

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

Wednesday, 17th November, 2010

10.00 am

Council Chamber, Sessions House, County Hall,
Maidstone





AGENDA

REGENERATION AND ECONOMIC DEVELOPMENT POLICY OVERVIEW AND SCRUTINY COMMITTEE

Wednesday, 17 November 2010, at 10.00 am Ask for: Theresa Grayell
Council Chamber, Sessions House, County Telephone 01622 694277
Hall, Maidstone

Tea/Coffee will be available 30 minutes before the meeting

Membership (12)

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

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

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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 Interests by Members in items on the Agenda for this meeting
- A3 Minutes of the meeting held on 23 September 2010 (Pages 1 - 10)

B. ITEMS FOR DISCUSSION

- B1 Update on REDPOSC District Visits (Pages 11 - 88)

Approximately 12.30 or 1.00 pm - Break for lunch (not provided)

- B2 Local Enterprise Partnership (Pages 89 - 100)

- B3 Update on Major Projects (Pages 101 - 112)
- B4 Financial Monitoring 2010/11 (Pages 113 - 114)
- B5 Budget 2011/12 and Medium Term Financial Plan 2011/12 to 2012/13 (Pages 115 - 128)
- B6 Change to Keep Succeeding (Pages 129 - 186)

C. SELECT COMMITTEE UPDATE

- C1 Update on Select Committee Work (Pages 187 - 188)

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

Tuesday, 9 November 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 Council Chamber, Sessions House, County Hall, Maidstone on Thursday, 23 September 2010.

PRESENT: Mr M C Dance (Chairman), Mr J R Bullock, MBE, Mr A R Chell, Mr K A Ferrin, MBE, Mr P J Homewood, Mrs J P Law, Mr K H Pugh, Mrs J A Rook, Mr K Smith and Mrs E M Tweed

ALSO PRESENT: Mr J A Kite and Mr M 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

34. Minutes of the meeting held on 8 July 2010

(Item A3)

1. RESOLVED that the Minutes of the meeting held on 8 July 2010 are correctly recorded and that they be signed by the Chairman.
2. The Chairman advised members that an update on issues covered at district visits, including an update on all Local Development Frameworks across the county, would be part of the discussion at the November meeting.

35. Regeneration and Economy - A District Perspective: Report back from Visits to Thanet on 26 July and Shepway on 1 September

(Item B1)

During the debate on this item, Mrs J A Rook declared an interest as her family company has retail premises in a number of towns across Kent.

Thanet – 26 July

1. Members made the following comments on what they had seen and heard at the visit to Thanet:-
 - a) the visit had been positive, upbeat, very worthwhile, and was very well organised. Thanet were congratulated on what they were doing;
 - b) Thanet was intriguing and challenging, in terms of regeneration, and its reputation as an area of deprivation had served it well;
 - c) this was the last chance for the District and County Councils to work together to achieve outcomes;

- d) it was hoped that the Turner Centre would deliver all that was planned, and draw tourists from Europe as well as from the UK;
- e) Manston Parkway is a key priority and would need a fast track rail link to London within the hour to ignite the whole of East Kent;
- f) it is important to recognise where mistakes had been made – eg Westwood Cross – and it would be useful to see how shopping areas will be addressed once economic confidence is regained;
- g) Members debated the relative merits and problems of free and charged parking:
 - i) Kent's towns do not have enough and it is never free. If shoppers cannot park for free in one shopping area, they will go to another. Provision of free parking is big issue when addressing the regeneration of town centres, and should be a community commitment;
 - ii) it is unrealistic to expect to provide free parking, and parking revenue would contribute valuable income to a town centre. Charges could be relatively small yet cover the maintenance costs of providing it;
- h) Thanet had received much regeneration funding over the years, yet still it is an area of multi-deprivation; and
- i) in some town centres in Kent, shoppers could park outside shops for free, while other towns had pedestrianised high streets. This might explain why some High Streets were doing well and keeping their independent traders and others were not.

2. The Deputy Cabinet Member, Mr J A Kite, was asked what he would be doing to help Thanet in the short term. Mr Kite replied that there were two threads - strategic and specific. A key strategic challenge would be to get the Local Enterprise Partnership right. Specifics would include issues like supporting the towns and communities behind the seafronts rather than being beguiled by the seafronts themselves, and to treat all areas equally.

3. In discussion, Members started to identify key themes for their future discussion of priorities:

- Manston parkway and the need for a good rail link to Thanet
- parking – free or charged
- pedestrianised or non-pedestrianised town centres

Shepway – 1 September

4. Members made the following comments on what they had seen and heard at the visit to Shepway:-

- a) the visit had been interesting but Members had been surprised at what they had been shown, spending much time at the racecourse but very little at seafronts or town centres;
- b) the presence of the De Haan Trust locally was a big asset to Shepway, and they were making the most of it, but combining a major benefactor with other work can be a challenge;
- c) Shepway is behind on developing its Local Development Framework, but the LDF would help resolve issues like b) above;
- d) much money has been spent on the creative quarter in Folkestone, but Members were unimpressed by the result and worried that it was not reaching its potential;
- e) the racecourse was in the early stages of development but offered a way ahead, and had more potential than the creative quarter;
- f) regeneration in the region had been bitty, and cohesion was not evident;
- g) Members discussed at some length the relative merits of Lydd and Manston airports, highlighting the following points:-
 - i) Lydd has the benefit of private investment, while Manston would need KCC support;
 - ii) Lydd has a good rail link yet is dwarfed in importance by Manston;
 - iii) we shouldn't be encouraging increased air travel so should not develop or promote *either* airport!
 - iv) each has a different role – Manston offers a link to Essex, which fits with the LEP bid, while Lydd is just a local hub;
 - v) Lydd is close to HS1 but has a dangerous road link which would need upgrading;
 - vi) having an airport close to a nuclear power station could bring a potential terrorist problem;
 - vii) both are too far from London to serve it;
 - viii) neither has a local population to support its facilities;
 - ix) Manston had its heyday in the 1960s, with trips to the continent. It now needed to find a new role; and
 - x) each could serve a different market, so would not be in competition.

5. The Chairman commented that the POSC was a useful forum for identifying cross-directory themes, such as work by the De Haan trust on community projects.

36. Development Contributions and Infrastructure

(Item B2)

Mr N Smith, Head of Development and Investment, was in attendance for this item, with Mr C Metherell, Kent Sports Facilities Development Manager.

1. Mr Smith introduced the report and highlighted the need to balance housing provision with funding for essential infrastructure, and pointed out that S106 agreements were only part of the solution. Mr Metherell added that communities issues were sometimes not taken into account, that S106 arrangements did not always deliver what was wanted and that he found it was a constant struggle.

2. In discussion and in response to Members' questions, the following points were highlighted:-

- a) there should be one viability test/model applied all across Kent, and contributions collected into one pot for distribution;
- b) funding would be needed before a build commenced, so that local community could feel they owned the funding and could consider how to spend it;
- c) Kent needed to look at a broader range of funding mechanisms, not just S106, and this range could include Multi Utility Services Companies (MUSCOs);
- d) there was traditional conflict between the District and County Councils over how to share funding – but it didn't matter who spend it, it was how it was spent that was important;
- e) S106 agreements need to be tightly defined to work well, and KCC needed to be rigorous in setting terms;
- f) developers know that S106 payments are expected, so build the cost of providing them into their costings for a development; and
- g) the current system was based on capital, which was not what the KCC ideally wanted. KCC's lobbying will include the need for flexibility over how money is managed.

3. The Deputy Cabinet Member, Mr J A Kite, commented that residents, not KCC, should be at the top of the democratic decision making process, as communities spend available funding much more effectively than the KCC did. He agreed with the suggestion that a 'one pot' model was the best way forward.

4. RESOLVED that the information set out in the report and in response to Members' questions be noted, with thanks.

37. Local Enterprise Partnership

(Item B3)

1. Ms Cooper introduced the report and highlighted the process for bidding for and determining the various LEP proposals which were emerging. A formal announcement was expected in early October, and whichever of Kent's LEP bids was successful would be used as the basis for bidding to the Regeneration Growth Fund.

2. In discussion, and in response to Members' questions, the following points were highlighted:-

- a) Members expressed differing views on the merits of the Kent and Essex LEP bid:
 - i) a Kent and Essex LEP would be the best outcome for Kent, but it would need to include Medway, Thurrock and Southend authorities. Kent and Essex are very similar authorities, and Southend would make a better regional airport than Manston or Lydd;
 - ii) the Kent and Essex proposal would bring conflicts, and its acceptance was doubted. A West Kent LEP would be better, and a Kent and Medway LEP would have had good support;
- b) government guidance had arrived late and been unclear, with the criteria for bids changing between successive versions;
- c) KCC was working closely with VisitKent, who had signed up to several different bids, including those listed above. Tourism was a vital driver for economic development; and
- d) it was not ideal that the government was left to decide where commonality lay between areas, and the governance mechanism of the resultant LEP was unknown/unclear.

3. The Deputy Cabinet Member, Mr J A Kite, added that Kent had adopted a coherent approach to the bidding process. Kent and Essex was of a sufficient size to work as an LEP, following the government guidance, although it would have helped if the government guidance had been available earlier. KCC and District Councils would have to work together to make best use of available funding.

4. RESOLVED that the information set out in the report and in response to Members' questions be noted, with thanks.

38. Financial Monitoring 2010/2011

(Item B4)

Mr D Shipton, Finance Strategy Manager, was in attendance for this item.

1. Mr Shipton introduced the report and explained that the latest exceptions report would go to the next meeting of Cabinet and thence to the November POSC

meeting. The Local Authority Business Growth Incentive Scheme (LABGI) grant had been removed this year, but this had already been planned for and the impact accommodated.

2. In response to a question, Mr Shipton explained that, if cuts were required, he expected them to be gross rather than net. The difference between the two was mainly made up of ring-fenced grants, and, if grants were cut, the ring-fencing would end, giving greater flexibility over how grants were spent.

3. Members commented that, although the Regeneration budget was small, it should not be overlooked. Its relatively small monetary value was outweighed by the influence that the KCC could exert.

4. The Chairman reminded Members that the POSC had decided at its July meeting that he and the Vice-Chairman would keep a watching brief and decide whether or not the POSC needed to convene an Informal Member Group (IMG).

5. RESOLVED that the information set out in the report and in response to Members' questions be noted, with thanks, and that the Chairman and Vice-Chairman continue to keep a watching brief for any need for an IMG to look at the POSC's budget.

39. Update on Major Projects

(Item B5)

1. Ms Cooper introduced the report and reminded Members that the projects listed were those which were the most active at the time of reporting. She undertook to update Members on other projects at the November meeting.

2. RESOLVED that the information set out in the report and in response to Members' questions be noted, with thanks.

40. Draft Towards 2010 Annual Report

(Item B6)

Mrs S Garton, County Performance and Evaluation Manager, was in attendance for this item.

1. Mrs Garton introduced the final closedown report and explained that, where the status of 'completed' was given, this did not mean the work was over, but that the activity was now embedded in mainstream work.

2. In discussion, and in response to questions from Members, the following points were highlighted:-

- a) Members commented that 'Towards 2010' had been a very successful programme, and they congratulated the officer team; and
- b) not everything in the strategy had been delivered, but it was not expected that everything would be.

3. RESOLVED that the information set out in the report and in response to Members' questions be noted, with thanks.

41. Bold Steps for Kent

(Item B7)

Mr D Whittle, Policy Manager – Corporate Policy Unit, was in attendance for this item.

1. Mr Whittle introduced the report and explained that the draft Bold Steps for Kent report was being considered by all POSCs so Members could comment on the priorities in it and help shape the final document. He emphasised that economic development was a strong theme running through the draft Bold Steps for Kent document.

2. In discussion, Members made the following comments on the draft:-

- a) I cannot make a judgement as I don't know what the 'bold steps' are. There is no specific detail yet. Will the specifics be 'bold'?
- b) this seems to be about themes rather than people or KCC services;
- c) the government should take on the job of dealing with failing schools;
- d) I am concerned about use of the term 'the Big Society'; what does this mean? It's a nice idea but how would you achieve it?
- e) we need to make Kent a place that people want to live in; what 'bold steps' are needed to achieve this?
- f) we need to listen to local people and what they want for their town;
- g) Whitstable has been very successful, and had won 'High Street of the Year' with its thriving independent traders. We need more Whitstables;
- h) KCC's role is changing, and the role we get will not necessarily be our choice but will be dictated by the government. We can take stock and take an overview but must make sure that we get the right advice;
- i) we have an opportunity to create the Big Society how we want it; we could be radical and innovative;
- j) we need to be clear what we mean by economic growth, and need to define it;
- k) I would like to add to the five key themes listed in the report: *'improved Broadband'*, as this is an important infrastructure for attracting new businesses, and *'removing regulatory and organisational blockages to business growth'*, so businesses can grow and prosper; and

- l) local people should have control over how local budgets are spent, and local volunteers, professional bodies and entrepreneurs should shape this. This is what the Big Society means to me.

3. Mr Whittle explained the onward process and timetable for developing the Bold Steps for Kent document. The consultation draft would be issued on 11 October for a 4 week public consultation, and the final document would be considered by the County Council on 16 December.

4. RESOLVED that:-

- a) the information set out in the report and given in response to Members' questions be noted, with thanks; and
- b) Members' comments, set out above, be taken into account when preparing the final draft.

42. Draft Annual Performance Report 2009/10 *(Item B8)*

Mrs S Garton, County Performance and Evaluation Manager, and Mr R Fitzgerald, Performance Manager, were in attendance for this and the following item.

1. Mrs Garton and Mr Fitzgerald introduced the report and explained that, although there was no longer any statutory requirement to publish a performance report, the KCC had continued to do so as good practice.

2. In discussion, and in response to Members' questions, the following points were highlighted:-

- a) Members expressed scepticism that all actions listed on pages 119 to 122 of the report had been completed as stated. Mrs Garton explained that the outcomes listed represented a summary only of the Towards 2010 Closedown Report and was not intended to include the full detail which was in that report. She reiterated that the status 'completed' meant that the issue had become part of mainstream work and was not the end of the work;
- b) Members commented that the report did not reflect the findings of the recent Ofsted report, which had been published since, on the KCC's Child Protection performance, so would have to be updated to include this. Mr Kite added the view that a report from a regulatory public body should be reflected in an authority's own performance reporting, and, to be useful, a performance report should be accurate and complete;
- c) the performance of the Kent Film Office was measured by the number of days' filming which had taken place in Kent in the year, and the amount spent each day. This figure was estimated but was reliable. It would be useful to be able to compare Kent's success in this field with that of another local authority which has a film unit, but such benchmarking was difficult; and

- d) compiling the annual performance report mostly made use of existing information, but the information used was checked and quality assured.

3. Members expressed concerns about the accuracy of some the report and commented that being too self-congratulatory was dangerous. They asked that Cabinet be made aware of their misgivings about the reporting of performance and that they did not think what was reported adequately reflected the true situation.

4. Mrs Garton thanked Members for their frank comments and asked individual Members to contact her directly outside the meeting to tell her their specific areas of concern about the Draft Annual Performance Report.

5. RESOLVED that:-

- a) the information set out in the report and in response to Members' questions be noted, with Members' concerns on the reporting, expressed above, being taken into account; and
- b) Cabinet be made aware of Members' concerns about the accuracy of the reporting in the Annual Performance Report.

43. Core Monitoring Report *(Item B9)*

RESOLVED that the information set out in the report be noted.

44. Update on Select Committee Work *(Item C1)*

RESOLVED that the information set out in the report be noted, with thanks.

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

To: Regeneration and Economic Development Policy Overview
and Scrutiny Committee, 17 November 2010

Subject: Update on REDPOSC District Visits

Classification: Unrestricted

Summary:

This report provides Members with a summary and assessment of the priorities identified from their visits to Kent districts over the last year.

1. Introduction

- 1.1 Over the past year, REDPOSC Members have been undertaking a programme of visits to Kent districts, starting with Swale in November last year and finishing with the visit to Maidstone at the beginning of October this year. The main purpose of the visits was to identify those regeneration and economic development issues that Members consider are potential priorities for future investment by the County Council.
- 1.2 Each district visit was accompanied by district council representatives (both members and senior officers), and for some visits by the chairman of the Learning and Development Policy Overview and Scrutiny Committee.

2. Priorities identified by REDPOSC

- 2.1 In total, over 40 potential priorities for future investment across the county were highlighted by Members during the visits. A summary of these is set out in the appendix to this report. The appendix also provides updated information in relation to those visits that were made several months ago, as well as updates on district councils' progress in preparing Local Development Framework Core Strategies.

3. Assessment of priorities

- 3.1 In order to assist REDPOSC in its deliberations, we have selected four criteria against which to assess each of the priorities identified during the district visits. Each of the criteria is consistent both with the main objectives of the Kent Regeneration Framework and Bold Steps for Kent, and with the coalition government's imperative to rebalance the economy

and create the conditions for future economic growth. However, Members may wish to use an alternative means of deciding which are their most important priorities.

- 3.2 The criteria used during the assessment are set out below:
1. Supports business growth to rebalance the economy, create jobs and revenue;
 2. Champions regeneration that creates value through the entrepreneurial use of assets;
 3. Increases rates of economic participation and independence for people in areas of high benefit dependency; and
 4. Creates the conditions for growth that achieve longer term outcomes beyond the current Comprehensive Spending Review period.

Each of the REDPOSC priorities was scored and given a High, Medium or Low rating to reflect the degree of fit with the criteria, and the provisional outcomes of this assessment are summarised in the appendix.

- 3.3 It should be noted that many of the priorities rated High or Medium by this assessment are already established and important priorities for KCC, and include, for example:
- Maintaining the critical nature of Ashford as a growth point;
 - Supporting joint working with the east Kent district councils;
 - Supporting port development at Dover's Western Docks;
 - Balancing new growth at Ebbsfleet with town centre regeneration in Dartford and Gravesend;
 - Supporting the development of Folkestone's seafront;
 - Developing a multi agency approach to people based regeneration on Sheppey;
 - Supporting Margate Task Force in tackling deprivation in central Margate and Cliftonville West; and
 - Improving accessibility to Thanet via HS1 and a parkway at Manston.

- 3.4 Several of the Medium rated priorities were common to a number of districts, and also reflect corporate regeneration priorities within KCC linked to learning and skills, culture and transport. Examples of these include:
- Supporting the development of learning and skills provision in Ashford, Kent Thameside, Shepway and Maidstone;
 - Making the case for better transport infrastructure in Dover, Thanet and Maidstone
 - Maximising the opportunities for cultural regeneration across east Kent; and
 - Supporting town centre regeneration at Dover, Dartford, Gravesend, Maidstone, Swanley, Margate, Tonbridge and Tunbridge Wells.

- 3.5 The large number of priorities identified by REDPOSC means that it is unlikely, given the new public expenditure landscape, that all or even most of them could be accommodated in our future work programme – and indeed some of the priorities would be for other directorates to take forward. However, some could well emerge as new priorities if they align closely with KCC and coalition government objectives for strong and sustainable economic growth, and subject to available resources both in the public and private sectors. We will endeavour to engage fully with the private sector to support the development of new and emerging priorities.
- 3.6 The future role of the emerging Local Enterprise Partnership in determining the investment priorities for the county will also be crucial here, as will the Local Investment Plans for east, north and west Kent and Ashford being prepared by the Homes and Communities Agency in association with KCC, Medway Council and the district councils. Indeed, many of the priorities identified during the REDPOSC visits are also LIP priorities, and may therefore be included in future bids for RGF and other potential funding streams.

4. Recommendation

- 4.1 The Committee is asked to discuss the priorities identified from the visits and to agree a priority order.

Author Contact Details:

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Chief Executive's Directorate

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Background Documents:

None

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Appendix 1 - Summary and Assessment of REDPOSC Priorities

1. Ashford (date of visit: 30 April 2010)

Priority identified by REDPOSC	Provisional Rating	Update since visit
Maintaining the critical nature of Ashford as a growth point	H	<ul style="list-style-type: none"> • LDF Core Strategy adopted July 2008. • Ashford's town centre and commercial quarter have now been identified as the top priority in the Ashford LIP. • Good progress by KHS on M20 Junction 9, M20 footbridge and Drivers roundabout improvements. • Victoria Way under construction by KHS but likely to extend beyond funding window. • DTZ has completed a report on HE and FE provision in Ashford and KCC is looking at the implications for the 14-19 age group and for secondary school provision. This should be finished at the end of the year.
Supporting the development of HE/FE learning and skills provision	M	
Making provision for the future maintenance requirements of high quality public realm	L	

2. Canterbury (26 February 2010)

Priority identified by REDPOSC	Provisional Rating	Update since visit
Supporting joint working with the east Kent district councils in regeneration and economic development	H	<ul style="list-style-type: none"> • LDF Core Strategy Options report published in January 2010. • East Kent LIP being prepared by HCA, KCC and districts recognises importance of HE/FE sector to local economy • City Council's proposed Technology Park will help to develop that HE/FE potential. • Visit Kent is developing a cultural tourism programme for 2011, with a strong focus on East Kent.
Capitalising on Canterbury's pivotal role as a major centre for HE / FE in the county	H	
Maximising the opportunities for cultural regeneration across east Kent	M	

3. Dover (15 December 2009)

Priority identified by REDPOSC	Provisional Rating	Update since visit
Assisting the development of the White Cliffs Business Park (WCBP) through innovative financing mechanisms, and supporting the growth of Whitfield	H	<ul style="list-style-type: none"> • LDF Core Strategy adopted in February 2010 • Port expansion looks likely to be delayed until 2015. • KCC working with DHB and FE college to look at opportunities for maritime skills provision • KCC has set up an officer working group to advise and support Dover DC and prospective developers about community infrastructure needs for Whitfield
Supporting port development at the Western Docks and related mixed use regeneration opportunities	M	
Assisting the district council and		

<i>Dover Pride to make the case for transport investment</i>	<i>M</i>	<ul style="list-style-type: none"> • <i>KCC is undertaking a feasibility study for a Bus Rapid Transit scheme that would connect the existing town with the port and growth areas of Whitfield and Farthingloe</i> • <i>Scope for major new build under BSF programme is very limited although Archers Academy new build is under review by government.</i> • <i>The BSF grammar school proposal at Whitfield has been discontinued.</i> • <i>Dover Construction Centre at Whitfield is being well used (caters for 16-19 age group)</i>
<i>Making the most of KCC's commissioning role for learning and training provision in the 14-19 age group</i>	<i>M</i>	
<i>Making the most for Dover of the Building Schools for the Future (BSF) programme</i>	<i>L</i>	

4. Kent Thameside (12 March 2010)

Priority identified by REDPOSC	Provisional Rating	Update since visit
<i>Balancing new growth at Ebbsfleet with town centre regeneration in Dartford and Gravesend</i>	<i>H</i>	<ul style="list-style-type: none"> • Dartford LDF Core Strategy is expected to be submitted in September/October 2010 • <i>GBC is assessing the development potential of all key town centre sites (including Heritage quarter & Northfleet Embankment) through emerging LDF</i> • Interim consultation on draft Gravesham Core Strategy expected in late autumn 2010 • <i>Most of REDPOSC priorities for area are included in North Kent LIP approved by districts in September 2010</i> • <i>Promising results from BSF Employment and Skills Plan in terms of work placements to date</i> • <i>Decision awaited on the Strategic Transport Programme ('Homes and Roads') in light of the recent Comprehensive Spending Review</i>
<i>Ensuring that skills provision in the area is sustainable</i>	<i>H</i>	
<i>Knitting urban growth and early infrastructure provision with community development needs</i>	<i>M</i>	
<i>Integrating old and new communities by ensuring that new developments are not isolated in brownfield sites</i>	<i>M</i>	
<i>Ensuring that there is continued close and successful working between KCC, DBC and GBC</i>	<i>M</i>	

5. Maidstone (1 October 2010)

Priority identified by REDPOSC	Provisional Rating	Update since visit
<i>Maximising Maidstone's potential as an economic hub and balancing population growth and employment opportunities</i>	<i>M</i>	<ul style="list-style-type: none"> • Maidstone BC consulting on LDF Core Strategy in Jan/Feb 2011 • <i>Maximising Maidstone town centre's economic potential, linked to the development of key sites and highway & public transport improvements, are identified as priorities in the West Kent LIP.</i> • <i>Otherwise no further progress to report</i>
<i>Ensuring that town centre regeneration is not adversely affected by congestion</i>	<i>M</i>	
<i>Improving the FE and HE presence in the town</i>	<i>M</i>	

Lobbying government over better rail connections to London	L	
Regenerating deprived neighbourhoods such as High Street, Parkwood and Shepway	L	

6. Sevenoaks (25 May 2010)

Priority identified by REDPOSC	Provisional Rating	Update since visit
Agreeing a joint approach to delivering a sustainable community at Fort Halstead	M	<ul style="list-style-type: none"> • Adoption of LDF Core Strategy anticipated in December 2010 • The regeneration of Swanley and New Ash Green town centres are identified as priorities in the West Kent LIP • Otherwise no further progress to report
Working with the district council to identify options for regenerating Swanley Town Centre	M	
Working with SDC to identify options for regenerating New Ash Green Shopping Centre	M	
Working with the district to assist continued integration of Barnfield Park Gypsy and Traveller site into the local community	L	

7. Shepway (1 September 2010)

Priority identified by REDPOSC	Provisional Rating	Update since visit
Supporting the master planning and development of Folkestone Sea Front	H	<ul style="list-style-type: none"> • Submission of LDF Core Strategy to government in July 2011 • Recent announcement by government that Dungeness 'C' has not been included in its list of new nuclear power stations • Otherwise no further progress to report
Supporting the development of Lydd Airport	H	
Supporting SDC in lobbying for Dungeness 'C' power station	M	
Improving the future competitiveness of the local workforce through education and skills provision	M	

8. Swale (2 November 2009)

Priority identified by REDPOSC	Provisional Rating	Update since visit
Developing a multi agency approach to people based regeneration at Sheppey	H	<ul style="list-style-type: none"> • First consultation on LDF Core Strategy in January / February 2011

<i>Working with SBC to get the most out of Kent Science Park's contribution to science based jobs</i>	<i>H</i>	<ul style="list-style-type: none"> • <i>Multi agency approach to development of Queenborough & Rushenden well underway, including housing retrofit programme, scoping work for a new community hub and a number of community environmental projects.</i>
<i>Working with Swale BC to develop Sittingbourne Town Centre</i>	<i>M</i>	<ul style="list-style-type: none"> • <i>Planned cycle routes on Sheppey to be completed by KCC in June 2011</i> • <i>Scope for significant KCC involvement through S106 work and developing Q&R as exemplar development with housing and employment sites linked to new opportunities at Sheerness</i> • <i>Completion of Rushenden Link Road in summer 2011 will enable Q&R development to happen</i> • <i>Initial design of route options for Southern Relief Road (SSR) linked to a new junction off the M2 were completed in July 2010</i> • <i>Phasing & implementation plan being developed for SRR (completion Dec 2010)</i> • <i>Highways Agency about to publish its assessment of short term options for traffic capacity improvements at junction 5 of M2</i> • <i>KCC has worked with partners to rescue the underperforming Kent Science Resource Centre and has taken over responsibility from Mid Kent College for promoting science courses at KSP</i> • <i>Construction of SNRR Milton Creek crossing started in early 2010. Expected completion in autumn 2011.</i> • <i>Consultation on SNRR Bapchild link completed and report on findings likely to be made available at end of 2010</i> • <i>Elements of Swale Parklands project are now underway</i> • <i>Development north of Sittingbourne town centre subject to a preferred development partner competition led by Swale BC</i> • <i>Deep Dive project looking at use of public sector assets in Sittingbourne town centre has started</i>

9. Thanet (26 July 2010)

Priority identified by REDPOSC	Provisional Rating	Update since visit
<i>Supporting the Task Force approach to tackling deprivation and benefit dependency in Central Margate and Cliftonville West (CMCW)</i>	<i>H</i>	<ul style="list-style-type: none"> • <i>LDF Core Strategy to be submitted mid 2011</i> • <i>Thanet Offshore launched 23 September 2010</i> • <i>London Array facilities now being built at Ramsgate port</i>
<i>Encouraging economic development at Central Island and</i>	<i>H</i>	<ul style="list-style-type: none"> • <i>Turner Contemporary will be completed in December 2010 and will be handed over to the Trust</i>

Ramsgate		<ul style="list-style-type: none"> • Thanet DC's sea defence proposals for Margate accepted by Environment Agency • Turner and Townsend, working with consultants BBP and DTZ, appointed as project managers for housing intervention work at Central Margate / Cliftonville West. • Draft DTZ report has shown that improving accessibility and addressing housing issues in Cliftonville will have most impact on deprivation in Thanet
Improving accessibility to Thanet via HS1 and a Manston Parkway	H	
Providing jobs for local people	M	
Changing Margate's image to improve its wider regeneration prospects	M	

9. Tonbridge and Malling (28 September 2010)

Priority identified by REDPOSC	Provisional Rating	Update since visit
Supporting the regeneration of Tonbridge town centre	M	<ul style="list-style-type: none"> • LDF Core Strategy adopted in 2007 • Regeneration of Tonbridge town centre, increasing affordable housing provision and support for West Kent Partnership are included as priorities in the West Kent LIP • No further progress to report
Developing key strategic sites to increase affordable housing provision	M	
Dealing with local deprivation in Snodland, East Malling and Trench	M	
Supporting the development of the West Kent Partnership to deliver economic development	M	
Changing the image of the district as universally affluent	L	

9. Tunbridge Wells (28 September 2010)

Priority identified by REDPOSC	Provisional Rating	Update since visit
Regenerating the urban centres in the district through the joint venture between TWBC and John Laing plc	H	<ul style="list-style-type: none"> • Current local plan adopted in June 2010, and borough council will shortly be reviewing LDF Core Strategy • The redevelopment of the Sherwood Estate and the Kent & Sussex hospital site are identified in the West Kent LIP as the key regeneration priorities in Tunbridge Wells • No further progress to report
Addressing localised problems of congestion, particularly along the A26 and at North Farm, and the need to dual the A21	M	

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This Appendix contains:

- **A complete set of the notes of visits to District, Borough and City Councils undertaken between November 2009 and October 2010**, prepared by the officers of the Regeneration and Economic Development Team who accompanied the visits. Notes are unabridged, and are the same versions as previously sent to Members after each visit.

Visit notes are presented in alphabetical order of District, to match the order in Appendix 1.

- **Extracts of Minutes of meetings of the Regeneration and Economic Development Policy Overview and Scrutiny Committee** at which each visit was discussed (except the three most recent, for which this is the first POSC meeting since the visit)

For each District, the note of the visit is followed by the Minutes extract which relates to it.

To make this large document easier to follow, the pages for each District are labelled with the District name in the bottom corner

REGENERATION AND ECONOMIC DEVELOPMENT POLICY OVERVIEW AND SCRUTINY COMMITTEE

Regeneration and Economy – A District Perspective

Visit to Ashford Borough Council – 30th April 2010

Present (members)

Mark Dance, Chairman of Regeneration and Economic Development Policy Overview and Scrutiny Committee (REDPOSC)

Ian Chittenden, Vice-Chairman of REDPOSC

Kit Smith, Chairman of Children, Families and Education Learning and Development POSC (CFEPOSC L&D)

Brian Critchley, Co-opted Parent Governor Member of CFEPOSC L&D

Elizabeth Tweed, Member of REDPOSC and local Ashford Member

Andrew Wickham, Deputy Cabinet Member for Regeneration and Economic Development, a Member of CFEPOSC L&D, also a local Ashford Member

Paul Clokie – Leader, Ashford Borough Council

In attendance (officers)

John Bunnett – Chief Executive, Ashford Borough Council

Judith Armitt – Managing Director, Ashford's Future

Richard Alderton – Head of Planning and Development, Ashford Borough Council

Tracey Kerly – Head of Housing, Ashford Borough Council

Andrew Osbourne – Economic Development Officer, Ashford Borough Council

Ian Lewis – Regeneration Officer, Kent County Council

Summary of Presentations

The visit started with a number of presentations from key officers from Ashford Borough Council and Ashford's Future. In summary:

Introduction to Ashford – John Bunnett, Chief Executive, Ashford Borough Council

John gave an overview from the LSP perspective and the 8 strategic priorities outlined in the Ashford Sustainable Communities Plan and illustrated how projects completed or underway are contributing to these priorities.

A number of key projects that have not progressed as hoped, such as the learning campus, commercial quarter, delivery of open space and health facilities but alternative methods for delivering these projects are being investigated.

The quality of design and the future maintenance of public realm are emerging issues. The need to create high quality public realm to make Ashford an attractive place to be needs to be balanced with future maintenance requirements. Development of acceptable maintenance standards also needs to be considered and addressed.

Ashford's Growth Agenda – Richard Alderton, Head of Planning and Development, Ashford Borough Council

Richard gave an outline of how the growth agenda in Ashford has developed in recent years. The growth potential for Ashford was determined between the County and Borough Councils rather than having a figure given by central government. To put the growth in perspective, the two major urban extensions to the south east and south west of the town are each the equivalent of a small town in their own right. A key success of the master-planning for this significant growth has been the consensus building that has taken place during all stages of the process. This has given the resultant master-planning processes much greater credibility and political unity in acceptance of the resultant plans.

The town centre is a key focus for growth, with development of office accommodation near to the railway station vital for the success of the wider town centre. The construction of the Channel Tunnel Rail Link has created a number of now vacant sites across the town centre, which all present opportunities for future development and improvement in the retail, culture and employment offer in the town.

Victoria Way is a key highway and public realm project that will unlock development south of the railway. However, the project is highlighting difficulties in relation to the agreement of maintenance boundaries and the specification of materials. There is a tension between the creation of high quality public realm and the cost of ongoing maintenance.

Update on the Ashford Learning Campus and Smartlink – Judith Armit, Managing Director of Ashford's Future

Judith gave an outline of the history of Ashford's Future partnership and the structure of the organisation. The funding for the partnership comes from central government with Ashford's Future Company providing programme management and liaison with the development industry. Ashford is one of the most advanced of the growth areas nationally with house-building momentum maintained throughout the recession.

Learning and skills are a key priority. There is little in Ashford that promotes progression to further and higher education. Education will underpin the attractiveness of Ashford as a place to do business and without the higher skill levels the benefits of the growth agenda will be diluted.

The loss of funding for the learning campus as a result of the LSC programme over commitment will delay the introduction of improved access to education. The Ashford's Future Learning Partnership is developing an approach that will continue work to deliver improved education provision. Work is underway to consider both the curriculum and premises for new learning facilities in the

town. The merger of South Kent College and West Kent College will be effective from the start of the next academic year in September 2010.

Smartlink is a bus based rapid transit system that will provide a reliable and frequent service. Smartlink is a key part of the transport system required to support the growth of Ashford and reduce dependency on the car. KCC, supported by Ashford's Future have undertaken the design and development of the business case which will be submitted to the Department for Transport by Summer 2010. Once approved, construction will start during 2011-12 and the first services will be in operation from late 2012.

Stanhope redevelopment and housing regeneration projects – Tracey Kerly, Head of Housing, Ashford Borough Council

Tracey outlined the importance of housing in the regeneration agenda. All district authorities are required to have a strategy for housing. The emerging Kent and Medway housing strategy will give a direction to co-ordination across the County.

The £200m regeneration of the Stanhope estate in South Ashford is a significant project, and is introducing significant improvements and new housing stock. The project is already improving the profile of the area and deprivation indices for the estate are also starting to move positively. Crime is also reducing. A construction skills academy has been established on the site providing the opportunity for residents to train and work within their community. As with the wider growth agenda, the community have been heavily involved in the master planning for the area.

Further significant projects include Bybrook, Joseph Hadlon Court but there also needs to be a continued emphasis on the smaller projects and rural housing.

Questions and Answers Session – Chaired by Cllr Paul Clokie, Leader, Ashford Borough Council

Olympics: Ashford has a range of facilities that could support the Olympics in 2012, notably the Julie Rose Stadium. Ashford Borough Council are promoting the borough as a team base for the Games. However, there are concerns that the High Speed services, that serve Stratford, will not be operating during the games to make sure that there is sufficient capacity between St Pancras and Stratford. Ashford Borough Council will lobby South Eastern trains to make sure that Ashford continues to be served during the Games.

Parks and green space: Members questioned the timing of provision of the parks. A large park (Discovery Park) is planned south of the town as part of the Chilmington Green development site. Green space will also be distributed within development sites.

Job Creation: Ashford will see the creation of 28,000 jobs by 2031. High Speed 1 is a real driver for change in terms of the favourable cost and much shorter journey times to central London. The Employment Land Review has identified sites in the Borough that can be developed to achieve the levels of job creation needed. A large relocation is needed to drive the momentum of development and job creation. A large number of jobs will be created as a result of population growth and the services needed by the new residents.

Utilities: The development will increase demand for utilities, especially electricity. EDF have identified that the power supply to the area will need to be reinforced, but the costs of this are significant – circa £17m

Adoption of Highways: A number of existing developments have seen long periods of time elapse between houses occupied and the highway adopted. Ashford BC are to consider the use of planning conditions that restrict further phases of development until the highway has been completed to the required standard.

Coach Tour

Following the presentations, members were taken on a coach tour of Ashford to see the projects and sites identified. They included:

- Stanhope PFI Project
- Junction 10
- Eureka Business Park
- Junction 9 and Drivers Roundabout
- Repton Park / Barracks Housing Development
- Shared Space Scheme and Elwick Place
- Victoria Way

Regeneration and learning and skills – Additional Report by Cllr Kit Smith CFEPOSC, L&D

For a town with a very ambitious growth agenda to 2031 with 33K new homes and 28K new jobs, a new trained and skilled workforce is essential if full sustainable regeneration is to take place.

The difference in local spend between an Ashford-based skilled and higher paid work force, and an unskilled or in travelling workforce, illustrates the vital importance of an educated, skilled and trained workforce.

28k new jobs with a skills' enhanced extra disposable income per year, spent locally of £10k per job, amounts to a huge £280M per year.

Such a large sum being spent locally by the new people of Ashford living in Ashford is a major outcome of regeneration and is sustainable. It takes no account of the extra disposable income of retrained existing people in Ashford.

The visit highlighted the potentially inadequate provision of progression to jobs via skills and training from South Kent College, now West Kent College and the virtual absence of Higher Education / university.

The loss of funding from LSC for the Ashford Learning Campus was a serious blow for the town and its regeneration aspirations. Members noted the marked difference of the vibrancy and income provided in Canterbury by their student footfall of 35K student from their universities, colleges and schools and the very low numbers apparent in Ashford.

If regeneration is going to work for Ashford the basic skills needs have to be readdressed and redressed. The Ashford's Future Learning Partnership, including West Kent College, Universities and KCC as well as by new partnerships have a big and important job. New and innovative ways to fund capital build will have to be found. The build up of proposals to KCC for soft loans is not sustainable.

In new stringent and difficult times the need for a new approach to suit new challenges for skills and training is required for Ashford and for much of East Kent, which has a considerable interdependency

KCC has new responsibilities for 16-19yr olds, to plan and commission provision of learning and skills for them. This new area of responsibility is a current focus of the CFEPOSC L&D, which is interviewing the principals of Hadlow, West Kent and Canterbury College at its meeting on 20th May and will report on FE provision especially for East Kent. The Growth Points of Ashford and Dover with their skills needs but under-provision of education and skills will no doubt be discussed and reported upon.

Closing Comments and Conclusions

Members recognised the importance of Ashford to Kent, summed up by the remark that it is a potential 'powerhouse for Kent'. The significant progress to date and the momentum behind the whole growth agenda must be maintained.

Development of the learning and skills provision is vital for the success of Ashford. The development of the education offer needs to be a priority with a need to maintain momentum despite the loss of LSC funding for the campus. Innovative ways of delivering an improved education offer need to be explored.

An emerging issue that does need further work is that of future maintenance requirements. There are three key issues here – firstly the specification of materials to make sure that significant financial liabilities are not created in the future. Secondly, the standard of future maintenance needs to be considered especially where new areas of high quality public realm are created. Thirdly, there also needs to be further discussion around maintenance boundaries and responsibilities, particularly between highway and public open space.

***Extract of Minutes of Regeneration and Economic Development POSC,
8 July 2010:***

**Regeneration and Economy - A District Perspective: Report back from
visit to Ashford on 30 April
(Item B1)**

1. Members made the following comments about what they had seen and heard in Ashford:-

- a) the amount of regeneration work going on in Ashford was impressive, and Ashford Future is working well;
- b) not enough emphasis had been placed on the future, eg the 1,200 new houses planned for North Ashford;
- c) the completion of Smartlink will be important for Ashford, as Park and Ride might not work well there;
- d) the quality of new build was good, and fits in well with existing developments. Quality of building is key; KCC should support and encourage quality development; and
- e) it would be helpful to know if more Eurostar train services are planned for Ashford, but this is not yet known. Ashford has a good future with Eurostar services if it chooses to embrace it.

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

Regeneration and Economy – A District Perspective

Visit to Canterbury City Council – 26 February 2010

PRESENT: Cllr John Gilbey (Leader, CCC), Michael Harrison (KCC Member for Whitstable), Mark Dance (Chairman of REDPOSC, KCC), Kit Smith (Chairman of CFE L&D POSC, KCC), Jean Law (REDPOSC and CCC Member for Seasalter), Martin Vye (REDPOSC and CCC Member for Barham Downs), Jeremy Kite, Mike Snelling, Andrew Wickham, Ian Chittenden, Ken Pugh, Peter Homewood.

IN ATTENDANCE: Colin Carmichael (Chief Executive, CCC), Ian Brown (Head of Regeneration and Economic Development, CCC), David Hughes (Coastal Regeneration Manager, KCC).

1. Summary of Meeting / Discussion

The report summarises the content and outcomes of the REDPOSC visit to Canterbury City Council on 26 February. It highlights those issues that REDPOSC members consider are priorities for future investment in the district. The Canterbury and Herne/Herne Bay urban areas provided the main focus of the discussion and visits.

2. Visits to Projects / Sites

REDPOSC members were given a summary of the opportunities and challenges facing the district, which include:

Opportunities	Challenges
Herne Bay town centre regeneration	Redevelopment of land adjoining Beach Street in different ownerships (including CCC) for mixed use (retail/residential) development. Town centre public realm needs refresh. Improving accessibility of Beach Street to waterfront regeneration opportunity.
Improving overall accessibility within the district	Congestion issues at Herne. Resolving issue of routing to Dover and Canterbury at Brenley Corner. Improving A2 slips at Wincheap and Bridge junctions to facilitate opening up of development opportunities at Wincheap and Little Barton Farm. Need more park and ride provision for city of Canterbury.

<p>Links to HS1 services will provide a boost to the local economy</p>	<p>How to accommodate extra traffic generation resulting from increased use of HS1. Need KCC's help to identify innovative transport solutions for Canterbury West and St Dunstons stations. Likely upward effect on local land values will raise issues about housing affordability.</p>
<p>Capitalising further on Canterbury's role as a major centre for HE and FE</p>	<p>Improving links between Canterbury's 3 HE establishments and business right across Kent. Making the most of the recent substantial investment in Canterbury's FE college, especially in view of KCC commissioning role in 2011-12. Facilitating closer working between Thanet, Canterbury and South Kent FE colleges and improving provision for local needs. Providing more serviced accommodation for UKC and Christ Church within the city. How to get the best for the East Kent knowledge economy out of the Innovation Centre.</p>

Members visited:

- Important projects and development opportunities within Canterbury city, including the new Marlowe theatre (due to be finished by September 2011) and recently completed projects including the 3,800 sqm Innovation Centre on the University of Kent campus (a joint venture funded by UKC, SEEDA and the East Kent Spatial Development Company), the refurbished and extended Canterbury College of Further Education, Christ Church University's new 12,000sqm Augustine House educational facility (which caters for 2,000 students daily). Canterbury's HE and FE establishments are significant employment generators not only for the city but also for east Kent. Members also visited the Canterbury West railway station, which is now served by HS1 services, and were told about the issues affecting the regeneration of the Wincheap area and the 20 hectare Little Barton Farm site, including access constraints onto and off the A2.
- Regeneration opportunities at Herne Bay, including the Central Development Area initiative adjacent to Beach Street (a mixed use development which will be driven by food retailing) and the proposals for the waterfront area (including the Pier and improving connectivity with the rest of the town centre). Members were also told about the

difficult traffic issues between Herne Bay and Canterbury, via the village of Herne.

- During the visit, Members were made aware of other difficult transport issues facing Canterbury, including the need to improve access to and from the A2, the importance of the A2 route to Dover and the constraints at Brenley Corner, and the need for additional park and ride facilities in the city (at Wincheap)

3. Conclusions

Members agreed with the CCC representatives that the priorities for Canterbury district were:

- (a) To investigate with KCC officers and Visit Kent the opportunities for cultural regeneration through collective marketing of assets such as the Marlowe Theatre and Turner Contemporary at Margate.
- (b) To explore with KCC and other east Kent districts the scope for joint working to maximise the regeneration and economic development opportunities for the area, including joint lobbying for greater transport investment.
- (c) To capitalise further on the pivotal role for Kent provided by the extensive HE / FE offer in Canterbury.

Additional conclusion from the CFE POSC:

- (d) To examine the best practice in Canterbury where:-
 - a strong employer base (Canterbury 4 Business)
 - a strong FE presence (Canterbury College)
 - the three Universities of Canterbury
 - and the three major private schoolsshould all contribute to a meaningful and smooth progression from education and skills through to jobs and regeneration.

This theme will be taken up by the CFE L&D POSC at its next meeting in May.

***Extract of Minutes of Regeneration and Economic Development POSC,
24 March 2010:***

**Regeneration and Economy - A District Perspective. Oral report back
from visit to Canterbury on 26 February
(Item B2)**

- 1) Members expressed their thanks to Canterbury City Council for the organisation of an excellent, full visit and the welcome the KCC party was given.
- 2) In discussion, Members made the following comments on what they had seen and heard in Canterbury and Herne Bay:-
 - a) Canterbury has obviously had much money spent on it, while Herne Bay has not, although Members were reassured that projects in Canterbury had received good cross-party support, and that investors were expressing confidence in Herne Bay;
 - b) Canterbury is a vibrant city, and its 30 – 40,000 student population brought life and economic benefits to the city, plus inevitably a few social problems;
 - c) the elements of education, skills, employment and regeneration came together well in Canterbury, but there was always scope to strengthen the links between these elements in Canterbury and in other towns;
 - d) local passion was evident, and character and tradition are everything in making a place successful;
 - e) one negative in Canterbury was in relation to the new Innovation Centre at the University of Canterbury, as the number of jobs generated were low when set to the financial investment;
 - f) another Member said the Innovation Centre seemed to be covering its costs, and had been selective about the businesses it had included. It is a fertile place for growth, is well placed and a worthwhile enterprise;
 - g) this was an excellent visit, but it is important to remember that regeneration is a long term task, and there is a long way to go;
 - h) Canterbury has much for other towns to envy – its Cathedral, Universities and private schools which attract money and cultural tourism. With all those advantages, it should be impressive;
 - i) Herne Bay will come good, like Whitstable, if it is marketed properly;

j) it had taken years to gain agreement to the development of Herne Bay, but the confidence was now there, and it was attracting investment; and

k) the Canterbury bypass had not been built with a view to the future, and new housing being built needs infrastructure to support it.

3) Mr Lynes referred to the East Kent Spatial Development Company which existed to administrate Government funding, and which he used to chair. It had had some involvement in the Innovation Centre, and he agreed that it was important to get the right balance between having enough tenants and the right tenants. Occupancy how exceed expectations and offered a good support network for growing businesses, although he would not wish to see it drain business and energy from other places.

REGENERATION AND ECONOMIC DEVELOPMENT POLICY OVERVIEW AND SCRUTINY COMMITTEE

Regeneration and Economy, Learning and Skills – A District Perspective

Visit to Dover District Council – 15 December 2009

PRESENT: Cllr Fred Scales (Deputy Leader and Portfolio Holder for Economic and Special Projects, DDC), Cllr Nigel Collor (Portfolio Holder for Access and Property Management, DDC, and KCC Member for Dover Town), Cllr Steve Manion (DDC Member for Eastry, and KCC Member for Dover North), Cllr Bryan Cope (KCC Member for Dover West), Cllr Mark Dance (Chairman of REDPOSC, KCC), Cllr Peter Homewood, Cllr Kit Smith (DDC Portfolio Holder for Skills Training and External Relations, KCC Member for Deal and Chairman of CFE L&D POSC).

IN ATTENDANCE: Nadeem Aziz (Chief Executive, DDC), Tim Ingleton (Head of Regeneration, DDC), Mike Dawson (Head of Development and Public Protection, DDC), David Robinson (Regeneration Manager, DDC), Amanda Lumley (Interim Programme Manager, Dover Pride Regeneration Partnership), David Hughes (Regeneration and Projects Manager, KCC).

1. Summary of Meeting / Discussion

This report summarises the content and outcomes of the REDPOSC visit to Dover District Council on 15 December. It highlights those issues that REDPOSC members consider are priorities for future investment in Dover. The focus of the discussion and visits was Dover urban area, including Whitfield.

The REDPOSC visit was accompanied by the Chairman of the CFE Learning and Development POSC. There are close links between education, learning and skills issues and regeneration and economic development, and this report also summarises the main outcomes of the visit from a learning and skills perspective.

2. Visits to Projects / Sites

KCC Members were given a summary of the range of opportunities and challenges facing Dover which include:

Opportunities	Challenges
Dover's status as a designated Growth Point and Regional Transport Hub	Providing over 10,000 homes in the district, with a large proportion at Whitfield. Ensuring that the benefits reach the more deprived areas of the town.
Connection to HS1	Making use of Dover's heritage assets. Resolving public transport issues and parking provision for commuters.
Proposed expansion of Dover's Western Docks (T2)	Managing the potential conflict between freight and leisure traffic. Capitalising on the stimulus provided by the cruise facilities for developing new

	customer care and hospitality skills. Port expansion at Calais. Privatisation. Related regeneration of waterfront.
Residential and commercial development at Whitfield	Infrastructure provision on WCBP. Coordinating and funding public services. Connectivity with the rest of Dover.
Building Schools for the Future programme	Achieving with other providers (such as SKC and other local schools) a wide range of sustainable and relevant opportunities for learners Developing strong links with opportunities for sport and leisure
Scope for providing access to FE and HE facilities outside Dover	Ensuring that training provision matches employment opportunities in the town 15% of the town's residents have no qualifications Just 22% of the local population have level 4 or higher

Members visited:

- Dover's waterfront, including the Sea Sports Centre, which opens at the end of December 2009. Members were told of Dover Harbour Board's port expansion proposals at the Western Docks (T2), which will be completed by 2016 and will create some 2,600 new jobs; and the plans for residential, leisure and commercial regeneration of the adjacent Wellington Dock area, which includes public realm improvements on the waterfront, a land bridge connecting with the rest of the town centre and a cable car which would connect the waterfront with Dover Castle.
- The Western Heights, including the Drop Redoubt fortification from where DDC officers could point to various regeneration proposals for the town centre, such as T2, Wellington Dock and the St James redevelopment led by Asda. Members were also told about the regeneration and skills development opportunities and challenges presented by the range of heritage assets on the Western Heights. Members were also told about the opportunities for developing sustainable construction skills at Connaught Barracks and Fort Burgoyne.
- The environmental improvements taking place around the Dover Priory station and Folkestone Road, which is a Dover Pride project led by KCC, and which will help to capitalise on the recent connection to HS1 services that place Dover just over an hour from London.
- The White Cliffs Business Park at Whitfield, in particular Phase 2 which contains some 50 hectares of land available for employment uses, but which requires additional infrastructure and utilities investment to enable sites to be brought forward quickly. Members were also told about the opportunities for coordinating education, leisure and health provision adjacent to WCBP linked to future housing

growth at Whitfield and to public transport provision with connections to the town centre.

3. Conclusions

Members agreed that the main regeneration and skills development priorities for Dover were:

- (a) To work with partners to support the development of T2 at Western Docks and the associated regeneration of the waterfront around the Wellington Dock. These in turn presented opportunities for new education and skills initiatives linked to the maritime sector, and addressing longstanding issues associated with the need to improve connectivity with other parts of the town through sustainable public transport solutions.
- (b) To assist the development of WCBP through innovative financing mechanisms to ensure the provision of infrastructure and utilities, and to support the district council in planning and securing future community infrastructure provision linked to housing growth at Whitfield and other areas in the district.
- (c) To assist the district council and its other Dover Pride partners to make strong case to government for additional transport investment in line with the district's growth area aspirations.
- (d) To make the most of the opportunities for Dover afforded by the Building Schools for the Future programme, especially at Whitfield, and to include quality provision for leisure and sport in future new development.
- (e) To make the most of the opportunities for Dover, and its 16-19 age group in particular, arising from KCC's new commissioning role for learning and training provision.

***Extract of Minutes of Regeneration and Economic Development POSC,
19 January 2010:***

**Regeneration and Economy - A District Perspective: Report Back from
visit to Dover on 15 December 2009 (oral)**

(Item B1)

- 1) Members who had taken part in the visit made an oral report.
- 2) The Chairman expressed his thanks to Dover District Council for the welcome they had given the KCC party and all the energy they had put into the arrangements for the visit.
- 3) Members made the following comments on what they had seen and heard:-
 - a) the cruise industry is currently performing well, and the momentum of this needs to be maintained;
 - b) effective links need to be made to maritime skills training, and the POSC should urge CFE to push for maritime vocational training, as CFE had previously promised to do;
 - c) the accessibility and ease of use of Dover harbour and marina were welcomed; and
 - d) Mr Smith emphasised the importance of the visit for Dover District Council, as it helped to put local issues into a strategic context.
- 4) General comments on the programme of district visits included:-
 - a) it is important that the programme of visits is sustainable as it allows Members to see a full picture at the end, and to identify where KCC can help by placing its resources. The programme is also vital in raising Members' awareness of issues at District level;
 - b) it is important to keep a link between learning and skills, jobs and future regeneration, and REDPOSC and CFEPOSC links were invaluable. Communities would also be a useful link, via the Regeneration Board;
 - c) the report back after the visit needs to be joined to the pre-visit briefing information provided by the District Council, so all information is kept together;
 - d) some conclusions from the visit might be aspirational; how should these be addressed at the end of the 12 month programme of visits? and

e) the high number of REDPOSC Members who were also District Leaders or Deputy Leaders was very helpful.

5) Miss Grayell announced the ongoing arrangements for future visits, and advised that a visit to Canterbury would take place on 26 February (pm), and a whole day visit to Dartford and Gravesham on 12 March (Dartford am, Gravesham pm). She said she hoped to arrange visits so that they were placed in a monthly pattern. *Subsequently arranged is a visit to Sevenoaks on 25 May (pm).*

6) RESOLVED that the oral report be noted, with thanks, and the comments made by Members on the arrangements for future visits, and the information arising from them, be borne in mind as the programme continues.

REGENERATION AND ECONOMIC DEVELOPMENT POLICY OVERVIEW AND SCRUTINY COMMITTEE

Regeneration and Economy – A District Perspective

Visits to Dartford and Gravesham Borough Councils – 12 March 2010

PRESENT: Cllr Jeremy Kite (Leader, DBC and KCC member for Dartford Rural), Cllr Michael Snelling (Leader, GBC and KCC member for Gravesham Rural), Cllr Tony Martin (Deputy Leader, DBC), Leslie Christie (KCC Member for Northfleet and Gravesend West), Penny Cole (KCC member for Dartford East), Cllr Harold Craske (GBC member and KCC Member for Northfleet and Gravesend West), Cllr John Cubitt (GBC lead member for Community Safety and Environment and KCC Member for Gravesham East), Richard Lees (KCC Member for Swanscombe and Greenhithe), Avtar Sandhu (KCC Member for Dartford North East), Mark Dance (Chairman of REDPOSC, KCC), Ian Chittenden (Vice-Chairman of REDPOSC, KCC), Peter Homewood, Jean Law, Ken Pugh, Kit Smith, William Richardson, Elizabeth Tweed, Martin Vye, Andrew Wickham.

IN ATTENDANCE: Graham Harris (Managing Director, DBC), Rob Scott (Regeneration Director, DBC), Andrew Parkinson (General Manager of Bluewater), Ann Komzolik (Director of Business Enterprise, NW Kent College), Glyn Thomson, (Chief Executive, GBC), Kevin Burbidge (Director, Business, GBC). Barbara Cooper (Director of Economic Development), Rob Hancock (Regeneration and Economy Manager, KCC).

4. Summary of Meeting / Discussion

This report summarises the content and outcomes of the REDPOSC visit to Dartford and Gravesham on 12th March 2010. It highlights those issues that REDPOSC members consider are future priorities for Dartford and Gravesham.

2. Visits to Projects / Sites

Members were taken on 2 bus tours with the morning session covering Dartford and the afternoon Gravesham.

a) Dartford

- The tour started in the Learning Shop at Bluewater where members were told that the learning shop is a successful operation involving Bluewater, Job Centre+ and North West Kent College. It has been operating for 10 years. 80% of the 50,000 visitors to the shop are from local postcode areas and it covers skills from construction to retail.
- The tour was undertaken aboard the new Fastrack service which has transported 3m passengers in its first year, with many of the passengers switching from car use. The bus took members past Ebbsfleet and Eastern Quarry and it was explained that Ebbsfleet will provide 10,000 new home and 25,000 jobs and has been designated a major “economic transformer” for the Thames Gateway. A major transport package costing £175m has been planned and will be funded by central government, Land Securities and development contributions. The bus

travelled around Ebbsfleet station and it was explained that the new HS1 service has reduced journey times into London from 50 minutes to just 17 minutes.

- The bus continued onto Ingress Park where members saw quality designed homes but there were concerns about the lack of community facilities.
- Crossways Business Park was next up and members were told that it was currently providing 5,000 jobs which will increase to 7,000 jobs in the future.
- The bus continued onto the new development at the Bridge. This is a new community facility that includes a primary school, social services, youth service, library, advice services all provided on a compact, single site. It was explained that the new facility could be a pilot for the delivery of multi services elsewhere. Members also heard about the Nucleus - a new facility which is currently home to Sustainable Construction Skills Academy (Suscon) and for the Thames Gateway's Institute for Sustainability.
- Members were then dropped at Dartford Town Centre. Members were told about the proposed Tesco development and then walked through to Central Park where they saw the renovation works which includes water park, new bridges, new bandstand and extensive replanting.
- The tour then continued to Princes Park – home of Dartford FC and home to many community clubs. The stadium was funded by DBC at a cost of £6.5m
- Leigh Academy was next. The Academy serves 1450 students aged 11-18 around 2 schools and 4 units. The Academy specialises in technology, sport and business and enterprise. The building includes plaza areas for individual learning. There are also periods of “vertical tutoring” where groups of 11-18 year olds participate in joint projects.
- The tour ended back at Bluewater. The centre's General Manager explained that Bluewater was the UK's number 1 stand alone centre. It attracts 28m guests a year, offers 330 retail brands and 50 restaurants. It was suggested that the soon-to-be opened Westfield Centre in Stratford does not provide a significant rival to Bluewater as market research shows their respective customers are likely to be from different catchments areas. There are 7,000 people working at the centre at any one time. It has recently launched a Bluewater apprenticeship scheme which provides 6 placements a year for 16-24 year olds. Bluewater has also announced plans for the development of an events venue by mid 2011 which will provide exhibitions, consumer experiences, conference facilities for 3,700 people and a 5000ft² gallery space.

b) Gravesham

A detailed tour guide and map was provided by Gravesham Borough Council to members of REDPOSC.

- The tour started by entering the urban area of Gravesend from the motorway and passing around the one way system and the Transport Quarter with its proposal

for an interchange for rail, bus, FASTRACK, taxi users and car parking. This gateway to the town will benefit from investment in the railway station and the High Speed 1 services and create pedestrian linkages into the commercial areas.

- Travelling past the new £25m PFI Community Hospital, a joint project for a range of health and social services care under one roof, the tour entered the Heritage Quarter and the site of the proposed new shopping, retail and housing development by Edinburgh House Estates Ltd. This provides a greatly enhanced town centre offer and public realm improvements with a planning decision expected shortly.
- Central to the Heritage Quarter is the High Street going down to the River Thames and its improvements including the KCC owned and restored Old Town Hall as well as the Pier and restaurant. There are proposals to add a pontoon to the river frontage at this point to promote a range of river traffic including river taxis.
- Next the tour followed the road along the river to the Canal Basin and its mixed use residential led redevelopment and popular and well designed housing.
- The tour continued with a view of the Siri Guru Nanak Darbar Gurwara – Sikh Temple currently in final stages of an £13m construction programme.
- Christian Fields was the next stop taking a look at the £8m remodelling of a post war 'Wates' housing estate. This includes demolition of 179 council and 30 owner occupied houses in poor condition. The three phase project will deliver 426 dwellings by 2014 and its success is being built upon extensive engagement with residents prior to designs and plans being set.
- The bus then returned northwards along the A2 travelling past the completed Ashenbank Management Scheme restoring the Cobham Park estate, the proposed A2 CycloPark and the Shorne Woods Countryside Park.
- Returning into west Gravesham from the A2 the tour passed the Springhead development currently being built and will deliver around a 1000 units once complete.
- Ebbsfleet International station, allowing users to commute to London from Gravesend in 24 minutes, lies to the west of the town is intended to become a major business development location linking to the domestic services at Northfleet station.
- Travelling on to Northfleet the tour passed the new North Kent Police Area Headquarters, a £25m project on former GBC land on Thames Way thereby freeing up a town centre site for redevelopment.
- The tour concluded by passing through the chalk escarpment to the industrial area of Northfleet and the proposed new mixed use development at Northfleet Embankment to be served by FASTRACK. This is a long term project expecting

to take 10 to 12 years to deliver in order to deal with the landholding and industrial reclamation issues. Northfleet Embankment East is an area of 20ha with a planned 1500 homes, 8000m² of non residential space, a new school and around 7ha of open space. Northfleet Embankment West is planned to have a mix of residential and employment uses. LaFarge and Kimberley Clark works will remain in Northfleet Central with the re-introduction of a rail freight facility to serve both companies. This area is also seen as a potential location for cruise ships.

- Finally, Gravesham wants to have a high profile during the Olympics and are planning a wide range of accommodation available for visitors and are working closely with KCC's 2012 team.

3. Conclusions

Members agreed that political vision and leadership had been key to the projects successfully delivered in Dartford and Gravesham. The relationships with KCC was strong with both members and officers having shared ambitions.

Members agreed that the main priorities for Kent Thameside were:

- (f) Dartford and KCC have worked extremely well together. A huge challenge remains in developing Ebbsfleet and Eastern Quarry as well as key town centre sites. Members wanted flexible support from KCC that reflected the principles of the vision whilst not being straitjacketed into national solutions.
- (g) Both Dartford and Gravesham see it as hugely important to knit growth with community; to value community and ensure that infrastructure is delivered early in order to help deliver a sense of community. Successful communities are based on more than new buildings – successful growth and regeneration will demand a balanced approach which includes existing communities, provision of open spaces and community facilities.
- (h) Integration of old and new communities was seen as important and new developments in north Kent must not be isolated in former quarry sites.
- (i) KCC needs to question whether it is doing enough around skills for sustainability
- (j) Whilst there are significant new housing developments in Gravesham (notably Northfleet Embankment and Springhead) the projects in Gravesham are focused on regenerating the existing town centre and its immediate areas southwards to the A2 corridor as well as ensuring that Ebbsfleet International becomes a key business hub.
- (k) Maintaining a very good relationship with Bluewater in respect of both training and skills and the future retail offer
- (l) Working together on the route and impact of a potential third Thames Crossing.

***Extract of Minutes of Regeneration and Economic Development POSC,
24 March 2010:***

Regeneration and Economy - A District Perspective. Oral report back from visits to Dartford and Gravesham on 12 March.

(Item B2)

Dartford – 12 March 2010, am

4) Members expressed their thanks to Mr Kite and his team at Dartford Borough Council for their organisation of an excellent pre-briefing pack and full tour.

5) In discussion, Members made the following comments on what they had seen and heard around Dartford:-

- a) it was important to continue with and finish Kent Thameside as an exemplar project, as 70% of the funding was in place;
- b) The Bridge project was a good example of a Total Place project, and Members supported having more of this sort of initiative;
- c) Leigh College of Technology was very impressive and a great success, having 10 times more applicants than it had places, excellent technology teaching, a good, disciplined work ethic and good teacher-pupil relationships; and
- d) Members were keen to see how projects at Eastern Quarry would be moved on, and how Dartford Central would develop in the future.

Gravesham – 12 March 2010, pm

6) Members expressed their thanks to Mr Snelling and his team at Gravesham Borough Council for their welcome and a very useful afternoon.

7) In discussion, Members made the following comments on what they had seen and heard around Gravesham:-

- a) the Riverside project was ambitious in aiming to attract cruise liners, but concern was expressed that success in this field might be a threat to Dover;
- b) Gravesend town centre worked well in terms of layout and pedestrian links, and this and its history gave it great potential to attract business and cultural tourism. Gravesend's Sikh Temple was very impressive and was the biggest in Europe;
- c) one Member expressed the view that the programme of visits

would not give Members a balanced view of the reality of each area and would show them just the good parts without the challenges and problem areas; and

- d) other Members disagreed and said it was important to give praise where it was due. Pre-visit briefing information provided by each host council set out negatives as well as positives, so Members were aware of the negatives and were prepared in advance to ask questions about them during the tour.

REGENERATION AND ECONOMIC DEVELOPMENT POLICY OVERVIEW AND SCRUTINY COMMITTEE

Regeneration and Economy – A District Perspective

Visit to Maidstone Borough Council – 1 October 2010

PRESENT: Cllr Chris Garland (Leader, MBC), Cllr Chittenden (MBC), Cllr Malcolm Greer (MBC), Mark Dance (Chairman of REDPOSC, KCC), Kit Smith (Chairman of CFE L&D POSC, KCC), Peter Homewood, Julie Rook, Gary Cooke, Jenny Whittle.

IN ATTENDANCE: Brian Morgan Assistant Director of Regeneration & Cultural Services, John Foster Regeneration & Economic Development Manager (MBC), Keith Grimley Economic Development Officer (MBC), Rob Hancock(Regeneration Projects Manager, KCC).

4. Summary of Meeting / Discussion

The report summarises the content and outcomes of the REDPOSC visit to Maidstone Borough Council on 1 October. It highlights those issues that REDPOSC Members consider are priorities for future investment in the Borough. The high street and town centre sites provided the main focus of the discussion and site visits.

5. Visits to Projects / Sites

REDPOSC Members were given a summary of the opportunities and challenges facing the Borough via a presentation which included:

Opportunities	Challenges
County Town and Growth Point	Population to grow to largest in Kent by 2011
Town Centre Largest shopping centre in Kent and in Top 10 in South East Largest office market	Tension between town centre policy for new development and issues of congestion and air quality. Stimulating office redevelopment and regeneration of poorly performing sites. Maintain quality of environment and public realm.
Transport interchanges at County Square and Riverside/Maidstone West. Proposed cycling/walking route along Medway River	Ongoing congestion and through flow linked to expected population growth Need to improve journey times and frequency to London by rail.
Growth in night time economy as largest in S East worth £75m pa	Diversification of night time economy offer.

Supports 1500 jobs Award winning management in place In UK Top 20 places to have a night out	Tackling perception that it is unsafe.
Economic hub and driver for Kent Key sectors are: Financial and business services, Public sector, Retail and construction with a growing media/creative sector Locate in Kent 2010 Perception study – most preferred location in the county	Need to rebalance low skilled, low wage local economy. Need to reduce out commuting offering residents high skilled well paid jobs in knowledge sectors locally.
Building on the success of good schools Refurbishment of Mid Kent College New Senacre Vocational Skills Studio	Relocation of University for the Creative Arts Need to expand HE presence in Maidstone

Members visited:

Eye Hospital

Enabling development ensured that affordable element could be provided in this impressive conversion of a Listed Building into accommodation. The quality of the design and finish was noted. The successful and ongoing re-use of the neighbouring Trinity Church building was also noted.

High Street

Traffic flow and public realm works due to start and complete in 2011. Offsetting the carriageways will allow for a wider pedestrian area on the southern side. MBC identified the successful collaborative working with KCC Highways and the £0.6m KCC contribution to the scheme.

County Square

Potential and significant opportunity to include the railway station frontage and land opposite County Hall to create transport interchange and redevelop adjacent land and buildings. Viability dependent upon commercial need as well as scale and massing of the buildings.

Fremlins / Week Street

Successful new Fremlins redevelopment of former brewery site which included use of Compulsory Purchase Order powers by the Borough in the land assembly process. Significant opportunities in Week Street remain, namely empty shop units and the old Army and Navy site in particular. Tesco Metro to open shortly.

Lock Meadow

Residential development fronting on to the river but with range of other non-residential uses such as warehousing and DIY stores. Permeability not as good as was hoped.

It was felt that the town does not benefit as well as it could have from the opportunities presented by the River Medway. However there are plans to connect Teston Country Park to the west with the town centre and the Riverside area via a series of walking, riding and cycling paths along the river bank – subject to funding for a missing link of tow path.

Riverside

Former brownfield site owned by the Borough redeveloped for housing and leisure uses. The location of Maidstone West train station and connections to Maidstone East across the river provide an opportunity for a Transport Interchange here too. Connection to High Speed 1 could be possible via Maidstone West. However, it was also felt important not to lose sight of the usefulness of Maidstone East and its connections to Central and South London

Wren's Cross / Upper Stone Street

Significant area of deprivation and urban decay leading out of the town to the south. Site of proposed Wren's Cross redevelopment. Programme of work under development to improve the environment and public realm. Close co-operation with KCC as Highway Authority and also as landowner for some key parcels of land.

Eclipse Park

Large Grade 'A' development site near Junction 7 of M20 currently with office block development and anchor tenant Towergate Insurance. One of the key sites to attract higher paid employment. Also site of one off Maidstone three successful park and ride schemes which had financial support from KCC and MBC.

6. Conclusions

Members agreed with the MBC representatives that the priorities for Maidstone Borough were:

- (d) **Neighbourhood regeneration** e.g. Parkwood, and bring forward **sites for regeneration** either owned by MBC or assembled – using CPO powers if required
- (e) Dealing with the challenge of **remaining as an economic hub** and centre of wealth creation for the county.

- (f) **New Unique Selling Points and a promotional strategy** required as the town is now mature town with good retail/leisure offer and a renewed focus upon maximising its full potential as an economic hub (drawing upon the example of local and national growth areas including Ashford).
- (g) Ensure **LDF process** is completed as soon as possible.
- (h) **Transport infrastructure** – minimising congestion, establishing transport interchanges and access to HS1 rail connection to London
- (i) Continue to improve educational standards and skill levels - in particular attract **further HE presence and investment**.
- (j) Low wage levels and wage levels in new jobs to be addressed
- (k) Improve the urban fabric through sympathetic development and **public realm work**
- (l) Use the LDF process to highlight sites where market forces alone are insufficient to create regeneration ie Ashford Rd, Sittingbourne rd, St Peter St, Zeneca site at Yalding, Maidstone East, Springfield and areas of socially rented housing
- (m) **Focus upon quality**, above all sustainability in terms of construction, transport, design.

Rob Hancock

Regeneration Projects Manager
Regeneration & Economy Division
October 2010

Visit to Maidstone Borough Council – 1 October 2010

Supplementary report by Chairman of CFE L&D POSC

Maidstone was the last district visited by the REDPOSC and was remarkable for the open, frank and constructive debate held in the bus on a wet day. The maturing County Town has an excellent retail product and is the first choice for inward investment.

Concerns were expressed however for the future development and growth of the borough. It was felt that its values and unique selling points (USPs) of market town, county town, retail offer and investment draw were being tested and may not be sufficient to sustain Maidstone's future economic and social position.

New opportunities and USPs were being sought.

New skills for new jobs was one of the keys. The value of local skills for sustainable regeneration was aptly demonstrated by a company choosing to locate in Maidstone due to London access, a pleasant place for employees to live with a good night economy and a known skills force. In this case 300 skilled reinsurance workers provide an additional discretionary local spend to the area of approximately £3m per year.

The local economy is supported by an active group of eight business organisations, providing vital mutual aid and an ambassadorial function to potential incoming investors.

Maidstone is well served by good schools, Mid Kent FE College, Senacre Vocational Skills Studio and by the University of the Creative Arts but it was noted that there are contrasting educational attainments especially at KS4 within the more deprived areas.

There was much debate of the value of new housing for the borough from an economics view point. Some Kent growth points have chosen to aggressively build more houses. Their aim is not to build homes just for the sake of it but homes for local enskilled people who work, live and especially spend locally to provide vital discretionally spend. This in turn provides economic churn and sustainable regeneration. This is just one view and the debate will continue.

If skills and qualifications are so important in a new growth regime the question has to be raised as to how provide them and what are the new skills. In all districts the REDPOSC has visited, skills have been at the top or near it in the order of drivers for economic, social and environmental regeneration. The Members have however neither seen a skills audit nor a single skills plan that works effectively. In an ideal world schools and colleges should be planning and providing a curriculum that looked with focus on the future needs.

Maidstone, like all the Kent Districts, provided all Members with real insight at ground level of the challenges for regeneration.

Kit Smith 5/10/10
Chairman CFE L&D POSC

REGENERATION AND ECONOMIC DEVELOPMENT POLICY OVERVIEW AND SCRUTINY COMMITTEE

Regeneration and Economy – A District Perspective

Visit to Sevenoaks District Council – 25 May 2010

PRESENT: Mark Dance (Chairman of REDPOSC & KCC Member for Whitstable), Julie Rook (Chief Whip & KCC Member for Deal), Jean Law (REDPOSC Member & KCC Member for Herne Bay), Kit Smith (REDPOSC Member, Chairman of CFE L&D POSC & KCC Member for Deal), Paul Myers (CFE L&D POSC – Parent Governor Representative),

IN ATTENDANCE: Peter Fleming (Leader, SDC), Robin Hales (Chief Executive, SDC), Kristen Paterson (Deputy Chief Executive and Community and Planning Services Director, SDC), Dr Pav Ramewal (Deputy Chief Executive and Corporate Resources Director, SDC), Carol Clarke (Economic & Sustainable Development, SDC and District Ward Member for Ash), Jill Davison (Economic & Sustainable Development, SDC), Paul Campion (Development Contribution Manager, Regeneration and Economy, KCC).

David Brazier (Deputy Cabinet Member for EH&W & KCC Member for Sevenoaks North East), Clive Bruce (District Ward Member for Ash), and Alan Pett (District Ward Member for Ash) joined the group at New Ash Green specifically for the tour of the shopping centre.

5. Summary of Meeting / Discussion

This report summarises the content and outcomes of the REDPOSC visit to Sevenoaks District Council on 25 May 2010. It highlights those issues that REDPOSC members consider are future priorities for the district. Swanley and New Ash Green provided the main focus for the visit.

Appended is a supplementary report by Mr K Smith, Chairman of CFE L&D POSC.

2. Visits to Projects / Sites

Members were taken on a bus tour which concentrated on the northern half of the district and included the following:-

M25/M26/M20

- Although the three motorways provide easy access to Heathrow, Gatwick, Ebbsfleet and Ashford they act as physical barriers dividing the district into sub areas.
- The high volume of traffic creates pollution issues – Air Quality Management Areas adopted December 2008.

Fort Halstead

- Ministry of Defence research and development site comprising approximately 121 hectares (300 acres) which SDC believe has been sold to Hines UK Ltd, a privately owned property company which is part of the Hines group of companies.
- Important employment site located in green belt.
- Hines propose to build up to 1,000 dwellings.

- Site not required to by district to meet its housing numbers.
- Site is isolated in terms of community facilities and services.
- Potential highway issues as only one existing access.

Swanley Town Centre And Surrounding Urban Area

- The main issue is the retail offer and although the town benefits from an ASDA superstore the 1970's shopping centre opposite is looking tired and in need of regeneration.
- Proposals for a mixed use redevelopment (retail and residential) have stalled.
- The Planning for Real Community Consultation (July 2007) indicated a desire for quality and a variety of shops, retention of the market, night-time economy, residential opportunities, job centre, retention of health centre, overall design/vision and links to other areas/opportunities.
- The nearby library acts as a community hub/one stop shop providing services such as, café/meeting place, adult education including Skills Plus, SDC contact and information centre including council tax payments and benefits surgery and tourist information centre. A Job Centre and Citizens Advice Bureau nearby would be beneficial.
- Swanley is an area of deprivation and the ward of St Mary's is within the worst 20% nationally. It also has an unemployment rate of 5.6%, which is 1.5% higher than the average for Great Britain.
- Gypsies and travellers form the largest ethnic minority group in the district.
- Significant numbers of people with Gypsy and traveller origin now live in two wards within the area.
- Previously, some of these areas were 'no go areas' even for the police.
- Work undertaken by West Kent Housing and the local police. who now have an operational base in Swanley, which is focussing on people and not just buildings has resolved many issues.

Former Déjà Vu Night Club Site & Land To The North

- Allocated as a residential development site but part/all has remained vacant for some time.
- Located within Air Quality Management Area.

Brands Hatch Race Circuit, West Kingsdown

- Hosts international, national and local events including the World Superbikes, attracting over 100,000 spectators, the British Touring Car Championship and many more.
- Noise Management plan agreed with the owners, Motorsport Vision in 2008.

Barnfield Park Gypsy Site, Ash

- Largest public Gypsy site in Kent.
- Owned and managed by KCC, considerable rubbish littering the long driveway from the public highway into the heart of the site.
- Previously a community in isolation. However, work undertaken by the local primary school and others over many years has helped parents and children, who are now parents in their own right, integrate and which has delivered

positive results for all concerned. Again an example of investment in people and not just buildings.

New Ash Green Shopping Centre

David Brazier (Deputy Cabinet Member for EH&W & KCC Member for Sevenoaks North East), Clive Bruce (District Ward Member for Ash), and Alan Pett (District Ward Member Ash) joined the tour specifically for the visit to the shopping centre.

- A new town set in the countryside developed in phases since 1967.
- A mixture of social and private housing, including two residential homes, capable of supporting individuals from the 'cradle to the grave' developed in neighbourhoods (24 in total providing approximately 2,350 dwellings with a population probably in the region of 5,000 – 5,500 people).
- Each neighbourhood has its own resident's committee, responsible for the external painting of every dwelling, maintenance of hardlands (footpaths, main drains, private roads) and greenlands for which an annual residents fee is payable.
- The Village Association are responsible for the common areas belonging to the village including greenlands, street lighting, hardlands (footpaths and main drains), for which an annual Village Association fee is payable.
- The village is well served by local facilities, which include a primary school, school for those with severe learning and physical difficulties, sports field and pavilion, youth centre, library, doctors surgery, health centre, private dental practice, two banks, retail units, Indian restaurant and take away outlets, two pubs and commercial offices.
- The shopping centre has deteriorated, it is in disrepair and requires regenerating. It is poorly designed and inward facing exposing the rear service areas and car parks to main pedestrian routes between residential areas and the majority of the community facilities.
- The centre is in three ownerships, the Co-Op and two offshore investment companies.
- SDC persuaded the Co-Op to occupy the supermarket when it became vacant and actively facilitated a coordinated approach by the three landowners resulting in a public consultation and initial design concepts. Unfortunately the landowners have not progressed matters further since September 2008.
- An Environmental Visual Audit has been undertaken and some limited works have been poorly executed. SDC are taking enforcement action against the managing agent.
- SDC believe they have done all they can to regenerate the centre and now need the support of a larger organisation to progress matters further. SDC feel that compulsory purchase is the way forward and believe KCC could assist.
- SDC indicated that they were aware of a financial backer who may be willing to become involved.

Kemsing & Seal

- 93% of the district is rural and isolated with poor public transport therefore a car is essential to access the larger towns and services. This creates issues for the elderly and children of school age in general but more specifically it prevents

them attending after school clubs unless they can make alternative transport arrangements.

Bat & Ball Junction, Sevenoaks

- Improvements works have been undertaken by Kent Highways and KCC and SDC are considering schemes to further improve traffic flow.
- The area, together with Sevenoaks High Street, Seal High Street and Riverhead remain Air Quality Management Areas.

4. Conclusions

Members agree that the main regeneration and economy priorities for the Sevenoaks District are outlined below together with the proposed actions:-

Fort Halstead

Continue discussions with SDC to agree a joint approach for the delivery of on and off site service provision, to ensure the delivery of a sustainable community, in case the owners secure approval to their proposals through the local development process or a successful planning application.

Swanley Town Centre

Explore with KCC officers the options available to secure regeneration of the shopping centre with a view to agreeing a joint KCC/SDC approach.

Barnfield Park

Explore with KCC officers opportunities for continued integration.
Explore options to encourage the residents to take responsibility for their own actions and avoid recurring issues ie fly tipping.

New Ash Green Shopping Centre

Explore with KCC officers the options available to secure regeneration of the shopping centre with a view to agreeing a joint KCC/SDC approach.

Visit to Sevenoaks District Council – 25 May 2010

Supplementary report from Kit Smith Chairman of CFE L&D POSC

Members noted that in the District of Sevenoaks:-

1. A surprisingly high proportion of the population with no qualifications at 12.8% and yet higher than average of NVQ4 + qualifications at 33.4%
2. GCSE achievement of 5 grades is nearly half the average for Kent
3. There is neither Further Education nor Grammar schooling in the District and travel time and cost to students is a problem.
4. There is a much respected Independent School in the District.
5. Access generally is a major problem for the District

There are interesting contrasts in the District which are wider than in the other districts visited so far.

House prices are the highest in Kent yet there are major deprived areas. Education and qualification attainment levels are highly contrasting. There are big gaps between urban and rural and especially within the rural areas.

Sevenoaks School highlights the issues around independent Schools in Kent. We have seen on the visits Districts with strong independent schools presence yet have no analysis of this sector of education.

1. The sector in Kent claims that 18% of full time students of 16-19 are in the independent schools, and 9% for all age groups
2. They claim a higher attainment level than equivalent state education
3. Parental funding for this chosen education route comes from a broad band of income levels with some families prepared to make substantial sacrifices for their children's' education.
4. This rapporteur cannot find any report within KCC on the impact and value of this sector.

At the time of the visit and before the general election it was noted that the Leader of Sevenoaks was contemplating budget reductions around 40% within 4 years. At this level of certain reorganisation, rationalisation and restructuring, education, skills and qualification being a non-statutory function of District will probably suffer.

This can not just be a problem for Sevenoaks but Kent wide and has to be viewed in the light of new government reviews.

***Extract of Minutes of Regeneration and Economic Development POSC,
8 July 2010:***

**Regeneration and Economy - A District Perspective: Report back from
visit to Sevenoaks on 25 May (Oral)**
(Item B1)

2. Members made the following comments about what they had seen and heard in Sevenoaks:-

- a) the extremes between the standards of living evident in various parts of Sevenoaks district was surprising and eye-opening. The different areas each had very different sets of issues;
- b) the difficulties in addressing the issues around New Ash Green was of significant concern. It was once an award-winning development. Some parts of the development had apparently been newly painted before the party visited;
- c) Members discussed the possible options for improving the New Ash Green site. Compulsory purchase would be difficult as the site was owned by three different parties, but the potential commercial value of the site could be used to encourage the owners to improve it; and
- d) the neatness of the well-run residential area of the Barnfield gypsy site was spoilt by the rubbish and waste metal dumped on the approach road. This is a fire hazard next to fields of dry grass and should be cleared up by the KCC, although it was acknowledged that this area had been cleared previously, at some expense, and the benefit had been temporary.

REGENERATION AND ECONOMIC DEVELOPMENT POLICY OVERVIEW AND SCRUTINY COMMITTEE

Regeneration and Economy – A District Perspective

Visit to Shepway District Council – 1st September 2010

Present (members)

Mark Dance, Chairman of Regeneration and Economic Development Policy Overview and Scrutiny Committee (REDPOSC)

Kit Smith, Chairman of Children, Families and Education Learning and Development POSC (CFEPOSC L&D)

Keith Ferrin

Ken Pugh

Andrew Wickham – KCC Deputy Cabinet Member for Regeneration and Economic Development

Susan Carey – KCC Deputy Cabinet Member for Finance and Chair of Shepway District Council

Tim Prater – KCC Member for Folkestone West and Shepway Member for Folkestone Cheriton

Roland Tolputt – KCC Member for Folkestone South

Cllr Robert Bliss – Leader of Shepway District Council

Cllr. Hugh Barker – Shepway Cabinet Member for Planning and Community Safety

Cllr. Malcolm Dearden – Shepway Cabinet Member for Economic Development

In attendance (officers)

Alistair Stewart – Chief Executive

David Shore – Planning Policy and Economic Development Manager

Chris Lewis – Head of Planning Services

Jeremy Whittaker - Regeneration and Economic Development Manager

Summary of Presentation

Dave Shore gave an overview of economic development, regeneration and the local development framework progress in Shepway.

Shepway has a number of different character areas - the urban areas of Folkestone and Hythe, Romney Marsh and the North Downs. Each area has its own particular needs and the approach needs to be flexible to cater for their different demands. Much of the Borough is covered by local, national and international designations such as Area of Outstanding Natural Beauty (AONB) and Site of Special Scientific interest (SSSI).

In terms of population, there are similar contrasts. There are relatively wealthy areas as well as areas suffering high levels of deprivation such as Folkestone, Lydd and Romney Marsh. However, the benefits of continued investment are beginning to bear fruit in terms of increasing educational attainment.

There are a small number of significant employers (Saga, Eurotunnel, Dungeness Nuclear Power stations) in the district, but typically most employment comes from small/medium firms.

In recent years, there have been a number of major projects that have had a real impact in the district. They include:

High Speed Rail Services – This new service puts Folkestone within 1 hour of London. The effect of this is already being felt through increased interest in residential property. Shepway anticipate that the effect of the services will have an increasing effect on the development of strategies for the district over time.

Folkestone Creative Quarter – Project is being led by the Creative Foundation put in place by Roger de Haan. This has bought property, renovated it and leased with favourable terms to artists. The Quarter also houses the Cube (KCC adult education facility) and the Quarterhouse (an arts and business centre). This project is a major transformational project for Folkestone. Linked to this is the Folkestone Triennial, an arts festival first held in 2008 with the next one taking place in 2011.

Folkestone town centre – A new retail development was opened in 2007, providing a significant amount of new retail floorspace. This project, with the Creative Quarter, has transformed the town centre.

The Leas – Development of the coastal park

There are also a number of emerging proposals and sites:

Nickolls Quarry – a site to the west of Hythe with outline planning permission for 1,050 new homes, employment space and community open space. The site is currently being used for soil treatment, which is providing income for the owner.

London Ashford Airport (Lydd) – planning permission was granted in 2009 for an extension to the runway and new terminal facilities capable of handling 500,000 passengers per year, with the aspiration to expand this to 2m passengers in the future. The planning application has been called in by the Secretary of State and will be subject to Public Inquiry in 2011.

Dungeness C – power generation started in Dungeness in the 1950's. Plant A is currently being decommissioned and Plant B will be operational until 2023. There is local support for the development of Plant C, but this was omitted from the government consultation on new nuclear plant locations in 2007. KCC, SDC, local MP all lobbied for its inclusion.

Folkestone Sea Front and harbour – The development of this area has been examined for a number of years. Original proposals from around 2005 had to be revisited as a result of flood mitigation requirements and the economic downturn. Terry Farrell have been commissioned by the landowners to produce a masterplan, which saw a successful consultation process in summer 2010 with strong support for development. Over the Autumn, the detailed work on the masterplan will commence and it is hoped that an outline application will be made by mid 2011. Phasing and infrastructure provision is a key issue, especially in terms of commercial viability.

Folkestone Race Course – see later section summarising the visit

Risborough/Napier Barracks – this is an ex-MOD site at Cheriton. The MOD are seeking to rationalise their landholdings in the district, and there is planning policy support for the redevelopment of the site that will see circa 900 new homes including affordable and housing for Ghurkhas.

The Shepway Local Development Framework (LDF) had its preferred option consultation take place in the June 2009. Currently, the evidence base is being assembled. Eight strategic sites have been identified, with additional smaller sites in rural locations. The proposers of each of the strategic sites have all been asked to undertake consultation and develop masterplans for their sites and submit them to Shepway in October 2010. All of the sites will then be looked at in terms of policy fit and sustainability. The core strategy is programmed for publication in May 2011 with 'Examination in Public' taking place in August 2011 with adoption towards the end of 2011.

KCC have provided a range of support to Shepway, including:

- Assistance with demographic information and retail impact to support the LDF core strategy
- Identifying community infrastructure requirements
- Development of the Shepway Transport Strategy
- Contribution to masterplanning – especially Folkestone Seafront
- Development of the economic development case for Lydd
- Lobbying and support for Dungeness C, High Speed Rail services and Lydd Airport
- Joint delivery of tourism functions

Visit to Folkestone Racecourse

Mark Elliot, Chief Executive of Arena Leisure gave a brief presentation explaining the current operation of the racecourse and its development aspirations. As with other major site developers, they are preparing a masterplan for submission to Shepway DC in October as part of the LDF process. Currently the racecourse runs around 20 fixtures and employs 10 full time staff, growing to 280 on race days. It currently makes a small profit.

The aspiration is to develop the site into Kent's premier sporting venue. Currently, the venue suffers from old facilities, poor access and a risk of fixtures being transferred to alternative courses. The aspiration is to create a year round attraction offering facilities for business, leisure and tourism as well as improving the course and its facilities. This will require a level of enabling development (predominantly housing) to make it happen. The race course benefits from having a good level of local support, especially from the business and tourism community.

Discussion

Members raised the following points following the presentation:

Lydd Airport and the interaction with Manston – members queried the interaction between the two airports and how they could both operate. It was indicated that they could be in direct competition with each other. It is considered that the airports would be serving different markets, and that access to Manston from the Shepway area is difficult.

Access to Seafront – Access to the seafront is poor. There is a convoluted one way system in Folkestone which was installed as a response to freight traffic accessing the port. Now that this traffic is gone, it was questioned that a more appropriate 2 way operation of the streets could be introduced that is more in keeping with a typical town centre environment. This would involve the reconfiguration of a number of junctions. Members questioned the suitability of some streets for conversion to 2 way operation. The masterplan for the seafront currently under preparation will examine these issues. Phasing of improvements was also raised and how they could be paid for and the role of the now disused rail line to the harbour could become that of a green corridor, recognising its rail heritage.

Folkestone Seafront – The development here should reflect the town and the Leas. Development of a marina may be tricky because of its tidal nature. The EA requirements in terms of flood protection require the area of beach to be expanded, but this could provide the opportunity for other recreational uses. Ownership of the area is principally between 3 parties – Shepway District Council, Folkestone Estates and Roger de Haan.

Overall phasing of development – Nickolls Quarry is the most advanced, and is likely to make progress first. The masterplan submissions required as part of the LDF process will help to answer the phasing question in more detail. It is hoped that the seafront outline application will be made during 2011.

Corporate Priorities – members queried the absence of regeneration from the Shepway corporate objectives. Shepway consider regeneration is a theme running through each of the priorities.

Employment – members observed that the quality of jobs is just as important as the number. The major employers in the district need to remain and be given the capacity to grow.

Education – *an Appendix covering education, skills and employment issues is attached at the end of this report.*

Impact of HS1 – Access to London will become increasingly important. Already, the services have resulted in full car parks at stations and standing room only on peak time services. Applications for primary school places have also increased significantly. A study examining the effect of HS1 in East Kent being undertaken by East Kent Authorities will be completed soon.

Closing Comments

A question raised during the discussion regarding airports in east Kent will need to be considered by KCC. The relative merits of Lydd and Ashford will need to be explored further, with the relationship and development potential of the two sites more clearly understood.

Regeneration and Economy – A District Perspective

Visit to Shepway District Council – 1st September 2010

Report on Education, Skills and Employment

Kit Smith, Chairman of CFE L&D POSC

From what we heard, Shepway District Council has an impressive full hand of cards for education, skills, qualification FE and HE. – Good schools, grammar schools, two academies, a new West and South Kent FE College, and joint working with Christchurch and Greenwich Universities. The creative Quarter adds a further dimension. There is a strong Channel Chamber of Commerce.

However, like most the coastal towns of Kent, Shepway has lower than average attainment, qualifications and skills base.

If the economy is to grow and the Districts main Corporate aim of a better place to live is to be become a reality there has to be a full coordination of the elements of the cards the Districts holds.

As ever better skills, more qualifications will raise the standards for better jobs more disposable income and a regenerative economic churn.

Roger de Haan's input is unique and a valuable force. That very uniqueness and vitality appears at times difficult to integrate with other factors in social and economic regeneration - is it the driver, is it supplementary or complimentary? Certainly it is of huge benefit for the District.

The developing Local Development Framework may be the final catalyst to pull the whole and complicated network together. Shepway's LDF is due to be adopted in late 2011.

***Extract of Minutes of Regeneration and Economic Development POSC,
23 September 2010:***

**Regeneration and Economy - A District Perspective: Report back from
Visit to Shepway on 1 September
(Item B1)**

During the debate on this item, Mrs J A Rook declared an interest as her family company has retail premises in a number of towns across Kent.

4. Members made the following comments on what they had seen and heard at the visit to Shepway:-

- a) the visit had been interesting but Members had been surprised at what they had been shown, spending much time at the racecourse but very little at seafronts or town centres;
- b) the presence of the De Haan Trust locally was a big asset to Shepway, and they were making the most of it, but combining a major benefactor with other work can be a challenge;
- c) Shepway is behind on developing its Local Development Framework, but the LDF would help resolve issues like b) above;
- d) much money has been spent on the creative quarter in Folkestone, but Members were unimpressed by the result and worried that it was not reaching its potential;
- e) the racecourse was in the early stages of development but offered a way ahead, and had more potential than the creative quarter;
- f) regeneration in the region had been bitty, and cohesion was not evident;
- g) Members discussed at some length the relative merits of Lydd and Manston airports, highlighting the following points:-
 - i) Lydd has the benefit of private investment, while Manston would need KCC support;
 - ii) Lydd has a good rail link yet is dwarfed in importance by Manston;
 - iii) we shouldn't be encouraging increased air travel so should not develop or promote *either* airport!

- iv) each has a different role – Manston offers a link to Essex, which fits with the LEP bid, while Lydd is just a local hub;
- v) Lydd is close to HS1 but has a dangerous road link which would need upgrading;
- vi) having an airport close to a nuclear power station could bring a potential terrorist problem;
- vii) both are too far from London to serve it;
- viii) neither has a local population to support its facilities;
- ix) Manston had its heyday in the 1960s, with trips to the continent. It now needed to find a new role; and
- x) each could serve a different market, so would not be in competition.

5. The Chairman commented that the POSC was a useful forum for identifying cross-directory themes, such as work by the De Haan trust on community projects.

REGENERATION AND ECONOMIC DEVELOPMENT POLICY OVERVIEW AND SCRUTINY COMMITTEE

Regeneration and Economy – A District Perspective

Visit to Swale Borough Council – 2nd November 2009

PRESENT: Cllr Andrew Bowles (Leader, SBC), Cllr John Wright (Portfolio Holder for Regeneration, SBC), Mark Dance (Chairman of REDPOSC, KCC), Peter Homewood, Jeremy Kite, Jean Law, Ken Pugh, Kit Smith.

IN ATTENDANCE: Mr P Raine (Interim Regeneration Director, SBC), Kieren Mansfield (Economic Development Officer, SBC), Mrs B Cooper (Director of Economic Development, KCC)

1. Summary of Meeting/Discussion:-

This report summarises the content and outcomes of REDPOSC member visit to Swale Borough Council on 2nd November. It highlights those issues that REDPOSC members consider a priority for future investment in Swale.

2. Visits to Projects/Sites

KCC members were given a summary of the opportunities and challenges facing Swale which include:

<u>Opportunities</u>	<u>Challenges</u>
Good connectivity	Skills, especially adult skills with 19% of the resident population without any qualifications
Deep water port	M2 Junction 5
Stunning countryside	Sheppey
Logistics and distribution	Future external funding post 2011

Members visited:

- Kent Science Park and were told about the history of the site; the issues around accessing the site, particularly the proximity to the M2; the companies and employees on site; the recently approved 4ha extension; and the challenges and opportunities afforded by the Kent Science Resource Centre
- Members saw the new Morrisons' building which had opened the previous week with 900 employees on site, 90% from within a 10m radius.
- Queenborough and Rushenden and saw the development proposals for the area including employment land at Neats Court and 2000+ new homes between the existing communities at Queenborough and Rushenden; the

new marina; community facilities and a retrofit project for 484 homes. Members saw the start on site of the Rushenden Relief Road (managed by KCC) and were told of the outstanding funding issues.

- Sheerness port and were told of Peel Ports' ambitious expansion plans and the challenges and opportunities of the heritage areas
- Sheerness west and east and were told of the poor quality housing; lack of development opportunities, and the very strong social and community networks
- Sittingbourne Town Centre and summary details of the recently approved masterplan for a step change to both retail and housing provision matched with new cultural provision and the £2.1m Parklands project which has KCC funding included. Members saw the start of the route for the Northern Relief Road and were told about the forthcoming consultation which is due to undertaken by KCC on the final section of the Relief Road.

3. Conclusions

Members challenged themselves to ask, should KCC resources be available in the future what would be the priorities for investment in Swale. Members understood the importance of Kent Science Park and its contribution to science based/knowledge based jobs; shared thoughts about "creating place" in Sittingbourne which built upon its architecture and heritage. However, members agreed that the overwhelming priority was to focus on people based regeneration and that KCC should focus its resources on Sheppey: not just Sheerness but the whole island including eastern Sheppey (Leysdown and Warden). It was recommended that there needs to be a new multi agency approach that addressed long standing issues of aspiration, education and skills, public transport and jobs.

***Extract of Minutes of Regeneration and Economic Development POSC,
12 November 2009:***

**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.

REGENERATION AND ECONOMIC DEVELOPMENT POLICY OVERVIEW AND SCRUTINY COMMITTEE

Regeneration and Economy, Learning and Skills – A District Perspective

Visit to Thanet District Council – 26 July 2010

PRESENT: Mark Dance (Chairman of REDPOSC, Member for Whitstable), Kit Smith (Chairman of CFE L&D POSC, Member for Deal), Nigel Collor (Member for Dover Town), Peter Homewood (Member for Malling Rural NE), Elizabeth Tweed (Member for Ashford Central), Andrew Wickham (Member for Ashford Rural East), Jean Law (Member for Herne Bay), Avtar Sandhu (Member for Dartford NE), Ian Chittenden (Member for Maidstone NE), Michael Jarvis (Member for Margate and Cliftonville), Elizabeth Green (Member for Ramsgate), Roland Tolputt (Member for Folkestone South), Julie Huckstep, Brian Critchley (Co-opted members of CFE L&D POSC), Cllr Bob Bayford (Leader of TDC and KCC Member for Broadstairs and Sir Moses Montefiore), Cllr Roger Latchford (TDC Cabinet Member for Regeneration and Economic Development)

IN ATTENDANCE: Richard Samuel (Chief Executive, TDC), Brian White (Director of Regeneration Services, TDC), Derek Harding (Margate Renewal Partnership Project Director), Rob Brown (Ramsgate Harbour Master, TDC), Victoria Pomery (Director, Turner Contemporary), Theresa Bruton (Head of Regeneration Projects, KCC) and Keith Mackenney (Regeneration and Projects Manager, KCC).

6. Summary of Meeting

This report summarises the content and outcomes of the REDPOSC visit to Thanet District Council on 26 July 2010. It highlights those issues that emerged from the visit as priorities for future investment in Thanet. The REDPOSC members were also accompanied by the Chairman of the CFE Learning and Development POSC. There are close links between education, learning and skills issues and regeneration and economic development, and the appendix to this report summarises the main outcomes of the visit from a learning and skills perspective.

The scene was set for the visit by Cllr Bayford, Cllr Latchford and Richard Samuel. They were at pains to point out that while Thanet still experienced high levels of unemployment, deprivation and benefit dependency, particularly in parts of Margate, Cliftonville and Ramsgate, considerable progress was being made in the district's regeneration and economic development and major opportunities existed to build upon the progress made and the district's innate strengths. Derek Harding outlined comprehensive plans for the regeneration of Margate and Victoria Pomery explained that the Turner Contemporary build was on time and on budget and that the Turner Contemporary Trust would open the gallery and launch their new programme in 2011.

7. Visits to Projects / Sites

KCC Members were provided with a summary of the range of opportunities and challenges facing Thanet which included:

Opportunities	Challenges
<p>The Regeneration of Margate</p> <ul style="list-style-type: none"> • Turner Contemporary • Dreamland • Old Town/Cultural quarter • Public Realm/Sea Defences 	<ul style="list-style-type: none"> • To support the Turner Contemporary Trust by providing the physical and cultural environment in which it can flourish after it opens in 2011. • Having secured a £12.4m funding package, to create a commercially successful destination/ heritage amusement park opening in 2012 to complement Turner Contemporary • To build upon the improvement in the Old Town/Harbour Arm built environment by attracting more sustainable businesses. • To improve the seafront public realm from the station to Turner in conjunction with a £6m sea defences improvement project.
<p>Improving social conditions in Cliftonville West/ Central Margate</p> <ul style="list-style-type: none"> • The Task Force • Housing intervention 	<p>Local public services have generally failed to meet the needs of vulnerable groups. Hence:</p> <ul style="list-style-type: none"> • A multi-agency approach to the integrated delivery of public services focussing closely on local needs and social ills. • An ambitious programme involving the delivery of a housing enforcement plan and the rebalancing of the housing market where currently over 80% is privately rented.
<p>Maximising opportunities created by improving transport links</p> <ul style="list-style-type: none"> • Growth of services from Manston Airport • The completion of HS1 and a potential parkway station • Road improvements – dualling of A256 and New Haine Rd • Port of Ramsgate improvements 	<p>The completion of HS1, improvements at the port of Ramsgate, the dualling of the Thanet Way and the anticipated completion of East Kent Access mean that Thanet is now better connected to other parts of Kent, London and the continent than it was 15 years ago and therefore more attractive to business investors. However, the perception of inaccessibility will persist until more passenger services are introduced from Manston and rail connections and journey times are further improved (i.e. improvements to HS1 track from Ashford to Ramsgate and a park way station at Manston.)</p>
<p>Increasing quality jobs by providing attractive employment sites and support for new and existing employers</p>	

<ul style="list-style-type: none"> • EKO • East Kent Spatial Development Company (EKSPC) 	<ul style="list-style-type: none"> • To create quality jobs by attracting inward investment, encouraging expansion and generally improving the speed of take up of opportunities on fully serviced business parks. • To continue to forward fund the provision of utilities and infrastructure to bring forward development on key sites.
<p>Building upon the success of Westwood Cross</p>	<p>The retail and leisure development at Westwood Cross has successfully retained a great deal of residents' retail spend within the district and created approximately 1500 jobs. The opportunity exists to develop the area further but this needs to take account of the impact that it has already had on Margate, the need to relieve local road congestion and the road improvements needed to service an expanded airport and other development in the area.</p>

The party's tour of the district was led by Brian White. It took in:

- **Margate** – where the party saw current state of the Turner build, new commercial development on the Harbour Arm and the dilapidated state of the Dreamland cinema and amusement park. A hybrid planning application is expected later in the year for the neighbouring Arlington site, detailed in respect of the new Tesco store (250 jobs), car park and tower refurbishment and outline in relation to the seafront development expected to replace the boarded up shops currently in evidence.
- **Cliftonville West** - Passing the faded TDC owned Winter Gardens, the tour travelled through Cliftonville West, stopping in Dalby Square, where a four storey residential development is planned to replace a recently CPO'd burnt out hotel. The elegant Victorian streetscape has recently been recognised by the award of conservation area status. Unfortunately, at the same time the area is dominated by benefit landlords, small flats with very few owner occupiers, poor living conditions and very serious social problems. A significant public sector intervention, relating to housing, the public realm and service provision, is required to address the problem and break the cycle of decline. Success would have a major impact on Margate's regeneration, the image of the town and the confidence of local people.
- **Westwood Cross/Eurokent** – En route to Westwood Cross the party passed the Hornby head office and the site of its new visitor centre. Skirting Westwood Cross, the tour took the New Haine Road through the Eurokent site. Funded through the EKSDC and opened in 2008, the road has improved access to the Marlowe Academy and Innovation Centre, helped to relieve local congestion and provided a better link to the Thanet Way and the A256. It will be instrumental in opening up the Eurokent site for development.

- **Port of Ramsgate** – Recent dredging of the port has enabled the ferry operator, Transeuropa, to introduce larger vessels on its route to Ostend and facilitated the use of the port by wind farm developers. The port has been identified as capable of meeting the construction and O & M requirements of the offshore wind farm developers in the Thames Estuary and the operators of both Thanet Offshore and London Array have established bases in the port with the potential of creating approximately 200 direct jobs. Supply chain development possibilities also exist, potentially putting Ramsgate at the forefront of wind farm technology. The party also saw the development of a café culture on the Ramsgate seafront around an increasingly busy marina.
- **Manston Airport** – Airport owners, Infratil, confirmed their long term commitment to Manston and introduced a masterplan that predicts that by 2033 the airport will serve 4.7m customers, cater for 400,000 tonnes of freight and sustain over 6,000 jobs. Infratil believe this to be achievable due to limits on the expansion of all London airports. Successful scheduled flights have been introduced to Edinburgh and Manchester and freight business is buoyant.
- **Manston Park** - Along with the Eurokent Business Park, Manston Park is in the ownership of the KCC/TDC joint venture, the East Kent Opportunities Company (EKO). The partnership was driven by the need to put a stop to the land banking of the sites by previous owners and to create quality jobs by encouraging inward investment and local business expansion. Manston Business Park consists of 47 hectares of developable land, where the focus will be mainly on manufacturing with the potential to create 4,000 jobs. Eurokent is likely to accommodate mixed use development and create some 2,000 jobs. The party visited Cohline where 200 new jobs are about to be created in an extension of the existing facility. The company has had some difficulty recruiting locally because applicants are often unable to cope with the repetitive nature of the work.
- **Thanet Earth** - which currently comprises three greenhouses covering a total of 25ha producing cucumbers, tomatoes and peppers for Sainsburys, Tesco, M&S and Asda. The first year's turnover was £53m. Each greenhouse has cost £25m to build and, while the plan is to construct a further four, there is currently no capital funding for this. When the development is completed it is expected to provide 550 jobs.

8. Conclusions

Thanet is a district of considerable charm and variety but despite the continuing success of Broadstairs, the growing fashionableness of Ramsgate and the development of a new town centre at Westwood Cross, the district still faces major challenges in relation to housing, unemployment, benefit dependency, skills, crime and health levels. The problems in areas like Central Margate, Cliftonville West, Newington and Northwood are well documented and recognised by TDC's partners and Government departments. Opportunities to bring about significant change in these key areas of deprivation have been pursued enthusiastically but there is still much to do at a time when public sector funding is becoming increasingly short.

The main regeneration and skills development priorities are therefore considered to be as follows:

- (m) To pursue the district's economic development, particularly by seeking to attract inward investment and quality jobs to key, well serviced sites at Eurokent and Manston Park. Job development at the Port of Ramsgate should also be strongly supported.
- (n) To pursue transport improvements that reduce the perceived peripherality of the district to inward investors, visitors and decision makers. It is important to focus on improvements to the HS1 track between Ashford and Ramsgate and the creation of a park way station on the HS1 line to serve Manston.
- (o) In order that the new jobs created in a) above can be taken up by local people, the Work & Skills Plan should be urgently finalised and implemented.
- (p) To continue to support projects aimed at changing the image of Margate, creating a successful cultural quarter and bringing about its wider regeneration. Improving the seafront public realm and increasing its commercial vitality is a key element in improving the visitor experience.
- (q) To support the Task Force approach in Central Margate and Cliftonville West both in tackling deprivation and benefit dependency and in undertaking a major intervention to rebalance the housing market.

Visit to Thanet District Council on 26 July 2010

Rapporteur supplementary report from CFE L&D POSC Chairman.

Of all the visits to the Kent Districts by the REDPOSC, Thanet was always going to be the most interesting yet challenging.

We were told about the huge potential for the District with many new regeneration projects running or about to begin. Over the next seven years or so there is the prospect of up to 14,000 new higher skilled jobs that most other Districts would be very jealous of. Yet Thanet has areas of the highest deprivation in Kent, low skill and qualification levels and high unemployment.

That mix is a real challenge from the view point of education, skills, qualifications, jobs and sustainable regeneration in Thanet. Without a local skilled workforce, there is a real prospect of the new better paid jobs going to workers travelling to Thanet rather than for home grown, Thanet dwelling, skilled and higher waged workers. For every 1000 new skilled workers living outside of Thanet but travelling to work there, there is a potential loss of an extra disposable spend in Thanet of around £10m per year, every year.

It was noted on the visit that a good start has been made by Thanet Works in developing a Work and Skills Plan, and a strategy for developing skills and qualification for the new jobs, for Thanet residents. This is a huge job and will only work if it involves the schools, colleges and employers and a multi agency effort to upgrade the working ethos and opportunity for many in Thanet.

Thanet has a remarkable potential with large amounts of government aid and assistance. However this will not last for ever and in the austere new economic climate Thanet has a narrow window of opportunity to economically and socially regenerate itself – an interesting yet challenging prospect.

***Extract of Minutes of Regeneration and Economic Development POSC,
23 September 2010:***

**Regeneration and Economy - A District Perspective: Report back from
Visit to Thanet on 26 July
(Item B1)**

During the debate on this item, Mrs J A Rook declared an interest as her family company has retail premises in a number of towns across Kent.

1. Members made the following comments on what they had seen and heard at the visit to Thanet:-

- a) the visit had been positive, upbeat, very worthwhile, and was very well organised. Thanet were congratulated on what they were doing;
- b) Thanet was intriguing and challenging, in terms of regeneration, and its reputation as an area of deprivation had served it well;
- c) this was the last chance for the District and County Councils to work together to achieve outcomes;
- d) it was hoped that the Turner Centre would deliver all that was planned, and draw tourists from Europe as well as from the UK;
- e) Manston Parkway is a key priority and would need a fast track rail link to London within the hour to ignite the whole of East Kent;
- f) it is important to recognise where mistakes had been made – eg Westwood Cross – and it would be useful to see how shopping areas will be addressed once economic confidence is regained;
- g) Members debated the relative merits and problems of free and charged parking:
 - i) Kent's towns do not have enough and it is never free. If shoppers cannot park for free in one shopping area, they will go to another. Provision of free parking is big issue when addressing the regeneration of town centres, and should be a community commitment;
 - ii) it is unrealistic to expect to provide free parking, and parking revenue would contribute valuable income to a town centre. Charges could be relatively small yet cover the maintenance costs of providing it;

- h) Thanet had received much regeneration funding over the years, yet still it is an area of multi-deprivation; and
- i) in some town centres in Kent, shoppers could park outside shops for free, while other towns had pedestrianised high streets. This might explain why some High Streets were doing well and keeping their independent traders and others were not.

2. The Deputy Cabinet Member, Mr J A Kite, was asked what he would be doing to help Thanet in the short term. Mr Kite replied that there were two threads - strategic and specific. A key strategic challenge would be to get the Local Enterprise Partnership right. Specifics would include issues like supporting the towns and communities behind the seafronts rather than being beguiled by the seafronts themselves, and to treat all areas equally.

3. In discussion, Members started to identify key themes for their future discussion of priorities:

- Manston parkway and the need for a good rail link to Thanet
- parking – free or charged
- pedestrianised or non-pedestrianised town centres

**Regeneration & Economic Development Policy Overview & Scrutiny
Committee (REDPOSC)**

Regeneration and Economy – a District Perspective

Visit to Tonbridge & Malling – 28th September 2010

Present (Members)

Mark Dance (Chairman of REDPOSC, KCC), Ian Chittenden (Vice - Chairman of REDPOSC, KCC), Kit Smith (Chairman of CFE L&D POSC, KCC), Keith Ferrin, Peter Homewood, Ken Pugh, Julie Rook, Elizabeth Tweed, Jeremy Kite, Trudy Dean

Mark Worrall, Leader, Tonbridge & Malling Borough Council (TMBC)

Matthew Balfour, Cabinet Member for Planning, TMBC

In attendance (Officers)

David Hughes - Chief Executive, TMBC

Steve Humphrey - Director of Planning, Transportation and Leisure, TMBC

Mark Raymond - Corporate Services Manager (lead on Economic Development), TMBC

Katie Chantler – Regeneration Manager, KCC

1. Introduction

This report summarises the REDPOSC visit to Tonbridge & Malling Borough Council on 28 September 2010.

2. Presentation

KCC Members were presented with a summary of the challenges facing Tonbridge & Malling by Mark Raymond and Steve Humphrey. A comprehensive summary of Tonbridge & Malling was provided to REDPOSC in advance, profiling the district and its population.

Opportunities	Challenges
<p>Road improvements</p> <p>A21 dualling is critical to connect Tonbridge & Tonbridge Wells with new hospital</p> <p>A228 has improved, links Maidstone and Tonbridge and new hospital</p> <p>M20 – increasing capacity at junction 4 and junction 5 are priorities</p>	<p>Caught by review of public spending</p> <p>This link is currently a major problem for commuters. Junction 4 improvements are dependent on housing growth.</p>
<p>Railway improvements</p> <p>Recent changes to timetable and London destinations (removed City destination) are</p>	<p>Relatively poor transport connectivity; businesses already leaving Kings Hill due to</p>

<p>an absolute priority. There is a great need to improve capacity and frequency of network</p>	<p>these changes</p>
<p>Kings Hill Well located to import good skills and businesses; high quality environment with well planned development</p>	<p>It is a challenge to plan this development and ensure it becomes a sustainable community. Development has slowed in recent years.</p>
<p>Tonbridge A corporate priority for T&MBC A wonderful market town, strong education provision including West Kent College. Two key sites offer a combined opportunity to uplift the town:</p> <ol style="list-style-type: none"> 1. “Behind Sainsburys” – opportunity for residential/ retail/ community facility. 2. Second site nearby has a planning application for residential and some retail <p>Library is in a prime site though the building is not fit for purpose. Service could be moved to a more functional space and the original building sold.</p>	<p>Sits on a flood plain Retail offer has suffered due to economic down turn and traffic issues Need to decide how to provide leisure facilities in such a prime location KCC have not expressed a desire to move sites</p>
<p>Borough Green is a key commuter point and a key employment generator</p>	<p>Need to release land from green belt to ensure there are sufficient levels of affordable housing</p>
<p>West Kent Partnership Worked hard to breakdown misconceptions about West Kent. Produced West Kent Investment strategy, setting out needs to 2015. Priorities are:</p> <ul style="list-style-type: none"> ▪ Supporting indigenous business growth ▪ Developing local labour force ▪ Tackling issues of transport infrastructure 	<p>Locate in Kent suggest that developer interest is shifting to East Kent The recession has affected West Kent more significantly than other areas of the county for example unemployment has risen faster here than anywhere else in Kent There are high average house prices which create staff retention and recruitment issues. East Malling is one of the wards with the lowest educational attainment in the county</p>
<p>Three key areas of deprivation</p> <ul style="list-style-type: none"> ▪ East Malling ▪ Snodland ▪ Trench Ward (north of Tonbridge) <p>Applying a multi agency approach which has a focus on dominant families</p>	<p>Mismatch of resources between where they are located and where they are needed Lack of resources and in particular more youth services required</p>

KCC & T&M youth services working well together	
<p>Three key new residential developments with 25% affordable housing:</p> <ul style="list-style-type: none"> ▪ Holborough Quarry; 1,500 homes ▪ Peters Pit; 700 homes ▪ Leybourne Grange; 700 homes 	Market conditions will dictate growth
<p>West Kent College</p> <p>Benefited from £90m improvement programme, high standard and range of facilities including 500 seat theatre.</p>	Need to share facilities with wider community and make better use of them outside of learning hours

T&MBC were asked to summarise their corporate priorities. They were identified as:

1. Regeneration of Tonbridge
2. Priorities in West Kent Investment strategy
 - Supporting indigenous business growth
 - Developing local labour force
 - Tackling issues of transport infrastructure
3. Increasing levels of affordable housing
4. Securing funding for community development to meet local needs particularly in areas of deprivation

3. Visit

Members were taken on a tour of Tonbridge and Malling. Some of the highlights of this tour include:

Kings Hill

Members were shown the Lacuna Development, one of the highest density developments with approximately 55 homes to the hectare. T&MBC noted the parking environment was problematic at night and weekends. The tour included the new cricket pavilion and Discovery School. There is a commitment to provide leisure facilities behind this school in due course including football pitches. Affordable housing levels at Kings Hill are less than 20%. The aim is to increase this to 25% and T&MBC policy is now for 40% on all new developments. There are plans for regeneration of Grade II listed RAF control tower which will be a mix of retail with a restaurant as well as a cultural centre to display the history and heritage of the area.

East Malling

Members were shown the new St James the Great primary school. The old school is now a community hub which includes a children's centre and

nursery. It is hoped that in time, this hub will have a positive impact on the estate opposite.

Tonbridge and Malling has three particular pockets of deprivation

1. East Malling
2. Snodland
3. Trench Ward (north of Tonbridge)

Members were taken on a tour of one of these estates. These areas are no different from other areas of deprivation but they are relatively small and therefore T&MBC felt they were not on the radar of Government, regional or County bodies. One estate in Tonbridge and Malling took part in a national study by the Young Foundation¹ which looked into entrenched deprivation on small estates. This report found a number of common factors in such estates which Tonbridge and Malling are targeting through their existing multi agency approach.

Whilst T&MBC and KCC's youth teams work well together, more youth officers are needed from KCC. There is a quantifiable uplift in outcomes where KCC services are co terminus with Tonbridge & Malling.

East Malling Research centre is globally recognised but is also diversifying to ensure its continued success. It has great conference facilities.

Larkfield

Members were shown an example of where problems arise when councils fail to hold onto employment land and lose it to residential. This particular site in Larkfield was lost under appeal to Barretts who built a residential development. This development now has 50% social rental with a high proportion of single parent families. T&MBC have had to work hard to ensure these families are supported and have sufficient local services to meet their needs but it has proved highly problematic.

Snodland

Holborough Quarry is a successful development with 25% affordable housing in Snodland. It's a strategic site with a new community. Snodland town centre (the old part) is a priority for change and discussions are ongoing with Kent Highway Services to improve the street furniture. Holmesdale Technology College is a beacon for change; it has improved significantly in recent years and is now a very popular college. The site includes a community hub.

Lafarge are proposing a state of the art cement factory near the Medway valley. This project is "on ice" due to the current economic climate but is still a live project.

Hadlow is a successful college, recently rated "outstanding".

¹ <http://www.youngfoundation.org/solutions-entrenched-deprivation-small-estates-summary-report-september-2009>

Tonbridge

This is a corporate priority for T&MBC. It needs to regenerate and renew however it is on a flood plain which significantly impacts development and design. There are two key sites in the town near Sainsburys which offer an opportunity to uplift the town. The pedestrian links from these sites to the high street will be preserved and enhanced. The nearby industrial estate is a mix of distribution with some manufacturing though its success depends almost entirely on market conditions.

4. Conclusions

Tonbridge and Malling is a diverse borough with a mix of settlements. It is a vital contributor to the Kent economy through employment generation and supplying a skilled labour force. There is a real concern it is losing its previously buoyant economic role. T&MBC outlined their priorities for regeneration

1. To support the vitality and viability of Tonbridge Town Centre via a comprehensive redevelopment of the Botany Area in central Tonbridge to provide new retailing provision, employment uses, enhanced car parking, housing, community uses, additional car parking and enhancements to the public realm.
2. To secure the future development of the Borough's key strategic development sites including those on the East bank of the Medway to enable the provision of additional affordable housing as part of mixed tenure developments to meet future housing needs.
3. To address deprivation issues in the Borough's three priority communities: East Malling, Snodland, and Trench Ward and, through a highly targeted approach to community engagement and community development, raise aspiration, tackle worklessness, improve educational attainment and shift the dominant, often negative social culture affecting these communities.
4. To support the West Kent Partnership to strengthen the local economy through the delivery of actions in the West Kent Investment Strategy focusing on the development of business support and entrepreneurship, skills development and improving transport connectivity via key infrastructure investments.
5. To counter any misconceptions that Tonbridge and Malling is universally affluent, its local businesses face no significant issues and that little or no external investment is therefore justified.

5. Additional Conclusion from Children, Families & Education Policy Overview & Scrutiny Committee

Kit Smith (Chairman of CFE L&D POSC, KCC)

Although the Borough has no dedicated Higher Education (HE) campus it is well provided at Further Education (FE) level by South and West Kent College's main new campus at Tonbridge and by the specialist Hadlow College. Both colleges have HE students. Hadlow has very recently been assessed by Ofsted as outstanding, with one of the highest scores for a FE college in England. There are a range of good schools..

Members saw students streaming from a useful skills festival at the Angel Centre.

It was noted that with high levels of skilled jobs in the borough up to 50% of those skills had to be imported on a daily basis. The down side of this, is that such higher paid workers probably spend their disposable income outside the area

Perhaps because Tonbridge over all is the second least deprived district in Kent it is not surprising that where there are small areas of deprivation the gap in educational attainment between students eligible for free school meals and their peers is particularly wide. The borough in common with most in Kent probably has a below national attainment at KS1 and especially at KS2. This issue is being actively monitored and action sought by the CFE L&D

These results and the causes can not be analysed in detail at the L&D POSC which has to deal with average figures .

However a new small informal Member Monitoring Group is being formed to dig deeper into schools, heads, teachers or class level to learn any lessons that can be reported to the POSC.

On the same theme, Members heard of useful data from a Young's Report that has dug deeper into the core reasons for sustained deprivation at a very local level, and have requested that Members can see that report.

**Regeneration & Economic Development Policy Overview & Scrutiny
Committee (REDPOSC)**

Regeneration and Economy – a District Perspective

Visit to Tunbridge Wells– 28th September 2010

Present (Members)

Mark Dance (Chairman of REDPOSC, KCC), Ian Chittenden (Vice - Chairman of REDPOSC, KCC), Kit Smith (Chairman of CFE L&D POSC, KCC), Keith Ferrin, Peter Homewood, Ken Pugh, Julie Rook, Elizabeth Tweed, Roy Bullock (County Member and Leader, TWBC), Tracy Moore (Portfolio Holder for Economic Development, TWBC)

In attendance (Officers)

Jonathan MacDonald - Director of Regeneration & Sustainability, TWBC
David Candlin – Head of Economic Development, TWBC
Kevin Hetherington – Head of Housing & Wellbeing, TWBC
Mike Bodkin – Head of Urban Regeneration, KCC

1.0 Introduction

1.1 This report summarises the REDPOSC visit to Tunbridge Wells Borough on the afternoon of 28 September 2010.

2.0 Presentation

2.1 KCC Members were presented with a summary of the key issues facing Tunbridge Wells Borough. A summary of the Borough was provided to REDPOSC members, profiling the district and its population.

2.2 Despite the dominant view of Tunbridge Wells as being an affluent borough, there are pockets of deprivation in some residential estates such as Sherwood and Ramslye, which experience higher than average unemployment, poor health, teenage pregnancies etc.

2.3 The Borough (and in particular the towns of Tunbridge Wells and Southborough) has experienced a loss of employment in office and related sectors. There is still a reliance on the service sector and retail in Tunbridge Wells itself.

2.4 Despite the relatively buoyant town centre economy of Tunbridge Wells, there are a number of high profile 'grot spots' or redundant sites awaiting redevelopment. The most high profile of these is the former cinema site, opposite the town hall, which has been subject to a long and convoluted planning history since its closure in the 1990s. TWBC had attempted to buy the site over the recent summer, but its bid was unsuccessful.

2.5 The existence of these 'grot spots' was one of the reasons for the establishment by the Borough Council of the Tunbridge Wells

Regeneration Company (TWRC), a joint venture between TWBC and John Laing PLC, selected following a procurement exercise.

2.6 TWBC has agreed to place a significant amount of its land and property assets in the town centres of Tunbridge Wells, Southborough, Paddock Wood and Cranbrook into the TWRC. John Laing will contribute development expertise and finance and all profits will be shared on a 50:50 basis.

2.7 The TWRC was one of the first 'Local Authority Asset Backed Vehicles' (LABVs) established in the country and unlike conventional methods of disposal of assets by Local Authorities, it represents a true partnership and sharing of risk between public and private sectors. The Borough Council is able to retain a long-term interest in the sites whilst ensuring that redevelopment is brought forward and is of the type and scale that it wishes to see.

2.8 The Civic Centre site in Tunbridge Wells will be one of the first and most important developments undertaken by TWRC and this could involve other public sector partners including KCC, Kent Police and Fire Service.

2.9 In order to support TWRC, the Borough Council is bringing forward its planning policies for the town centres through Area Action Plans, in tandem with a review of housing numbers and density in the round, which is likely to focus on the designation of certain rural settlements in the Borough, such as Hawkhurst, with the aim of retaining their status as villages rather than accepting larger scale development.

2.10 The Tunbridge Wells Gateway was cited as a key recent success story in working with KCC and other public sector partners.

2.11 The following key issues were identified by TWBC:

- The forthcoming Regional Growth Fund;
- West Kent Local Investment Plan (bid for HCA resources);
- Infrastructure Investment (particularly transport);
- The new Local Enterprise Partnership (whatever geography it covers);
- Total Place and place-based initiatives;
- Highway Land (improving street scene and decluttering signage etc)

3.0 Questions & Answers

3.1 In response to questions, TWBC representatives identified transport as their top priority. This was broken down into the following issues in particular:

- Congestion, as a threat to economic vitality and the impact of the school run – with five secondaries located on the A26 alone;

- Longfield Road (North Farm large scale retail area);
- A21 dualling.

3.2 In response to questions about the civic centre redevelopment, TWBC representatives set out the following desired objectives:

- The existing Assembly Halls would be reprovided as a 600 seat facility. There had been discussions with the private sector which indicated that a doubling of size to 1200 seats would require a doubling of the current revenue subsidy (£263k pa). Both capital funding and revenue support would need to be funded from the development;
- The existing library and museum could be rebuilt on the lines of the Ashford Gateway Plus model, which is currently under development. This would of course require the input of KCC;
- There is a desire to find a quality anchor retail tenant to support the scheme and attract further commercial and retail investors.

4.0 Visit

4.1 Members were taken on a tour of Tunbridge Wells and surrounds. Some of the highlights of this tour included:

- The Civic Site & surrounds (including the former cinema site);
- The Kent & Sussex Hospital site in the town centre, which will be closed in 2011 as services are transferred to the new Pembury hospital. An opportunity for an office-led redevelopment scheme;
- The current Arriva depot which TWBC wishes to see relocated to North Farm;
- Royal Victoria Place – potential extension of this major shopping centre in the north of the town centre;
- The Sherwood Estate, where approximately 50% of the stock is owned by TWBC's housing partner, Town & Country Housing Group;
- North Farm retailing parks, where TWBC representatives indicated their concerns over congestion and insufficient provision for transport improvements in the future;
- Pembury Hospital, a major PFI funded development scheduled to open in the near future where TWBC representatives indicated concerns in relation to transport and access issues, exacerbated by the recent decision not to progress the A21 dualling scheme and the poor transport links with Maidstone (desire to construct the A228 Colts Hill bypass);

- The Land Registry building, an opportunity for co-location of public sector partners once the Land Registry exit (in the near future);
- The Pantiles, owned by Targetfollow, a Norwich-based property company known to be in financial difficulties, where TWBC representatives expressed concerns about the impact of the company be placed in administration on investment in the area;
- The former Morrisons supermarket and underused multi-storey car park close to the railway station.

5.0 Additional points from Kit Smith, Chairman of Children, Families & Education Learning and Development Policy Overview & Scrutiny Committee

Members noted that in the District of Tunbridge Wells:

There are interesting contrasts in the District which are wider than in the other districts visited so far.

House prices at an average of £302K are the highest in Kent yet there are significantly deprived areas.

The gap in attainment between pupils eligible for free school meals and their peers is the highest in Kent at KS4.

There are big gaps between urban and rural areas of the District.

Many of the District's schools are bunched together which produces real problems on the roads at start and finish times.

This disadvantage perhaps could be turned to advantage by looking at the Canterbury shared timetable model. The REDPOSC saw this model on their visit to Canterbury early in the visits programme. This is replicated in Dover. They have managed to achieve savings, better use of buildings and equipment and better and wider curriculum offer by networking the schools. This has been made possible by close proximity and the ability for pupils to go from one school to another with relative ease.

Tunbridge Wells has no major Further Education campus but has skills outreach at North Farm from the nearby West Kent College at Tonbridge. There is Higher Education presence of Solomons at Southborough provided by Christ Church Canterbury University

The economy appears strong but for sustainability in difficult and changing times the District may have to look long and hard at future jobs and skills provision for them.

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

17 November 2010

Subject: LOCAL ENTERPRISE PARTNERSHIP

Classification: Unrestricted

Summary:

Earlier this year, the Government announced the abolition of Regional Development Agencies and invited groups of local authorities and businesses to bring forward proposals for new Local Enterprise Partnerships.

In October, the Government announced its support for 24 LEP proposals nationally. These include one covering Kent, Essex and East Sussex. At the same time, the Government published the Local Growth White Paper. This sets out the Government's approach to local economic development, including the potential roles of LEPs and the establishment of a new Regional Growth Fund.

This paper:

- Sets out the current status of the Kent, Essex and East Sussex LEP proposal;
- Summarises the main features of the Local Growth White Paper, including the establishment of the Regional Growth Fund; and
- Sets out the next steps in taking the Local Enterprise Partnership and related work forward

The Committee is asked to note this report.

1. Introduction

1.1. The Government's approach to local economic development was signalled shortly after the election, with the abolition of the architecture of regional government. In particular, the Regional Development Agency, SEEDA, will be wound up in 2011/12. In view of the wider public spending background, the Government has also been clear that future local economic development activity will be based around less public subsidy, reduced administrative overhead and increased private sector leverage.

- 1.2. In place of the Regional Development Agencies, the Government wrote to local authorities and business in early summer inviting proposals for Local Enterprise Partnerships by 6th September. As previously reported to the Regeneration and Economic Development Policy Overview and Scrutiny Committee, a proposal for a Kent and Essex LEP was submitted by this deadline, with the support of KCC. Government received some 58 LEP proposals by the deadline.
- 1.3. Following the submission of our Kent and Essex LEP proposal, the opportunity emerged in October to work more closely with East Sussex, which had submitted a separate LEP proposal in the summer. This reflected concerns that any LEP should be of strategic scale and capable of making a case for devolution of resources and powers given substantial competition from the Northern and Midland city regions. The addition of East Sussex also reflects shared priorities around coastal regeneration, the development of the rural economy (including the importance of rural broadband) and key transport infrastructure improvements. The Leaders of Kent, Essex and East Sussex County Councils, together with the chairs of the main local business consortia therefore wrote to the Secretaries of State proposing a combined Kent, Essex and East Sussex LEP bringing together the two existing proposals.

2. Local Enterprise Partnerships and the Local Growth White Paper

- 2.1. The Government published *Local Growth: Realising Every Place's Potential*, the Local Growth White Paper, on 28 October. This announced the first 24 LEPs (covering about two thirds of the country) to secure Government backing. The Kent, Essex and East Sussex LEP is among these. We have now received a formal letter from Ministers asking us to progress the establishment of a LEP Board and a successful launch event was held at the Houses of Parliament on 1 November.
- 2.2. The White Paper states that Government “does not intend to define LEPs in legislation”: There will therefore be no specific governance template for LEPs, other than that they must be equal partnerships between business and local government. However, the White Paper does provide an extensive list of roles that LEPs could potentially take on or influence, ranging from business support to bringing forward strategic sites to strategic planning. It is likely that LEPs will have different roles in different places, depending on local need and priorities, and these are likely to be determined through a negotiated and incremental process between Government and individual LEPs.

3. Other measures within the Local Growth White Paper

Regional Growth Fund

- 3.1. The White Paper also provides details of the establishment of a new Regional Growth Fund (RGF), worth £1.4 billion over three years from April 2011. This will replace a number of other funding streams (including Growth Areas Fund and the Thames Gateway programme).

- 3.2. RGF will operate as a challenge fund, with no ringfencing and no specific geographic eligibility. However, private sector leverage and demonstrable private sector job creation will be key criteria for successful bids. Bids are also only invited from the private sector or from public-private partnerships and it is clear that public sector only proposals will not be acceptable. While proposals to RGF can be made without reference to the LEP, it is anticipated that where LEPs exist, they will have a role in coordinating and assisting proposals.
- 3.3. The closing date for the first round of RGF proposals is 21 January 2011. Competition will be very high and schemes that do not solidly meet the leverage and job creation criteria are unlikely to be successful.

Regional Development Agency assets

- 3.4. The majority of SEEDA's property assets are either in Kent or in South Hampshire. With the abolition of the RDAs, these assets will need to be vested elsewhere. Within the White Paper, there is scope for transfer to local ownership, sale or national retention, with decisions made on an individual basis.

Growth incentives

- 3.5. The White Paper outlines three main incentives for local authorities to deliver housing and employment growth:
- New Homes Bonus: This will match fund the additional Council Tax for each new home and property brought back into use for six years after the home is built. The allocation of this resource between authorities in two-tier areas is unclear at present.
 - Business growth incentives: Government intends to introduce a business increase bonus scheme, allowing local authorities to retain growth in business rates above a threshold. The White Paper also trails the prospect of measures to allow retention of locally-raised business rates, to be considered through a wider review of options for business growth incentives
 - Tax increment financing: The introduction of TIF has already been announced. The White Paper proposes that this is introduced through a bid-based system with a series of pilot projects approved initially.

Business support

- 3.6. The existing landscape for business support services will change substantially, with the reduction of Business Link to a national, largely web-based service. However, the White Paper also commits to the establishment of a series of 'Growth Hubs' supporting high-growth companies, probably operating on a LEP or sub-regional basis.
- 3.7. A more comprehensive note on the Local Growth White Paper and its implications for Kent is attached as Annex 2.

4. Next steps

- 4.1. Following the go-ahead from Government, we are now able to progress the establishment of an interim Board for the Kent, Essex and East Sussex LEP, with a view to setting up a full Board by the next financial year. It is anticipated that initial proposals for governance – based on the principles of subsidiarity set out in the original Kent and Essex LEP proposal – will be brought forward later this month.
- 4.2. Work is also underway to develop a proposal for a recyclable investment fund that can bring key regeneration sites under local control and attract private sector investment to bring them forward. Similar funds have been established elsewhere in the country (notably in Greater Manchester), and this may prove a strong candidate for Regional Growth Fund investment. We are in the process of appointing consultants to develop a viable model, in consultation with District authorities, Medway Council and (as the current owner of significant assets) SEEDA.
- 4.3. Finally, with the changes to the business support landscape and reduced overall funding, there is a need for a strategic review of the support offer in Kent and work is currently under way to take this forward.

5. Recommendations

- 5.1. The Committee is recommended to note the contents of this report.

Report author:

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7 November 2010

Background Documents:

Annex 1: Letter to the Secretaries of State for Communities and Local Government and Business, Innovation and Skills proposing a Kent, Essex and East Sussex LEP

Annex 2: Local Growth White Paper: Summary and relevant issues for Kent

Local Growth: Realising Every Place's Potential, the Local Growth White Paper
<http://www.bis.gov.uk/policies/regional-economic-development>

Local Growth White Paper: Summary and relevant issues for Kent

The Government published *Local Growth: Realising Every Place's Potential* on 28 October. This sets out the Government's approach to local economic development, including the establishment of the new Regional Growth Fund and the creation of Local Enterprise Partnerships.

This note summarises the key proposals within the White Paper and their implications for economic development in Kent.

1. Local Enterprise Partnerships

LEP geography

The White Paper announces support for 24 of the outline Local Enterprise Partnership proposals submitted to Government in September.

For us, the **Kent, Essex and East Sussex LEP has been approved**, and we can now move forward in setting it up. The three County Councils have also received a formal letter from Ministers asking us to progress the establishment of the LEP Board. Moving forward, the White Paper promises that LEPs will be 'formally recognised' once Boards have been set up.

LEP roles and responsibilities

The Government "does not intend to define Local Enterprise Partnerships in legislation", and remains vague about specific LEP roles and responsibilities. It is likely that LEPs will have different roles in different parts of the country, at least initially. The Paper lists – in various places - a very long list of roles that LEPs could *potentially* take on or influence, ranging from "ensuring business is involved in the development and consideration of strategic planning applications", to support for the delivery of the new Work Programme to support for high growth business. Further clarity will need to emerge over time through what looks to be a negotiated and incremental process between Government and individual LEPs.

This means that there is no definition of the legal form that a LEP will take, nor a specific governance template. The Kent, Essex and East Sussex proposal as submitted to Government is based on an unformalised strategic partnership arrangement, with delivery taking place through a range of delivery agencies.

LEP funding

As anticipated, LEPs will need to cover their own running costs. However, they may submit proposals for Regional Growth Funding (see below).

We should not expect detailed guidance on the establishment of the LEP, or specification of the functions that Government expects from it. Although the details of the LEP concept remain uncertain, we do now have a LEP in place, which gives us a head start over much of the country. However, much will need to be done over the coming months to negotiate the detail with Government

2. Regional Growth Fund

The Government announced the establishment of a Regional Growth Fund in the summer. The White Paper and the Spending Review provide further details of the Fund allocation process.

Financial scale

The Regional Growth Fund will be worth £1.4 billion over three years. The value of the Fund breaks down as follows:

£m	2011/12	2012/13	2013/14
Revenue	215	205	420
Capital	280	300	0
Total	495	505	420

Surprisingly, RGF is 60% revenue (although was previously trailed as being a mainly capital fund, and is largely referred to in the White Paper in capital terms). The Paper suggests that there will be some flexibility in converting revenue to capital, although this is rather vague.

Bidding criteria

RGF will operate as a challenge fund, with no ringfencing, no specific geographic eligibility and largely flexible criteria. However:

- Private sector leverage will be a key criterion for successful bids
- The minimum threshold for bids is £1 million, although there is scope for packaging smaller projects (see below)
- Bids are invited from the private sector or from public-private partnerships. However, **public sector only bids will not be accepted**
- Where established, LEPs are expected to play a role in 'coordinating and assisting' bids for their area

In addition, schemes seeking RGF funding should in particular:

- Create private sector growth. **"Bids will be required to demonstrate and quantify the number of additional private sector jobs they are creating"**
- Demonstrate 'significant' private sector leverage
- Demonstrate how projects will create sustainable private sector growth, especially in areas 'over-dependent' on public sector employment (this will clearly be a challenge for proposals from the South East)
- Demonstrate additionality
- Demonstrate value for money in terms of wider economic impact

DfT has contributed to the RGF pot, so there is scope for investment in transport schemes where they meet the above criteria.

Process

Bids can be made in the form of standalone projects, packages of coherent projects or broader strategic investment programmes. Where programme proposals are put forward, they will need to be matched by other investment and 'demonstrate a clear overarching strategy for a specific geographical area'.

There is **no** requirement for such a 'specific geographical area' to be coterminous with a LEP area.

The first round of bidding is now open and closes on 21 January, with two further rounds anticipated over the lifetime of the Fund. The White Paper anticipates that less than half of the Year 1 funds will be allocated in the first round – however as the Fund will probably be heavily oversubscribed, and given the tendency for administrative delay and underspend in new programmes, it might be sensible for Government to allocate more than this.

Following the first round, Government anticipates decisions by the end of the financial year. Recommendations will be made by a previously announced private sector panel chaired by Lord Heseltine, with decisions made by Ministers. It appears that the recommendation and decision-making process will operate on a national basis, rather than with any regional filter – likely to be a complex process to run from the centre. It is also worth noting that various other statements from ministers have suggested additional uses for RGF (such as the recent letter from Grant Shapps referring to the role of RGF in bringing forward housing schemes).

Competition for RGF will clearly be very high. However, the emphasis on private leverage and hard job creation is (in the White Paper itself at least) clear: schemes that do not solidly meet these criteria – especially in the South East – are unlikely to meet with success. Timescales are now fairly short to submission of first round bids, and we will need to move quickly. However, Government is already two months behind on its summer timetable and will find it hard to get schemes appraised and approved by the end of March. The pressure to allocate funds is therefore likely to be strong – reinforcing the value of strong first round proposals.

3. Thames Gateway and Growth Areas

The Spending Review stated that the separate Thames Gateway funding programme is to cease. However, the Thames Gateway remains cited as a priority in the White Paper, with increased local government control over the governance process. Work to achieve this is already well advanced with the involvement of North Kent partners.

There is no specific reference to other Growth Area programmes within the White Paper, although the Spending Review is clear that Growth Area funding streams (like Thames Gateway) are now rolled into Regional Growth Fund.

4. European funding

ERDF

The White Paper and Spending Review contain an aspiration to align ERDF with Regional Growth Fund, and a commitment to put in place new delivery structures to replace the RDAs and to be announced in Budget 2011. It is not clear yet what form these structures will take, although they will contain a stronger role for local authorities and LEPs.

Rural Development Programme for England

The Paper proposes a national approach, led by DEFRA, but with sub-national delivery taken forward at community level.

Other European funding

There is no reference to Interreg or ESF funding and transition from the current RDA role.

5. RDA assets and wind down

It appears that RDA wind down costs will not be taken from Regional Growth Fund, although the White Paper is not specific on this point.

RDA assets will be handled “in a way which creates maximum long-term value for the economy and local areas and maximises receipts to the departments”. This is what we would expect Government to say and is consistent with earlier messages – so clearly opportunities for local solutions, but equally the potential for national retention or private sale on an individual basis.

6. Planning

The White Paper makes reference to potential roles for Local Enterprise Partnerships in developing ‘strategic planning frameworks’ with constituent local authorities (along the lines of the voluntary Local Infrastructure Plans suggested in *Open Source Planning*). There is also a reference to a strategic housing role at the LEP level (although what this means is unclear) and a role for LEPs in expressing strategic transport priorities to national Government.

7. Growth incentives

New Homes Bonus

New Homes Bonus is an incentive for local authorities to bring forward housing. From next year, it will match fund the additional Council Tax for each new home and property brought into use for six years after the home is built. There is no reference to the allocation of this resource between authorities in two-tier areas, or the purposes to which it should be put (although the implication is that it is unringfenced).

Business growth incentives

Government has previously trailed a business increase bonus scheme as a replacement for LABGI, allowing authorities to retain growth in business rates above a threshold. There are no further details other than a restatement of the intent to develop this system. However, the White Paper also trails the prospect of various measures to allow retention of locally-raised business rates (including those generated through renewable energy projects). This is to be dealt with through a wider review of options for local authorities to offer incentives for business growth, and an initial consultation is set out in the White Paper.

Tax increment financing

The introduction of TIF has already been announced. As expected, the White Paper proposes that this is introduced through a bid-based system with a series of pilot projects approved initially (presumably Treasury will want an upper limit on the number of schemes anyway).

8. Business support and innovation

Business Link/ national support offer

Business Link is being substantially reduced, with a central national website and call centre providing the generic first port of call for business advice. The White Paper also contains a commitment to re-launch a ‘streamlined’ Solutions for Business portfolio, with the implication that this will be run on a national basis.

There is also a commitment to the establishment of **Growth Hubs** supporting high-growth companies. The concept appears similar to that of the IGT, with the implication that they would operate on a LEP/ sub-regional basis, albeit associated with the network of Technology & Innovation Centres (see below).

Local business support

In addition to the national offer, a number of potential roles for local partners are cited, including education-business links, encouraging start-ups, support for business development in disadvantaged communities, etc. This will continue to be linked with the Solutions for Business portfolio.

Innovation

The Technology Strategy Board will be the lead agency for business innovation. As previously announced, Government will also be establishing a network of 'elite' Technology & Innovation Centres (similar to the concept trailed by the previous Government).

Remaining innovation activity currently undertaken by the RDAs may potentially transfer to LEPs should LEPs want to make a case for it.

Sectors

There will still be a national Government lead on 'sectors of national importance', with LEPs seen as responding to local demand. Specifically:

- **Manufacturing:** Manufacturing Advisory Service will continue, with a new Manufacturing Framework to be produced in due course
- **Low carbon:** A fairly basic approach set out so far, but with an emphasis on the role of LEPs in exploiting local opportunities
- **Tourism:** The White Paper presents a dual role between VisitEngland at the national level and local Destination Management Organisations (e.g. Visit Kent), with the disappearance of the role of the RDAs

Inward investment

The White Paper implies a national/ local duality, with:

- National support pulling together the various offers from within the UK and presenting them to potential investors; and
- Support around the local needs of investors (premises, skills, supply chain, etc).

LEPs are seen as central to future arrangements, but it is unclear how much central direction Government propose for local delivery organisations.

LEPs are also envisaged as having a role in bidding to be delivery agents for nationally-commissioned trade development support (e.g. signposting businesses to UKTI trade services)

Venture capital

The White Paper calls for 'greater coherence, streamlining and consistency' in the various venture capital and loan funds sponsored by the RDAs (which include Finance South East). This implies stronger national oversight and coordination, which may well make sense given the limited size of some VCLFs.

Grants for Business Investment

This scheme will end with the closure of the RDAs.

As expected, the implication is of a core – and diminished – ‘national spine’ of business support, supplemented by action undertaken at local level. However, the White Paper retains some commitment to the national Solutions for Business product range, with some products currently offered on a local/ regional level (e.g. support for high growth business) potentially being offered nationally.

9. Economic intelligence and analysis

The White Paper commits Government to undertaking a national programme of economic intelligence and analysis to support LEPs and other partners. This may relate to some elements of the intelligence role undertaken by the RDAs and regional Business Links.

Ross Gill
29 October 2010



Unlocking the Potential

A strategic Local Enterprise Partnership for
Greater Essex, Kent and Medway and East
Sussex

Rt Hon Eric Pickles MP

Secretary of State
Communities & Local
Government
Eland House
Bressenden Place
London SW1 5DU

Rt Hon Vince Cable MP

Secretary of State
Department for Business,
Innovation & Skills
1 Victoria Street
London SW1 0ET

Dear Secretaries of State,

Unlocking the Potential: A strategic Local Enterprise Partnership for Greater Essex, Kent & Medway and East Sussex

We strongly welcome the Government's swift moves to transfer power to local business and local government working together. At a time when generating private sector growth is a top priority, our focus is solidly on unlocking jobs and opportunities for business growth.

We know that we will only fulfil our economic potential if we work strategically across established boundaries, recognising the great opportunities that we have in common and addressing the challenges that we all face. That is why we have decided to come together to combine our current LEP proposals in support of a strategic Local Enterprise Partnership for Greater Essex, Kent and Medway and East Sussex.

Our vision of a strategic LEP combines the best of our earlier proposals. Together, our three areas have a population of 3.9 million – larger than any UK city region outside London – and are home to over 130,000 businesses. Our ports are critical to the nation and our strategic location between London and the markets of Europe is of national importance. We have huge potential to harness the opportunities presented by the Thames Gateway, coastal renewal, Britain's largest rural economy and our major growth points.

Combined, East Sussex, Greater Essex and Kent and Medway will be England's largest LEP. We will use this scale to secure maximum private sector leverage, provide capacity for devolution of powers and public funding and generate real impetus for economic growth. In particular, we will focus on the Thames Gateway and Growth Areas, coastal regeneration and rural Essex, Kent and East Sussex to:

- Bring forward key locations for job creation (including in areas of high public sector dependency) developing new innovative solutions for infrastructure financing and physical development;
- Support the critical transport links we need to support national growth – including a Lower Thames Crossing and investment in the A2/M2/M20 corridors, improving Junctions 30 and 31 of the M25 and the A12 and opening up opportunity along the A21 Corridor, including the Hastings-Bexhill Link Road;

- Promote investment in our cities, towns, Growth Areas and rural communities (including rural broadband), supporting inward investment and job creation;
- Ensure that businesses have the skilled workforces that they need to compete, building a new relationship between our seven universities, colleges, businesses and local authorities;
- Set a new, streamlined framework for business support, together with a positive approach to business development

We believe that the case for a strategic Local Enterprise Partnership is compelling.

Business support for the LEP proposal has been strong to date. However, we are mindful that businesses are looking for arrangements to be put in place swiftly as they are anxious to have clarity and stability in order to make investment decisions, and to be reassured that the public sector is responding with appropriate urgency to create conditions for business growth. It is essential that we move ahead quickly with the minimum of bureaucracy.

We would therefore welcome formal Government support for the East Sussex, Essex and Kent strategic Local Enterprise Partnership within the first round of LEPs to be announced shortly. In the meantime, we are working together to develop detailed governance arrangements for this, and we would be happy to discuss these with your officials.

Our ambitious proposals have wide business and general District support. We are also having positive conversations with our unitary colleagues and we are aware that Ministers are also in discussion with a number of authorities to explore their views. We very much hope that you will support our bold new Partnership as one of the first LEPs to be approved, and we look forward to working with you in achieving our growth potential.

Yours sincerely,



Peter Jones
East Sussex
County Council



Peter Martin
Essex County Council



Paul Carter
Kent County Council



Geoff Miles
Kent Economic Board



Sir Mike Hodgkinson
Essex Business Consortium

Jeremy Leggett
East Sussex Strategic
Partnership

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

To: Regeneration and Economic Development Policy Overview and
Scrutiny Committee 17 November 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 with a quarterly update on the progress of major regeneration projects being delivered by Regeneration and Economy.
- 1.2** The tables that follow present progress against projects in Thanet, Dover, Kent Thameside and Ashford and for Backing Kent Business, Backing Kent People, Swale and No Use Empty.

Project	Summary of project outcome	Cost of Project KCC/Partners £	Progress since last quarter October – December 2010	Actions planned for next quarter January – March 2011
Ashford Growth Area - Lead Officer: Mike Bodkin				
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"> • Work Progressing with M20 Junction 9, M20 Footbridge and Drivers Roundabout. • Gateway+ Construction ongoing. • Completion of KCC led project to develop community hub concept for Chilmington Green. • Completion of Southern Expansion Quarter masterplan. • Future delivery structure for Ashford to be considered. • Agreement of design for station forecourt project and start made on site. 	<ul style="list-style-type: none"> • M20 Footbridge, M20 Junction 9 and Drivers Roundabout to be completed by end of March 2011. • Gateway+ construction ongoing – scheduled for completion June 2011. • Chilmington Green master plan consultation commences. • New delivery arrangements for Ashford to be rolled out. • Station forecourt project under construction.
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)	<ul style="list-style-type: none"> • Options Appraisal work carried out for CLG to support HCA/DfT funding bids for Comprehensive Spending Review (CSR). • HCA contribution of £7.5m from £13m for period up to March 2011 received. • Draft proposal for an Initial Delivery Programme utilising £13m HCA funding for current CSR period submitted to HCA for approval. • Draft Deed of Variation to Eastern Quarry S.106 Agreement with Land Securities (completion delayed by CSR). • Draft KCC/DBC/GBC Partnership Agreement with respective lawyers. 	<ul style="list-style-type: none"> • Public sector (HCA/DfT) funding commitments confirmed following CSR announcement. • Funding agreements with HCA and DfT finalised. • Partnership agreement between KCC/DBC/GBC finalised. • Deed of Variation to Eastern Quarry S.106 Agreement agreed with Land Securities. • Governance and management arrangements for the Programme agreed. • Initial Delivery Programme agreed with HCA and scheme delivery commenced. • Forward Delivery Programme produced (building on Initial Delivery Programme) in the

Project	Summary of project outcome	Cost of Project KCC/Partners £	Progress since last quarter October – December 2010	Actions planned for next quarter January – March 2011
				knowledge of confirmed funding commitments.
Ebbsfleet Valley (including Eastern Quarry)	To deliver 11,000 homes and new community adjacent to Ebbsfleet station	In an excess of an estimated £100m worth of infrastructure secured by KCC and DBC to support the development of Eastern Quarry.	<p>Existing Ebbsfleet S.106 No significant progress since previous report covering July – September 2010.</p> <p>Variation of existing triggers -</p> <ul style="list-style-type: none"> Land Securities have applied to vary some of the original S.106 triggers. We do not agree with all of the proposed provisions and have notified DBC and GBC of our preferences. Renegotiation of S.106 terms - <ul style="list-style-type: none"> Awaiting formal response from LS to KCC's revised requirements. 	<p>Ebbsfleet Subject to LS entering into discussions:-</p> <ul style="list-style-type: none"> Agree revised triggers and terms. Agree revised S.106 terms. Obtain details from LS of continued development programme at Springhead. Obtain details from LS of proposed development programme for the remainder of Ebbsfleet Valley.
Swale – Lead Officer: Mike Bodkin				
Swale Parkland:- Sheppey cycle routes	Provision of new cycle/multi-access routes on Sheppey as part of developing green tourism on island	Total project cost £724,000. KCC- £500k; Sustrans- £224k	<ul style="list-style-type: none"> Secure planning permission for section of Sheerness route. Commence implementation of Sheerness route. Commence implementation of Leysdown route. Seek Leader+ funding for art feature linked to Leysdown route. 	<ul style="list-style-type: none"> Continue implementation of Sheerness route. Complete Leysdown route. Provide signs for routes. Prepare marketing/publicity material.
Swale Parklands- Milton Creek	Creation of major new country park running along Creek in Sittingbourne on brownfield/ waste land. KCC project is to landscape site	Total project cost: £2.95m. CLG- £2.3m; SBC - £400k; KCC- £250k	<ul style="list-style-type: none"> Liaise on final legal agreements and licences between KCC and SBC. Fence and carry out reptile removal prior to works to increase height of site in 2011. 	<ul style="list-style-type: none"> Prepare detailed landscape plan for site, based on outline plan. Finish negotiations. Prepare tender list. Complete reptile mitigation.

Project	Summary of project outcome	Cost of Project KCC/Partners £	Progress since last quarter October – December 2010	Actions planned for next quarter January – March 2011
	adjoining new NNR road in 2011/12.			
Queenborough/ Rushenden Regeneration	Overall scheme to deliver 2000 new homes and related community/road infrastructure over 10 years	<p>Estimated cost of £26.4m of community infrastructure to be secured from S.106</p> <p>CLG funding of £390k; KCC £15k to carry out environmental works</p>	<ul style="list-style-type: none"> • Re-phasing of housing gaps delayed to 2013. • Agreement on gap funding for Rushenden link road (S.106). • Start of scoping out new community/skills /enterprise centre at Rushenden. • Updating of overall KCC service needs at Q/R. • Final details and bid for small scale environmental improvements in area. 	<ul style="list-style-type: none"> • Revisiting of community infrastructure needs. • Restart last phase Rushenden link road. • Continue develop new Community/skills/enterprise centre with key partners. • Implementation of 1st phase environmental scheme at Queenborough Castle site. • Completion of Rushenden environmental improvements with landscaping at children's centre.
Sittingbourne Northern Relief Road	Completion of relief road from existing route to A2 at Bapchild. Development of Outline design and public consultation on route.	Total Project cost estimated between £15m to £45m, dependant on final route option selected.	<ul style="list-style-type: none"> • Consultation completed – questionnaires being analysed for report to Cabinet Member for decision on the way forward. 	<ul style="list-style-type: none"> • Report to Cabinet Member for future action.

Project	Summary of project outcome	Cost of Project KCC/Partners £	Progress since last quarter October – December 2010	Actions planned for next quarter January – March 2011
Sittingbourne Southern Relief Road / M2 Junction 5	Completion of Overall Transportation Strategy for Sittingbourne, including solution to congestion / safety problems at M2 Junction 5	Total Project Cost estimated between £120m to £150m. (Preliminary costs only at this stage).	<ul style="list-style-type: none"> Assessment work developed for M2 J5 in partnership with Swale Borough and Highways Agency. Short term solution identified for capacity improvement at Junction. Inclusion of Southern Relief Road (and M2 J5a) in LDF strategic development assessments to develop Transportation Strategy for Sittingbourne. 	<ul style="list-style-type: none"> Outline Design work of short term Solution to be pursued with Highways Agency. Longer Term solution for junction (including potential for Southern Relief Road and M2 J5a) to be assessed using new Transportation Model. Phasing Strategy for Southern Relief Road (including facilitation of development at Kent Science Park) to be developed with partners.
Sittingbourne Town Centre	Remodelling / regeneration of Town Centre Retail Core and local road network.	Costs being borne by developers (Tesco / Spenhill).	<ul style="list-style-type: none"> Masterplanning of development and initial transport assessment carried out. To be submitted as part of planning application process. 	<ul style="list-style-type: none"> Assessment of planning submission and negotiation over impacts on local network and town centre retail offer. Key element to regenerating Sittingbourne.
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"> Completion of landscaping contract in October 2010 with final payment to contractor in November 2010. Project handover to Network Rail in October 2010. Formal opening event in November 2010. 	<ul style="list-style-type: none"> None – project completed
Dover Sea Change Programme	Programme comprises improvements to 4 tourist attractions within Dover Castle, environmental	Total project cost - £7.75m. Funded by DCMS (£3.85m), English Heritage (£2.5m), KCC (£0.65m), DHB (£0.34m),	<ul style="list-style-type: none"> Esplanade landscaping contract started in October 2010 and completed in November 2010. Completion of snaggings for Esplanade contract in October 2010. Formal opening of Esplanade in 	<ul style="list-style-type: none"> Continue with SWT project construction (anticipated completion in May 2011).

Project	Summary of project outcome	Cost of Project KCC/Partners £	Progress since last quarter October – December 2010	Actions planned for next quarter January – March 2011
	improvements to Esplanade, upgrading of Bleriot Memorial, cable car feasibility study and multi faceted community	Dover DC (£0.3m) and SEEDA (£0.11m)	<p>November 2010.</p> <ul style="list-style-type: none"> Secret Wartime Tunnels (SWT) project started in October 2010. 	
Whitfield	Development of Whitfield of up to 5,700 new homes and associated community infrastructure	Significant Private Sector Investment in build out of site and the provision of infrastructure. KCC Officer time in R&E/KHS in terms of masterplanning and infrastructure provision.	<ul style="list-style-type: none"> KCC/DDC working group set up to assess feasibility of Bus Rapid Transit scheme connecting Whitfield to existing town will complete in November 2010. Draft Whitfield SPD out for public consultation in October 2010. Submission by developer of phase 1 and 1a outline planning applications. 	<ul style="list-style-type: none"> Engagement with wider stakeholders to develop specific route proposals for BRT. Dover DC expected to make decision on SPD in January 2011. S106 negotiations between KCC/DDC and developer on phases 1 and 1a.
Thanet – Lead Officer: Theresa Bruton				
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. EuroKent spine Road opened November 2008.	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"> Contracts with solicitors on two potential land sales at Manston and discussions continue towards finalising a sale. Enquiries have shown a marked increase since Savills were appointed as agents for Manston site. 	<ul style="list-style-type: none"> Continued refinement of the Eurokent planning application preparation and public consultation in light of improving green credentials. Implementation of a local employment and job brokerage initiative.

Project	Summary of project outcome	Cost of Project KCC/Partners £	Progress since last quarter October – December 2010	Actions planned for next quarter January – March 2011
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.	<ul style="list-style-type: none"> • The recommendations of recent reports will be discussed with partners at the Margate Renewal Partnership on 28 Oct and, if it is decided not to pursue the development for the present, discussions will begin with stakeholders to agree short term uses for the site. • Discussions have begun with owners, TDC, to consider the nature, extent, cost and potential impact of improvements that might be made to the Winter Gardens. 	<ul style="list-style-type: none"> • To progress both elements of this work.
Development on the Dreamland site	To work with the Margate Renewal Partnership and site owners to deliver the Dreamland Entertainment Complex & Heritage	£12.4m (Phase 1) including: SeaChange £4m HLF £3m TDC £0.75m Developer £4m	<ul style="list-style-type: none"> • TDC remain fully committed to the Dreamland project and continue to negotiate with the site owners re the transfer of the land. • Design work for the amusement park remains on hold until land issues are resolved. 	<ul style="list-style-type: none"> • To conclude land negotiations or consider alternatives. • To continue the design work with the objective of opening the park in July 2012.

Project	Summary of project outcome	Cost of Project KCC/Partners £	Progress since last quarter October – December 2010	Actions planned for next quarter January – March 2011
	Amusement Park on a 10 acre site around the listed cinema and scenic railway.		<ul style="list-style-type: none"> Discussions continue with CABE re the drawing down of Sea Change funding. 	
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"> £3.4M Loans awarded since start of Initiative, pulling in £6.8M leverage to date. Further 12 applications for loans with a value of £0.5M currently being processed. Work associated with updating the website to include more case studies and news. Re-launch of Website to coincide with No Use Empty Event on 9th November to mark 5 year anniversary. Newsletter produced in October. This will be a 'bumper edition' to coincide with the above mentioned event. All future Newsletters will be published via the website. Progressing discussions with Tunbridge Wells, Tonbridge & Malling and Swale on joining the Loan Scheme. No of units returned at Qtr 1 (Apr-Jun) is 110 v yearly target of 200 (55%) – Qtr 2 currently being verified. £0.5M of Loan Fund will have been recovered by Dec 2010. 	<ul style="list-style-type: none"> Finalise remaining loans for 2010-11. Identify loans for 2011-12 Finalise the number of units returned at Qtr 2 and Qtr 3 to ensure that the target to return a minimum of 200 units is achieved on time. Follow up work with those councils wishing to join the Loan Scheme. Work with original 4 partners (Dover, Thanet, Shepway and Swale) to identify projects which could be supported which complement wider regeneration issues in recognition of their contribution to the success of the original pilot.
Countywide – Backing Kent People Lead Officer: Rob Hancock				
Backing Kent People	The campaign brings together	£40k allocated for initial campaign.	KentSavers progress toward targets as at 11 October 2010:	<ul style="list-style-type: none"> Agree future direction for BKP for end of March 2011.

Project	Summary of project outcome	Cost of Project KCC/Partners £	Progress since last quarter October – December 2010	Actions planned for next quarter January – March 2011
	<p>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.</p>	<p>£5k for first edition design, production, printing and distribution of Money Box Magazine. Second edition £7k contribution by KCC with increased distribution.</p> <p>Kent Credit Union original KCC development budget of £100k plus £250k allocated to Kent Savers.</p> <p>£4k allocated the creation of the Kent & Medway. Financial Inclusion Partnership.</p>	<ul style="list-style-type: none"> • 365 members • 129 instant loans • 12 save as you borrow loans • 8 flex loans • Value of loans £143,039.14 • First Board meeting of Kent & Medway Financial Inclusion Partnership to be in December 2010. 	<ul style="list-style-type: none"> • Discussions held and proposal to be developed for end March 2011. • Kent Benefits partnership currently developing proposals to become a social enterprise. • BKP part funding of the Area Based Fuel Poverty Programme with EHW.
Countywide – Backing Kent Business Lead Officer: Jim Mckenzie				
Backing Kent Business	To support Kent businesses through the recession via	£120,000	KCC is looking to the BKB partners – accredited Chambers of Commerce, Institute of Directors, Federation of Small	<ul style="list-style-type: none"> • Actions for 2011 will be identified by the BKB partners and presented at the BKB partners

Project	Summary of project outcome	Cost of Project KCC/Partners £	Progress since last quarter October – December 2010	Actions planned for next quarter January – March 2011
	KCC 10 Commitments and to develop a new relationship with business		<p>Businesses and Business Link - to take a private sector lead in developing the Backing Kent Business campaign, with KCC support.</p> <p>BKB partners with KCC now involved in a number of projects</p> <ul style="list-style-type: none"> • The online business supply chain directory for off-shore wind energy – 223 businesses now signed up but needs to be further push to establish the site as a key resource for the industry. • 2 Seas European bid to increase the capacity of Kent businesses to develop international markets as a route to growth for Kent businesses. Successful Regeneration Fund bid to provide the necessary match funding. • Proposals being developed for a new BKB on-line business portal to increase effectiveness of communication to the Kent business community about the BKB campaign – as part of a wider BKB communication strategy which is in preparation. 	meeting on 7 th December with Kevin Lynes in attendance.

Project	Summary of project outcome	Cost of Project KCC/Partners £	Progress since last quarter October – December 2010	Actions planned for next quarter January – March 2011
			<p>Following the BKB partners meeting in September it was agreed that a co-ordinated and targeted package of business support measures should be identified, responding to local business needs in a continuing challenging climate for Kent businesses, and using the knowledge and expertise of the partners. This will be formally presented to the BKB partners meeting in December, at which Kevin Lynes will attend.</p> <ul style="list-style-type: none"> · Launch event for Kent 2020 to be held on 30th November 2010 – this will profile the largest business exhibition, conference and networking event in the county which will be held on 7th April 2011, at which BKB partners will attend. 	

2. Recommendation

2.1 Recommendation

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

Lead Contact Officer:

Director of Economic Development
Barbara Cooper

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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 – 17 November 2010

SUBJECT: Financial Monitoring 2010/11

Classification: Unrestricted

Summary:

Members of the POSC are asked to note the impact of the latest budget monitoring report for 2010/11 for the portfolio as reported to Cabinet on 11th October 2010.

FOR INFORMATION

1. Introduction

- 1.1 This 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 first quarter's monitoring report for 2010/11 was presented to Cabinet on 13th September (as reported to this POSC on 23rd September). An exception report was presented to Cabinet on 11th October and the second quarter's report is not due to be presented until 29th November.
- 2.3 An underspend of £0.065m is now forecast for this portfolio. Following the Chancellor's emergency budget statement on 22nd June in which he outlined his plans to address the national budget deficit and taking into account the savings identified in the 2010-13 MTP, staff vacancies (2 FTE) within the Regeneration and Economic Development division have been frozen to enable

the division to align its future priorities and meet the challenges of the emerging economic and financial landscape.

3 Recommendations

- 3.1 Members of the POSC are asked to note the projected outturn for Regeneration and Economic Development for 2010/11 based on the exception report presented to Cabinet on 11th October 2010.

Background Documents:

- 1) Cabinet 11th October 2010 – Revenue and Capital Budget Monitoring Exception Report

Officer Contact:

Dave Shipton
Finance Strategy Manager
Ext. 4597

To: Regeneration and Economic Development Policy Overview & Scrutiny Committee – 17 November 2010

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

Subject: BUDGET 2011/12 AND MEDIUM TERM FINANCIAL PLAN 2011/12 TO 2012/13

Classification: Unrestricted

Summary: This report identifies the proposed strategy for determining next year's budget and the financial plans for the following years. This includes an initial analysis of Spending Review 2010, the likely impact on the overall funding for KCC, the indicative cash limit for the Regeneration and Economic Development portfolio, and the latest indications of likely pressures facing the Regeneration and Economic Development portfolio.

Recommendation: Members are asked to review and comment on the pressures outlined for the Regeneration and Economic Development portfolio and to identify their priorities in order to meet the indicative cash limit.

FOR COMMENT

1. Introduction

- 1.1 The Autumn Budget Statement is due to be presented to Cabinet on 29th November 2010 and will set out the proposed budget strategy following the Spending Review announcement on 20th October. Even after the Spending Review announcement we will not know the full impact on the County Council's grants until we get the provisional Local Government Finance settlement. Indications are that we will not receive this settlement information until early December.
- 1.2 The Spending Review and Local Government Finance announcements will give us the final detail but we have been planning based on a likely scenario of a 5% per annum reduction in cash terms in Government grants. This assumption was based on the Chancellor's statement in his emergency budget that unprotected spending departments should plan for a 25% reduction in real terms from the forthcoming spending review.
- 1.3 The overall for position for the County Council was that we estimated the combination of reduced grant allocations and demands for budget pressures would amount to a gap of £340m over the next four years. The gap for the next two years was estimated at £136m.

2. Background

- 2.1 Provisional cash limits for 2011/12 and 2012/13 were approved by the County Council on 18th February 2010 in the Medium Term Plan (MTP) for 2009/12. The approved Budget & MTP for the Regeneration and Economic Development portfolio is included as appendix 1. These provisional cash limits will be updated for known changes such as transfers of activities or staff between portfolios and identified as base budget adjustments in monitoring reports.
- 2.2 We are proposing that the provisional cash limits are updated for unavoidable pressures. These may be new pressures, changes to pressures identified in the existing published MTP, or resisting previously identified pressures. In all cases the amounts included as budget pressures have been thoroughly scrutinised to ensure only legitimate unavoidable pressures have been included in cash limits. Any pressures arising from individual portfolio proposals which are not unavoidable will have to be met within existing cash limits through corresponding savings elsewhere in the portfolio.
- 2.3 Portfolios have been set targets for budget savings via the indicative cash limits on a priority-led basis to target savings according to highest relative spend and KCC priorities for services as outlined in the consultative document "Bold Steps for Kent". In setting these targets we have been clear that we need to drive out as much as possible from efficiency savings. These indicative cash limits are intended to give members and officers an indication of the magnitude of the savings needed in order to close the £136m gap and will be revised before the draft budget is published to take account of the specific proposals contained therein.
- 2.4 The revised indicative cash limit for the Regeneration and Economic Development portfolio is summarised in table 1 below.

Table 1	2011/12 £000s	2012/13 £000s	Total £000s
Existing Approved MTP			
Base	6,361	5,528	6,361
Base Adjustments	125		125
Pressures	10	10	20
Grants			
Savings & Income	-13	-63	-76
Total Existing MTP	6,483	5,475	
New Base Budget Adjustments			
New & Changed Pressures	109	25	134
Savings Target	-1,064	-816	-1,905
Proposed Cash Limit	5,528	4,684	4,684

3. Latest Developments: National Context

- 3.1 The outcome of the Spending Review 2010 was announced on 20th October and set out the Government's **national spending plans** for 2011/15. The Spending Review

gives us an overall indication of the Government's spending priorities by department but does not give us detailed grant settlements. We are anticipating provisional grant settlements in early December.

- 3.2 The overall spending plans are in line with the reductions outlined in the emergency budget in June and the spending review just gives us a clearer indication which departments are to be protected and when reductions will start to bite for different Government departments. The announcements on Formula Grant for local authorities show that the reductions are front loaded with the biggest reductions in 2011/12.
- 3.3 Other than Formula Grant (which now includes the transfer of Area Based and specific grants into the Formula Grant) we do not have any information on the scale of reductions in other government grants or when the reductions might hit. At this stage we are assuming these reductions will be in line with ministerial statements on the average reduction.
- 3.4 The Spending Review announcement includes a confusing comparison of cash reductions in Government Department spending (referred to Department Expenditure Limits) and quoted real terms reductions in grants. Ministers have stated that councils will face an average loss of grant of 7.25% in real terms in each of the next 4 years, although we are concerned that the front loading of reductions in Formula Grant will mean that this average could disguise in year differences. The impact of distributional changes as Area Based and specific grants are transferred into the formula (as well as changes to the formula methodology) are also likely to result in further variations from this average for individual authorities.
- 3.5 As outlined in paragraph 3.2 we do know the cash reductions in Formula Grant. This shows a reduction of £4.1bn over the next two years (14.4%) and £5.6bn over the four years (19.6%). These reductions **include** the extra £1bn for personal social services and the £0.7bn Council Tax Freeze Grant.
- 3.6 The grant changes announced in the Spending Review do not have a direct impact on the Regeneration and Economic Development Portfolio budget as the only change was the previously announced loss of the Local Authority Business Growth Incentive scheme (LABGI) grant which we had already assumed would end in 2011/12 within the current published MTP. However, there have been significant consequences on partner organisations which will impact on the work of the regeneration team including:
 - the demise of SEEDA by March 2012 and the reductions in funding already being seen in 2010/11 by LiK, KEB, Ashford's Future, Margate Regeneration Partnership. These reductions will be more severe next year. There is also uncertainty over future funding for the Innovation and Growth Team for Kent and Medway.
 - the cuts to HCA funding which will impact on funding for many regeneration partnerships/delivery vehicles next year including Ashford's Future, Kent Thameside, regeneration in Swale, various rural programmes as well as the delivery of affordable housing.
 - changes to the business support provision with Business Link likely to contract to web site/telephone service only.
 - excitingly, the Government has announced approval of the LEP bid for Kent, Greater Essex and East Sussex. There will be no funding available for its

operation so consideration is being given as to how this will be best funded across the 3 county areas.

Officers in Regeneration and Economy are working with partners to assess the relative importance of these partnerships/activities compared to our other existing priorities.

3.7 In summary the Spending Review has confirmed the following changes to the national funding arrangements for local government:

- The overall reduction in grants to councils of an average of 7.25% in real terms in each of the next 4 years.
- Reduction in the baseline Formula Grant of £7.2bn reduction in cash terms over the next four years but with savings front loaded into 2011/12. This equates to a 29.2% reduction in cash terms (35.6% real terms) over four years with 22.4% cash reduction (25.6% real terms) in the first 2 years
- Transfer of £3.4bn of Area Based and Specific Grants into Formula grant. These transferred grants are subject to differential increases or reductions over the two/four year period which marginally change the overall reductions
- The allocation of a new £1bn grant for Social Services within the Formula Grant (with a further £1bn to be administered as a specific grant from Department of Health)
- The allocation of a new £0.7bn grant to honour the pledge to support councils in freezing Council tax increases for 2011/12. This grant provides funding for the four year period and thus earlier fears that a freeze would not be sustainable have been alleviated for this spending review period.
- The Local Growth White Paper confirmed the establishment of a Regional Growth Fund (RGF) which will be worth £1.4b over 3 years. The RGF will operate as a challenge fund aimed at creating private sector growth especially in areas 'over dependent' on public sector employment, and demonstrating significant private sector leverage. First round bids have to be submitted by 21st January. R&E will be working with partners on a bid. .

3.8 Over the last 2 years inflation initially declined in the wake of the recession in autumn 2008/winter spring 2009 but has been rising since autumn 2009 and has only recently started to marginally decline. Throughout the period other than for a brief period in summer 2009 inflation has exceeded the Government's 2% target for CPI. Inflation remains as one of the most significant pressures on our budgets and resisting inflationary pressures through negotiating with suppliers remains a key strategy to balance the budget.

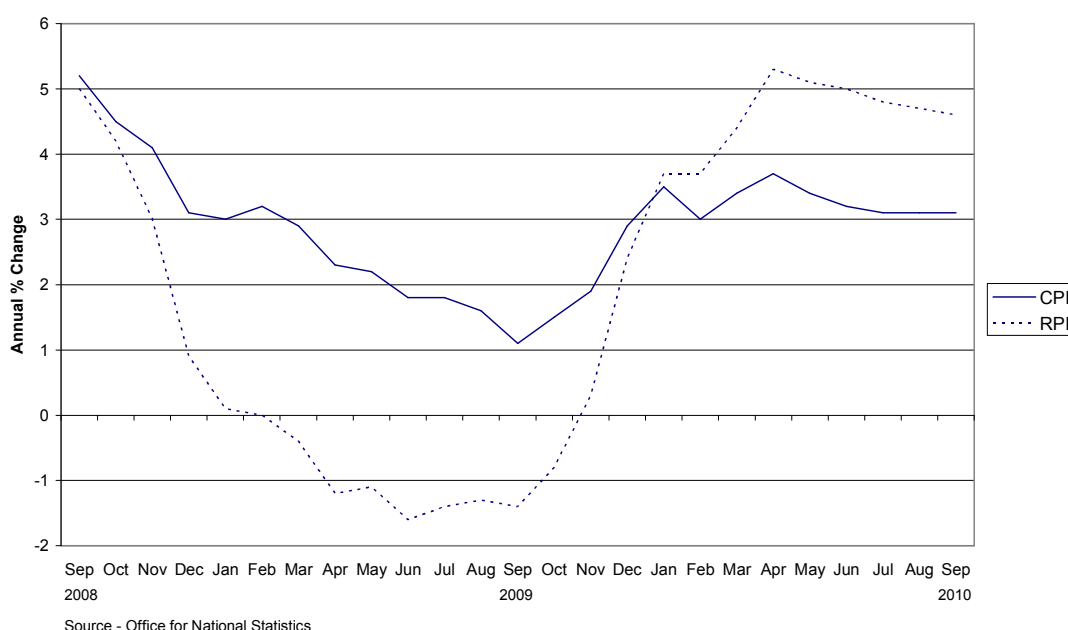
3.8 There are different indices used to measure inflation which enable an annual rate of underlying inflation to be calculated:

Retail Price Index (RPI) – This is the traditionally accepted measure for inflation and has been calculated continuously since June 1947. In the past it is used by the government to update pensions, benefits and index-linked gilts. However, in his Emergency Budget the Chancellor announced that in future all benefits, tax credits and public sector would be updated by CPI rather than RPI (with a guaranteed increase of at least 2.5% for state pensions). RPI is still commonly used to update contracts, and is often taken into account in wage bargaining

Consumer Price Index (CPI) – This is the measure now adopted by Government for targets on the economy. It is based on harmonised consumer index prices (HCIP) and enables comparison on internationally agreed standards throughout Europe. It does not include mortgage interest or indirect taxes but does include some financial services not included in RPI.

Beneath the headline figures for RPI and CPI there are detailed indices for individual areas of spending such as energy, housing, food, etc. We use projections of the detailed indices in determining inflationary pressures rather than the general all items index (for some contracts we use specific indices where these are written into the contract terms).

3.9 The chart below shows the changes in the all items indices of inflation over the last 2 years.



4. Revenue Budget Strategy

4.1 Following the Spending Review announcement we have reviewed our assumptions about the overall gap. We remain confident at this stage that our overall strategy for a gap of £340m over four years is still realistic. However, in light of the front loading of the reductions in Formula Grant we are now estimating that the magnitude of savings needed to balance estimated grant reductions and pressures for 2011/12 and 2012/13 is £153m. At this stage this revision to the targets for the first two years has not been reflected in the indicative cash limits subject to confirmation of provisional grant settlements in early December.

4.2 Regeneration & Economy is undertaking a priority led budgeting exercise, assessing all current and future projects through criteria that includes creating jobs and conditions for growth. Clearly this will assessment will include feedback from the REDPOSC prioritisation exercise too. It is anticipated that this exercise will be completed late November/early December.

5. The current budget and medium term priorities

5.1 The current budget for the portfolio(s) under the oversight of this POC is as follows:

	Gross spend £'000	Income £'000	Net spend £'000
Portfolio controllable	9,533	-2,305	7,228

Further detail is outlined in Appendix 2.

5.2 In very brief summary this budget provides for the following outcomes, outputs and/or service improvements during 2010/11:

- Support in the creation of 3,100 jobs of which 45% will be in professional or management positions or jobs in knowledge based industries and 75% will be in Ashford, Thames Gateway in North Kent or coastal east Kent
- Support Innovation and growth Team in targeting up to 85 high growth potential businesses
- Hold series of sector conversations focusing on low carbon, creative, food and construction sectors
- At least 1300 long term empty properties bought back into use
- For sites under 500 units, 80% of developer contributions sought against agreed targets
- Work with development partner in bringing forward developments at Kings Hill.
- Work with Ashford Borough Council in developing a tariff
- Work on next version of 'What Price Growth?'
- Delivery of 4 Local Investment Plans across Kent County Council
- Delivery of housing strategy for Kent and Medway
- Promote and develop wind farm industry and environmental technologies sector focusing on supply chain directory, skills development.
- Progress and review Backing Kent Business
- As part of Visit Kent, deliver Kent Contemporary and My Kent campaigns
- Deliver customer service training for 200 tourism and hospitality students over 3 years
- Pursue funding for, and plan delivery of Homes and Roads programme for Kent Thameside
- Work with delivery partnerships on identifying future arrangements for delivery in Thames Gateway Kent, Ashford, Dover and Thanet.
- Deliver Working Neighbourhoods bid for Thanet.
- Work with Dover on planning for regeneration of key sites at Whitfield, Western Heights, Wellington Dock, Mid Town area.
- Deliver Dover Sea change programme
- Work on public realm strategy for Folkestone.
- Refresh Kent Rural Delivery framework and develop a strategy for Kent's food sector, addressing food security
- Manage the future of Gravesend Old Town Hall
- Progress and review Kent Design Initiative

5.3 As reported in the quarterly monitoring reports there are spending pressures/savings in the following areas:

An under spend of £0.065m is now forecast for this portfolio. Following the Chancellor's emergency budget statement on 22nd June in which he outlined his plans to address the national budget deficit and taking into account the savings identified in the 2010-13 MTP, staff vacancies (2 FTE) within the Regeneration and Economic Development division have been frozen to enable the division to align its future priorities and meet the challenges of the emerging economic and financial landscape.

Further detail is outlined in Appendix 2.

5.4 As outlined in the proposed cash limits we are proposing to provide additional funding of £119k for 2011/12 and £35k for 2012/13 to cover unavoidable pressures including the following:

£109k to address shortfall in funding for the R&I Group
£25k to analyse and disseminate the 2011 Census

6. Recommendation

6.1 Members are asked to

- (i) note the latest information arising from the Spending Review 2010
- (ii) comment on the proposed additional funding for pressures included in the indicative cash limits and outlined in paragraph 5.4
- (iii) identify priorities for delivering the indicative cash limits

Contact officer:

Dave Shipton
Finance Strategy Manager
Ext. 4597

Appendix 1 – Existing 2010/13 Medium Term Plan and 2010/11 Revenue Budget

Medium Term Plan

Regeneration & Economic Development Portfolio Revenue Budget				
	Staffing	2010-11	2011-12	2012-13
	FTE	£'000	£'000	£'000
Base budget		7,420	6,361	6,483
Base Budget Adjustments - Internal		-162	125	0
Base Budget Adjustments- External		0	0	0
Total Base Adjustments		-162	125	0
Revised Base Budget		7,258	6,486	6,483
<u>PRESSURES:</u>				
Pay:				
All	Non-Kent Scheme (non DSG)	0	0	0
		0	0	0
Prices:				
All	Other	8	10	10
		8	10	10
Service Strategies & Improvements:				
R&E	Credit Union from PRG	-250	0	0
Film Office	Replace current funding stream for Kent Film Office	150	0	0
R&E	Economic Prosperity Board	300	0	0
R&E	Local Economic Assessment	100	0	0
Total Service Strategies & Improvements		300	0	0
Total Pressures		0.0	308	10
<u>SAVINGS AND INCOME:</u>				
Income Generation:				
R&E	LABGI	-500	750	0
Total Income Generation		-500	750	0
Savings and Mitigations:				
All	Restructuring	-15.0	-220	-728
R&E	Procurement savings		-35	0
All	Reduce funding for community events		-200	0
SPAIT	Review of SPAIT activity	-7.0	-250	0
Target reduction in net spend			0	-35
Total Savings and Mitigations		-705	-763	-63
Total Savings and Income		-22.0	-1,205	-63
Budget controlled by this portfolio		-22.0	6,361	6,483
			6,430	

Portfolio Service Revenue Budget

REGENERATION & ECONOMIC DEVELOPMENT

		REVENUE SPENDING				
2009-10		2010-11				
Spending Plans	Spending Plans	Gross	Income	Net Cost	Exec Dir	
£'000		£'000	£'000	£'000		
6,276	Economic Development including regeneration projects				Stimulation of new investment & supporting the business sector and working to deliver high quality urban and rural regeneration. This budget is now spread over the following three lines.	DC
	Supporting Business	2,929	-1,051	1,878	Stimulation of new investment & supporting Kent business sectors - Business Support, Visitor Economy & Rural Economy.	DC
	Growth Areas	1,525	-466	1,059	Working to deliver high quality regeneration in the Growth Areas and Coastal East Kent.	DC
	Kent wide & Strategic Projects	3,930	-1,300	2,630	Working to deliver high quality regeneration Kent wide including £1m project fund financed by transfer from Kings Hill reserve.	DC
521	Research & Intelligence Group	318	-101	217	Provide and facilitate excellence in intelligence, research, analysis and data management on behalf of KCC and its partners.	DC
141	Kent Film Office	110		110	Raising Kent's profile as a location for the film industry and working to increase the number of trainees and apprenticeships available in the creative industries.	TO
482	Resources & Support Services purchased from CED	467		467	Finance support, training pensions, office running costs and Property support services purchased from CED.	DC
7,420	Budget Controlled by this Portfolio	9,279	-2,918	6,361		
PLUS:						
Budgets controlled by other portfolios:						
478	♦ Central costs	582		582		
551	♦ Service costs	551		551		
Charges for using capital assets						
8,449	TOTAL SERVICE COSTS	10,412	-2,918	7,494		
Staff Numbers (FTEs)					79	
Why the budget has changed					£'000	
♦ Changes in responsibilities					-162	
♦ Inflation and rising costs					8	
♦ We have changed spending on:						
□ ♦ Service strategies & improvements					300	
♦ We have income generation of					-500	
♦ We have made savings of					-705	
TOTAL					-1,059	

Portfolio Subjective Revenue Budget

REGENERATION & ECONOMIC DEVELOPMENT		
REVENUE SPENDING ❖ HOW THE MONEY IS SPENT		
2009-10		2010-11
Spending plans		Spending plans
£'000		£'000
	Employee Costs	
4,514	Salaries and Wages	4,313
70	Pension and Severance Payments	70
28	Training Expenses	28
5	Other Employee Costs	5
4,617	Total Employee Costs	4,416
	Premises Costs	
10	Repairs, Alterations and Maintenance	10
0	Energy Costs	0
139	Rent	168
8	Rates	8
10	Other Premises Costs	10
167	Total Premises Costs	196
	Transport Costs	
0	Vehicle Running Costs	0
0	Hire and Pool Car Charges	0
0	Home to School / College Transport	0
42	Public Transport (Clients)	42
71	Members and Staff Car Allowances and Travel Expenses	62
113	Total Transport Costs	104
	Supplies and Services	
310	Equipment, Supplies and Transfer Payments	288
0	Book Fund	0
180	Communications and Computing	163
0	Member and Staff Expenses (Excl. Travel)	0
600	Grants and Subscriptions	556
0	Levies and Other Costs	0
0	Free School Meals	0
0	Social Services Payments	0
0	Examination Fees	0
1,160	Professional Fees	1,192
1,700	Service Agency Agreements	1,758
0	PFI Development Costs	0
3,950	Total Supplies and Services	3,957
	Third Party Payments	
0	Highways Contracts	0
0	Waste Contracts	0
0	Transport Contracts	0
0	Social Care Contracts	0
671	Other	764
671	Total Third Party Payments	764
1,248	Central Support Costs & Internal Recharges	1,614
0	Capital Financing Costs	0
0	Capital Expenditure Financed by Revenue	0
0	Contribution to/from(-) Reserves	-639
10,766	GROSS EXPENDITURE	10,412

REGENERATION & ECONOMIC DEVELOPMENT

REVENUE SPENDING ♦ HOW THE MONEY IS SPENT

2009-10 Spending plans £'000		2010-11 Spending plans £'000
	Income	
-509	Contributions	-242
0	Sales	0
0	Fees and Charges	0
-473	Other Income	-911
-120	Internal Income	-175
-1,102	Total	-1,328
-1,215	Specific and Supplementary Grants	-1,590
-2,317	TOTAL INCOME	-2,918
8,449	NET EXPENDITURE	7,494

Appendix 2 – Current budget monitoring details

Budget Book Heading	Cash Limit			Variance			Comment
	Cash Limit	Variance	Comment	G	I	N	
Budget Book Heading	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
Regeneration & Economic Development portfolio							
Supporting Business	2,468	-590	1,878	-25	0	-25	Savings on frozen vacancy
Growth Areas	1,694	-466	1,228	-40	0	-40	Savings on frozen vacancy
Kent wide & Strategic Projects	4,222	-1,011	3,211	-30	0	-30	Mgt savings to meet costs of R&I restructuring
Research & Intelligence Group	435	-101	334	73	-43	30	Service restructuring costs
Kent Film Office	110		110	0	0	0	
Resources	604	-137	467	0	0	0	
TOTAL Regeneration & ED	9,533	-2,305	7,228	-22	-43	-65	

	Gross	Income	Net Cost
	£'000	£'000	£'000
Original Budget controlled by Regeneration & Economic Development Portfolio	9,279	-2918	6,361
Rollforward - R&I staff restructuring	30		30
Emergency Budget - Loss of revenue grant (LABGI)		750	750
Adjustment to address shortfall in funding - R&I restructuring	54		54
Redundancies (R&I) - Modernisation of the Council Fund	33		33
Technical adjustment - transfer of external funding team	137	-137	0
TOTAL Regeneration & ED	9,533	-2,305	7,228

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By: Jeff Hawkins, Transformation Programme Manager
 To: Regeneration and Economic Development Policy Overview and Scrutiny Committee – 17 November 2010
 Subject: Change to Keep Succeeding
 Classification: Unrestricted

Summary: “Change to Keep Succeeding” is a report by the Group Managing Director on the transformation of the County Council’s operating framework.

The Regeneration and Economic Development Policy Overview and Scrutiny Committee will be given a presentation on the report, the management structure it proposes, and the process for consulting with staff.

Background

1. “Change to Keep Succeeding” sets out a proposed new structure for the senior management of Kent County Council. It was presented to meetings of the Council’s Cabinet, Scrutiny Board and Cabinet Scrutiny Committee in the week commencing 11 October 2010.

2. Following Cabinet and Cabinet Scrutiny, on 15 October Kent County Council started a period of formal consultation on the proposed new senior management structure with the 25 staff impacted by this proposal. At the same time a wider informal consultation was commenced which is open to all staff and partners. The consultation period ends on 3 December 2010. A report will then be made to full Council on 16 December 2010 for a revised management structure and plans for the implementation of that structure.

4. The target is to implement the change in structure, subject to consultation and the decision of the County Council on 16 December, by 4 April 2011.

Recommendation

5. The Regeneration and Economic Development Policy Overview and Scrutiny Committee is requested to consider these proposals and to note that the matters raised by Members at this and other Member meetings to which this matter is to be reported will be fully considered as part of the consultative process.

Background Documents: *none*

J L Hawkins
 Transformation Project Manager, Sessions House room 1.68, extension 8103

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By: Paul Carter, Leader of the Council
Katherine Kerswell, Group Managing Director

To: Cabinet

Date: 11 October 2010

Subject: “Change to keep succeeding”
The transformation of the Council’s operating framework

Classification: **Unrestricted**

SUMMARY: This report outlines the work to date on a programme to ensure that the Council continues to deliver successfully in the face of the most significant changes facing local government in the external financial and policy context. It needs to be read in conjunction with the draft medium term plan which is being launched for consultation - “Bold Steps for Kent” as this is proposing the draft new strategic vision for the Council which the organisational framework of the Council needs to be able to support and deliver upon. A supplementary and more detailed report will be circulated prior to the meeting on 11th October due to the closing date of the consultation period upon which that part of this report needs to rely. As this further report will include details of the proposed new structure and information about members of staff, its status may be “exempt”.

1. Introduction

(i) To reduce the scale of the £156bn public deficit, to repair the nation’s public finances and to restore confidence in the national economy, the Government has embarked on a radical plan to reduce public spending. The Comprehensive Spending Review will settle the landscape for public service funding in late October. And the following month the Council will receive a clearer view of the provisional settlement in its external revenue funding. This will present elected Members and officers of the Council with our biggest challenge for a generation. Over the next four years it is likely that some £340m needs to be reduced from the Council’s net revenue budget in order to reduce spending and absorb the pressures we face. But the Council does not face this challenge alone – aside from the health service (which has to contain its intrinsic growth pressures rather than substantially reduce its base budgets) most public agencies in Kent and beyond face similar challenges. However, unlike most other public agencies, Kent County Council has the capabilities to meet these challenges head on. For when faced with challenges of this scale the Council needs to draw on its strengths of excellence and innovation.

(ii) Success is a springboard for future success. But simply repeating the success of the past will not be enough to meet the challenges of the future.

Instead the Council needs to make sure that its organisation and services are sufficiently agile to lower their costs to meet the coalition government's challenge on public sector costs and the Authority will need to evolve against the background of significant changes in other sectors including Health, Education, while sustaining and improving service outcomes. Individual services need to continue to strive to be ever more cost-effective but the overall organisation needs also to embrace an ethic of collective cost-effectiveness. This will require a more linked and connected organisation that is able to reap the benefits of scale, lower the cost of organisational infrastructure, and foster higher levels of overall productivity.

(iii) The Council needs to grasp the opportunities of the Government's decentralisation and localist agenda to revive enterprise and employment across Kent. It needs to help shape the future of education and healthcare across Kent to assure ever better life-chances for Kent's people. And it needs to make sure that its own organisation is sufficiently agile so as to continue to lower costs, raise productivity and secure ever better standards of customer service.

(iv) The proposed changes to the senior management arrangements to be outlined in the following appendix to this report (once consultation has closed) will seek to achieve the above and also to make the overall organisation leaner and fitter for future purposes. Without doubt, Kent benefits from the considerable talents and energies of the Council's most senior managers. But these benefits are not without significant cost to the taxpayer. In lowering costs and raising productivity, all layers of management need to be examined to assure cost-effectiveness and fitness for purpose. And it is crucial that the Council's senior management arrangements are reviewed to assure Members that value for money is secured and that these managers can together drive through the essential changes that are required across the County.

(v) In usual times, top-level organisational changes can help drive change throughout organisations. In times of tightening fiscal constraint they are essential to drive even deeper change throughout services and organisations. These top-level changes need to be approached in a disciplined and corporate manner. This is why I am proposing a coherent approach that secures Council-wide improvements in managerial culture, direction, and co-ordination. In particular I am mindful that during a period of major spending reductions, the conventional risks to service delivery pale against the potential risks of failure when services are being delivered on (an average of) three-quarters of their current budget. Controls based on single service or professional domains need to be strengthened by newly fashioned corporate controls to enable Members to better govern the risks to be faced over the next four years.

(vi) In order to deliver sustainable levels of budget savings over the coming four years we will require organisational courage and resilience from Members and officers alike. But these virtues are not of themselves sufficient. The Council needs to ensure that its senior managers are able to execute the changes that are required over the coming period. These senior managers need to possess the competencies and capabilities to take the

whole organisation forward and they need to possess the collective confidence to take the next bold steps.

2. OUTCOME OF THE INFORMAL CONSULTATION PROCESS

(i) The response to the initial informal consultation has been positive with nearly 200 members of staff already offering comment on the design principles. The comments are predominately positive in nature to the proposals contained within the draft design principles. Eight meetings were also held with managers about these design principles and feedback from those meetings is also being incorporated into the final draft recommendations for Cabinet.

(ii) All the feedback received will be collated and reported to Cabinet to inform their decisions and thinking about the way forward. They will also be used to assess the value of the draft design principles that have been circulated and the design of the Council's operating framework that will then flow from these.

3. PROJECT PLAN

Detail of the sequence and timing of the implementation steps will be provided in the following report. The detail of this will need to be based around the final recommendations of any proposed changes to the operational framework to be made to Cabinet.

4. PROPOSED NEW ORGANISATIONAL STRUCTURE.

The supplementary report to follow will cover:

- Details of the proposed directorates' structure,
- The proposed senior posts in each directorate and the business activity reporting into these roles.
- Outline job descriptions for each of the proposed senior roles
- A list of the current posts that it is proposed are deleted and a list of the new posts that it is proposed to create.
- Details of proposals to create a number of new companies to deliver Council services. The detail of these new company models will need to also be developed during the consultation period.

5. REVIEW OF REWARD POLICY FOR SENIOR POSTS

(i) Cabinet is asked to agree to a review, by the HayGroup, of the appropriate salary levels for the proposed senior posts. The review will take account of the level of responsibility and accountability of each proposed role and recommend an appropriate level of salary taking account of internal relativities and market rate. The review will be completed between the 18th October and 5th November.

(ii) The current salaries for senior posts are "spot" salaries, i.e. there is a rate for the job and no salary scale. Some senior posts have a contractual entitlement to a performance payment which applies a percentage lump sum

bonus according to the level of performance. However, these payments were frozen last financial year and will not be paid for this current financial year. It is proposed that senior managers are consulted during the formal consultation period on bringing senior performance pay in line with the Total Contribution Pay scheme in place for all other Kent County Council staff on the Kent Scheme of terms and conditions of employment. This proposal includes removing the current contractual bonuses for senior staff.

(iii) At the end of the formal period of consultation, all proposals for any changes to the terms and conditions for these proposed senior posts will be put to Personnel Committee for consideration before being reported to Cabinet on 16th December.

6. PROCESS FOR APPOINTING TO SENIOR POSTS

(i) Details of the process and timeline for populating the proposed senior level posts will be included in the supplementary report. This could include Member panel interviews preceded by assessment centres. Before any such arrangements like this can be agreed to, it will be necessary to follow the Council's process outlined in the Council's Blue Book of terms and conditions of employment.

(ii) This will of course be followed in deciding whether individual senior managers are "slotted" (i.e. automatically placed) to the proposed posts in the structure. This means that an individual may be slotted if all the following criteria are met:

- the job must be the same grade as before the re-organisation,
- there must be the same number of jobs (or more) as job holders
- the job is deemed 75% the same type of work in term of job accountabilities, activities and broad objectives

(iii) Then there is no recruitment process either internal or external and the employee whose job has been altered by this process is slotted in to the new job. This can only be assessed at the end of the consultation process and following the full Council's final decision on the proposals.

4. CORE VALUES AND BEHAVIOURS

(i) This change programme is aimed at enabling Kent County Council to alter the way it operates so that it can meet the new challenges it is facing. It cannot therefore be solely about the organisation structure, but must also lead to a new organisational culture.

(ii) It is therefore proposed that an external provider is procured to engage with staff across the Authority and with Members and senior managers to design a set of draft values and behaviours. This process when shared with staff has been warmly welcomed as a means of being involved in shaping the Council and ensuring we can deliver as well in the future as we have in the past.

(iii) These values and behaviours will be put forward for discussion and agreement at the County Council meeting on 16th December. Once agreed these values and behaviours will drive all aspects of the Authority's HR strategy.

5. EXIT MANAGEMENT PROCESS FOR SENIOR POSTS

It is suggested that a voluntary redundancy process is introduced, to be offered to any of the senior managers affected by the restructure proposals at the start of the process. Details of the process for this together with proposals around notice periods, appeals against decisions made and alternative job search support will follow in the supplementary report.

6. RECRUITMENT TO ANY POSSIBLE VACANT SENIOR POSTS

It is critical to the stability of the organisation, the continuation of excellent service delivery and the success of the many significant change programmes being undertaken that any senior posts left vacant are filled as soon as possible. The standard Kent County Council personnel process will be applied to any post that is not filled by a priority candidate, and the post will be advertised to internal staff with external candidates being sought contemporaneously if required. This has worked very successfully in the past and it is hoped that if such a circumstance arises of a vacant post needing to be filled, internal staff are able to come forward and be assessed for the vacancy.

7. FINANCIAL IMPLICATIONS

(i) The Council is facing significant financial challenge more so than at any time in its past by virtue of the economic conditions of the country and the forthcoming comprehensive spending review that is proposing to reduce Council budgets between 25% to 40%. Officers have been working on a series of options to increase the efficient working of the Council and to review ways in which services can be delivered to reduce costs whilst maintaining quality to meet this level of reduction.

(ii) The management costs and organisational structure costs of the authority must be examined along with all other costs within the Council. This process will naturally contribute to the savings required. Details of the proposed savings will be available once consultation has closed and a final draft proposal for Cabinet can be created. Other savings proposals that will affect staffing arrangements in the Council will undoubtedly follow in the budget proposals that will be presented to Members later this Autumn / Winter. Effective corporate programme management will ensure alignment and enable any possible double counting to be dealt with.

8. RISKS

(i) It is important early on in this work to highlight a number of possible risks facing the Council from these proposals. A fuller risk register will be supplied

following the closure of consultation and the draft proposals being able to be concluded.

(ii) This proposed change process is happening at a very congested time for this Council. The Council along with all others in the public sector is facing unprecedented external policy and financial changes. Local people's expectations from services and what they are willing to pay for them is also changing fundamentally. We are in the process of discussing with Members and the Scrutiny committees the Council's new medium term plan "Bold Steps for Kent" which is considering a brand new focus and way of working for the next four years. The draft medium term plan is also on this Cabinet's agenda for approval for consultation.

(iii) It is imperative that the process of transforming our operational framework, preparation of the Council's medium term financial plan and the development of the medium term plan dovetail and absolutely align. They are all intricately related and the individual success of each of them relies upon the success of all.

(iv) The Group Managing Director's role is to ensure the co-ordination of such major developments and also to plan and manage the risk of non-alignment by working very closely with key officers in the Council. Therefore these programmes will be programme managed through the Group Managing Director's office and the Corporate Management Team will be the programme board for these activities. The programme office resource is in place to support this.

(v) It is important to be clear about the need to ensure accurate financial control is maintained throughout this change. This risk will be strongly mitigated by the programme management approach, the corporate management team's role as the programme board and very strong input from the financial services division into the programme team that is already in place.

(vi) In addition to the risk being mitigated by the effective programme management resource, another possible mitigation of this risk could be to delay one or several of these programmes that are occurring at the same time.

(vii) "Bold Steps for Kent" the new medium term plan, has to take place in this timeframe. Our current medium term plan "Towards 2010" has concluded and this Council needs to be clearly focused on dealing with the new policy challenges facing us and being able to plan for and deliver Members' ambitions for the next four years.

(viii) The transformation of the Council's operating framework is intrinsically linked to making certain that the Council can deliver "Bold Steps for Kent" the new medium term plan, which requires of us a new integrated delivery model and new ways of working.

(ix) The new medium term plan “Bold Steps for Kent” also supports and enables many of the proposals currently being developed to deliver the new medium term financial plan and the estimated £340m of reductions that the Council may have to find over the next four years.

(x) The medium term financial plan clearly has to take place at this time to deliver the Council’s budget and respond to the outcome of the comprehensive spending review on the 20th October. The changes proposed by this report will enable many of the financial reductions that will be necessary to be made.

(xi) If we are to avoid a period of managed decline we need to deliver our services at lower cost and in different ways. If we halt the organisational change that this report contemplates we face a different risk of “salami slicing” of services and being unable to deliver the quality of service that Kent is renowned for. It is important that the costs of how this organisation delivers its services are considered and challenged as much as the costs of what we deliver in actual services.

(xii) Kent has a national reputation for being able to seize opportunities at the right moment. If we fail to align these three programmes effectively and not maximise the support they give to each other and manage the pace of each through a co-ordinated and resourced programme office we run the different risk of losing the benefits of these processes and prolonging the period of turbulence for this organisation.

(xiii) Another two risks of all these programmes and in particular the subject of this report are the risks to morale and leadership capacity. Members will be able to see from the responses from staff to this informal consultation (those received to date) that they talk about the uncertainty that they all feel. There are also comments welcoming the fact they we are facing up to this and want to involve staff in how we deal with the situation. There has also been very positive support expressed in the managers meetings about taking up this difficult situation with their teams to help manage the transition and deal with the uncertainty that the external policy changes and financial environment are driving.

(xiv) As our services have to be reduced and the policy challenges we are facing and also wish to create ourselves are changing, we need to examine the most senior posts that we have in this organisation. We must ensure that they along with all the other roles and services are fit for purpose and that the overhead costs that they represent are appropriate. The period between our current operational framework to any different framework that Members agree will need to be very carefully managed through a transition programme to ensure effective capacity is available to keep the programmes of the Council going.

(xv) All areas of this Council are being reviewed and challenged as part of the process to find the £340m reductions needed over the next four years. There is the risk that if we fail to examine the costs of our most senior management structures and whether they are designed in the most effective way for our

future, we will give a contradictory message to the rest of our staff about the different values placed upon roles at different levels in the Council. That is clearly not part of the values of this authority and it is important that we must be seen to be demonstrating explicitly the equity and fairness of the approach that we take to examining all costs at all levels and in all services.

(xvi) This Council can be proud of the fact that we have a strong pool of resilient and steadfast managers who have met such challenges as this in the past and have managed the transition and uncertainty that is necessary in such a turbulent period.

(xvii) Cabinet must also consider in assessing the options that this report will place before them a slightly different type of risk. The risks above can be described as a type 1 risk. The risk of something going wrong that can then either be mitigated or put right.

(xviii) here is also the type 2 risk that needs to be considered. This is the risk of not doing something, that if you had done it – it would have delivered the future you are seeking to achieve.

(xix) The consequence of a type 2 risk in relation to this report and the proposals that are to follow; is that changing the organisation at a later date when the opportunities we are seeking to take advantage of have moved on could be much more costly and damaging for us. The external demands of the policy changes from the new government and the financial reductions we will have to find show no sign of slowing down or reducing, indeed they seem to be accelerating. Cabinet will need to consider the cost of change now in all its dimensions or a possible much increased cost at a later date.

9.RECOMMENDATION

Cabinet is asked to note and agree as appropriate the proposals put forward in this report and to note that further recommendations will follow in the supplementary report.

Note: *This report will also be discussed at a meeting of the Scrutiny Board which is taking place on 11 October on the rising of the Cabinet meeting and a meeting of the Cabinet Scrutiny Committee taking place on Friday 15 October 2010*

Background documents: The First Bold step Informal consultation document

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Change to keep succeeding Appendix 1

The challenges facing us

1. As described in the Cabinet report already circulated, KCC is facing; along with all other local authorities and public service agencies, an unprecedented level of and pace of change. The challenges facing the Council arise from three main sources.
 - From the changing patterns of needs and demands from service users and local residents.
 - From the financial reductions that are being applied to public spending generally.
 - From the fundamental changes planned by the Government to public sector policy and our own Kent new policy ambitions in the draft medium term plan “Bold Steps for Kent”.
2. The needs and demands of our public do change and are changing rapidly and if we are not equally nimble in responding to them we can appear rigid or fixed in terms of the style of our service delivery and our ability to change our cost base. The demographic changes we are facing in Kent are significant enough on their own but they accompany further social and economic change as well as the fast paced changes in local peoples’ use of media technologies such as Face Book campaigns, electronic petitions and the widespread use of direct contact email. KCC has embraced the transparency agenda and this will yield further avenues for media technologies to engage with the delivery of our services and our functioning as a Council.

The demographic challenge

3. Over the next eighteen years the total population in Kent is predicted to increase by 18%, which is higher than the growth predicted for the whole of England and the South East. The particular population growth trend that we need to be mindful of in thinking and planning for our future is the growth of the over 85 population. At one level this should be absolutely celebrated as many more people are living past this age than ever before.
4. Over the next eighteen years the percentage of over 85’s in our total Kent population will increase by 99% from a population of 38,700 to 77,400. (ONS – 2008 –based sub national population projections) In contrast our younger population group of 4-10 year olds only increases by 12% between 2009 and 2019 and then remains constant after that.
5. This clearly has major issues for a wide range of services we provide and certainly is not restricted in its impact to adult social care services. The principle that its not just adding years to life but life to those years means each of our services must think very hard how we address this significant increase in our over 85 population.

The service delivery challenge

6. Essentially, future needs and demands for public services will differ in character from those of today – they will not simply differ in the level or amount we deliver. People want more appropriate, more flexible, more personally tailored and responsive services. They want more self-organised services and they expect, wherever practicable, for services to be made available online. How people privately consume goods and services will continue to influence their expectations of our services.
7. In order for us to be able to meet our future challenges, KCC, local government, indeed all public institutions and agencies will need to be more agile in how they organise themselves. The stress will rightly be on redesigning services, on reshaping the systems of service delivery, and on revising “service user pathways” such as in care for elderly people with specific conditions, and really maximising the use of the latent potential of our Gateways. But to do so will require us to be much more flexible in how we finance our services and how we shape our functions and activities. We must also be very clear this does not simply apply to how we work on our own, but increasingly we will be working with our partners and we will need to be flexible and agile in the many differing types of relationships that will emerge.
8. Eight briefing sessions with 219 of the Council’s managers have taken place over the informal consultation period. We have discussed the changes that the Council will have to face over the next period. We have also discussed between us the new policies that the Coalition Government is introducing. Members will see from Appendix 2, a summary of the responses from those sessions. One of the very consistent themes raised in those discussions was the impact of the level of financial reductions that we have to plan for and contemplate ahead of the 20th October CSR announcement and also the effects that this could have on local jobs and services in our county.

The financial challenge

9. The Government have adopted a broad plan for public sector reductions. The current plan is for 85 per cent of the planned reductions to come from public spending cuts. The period of private sector recession of 2008-9 is being followed by period of public sector retrenchment from 2010-14.
10. At the very broadest level this presents a background of considerable uncertainty for KCC and its public sector partners in the county, all of whom face the challenge of planning for this future. Nationally local government has had to deliver efficiencies of around 3% a year. As an excellent authority KCC has delivered above that level at around 4% a year. This has required significant focus and activity by the organisation and Members. The level of reductions we are expecting from the CSR announcement translates roughly into reducing our spending by up to eight per cent each year for the coming three years.
11. Efficiencies of three or four per cent can be planned for by way of productivity improvements and the like. Ongoing cumulative reductions of eight per cent are significantly much more demanding – to determine, and then to implement.
12. They require some bold steps to be taken.

The policy challenge

13. The Coalition Government has published an ambitious agenda for fundamentally altering the nature of public service in this country. It has resonated very closely with the future vision for public services that the County Council set out in the Leader's paper "Bold Steps for Radical Reform" in January 2010.
14. Kent's history of innovation, delivery of quality services and strong relationships with Whitehall places us in an enviable position to develop many of these new ideas and bring additional advantages for example through investment in new service models, by a government willing to see its ideas being tested and trialled. All throughout the meetings with managers their willingness to try new ideas and pride in the history of innovation and entrepreneurialism of their Council was very evident and staff are getting ready to step up to these new challenges.
15. The fact that we have two externally driven major changes of a policy framework and a financial framework is significant. We must avoid the pressure of such a reduction in our funding to feel that the future has to be one of managed decline and a timid future then emerging.
16. This point was raised in the consultation process and many staff opted for creating a new future and not just face an endless "salami slicing" of Council services. Their responses are very true to a core aspect of KCC – that of facing up to our future and changing it for the better. That characteristic will be essential for us going forward and managing these challenges. We need to be able to take advantage of the new ideas that are emerging about public services and really offer a different future for public services in Kent. These draft structure proposals aim to enable that capacity to be in place as soon as possible and to aid the financial reductions we must face.
17. The structure charts that are included with this report for Cabinet to approve as a consultation draft for the organisation and our partners, attempt to capture the challenges we face and to enable the County Council to fully respond to the new opportunities in the changing financial and policy environment both from our own draft medium term plan "Bold Steps for Kent" and the Government's radical agenda.
18. A series of design principles were developed and circulated in a leaflet "The first bold step" to all staff to create a debate about what was facing us as a Council and whether we are currently organised and operating in a way that enables us to deal with that future in the most effective manner. The summary of the comments received back from staff is attached at Appendix 2. There are a wide range of comments, both critical and supportive and I have responded to each, full copies of which are available in the Member's Information Point as well as to each Member of Cabinet and the Scrutiny Boards overseeing this report. Overall there is a positive sense of energy and desire to change some of the ways that we operate as an organisation, most notably on how we connect internally and operate as one organisation. Many

of the design principles were supported and they have shaped the draft structure proposals placed before Members today.

19. The changing nature of the delivery of public services will require KCC to think very carefully about the current way it is organised. As recently as Sunday 3rd October the Secretary of State for Communities and Local Government – Eric Pickles MP made a statement of how local government must end duplication and increase its productivity, He urged us all to share more services between Councils and between other public agencies. The proposals in this restructure rise to the challenge that the Secretary of State has thrown out to all local government in ensuring we are joining ourselves up as an organisation and making the use of our internal systems much more productive. This will enable an easier connection to be made as one Council with partners when needing to join up services together.
20. It will also enable us to create new forms of service delivery vehicles with our key partners in Schools and with GP's. It will also help us to deliver more effectively in localities, joining decision making with our other partners in District Councils, the Police and Health and other local organisations to really tailor our services to the particular needs of that locality. The intention is that this locality approach does not stop at the district level but can explore closer delivery with our parish and town Councils and in local neighbourhoods.
21. All of this is exactly in line with the Secretary of State's determined vision for the future of local government delivery. On coming into office the Secretary of State declared his priorities to be;

“localism, localism and localism – but not necessarily in that order”.

22. In the face of that drive to join up and also increase our productivity; how we internally organise our business support resources also needs to alter so that we are connected and integrated as one organisation. We can then become much more efficient and productive in how we use those systems and processes – a “one pass” approach and (leading to much more effective and coherent) can then effectively integrate with others.

Explanation of the structure in general and process for staff impacted

23. In addition to the text below which describes the main themes that the proposed structure is attempting to deliver, it may be helpful for Members to look at the structure diagrams. These are portrayed in two ways, a traditional organogram of posts and reporting lines showing the whole Council and a more detailed picture outlining the top two tiers of management posts in each proposed Directorate that are directly impacted by this proposed restructure consultation. The array of functions that are shown (in the grid boxes) for that Directorate then would lie within their areas of responsibility if those senior posts at first and second tier were approved. Please note these are not all current service teams but also denote capacity and functions that will need to be created.
24. Please also note that the areas described as functions and any staff or managers within those are **not** affected at this stage by any of these restructure proposals. If at a later stage further re-organisation is required then that will be dealt with, within the terms and conditions of the KCC's employment policies. Appendix 5 of this report lists the current senior

management posts that are directly impacted by these draft structure proposals. It needs to be explicitly understood that these are the **only** posts which are affected by this process.

25. Those post holders are **not** placed formally at risk by this consultation process. That can only happen if and when Members take their final decision on the proposals at the Full Council meeting on the 16th December. It will only be at that stage that it will be possible to determine whether any of the current posts have altered significantly and therefore whether any of the post holders are then formally at risk. The Director of Personnel and Development and the Group Managing Director will be writing formally to all senior officers directly impacted by this process on Friday 15th October following the outcome of Cabinet Scrutiny Board. Formal consultation can only begin following the outcome of that meeting. However all senior staff are being briefed on the morning of the 11th October so that they are fully aware of the draft structure proposals and can ask any additional information about the process that they require. The Corporate Management Team have also all been informed of these proposals on Friday 8th October, either in a meeting or by receiving copies of the proposals due to other meetings preventing them attending.
26. It is very important to be aware that the posts at the second tier level do **not** all carry the same level of seniority, size of job or price tag for that job. The inclusion of director level posts in this way represents the first visible sign of implementing the design principle of a flatter structure leading to fewer management tiers between the top of the organisation and the front line.
27. There are a number of posts that have been designated “director” that have a very singular focus such as waste and procurement. These have been included in the most senior tiers of management as they are such significant areas for the Council and to give them a very clear focus and priority.
28. By virtue of the design principle that was endorsed by staff, this structure is aiming to connect all business support services together in one Directorate serving the whole of the Council. There are two posts in that Directorate however that are also members of the Corporate Management Team with the same first tier status as the Corporate Directors leading Directorates. These two posts are Corporate Director Finance and Corporate Director Human Resources. The reporting lines and day to day operational activity of these two divisions need to be part of the Business Strategy and Support Directorate but they play such a significant role in the life of this authority that they will be formally members of the Corporate Management team and enable to enact their strategic role in full. It is also critical for the statutory role of the Chief Finance Officer post that it is a member of the Corporate Management Team in order to be able to fulfil its duty.
29. The Corporate Director Business Strategy and Support has also been designated as Deputy Managing Director. This will ensure continuity of organisational leadership in the absence of the Managing Director. The current job title of the post of Group Managing Director is proposed to be altered through this process to Managing Director. This is now possible due to the other Directorates being re-titled away from being Managing Directors in their own right and also denoting the one Council – one organisation design principle.

Detail regarding the role of the Corporate Director

30. The post of Corporate Director denotes the most senior tier – first tier of management in the authority and membership of the Corporate Management Team. The Corporate Director along with all other first and second tier posts will share identical responsibilities in their job descriptions in regard to overarching responsibilities for being focused on; our customers, working with partners, leading services, leading people, performance, finance and risk. In addition they will also have the specialist responsibilities in line with their Directorate's functions.
31. The Corporate Director is the overall managerial head of the Directorate and as such has a key responsibility for ensuring its smooth running. The post has to have a strong relationship with the business partners who will support the operation of that Directorate. The Corporate Director is also a strategic policy client initiating the development of major policy via the Director of Business Strategy and the resources in that division and in close liaison with their Cabinet portfolio holder. The design of the business strategy division is to ensure a holistic approach can be taken to policy and strategy development in the Council and that the staff working there are able to cross fertilise ideas and develop their thinking in the broadest context of the direction of the Council as a whole.
32. Corporate Directors will still as happens currently take the lead on a number of cross cutting issues and themes that are critical for the smooth running of the organisation. Health and Safety and Equalities are two very obvious areas of work that both require the most senior posts in the authority to champion.
33. Those Directors and Corporate Directors who have responsibility for the business partner relationships for their particular functions with other Directorates are also designated Heads of Profession". This covers finance, human resources, property, IT, communications, consultation and engagement The Director of Governance and Assurance is also the Head of Profession for legal services.
34. The Chief Officer Group has been redesigned over these last three months into a Corporate Management team (CMT) and its new way of working is in line with the design principles. It will be a key element in ensuring effective corporate working and that new silos don't replace the old.
35. CMT's role is primarily in two areas. One is giving advice to Members. In large-scale multi-functional local government there are, inevitably, competing claims for resources, assets, facilities, services and political attention. In this context one key feature of corporate management is the requirement to advise Members on how best to balance differing interests and how best to weigh competing claims. Members may require a plurality of views but these must first be considered through a corporate lens – policy, service and managerial issues need to be considered in the round and not simply through the prism of one singular service domain. This if not counteracted can be a major driver of silo behaviour.
36. The other is managerial leadership. The Council's services, functions and activities are all directed to improve outcomes for the people of Kent. The

Council's top team are collectively responsible for the coherence of management direction and controls – operationally, strategically and corporately. The team is responsible for overall results, the stewardship of resources, the Council's corporate reputation and its effective risk management (results, resources, reputation and risks).

37. The Chief Officer Group whilst it has clearly undertaken a number of the above roles in the past has not operated as explicitly as the new terms of reference of the Corporate Management Team describe. This new Corporate Management Team role is critical for the smooth operation of the new operating framework of the authority.
38. In the face of all our challenges the Corporate Management Team must absolutely share one responsibility that of explicitly challenging all our areas of service and practice to ensure we are truly delivering the best we can. This is not just a question of ensuring that the things we are doing are being done in the right way. But also in the light of the significant financial, and policy changes both nationally and of our own volition that we are now doing the right things.

Delivering the new vision of the authority – delivering the design principles

39. It may seem odd in a report to Members that is primarily about draft structure proposals to say that the future operating framework cannot just be about a structure. Throughout the consultation and in the manager's meetings, we have discussed a way of looking at the organisation through a number of areas, one of which is the structure. We have also discussed the style of the Council – how it works, the systems we use, our shared values, the skills, our staff need, etc. Staff strongly responded to this and have endorsed that we need to develop other aspects of the way we work and organise ourselves and not solely focus on the structural arrangements of services and reporting lines as important as they are.
40. The earlier report that was circulated to Cabinet refers to the development of a new set of shared values and workplace behaviours that will be designed by staff for staff. This too has been welcomed in the feedback as a means of engaging the Council and making the design principles really come to life in our day to day interactions.
41. The Council will shortly be consulting on its draft medium term plan "Bold Steps for Kent". The outline of this was captured in the first design principle which shared with staff the three proposed ambitions for Kent; to grow the economy, tackle disadvantage and put citizens in control. The way we will work to deliver that, will be through operating as one Council and very much focused on the localities of Kent with our partners. The role of KCC in speaking out for the whole of Kent and its needs is also captured in this principle and the need for us to stand up for our county and ensure our needs and demands are clearly understood.
42. The structure proposals have been developed in line with the thinking in "Bold Steps for Kent" and will strongly support the new ambitions and provide capacity to implement the direction of travel for public services in KCC and the whole of Kent that is outlined in there.

43. Draft proposals for consultation on the future structure of Kent County Council

44. It is proposed to create five Directorates – Business Strategy and Support, Customer and Communities, Enterprise, Families, Health and Social Care and Education, Learning and Skills. These Directorates aim to deliver the design principles that have been consulted upon with staff. (see Appendix 2)
45. They are also intended to reflect the three draft Council and county wide ambitions contained within the draft medium term plan “Bold Steps for Kent”. These are 1. Growing the Economy – Enterprise Directorate, 2. Tackling Disadvantage – Education, Learning and Skills Directorate and Families, Health and Social Care Directorate and 3. Putting the Citizen in Control – Customer and Communities Directorate. The Business Strategy and Support Directorate contains the policy development and intelligence function for the whole Council and contributes overall to the whole plan. These descriptions are not intended to suggest that the other Directorates would not contribute to any of the other ambitions but to show a correlation between their focus and the Council’s ambitions for the future.
46. One of the design principles was to enable the Council to work as a more integrated organisation rather than as a series of federated services. This is an essential shift if we are going to be able to focus completely on the delivery of “Bold Steps for Kent” and those three overarching ambitions. It is also an essential shift if we are to be able to channel our delivery into a series of locality delivery boards and the integrated frontline of the authority to meet the pattern of service delivery that local people require at the price we can afford.

Education, Learning and Skills Directorate

47. Overall the Directorate will focus upon ensuring strategic leadership and the County Council’s championship of high quality learning opportunities from early years through to 19+. It will make sure that there is genuine choice and diversity in provision to meet the needs and aspirations of all children, young people, and parents, with information advice and guidance so they can make the appropriate choices. It will coordinate and facilitate collaborative working amongst schools, keeping Kent at the leading edge of educational practice. It will also ensure the coordination of admissions, home to school transport, special needs education and link closely with the children’s services team to ensure every child is attending and flourishing in school. Finally it will be keeping a very close eye on standards and achievement, making sure support and intervention is there when required.
48. Capacity has been created within the proposed Directorate to develop with our community of Schools, Head teachers and Governors, a number of new vehicles to provide them with continuing professional development, school improvement, curriculum development and a really strong range of school support services which many of them access currently. It is envisaged that this type of new vehicle will enable us to support both the thinking of the new Department of Education in the greater independence they wish to see schools having and also to continue to support the large number of Kent schools who currently value a very close working relationship with us. This model as a “best of both worlds” approach has been broadly welcomed in recent meetings with head teachers.

49. The proposed Directorate also signals a move to recognise the new policy thinking within the Department of Education on the “every child matters” policy framework of integrated children’s services. There have been significant advantages gained from this policy framework. There have however been some losses mostly in the relationship with adult social services in terms of being able to conduct a real integrated assessment and develop properly integrated continuous care pathways for clients. The proposed structure tries to rebalance our service delivery models so that we are able to regain these elements and also retain the excellent work that has been done to date in this county on the integration of children’s services.
50. The current Children, Families and Education Directorate has re-organised itself to ensure in the twelve district areas of our county, there are integrated children’s services for school support, children’s social care services and preventative services such as children’s centres. These operate with a series of twelve locality boards and an over arching Kent Children’s Trust Board. This is a valuable forerunner of the thinking that is being proposed within the draft medium term plan “Bold Steps for Kent” and the 12 locality district boards and it will be essential to learn from its experiences in the development of the model being proposed for the whole Council.
51. The proposal in this draft structure is to support and maintain those links in the localities of integrated children’s services but to designate the line management “home” of targeted Children’s services as the proposed Families, Health and Social Care Directorate. Throughout the proposed consultation period there will be a number of bills and white papers published by the Government. Amongst them is expected to be an Education White Paper. This will give us further guidance on what the residual statutory duties of the local authority are likely to be in regard to education and may also discuss what the future statutory role of the Director of Children’s Services could be. The consultation period should allow enough time to take into account any proposed changes and give us the flexibility to respond.
52. Bearing in mind the current statutory requirements, it is proposed that a protocol be produced to ensure that the accountability of the Director of Children’s Services is properly maintained and not fettered by a different reporting line arrangement. The reporting links to the statutory role of the Lead Member must also be maintained pending any national review. The current statutory guidance on the role of the DCS does not insist that there has to be a direct reporting relationship of these posts.

Families, Health and Social Care Directorate

53. This Directorate will focus on the continued delivery of high quality adult social care services; develop a new model of integrated delivery of social care with our health partners and others, develop the new role of Public Health and work to ensure the Council is able to support the GP practices in the county facing their new agenda as commissioners. The Directorate will maintain the high standards of care practice for children and continue to champion safeguarding for adults and children throughout all the Council’s services. It will also seek to deliver new models of more integrated assessment and care pathways with the addition of the children’s services division and commissioning, assurance and delivery of services for other vulnerable groups.

54. The draft structure proposals for this Directorate show this as the new home of the Director of Children's Services and the line management arrangements and the locality connections to integrated children's services as described above. It must be emphasised that the dotted line is to represent a real living relationship of the services across these two Directorates.
55. This Directorate is also home to the significant range of adult social care services that are provided by the Council, both their commissioning and provision. The future of direct delivery and possible integration with health services or with other models of delivery are very current. The role of Transition Director in this Directorate is to enable the future model of service delivery to be developed for Members and also to ensure the new relationship with the GP's and their responsibilities under the Health White Paper can be properly developed.
56. Safeguarding is a critical issue for all services in the Council but most notably for adult and children's social care services. Whilst the personal responsibility and activities within the different social care teams – adults and children's, will continue unaffected, there is potential to draw together the support services to the safeguarding boards, training and promotion and the commissioning of and oversight of any investigative work that may need to happen. Whilst adults and children's safeguarding practice have a different legal basis, there are many similarities within the culture, approach and core workload of these different teams to promote and ensure safeguarding is a live issue for all our staff. The function would also be expected to look across the Council and raise the profile of safeguarding for everyone.
57. In this Directorate there is also the role of the joint post of the Director of Public Health. The post holder at present is shared between the two primary care trusts in Kent – Eastern and Coastal Kent and West Kent and ourselves. We share a third of the costs of the post each. The national changes proposed by the Department of Health are as wide ranging as the national policy changes to education. It is certainly one of the most significant policy proposals of this Government. Health is being redesigned to move the majority of commissioning decisions into GP practices, new roles for local authorities are being developed and new roles at a national commissioning body level are also being developed.
58. Kent County Council has a proud history of involvement with health and pioneered the development of Health Watch which has been mirrored by the Government in their new policy framework. We will need to see the Public Health White Paper when it is published and the further detail that will emerge from the Department of Health over the next few months as to how this role will develop. There are very likely to be many changes in this area that we will need to discuss with Members as and when the picture becomes clear.
59. Within this Directorate there is also a new division headed by a Director of Supporting People. This division is intended to house significant commissioning activity to vulnerable groups, via the supporting people commissioning body we have, for children's health and for children's social care. There is also the critical role closely related to commissioning as a function, that of quality assuring the delivery of social care. The safeguarding new function has been referred to above and will be placed here. Youth Offending and KDAAT whilst needing to retain their existing links to the

community safety function will focus on delivering particular support to the vulnerable people in need of those particular services.

Enterprise Directorate

60. Overall this Directorate focuses upon three key areas, the delivery of the regeneration of our county, the planning and environment issues that are associated with that and the delivery of major contracts that affect every single resident in Kent.
61. Growing the Economy is one of the three proposed Council and county wide ambitions in the new draft medium term plan “Bold Steps for Kent”. The County Council has made a bid with Essex to create a Local Enterprise Partnership to really drive the growth of the two very significant economies in the south east. The Government has announced the £1bn Growth Fund that we will seek to access for significant work in the LEP. We will continue to invest monies ourselves as a Council in growth activity. We have also made a very strong bid to HM Treasury as part of a place based budgeting bid for the nationally controlled funding stream that is spent within our county.
62. This bid if successful will enable us to decide how that money is most effectively spent. The delivery of this integrated funding stream will be from this Directorate. The regeneration policy development will be led from the Business Strategy and Support Directorate as part of the overall integrated policy unit and will commission this work in the Enterprise Directorate in consultation with the Cabinet Member and Corporate Director for Enterprise. This integrated approach to policy development supports the concept of the “one Council” that ensures that any major initiative is thought through in the context of the whole Council and not just a part.
63. Our highways and waste disposal services are essential in maintaining the quality of life in our county and the smooth passage of all our residents in their daily lives. These are mostly “invisible” services in that their actual provision by the County Council is often invisible to the residents that use them day to day but they are critical and fundamental services to all of us. They become instantly visible and a very high priority if things are not working smoothly. The focus of these two divisions – Highways and Waste will be to ensure just that and that we take forward the very exciting waste agenda that we have embarked upon with our District and Borough colleagues.
64. The Directorate also houses the development control and environment activity of the Council, our keen focus on the rural parts of our county and of course our coastline. The quality of the environment of Kent is very precious to this Council and the very many people visiting and living in the county and this will be a key role for this Directorate to be able to continue to develop partnerships and invest in these services at a time of real financial pressure for the authority.
65. The Directorate will also newly house the re-purposed commercial services operation we have but it will be housed with other services where we believe there could be a significant advantage if those services could be developed in a different way.
66. This should not be presumed to be on the same business model as our current very successful commercial services division that has operated to

date. The Coalition Government is encouraging the public sector to develop a wide range of new and alternative vehicles for public service delivery – social enterprises, employee buy outs, mutuals, joint ventures etc, which will all contribute strongly to local economic growth and enterprise. This division will help the Council to explore these models. As the Prime Minister said on 6th October

“The countries that succeed will be those that find new ways of doing things, new ways of harnessing the common good, better alternatives to the old-fashioned state. I am saying to the people who work in our public services - set up as a co-operative, be your own boss, do things your way. I am saying to business, faith groups, charities, social enterprises – come in and provide a great service.”

67. This division will also house the project resources for the major regeneration activity that may continue to be invested in by us and our partners. As explained above it will also provide the engine room for any implementation of combined expenditure if we are successful in our Place Based Budgeting proposal on regeneration monies spent in Kent. We will learn more about that after the 20th October and the spending review announcement.

Customer and Communities Directorate

68. The purpose of this Directorate can be summed up very simply as owning the “front line” for the whole Council. It could be thought of as a “Directorate of the front line” – and by that we mean both the physical buildings, the call centre and web access. The Council has made a significant investment over recent years in the Gateways – jointly run with our partners. This has been nationally recognised as excellent practice. This Directorate will have a clear focus on developing the Gateway model across all our public access buildings and re-engineering services to take full advantage of delivering an integrated front line to the public and delivering savings from that.

69. The Directorate will also be home to a range of services that share a similar characteristic in that the public choose to use them – i.e. “they come to us”. In addition to the Gateways, there are the registrar service, libraries and our parks. It will also house key strategic services for the Council from community safety and public protection to adult learning, skills and youth services. These services have a particular significance in relation to the Kent economy.

70. This will require a significant change programme to re-engineer services so that the reality of the frontline service can really fulfil the vision of the Gateway model. There are also a number of new approaches to service delivery that will need development. The draft medium term plan “Bold Steps for Kent” contains a proposal to create locality delivery boards. The intention is to pilot a number of these next April. A resource will need to be created to develop these pilots. We have also made two further place based budgeting bids one building on the leading edge work on the Margate Task Force and another building on earlier work around offender management that paved the way for many of the Total Place pilots that then took place nationally. If these bids are successful then the activity will be driven from here. This division is also home to KCC’s commitment to create the Big Society. “Bold Steps for Kent” raises a number of ideas such as a Big Society Bank, working more closely with volunteers etc, and all this work will be developed from here.

71. The Directorate will also be home to the new integrated division of Communications, Consultation and Community Engagement. This is a key design principle that has been warmly welcomed. Concerns have been raised about needing to ensure flexibility in communicating to different groups and this is acknowledged in the design principle itself. This division will also co-ordinate all external consultation activity and will also connect the engagement activity that takes place with all areas of Kent but at present is not internally as connected as it could be. We are losing the opportunity to add a whole Council value to this engagement. Further work will be needed to establish what connections with the teams currently involved in community engagement should look like and how embedded in Directorates or drawn together in this division the service should be.

Business Strategy & Support Directorate

72. The provision of a sound, efficient corporate support and strategy function is an essential component in enabling the effective operation of KCC as a public service provider delivering a range of services to the community. Therefore whilst the role of this area of business is self-evident – *how* it is set up and the business model it follows invariably depends on the wider political, financial and policy pressures the organisation must respond to.

73. In responding to the increasingly clear direction set by the Coalition Government for the future of public services it is clear that a number of key principles are critical success factors

- Efficiency
- Effectiveness
- Customer Experience
- Intelligent commissioning
- Engagement

74. Priorities will now have to be set across and between different services – rather than simply within them - in order to deliver the size of the financial savings required by the Treasury. The challenge will not be to become more efficient at doing what is currently being done, but to focus resources on doing the right things. This will require the political and managerial leadership of the authority to continually evaluate what services to provide, how they should be delivered,

75. The role of BSS therefore must be to structure itself and its business model around meeting the changed needs of the organisation – it must therefore:

- Continue to provide transactional support services, but seek to provide these at ever-lower cost to the organisation.
- Support the political and managerial leadership in its strategic decision making role in regard to the prioritisation and value of services.

76. These core activities are the driving force behind structural changes that provide support for:

- A clear separation of the activities that are about ‘deciding’ what should be provided from those responsible for providing services
- An overall reduction in layers of management
- Professional and technical support services and resources to be delivered from a single point and not replicated in individual services

- Priorities to be set in relation to the identified needs based on independent, sound, accurate, reliable data.
77. Therefore central to ensuring KCC is fit for the future is the need for a strong corporate function to offer clear intelligence and effective controls for the organisation in support of its strategic decision-making role, whilst professional, technical and other support services are grouped together to provide consistency, economies of scale and remove unnecessary duplication.
78. Within this Directorate is a new business strategy division. The division would undertake high-quality policy analysis, to provide in-depth professional advice in support of Cabinet and CMT in their strategic decision-making role. The division would act as an integral driving force behind the decisions of Cabinet/CMT, with the functions to ensure they have the capacity to provide the full range of analysis and advice required.
79. This will be a mix of generalist and service specialists networked into the service delivery, partnerships and national and local government policy framework that are able to provide sound evidence based advice and judgement on service policy questions and opportunities in support of Cabinet and CMT. This policy function handles both strategic and specialist policy activities to support the business of the Council, including strategic and spatial planning, regeneration, social and education policy. In addition this function would allow Directorates to access high quality, professional policy advice and support, from specialists with service specific-knowledge. It would also provide the capacity for specific one-off pieces of work on behalf of Cabinet/CMT, as and when the need arises.
80. Partnerships work would be directed by, and inform, organisational strategy in a way that is targeted towards specific objectives. Delivering through and with partners will be a core requirement over the medium to long term and the management and support of partnership arrangements to drive this agenda forward needs to be mainstreamed into the strategic decision making process of the authority.
81. The Business Intelligence Unit would focus on providing the information and research capability that drives meaningful and effective prioritisation and decision making. The logic behind this is both the fundamental role they play in effective, evidence-based strategy & prioritisation, and the critical mass of core skills sets required for these functions.
- Horizon scanning
 - Knowledge management
 - Needs/ demands analysis function
82. Monitoring and management of KCC's progress against strategic objectives as set by Cabinet/CMT. Working closely with the business review and audit functions, Performance Management will provide the strategic decision-makers of the organisation and external regulators with robust, timely information about how well services are performing, identified reasons for performance variance and options and solutions open to resolve against poor performance. The information gathered by the function will also feed into the analysis and prioritise phases of strategic decision-making, by allowing Cabinet/CMT to gain a holistic understanding of what is working well and what isn't.

83. The corporate and business support to all the Directorates of the authority will be conducted through this Directorate. This includes the key support functions that underpin the business of the whole authority (Finance, Information Technology, Law, HR and Property) as well as governance and democratic support. The overriding objective should be for all our support functions to be provided at the lowest possible cost whilst meeting appropriate business need. Economies of scale require and a 'one Council' approach necessitates the continued provision of support services in Directorates no longer can be afforded. Effective market understanding and sound commissioning / procurement skills should ensure an ability of corporate support services to cater for even the most service specific of Directorate requirements.
84. In order to make the model work all corporate support functions should be grouped together. However, a strategic interface does not necessarily mean that support functions would be delivered to a one-size-fits-all business model. Different support services to different services must recognise their different market conditions and complexities which mean there may be different business solutions as to the most cost effective way to provide these services to the organisation. For any support service there are a number of business models that will be explored by service managers to ensure provision in the most effective way. These will be explored throughout this consultation period.
85. As mentioned earlier in the report there are two Corporate Directors also housed within this Directorate. They are first tier officers who are Members of the Corporate Management Team providing strategic advice and guidance to the operation of the whole authority. They also deliver significant operational activity that supports the smooth running of the whole Council. Therefore on the basis of the design principle they need to be based here. The two statutory posts that reside in this Directorate (Monitoring Officer and Chief Financial Officer) have at all times a clear and direct relationship with the Managing Director even though there is no direct reporting relationship.
86. The post of Director of Governance and Assurance has been created so to reflect the increased need of the authority to build upon its current governance environment and to ensure in the light of the very significant changes both policy wise and financially that we are facing, the Council is spending its money wisely and taking its decision well. It is also intended over time to explore how we could develop our currently very successful legal services into a company
87. Property continues as a division in this structure but will change to become the corporate landlord and home of all the Council's capital development activity.
88. The HR Division will also draw together all the learning and development activity currently undertaken within Directorates to achieve greater economies of scale and coherence within the development programmes of the Council's staff. Some of this training is also directed at the Council's partners and wider related workforces. This will of course be maintained through this new function.

Conclusion

89. Cabinet have before them a draft proposed structure for consultation and new ways of working within the Council. There are also actions contained within the previous report that will enable us to ensure that we can shape the whole of the Council's operating environment and not just the "reporting lines".
90. There have been three weeks of consultation with staff and eight meetings with 219 managers to assess whether in the face of all that we see in the future – policy changes both here and nationally and financial changes to name a few – we are still fit for purpose in our current arrangements.
91. The Managing Directors and Executive Directors and Director of Finance and HR have had a number of 1:1 meetings with the Group Managing Director about these ideas and have had two meetings as sub groups of CMT (due to annual leave) on 1st September and the 8th September and one CMT discussion on the final draft this week – 5th October. It is a very difficult balancing act being both consultee and affected by a developing process and being able to fully discuss matters in a personally disinterested way. I do acknowledge that some members of CMT would have liked more involvement. However I believe the way it has been structured has enabled them to properly influence my advice to Cabinet.
92. A wide range of views have been received, and overall although Members can clearly judge for themselves from the feedback that they have it is my view there is a broad level of support for change and a recognition that we cannot stay the same.
93. Many of them say – "let's see what we could change into" and these draft structure proposals offer that alternative view. This is a genuine consultation and many of the early ideas on what the structure could look like have been altered by the feedback received so far.
94. A risk register is attached as Appendix 3 for Cabinet's assessment in their consideration of their decision to proceed with this consultation. It is important that this is fully considered in the decision process.
95. There are two particular types of risk that Cabinet must consider. There are the type 1 risks that are very clearly laid out in the register and the mitigating actions that are in place or are proposed. There are also the type two risks that if we do not take this decision now – what are the consequences of not acting in the light of all the challenges we face. If this is as successful as it is believed and will position the Council to be able to deal with its challenges in a stronger and more effective way than if we stay as we are – what additional benefits and opportunities do we risk for the people of Kent and our staff.
96. A community impact assessment is also contained as Appendix 4 assessing the implications and impact of this decision to formally consult on a new structure.
97. In the previous report to Cabinet already circulated paragraph 7. ii) indicates that this restructure must of course contribute to the savings that the council needs to make in response to the CSR shortly to be announced. It is also recognised good practice for any organisation to be constantly assessing

whether its managerial overheads are at the right price and are organised in the most cost effective way for the current and developing circumstances for that organisation. At this stage it is not possible to accurately quantify a amount- although human resources estimate a potential saving of at least £500,000 from these proposals.

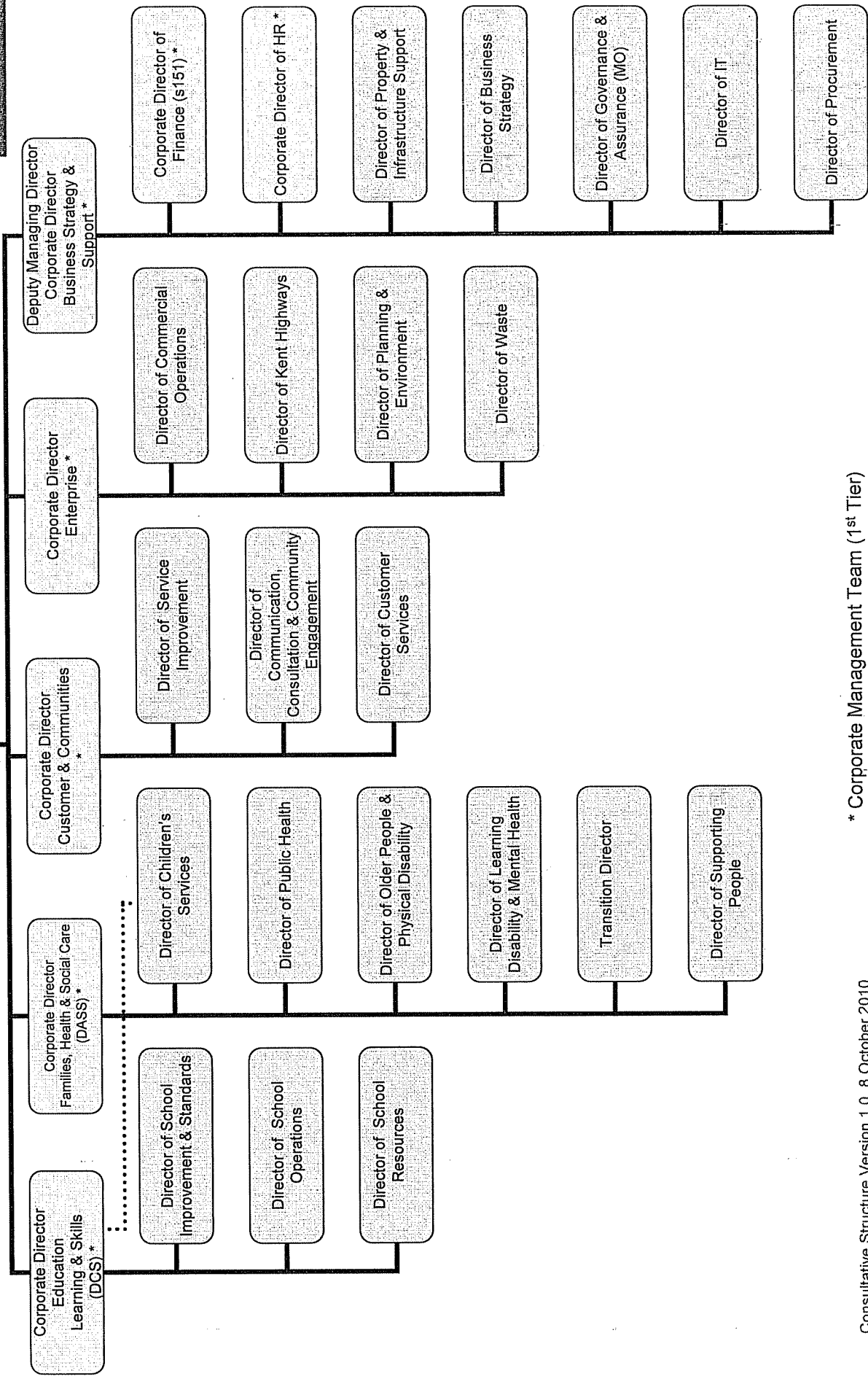
98. Whilst that is undeniably useful, what is much more important is whether or not the council's structure and its managerial resources are organised in the best way possible to deliver the quantum of savings that we know we must.

The real value in this redesign is that it provides the platform as we work through the changes for major savings to be delivered.

99. I commend these draft structure proposals to Cabinet to endorse for formal consultation until the 3rd December 2010. The outcome of that consultation process will then be brought before Full Council for its decision on the 16th December 2010.



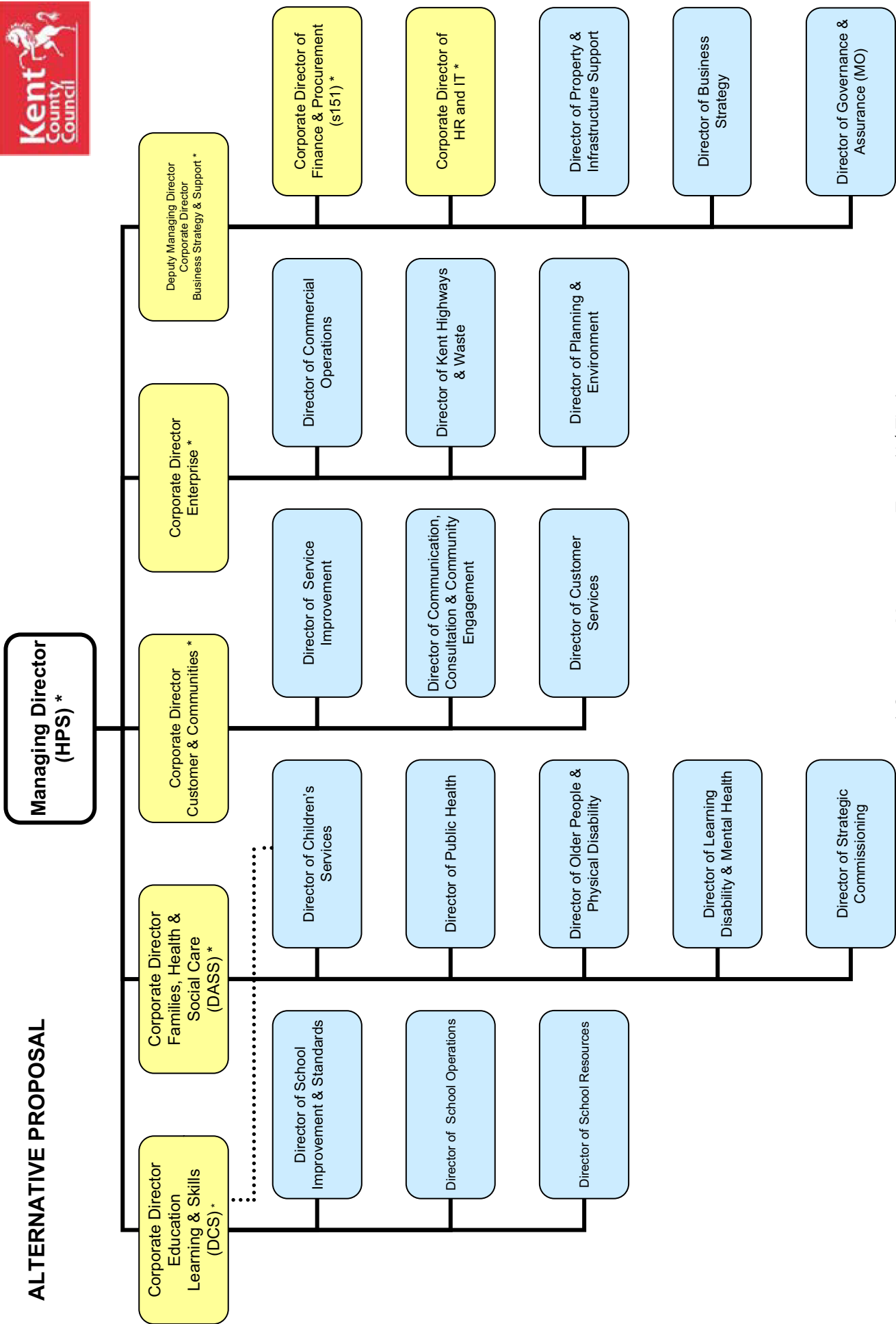
Managing Director (HPS) *



* Corporate Management Team (1st Tier)



ALTERNATIVE PROPOSAL



* Corporate Management Team (1st Tier)

CORPORATE DIRECTOR
Education, Learning & Skills
(DCS)

Director of School Improvement & Standards	Director of School Operations	Director of School Resources	Dotted line relationship to Director of Children's Services
<p>Early years and Childcare Standards and School Improvement</p> <ul style="list-style-type: none"> * Primary School Improvement * Secondary school improvement * Special school improvement <p>Standards and School Improvement 14-19 Entitlement Careers guidance Connexions</p>	<p>Association of Schools Governor Services Information and support for parents Financial Awards Admissions & Transport commissioning Attendance and Behaviour Assessment of Learners with Additional Needs Planning & Provision Children and YP disability (including SEN, health assessment and transition planning) Educational Psychology Specialist services</p>	<p>Education finance, Schools personnel service Development of a schools company/vehicle to include: Property Personnel Traded services Continuous professional development School improvement service</p>	<p>This means that connections are maintained to the team around the child and the team around the school Links with the 12 district teams, locality boards and the Children's Trust</p>

Please note: The headings listed below the 1st and 2nd tier Director posts are intended to be indicative of the functions contained within that division and directorate.

CORPORATE DIRECTOR
Education, Learning & Skills
(DCS)

Director of School Improvement & Standards	Director of School Operations	Director of School Resources	Dotted line relationship to Director of Children's Services
<p>Early years and Childcare</p> <p>Standards and School Improvement</p> <ul style="list-style-type: none"> ▪ Primary School Improvement ▪ Secondary school improvement ▪ Special school improvement <p>14-19 Entitlement</p> <p>Careers guidance</p> <p>Connexions</p>	<p>Association of Schools</p> <p>Governor Services</p> <p>Information and support for parents</p> <p>Financial Awards</p> <p>Admissions & Transport</p> <p>Commissioning</p> <p>Attendance and Behaviour</p> <p>Assessment of Learners with Additional Needs</p> <p>Planning & Provision</p> <p>Children and YP disability (including SEN, health assessment and transition planning)</p> <p>Specialist services</p> <p>Educational Psychology</p>	<p>Education finance, Schools personnel service</p> <p>Development of a schools company/vehicle to include:</p> <ul style="list-style-type: none"> ▪ Property ▪ Personnel ▪ Traded services ▪ Continuous professional development ▪ School improvement service 	<p>This means that connections are maintained to the team around the child and the team around the school</p> <p>Links with the 12 district teams, locality boards and the Children's Trust</p>

Please note: The headings listed below the 1st and 2nd tier Director posts are intended to be indicative of the functions contained within that division and directorate.

CORPORATE DIRECTOR
Families, Health & Social Care
(DASS)

Director of Supporting People	Director of Children's Services (dotted line to DCS)	Director of Older People & Physical Disability	Director of Learning Disability & Mental Health	Transition Director	Director of Public Health
<p>Youth Offending service (dotted line to youth service & link to attendance & behaviour service) Child Health Commissioning of Specialist care Quality assurance of health and social care Safeguarding Adults and Children Supporting People KDAAT</p>	<p>Children's Services West Kent (Initial duty and assessment, child protection and long term care, prevention including children's centres) Children's Services East Kent (ditto) Children's Services Mid Kent (ditto) Corporate Parenting (includes, including adoption and fostering, Unaccompanied Asylum Seeking Children and care leavers) Links with the 12 district teams, locality boards and the Children's Trust (joint commissioning with partners to support vulnerable young people)</p>	<p>HoS Ashford /Shepway HoS Dover /Thanet HoS Canterbury /Swale HoS Maidstone / Malling HoS South West Kent HoS Dartford, Gravesham & Swanley Head of Strategic Commissioning OP / PD Contracts & Procurement Planning & Market Shaping</p>	<p>HoS LD – WK HoS LD – EK Head of Strategic Commissioning LD&MH Contracts & Procurement Planning & Market Shaping MH Partnership arrangement with KPMT VPN Manager</p>	<p>Community Health Trust development team (commissioning & back office) Development team to create social enterprises Relationship to Director of Service Improvement</p>	<p>Public Health Intelligence Commissioning of provision Health promotion Case management of Healthwatch</p>

Please note: The headings listed below the 1st and 2nd tier Director posts are intended to be indicative of the functions contained within that division and directorate.

CORPORATE DIRECTOR
Families, Health & Social Care
(DASS)

Director of Strategic Commissioning	Director of Children's Services (dotted line to DCS)	Director of Older People & Physical Disability	Director of Learning Disability & Mental Health	Director of Public Health
<p>Children's Health Commissioning</p> <p>Children's social care Commissioning</p> <p>Supporting People</p> <p>Strategic Commissioning OP / PD & LD & MH</p> <p>Contracts & Procurement</p> <p>Planning & Market Shaping</p> <p>Quality assurance of health and social care</p> <p>Safeguarding Adults and Children</p>	<p>Children's Services West Kent (Initial duty and assessment, child protection and long term care, prevention including children's centres)</p> <p>Children's Services East Kent (ditto)</p> <p>Children's Services Mid Kent (ditto)</p> <p>Corporate Parenting (includes, including adoption and fostering, Unaccompanied Asylum Seeking Children and care leavers)</p> <p>Links with the 12 district teams, locality boards and the Children's Trust (joint commissioning with partners to support vulnerable young people)</p>	<p>HoS Ashford /Shepway</p> <p>HoS Dover /Thanet</p> <p>HoS Canterbury /Swale</p> <p>HoS Maidstone / Malling</p> <p>HoS South West Kent</p> <p>HoS Dartford, Gravesham & Swanley</p>	<p>HoS LD – WK</p> <p>HoS LD – EK</p> <p>VPN Manager</p> <p>Transition support to Directorate to create for e.g. Community Health Trust</p> <p>Development team (commissioning & back office)</p> <p>Development team to create social enterprises</p> <p>Relationship to Director of Service Improvement</p>	<p>Public Health Intelligence</p> <p>Commissioning of provision</p> <p>Health promotion</p> <p>Case management of Health watch</p>

Please note: The headings listed below the 1st and 2nd tier Director posts are intended to be indicative of the functions contained within that division and directorate.

CORPORATE DIRECTOR
Customer and Communities

Director of Service Improvement Need close links to Director of Business support	Director of Customer Services	Director of Communication, Consultation and Community Engagement
<p>Re-engineering resource Change resource Developing Models for externalising service delivery, e.g outsourcing/mutuals/social enterprises Locality Delivery Team Place based budgeting delivery of offender management proposals Margate Task force Place based budgeting delivery of Margate task force proposals Supporting independence Welfare reform Kent supported employment Building social capital (SILK) Big Society Volunteering</p>	<p>Gateway Delivery Contact Centre Business web development Health watch Libraries & Archives Registrars Arts & Kent Film Office Sport, Leisure & Olympics Extended Schools Youth Service Community learning & Skills Adult Learning Adult Apprenticeships Countryside Access - PROW Country Parks & Kent Downs AONB Emergency Planning Community Safety Trading Standards</p>	<p>Engagement / public involvement Community Liaison Business partners- Directorate communications Internal Communication Employee Engagement Media and Operations Events Digital & Moving Images</p>

Please note: The headings listed below the 1st and 2nd tier Director posts are intended to be indicative of the functions contained within that division and directorate.

CORPORATE DIRECTOR Customer and Communities		
Director of Service Improvement Need close links to Director of Business support	Director of Customer Services	Director of Communication, Consultation and Community Engagement
Re-engineering resource Change resource Developing new models for externalising service delivery, e.g. outsourcing/ mutuals / social enterprises Locality Delivery Team Place based budgeting delivery of offender management proposals Margate Task force Place based budgeting delivery of Margate task force proposals Supporting independence Welfare reform Kent supported employment Building social capital (SILK) Big Society Volunteering	Gateway Delivery Contact Centre Business web development Health watch Libraries & Archives Registrars Arts & Kent Film Office Sport, Leisure & Olympics Countryside Access – PROW Country Parks & Kent Downs AONB Extended Schools Youth Service Community learning & Skills Adult Learning Adult Apprenticeships Community Safety Trading Standards Youth Offending service KDAAT	Engagement / public involvement Community Liaison Business partners- Directorate communications Internal Communication Employee Engagement Media and Operations Digital & Moving Images Events

Please note: The headings listed below the 1st and 2nd tier Director posts are intended to be indicative of the functions contained within that division and directorate.

CORPORATE DIRECTOR
Enterprise

Director of Waste Management	Director of Kent Highways	Director of Commercial Operations	Director of Planning & Environment
Waste Management	Community Operations Network Management Transport & Development Technical Services Countrywide Improvements	Kent Scientific Services Visit Kent Locate in Kent Produced in Kent Tourism Project management capacity Commercial Services Delivery of regeneration projects and any place based budgeting proposals on regeneration	Development Planning (MWF & LDF's) Planning Applications Environmental Programmes & Partnerships (rural agenda & climate change) Natural Environment & Coast Gypsy & Traveller Unit Heritage Conservation

Please note: The headings listed below the 1st and 2nd tier Director posts are intended to be indicative of the functions contained within that division and directorate.

**CORPORATE DIRECTOR
Enterprise**

Director of Kent Highways and Waste	Director of Commercial Operations	Director of Planning & Environment
<p>Community Operations</p> <p>Network Management</p> <p>Transport & Development</p> <p>Technical Services</p> <p>Countywide Improvements</p> <p>Waste Management</p>	<p>Commercial Services</p> <p>Kent Scientific Services</p> <p>Visit Kent</p> <p>Locate in Kent</p> <p>Produced in Kent</p> <p>Tourism</p> <p>Project management capacity</p> <p>Delivery of regeneration projects and any place based budgeting proposals on regeneration</p>	<p>Development Planning (MWF & LDF's)</p> <p>Planning Applications</p> <p>Environmental Programmes & Partnerships (rural agenda & climate change)</p> <p>Natural Environment & Coast</p> <p>Gypsy & Traveller Unit</p> <p>Heritage Conservation</p> <p>Emergency Planning</p>

Please note: The headings listed below the 1st and 2nd tier Director posts are intended to be indicative of the functions contained within that division and directorate.

CORPORATE DIRECTOR
Business Strategy & Support
And Deputy Managing Director

Corporate Director of Finance (Chief Financial Officer - S151)	Director of Business Strategy	Director of Governance and Assurance (Monitoring Officer)	Director of Property and Infrastructure Support	Corporate Director of HR	Director of IT	Director of Procurement
Audit & Risk N.B. direct access to Mo & Hops whenever required. Financial Services Business partners - Directorate Finance Financial Management Strategic Finance	Corporate policy Europe / International Public affairs Public health Economic development Regeneration strategy Strategic planning – spatial & transport. Strategic assets Social policy Education strategy Customer strategy Engagement strategy Performance Management & Monitoring Business Intelligence & service review Partnership support External Funding Cabinet Office	Information resilience and transparency Corporate data protection Democratic Services Legal Services (transition to external arms length trading organisation) Elections Coroners	Capital & infrastructure support Strategic Asset & Enterprise Fund Delivery of Total Place activity BSF, PFI & Academies Directorate PFI & development (KASS) Business partners Directorate – Property Office Transformation Estates management & property operations	HR Business operations (includes graduate scheme) HR Employment Strategy Organisation development (including embedded – learning and workforce development) Business partners Directorate – HR Business support – case work Directorate HR Health and Safety	ICT commissioning ICT operations Kent Connects Business partners - Directorate IT	Procurement team

Please note: The headings listed below the 1st and 2nd tier Director posts are intended to be indicative of the functions contained within that division and directorate.

CORPORATE DIRECTOR
Business Strategy & Support
And Deputy Managing Director

Corporate Director of Finance & Procurement (Chief Financial Officer - S151)	Director of Business Strategy	Director of Governance and Assurance (Monitoring Officer)	Director of Property and Infrastructure Support	Corporate Director of Human Resources & Information Technology
<p>Audit & Risk</p> <p>Financial Services</p> <p>Financial Management</p> <p>Business partners - Directorate Finance</p> <p>Procurement team</p>	<p>Corporate policy</p> <p>Europe / International</p> <p>Public affairs</p> <p>Public health</p> <p>Economic development</p> <p>Regeneration strategy</p> <p>Strategic planning – spatial & transport.</p> <p>Strategic assets strategy</p> <p>Social policy</p> <p>Education strategy</p> <p>Customer strategy</p> <p>Engagement strategy</p> <p>Performance Management & Monitoring</p> <p>Business Intelligence & service review</p> <p>Partnership support</p> <p>External Funding</p> <p>Cabinet Office</p>	<p>Information resilience and transparency</p> <p>Corporate data protection</p> <p>Democratic Services</p> <p>Legal Services (transition to external arms length trading organisation)</p> <p>Elections</p> <p>Coroners</p>	<p>Capital & infrastructure support</p> <p>Strategic Asset & Enterprise Fund</p> <p>Delivery of Total Place activity</p> <p>BSF, PFJ & Academies</p> <p>Directorate PFI & development (KASS)</p> <p>Business partners Directorate – Property</p> <p>Office Transformation</p> <p>Estates management & property operations</p>	<p>HR Business operations (includes graduate scheme)</p> <p>HR Employment Strategy</p> <p>Organisation development (including embedded – learning and workforce development)</p> <p>Business partners Directorate – HR</p> <p>Business support – case work Directorate HR</p> <p>Health and Safety</p> <p>ICT commissioning</p> <p>ICT operations</p> <p>Kent Connects</p> <p>Business partners - Directorate IT</p>

Please note: The headings listed below the 1st and 2nd tier Director posts are intended to be indicative of the functions contained within that division and directorate.

Appendix 2

The First Bold Step

Report on the informal consultation process

Informal Consultation process

1. The leaflet 'The first bold step – proposals for consultation with staff on a new KCC' was published on KNet on Wednesday 9 September following agreement by private cabinet and the Conservative Group to this. Hard copies were sent to home addresses for all staff without access to KNet.
2. This was an informal consultation, not done to meet an obligation under employment law, and with no mandated timescale. Three weeks were allowed to the submission of responses from staff.
3. All staff were invited to respond with their views. Responses could be made electronically or in hard copy. Consultation closed on Friday 1 October at which point:
 - 4,000 copies had been distributed
 - 7878 copies were accessed or downloaded from KNet
 - 319 responses had been received: 41 in hard copy and 278 online
 - 170 staff members have requested to be involved in further activity to transform KCC.
4. Responses could be made anonymously and with the implication that staff could speak openly, freely and without recrimination. All responses have been read by Katherine Kerswell who has responded personally to every respondent who opted to include their e-mail address.
5. Comments were predominantly positive and supportive, though some questioned the value of consultation. Most welcomed the proposals for change and overwhelmingly recognised the need for change now. Many advocated a reduction in the cost and number of senior managers, or were fearful that the cost savings would fall disproportionately on front-line staff and service delivery. A large number of comments were specific to their service and directorate, often focussing on improvements to process and cost savings.
6. Comments were wide ranging. A summary of the responses is provided below from paragraph 10 onwards.

7. In addition to seeking responses by email and hard copy, feedback was sought from senior staff through meetings with Katherine Kerswell. In all, 242 senior staff were invited to, and 219 attended, 1 of 8 meetings between 9 September and 30 September at which Katherine presented and sought feedback on whether we should change the organisational framework in order to be able to respond to the very different policy and financial context facing us and our own plans under Bold Steps for Kent. Meetings were all held at Sessions House and each meeting included a question and answer session. There was a balanced mixture of all directorates at every meeting.
8. As part of each 90 minute meeting, feedback was sought from staff on:
 - 8.1. likes and dislikes – “how I feel about KCC”.
 - 8.2. their view of current KCC values in practice
 - 8.3. ‘horizon scanning’ - what risks did they see that would need to be recognised and managed as we transform the organisation.
9. Feedback was by individual rather than by groups, unprompted in that individuals could comment on any aspect of KCC, not prioritised or ranked or given a position in a range, and not moderated or challenged. The feedback provides a simple unedited snapshot of managers’ opinions of KCC and by implication of themselves. A summary of the feedback is below. It was very evident after the first two meetings that feedback from managers in each meeting was broadly the same in what it praised KCC for and what it criticised KCC for.

Summary of the responses from the Informal Consultation

10. The responses received to “The First Bold Step”, whether at meetings with managers or as written responses, are summarised below. Appropriate direct quotes are included in italics.
11. The following general themes were evident:
 - 11.1. There is appetite for change: we are realistic about the financial situation, and we accept the need to change and do it now. No one denied the financial situation or proposed delaying change.
 - 11.2. The engagement of staff in the process of change is seen as wholly positive and we want more not less communication. A very few individuals thought information was being withheld and that there were *fake consultations when decisions are pre-made*.
 - 11.3. KCC is seen as a good employer. There were a small number of negative comments, but the majority view was that we: *value staff; value staff contribution; train staff; are a fair employer; a good employer; and have good pay and pensions, we are inclusive*.

11.4. We like our colleagues. We are *fair, kind, polite, fun, have respect for each other and are caring. We are principled, honest, show courage, are dedicated, committed and hard-working and we are a loyal workforce.*

11.5. We are critical of our management style.

12. **Our strategy** was accepted. Staff showed their approval of the strategy through their endorsement of *support for vulnerable people, support for the local economy and a desire, if not always followed through, to put the customer first.* There were the following challenges to the strategy:

- in addition to tackling disadvantage we should continue to provide high quality services for the rest of the population
- we should not lose sight of children and young people's services as a priority
- our commitment to grow the economy should not be at the expense of the environment.

13. **Our structure** was accepted.

13.1. No one disagreed with a flat structure and no alternative types of structure were proposed. There were only three comments on structure and they proposed:

- three directorates: one for each of the three ambitions of our strategy
- KASS and Children's Services to combine
- the federated system be retained.

13.2. There was a very strong dislike of silos. Among managers 15.2% (i.e. 33) explicitly cited silos as something they disliked about the way KCC worked: *it is sometime easier to work with partners than with other parts of KCC, silo mentality between directorates, silos within directorates; deliberately duplicate to self-protect, protect budgets rather than deal with problems.* There were 2 comments that thought we worked well across directorates. In comparison there were over 50 comments to the contrary on silos, duplication and failure to share information

14. **Our systems**

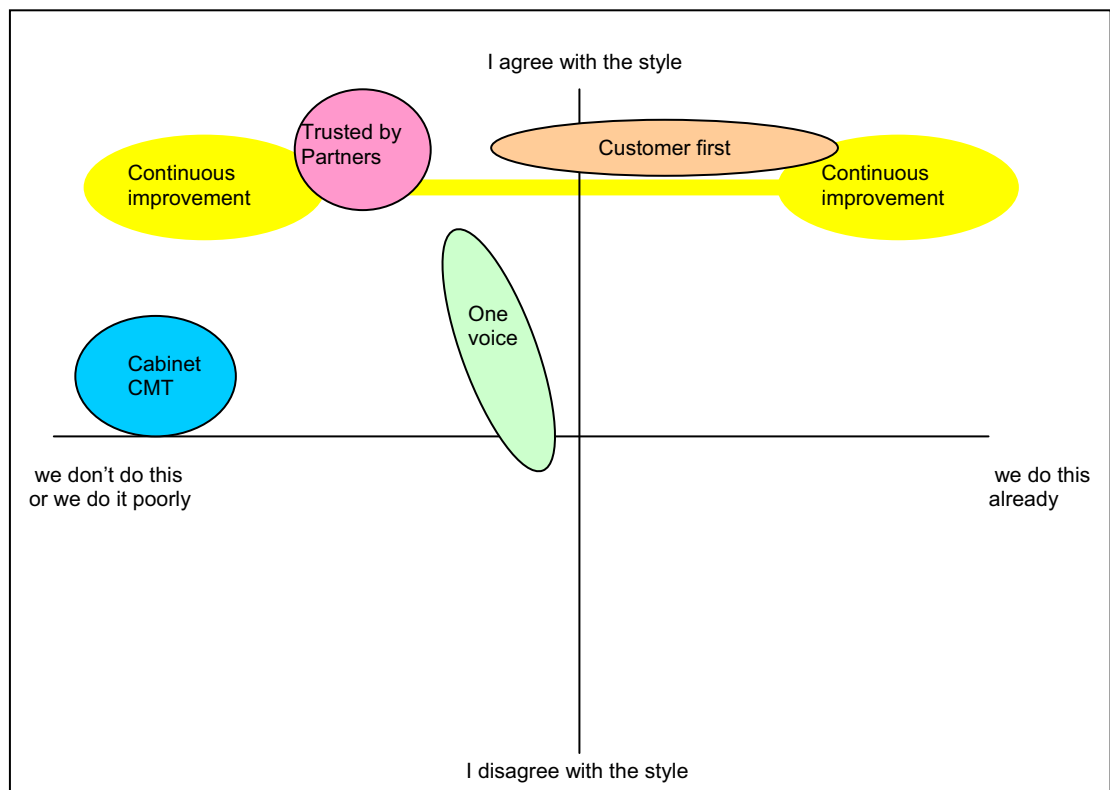
14.1. While some thought we manage well, others were critical of the way we manage and are managed – and that criticism came from managers. *We micromanage, we overmanage; we have top heavy oppressive management; we are obsessed with protocols and process and tick boxes. We talk big about empowering*

managers but it does not happen; we have a treacle layer which can be insular and resistant. There is favouritism, ego and he/she who shouts loudest gets heard. We are not decisive.

14.2. Gateways were welcomed. There were reservations about their implementation and whether staff will be adequately trained to deal with service issues.

15. **Our shared values.** No one thought we had a set of shared values, although some were confident they had a set of shared values within their directorate. No proposals were made for shared values.

16. **Our style** drew the largest response. There was broad agreement with the styles, but considerable disagreement over the extent to which we currently exhibit those styles. Below is a diagrammatic representation of where the responses fell:



16.1. We put the customer first

- Staff accepted this without exception as a style we should have for external customers, and showed a massive commitment to public service. But staff were largely silent on how we should treat internal customers.
- Many thought that we already put the customer first, but a substantial number thought we *spoke of putting the customer first but in practice did otherwise*. Specific comments were:

we are controlling; we pretend to consult; we don't really want to know what the public thinks.

16.2. We communicate as one voice as one unified organisation

- Staff largely accepted this as a goal. They want us to speak out for Kent as a whole and communicate clearly and more often. Some comments show discomfort over 'one voice' as it *stifles debate* and is *Orwellian*. *One respondent thought we should retain separate cultures and styles.*
- We are not a unified organisation as evidenced by the comments objecting to silos and duplication throughout the organisation. Autonomy and the flexibility to make local decisions found favour with a few respondents.

16.3. Cabinet and CMT work as a joint team with clear roles

- A small number thought the *administration is clear about what it wants* and *liked the experienced leadership at MD level.*
- But the substantial majority of comments were negative. *No joint working with the senior leadership team; CMT in-fighting and 'them and us' between the centre and the directorates; too many plans and directives with mixed messages; business planning is meaningless and non-responsive; and we challenge Government on regulation but we still over-regulate and monitor internally.* It must be noted that all of these quotes came from managers.

16.4. Everyone is hungry for continuous improvement

- Staff accepted this style without exception, but have polarised views on our current performance
- Many staff said we already practiced this style: *we are innovative, creative, willing to change, forward thinking and willing to take risks and try new things.*
- A greater number disagreed. Many thought we failed to innovate, others said we are *big on rhetoric of creative and challenging thinking but the reality is we are risk averse; we are resistant to change; it has to be like that because that's how we have done is for years; governance restricts innovation; we don't deliver but strategise well; we fail to act on what we hear, we know best and fail to learn from the past; and we are sometimes dazzled by our own brilliance.*

16.5. **Our relationship with partners should be based on trust**

- Staff accepted this style without exception, but we do not practice it. A few thought *we work well with partners* but most spoke of a poor relationship: *we preach at prospective partners; we are autocratic with partners, we are dismissive of partners and districts, we think we know best and we are arrogant.*

17. **Our skills.** The general view was that we value staff training and staff appreciate that, but otherwise this style generated little comment.

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(template source: Risk and Audit)

completed by: Jeff Hawkins, Transformation Programme Manager
completed 7 October 2010

Change To Keep Succeeding

Objective: to deliver a new organisational framework

Risk No	Challenges	Assessment of Inherent Risk (with no controls in place)		Risk Rating	Risk Control Measure	Assessment of Mitigated Risk (with controls in place)		Risk Rating
		Impact	Likelihood			Impact	Likelihood	
RA 1	the change to the framework is happening at the same time as other demands on KCC: external policy changes and financial changes; planning and delivering the new medium term plan. That places great demands on KCC management resources.	5	4	20	This change in framework is being led by the Group Managing Director and supported by a programme manager reporting directly to her. CMT is the Programme Board, and the programme has weekly visibility at CMT. (It is the role of GMD and CMT to lead the organisation through major change and manage the inherent risks, and it essential that CMT and their direct reports are committed to the change). A project plan and timeline are in place, a project team established, risks are identified and mitigation steps already taken. Transition planning is taking place and a detailed transition plan is being developed. CMT will discuss and examine the different proposals and create models for new ways of working.	3	3	9

Type 2: the consequence of NOT implementing the new framework at this time:

1. It is imperative that the process of delivering a new operational framework dovetails and aligns absolutely with the preparation of the Council's medium term plan and delivery to that plan over the next four year.
2. The success of each of these relies upon the success of the others.
3. If we do not make these savings we may have to resort to managed-decline and be unable to deliver the quality of services that Kent is renowned for.

(template source: Risk and Audit)

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Change To Keep Succeeding

Objective: to deliver a new organisational framework

Risk No	Challenges	Assessment of Inherent Risk (with no controls in place)		Risk Rating	Risk Control Measure		Assessment of Mitigated Risk (with controls in place)		Risk Rating
		Impact	Likelihood		Impact	Likelihood			
RA 2	Cabinet or Council delay a decision on the new operational framework proposal, or reject the proposal outright.	5	4	20	Cabinet and Members, including opposition Members are being briefed and kept abreast of development and progress. Scrutiny will also play a role in assessing the draft proposals at the outset and then during the process to ensure the proposals made are relevant and appropriate to our future success Informal consultation with managers and staff on the need for change has already taken place to gauge their views. However if a decision is delayed there is no control measure or contingency plan that would allow the new operational framework in place by 1 April 2011.	5	2	10	
<p>Type 2: the consequence of deferring a decision or rejecting the proposal:</p> <ol style="list-style-type: none"> 1. We would proceed with the savings as currently envisaged yet with uncertainty over management framework in the medium term. 2. We would also not build in at the earliest opportunity capacity to deliver the new policy framework of our new medium term plan or new national policy developments. 3. Making the savings within our current organisational framework would mean we lose the opportunity to make savings from "how" we work and more savings will need to be made from the front line - the "what" we do. 4. We would also lose the new organisational framework's role as the platform from which to deliver the £340 m savings that are required. 									

Managing Business Risks - Risk Assessment

(template source: Risk and Audit)

Change To Keep Succeeding
 Objective: to deliver a new organisational framework completed by: Jeff Hawkins, Transformation Programme Manager
 completed 7 October 2010

Risk No	Challenges	Assessment of Inherent Risk (with no controls in place)		Risk Control Measure	Assessment of Mitigated Risk (with controls in place)		
		Impact	Likelihood		Impact	Likelihood	
RA 3	<p>Senior managers do not support the new framework and actively resist the changes.</p> <p>Partners and key stakeholders - headteachers, governors etc - do not support the changes.</p>	3	3	<p>Full consultation is taking place in order to engage staff in the process of change and allow them to influence the outcome.</p> <p>Elements of the new operational framework will be designed with staff and managers to create relevant new solutions and buy-in.</p> <p>Early contact, regular communication and other meetings with partners and stakeholders to explain our ideas.</p> <p>Proposals have been made for voluntary redundancy and for filling vacant posts according to standard protocols (i.e. the Council's 'slotting in', priority candidate, and redeployment processes)</p>	2	2	4
RA 4	<p>staff morale falls and impacts on service delivery</p>	3	4	<p>Full consultation and engagement has taken place and staff have welcomed the fact that we are actively pursuing change. The risk to morale is limited to senior staff who are impacted by these proposals.</p> <p>Uncertainty damages morale; moving quickly and decisively will reduce this risk.</p> <p>Communication plans are in place and for most staff and most services any proposed changes to, and consultation with, the senior management will not impact their day-to-day delivery of service.</p> <p>It is the role of senior managers to show leadership during change.</p> <p>Type 2: the consequence of not changing the framework</p> <p>1. Failure to tackle silo-working may actually have a worse effect on morale. Staff expect change and are ready for it.</p> <p>2. Maintaining the current culture may worsen staff morale as the informal dialogue so far has indicated a positive desire among staff for change</p>	3	2	6
RA 5	<p>Staff who are not successful in being 'slotted in' or redeployed to a new post as a priority candidate may leave.</p>	3	3	<p>HR is ready to appoint replacements following the standard processes of looking first for internal candidates to 'act up' as interims.</p>	2	3	6

Managing Business Risks - Risk Assessment

Appendix 3

(template source: Risk and Audit)

completed by: Jeff Hawkins, Transformation Programme Manager
completed 7 October 2010

Change To Keep Succeeding

Objective: to deliver a new organisational framework

Risk No	Challenges	Assessment of Inherent Risk (with no controls in place)		Risk Control Measure	Assessment of Mitigated Risk (with controls in place)		
		Impact	Likelihood		Impact	Likelihood	
RA 6	consultation is legally challenged causing delay	5	2	Mitigation has already taken place: <ul style="list-style-type: none"> - we are allowing longer than statutorily necessary - we are communicating widely and frequently - we have a robust process that is legally defensible - meetings have been held, and will continue to take place, with the Trades Unions 	4	1	4
RA 7	HR division does not have the resources to manage the HR elements of the project or produce the new HR structure in time for 1 April 2011	3	3	HR have scoped the requirement and dedicated staff to this project	3	2	6
RA 8	Finance division does not have the resources to recast the 2011/2 budgets to align with the new structure, or create the new accounting structure and controls, possibly due to being occupied by other major projects (Oracle release 12 in Nov 2010 and IFRS)	5	4	Finance are currently scoping the work. Extra resources will be provided if necessary. The workload will be eased by: <ul style="list-style-type: none"> - restructuring at directorate level: individual outward-facing services will not be restructured but will either not move or move in their entirety to a new directorate structure - all moves will take place at the end of the FY - so no need for mid-FY adjustments - finance can reassess their current workload priorities in the light of Member decisions today as this proposed new structure was outside their knowledge when the business plan for the division was set in April 2010. 	4	3	12

Type 2: the consequence of NOT implementing the new framework on 1 April 2011

The work will become more complex, and maintaining proper financial controls made more difficult if the change does not align with the year end.

Managing Business Risks - Risk Assessment

Appendix 3

(template source: Risk and Audit)

completed by: Jeff Hawkins, Transformation Programme Manager
completed 7 October 2010

Change To Keep Succeeding

Objective: to deliver a new organisational framework

Risk No	Challenges	Assessment of Inherent Risk (with no controls in place)		Risk Control Measure	Assessment of Mitigated Risk (with controls in place)		
		Impact	Likelihood		Impact	Likelihood	
RA 9	The change in framework weakens financial controls	5	3	Finance are engaged on scoping the changes necessary. The work to ensure robust financial controls in the new organisational framework will be itemised in the transition plan. The change at a single date (1 April) means we avoid the intermediate states (and their associated risk of confusion over accountability) which are inevitable if the changes are done as a sequence over time. Type 2: taken at face value this risk could be used to advocate not changing the framework at any date	3	3	9
RA10	The change to a new framework causes confusion over accountabilities and responsibilities (not just financial matters, but accountabilities and responsibilities for services in general)	4	4	The changeover applies only to Tier 1 and tier 2 managers. Responsibility for services and finance will need to be clarified through the transition plan and the 'D Day' handover plan A single changeover date for all affected will be planned for to reduce the opportunity for confusion among staff in general.	2	2	4
RA 11	Actions 'in flight' and responsibilities are dropped or lost during the change to a new framework (not just financial matters, but accountabilities and responsibilities for services in general)	3	3	We will have a scrupulous transfer of all activities including (a) a default destination for activities in each existing directorate - anything that is not itemised goes to the default destination and (b) a small close down team to make sure there are no trailing edges in any directorate that closes.	3	1	3
RA 12	Changes to IT may not be made in time	5	3	IT are already working with HR and finance to identify changes to systems, and examining changes to IT support systems. The next stage is to identify whether, as a result of the new structure, staff need access to additional applications (a service moving to a new directorate may need access to some of that directorate's internal systems)	3	3	9

Managing Business Risks - Risk Assessment

Appendix 3

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completed 7 October 2010

Change To Keep Succeeding

Objective: to deliver a new organisational framework

Risk No	Challenges	Assessment of Inherent Risk (with no controls in place)		Risk Rating	Risk Control Measure	Assessment of Mitigated Risk (with controls in place)		Risk Rating
		Impact	Likelihood			Impact	Likelihood	
RA 13	Service delivery suffers as a result of changes to top-level structures, and performance drops	3	4	12	Individual services are not being restructured, but continue unchanged except that the reporting line to a director may change on 1 April This 'no change' message for services will be repeatedly communicated. Detailed planning will take place for every directorate to identify every exception to the 'no change' rule. The new directorates will be expected to nominate a transition manager to ensure that all the necessary steps are taken in advance to ensure smooth operation from 1 April. We aim to fill tier 1 posts in January 2011. Tier 1 appointees will be 'designate' until 1 April 2011 giving them time to prepare for a new role.	3	2	6
RA 14	Adverse media coverage. Staffs openness about the areas for improvement could be portrayed by the media in a manner that is damaging to KCC's reputation	4	3	12	By starting the savings on efficiency at the top tiers of management, the changes should be seen in a positive light. The positive support of staff for the changes is a factor that supports us - we need to maintain that support through engagement of staff. It is the sign of an excellent organisation that it is willing to examine how it currently operates and be frank and open about itself and look for ways to improve.	4	2	8

Managing Business Risks - Risk Assessment

(template source: Risk and Audit)

Change To Keep Succeeding
 Objective: to deliver a new organisational framework completed by: Jeff Hawkins, Transformation Programme Manager
 completed 7 October 2010

Risk No	Challenges	Assessment of Inherent Risk (with no controls in place)		Risk Control Measure		Assessment of Mitigated Risk (with controls in place)		
		Impact	Likelihood	Impact	Likelihood	Impact	Likelihood	
RA15	<p>Not able to plan for the 2011/12 budget. Within the planning for the four-year MTFP - as well as ensuring we are able to achieve overall balance and implementation of any proposals - it is clearly essential that we have proposals costed and ready to balance the 2011-12 budget. This could be disrupted by the change programme.</p> <p>Impact of these proposed changes to senior management and disturbance to existing management teams may undermine the ability of senior officers to support KCC in implementing the significant actions that are likely to be required for the MTFP and the reductions we may face of between 25% - 40% in funding</p>	5	4	20	<p>These changes to management arrangements are being widely consulted upon, have been preceded by a widely-held informal consultation, and officers are well aware that change is underway. The responses have shown a broad recognition of the need for change and awareness of the difficulties we have from our current style of working.</p> <p>The timing of this process is well ahead of the actions necessary for any implementation of the MTFP, and any changes to senior management arrangements should be in place by the end of January 2011. Any vacancies that may arise from this process will, in the first case, be filled by internal acting-up interims to ensure continuity.</p> <p>CMT as the programme board for the change programme and for the MTFP should ensure that work is not carried out in two separate but parallel workstreams but is co-ordinated.</p> <p>A separate workstream with the programme board will oversee the detailed activity necessary to compile the budget proposals for 2011-12 and ensure actions are prepared/pursued appropriately. This will be reported separately to CMT.</p>	5	2	10
RA16	<p>There is currently a safeguarding inspection into Children's social care. It is important that the inspectors do not make any invalid assumptions about the impact upon the service of the consultation or the proposed change to</p>	5	3	15	<p>KK and RT will speak directly with inspectors to explain and allay any concerns</p>	5	1	5

Managing Business Risks - Risk Assessment

Appendix 3

(template source: Risk and Audit)

completed by: Jeff Hawkins, Transformation Programme Manager

completed 7 October 2010

Change To Keep Succeeding

Objective: to deliver a new organisational framework

Risk No	Challenges	Assessment of Inherent Risk (with no controls in place)		Risk Control Measure	Assessment of Mitigated Risk (with controls in place)		
		Impact	Likelihood		Impact	Likelihood	
RA17	Risk of opposition to the business support directorate model	4	3	Detailed transition planning provides the opportunity to address concerns and, within the remit of a business support directorate, to adjust the delivery of service. Workshops will be held with staff and managers to design new processes for business support. Type 2. Failure to implement the business support directorate Retention of the current federated model of business support within directorates perpetuates the duplication of effort and silo-working and their associated cost - something which staff have identified as a feature of KCC that needs to change.	2	3	6
RA18	Risk of opposition to the new Education and Families model from headteachers and partners	4	3	Consultation and explanation of the model. Reassurance around Children's Trusts and Locality Boards. Await guidance from Government on new role	2	2	4

EQUALITY IMPACT ASSESSMENT SCREENING GRID

“Change to keep succeeding”. The transformation of the Council’s operating framework.

Minority strand	Could this policy, procedure, project or service affect this group differently from others in Kent? YES/NO	Could this policy, procedure, project or service promote equal opportunities for this group? YES/NO	Assessment of potential impact HIGH/MEDIUM/LOW/ NONE/UNKNOWN		Reason for assessment
			Positive	Negative	
Age	Yes	Yes		Medium	<p>Younger employees may be more likely to have shorter service than others and be less experienced.</p> <p>Younger workers may be impacted in terms of redundancy payments, or in terms of pay progression given the proposal involves staff potentially affected will receive pay based on performance based on the Total Contribution Pay Scheme (TCP).</p> <p>Older staff should also not be treated less favourably over younger staff on the grounds of age.</p> <p>The proposed evaluation of roles by Hay Group will ensure equal opportunities and alignment of pay / roles.</p>

APPENDIX 4

Disability	Yes	Yes	Medium	<p>The recruitment process may require reasonable adjustments to be made for staff with disabilities covered by the Equality Act 2010.</p> <p>The new posts may require reasonable adjustments to be made for staff with disabilities covered by the Equality Act 2010.</p> <p>Managers will need to be aware of disabilities in the above and ensure staff are not treated less favourably as a result.</p>
Sex (Gender)	Yes	Yes	Low	<p>Female senior officers are under-represented compared to the KCC workforce (65% v 84%).</p> <p>Female staff may also have shorter service due to caring responsibilities.</p> <p>Female staff are also more likely to have primary caring responsibilities or be part time.</p> <p>Most post-holders are however full-time.</p>

APPENDIX 4

Gender Reassignment	No	No	No	None	None	Gender reassignment should not be a factor in this project, either in recruitment or in performing the roles.
Race	No	No	No	None	None	As above
Religion or belief	No	No	No	None	None	As above
Sexual orientation	No	No	No	None	None	As above
Marriage & Civil Partnership	No	No	No	None	None	As above
Pregnancy & Maternity	No	No	No	None	None	As above

Current Posts Impacted

Chief Executive's Department

Executive Director of Strategy and Business Support
 Director of Finance (s.151)
 Director of Law & Governance (MO)
 Director of Personnel & Development
 Director of Property
 Director of Commercial Services
 Director of Strategic Development Unit & Public Access
 Director of Public Health

Children, Families and Education

Managing Director Children, Families & Education
 Director of Commissioning and Partnerships
 Director of Capital Programmes and Infrastructure
 Service Director - Learning
 Director of Resources and Planning
 Service Director - Specialist Children's Services

Communities

Managing Director – Communities
 Director of Cultural Services
 Director of Community Safety & Regulatory Services
 Director of Youth Services & Kent Drugs Alcohol Action Team
 Director of Policy & Resources

Environment, Highways & Waste

Executive Director, Environment, Highways & Waste Directorate
 Director of Environment & Waste
 Director of Integrated Strategy & Planning
 Director of Kent Highway Services

Kent Adult Social Services

Managing Director, Kent Adult Social Services
 Transforming Social Care - Lead Officer
 Director of Strategic Business Support
 Director of Operations
 Director of Commissioning & Provision x 2

NB: These are the only posts directly impacted by this process.

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By: Overview, Scrutiny and Localism Manager

To: Regeneration and Economic Development Policy Overview and Scrutiny Committee - 17 November 2010

Subject: **UPDATE ON SELECT COMMITTEE WORK**

Classification: Unrestricted

Summary: This report updates Members on current and future Select Committee work and invites suggestions for future Select Committee Topic Reviews.

Select Committee work now completed - Renewable Energy and Extended Services

1. Both Select Committees have now completed their reports, which were shared with the relevant Cabinet Members and Directorates in October. A number of useful comments were received on both and the final version of each report made available to the Corporate Management Team. Both reports will then be considered by the Cabinet on 29 November and the County Council on 16 December 2010.

Future Select Committee Topic Review Work Programme

2. Following the meeting of the Scrutiny Board on 3 November 2010, the future work programme has been confirmed as follows:-

The Student Journey – due to start work in Spring 2011. The proposal of this review arose from the series of District visits, and REDPOSC will be its ‘parent’ Committee. The contacts in Democratic Services for this Committee are: Research Officer Gaetano Romagnuolo (01622 694292) and Democratic Services Officer Theresa Grayell (01622 694277).

Dementia – starting work now. The contacts in Democratic Services for this Committee are: Research Officer Sue Frampton (01622 694993) and Democratic Services Officer Christine Singh (01622 694334).

Educational Attainment of Pupils and Schools in Areas of High Deprivation – starting work now. The contacts in Democratic Services for this Committee are: Research Officer Pippa Cracknell (01622 694178) and Assistant Democratic Services Manager Denise Fitch (01622 694269).

Suggestions for Select Committee Topic Reviews

3. If Members have any suggestions of topics they would like to put forward for consideration for inclusion in the future Topic Review Work Programme, they should contact the Democratic Services Officer for this POSC.

Recommendation:-

4. Members are asked to note the successful completion of the work of the Renewable Energy and Extended Services Select Committees and the new Topic Review work which is now starting, or soon to start, and to advise the Democratic Services Officer of any topics which they would like to put forward for consideration for inclusion in the future Select Committee Topic Review Work Programme.

Theresa Grayell
Democratic Services Officer

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