advantage of new measures to devolve economic development powers to sub-regional level.

The Regeneration and Economic Development Policy Overview and Scrutiny Committee received at its November meeting a summary of these new duties and opportunities. This report sets out progress in taking them forward and in particular highlights the approach that is being taken to work jointly with Medway Council and District colleagues in developing the Local Economic Assessment.

1. Introduction

- 1.1. In November 2010, the Local Democracy, Economic Development and Construction Act received Royal Assent. The Act contains a number of measures intended to support sub-regional devolution, including:
- A new requirement on county and unitary authorities to carry out assessments of the economic conditions of their areas
 - The introduction of new 'integrated regional strategies' linking economic development and spatial planning, which the local economic assessments will inform
 - The development of joint approaches to investment planning between local authorities, regional development agencies, the Homes and Communities Agency and other partners, again informed by local economic assessments; and
 - A series of possible arrangements for the delivery of economic development at sub-regional level.
- 1.2. The measures contained in the Act reflect the outcome of the 2007 Review of Sub-National Regeneration and Economic Development, which placed an increased emphasis on the role of local authorities, but which also emphasised the need for authorities to work together more closely at sub-regional level. Kent's ability to take advantage of potential devolutionary powers therefore

depends on our ability to develop effective economic development partnership structures with Medway Council and the twelve Kent Districts. In view of this, our approach in taking forward the main elements of the Act is focused on maximising this engagement.

2. The Local Economic Assessment duty

- 2.1. The Act requires upper tier authorities to produce Local Economic Assessments for their areas. The Local Economic Assessment is intended to be a robust and evidence-based exercise which will provide KCC and its partners with a strong understanding of the economic character of the county and which will contribute to informing, among other things, future Local Development Frameworks and Local Area Agreement negotiations.
- 2.2. We have now reached agreement with Medway Council that we will prepare a joint Local Economic Assessment. Following this, a draft Scoping Report for the Assessment has been prepared (see Annex 1) which seeks to link the development of the Assessment with the responsibilities placed on KCC and Medway through other legislation and guidance for assessments of (for example) worklessness and child poverty. We have now consulted on this Scoping Report with the Kent Districts, SEEDA and the South East England Partnership Board at officer level and have received a positive response.
- 2.3. In December, the Government issued draft statutory guidance on the contents of Local Economic Assessments. The draft guidance anticipates that the Assessment will take a broad approach to the economy, although provides significant flexibility to local authorities to focus on those issues that are of local importance. The draft guidance is therefore broadly compatible with the approach outlined in the draft scope.
- 2.4. Although the duty to undertake the Assessment rests with Kent County Council and Medway Council as upper-tier authorities, the Government's draft guidance emphasises the importance of extensive District involvement. For that reason, we are seeking to involve District leaders or their elected member representatives in a joint consultative meeting to be held in February, at which a revised version of the scope of the Assessment can be discussed and the joint Kent/Medway response to the Government's consultation agreed.
- 2.5. In the meantime, initial work on the substance of the Local Economic Assessment will be progressed from January, in anticipation of the Assessment's potential value as a basis for future resource prioritisation.

3. Joint investment planning

- 3.1. The Act anticipates a joint investment planning approach between the local authorities, the Regional Development Agency and other partners. This approach is reflected in the Homes and Communities Agency's brokerage of 'Single Conversations' with local authorities and other development partners. Within Kent and Medway, we are participating in one of three pilots for the HCA's approach in North Kent, building on the successful conclusion of a Multi-Area Agreement last year. This will lead to the completion of a Local Investment Plan for North Kent by the end of March, setting out the area's future investment requirements. It is anticipated that similar plans will be put in place across the rest of Kent over the next 18 months and that these will form the basis for future investment by the HCA and potentially other agencies.

4. Future mechanisms for economic co-operation

- 4.1. The Act proposes a range of mechanisms for greater co-operation in economic development and regeneration activity at sub-regional level. These mechanisms fall into two categories:
- Further developments of existing Multi-Area Agreements, through which groups of authorities agree to meet certain outcomes in exchange for flexibilities in delivery; and
 - Economic Prosperity Boards, intended as local government-led, sub-regional bodies which could potentially aggregate funding and powers from regional or national agencies in relation to economic development
- 4.2. Through the Regeneration Framework, KCC is committed to the establishment of an Economic Prosperity Board or equivalent body. However, as the legislation has only just passed, it is unlikely that any EPBs will be established before the next general election. At the same time, the future of sub-national economic development policy is somewhat fluid, given the recent reduction in the Regional Development Agencies' budgets and their potential abolition under a future Conservative government.
- 4.3. Nevertheless, there is likely to be a continued emphasis on joint working between local authorities regardless of the outcome of the general election. Co-operation in taking forward the Local Economic Assessment duty will be a useful precursor to the establishment of any formal arrangement and the Assessment itself will provide a useful base on which a future sub-regional strategy may be developed, should KCC and its local authority partners wish to.

5. Recommendations

The Policy Overview and Scrutiny Committee is recommended to note the contents of this report.

Annex

Annex 1: Kent and Medway Local Economic Assessment: Scoping Report (Consultation Draft), October 2009

Background documents

Department for Communities and Local Government (December 2009), Local Economic Assessments: Draft Statutory Guidance

<http://www.communities.gov.uk/publications/localgovernment/localeconomicassessments>

Author contact details:

Ross Gill

Economic Strategy and Policy Manager

01622 221312 (7000 1312)

Ross.gill@kent.gov.uk

**Kent and Medway
Joint Local Economic Assessment**

Scoping report
DRAFT FOR COMMENT

October 2009



Contents

1. Background to the Local Economic Assessment	
Introduction	3
Purpose of the Local Economic Assessment	4
Linkages with statutory and other key strategic documents	4
Rationale for a joint Kent and Medway approach	5
2. Content and scope of the Local Economic Assessment	7
Overall structure	7
Geographical scope	7
Content	8
- Topic Paper 1: Analytical overview	8
- Topic Paper 2: Demography	8
- Topic Paper 3: Economic scale and structure	8
- Topic Paper 4: Enterprise and innovation	9
- Topic Paper 5: Employment and skills	9
- Topic Paper 6: Deprivation	10
- Topic Paper 7: Commercial and residential development	10
- Topic Paper 8: Infrastructure	11
- Topic Paper 9: Environmental constraints and opportunities	11
- Topic Paper 10: Regulation, business support and economic development activity	11
- Topic Paper 10: Economic forecasts	11
- Overall summary	11
3. Joint Economic Assessment process and timescales	12
Governance arrangements	12
Consultancy support	13
Budget	13
Project timetable	14

1. Introduction: Background to the Local Economic Assessment duty

Introduction

- 1.1. Under legislation going through Parliament, Kent County Council (KCC) and Medway Council will each have a duty to prepare Local Economic Assessments of their areas. Local Economic Assessments are intended to set out a robust analysis of the state of the local economy and to inform future Regional Strategy and Local Development Frameworks.¹.
- 1.2. KCC and Medway Council intend to prepare a joint Local Economic Assessment for the whole of Kent and Medway. This paper sets out KCC's and Medway's proposals for the scope of the joint Local Economic Assessment, in particular:
 - The purpose of the Local Economic Assessment and the rationale for developing it as a jointly between Kent and Medway
 - The geographical basis for the Assessment process
 - The areas that the Assessment will cover and the data that will be used in support of them
 - Mechanisms for prioritising investment and considering options for sub-regional economic governance
 - The process and timetable for taking the Local Economic Assessment forward
- 1.3. The Government published draft statutory guidance on Local Economic Assessments in August 2009. This scoping report reflects the draft guidance and covers all those areas that Government envisages should be considered in an Economic Assessment. However, the draft guidance allows for considerable flexibility, enabling the scope set out in this paper to be responsive to Kent and Medway's specific local circumstances.
- 1.4. Within the current legislation, KCC will have a duty to consult and engage with Kent District Councils on the preparation of the Local Economic Assessment. Districts will in turn have a duty to cooperate. The views of District Councils on the contents of this draft Scoping Report, particularly the proposed topic papers that will contribute to the Assessment, are welcome.

¹ Local Democracy, Economic Development and Construction Bill 2009, para. 63(1)

Purpose of the Local Economic Assessment

- 1.5. The Local Economic Assessment (LEA) duty emerges from the Government's Review of Sub-National Economic Development and Regeneration (the Sub-National Review, or SNR), which concluded that local authorities should play a stronger role in economic development and regeneration and that economic decision making should be increasingly devolved to local and sub-regional level. Specifically, the duty is contained within the Local Democracy, Economic Development and Construction (LDEDC) Bill, currently going through Parliament. There is a broad political consensus on the need for increased local devolution, with the Conservative Party's Green Paper, *Control Shift* generally continuing the approach of the SNR.
- 1.6. The Local Economic Assessment duty is intended to support the reforms proposed under SNR by:
 - Providing local authorities and other stakeholders with an understanding of how economic conditions shape places at a range of spatial levels, in order to inform priorities, resource allocations and actions
 - Reflecting the economic character of the area (including the diversity within the area); and
 - Adding and contributing to other strategies and plans
- 1.7. The core objectives of the Local Economic Assessment, as set out in the draft guidance, are to:
 - Provide a sound understanding of the economic conditions in the area and how they affect residents and businesses
 - Identify the comparative strengths and weaknesses of the local economy and the nature and form of local economic challenges and opportunities
 - Identify local economic geography, including the links between Kent and Medway and the wider economy
 - Identify constraints on sustainable economic growth and employment
- 1.8. Given these objectives, it is clear from the preliminary material produced alongside the LDEDC Bill that while Assessments are intended to be robust and evidence-based, they are not intended to be purely statistical exercises, and this intent is reflected in this draft scoping document.

Linkages with statutory and other key strategic documents

- 1.9. The Local Economic Assessment is intended to inform a number of key strategic documents:

- 1.10. **Sustainable Community Strategies:** The assessment should form part of the evidence base for Sustainable Community Strategies (within the KCC area at both county-wide and district level), and should inform future local area agreement and multi area agreement negotiations
- 1.11. **Local Development Frameworks:** The assessment should both inform, and be informed by, LDFs. The economic assessment will support Local Planning Authorities in carrying out their duties under Section 13 of the Planning and Compulsory Purchase Act 2004, which require them to keep under review any matters that may affect the development of the area, including economic characteristics. Draft PPS4 also requires that LPAs should work with authorities preparing local economic assessments to maintain a sound economic evidence base².

On the other hand, the Local Economic Assessment is intended to take account of evidence prepared by local authorities in the development of Local Development Frameworks

- 1.12. **Regional Strategy:** The assessment should form part of the evidence base for the integrated Regional Strategy and the Regional Implementation Plan (although the development of the assessment will also have to have regard to existing strategies at regional level).
- 1.13. Future **sub-regional economic development strategy**. There is no formal requirement for the Assessment to lead to a Kent and Medway economic development strategy. However, given that Kent Prospects (the overall framework for the KCC area) is now several years old and will need to be replaced, and given likely changes in the economic development policy landscape, there would be a logic in producing a Kent and Medway economic strategy following the Local Economic Assessment. This will however be a decision for the Kent and Medway local authorities in due course.

Rationale for a joint Kent and Medway approach

- 1.14. As upper tier authorities, both Medway Council and KCC will have duties to prepare local economic assessments, and there is no requirement on us to prepare a joint assessment.
- 1.15. However, the Government's Policy Statement takes the view that economic assessments should not be constrained by administrative boundaries, and encourages joint assessments where economic links between authorities are strong. In particular, the Policy Statement notes that county councils may undertake joint assessments with neighbouring unitaries³.

² CLG (2009), PPS4: Planning for Prosperous Economies, Policy EC1, p.16.

³ CLG (January 2009), LDEDC Local Economic Assessments: Policy Statement, p.7.

- 1.16. Given this encouragement, there is a strong rationale for carrying out a joint assessment between Medway Council and KCC. This is reflected in both:
- Strong economic linkages (with for example Medway forming part of the same travel to work area as Maidstone and much of Swale and Tonbridge and Malling), and
 - A history of cooperation in economic governance (for example through the Multi-Area Agreement for North Kent and joint coverage by agencies such as Locate in Kent)
- 1.17. In addition, given Medway's geographical position, much of the analysis needed to inform the economic assessment for Kent will need to take account of Medway, and vice-versa, so a joint assessment will reduce potential duplication.
- 1.18. Finally, the LDEDC Bill contains provisions for greater sub-regional economic cooperation (for example through the establishment of an Economic Prosperity Board or similar vehicle). Should KCC, Medway Council and the Kent Districts wish to establish such an entity, a joint local economic assessment will help in setting out a common evidence base to support a strategy for it.

2. Content and scope of the Local Economic Assessment

Overall structure

- 2.1. The Economic Assessment will need to deliver a comprehensive analysis of the area's economy. This is intended to be as objective and complete as possible, and will therefore need to cover a wide range of topics, set out in Section 2.3 below.
- 2.2. The Assessment will be produced through a series of **topic papers**, which will largely be freestanding, but which will be synthesised at the end of the process to produce an overall analysis which, when summarised, will form the Local Economic Assessment document. An advantage of the topic paper approach is that individual papers can be revised in the light of specific changes of circumstance, without the need for wholesale revision of the overall Assessment.

Geographical scope

- 2.3. The Assessment will cover the whole of Kent and Medway. However, the Assessment **will seek to use the 12 districts and the Medway Council area as the fundamental building-blocks**, recognising that the Assessment will need to be of practical value in informing LDFs, which are district responsibilities, and Sustainable Community Strategies, developed at sub-county level on a district or multi-district basis. The Assessment will therefore seek to provide accessible district economic assessments within the context of an overall sub-regional assessment. This district-level approach will also enable aggregation to sub-regional partnership level where appropriate. The Assessment will therefore be both *sub-regional* where analysis is most appropriate at this level, and *local* where a finer spatial grain is required. This is particularly important, given the economic diversity of Kent and Medway.
- 2.4. However, the Assessment will also analyse functional economic areas, recognising that these cut across administrative boundaries and are also likely to overlap. In this context, the assessment will also need to consider the **economic links beyond Kent and Medway** (into London, Essex/ Thurrock, Surrey and East Sussex), taking into account the extensive inter-county travel to work areas. In the preparation of the Assessment, we will therefore need to work closely with neighbouring authorities (and with SEEDA).

Content

Process

- 2.5. The following paragraphs set out proposed topic areas, with the key areas that these will seek to analyse. For each of the topic papers, detailed briefs will be drawn up, setting out existing data (and other information) that will be drawn upon and gaps in intelligence which will need to be filled. The topic papers approach allows for district-by-district breakdown and the use of locally-specific information where appropriate (for example, district or multi-district economic development strategies and the evidence bases prepared for them).
- 2.6. While the topic papers will seek to avoid duplication, there may be a limited amount of overlap between them. This can however be resolved when the individual topic papers are edited to form chapters in the overall Local Economic Assessment document.
- 2.7. All topic papers will obviously draw on available data. However, they are not intended to be purely repositories of data, and will also contain an overview of the relevant strategic context as well as qualitative analysis (including business views) where appropriate. In particular, each topic paper is intended to be forward looking, setting out how different scenarios might impact on the future of Kent and Medway, rather than purely setting out a snapshot of the current state of the area.

Topic Paper 1: Analytical overview

- 2.8. This will set out a starting point for the Assessment, providing a summary of the state of the Kent & Medway economy, a review of the county's recent economic history and recent relevant national and international trends and a summary of sub-county diversity.
- 2.9. This can take the Kent Prospects basket of indicators as a starting point; ultimately, the topic paper will also become the introductory chapter of the economic assessment, with a summary of the rest of the analysis.

Topic Paper 2: Demography

- 2.10. This will establish the implications of population change and migration for the future workforce, and more generally the impacts of demographic change (especially an ageing population) on the local economy.

Topic Paper 3: Economic scale and structure

- 2.11. This paper will seek to analyse the strengths and weaknesses of Kent and Medway as an employment and business development

environment, considering in particular the sectoral composition of the county's economy, including diversity and concentration, and opportunities and constraints on growth.

Topic Paper 4: Enterprise and innovation

2.12. This paper will follow from Topic Paper 3 in examining enterprise development in Kent and Medway, including levels and trends in business start-ups, levels and trends in self-employment, levels of knowledge intensity (following on from the sectoral analysis in Topic Paper 3) and enterprise-focused links with higher education. The paper will also provide an overview of existing arrangements for enterprise and innovation support.

Topic Paper 5: Employment and skills

2.13. This paper will form a core element of the Assessment, and will cover a series of inter-related sub-topics:

- An analysis of the Kent workforce and labour market
- Skills levels, trends and identified shortfalls
- Worklessness

2.14. Taking each of these in turn:

Analysis of the Kent workforce and labour market

2.15. This aims to provide a broad understanding of the local occupational structure at county-wide, district and sub-regional level, including:

- Employment, unemployment and economic activity;
- Employee earnings and diversity across the county;
- Travel to work and commuting patterns. These may be subject to considerable change given the start of High Speed 1, and the paper will seek to consider the impacts of HS1.

Worklessness

2.16. The final report of the Tackling Worklessness Review (the Houghton Report) published in March, recommended that local authorities carry out worklessness assessments⁴. Emerging guidance states that these should form an integral part of local economic assessments (although the duty is not anticipated to be exclusive to upper-tier authorities). Given the obvious overlap between an analysis of worklessness and its causes, the wider labour market and skills attainment, it makes sense to incorporate the worklessness assessment within the wider employment and skills topic paper.

⁴ Tackling Worklessness: A review of the contribution of English local authorities and partnerships, Final Report, CLG (2009). Note that in 2009, authorities in receipt of Future Jobs Fund monies will be required to prepare Preliminary Worklessness Assessments.

- 2.17. Building on the workforce analysis in the earlier part of the paper, the worklessness assessment will aim to:
- Consider how labour market conditions are changing
 - Set out a demographic profile of those claiming out of work benefits
 - Identify those people most at risk of redundancy and long term unemployment
 - Identify districts, towns and neighbourhoods suffering from (or at risk of) worklessness
 - Identify concentrations of young people not in education, employment or training
 - Consider existing capacity to support those who are unemployed or made redundant

Skills

- 2.18. This will provide an analysis of current skills levels, including:
- Current workforce educational attainment levels
 - Identified skills gaps (taking advantage of the sector-based analysis in Topic Paper 3)
 - School and further education attainment levels and trends
 - Higher education progression, attainment and retention
- 2.19. The outcomes of the skills analysis may in due course help to inform the workings of the Employment and Skills Board and/ or other commissioning bodies.

Topic Paper 6: Deprivation

- 2.20. This paper will inevitably overlap somewhat with the worklessness assessment in Topic Paper 5. However, it will be important in setting out the wider nature of deprivation in Kent and Medway, including:
- Factors leading to concentrations of multiple deprivation at district and neighbourhood level
 - Patterns and impacts of concentrated and dispersed deprivation
- 2.21. This paper will also take account of the proposed duty set out in Section 21 of the Child Poverty Bill for KCC and Medway Council to undertake an assessment of the needs of children living within poverty and will take account of and contribute to evidence prepared in the course of the development of the Child Poverty Assessment.

Topic Paper 7: Commercial and residential development

- 2.22. This paper will consider:
- The nature of local housing markets in Kent and Medway, future housing development and its economic impacts
 - Trends in take up of employment land
 - Current employment land availability by amount, type and quality
 - Major development sites

2.23. Much of the information on which this topic paper will be based will be incorporated within existing Employment Land Reviews and Strategic Housing Market Assessments. Given the volume of existing information, Topic Paper 7 may be presented as two sub-papers.

Topic Paper 8: Infrastructure

- 2.24. This paper will consider:
- Utilities provision and potential constraints on development
 - The impact of new transport provision on economic development (e.g. HS1)
 - Existing transport infrastructure constraints
 - Telecommunications infrastructure and constraints

Topic Paper 9: Environmental constraints and opportunities

- 2.25. This paper is likely to overlap somewhat with other topic papers, and is to some extent a cross-cutting theme. Essentially, it has three functions:
- Firstly, to establish the environmental limitations restricting certain forms of economic activity;
 - Secondly, to provide an assessment of the potential economic impacts of climate change;
 - Thirdly, to set out economic opportunities for the county emerging from increased environmental regulation and the need to develop new technologies.

Topic Paper 10: Regulation, business support and economic development activity

- 2.26. This paper will consider the impact on the local economy of:
- Local and national regulatory mechanisms
 - Existing programmes for business support and representation
 - Regeneration programmes and partnerships, their effectiveness and future funding arrangements.

Topic Paper 11: Economic forecasts

2.27. This paper sets out forecasts (with appropriate caution) for the county's economy.

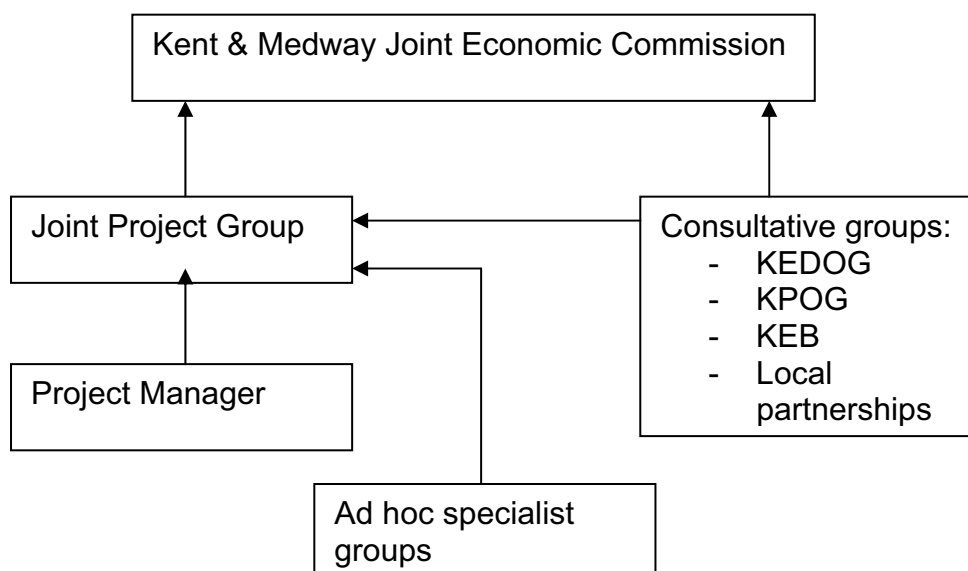
Overall summary

2.28. The eleven topic papers overall provide the evidence for the economic analysis part of the assessment. However, the accessibility of all eleven papers will be limited for the general audience. The more widely disseminated published version will be in summary form setting out the overall analysis.

3. Joint Economic Assessment process and timescales

Governance arrangements

- 3.1. To provide a mechanism for oversight of the economic assessment, a Joint Economic Commission is proposed. This will be jointly chaired by the Cabinet Members for Regeneration at Medway Council and KCC, with the Leaders of the twelve Kent Districts (or their representatives) also invited to participate. The Commission will be an informal, ‘task and finish’ body, the work of which will cease once the Assessment is complete.
- 3.2. The Commission will be supported by a small Joint Project Group (JPG), made up of officers from Kent County Council and Medway Council. This shall include designated Lead Officers within each Council and a single nominated Project Manager for the Assessment. The JPG will have the responsibility of managing the Assessment.
- 3.3. In addition to the local authorities which will be represented on the Commission, it is anticipated that:
 - The Kent Economic Development Officers’ Group (KEDOG), which includes District, County and Medway EDOs at operational level, plus SEEDA, Business Link and Locate in Kent, shall have a lead consultative role
 - Kent Economic Board shall also have a lead consultative role (in respect of the business community at county-wide level), and regular reports on progress shall be taken to the Board.
 - Regular consultation shall also take place with Kent Planning Officers’ Group (KPOG), sub-regional partnerships (e.g. TGKP) and other key agencies (such as the HCA).
- 3.4. The following diagram sets this out:



Proposed Joint Commission membership and lead officers

Joint Commission chairs:

Kevin Lynes (Kent County Council)

Jane Chitty (Medway Council)

Additional Commission members

To be determined, but including the Leaders of all Kent Districts (or their representatives)

Joint Project Directors

David Oxlade (Kent County Council)

Robin Cooper (Medway Council)

Project Manager

Ross Gill (Kent County Council)

- 3.5. Given the diverse range of issues covered in the eleven proposed topic papers, a wide range of officers from various organisations will need to be involved at some point. However, the general intention is to minimise bureaucratic processes: as such, *ad hoc* groups will be convened to support specific actions through the Assessment process, but standing sub-committees of the Joint Commission will not be established.

Consultancy support

- 3.6. Overall co-ordination of the Local Economic Assessment will be carried out by officers with KCC and Medway Council, via the governance and consultative mechanisms set out above. Where possible, specific analysis and research will also be undertaken in-house where there are the expertise and resources to do so.
- 3.7. However, specific consultancy support will be required for individual pieces of work. This will be set out in the briefs for the individual topic papers and where required, specific client groups will be established.

Budget

- 3.8. Resources available for the Assessment are currently being finalised within KCC and Medway. Use of a joint budget will be based on the content of this Scoping Report and will be determined by the Joint Project Group.

Project timetable

3.9. Formally, the duty to prepare a Local Economic Assessment will not come into force until April 2010. However, we are encouraged by Government to progress the Assessment in advance of that, and it would be in our interests to do so, bearing in mind the value that the Assessment may have in setting out Kent and Medway's strategic case for additional future investment.

3.10. The timetable below therefore assumes that a significant amount of work is carried out in advance of the formal start of the duty, with a target for the full completion of the Assessment in autumn 2010.

Indicative timetable 2009/10												
Task	2009		2010									
	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Joint Commission meetings												
TP1: Analytical Overview												
TP2: Demography												
TP3: Economic Scale & Structure												
TP4: Enterprise & Innovation												
TP5: Employment & Skills												
TP6: Deprivation												
TP7: Residential & Commercial												
TP8: Infrastructure												
TP9: Environmental constraints												
TP10: Regulation & ED Support												
TP11: Economic Forecasts												
Interim LEA												
Draft LEA document												
Final LEA document												

Ross Gill
6 October 2009

By: Nick Chard, Cabinet Member, Environment, Highways and Waste
Geoff Mee, Director of Integrated Strategy and Planning,
Environment, Highways and Waste Directorate

To: Regeneration and Economic Development Policy Overview and
Scrutiny Committee 19th January 2010

Subject: Growth Without Gridlock – An Integrated Transport Strategy for Kent

Classification: Unrestricted

Summary:

This report provides an update to Members on Kent's Integrated Transport Strategy.

1. Introduction

- 1.1 With the publication of the County Council's framework for regeneration titled ***Unlocking Kent's Potential: opportunities and challenges***, the need for an Integrated Transport Strategy (ITS) to support this framework was identified. In response, the County Council's Transport Policy Team has prepared an ITS, with input from a wide range of stakeholders and overseen by the KEB Transport Task Group, drawn from representatives of Kent's bus and train operators, the ports and airports, the district councils and Medway, government organisations and other bodies.

2. An Integrated Transport Strategy for Kent (ITS)

- 2.1 The ITS recognises the challenges facing Kent and that targets for economic growth and housing will put increasing pressure on Kent's transport network. Other factors including an ageing population, the threat of climate change and the introduction of new services like High Speed One mean that the transport network has to be able to meet the needs of Kent and its residents. The solution presented in the ITS is an integrated transport network which is sustainable and available to all, supports regeneration and enhanced economic prosperity and copes with the demand of housing growth. It also recognises the impact of transport emissions on climate change and looks to reduce carbon emissions as well as adapt the network to cope with wetter winters and hotter summers.
- 2.2 The ITS outlines a range of measures and proposals to deliver this integrated transport network but there are five key components that are vital to its success.
- 2.3
- *New Infrastructure* – there are still major bottlenecks on Kent's roads and railways where congestion is a barrier to regeneration and increased capacity through new infrastructure is needed

- *Maximising the Benefits of High Speed One* – the new high speed rail services which started on 13th December 2009 will greatly influence regeneration opportunities and the benefits need to be maximised through high quality sustainable access to these services
- *An Integrated Bus Network* – buses lie at the heart of the ITS and it looks to build on the success of routes like Fastrack and the Thanet Loop to create a bus network that meets people's needs
- *Making Public Transport Travel Easier* – many people find the public transport network difficult to use and understand; the ITS aims to make travelling easier, simpler and cheaper through initiatives like smartcard ticketing and real time information
- *Flexible Working* – the ITS aims to reduce the need to travel, especially during peak periods and will promote measures that allow Kent's residents to work flexibly

2.4 By providing a long term vision for transport, the ITS will be a key influence on the district's Local Development Frameworks (LDFs) and they will take into account transport proposals in the ITS, whilst the ITS recognises and supports the aspirations of each district and borough as expressed through their LDFs. The ITS also provides a longer term vision and outline framework for the County Council's next Local Transport Plan which needs to be in place by 1st April 2011.

3. Consultation

3.1 Consultation on the Integrated Transport Strategy for Kent (Final Draft) was launched on 19th November 2009 and will close on 12th February 2010, after which the ITS will be revised in response to comments received and will be presented to Cabinet for approval during February/March 2010.

In addition, officers have met with each of the district councils (Leader, Chief Executive, Planning Officer etc.) to receive their feedback, especially on the specific page in the ITS which highlight's each district's transport challenges and proposals. Comments received during these meetings have been favourable and the overall vision for an integrated transport network has been welcomed.

Lead Contact Officer:

Director of Integrated Strategy and Planning
 Geoff Mee
 Tel: 01622 221527

By: Roger Gough, Cabinet Member for Corporate Support Services and Performance Management
David Cockburn, Executive Director, Strategy, Economic Development and ICT

To: Regeneration and Economic Development Policy Overview and Scrutiny Committee - 19th January 2010

Subject: Digital Strategy

Classification: Unrestricted

Summary

This report provides an update to Members on the Digital Strategy

1. Executive Summary

- 1.1 The governments report on Digital Britain was published in summer 2009. The report was aimed at bringing both a focus and stimulus to this sector. By creating an effective partnership for the Digital Economy; it is hoped to drive the upgrading of the digital network, significantly enhance our national competitive position in these critical markets, secure competition for choice and quality in content, connect with the interests of the rising, digital generation and improve access, affordability and inclusion for all.
- 1.2 Based on the experience of the roll out of current generation infrastructure the concern is that while the *Digital Britain* report proposes a number of actions to accelerate the roll out of Next Generation Access Networks, it appears to under-estimate the challenges faced by non metropolitan areas. The cost of deployment is significantly greater in rural areas, and was highlighted by a report for the Broadband Stakeholders' Group which stated:
"However, the costs of deploying in more sparsely populated areas will be significantly higher, making the prospect of commercial deployment to the last third of UK households much more difficult."
- 1.3 The report also produced information showing that the cost per household for fibre to the cabinet deployment was significantly higher in rural compared to equivalent sized urban areas and for the small rural communities in Kent, where most such communities have less than 1,000 properties, the cost per household was nearly three times the national average.
- 1.4 These concerns raised in response to the interim report were acknowledged by the author Lord Carter. The absence of any

immediate solutions to address these concerns within the final report highlights the requirement for the development of regional strategies to be developed in support of the national vision. The purpose of this report is to reference the work undertaken on the development of a Digital Strategy for Kent & Medway.

2. Why does it Matter?

2.1 Background

2.1.1 The very invasiveness of digital technology and the way it impacts on all aspects of day to day activity has been increasingly apparent over the past five years. Even with the relatively low broadband speeds achieved across the UK, the availability of even modest levels of digital infrastructure have seen dramatic changes in how individuals communicate with each other and how they live.

2.2 Social media

2.2.1 The origins of Facebook and similar sites mirror the availability of broadband infrastructure. The first version was developed as a college project for use on campus within a closed college network. This was within the same time frame as the first telephone exchange in Kent was being digitally enabled.

- Facebook now has 300m users (in population terms this equates to 4th largest country)
- Facebook accounts for 6% of all Internet web-site visits in the UK (Second place to Google which has 8.6%)

2.3 Internet and Mobile Technologies

2.3.1 Arguably it is the breathtaking growth of cellular technology that is doing more to change society, particularly in developing countries where a lack of effective communications infrastructure has traditionally been one of the biggest obstacles to economic growth.

- A survey, by the International Telecommunications Union (ITU), an agency of the UN, found that nearly a quarter of the world's 6.7 billion people use the internet.
- By the end of 2008 there were an estimated 4.1 billion mobile subscriptions. Including a significant proportion in regions without fixed line internet access
- Total number of text messages (SMS) sent in UK during 2008 = 78.9 billion (Average number of text messages sent per person: 1,213 based on 65 million active UK mobile devices) – source Mobile Data Association
- The convergence of internet and cellular technologies will lead to another notable increase in internet use.

2.4 Online Retail

- 2.4.1 Survey responses and consumer profiling confirm that by the end of 2009 over 50% of the UK population are using online shopping on a regular basis, alongside more traditional outlets, a total that Forrester Consulting previously predicted would not be reached until 2011.
- 2.4.2 In December 2009 the accountancy firm, Deloitte assessed that the UK online retail market will hit £25bn in 2010, a massive increase of £16bn in just 5 years (2005 UK online retail market £9bn). There are a number of other interesting findings that can be taken from the report. Firstly Deloitte state that nearly 7 out of 10 people will have purchased some of their Christmas gifts online over Christmas. They also found that 46% of people now buy more products online compared to last year. The report goes on to suggest that retailers need to offer a more flexible service, as 61% said they wanted options such as in-store collection when purchasing online.
- Department stores and supermarkets have been the biggest beneficiaries of the shift towards online shopping, Marks and Spencer, John Lewis, Tesco and Littlewoods all achieving significant market share alongside the internet only retailers such as Amazon and Play.
 - Figures from Experian show higher percentage take up of online services in non urban areas. The further you are from major shopping outlets, the more appealing the additional choices offered by online retail become
 - This channel opens up the SME market to pan Europe competition with the majority of sites in continental Europe hosting English language pages and shipping services to the UK.

2.5 Advertising

- 2.5.1 The global software market is estimated to be in the region of \$308b, considerably less than the value of global advertising. This consideration alongside the success of social media sites has driven a trend towards 'software as a service'. Major suppliers such as Google now offer services such as email, electronic file storage and other back office functions for zero or minimum cost, relying on revenue from advertising to drive profits. References to 'cloud computing' are also based on this concept which has the potential to change the cost base of large scale computing resource and deliver capacity on demand to any individual or business.
- Worldwide advertising revenue is \$650b
 - \$123b (21.9%) is now spent on online advertising

2.6 Communication and Marketing

2.6.1 There are numerous examples of how the communication power of the internet can influence behaviours in a way unachievable through other channels.

- The number1 music single in the UK at Christmas was determined by an online campaign which succeeded in preventing the X Factor winner taking top spot despite the extent of the traditional media support for this participant.
- While the film Bruno was the top grossing movie in the United States on its opening weekend, receipts fell away very sharply from \$14.4m (£8.95m) on the Friday to \$8.8m (£5.5m) on the Saturday. The reason - Adverse comment on Twitter.
- A pantomime actor playing Prince Charming in Cinderella at Lowestoft, Suffolk has been booed after making derogatory remarks about the seaside resort on Twitter.

2.7 Regeneration

2.7.1 These examples illustrate the pace of change and the capacity not just to embrace digital technologies but the parallel development of new forms of communities and expanding opportunities for existing groups. The same considerations are relevant to business where there is both the opportunity to respond in the provision of new services and products, but also in meeting the market expectations by being digitally enabled.

2.7.2 Emergence from recession arising from a major collapse or financial crisis has typically been characterised by explosive growth and structural change as the unrealised potential of new technologies becomes fully exploited. The rapid introduction of new 'knowledge' services and facilities based on the digital technology is becoming apparent but is far from fully realised. Post recession the probability is that those economies having invested in digital infrastructure will recover and grow fastest.

3. What are our objectives?

3.1 The relevance of digital information and communication is appropriately identified as the cornerstone of the future wealth, prosperity and sustainability of communities and citizens throughout the UK. Government must not only be effective in discharging its responsibilities as the guardian of national resources but also ensure that:

- Framework and incentives are in place to promote development of core infrastructure

- Safeguards are instigated to ensure availability as an equitable universal service to all parts of the community
- All public policy interests reference the knowledge economy and that this in turn is reflected in digital policy
- Implementation strategies assure alignment and delivery from policy, through infrastructure development to community outcomes

4. Priorities for Kent

- 4.1 Foremost priority must be to ensure that appropriate attention is given to the development of the core infrastructure without which the other objectives are meaningless.

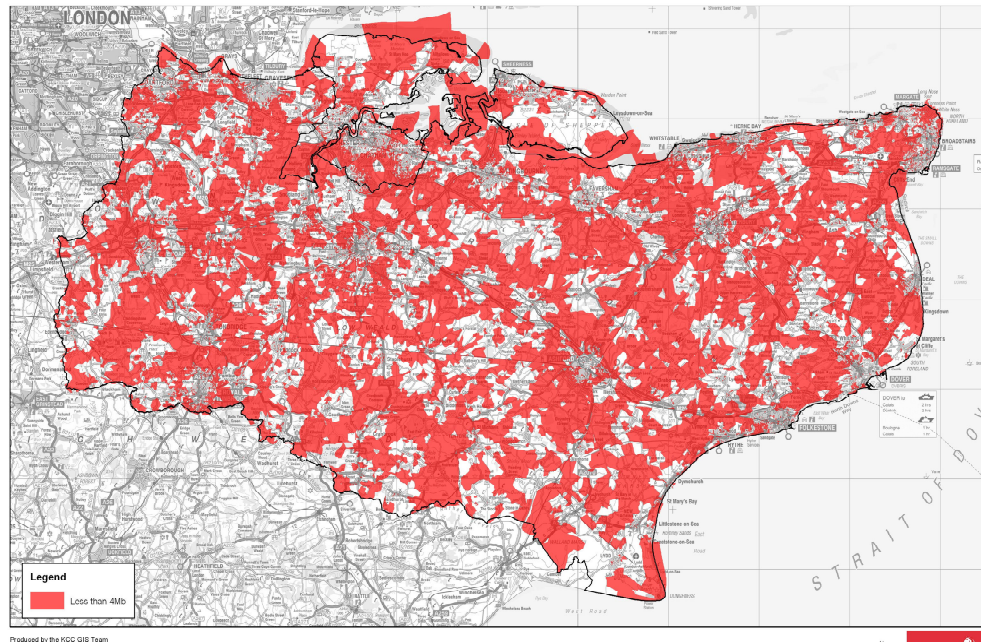
5. Status Report

- 5.1 The challenge is identified in the following schematic which highlights the existing lack of provision of broadband capacity measured against the council's assessment of a viable minimum of 4mb. This target needs to be seen in the context of South Korea where every property already enjoys 100mb access with many developed countries planning investment to achieve similar.

Digital Britain

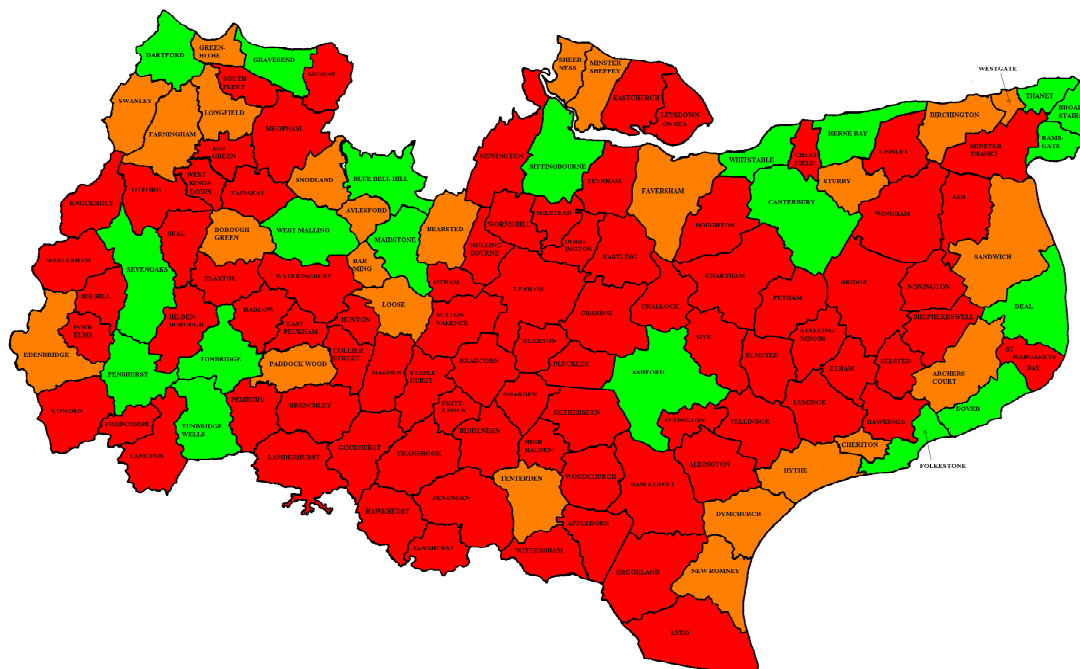
The Challenge In Kent

- 39% (c280,000) properties cannot get 4Mb



- 5.2 This problem is exacerbated by planning for next generation broadband which clearly targets areas of maximum commercial return for the telecommunications providers. Investment through this route will address the majority of metropolitan and larger urban areas but for Kent leave 60% of properties with inadequate provision. It should be noted that this issue is not confined to what are traditionally regarded as rural areas as provision is dictated by of distance and which telephone exchange serves the property.

Next Generation Broadband The Map Of Kent



5.3 A current area of concern for example is Kings Hill and the West Malling region where growth has not been supported by existing inadequate telecommunications infrastructure. While this will be addressed by planned rollout of Next Generation broadband investment, business will be unlikely to benefit from this before 2012 if the market is left to its own devices.

6. Cost Assessment

6.1 The shortfall in investment to deliver fibre (effectively unlimited bandwidth) to all properties in Kent is in the order of £1.1 billion. This is the estimate for addressing those properties across Kent where it is considered that the market will either respond too slowly or not at all.

- 59% properties (c362,000) covered by 19 large exchanges
 - We think that the market will address these
- 22% properties (c138,000) covered by 23 exchanges
 - Estimated costs £105 million for interim solution (fibre to street cabinets), £452 million for fibre to premises
 - Market failure likely (defined as not addressed within 5 years)

- 19% properties (c118,500) covered by 83 small exchanges
 - Estimated costs £106 million / £670 million
 - Market failure almost certain

7 Digital Strategy

7.1 The Digital Britain report proposes limited intervention for public funded investment in broadband infrastructure. The income raised nationally will be in the order of £150M per annum. With investment shortfall for Kent alone of over £1 billion, local initiative/intervention will be required if any significant progress is to be made within an acceptable time scale.

7.2 The digital strategy being developed as part of the regeneration framework comprises three primary elements:

- Encourage and facilitate private sector investment
 - This element of the action plan recognises the need to encourage investment in infrastructure based on the potential for commercial return. With the bulk of Kent's economy driven by SME's, the opportunities being considered are the development of services that could be consumed by these businesses as a means of reducing their overheads, at the same time as establishing a new market for the potential providers of such services.
 - Another approach considers Kent's commuter population. As environmental and considerations become increasingly sophisticated, London based institutions will become increasingly concerned with avoiding the overheads associated with city based accommodation, staff productivity and carbon trading. With transport estimated as accounting for 29% of carbon emissions, methods of enabling employees to work from home or near home locations are likely to increase in relevance and attract investment.
 - Engagement to achieve individual sign up for software services is becoming an increasingly competitive market. As avoiding digital exclusion across Kent's communities is another of our public service targets there is an opportunity in progressing this agenda to influence private sector investment for mutual benefit.
- Reduce investment cost

- The most significant element of cost associated with delivery of next generation broadband is the dig cost of laying fibre. There are an increasing number of companies interested in developing innovative solutions to overcome the high capital cost of traditional methods. Wireless and satellite are possibilities for the future, although currently utilising alternative utilities infrastructure offers the most promising options E.g. data over power of using existing sewage networks as fibre conduit.
- There is constant refresh and renewal of all elements of Kent's infrastructure. Outside of growth areas much of the planning for this investment is ad hoc and uncoordinated. A more comprehensive and inclusive approach across government and private sector has the potential to reduce the cost of laying down new infrastructure if more closely linked to existing unrelated works.
- Make better use of public infrastructure
 - The Kent Public Service Network (KPSN) delivers high quality/capacity bandwidth to 1200 public sector sites across Kent. The use of this purchasing power can be harnessed to influence the investment behaviour of telecommunications suppliers. The more extensive the use of this common solution across public agencies the greater the benefit to be derived by local communities and businesses.
 - Direct use of the KPSN in delivery of wider public broadband access where market failure can be identified.
 - Direct intervention through grant funding to resolve specific 'not spot' low bandwidth locations across Kent. Application of the proposal in both this and the previous bullet point has to be within the provisions of State Aide Regulation.
 - Kent's topology and the broadband challenges this gives rise to are not unique. By working in cooperation with other shire counties our joint lobbying and influence is increased.

7.3 None of these strategies are mutually exclusive and it is essential to recognise the relationships and interdependencies. E.g. Identifying an opportunity for reduced investment cost could be key to making the business case for development of a new service. Making use of reinvestment in associated utilities might only be viable where interim

use could be made to a point of presence on the public service network in the short term.

8 Progress to date

- 8.1 The strategies outlined in this report expand and build on programmes of work on going since 2004. Publication of the regeneration framework has been an opportunity to review this activity and integrate it within the overarching framework.
- 8.2 Pro active engagement by the council has been extensive and continues to be essential if significant parts of the region are not to be bypassed by the knowledge economy. For example, although 19 Kent exchanges have now been enabled to provide enhanced broadband services over copper technology (referred to as ADSL 2+), the telecommunications industry has targeted this investment at the larger population clusters which invariably already enjoy the best provision, while elsewhere investment is minimal other than where KCC has intervened.
- 8.3 The connecting Kent capital programme has reduced the number of Kent households without access to broadband from 37,958 to 14,669 since 2007. The council continues to work with local communities to address these 'Not Spots' by identifying alternative solutions through tender and then providing parish councils with grant funding to support implementation. This initiative continues to attract extensive interest and support. When included on the agenda for meetings of the local parish council attendance is typically over 100 participants. An additional benefit has been that all parishes to have been through this process to date have awarded contract to Kent based companies.
- 8.4 The opportunity to capitalise on the procurement capacity of the council has been extensively exploited. The design and implementation of Kent Public Service Network has resulted in a 55% increase in availability of business broadband in Kent with the number of exchanges delivering this service having increased from 31 to 53.
- 8.5 Increasing the number of public sector sites making use of KPSN will have a direct impact on the number of localities where there would be a benefit in our service supplier establishing a presence in the local telephone exchange, introducing the opportunity to improve business/community services at the same time. Discussions are underway with the cabinet office, DWP, Kent Fire & Rescue and Kent's 3 Primary Care Trusts to explore opportunities to deliver this outcome.

- 8.6 Availability of infrastructure is not the only consideration that needs to be addressed. Mapping of social deprivation shows a strong correlation with that of digital exclusion. These are typically most prominent in urban areas which are known to enjoy reasonable broadband capacity. Through public service network links and terminals in schools, libraries, adult education centres and gateways it is estimated that over 30% of Kent's population, across all social groups, enjoy internet access through public service provision.
- 8.7 Work is being progressed with a number of private sector companies who have expressed interest in the strategies outlined and have committed resource to helping develop proposals to deliver the stated outcomes. This work is being undertaken with the regeneration team to ensure alignment with priority areas for growth in Kent.
- 8.8 Joint discussions are held on a regular basis with East Sussex CC and Hampshire CC. A separate dialogue is also taking place with Surrey. Such discussions are useful in both sharing best practice but also in lobbying for beneficial outcomes with both industry and central government. On 7th January, Peter Mandelson announced that rural communities and hard to reach areas that do not have access to next generation broadband will benefit from a share of £1 billion of Government investment from the Next Generation Fund. Preparation of a response from stakeholders across Kent is already underway.

9 Recommendation

Members are asked to note and comment on the content of this report.

Lead Officer Contact:

Head of ICT Commissioning

Peter Bole

Tel: 01622 696174

This page is intentionally left blank

By: Kevin Lynes, Cabinet Member for Regeneration & Economic Development
David Cockburn, Executive Director, Strategy, Economic Development and ICT

To: Regeneration and Economic Development Policy Overview and Scrutiny Committee - 19th January 2010

Subject: Review of Regeneration and Economy Project Activity

Classification: Unrestricted

Summary:

This report details the outcomes of the review of Regeneration and Economy's business activities against the priorities in the Regeneration Framework and sets out a future work programme that gives more emphasis to strategic issues and to commissioning.

1. Introduction

1.1 At its meeting on 22 July, the Regeneration Board agreed that a review of the Regeneration & Economy Division's activities should be carried out.

1.2 The principal drivers for this review are:

- The need to ensure alignment of the Division's activities with the main priorities set out in the Regeneration Framework – 'Unlocking Kent's Potential';
- The establishment of the new Regeneration Board and a need for a fresh mandate from it in relation to the Division's priorities;
- Recognition that the economy (and all that it entails) is the single most important factor in addressing deprivation - a challenge that is still very real for KCC.
- New statutory requirements for upper tier authorities in respect of Local Economic Assessment and Economic Prosperity Boards as well as the Homes and Communities Agency's new method of prioritisation through the sub regional "single conversations";
- An increasingly challenging financial climate which will see a reduction in the Division's resources both from within KCC's own resources but also from our external partners, with significant uncertainty for 2011 onwards. However, there are two areas of work that will help shape KCC's decisions about future priorities, namely the visits being undertaken by

REDPOSC members to every district and their subsequent observations; and the conclusions to be drawn from the imminent refresh of What Price Growth.

- A need for collaborative working with the districts and Integrated Spatial Planning with regards to LDFs and any future proposals regarding county wide structure plans.

2. Current Work of the R&E Division

- 2.1 Appendix 1 lists all of the division's activities and Appendix 2 shows the staffing complement per area of activity. The appendices are very detailed but they do serve to i) show how the current activities align (or not) with the Regeneration Framework; ii) identify the resources allocated to the activity and iii) provide a commentary on proposals for future involvement.
- 2.2 The Division's work programme is consistent with specific targets set out in the Vision for Kent, Towards 2010, Kent Agreement 2 and the Rural Regeneration Framework. The programme has both a Kent wide focus - empty properties, Kent Design, Locate in Kent, developer contributions and a marked geographic focus on the growth areas of north Kent and Ashford, the deprived areas of coastal East Kent, and the rural agenda. There has also been growing emphasis on the needs of business and local communities through the 'Backing Kent Business' and 'Backing Kent People' campaigns as well as focus on new and emerging sectors such as the visitor economy and environmental technologies.
- 2.3 The new approach set out in the Regeneration Framework sees the proactive engagement of the wider authority including CFE, EHW in promoting and delivering regeneration across the county.

3. The Future

- 3.1 Our priorities are determined by the objectives of the Regeneration Framework. As such, the focus will be on:
- "Owning" the Regeneration Framework ensuring that the supporting strategies align with its principles as well as monitoring and reporting delivery against the actions.
 - Delivering the key strategies highlighted in the Regeneration Framework for which we are directly responsible:
 - Kent Spatial Vision
 - Integrated Housing Strategy for Kent
 - Working with our colleagues in Research, Strategy and International Division to meet new statutory obligations to conduct a Local Economic Assessment for Kent and to establish an Economic Prosperity Board. We will also resource the KCC input into the "single conversations" to be undertaken by the HCA across Kent both to ensure alignment with the

Regeneration Framework and to take a strategic Kent-wide view on relative priorities.

- The Regeneration Framework articulates a desire to work more effectively with the Districts and Borough Councils of Kent in the delivery of economic development and regeneration. In principle, given that these are concurrent areas of responsibility, there should be significant added value to be gained by closer working between the two tiers of local government. This could be essential given the impending loss of significant amounts of government funding for regeneration and economic development from 2011 in many parts of Kent.
- Developing a strong relationship with business. We will publish the Sectors Strategy and work to deliver any activities which flow from it. This should lead to an improved package of business support, relevant to the needs of Kent's economy and its growth sectors in particular.

We will review our programme of activities under Backing Kent Business, to ensure that Kent is a "business friendly county" and local companies are successfully securing contracts with KCC. We will also ensure that the rural activities are aligned with this campaign.

There are a number of high profile events such as Kent Excellence in Business Awards, Kent 2020 Business Expo, Taste of Kent Awards, and many more which celebrate Kent business success. However, although they are high profile and successful initiatives which celebrate the best in Kent's economy, they do take up considerable resource in both staff time and money. Officers already work with the private sector on many of these events and it is proposed that we seek ways of continuing to do this but on a more significant basis.

- Maximising opportunities associated with major developments, especially around Ashford, North Kent and coastal East Kent. This will see continued efforts to bring forward regeneration at Dover, Margate, Sittingbourne/Sheppey, Ashford, Dartford and Gravesham.

The uncertainty of future levels of government and regional funding for these areas means we cannot forecast the future level of our involvement. We will need to look at KCC's input to these areas beyond that date. We will look at smarter ways in which we engage with the partnership bodies in the growth areas in particular, to ensure that we are using our staffing resources as efficiently as possible. But we will also boost our senior level engagement in these partnerships (as appropriate) to ensure that we are giving them consistent and sufficient attention and that the KCC input adequately covers all our service and strategic interests. We will also seek to identify alternative methods of delivery, such as through the HCA Single Conversation process, exploring more creative ways of partnering with the private sector, and pursuing innovative funding solutions, such as Tax Incremental Financing, etc. Of significance here will be the outcomes from REDPOSC member visits to each district.

- Building on the success of our housing, regeneration and economic development projects to:
 - Return a further 600 empty properties into use between 2010 - 2012, further expanding our No Use Empty campaign.
 - Continue with our Backing Kent People Campaign and ensure the successful establishment of the Kent Credit Union, 'Kent Savers', as a fully fledged, independent mutual society.
 - We will continue to focus on bringing forward business/employment space such as Manston and Eurokent in Thanet as well as our continued role in Kings Hill.

- In line with the Regeneration Framework's commitment to promote Kent, we will be continuing to promote Kent through Locate in Kent and Visit Kent, but ensuring that we do so in the most efficient and effective ways possible. We are negotiating new 3 year SLAs with both organisations to ensure that future delivery aligns with our priorities; reaps demonstrable outcomes; and exploits fully future opportunities whilst recognising the challenges facing KCC's budget.

- Revising the Kent Design Guide to help meet the Regeneration Framework objective of ensuring that new developments are built to the highest standards.

4. What we propose to stop

- 4.1 We will be seeking to relinquish, as soon as can be practically achieved, our lead role in a number of projects which may be sufficiently established to hand on to others to manage; judged to be of limited strategic value; or which are nearing their end. Examples include the Kent Rural Towns Programme, Natural East Kent and Herne Bay regeneration proposals. Some projects can be relinquished relatively quickly, while others may require rather longer to negotiate an exit strategy where other partners are concerned.
- 4.2 We will radically change our approach to providing financial support to partnerships. We will be working within a new funding climate post March 2011, when external funding to key partnerships, such as those in the growth areas as well as partnerships such as Industrial Communities Alliance, Kent Association of Local Councils and Conference Kent, may reduce significantly. Given our own budget pressures it is proposed that after March 2011 we will operate a general presumption of ceasing funding to those partnerships, (for the growth areas these are currently costing of the order of £239k), and instead consider bids to the Regeneration Fund where each can be assessed on their own merits.

5. Review of Lead Directorates

- 5.1 Given the new approach which sees regeneration now at the heart of the Council's activities, and with the emphasis on the different portfolios of the Council playing their part to deliver regeneration, we have looked at priority projects which we consider other teams or directorates may be better placed to take forward. Subject to negotiations with respective teams over the next

few months, it is proposed that a number of projects are transferred to Environment, Highways and Waste Directorate including A2 diversion at Whitfield, A2 skip roads at Canterbury, Margate parking access and movement project and Swale green infrastructure; to Property Group including management of Old Rectory business space and Whitfield Enterprise Centre in Dover.

6. Approach to commissioning and monitoring the work of the Division

- 6.1 In order to be totally transparent in our delivery it is proposed that as funding is freed from current activities that the funding is transferred into the Regeneration Fund (split between revenue and capital as appropriate). Any new projects or projects wishing to seek further funding would then be subject to approval via the Regeneration Fund. This means that prior to any new work being commissioned by the Regeneration and Economy Division, a full business case will be required which sets out (i) project purpose and rationale, (ii) fit with Regeneration Framework and other KCC priorities, (iii) what the expected resource requirements are, including project management, and (iv) what arrangements will be put in place for exiting from the activity. Each business case will then be appraised by the Division's Programme office, and referred to the Regeneration Board for decision.

7. Financial Implications

- 7.1 Currently, Regeneration and Economy has an annual core budget of £5.8m plus a £2.5m capital and £1m revenue funding for the ringfenced Regeneration Fund. The proposals in this paper are seeking to improve transparency of delivery by transferring funding from a core, allocated budget through to increased commissioning via a larger Regeneration Fund (split appropriately between capital and revenue).

8. Issues for discussion

- 8.1 Members are asked to approve the new work priorities for the Division as set out in this report and Appendix 1.

Author Contact Details:

Barbara Cooper
Director of Economic Development
Chief Executive's Directorate

Email: barbara.cooper@kent.gov.uk

Tel: 01622 221856

Background Documents:

None

This page is intentionally left blank

Activity	Regeneration Framework Actions	Current R&E involvement	Proposed future involvement	Resource Implications	Exit / Succession Strategy
1. KENT-WIDE ACTIVITIES					
Empty Properties Initiative	4.5 Return empty homes to use	Managing role provided by R&E (1.0 FTE). Supported by external consultant (Andrew Lavender) who provides the professional, technical and legal input	Currently funded to 2013	Rolling capital fund to 2013 of £5.5m. Revenue budget £168K per annum. (1.0 FTE)	All districts signed up to programme and revolving loan scheme extended to 2013. Keep under review and confirm succession arrangement during 2012.
Spatial Vision for Kent	1.10 Maximise regeneration opportunities	Minimal; managing consultant input	No change; RSI supporting role	Ongoing R&E lead to progress work if new projects fall out of the strategy. Outcomes will need to be included in supporting strategies. Estimated 0.5 FTE	Complete Vision document during 2009-10 and assess scope for taking forward initiatives from April 2010
Kent Design Initiative (KDI)	4.2 New homes built to highest standards	1.4 FTE - includes project manager and admin support	No change at least until March 2011	1.4 FTE until March 2011	Retain championing role, but review scope for (i) simplifying governance structure of Kent Design by June 2010, (ii) transferring supplementary guidance role to districts during 2010-11
Kent Architecture Centre	4.2 New homes built to highest standards	Officer on the KAC Board; small amount of officer time. £15K per annum until end of 2009-10.	To be commissioned for specific projects.	Dependent on project.	Cease funding support from March 2010, and notify partnership that further funding must be a bid to the Regeneration Fund and approved by Sub Group of the Regeneration Board.

Activity	Regeneration Framework Actions	Current R&E involvement	Proposed future involvement	Resource Implications	Exit / Succession Strategy
Kent Association of Local Councils	None identified	Management of funding agreement on behalf of KCC. Minimal R&E officer time	Transfer activity and budget (£16K) to Kent Partnership	Small amount of officer time freed up	Seek to transfer to Kent Partnership with effect from March 2010. Initial discussions underway to agree transfer.
Kent Economic Board	1.1 Develop relationship with businesses 1.13 Lobby central government and EU	KEB staff are managed by Kent Partnership. R&E involved in sub groups	Current expectation that R&E will support some sub groups	Small amount of officer time	KCC's role and relationship with KEB to be reviewed in light of Regeneration Framework, Local Economic Assessments and future role of Economic Prosperity Board.
Locate in Kent	1.11 Market Kent for inward investment	2 Cabinet Members are on Board and LIK sub committees. R&E provides overall management and monitoring of SLA. Current annual level of support is £600K plus 3 year MTP funding of £350K p.a.	Reviewing SLA with new performance management framework. R&E Director to attend board. Look to yield possible savings by reduction in grant	To be determined as part of review which will deliver a new SLA and performance outcomes.	Subject to outcomes of internal review, reduce direct funding support from April 2010, as part of a 3 year contract.
Backing Kent People initiative inc Kent Savers	2.11 Support growth of social enterprises 3.3 Activities to support older and younger people	Managing role provided through R&E in early development of initiative Current involvement is 0.2 FTE plus £40K one-off funding.	Develop the KMFIP in conjunction with the Town and Country Housing Group.	Budget saving of £71K offered by not replacing existing project-coordinator post and absorbing work within existing resources.	Programme for BKP campaign to be developed and transferred to the Kent & Medway Financial Inclusion Partnership in 2010. Set up independent mutual company in 2010 responsible for Kent Savers

Activity	Regeneration Framework Actions	Current R&E involvement	Proposed future involvement	Resource Implications	Exit / Succession Strategy
Exploiting regeneration and employment potential of offshore windfarm development and related skills needs	1.1 Develop relationship with businesses 1.4 Encourage enterprise culture through learning 1.16 Develop Kent's potential in low carbon industries	Cabinet Member and senior officer in Partner Working Group (Thanet DC, KCC CFE, LIK). Less than 0.1 FTE	Development of Skills Framework. Establish close relationships with key stakeholders.	Up to 0.1 FTE	Dependent on work of Partner Working Group, review forward programme in 2010-11.
The Industrial Communities Alliance	1.1 Develop relationship with businesses 1.13 Lobby central government and EU	KCC Member rep plus minimal officer support	Transfer lead role to RSI Team due to importance of worklessness agenda. Supporting role provided by R&E (less than 0.1 FTE).	Split costs of current £5K annual subscription with RSI for 2010-11 . Saving to R&E of £2.5K.	Seek to transfer lead role to RSI Team from April 2010.
Coastal Communities Alliance	1.10 Maximise regeneration opportunities 1.13 Lobby central government and EU	Minimal officer involvement in providing watching brief at CCA stakeholder meetings (Less than 0.1 FTE)	As current	Less than 0.1 FTE	Review during 2010-11 potential for increasing level of involvement with CCA in relation to coastal communities agenda.
2. COMMUNITY INFRASTRUCTURE & POLICY DEVELOPMENT					
Negotiate developer contributions based on service provider requirements for both major and minor sites and Kent Developers Guide.	1.10 Maximise regeneration opportunities 4.4 Update What Price Growth	3.2 fte and use of external consultants (Mouchel). Major review of guide underway	Long term R&E involvement associated with all developments countywide	As current	Continue to review R&E involvement and assess scope for change, eg if Community Infrastructure Levy is introduced. Seek additional KCC buy-in through cross directorate, multi disciplinary teams.

Activity	Regeneration Framework Actions	Current R&E involvement	Proposed future involvement	Resource Implications	Exit / Succession Strategy
Develop multi-use community facilities / hubs and innovative solutions to provider needs.	1.10 Maximise regeneration opportunities	Significant R&E involvement in coordinating provision of facilities (up to 1 FTE - included in row above). Current involvement at The Bridge, Dartford.	Likely to increase as development opportunities offer potential for additional dual-use facilities	Difficult to assess but probably 1 FTE although is part of Major Sites work and there is scope for closer working with Property Group	Review scope during 2010-11 for greater involvement of Property Group in ongoing estate management
Planning and regeneration policy related activities	1.10 Maximise regeneration opportunities	1fte	Continue current level of involvement	0.5FTE	Continue to review and assess scope for improvements to activities
Finance and Infrastructure modelling, (eg TIF)	1.10 Maximise regeneration opportunities 4.4 Update What Price Growth	R&E leading development of model, with support from KCC Finance and community infrastructure providers	Achieve improved joint working cross KCC and improve data from service providers	Significant R&E input (0.2 FTE) during model development phase (to June 2010). Ongoing work	Ongoing with Corporate Finance, service providers and R&E
3. BUSINESS DEVELOPMENT ACTIVITIES					
Backing Kent Business Campaign	1.1 Develop relationship with businesses 1.3 Simplify procurement processes for businesses 1.6 Create Kent Business Support Centre 1.8 Signpost Kent businesses to KCC capital contracts 1.13 Lobby central govt and EU 1.15 Support Kent businesses during recession	R&E has lead role; significant officer involvement; 0.75 FTE (includes graduate placement)	Continue to lead campaign until review of next steps.	Up to 0.75 FTE and £120K per annum until outcomes of succession strategy are agreed.	Identify succession strategy for the campaign for implementation during 2010-11.

Activity	Regeneration Framework Actions	Current R&E involvement	Proposed future involvement	Resource Implications	Exit / Succession Strategy
Enterprise Skills and Start Up Business (Kent Foundation)	<p>1.1 Develop relationship with businesses</p> <p>1.4 Encourage enterprise culture through learning</p> <p>1.15 Support Kent businesses during recession</p>	Kent Foundation taking lead. Small amount of R&E officer time plus £16k core funding	Seek longer term core funding and lead role through CFE. 1 year solution for 2010-11 funded through the Regeneration Fund. Continued supporting role from R&E	Minimal officer time plus £60K bid to Regeneration Fund for 2010-11	Negotiate with CFE to hand over project management to their Innovations Unit from April 2011. Assessment of options currently under way.
Business Growth & Innovation	<p>1.1 Develop relationship with businesses</p> <p>1.15 Support Kent businesses during recession</p>	SEEDA Innovation and Growth funding of £2.6m and additional £800k match funding from others. Officer on Board and Steering Group	R&E input to Steering Group and Kent wide Innovation Strategy.	Maximum of 0.1 FTE plus £6k per annum for Innovation Challenge and £10K contribution towards Innovation Strategy.	IGT is a three year programme to October 2012. Expect SEEDA to review performance during 2011-12.
Kent Excellence In Business Awards(KEIBA); and Kent 2020 Conference	<p>1.1 Develop relationship with businesses</p> <p>1.15 Support Kent businesses during recession</p>	Significant amount of officer time (0.5 FTE) plus £30K. KEIBA delivered by Kent Messenger Group. Kent 2020 delivered with Business Support Kent	Identify with partners how both initiatives can become self-financing. In the meantime aim to reduce financial commitment from April 2011.	Continue existing project management arrangement until March 2011. Reduce 2010-11 contribution to Kent 2020 from £30K to £20K. Maximum of £10K for KEIBA.	Work with partners to ensure initiatives are self funding from April 2011
Kent Ambassadors	<p>1.1 Develop relationship with businesses</p> <p>1.11 Market Kent for inward investment</p> <p>1.13 Lobby central government and EU</p>	R&E provides managing role (0.3 FTE) plus £15K per annum support.	Aim to maximise benefit of Ambassadors resource for KCC and Kent.	0.3 FTE plus £15K per annum.	Continue to develop effectiveness of Ambassadors for Kent, and benefits for KCC, and to keep costs under review.

Activity	Regeneration Framework Actions	Current R&E involvement	Proposed future involvement	Resource Implications	Exit / Succession Strategy
4. KENT-WIDE VISITOR ECONOMY					
Visit Kent Ltd	1.12 Develop Kent as a visitor destination	KCC Member and senior officer on Board. VK has 3.42 FTE employed through R&E but externally funded	Review of KCC role and relationship with VK Ltd and new SLA to be negotiated with effect from April 2010.	Subject to review and SLA discussions.	Subject to outcomes of internal review and SLA discussions, assess level of direct funding support from April 2010.
Tourism – Pride in Kent and product development and investment		Total of 4 FTE involved in R&E tourism activities	Subject to review and SLA discussions.	4 Fte at least until March 2011	R&E involvement to be kept under review during 2010-11.
Conference Kent		£10K annual contribution and limited officer support.	Cease funding and participation from April 2010.	£10K annual saving	Cease funding and participation from April 2010.
5. THAMES GATEWAY					
Thames Gateway Kent Partnership (TGKP)	1.10 Maximise regen opps 1.11 Market Kent for inward investment 1.13 Lobby central govt and EU 5.3 Maximise the potential of HS1 services 5.5 Funding for transport schemes 6.4 Establish local investment plans for regeneration	Cabinet Member and R&E Director are on TGKP Leaders' Board / Partnership board. Director on TGKP Officers' Group. Officers involved in MAA theme groups and "Single Conversation" delivery group.	Continue as current	Depends on outcomes from MAA and Single Conversation	Continue representing KCC wide interests as they relate directly to the Regeneration Framework and Economic Prosperity Board.

Activity	Regeneration Framework Actions	Current R&E involvement	Proposed future involvement	Resource Implications	Exit / Succession Strategy
Greening the Gateway for Kent and Medway (GGKM)	4.6 Improve access to green space and countryside	0.5 FTE involved in several projects in north Kent under GGKM banner, plus £133K committed	Continue R&E involvement in GGKM until March 2011 (when CLG funding runs out)	0.5 FTE at least until March 2011	Review during 2010-11 the need and scope for further R&E involvement after March 2011.
5.1 KENT THAMESIDE					
Kent Thameside inc Regeneration Partnership; "Homes and Roads"; and management of and accountable body role for EU funded URBAN Programme	<p>1.4 Encourage enterprise culture through learning</p> <p>1.5 Invest in business infrastructure</p> <p>1.10 Maximise regen opps</p> <p>1.11 Market Kent for inward investment</p> <p>1.12 Develop Kent as a visitor destination</p> <p>4. Develop housing strategy</p> <p>4.2 New homes built to highest standards</p> <p>5.3 Maximise potential of HS1 services</p> <p>5.5 Funding for major transport schemes</p> <p>6.4 Establish local investment plans for regeneration</p>	<p>KCC Member chair plus R&E senior officer support and £81K committed for 2010-11 Total of 1.5 FTE.</p> <p>Small revenue budget of £30K to support development of £200m capital programme which runs until 2026</p>	<p>No change for 2010-11. KTRP is reviewing future existence / activities for period post March 2011. KCC input to be assessed as part of the review. Programme manager to be appointed (funded by programme), from 2010/11</p>	<p>Potential to reduce staff resources and financial input post March 2011</p> <p>£30k saving from 2010/11. Total (including externally funded post) of 1.5 FTE</p>	<p>R&E to retain lead role as accountable body and manage Homes and Roads programme. Cease funding and officer support for KTRP from March 2011 and notify partnership that any further funding must be from the Regeneration Fund and approved by the Sub Group of the Regeneration Board. Exit already planned for EU programme from March 2010.</p>

Activity	Regeneration Framework Actions	Current R&E involvement	Proposed future involvement	Resource Implications	Exit / Succession Strategy
5.2 SWALE					
Swale including Swale Forward Regeneration Partnership, Kent Science Park, Swale Green infrastructure, Sittingbourne and Queenborough and Rushenden	1.4 Encourage enterprise culture through learning	Cabinet Member and officer involvement in Swale Forward Board 2 FTE staff resource involved.	Representation on Board. Review rationale for small scale financial support to projects. Swale BC to review future in period post March 2011. KCC input to be assessed as part of this review. Work on KSP to continue in tandem with LDF; infrastructure project to complete March 2011. Continued involvement in Relief Road. Review scope for additional cross directorate involvement in Q&R.	Long term involvement in Kent Science Park (1 FTE). Potential saving of £30K. Potential to reduce staff resources and financial input post March 2011. 0.5fte involved in infrastructure projects post march 2011; development team (o.2fte) will be involved in Q&R	Cease officer support from April 2011, and notify partnership that any further funding must be from the Regeneration Fund and approved by the Sub Group of the Regeneration Board.
	1.5 Invest in business infrastructure				
	1.10 Maximise regen opps				
	1.11 Market Kent for inward investment				
	1.12 Develop Kent as a visitor destination				
	1.15 Support Kent businesses during recession				
	4.2 New homes built to highest standards				
	4.6 Improve access to green space and countryside				
5.5 Funding for major transport schemes					
6.4 Establish local investment plans for regeneration					
6. ASHFORD					
Ashford including Ashford's Future Regeneration Partnership;	1.5 Invest in business infrastructure 1.10 Maximise regeneration opportunities	Member and Director involvement with Board, and Director on Company Board plus officer support and £30K	No change for the time being. AFPB is likely to review future	Dependent on outcomes of review but expectation is to make more efficient use of	Cease officer support from March 2011 and notify partnership that any further funding must be

Activity	Regeneration Framework Actions	Current R&E involvement	Proposed future involvement	Resource Implications	Exit / Succession Strategy
Future Company Ltd; transport schemes; development of tariff; town centre development; urban extensions; and green and blue grid project.	<p>1.11 Market Kent for inward investment</p> <p>4.1 Develop an integrated housing strategy</p> <p>4.2 New homes built to highest standards</p> <p>4.6 Improve access to green space and countryside</p> <p>5.3 Maximise potential of HS1 services</p> <p>5.5 Funding for major transport schemes</p> <p>6.4 Establish local investment plans for regeneration</p>	<p>commitment.</p> <p>Nearly 2 fte involved in projects.</p>	<p>existence / activities in period post March 2011.</p> <p>KCC input to be assessed as part of this.</p> <p>Scope and nature of KCC activities to support growth of Ashford to be assessed through a review and proposals to be adopted from March 2010</p> <p>Transport schemes to be delivered by March 2011.</p> <p>Intensive work to be carried out on defining tariff.</p>	<p>existing resources</p> <p>Transport and tariff work will continue.</p> <p>Potential to reduce staff resources and financial input post March 2011</p>	<p>from the Regeneration Fund and approved by the Sub Group of the Regeneration Board.</p>
7. THANET					
Margate including Margate Renewal Partnership; Rendezvous/ Winter Gardens/ lido sites devt;. Public realm; parking access and movement.	<p>1.10 Maximise regeneration opportunities</p> <p>1.11 Market Kent for inward investment</p> <p>1.12 Develop Kent as a visitor destination</p>	<p>1 fte plus £0.4m committed. KCC Member rep and R&E officer support for Partnership.</p>	<p>No change for time being at least to March 2011.</p> <p>Lead role on Coach Park scheme. Transfer remainder to</p>	<p>1 fte to continue. Potential saving of £11K from April 2011</p>	<p>Involvement in site development will depend on preferred options.</p> <p>Cease funding support for Partnership from April 2011, and notify partnership that any further funding must be</p>

Activity	Regeneration Framework Actions	Current R&E involvement	Proposed future involvement	Resource Implications	Exit / Succession Strategy
	<p>4.1 Develop an integrated housing strategy</p> <p>6.4 Establish local investment plans for regeneration</p>		KHS Area T&D Team; supporting role by R&E		<p>from the Regeneration Fund and approved by the Sub Group of the Regeneration Board.</p> <p>Lead role for coach park will cease on realisation of coach park in advance of Turner completion. Seek to transfer lead to T&D with R&E supporting role from March 2010 on remainder of work now being undertaken.</p>
East Kent Opportunities LLP (Manston and EuroKent development)	<p>1.5 Invest in business infrastructure</p> <p>1.10 Maximise regeneration opps</p> <p>1.11 Market Kent for inward investment</p> <p>5.3 Maximise potential of HS1 services</p> <p>5.4 Development of Manston Airport</p>	R&E lead – senior officer time involved at present (0.1 FTE) plus £40K budget for legal and specialist advice.	Dependent on market but anticipate long term involvement	Ongoing R&E senior officer input. £40K per annum to cover legal and specialist advice	Subject to review of EKO Business Plan and assessment of future property market conditions.
8. DOVER					
Dover including Pride Regeneration Partnership; regeneration projects; environmental improvement at	<p>1.4 Encourage enterprise culture through learning</p> <p>1.10 Maximise regeneration opps</p> <p>1.11 Market Kent for inward investment</p>	<p>Approximately 1.2 FTE over next two years plus £1.8m KCC capital committed.</p> <p>R&E overall lead for £7.75m Sea Change programme, project lead for Esplanade and Community Engagement projects.</p>	<p>No change for time being.</p> <p>Beyond March 2011, may seek to invest further, based on identified needs, subject to the</p>	<p>1.2 FTE required at least up to March 2011 to complete R&E led projects and continue support role to projects led by other partners.</p> <p>Potential saving of £62K from April 2011</p>	<p>R&E led projects to be completed by March 2011. Work with HCA and partners to bring forward projects beyond March 2011 as part of the “single conversation”.</p>

Activity	Regeneration Framework Actions	Current R&E involvement	Proposed future involvement	Resource Implications	Exit / Succession Strategy
Dover Priory station; Sea Change programme; and redevelopment of various sites.	<p>1.12 Develop Kent as a visitor destination</p> <p>4.2 New homes built to highest standards</p> <p>5.3 Maximise potential of HS1 services</p> <p>6.4 Establish local investment plans for regeneration</p>	KCC Cabinet Member (chair) and officer representation on Board.	<p>availability of external funding.</p> <p>Only monitoring obligations left for environmental improvements.</p>		<p>Cease funding support for Partnership from April 2011, and notify partnership that any further funding must be from the Regeneration Fund and approved by the Sub Group of the Regeneration Board.</p> <p>Development site handed back to Network Rail (for Station Approach) and KHS (Folkestone Road) on completion in March 2010.</p> <p>Esplanade development site handed back to DHB (as landowner) on completion. Exit strategy in place for Comm Engage project. R&E accountable body role will be completed by Mar 2011.</p>
A2 Diversion at Whitfield (Dover)	<p>1.10 Maximise regen opportunities</p> <p>5.2 Smarter ways of funding road schemes</p> <p>5.5 Funding for major transport schemes</p>	A small amount of R&E involvement (less than 0.1 FTE) with district council and developers to assess implications of housing growth and to find solutions to resulting transport needs.	Transfer responsibility to Transport Strategy Team; support role from R&E	Small amount of R&E officer time freed up	Seek to agree transfer of KCC lead role during 2010-11 once mechanisms for implementation are in place.
9. RURAL BASED ACTIVITIES					
Rural Regeneration (working)	1.1 Develop relationship with businesses	Significant leadership and enabling role provided by R&E (up to 0.5 FTE) to join up	No change	Significant (core to work of R&E's rural regeneration agenda).	Assess R&E role in supporting Board alongside regular reviews

Activity	Regeneration Framework Actions	Current R&E involvement	Proposed future involvement	Resource Implications	Exit / Succession Strategy
alongside Rural Board	1.13 Lobby central govt and EU 1.15 Support Kent businesses during recession	Kent's rural agenda.		0.5 FTE plus £50K per annum to support a range of targeted interventions.	of Board's role and responsibilities from April 2010.
Action with Communities in Rural Kent (Kent Rural Community Council)	1.1 Develop relationship with businesses 1.13 Lobby central government and EU 1.15 Support Kent businesses during recession	Management of SLA and KCC rep on board. Annual commissioning fund of £37K.	No change	Minimal	Keep commissioning arrangements under review during 2010-11 in light of changing government agenda.
Produced in Kent (PinK)	1.1 Develop relationship with businesses 1.15 Support Kent businesses during recession	Joint venture with Hadlow college with 3 FTE funded by KCC (at a cost of £150K per annum). Lead Member on Board and R&E support.	PinK's Board is seeking to increase income to reduce its dependency on KCC	3 FTE	Work with JV partner (Hadlow College) to reduce dependency on funding partners and increase activity during 2010-11.
Kent Action for Rural Retailers initiative (village shop and unplanned post office closure support prog)	1.1 Develop relationship with businesses 1.15 Support Kent businesses during recession	Commissioning role through SLA. £16K plus minimal R&E officer time.	No change	Minimal officer time plus £16K	Keep KARR initiative under review during 2010-11 in light of changing government policy around Post Office provision.
Kent Downs Rural Advice Programme	1.1 Develop relationship with businesses 1.15 Support Kent businesses during recession	Kent Downs AONB lead. R&E annual contribution of £10k plus small amount of R&E officer support (less than 0.1 FTE)	Funding commitment to 31 March 2010. Rural planning issues to be incorporated in Kent Rural Board work. Seek to incorporate under wider Backing Kent Business Campaign	£10K saving plus minimal officer time	Exit strategy discussions in hand with Kent Downs AONB Unit for March 2010. Forward funding being sought through LEADER and Rural Development Programme for England. Incorporate planning issues into Rural Board work from April 2010.

Activity	Regeneration Framework Actions	Current R&E involvement	Proposed future involvement	Resource Implications	Exit / Succession Strategy
Kent Downs and Marshes LEADER Programme	1.1 Develop relationship with businesses 1.15 Support Kent businesses during recession	Managing role (accountable body for partnership programme) plus 2 externally funded officers	No change; Committed until December 2013	Continue existing project management arrangement. 2 FTE externally funded.	Outline exit strategy in place for prog closure at end of 2013. More detailed plan to be prepared following Mid Term Eval process in 2010.
Rural Access to Services Programme (RASP)	1.1 Develop relationship with businesses 1.15 Support Kent businesses during recession	Managing role for partnership (0.6 FTE). SEEDA funding for programme finishes March 2011.	No change	0.6 FTE until July 2011.	RASP Steering Group working with KHS and other KCC service directorates to assess scope for mainstreaming services post July 2011.
Post Office Forward Strategy	1.1 Develop relationship with businesses 1.15 Support Kent businesses during recession	Currently limited as national policy direction is unclear, but likely to re-emerge as a serious issue in 2010. May require dedicated Corporate Policy lead	Rural team to continue with rural post office dimension as part of RASP/KARR initiatives.	Potential saving of £30k	Seek to transfer policy dimension to Corporate Policy with effect from April 2010.
Kent Rural Towns Programme	3.3 Activities to support older and younger people	Significant officer input attached to this small scale programme – 1.4 FTE	Due to small scale nature of projects and lack of strategic fit, an exit strategy is being developed to discontinue activities by March 2011	Outsourcing could have staff and redundancy cost implications for KCC	Exit strategy to be agreed by Dec 2009 and communicated to partners in early 2010
10. OTHER REGENERATION RELATED ACTIVITIES					
The Old Rectory business space (Northfleet)	1.1 Develop relationship with businesses 1.5 Invest in business infrastructure 1.15 Support Kent businesses during recession	Minimal officer time in performance managing operators (Base Point. Less than 0.1 FTE.)	Transfer managing role to Property Group.	Minimal savings in R&E officer time. Potential loss of income of some £60K net per annum if disposed of in the short term.	Management of site from April 2010 to be considered with Property Group in the context of future regeneration opportunities.

Activity	Regeneration Framework Actions	Current R&E involvement	Proposed future involvement	Resource Implications	Exit / Succession Strategy
Whitfield (Dover) Site running obligations	1.1 Develop relationship with businesses 1.5 Invest in business infrastructure 1.15 Support Kent businesses during recession	R&E oversees site management role provided by Technology Enterprise Kent (less than 0.1 FTE)	Future site management under review. Property Group to undertake options appraisal for future of site	None - but potential loss of income from rent or future sale if disposed of or transferred in short term.	Subject to outcome of options appraisal during 2010-11.
Gravesend Old Town Hall	2.11 Support growth of social enterprises 3.3 Activities to support older and younger people	R&E has project lead and accountable body role for external funding	None beyond project completion at end of year. Work with community orgs to develop business plan for building capacity.	Small amount of officer time (approx 0.5 FTE)	Management of site from April 2010 to be considered with Property Group and Communities directorate in the context of future regeneration opportunities.
Kings Hill development, West Malling	1.5 Invest in business infrastructure 1.10 Maximise regeneration opportunities 1.11 Market Kent for inward investment 4.2 New homes built to highest standards	External project management arrangements in place (0.6 FTE, funded through KH1 account)	Continue existing arrangements	Overseeing role for R&E. Significant source of income for KCC likely to continue in longer term and directed into Regeneration Fund.	Continuing role for R&E in overseeing external project management.
East Kent Spatial Development Company	1.5 Invest in business infrastructure 1.10 Maximise regeneration opportunities	KCC (Kevin Lynes) on Board and some officer support (maximum of 0.1 FTE)	No change for time being	0.1 FTE	Work with partners to ensure company reflects opportunities and challenges of economic climate, and look at feasibility of possible wider rollout in Kent.
Herne Bay town centre and seafront master planning	1.10 Maximise regeneration opportunities	Minimal	Discontinue	Small amount of officer time freed up	Seek to discontinue involvement from April 2010.

Activity	Regeneration Framework Actions	Current R&E involvement	Proposed future involvement	Resource Implications	Exit / Succession Strategy
Planning for new A2 Slips at Wincheap, Canterbury	1.10 Maximise regeneration opportunities 5.2 Smarter ways of funding road schemes 5.5 Funding for major transport schemes	Minimal R&E involvement over past year with district council and HA	Any further work should transfer to Transport Strategy Team	Small amount of officer time freed up	Seek to agree transfer of responsibility to Transport Strategy Team with effect from March 2010.
Natural East Kent (Dover and Canterbury districts)	4.6 Improve access to green space and countryside	Officer in post externally funded to March 2011	Exit strategy to be developed with partners	Small amount of officer time	Lead for some project elements already transferred to external partners. Overall lead to be reviewed and agreed with partners by March 2011.
East Kent Local Strategic Partnership	1.10 Maximise regeneration opportunities 1.13 Lobby central government and EU	Small amount of R&E officer time provided. CMY Director is KCC lead	Agree directorates' input into Board and Management Committee and then agree R&E input.	Minimal R&E input envisaged.	Review during 2010-11 scope for continued support role after March 2011.
West Kent Partnership	1.10 Maximise regeneration opportunities	Minimal – R&E provides KCC's nominated officer on Partnership and member of working group	No change to existing arrangements for 2010-11	None	Cease funding and officer support from April 2011 and notify partnership that any further funding must be from the Regeneration Fund and approved by the Sub Group of the Regeneration Board.

This page is intentionally left blank

Appendix 2: R&E Division Staff Resources (FTE)

Activity	2009-10		2010-11		2011-12	
	Core funded	Externally funded	Core funded	Externally funded	Core funded	Externally funded
Kent Wide	4.10	2.00	3.80	2.00	3.20+	2.00
Community Infrastructure	5.70		5.70		4.50+	
Business Development	2.40		2.40		0.20+	
Visitor Economy	4.40	3.40	4.40	3.40	tbc	tbc
Thames Gateway	0.70	0.50	0.70	0.50	tbc	tbc
Kent Thameside	1.40	7.00	1.20	7.00	0.60+	1.00+
Swale	3.20	0.20	3.20	0.20	1.10+	0
Ashford	2.90	1.00	2.90	1.00	tbc	tbc
Thanet	2.30		1.60+		tbc	
Dover	2.00		1.30		0.20+	
Rural Based Activities	2.20	6.40	1.50	5.60	0.40+	2.00+
Other Regeneration Activities	1.80	1.90	0.70+	0.90	0.40+	0.60
Total	35	22	30+	20+	tbc	tbc

This page is intentionally left blank

By: Kevin Lynes, Cabinet Member, Regeneration and Economic Development
David Cockburn, Executive Director Strategy, Economic Development and ICT

To: Regeneration and Economic Development Policy Overview and Scrutiny Committee -19 January 2010

Subject: Update on Major Projects

Classification: Unrestricted

Summary:

This report provides Members with an update on the progress of major regeneration projects.

1. Introduction

- 1.1** This report provides Members a quarterly update on the progress of major regeneration projects.
- 1.2** This report will focus on those major projects being delivered by Regeneration and Economy.
- 1.3** The tables that follow present progress against projects in Thanet, Dover, Kent Thameside and Ashford and for Backing Kent Business, Backing Kent People and No Use Empty. A summary is also presented showing those bids that are coming forward for support from the Regeneration Fund.

Project	Summary of project outcome	Cost of Project KCC/Partners £	Progress since last quarter Sept - Dec	Actions planned for next quarter Jan - Mar
Ashford Growth Area - Lead Officer: Adele Harrison				
Ashford Growth Area	Delivery of the Ashford Programme to support sustainable economic growth	Total Programme value = £53.5m public sector funding (of which £22m GAF 3 and £5.5m KCC funding)	<ul style="list-style-type: none"> • Tenders issued for Victoria Way road scheme - £18m CIF • Land acquisitions progressing • Work started on cost plan analysis to determine community infrastructure required to support planned growth and inform the development of a strategic tariff. 	<ul style="list-style-type: none"> • Works contracted for Victoria Way Road Scheme • Funding agreement finalised for £15m M20 J9 and Drivers road scheme. Land acquisitions concluded and works contract appointed. • KCC service provider workshop held to engage cross directorate support and initiate analysis of infrastructure provision. • KCC internal governance arrangements established to improve co-ordination and risk management.
Kent Thameside – Lead Officer: Mike Bodkin				
Homes and Roads	To deliver 11 major transport schemes to support growth of 20,000 homes and 50,000 jobs	Total cost - £200m (at 2009). (Price base varies for funding commitments) Regional Transport Programme (DfT) £46m (at 2008) HCA £23m (at 2008) DfT £26m (at 2007) Eastern Quarry £40m (at 2007) Developer Contributions £63m (at 2009)	Revised economic ('Green Book') appraisal submitted in September by KCC to Government. HCA contribution (£23m) approved by Ministerial Group on Major Projects chaired by Lord Mandelson with instruction given to Treasury to expedite process. Negotiations with Land Securities over profile of their contribution (£40m) have commenced – see below.	<ul style="list-style-type: none"> • Completion of negotiations on reprofiling of Land Securities contribution. • Completion of Memorandum of Understanding between partners. • Completion of Partnership agreement between KCC, DBC, GBC over tariff and S.106 payments. • Draw down of first tranche of HCA funding.

Project	Summary of project outcome	Cost of Project KCC/Partners £	Progress since last quarter Sept - Dec	Actions planned for next quarter Jan - March
Ebbsfleet Valley (including Eastern Quarry)	To deliver 11,000 homes and new community adjacent to Ebbsfleet station	In excess of an estimated £100m worth of infrastructure secured by KCC and DBC to support the development of Eastern Quarry	Discussions with Land Securities have commenced over proposed adjustments to the masterplan for the Ebbsfleet Valley. Negotiations have also opened over the proposed reprofiling of their contribution to Homes & Roads (see above) and adjustments to the strategic framework for S.106 payments and S.278 highways agreements.	Substantial completion of negotiations with Land Securities. Timescale for next phases of development of the Ebbsfleet Valley will be clearer.
Dover - Lead Officer: David Hughes				
Dover Priory Station Approach Environmental Improvements	Improvements to public realm next to Station and along part of Folkestone Road towards town centre	Total project cost - £2m. Funded by KCC (£1.1m), Network Rail (£0.7m), SEEDA (£0.1m), INTERREG (£0.12m) and Dover DC (£0.05m)	<ul style="list-style-type: none"> Works started on Folkestone Road. Landscaping contract let to Jacobs. 	<ul style="list-style-type: none"> Complete Folkestone Road works. Commence works on Station forecourt and complete project.
Dover Sea Change Programme	Programme comprises improvements to 4 tourist attractions within Dover Castle, environmental improvements to Esplanade, upgrading of Bleriot Memorial, cable car feasibility study and multi faceted community engagement project.	Total project cost - £7.75m. Funded by DCMS (£3.85m), English Heritage (£2.5m), KCC (£0.65m), DHB (£0.34m), Dover DC (£0.3m) and SEEDA (£0.11m)	<ul style="list-style-type: none"> Planning consent granted for Esplanade in October, and tendered for main contract. 	<ul style="list-style-type: none"> Start final Dover Castle project (Secret Wartime Tunnels). Commence main contract works for Esplanade. Complete cable car feasibility.

Project	Summary of project outcome	Cost of Project KCC/Partners £	Progress since last quarter Sept - Dec	Actions planned for next quarter Jan - March
Thanet - Lead Officers as listed				
East Kent Opportunities LLP Theresa Bruton	Limited liability partnership created by KCC and Thanet DC to develop land holdings at Manston Business Park and Euro Kent adjacent to Westwood Cross	KCC purchased Manston Park landholdings in June 2006 £5.35m. Now sits alongside TDC equivalent landholding at EuroKent in the LLP	<ul style="list-style-type: none"> • Euro Kent spine Road opened November 2008 • Heads of Terms now issued in respect of two potential purchases of plots at Manston 	<ul style="list-style-type: none"> • Planning application for EuroKent (Westwood) site to be submitted early 2010 and relationships with key stakeholders remain positive. • Communications and promotions campaign to be stepped up to coincide with planning application process. • Updated Business Plan for EKP LLP to be finalised.
Margate - Lead Officer: Keith Mackenney				
Rendezvous site development	On the seafront site adjacent to Turner Contemporary development work is underway to bring forward a planning application for a quality mixed-use development at the eastern end of the Rendezvous site that is sympathetic to the Turner gallery and provides strong and effective linkages to the Old Town and the Winter Gardens. R&E are working with Thanet District Council (TDC), to transform the Grade 2 listed, Winter Gardens into a successful, modern operation	Total cost will be determined by the eventual direction of the project.	<p>Officers from KCC and TDC have been working with CTM Architects to bring forward a mixed- use development proposal after the withdrawal in 2008 of development partner, Gleeson.</p> <p>The initial scheme involving a quality hotel and residential development has been reviewed and options are being considered linked to the Winter Gardens where discussions are taking place to explore TDC's aspirations for the site in the context of other development planned for Margate's eastern seafront.</p>	Once design and viability work has been completed, a decision on the way forward will be reached in early 2010.

Project	Summary of project outcome	Cost of Project KCC/Partners £	Progress since last quarter Sept - Dec	Actions planned for next quarter Jan - March
Development on the Dreamland site	To work with the Margate Renewal Partnership and site owners to deliver the Dreamland Entertainment Complex & Heritage Amusement Park on a 10 acre site around the listed cinema and scenic railway.	£12.4m (Phase 1) including: SeaChange £4m HLF £3m TDC £0.75m Developer £4m	<ul style="list-style-type: none"> • Business Plan produced and classic rides secured for amusement park (early 2009) • Bids made to Sea Change and HLF in April 2009. £3.7m secured from Sea Change in December on condition that the landowners' contribution of £4m can be secured or covered. • Dreamland Trust created to front bids and operate the attraction. • Project Director and 2 staff members appointed Dec 2009 	<ul style="list-style-type: none"> • Heads of Terms for Funding and Legal arrangements, including negotiations with site owners, to be completed by end of Jan • Dreamland Trust to appoint project manager and design team by end of Feb. • Design work to be completed by April with work commencing in September. • Second round HLF decision expected July. • Phase 1 work to be completed July 2011.
Countywide - No Use Empty - Lead Officer: Steve Grimshaw				
	Initiative launched in 2005 as part of its PSA 2 commitments to examine better ways of delivering services and working more effectively with district councils by returning long term empty properties back into use.	£5m	<ul style="list-style-type: none"> • Towards 2010 Target exceeded. • A further 100 properties have been brought back into use for the period July-Sep, bringing the overall total to date to 1,049 v Target of 850. • The value of loans paid in 09-10 stands at £500k. • The value of loans approved awaiting payment stands at £595k. 	<ul style="list-style-type: none"> • A further 20 loan applications expected to be considered. • Proposals to set up a new fund with the 4 original scheme members being considered in recognition of the schemes successes to date in those areas. • Contributing to the work being undertaken in relation to a proposed Kent and Medway Housing Strategy

Project	Summary of project outcome	Cost of Project KCC/Partners £	Progress since last quarter Sept - Dec	Actions planned for next quarter Jan - March
			<ul style="list-style-type: none"> · This includes the first loans approved for properties in Dartford, Sevenoaks and Shepway who have recently joined the loan scheme. · 5 further Loan Applications under consideration. · Launch of Architect In The Empty House - a pioneering new scheme to offer owners of empty properties a FREE design and renovation consultation with an architect 	
Countywide – Backing Kent People Lead Officer: Keith Mackenney				
	The campaign brings together partners from across the public and voluntary sectors to help Kent people whether the recession and make it easier for them to get the help they need.	£40k allocated. £13k spend to date on launch, publicity materials, production of young persons money leaflet etc		
Backing Kent People Week	Advice given through KCC's Gateways to help people through the recession	Training provided in house. £1k on materials	<ul style="list-style-type: none"> · Materials produced and Gateways staff trained in their use and in advising callers. · BKP week took place in October having been promoted on local radio. 	<ul style="list-style-type: none"> · Work completed

Project	Summary of project outcome	Cost of Project KCC/Partners £	Progress since last quarter Sept - Dec	Actions planned for next quarter Jan - March
Money Box Magazine	Magazine produced for Kent residents to highlight the extent of money support services available in the county.	£5k for design, production, printing and distribution.	<ul style="list-style-type: none"> • Magazine designed and produced in conjunction with the Town & Country Housing Group. • Initial supply of magazines distributed through Gateways and in some cases further supplies have been provided. • Supplies have also gone to the Help Fund administrator. 	<ul style="list-style-type: none"> • Magazines also to be distributed to Childrens Centres and Family Liaison Officers. • Effectiveness of the leaflets to be evaluated and content reviewed.
The creation of the Kent Credit Union.	KCC has spearheaded the creation of a “people’s bank” for the county to help those who are financially excluded and provide a community saving organisation.	An original KCC development budget of £100k plus £250k allocated to Kent Savers.	<ul style="list-style-type: none"> • KCC identified the demand and potential to develop a large Credit Union as a community venture. • Working with an interim CU chief officer, KCC has worked with a shadow board of directors to finalise the creation of the organisation. • Successful workshop held with Partners and Funders with over 40 organisations attending. • Successful negotiation of additional funding from the DWP for 3 Growth Fund Areas in Kent. 	<ul style="list-style-type: none"> • Pending final authorisation from the FSA, which is now expected in early January 2010, the independent Credit Union is expected to be launched in the New Year. • Chief Officer, loans officer and office manager recruited. Gravesend Old Town Hall will be the head office for Kent Savers. • Marketing strategy underway. • Joint working with KCC Poverty Pilot will enable the development of a “Front line worker – Kent Savers information pack” to be developed to encourage signposting and referral to Kent Savers.

Project	Summary of project outcome	Cost of Project KCC/Partners £	Progress since last quarter Sept - Dec	Actions planned for next quarter Jan - March
Kent Citizens Advice Bureau advice project	KCC is working with 12 CABs organised as Kent & Medway Citizens Advice (KAMCA) to increase their capacity and to provide advice to more people, particularly in areas of debt, benefit and employment	£250k	<ul style="list-style-type: none"> · Each CAB has allocated its share of the funding against its own priorities and monitoring arrangements have been established. (April 2009) · In the second quarter of the financial year clients seen increased by 22%, welfare enquiries by 15.6% and debt enquiries by 26% on the same period last year. CABs are using the funding in a variety of ways including Saturday morning clinics, faster volunteer training packages, presence in Gateways and Children's Centres 	<ul style="list-style-type: none"> · Evidence of additional outputs from this funding will be provided on a quarterly basis. Discussions are starting on opportunities for funding next financial year. Potential areas could include ensuring a presence in each of the Gateways, subject to KCC budget position.
The creation of the Kent & Medway Financial Inclusion Partnership	KCC is working to create an independent Kent & Medway Financial Inclusion Partnership to take responsibility for the on-going delivery of the BKP campaign.	£4k allocated to Partnership.	<ul style="list-style-type: none"> · Initial steps have been taken to create the formal partnership through Companies House. · The Kent & Medway Financial Inclusion Partnership is acting as the company applying to the FSA for authorisation of Kent Savers. 	<ul style="list-style-type: none"> · The KMFIP Board will be created and key issues identified along with a forward delivery plan for the new Board.

Project	Summary of project outcome	Cost of Project KCC/Partners £	Progress since last quarter Sept - Dec	Actions planned for next quarter Jan - Mar
Countywide – Backing Kent Business Lead Officer: Jim Mckenzie				
Backing Kent Business	To support Kent businesses through the recession via KCC 10 Commitments and to develop a new relationship with business	£120,000	<ul style="list-style-type: none"> • Three business meetings held in October • November –Launch of Kent premier business event ‘2020 Vision’ to be held in April 2010. • November - Chairman's West Kent Reception with a BKB focus • December – 1st anniversary of the Launch of BKP • December – Kent Ambassadors briefing in House of Lords re Backing Kent Business • December – Paul Carter guest speaker at business breakfast meeting in East Kent re Backing Kent Business • December – BKB partners meeting ie accredited Chambers, FSB, IoD and others. 	<ul style="list-style-type: none"> • January – Business consultation forum • January – launch event for Kent Excellence in Business Awards (KEiBA) 2010 • Jan/Feb – series of business breakfasts and other business meetings planned • January – Chairman’s Reception Mid-Kent with Backing Kent Business theme • March – Chairman’s Reception East Kent with a Backing Kent Business theme • March 2010 Chairman’s business conference

2. Recommendation

2.1 Members are asked to note progress against each of the projects

Lead Contact Officer:

Director of Economic Development
Barbara Cooper
Tel: 01622 221856

BY: Kevin Lynes, Cabinet Member for Regeneration and Economic Development

David Cockburn, Executive Director Strategy, Economic Development & ICT

TO: Regeneration and Economic Development Policy Overview & Scrutiny Committee – 19th January 2010

SUBJECT: Financial Monitoring 2009/10

Classification: Unrestricted

Summary:

Members of the POSC are asked to note the impact of the second quarter's budget monitoring report for 2009/10 presented to Cabinet on 30th November 2009 and the latest exception report presented on 11th January 2010.

FOR INFORMATION

1. Introduction

- 1.1 The following is a regular report to this Committee on the forecast outturn for Regeneration and Economic Development as reported within Chief Executives Department budget.

2. Forecast Outturn

- 2.1 A detailed quarterly budget monitoring report is presented to Cabinet, usually in September, December and March, and a draft final outturn report in June. These reports outline the full financial position for each portfolio and are reported to POSCs after they have been considered by Cabinet. In the intervening months an exception report is made to Cabinet outlining any significant variations from the quarterly report.
- 2.2 The second quarter's monitoring report for 2009/10 was presented to Cabinet on 30th November 2009. An extract from the annex for the Chief Executives Department pertaining to the Regeneration and Economic Portfolio is attached as Appendix 1. An exception report was presented to Cabinet on 11th January 2010 but this did not include any additional variations for the Regeneration and Economic Development Portfolio.
- 2.3 *Revenue Budget*
- 2.3.1 In the second quarter's report an overall net saving of £173,000 was reported. This mainly arose due to not filling staff vacancies pending the arrival of the new

Director for Economic Development. A series of reviews are underway to enable the director to align the unit to the 'Regeneration Framework' aspirations, and to meet MTP savings and the projected loss of LABGI funding in 2011/12.

2.4 *Capital Budget*

2.4.1 An overall variance of -£24,000 was reported for the current year's spending.

This is due to the following:

- a re-phasing of £87,000 on the Euro Kent project into 2010/11 project due to 'traffic calming consultation
- £63,000 increased costs on Kent Thameside Regeneration Partnership (was Kent Thameside Delivery Board) following a re-alignment of costs between revenue and capital expenditure. The increase is met by revenue contributions from partners (Dartford BC, Gravesham BC and KCC)

3 **Recommendations**

Members of the POSC are asked to note the projected outturn for the Regeneration and Economic Development Portfolio for 2009/10 based on the second quarter's monitoring report to Cabinet.

Background Documents:

- 1) Cabinet briefing 30th November 2009 – Revenue and Capital Budgets, key activity and risk monitoring Report.

Officer Contact:

Dave Shipton
Finance Strategy Manager
Ext. 4597

REGENERATION & ECONOMIC DEVELOPMENT SUMMARY OCTOBER 2009-10 FULL MONITORING REPORT

1. FINANCE

1.1 REVENUE

1.1.1 All changes to cash limits are in accordance with the virement rules contained within the constitution, with the exception of those cash limit adjustments which are considered “technical adjustments” where there is no change in policy, including:

- Allocation of grants and previously unallocated budgets where further information regarding allocations and spending plans has become available since the budget setting process.
- Cash limits have been adjusted since the last full monitoring report to reflect a number of technical adjustments to budget.
- The inclusion of new 100% grants (grants which fully fund the additional costs) awarded since the last full monitoring report. These are detailed in Appendix 2 of the executive summary.

1.1.2 **Table 1** below details the revenue position by Service Unit:

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
Regeneration & Economic Development portfolio							
Economic Development incl Regeneration Projects	8,409	-2,067	6,342	-165	35	-130	-£130k staff vacancies; -/+£25k due to reduced SEEDA income covered by drawdown from reserves
Kent Film Office	101		101	6	-4	2	
Resources	232		232	0	0	0	
Strategic Management	158		158	0	0	0	
Analysis & Information	931	-60	871	26	-71	-45	
Geographic Information Systems	534	-146	388	0	0	0	
TOTAL Regen & ED	10,365	-2,273	8,092	-133	-40	-173	
Total Directorate Controllable	10,365	-2,273	8,092	-133	-40	-173	
Assumed Management Action:							
- Regen & ED portfolio						0	
Forecast after Mgmt Action				-133	-40	-173	

1.1.3 **Major Reasons for Variance:** *[provides an explanation of the ‘headings’ in table 2]*

Table 2, at the end of this section, details all forecast revenue variances over £100k. Each of these variances is explained further below:

Regeneration & Economic Development portfolio:

1.1.3.8 Economic Development incl. Regeneration Projects: A number of staff vacancies were frozen pending the arrival of the new director, giving a saving of £130k. A series of reviews are underway to enable the director to align the unit to the ‘Regeneration

Framework' aspirations, and to meet MTP savings and the projected loss of LABGI funding in 2011-12.

Table 2: REVENUE VARIANCES OVER £100K IN SIZE ORDER
(shading denotes that a pressure/saving has an offsetting entry which is directly related)

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
			R&ED	staff vacancies within Regeneration	-130
		+0			-130

1.1.4 **Actions required to achieve this position:**

N/A

1.1.5 **Implications for MTP:**

N/A

1.1.6 **Details of re-phasing of revenue projects:**

N/A

1.1.7 **Details of proposals for residual variance:** *[eg roll forward proposals; mgmt action outstanding]*

Current assumptions are that units within the Corporate Support and Performance Management portfolio will be able to generate increased income to cover the current overspends across all CED Portfolios (excluding Regeneration).

1.2 CAPITAL

1.2.1 All changes to cash limits are in accordance with the virement rules contained within the constitution and have received the appropriate approval via the Leader, or relevant delegated authority.

The capital cash limits have been adjusted since last reported to Cabinet on 12th October 2009, as detailed in section 4.1.

1.2.2 **Table 3** below provides a portfolio overview of the latest capital monitoring position excluding PFI projects.

	Prev Yrs Exp	2009-10	2010-11	2011-12	Future Yrs	TOTAL
	£000s	£000s	£000s	£000s	£000s	£000s
Regeneration & Economic Development Portfolio						
Budget	12,985	6,988	7,268	4,730	6,222	38,193
Additions:						
-						0
Revised Budget	12,985	6,988	7,268	4,730	6,222	38,193
Variance		-24	87	0	0	63
split:						
- real variance		+63	0	0	0	+63
- re-phasing		-87	+87	0	0	0
Directorate Total						
Revised Budget	12,985	6,988	7,268	4,730	6,222	38,193
Variance	0	-24	87	0	0	63
Real Variance	0	63	0	0	0	63
Re-phasing	0	-87	87	0	0	0

1.2.3 Main Reasons for Variance

Table 4 below, details all forecast capital variances over £250k in 2009-10 and identifies these between projects which are:

- part of our year on year rolling programmes e.g. maintenance and modernisation;
- projects which have received approval to spend and are underway;
- projects which are only at the approval to plan stage and
- projects at preliminary stage.

The variances are also identified as being either a real variance i.e. real under or overspending which has resourcing implications, or a phasing issue i.e. simply down to a difference in timing compared to the budget assumption.

Each of the variances in excess of £1m which is due to phasing of the project, excluding those projects identified as only being at the preliminary stage, is explained further in section 1.2.4 below.

All real variances are explained in section 1.2.5, together with the resourcing implications.

There are no variances over £250k

1.2.4 Projects re-phasing by over £1m:

There is no re-phasing over £1m

1.2.5 Projects with real variances, including resourcing implications:

Regeneration & Economic Development Portfolio

**Kent Thameside Regeneration Partnership (was Kent Thameside Delivery Board)
+£0.063m (in 2009/10).**

A re-alignment of costs between revenue and capital expenditure due to project management capitalisation results in a restated capital budget of £543k, The increase is met by the revenue contribution from partners (Dartford BC, Gravesham BC and KCC)

1.2.6 General Overview of capital programme:

- (a) Risks
N/A

- (b) Details of action being taken to alleviate risks
N/A

By: Kevin Lynes, Cabinet Member for Regeneration and Economic Development
David Cockburn, Executive Director Strategy, Economic Development & ICT

To: Regeneration and Economic Development Policy Overview & Scrutiny Committee – 19th January 2010

Subject: Budget 2010/11 and Medium Term Financial Plan 2010/13

Classification: Unrestricted

Summary: The purpose of this report is to consult the Committee on the budget proposals for the Regeneration and Economic Development Portfolio, with reference to the KCC published budget consultation paper issued on 5th January 2010.

Members are invited to comment on the key issues on the proposed budget changes for the Regeneration and Economic Development Portfolio

1. Introduction

- 1.1 The Autumn Budget Statement report by the Leader, Cabinet Member for Finance, Chief Executive and Director of Finance to Cabinet on 12th October 2009 identified that we are likely to be entering more uncertain times for local government finance. The report to Cabinet on 11th January 2010 set out the provisional Local Government Finance Settlement, which confirmed that the level of Formula Grant was as announced in the three year settlement. However, there are still uncertainties over some specific grants and the level of council tax capping, and the announcement on 25th November that the Government intends to fund some of the free “Personal Care at Home” from local government efficiencies was a surprise. Furthermore, the next Comprehensive Spending Review which was due to start in the summer has been delayed until after the forthcoming general election meaning we have little information on the Government’s plans for 2011/12 and beyond, the Chancellor’s Pre Budget Report on 9th December added no further detail.
- 1.2 We reported the national and local context to the last Policy Overview & Scrutiny Committee meeting and outlined the proposed MTP priorities and efficiency savings. As the report was tabled as an urgent item for the meeting on 12th November members agreed that its consideration should be deferred to a specially convened meeting on 17th November. The Committee discussed the policy issues from that report, questioned a number of budget headings and pressures and offered suggestions for future budget priorities and savings. This report provides a response to the issues raised.
- 1.3 Since the November meetings, there have been a number of further developments that have resulted in the budget proposals being presented for consultation. Members are invited to comment on the key issues for the services provided by the Regeneration and Economic Development Portfolio, in order that these can be taken into account at the budget meetings of Cabinet on 1st February 2010 and County Council on 18th February 2010.

- 1.4 Members are asked to read this report in conjunction with the draft Medium Term Plan and Budget Book, issued on 5th January 2010.

2. Background

- 2.1 The budget consultation papers include an overall summary of the proposed Portfolio budgets for 2010/11, showing the amounts proposed for each service within the portfolios. This identifies the gross expenditure, income and net expenditure.
- 2.2 The papers also include the proposed capital investment programme and the medium term revenue and capital plan for 2010/11 to 2012/13. All MTP entries and budget book pages are presented in as a consistent format as possible for each Portfolio.
- 2.3 Copies of the draft Budget Book and Medium Term Plan have been distributed to all Members. Members are asked to ensure you bring those to this meeting.
- 2.4 The MTP and Budget Book reflect the new portfolio responsibilities following the County Council elections in June.

3. Revenue Budget

- 3.1 The overall direction for the Regeneration and Economic Development Portfolio is becoming well established with the proposed changes to the revenue budget set out on page 67 of the draft MTP, and the current Portfolio priorities set out on pages 99 and 100. The proposed revenue budget for the Portfolio in 2010/11 is set out on page 39 of the draft Book Budget.
- 3.2 We are setting this budget in a period of great economic instability. The recession has hit deeper and lasted longer than earlier forecasts and inflation (as measured by Retail Prices Index) has been negative all year. The Bank of England Monetary Policy Committee is committed to achieving the 2% target for Consumer Price Index over the medium term. The continuing economic situation presents us with both threats and opportunities, which as well as offering the potential for savings also presents additional costs.
- 3.3 Areas of spending priority for the Portfolio in 2010/11 for which significant additional funding is required are:

Kent Film Office £150k – responsibility for the Kent Film Office transferred from the Corporate Support Portfolio to the Regeneration & Economic Development Portfolio. However, the funding was only one-off and it has been necessary to increase the base budget for R&ED in order to make the transfer sustainable.

Economic Prosperity Board & Local Economic Assessment £400k – The Local Democracy, Economic Assessment and Construction Act places a statutory duty on upper-tier local authorities to establish and service a local board and undertake an annual assessment.
- 3.4 The position on budget increases can be summarised as follows:

	2010/11	2011/12	2012/13
	£'000	£'000	£'000
Base adjustments	-162	125	0
Budget increased for:			
Pay	0	0	0
Prices	8	10	10
Service Improvements	300	0	0
Total Pressures and base adjustments	146	135	10

Table 1; Summary of value of base budget adjustments and budget pressures

3.5 Provisional cash limits for each Portfolio have been set, and therefore to balance to those cash limits, given the pressures outlined above, we will need to deliver savings, efficiencies and new income streams to deliver a balanced budget. The three-year financial plans, shown in Appendix A of the MTP (page 67), detail the proposed savings required in 2010/11. The major items are explained in the following paragraphs

3.6 Savings and Income generation

3.6.1 The total of the proposed savings and income generation required in order to meet the indicative cash limits, is £1.205m.

3.6.2 Of the £1.205m, £0.705m is proposed to come from savings, the major themes being:

Restructuring £220k – This would be delivered from re-aligning priorities across all the services within the Portfolio. The major element would come from within the Economic Development team (including regeneration projects) as part of realigning spending to the new priorities set out in the regeneration framework and reported at the special POSC meeting on 17th November

Events £200k – In 2009/10 an additional £500k was added to the Portfolio budget to promote major community events into the county to act as a stimulus for regeneration. Take-up of this budget has been less than expected and it is proposed to reduce the fund to £300k.

Research and Intelligence £250k – The proposed budget includes a significant review of research and intelligence activity to focus solely on regeneration and economic development activities. Research for other Portfolios would have to be funded within their own budgets

3.6.3 A further £0.500m of income will come through the Local Authority Business Growth Incentive scheme (LABGI) in 2010/11. However, the future of LABGI beyond 201/11 is uncertain and at this stage we are assuming it will come to an end and not be replaced.

3.6.4 The proposed net position is therefore as follows

	2010/11	2011/12	2012/13
	£'000	£'000	£'000
Base budget	7,420	6,361	6,483
Total Pressures and base adjustments (from Table 1)	146	135	10
Savings	-705	-763	
Income Generation	-500	750	-63
Revised base budget	6,361	6,483	6,430

Table 2; Total proposed base budget for R&ED Services

4 Capital Budget

- 4.1 The starting point for the capital programme is the existing published capital programme for 2009/12. This is adjusted for re-phasing of schemes from 2009/10, changes to the total cost or funding of schemes, and new schemes. The detail of the proposed capital programme is provided in the draft Budget Book on pages 41, with the capital strategy outlined on pages 124 & 125 of the draft MTP.
- 4.2 The capital programme for R&ED is largely unchanged. The Arts & Business Centre at Folkestone Academy is complete and has now been removed. The main emphasis in the programme remains the empty property initiative and projects funded from the capital regeneration fund. We have undertaken a through review of the criteria and approvals process for this fund.
- 4.3 Members should note that the level of financial support from Government in 2011/12 and 2012/13 is not known. It is very likely that we will see a significant reduction in the grants and supported borrowing. Because of the difficulty in predicting this we have presented the budget to show that the level of spend on certain schemes will be equal to the level of Government financial support. These schemes are identified in italic font in the draft budget book. At this stage this has no impact on R&ED.

5. Recommendation

- 5.1 Members are asked to note and comment on the revenue and capital budget proposals, and note the issues raised by the special meeting, along with the resulting responses in the proposed budget.

Contact officer:

Dave Shipton

Finance Strategy Manager

01622 694597 (ext 4597)

dave.shipton@kent.gov.uk

Background documents:

- Autumn Budget Statement; Cabinet, 12th October 2009
- Medium Term Financial Plan 2010/11 to 2012/13 for the Regeneration and Economic Development Portfolio POSC, 12th and 17th November 2009
- Provisional Local Government Finance Settlement; Cabinet, 11th January 2010
- Draft Budget Book and Medium Term Plan 2010/13 (issued on 5th January 2010)

By: Kevin Lynes, Cabinet Member for Regeneration and Economic Development

David Cockburn, Executive Director Strategy, Economic Development and ICT

To: Regeneration and Economic Development Policy Overview & Scrutiny Committee, 19 January 2010

Subject: Half-year monitoring 2009/10

Classification: Unrestricted

SUMMARY

This report summarises the 2009/10 half-year monitoring results for the Regeneration and Economy division's annual business operating plans and includes the Executive Director's statement of progress to date.

1. INTRODUCTION

The Regeneration and Economy Division is part of the Chief Executives Department. Reporting to the Executive Director, Strategy, Economic Development and ICT, the division is responsible for driving the delivery of KCC's recently launched Regeneration Framework: "Unlocking Kent's Potential."

The majority of the Division's activities are undertaken with reference to the Local Government Act (2000). This empowers local authorities to undertake activities they consider necessary to promote or improve the economic, social or environmental well being of their local area and/or of the local people. Section 39 of the 2004 Planning Act supports the regeneration role of the division in that there is a "duty to deliver sustainable development" which also includes achievement of good design and energy efficiency. The Local Government Act 1972 empowers local authorities to provide tourism services. The legislative framework for development investment activity is contained within the Planning and Compensation Act 1991, Circular 05/2005 Planning Obligations and the Planning and Compulsory Purchase Act 2004, Highways Act 1980 and Land Compensation Act 1973.

2. HALF-YEAR MONITORING PROCESS

Business plans represent the operation of the County Council's services within the context of its Policy Framework and are clearly linked to its Medium Term Financial Plan and annual budget as approved by the council.

The unit plans are in effect the annual operating plans for KCC and they continue to be an essential product of directorate planning systems. Their primary purpose is to:

- Ensure that delegated authority to carry out activity in the coming year is approved
- Align annual unit resources (FTE and budgets) with core activity and projects

- Articulate operational performance targets and tasks, which will be monitored during the year
- Identify the relationship with the units' customers and stakeholders during the coming year.

A report on progress against the Towards 2010 targets went to Cabinet on 12 October 2009 and County Council on 15 October 2009 and is therefore not part of the half-year monitoring of the annual unit business operating plans.

3. SUMMARISED OUTCOMES

Business Units are expected to run a 100% half-year check of progress on their 2009/10 Business Unit Operating Plans. Most of the projects/developments/key actions set out in these plans are 'On course' or 'Done and ongoing'. Due to the economic climate 20% of these actions are 'not on target' to complete this financial year and are listed with reasons and proposed actions in Appendix 1. The Executive Director's statement outlining progress is also included in Appendix 1.

4. CONCLUSION

4.1 The targets and commitments for which the Corporate portfolio holders and officers in the Department are responsible are largely on track for achievement at the end of 2009/10.

4.2. An annual review of 2009/10 performance will be presented to this Committee in July 2010.

5. RECOMMENDATIONS

5.1. Members are asked to NOTE this report

Contact officer:-

*Janice Hill, Performance Manager, Chief Executives Dept
Tel 01622 22(1981) Email janice.hill@kent.gov.uk*

**Chief Executives Department
Regeneration and Economic Development
2009/10 Half Year Monitoring
September 2009**

The “Backing Kent Business”(BKB) campaign, launched in December 2008, through its focus on 10 commitments by KCC to help Kent businesses has already increased the number of invoices paid by KCC to Kent businesses within 20 days (previously 44% increased to 78%) and introduced the Kent Business Support Centre which has had over 30,000 visitors. Since the launch, over 482 new contractors are being assessed. BKB is developed, supported and championed by the Regeneration and Economy unit.

The Regeneration & Economy unit has formally launched the Regeneration Framework - ‘Unlocking Kent’s Potential’ which has necessitated the realigning of Regeneration & Economy business activity and the setting up of the Regeneration Board with resultant support functions.

The Kent-wide “No Use Empty” initiative has already surpassed the original target set for this year (the target was increased from 650 to 850 in June 2009). The ‘No Use Empty’ initiative has been widely praised across the UK as a unique partnership between county and local councils, achieving tangible results and setting an example for others to follow.

The development of a county-wide spatial vision for Kent has been commissioned which will focus on three themes; Connected County, The Coastline – Ports & Resorts and 21st Century Garden of England. The Regeneration and Economy unit was recently selected as Regeneration & Renewal Magazine’s *Local Authority Regeneration Team of the Year*. The award recognised work on Ashford Shared Space that was described as “a ground breaking project, creating an extensive area of shared space, and turning a one way ring road into a series of 2 way streets”.

David Cockburn
Executive Director Strategy, Economic Development and ICT

Progress against Business Plans

Exception reporting against both core services and forecast activity levels and projects, developments and key actions

The following are those not expected to be completed and the reasons why/action to be taken:

Activity / Projects not expected to be completed as planned	Reason(s) why and actions to rectify
Economic Development	
<p>Coastal Towns</p> <ul style="list-style-type: none"> • Margate Rendezvous Site development • Margate Public Realm Strategy • A2 Slips, Canterbury <p>Development Investment</p> <ul style="list-style-type: none"> • Kings Hill business space development <p>Growth Areas</p> <ul style="list-style-type: none"> • Northfleet station refurbishment • Gravesend Old Town Hall commercial occupation • Homes and Roads • Re-location of Ashford Learning Campus <p>Rural</p> <ul style="list-style-type: none"> • Post Office campaign 	<p>Revising approach in light of responses received to proposed scheme may lead to further delays</p> <p>Being reviewed in light of proposed sea defence works</p> <p>Outside KCC control (developer withdrew) – maintaining a watching brief.</p> <p>Outside KCC control (economic downturn). Continue to market site to businesses.</p> <p>Outside KCC control (external funding not being provided), No further action at this stage.</p> <p>Revising approach to a more phased occupation that will see first commercial tenants taking up leases in January 2010 and working on possible project to give Young Entrepreneurs virtual office space.</p> <p>Ministerial approval now given subject to Treasury approval</p> <p>Outside KCC control (Partner funding issue). No further action at this stage.</p> <p>Outside KCC control (change in government direction) – maintaining a watching brief.</p>

Activity ahead of schedule:
<ul style="list-style-type: none"> • Unlocking Kent's Potential launched in October. Regeneration Board established along with the mechanisms (Programme Office) to support its efficient operation. • Launch and progress of Backing Kent Business including progress against the 10 commitments and mechanisms for improving relationship with business. Recognition by Audit Commission etc. • Launch and progress of Backing Kent People including progress to establishing the Kent Credit Union (scheduled for an October launch). Kent Savers moving into Gravesend Old Town Hall from January 2010 • The opening of The Bridge - Kent's first school of the future. • No Use Empty initiative is now Kent-Wide and the target set for 2010 has

already been surpassed. Even the new stretched target looks like being achieved ahead of schedule.

- Good progress on Parklands (750k being invested by KCC Regeneration Fund) project in Swale with identification of new cycle routes on Sheppey and progress toward development of Milton Creek Country Park
- Multi-Area Agreements were approved by Government in September. Specific actions are being progressed in relation to transport, skills, housing and funding
- The Commission for Rural Communities visit on 21 & 22 July was a success, placing the spotlight on Kent in terms of rural transport and deprivation. National recognition of Rural Board model and Community Shop Guide published with partners this year.
- Many National Awards received for Ashford Shared Space
- External funding achieved for Junction 9 and Drovers and Victoria Way, Ashford
- Kent Design Awards launched
- New business awards - wholly KCC/KM owned (KEiBA's) - successfully launched
- Kent with partners from France, Belgium and Holland has been successful in securing funding over 3 years from the Interreg 2 Seas programme for three projects two of which will be led by KCC; a sustainable tourism research initiative (total project costs of 3.2m euros of which KCC element is 764k Euros, Coastal Action on Sustainable Tourism project (total project costs of 2.8m Euros of which KCC element is 725k Euros). KCC is also a contributory partner to a third project, Greet the World," totalling 4.4m Euros of which the KCC element is 869k Euros
- Construction started on public realm works at Dover Priory. Completion expected March 2010
- £7.75m Sea Change programme is well underway with 3 of the 4 Dover Castle improvements completed, the Bleriot Monument project completed and esplanade public realm improvements due to start in January 2010
- A number of Kent tourism businesses won awards at the Regional South East Excellence Awards
- Major new visitor campaign announced and will be launched in Spring 2010
- Successful implementation of Kent Greeters Programme – a first for Europe and now being replicated by other Counties and in Pas de Calais
- Despite a late start to the Leader + Programme the LAG Executive has approved ten projects so far with a programme spend of circa £225,000.
- Good communication channels have been set up and the first of a number of LAG sub groups have been formed (Local Authority officers sub group) to help develop sector specific projects for development.

This page is intentionally left blank

By: Overview, Scrutiny and Localism Manager

To: Regeneration and Economic Development Policy Overview and Scrutiny Committee – 19 January 2010

Subject: **UPDATE ON SELECT COMMITTEE WORK**

Classification: Unrestricted

Summary: This report updates Members on Select Committee work due to start in 2010.

Select Committee Topic Review Work Programme

1. (1) At its meeting on 16 October, the former Policy Overview Co-ordinating Committee (now called the Scrutiny Board) considered all the suggestions put forward by Members and Officers for possible Select Committee Topic Reviews, and agreed that the following topics would form part of the work programme for 2009/10:-

- Extended Schools (a short review, due to start in spring 2010)
- Renewable Energy – what should Kent’s role be? (starting its work now)
- Dementia (due to start its work in summer 2010)
- Educational Attainment of Pupils and Schools in Areas of High Deprivation (due to start its work in summer 2010)

If resources allow, there may be an additional short piece of work on the benefits of interaction between the generations.

(2) Regular update reports on the progress of the Select Committees will be made to all POSCs, so Members are kept informed of any part of any Select Committee’s work which might cross over into the remit of other POSCs.

Recommendation

2. Members are asked to note the planned timetable of Select Committee work in 2010, and the arrangements to keep all POSCs updated on any issues arising which cross over into their remit.

Theresa Grayell
Democratic Services Officer

Background Information: *Nil*

telephone: 01622 694277
e-mail: theresa.grayell@kent.gov.uk

