

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

**Wednesday, 16th November, 2011**

**10.00 am**

Council Chamber, Sessions House, County Hall,  
Maidstone







## AGENDA

# REGENERATION AND ECONOMIC DEVELOPMENT POLICY OVERVIEW AND SCRUTINY COMMITTEE

**Wednesday, 16 November 2011 at 10.00 am**      Ask for:      **Christine Singh**  
**Council Chamber, Sessions House, County Hall,**      Telephone      **01622 694334**  
**Maidstone**

*Tea/Coffee will be available 15 minutes before the meeting*

### **Membership (12)**

Conservative (11):      Mr M C Dance      (Chairman),      Mr A R Chell,      Mr N J Collor,  
Mr K A Ferrin, MBE,      Mr P J Homewood,      Mrs J P Law,  
Mr A Sandhu, MBE,      Mr K Smith,      Mr M V Snelling,      Mrs E M Tweed  
and Mrs C J Waters

Liberal Democrat (1):      Mr M B Robertson (Vice-Chairman)

### **UNRESTRICTED ITEMS**

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

#### **Item No**

#### **A. COMMITTEE BUSINESS**

- A1      Introduction/Webcasting
- A2      Substitutes
- A3      Declarations of Members' Interest relating to items on today's Agenda
- A4      Minutes of the meeting held on 23 September 2011 (Pages 1 - 6)

#### **B. ITEMS FOR CONSIDERATION**

- B1      Presentation: Kent Rural PLC
- B2      Ambition Board - Growing the Economy: Inaugural Meeting – Verbal Update
- B3      Local Enterprise Partnership and Regional Growth (Pages 7 - 12)
- B4      Update on Strategic Projects (Pages 13 - 24)
- B5      Restructuring of the Regeneration & Economy Function (Pages 25 - 32)
- B6      Financial Monitoring 2011/12 (Pages 33 - 34)
- B7      Revenue Budget 2012/13 and Medium Term Financial Plan 2012/13 To 2014/15  
(Pages 35 - 42)

#### **C. SELECT COMMITTEE WORK**

- C1      Update on Select Committee Work (Pages 43 - 44)

### **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  
(01622) 694002

**Tuesday, 8 November 2011**

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

**KENT COUNTY COUNCIL**

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**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 Friday, 23 September 2011.

PRESENT: Mr M C Dance (Chairman), Mr M B Robertson (Vice-Chairman), Mr A R Chell, Mr N J Collor, Mr P J Homewood, Mrs J P Law, Mr A Sandhu, MBE, Mr K Smith, Mr M V Snelling, Mrs E M Tweed and Mrs C J Waters

ALSO PRESENT: Mr K G Lynes and Mr M A Wickham

IN ATTENDANCE: Mr D Cockburn (Corporate Director of Business and Support), Ms B Cooper (Director of Economic Development), Mr D Shipton (Acting Head of Financial Strategy), Mr M Bodkin (Head of Growth Areas and Development) and Mrs C A Singh (Democratic Services Officer)

**UNRESTRICTED ITEMS**

**88. Members are asked to note Future Meeting Dates for 2012**

*(Item A4)*

Members noted that the future meetings for this POSC in 2012 would be held on:

Thursday, 19 January

Friday, 23 March

Friday, 22 June

Friday, 21 September

Thursday, 8 November

*(All meetings will commence at 10.00 am)*

**89. Minutes of the meeting held on 24 June 2011**

*(Item A5)*

RESOLVED that the Minutes of the meeting held on 24 June 2011 were correctly recorded and that they be signed by the Chairman.

**90. Presentations**

*(Item B1)*

1. The Chairman welcomed Mrs Kerly and Mr Horton to the meeting and invited them to give their presentation. Mrs Kerly introduced the protocol for delivering affordable local needs housing in rural Kent, published in the meeting papers.

2. Mrs Kerly explained that speaking with the local communities and understanding the needs of the community was critical in making a scheme work as the developments can 3-7 years to deliver. Mrs Kerly commended the work of "Action for Communities in Rural Kent" which was an independent organisation. She

thanked Miss Joanne Purvis, Housing Strategy Implementation Manager, for all her work in drafting the protocol.

3. Mrs Kerly continued her presentation using overheads of previous development sites in Ashford from 1993 to a recently completed site in 2011, to show the mix of properties and how they had evolved to using renewable energy sources such as solar panels and ground source heat pumps.

4. Members were given the opportunity to ask questions and make comments which included the following:-

- a) It was considered that KCC's role would be to provide local leadership on housing acting as an ambassador and an advocate in rural local needs housing.
- b) It was explained that the housing schemes were small with 6 homes and the highways departments views were sought on the schemes.
- c) It was considered that the benefits of the rural schemes needed to be promoted to Parish Councils that often opposed housing developments in their villages.
- d) It was suggested that for elderly people in a village moving from their family home to a bungalow built through a scheme in their village, they could remain near family and would not have to rely on Social Services.
- e) Concern was raised about the resale of the homes. It was advised that when a home came up for sale or rent the home would be sold/rented to someone in the village registered as being in housing need.

5. Mr Tassell then gave his presentation on "Why Farming Matters in Kent" using overheads, circulated to the Committee before the meeting. He highlighted that the areas of most concern were the effects climate change, water availability (particularly, since the drought this year) and food security. Views expressed were as follows:

- a) Good to hear that careers in farming were being nurtured with young people seeing what working in farming was like now with the introduction of technology.
- b) Concerns were expressed that Kent fruits were not on Kent supermarket shelves.
- c) A view was expressed that people coming to the county needed to find the necessary technology to run their business such as broadband.
- d) Members needed to find ways to open up a dialogue with local farmers in their area.
- e) Kent Rural PLC would draw the relevant agencies together who had an interest in Kent's rural legacy.

6. RESOLVED that:

- a) The Committee thanked Mrs Kerly and Mr Horton and Mr Tassell for their informative presentations; and
- b) the responses to comments and questions by Members be noted.

## **91. Feedback from the Rural Visits**

*(Item B2)*

*(Report by Mr K Lynes, Cabinet Member for Regeneration and Mr D Cockburn, Executive Director for Strategy, Economic Development and ICT)*

*(Mr C Tassell Kent Chair, NFU, was also present for this item)*

### **1. Visit to Rumwood Green Farm**

- a) In response to questions, Mr Tassell explained that the owner, Mr Sean Charles, was responsive to the demands of the supermarkets and the quantities that he produced were out of reach for the small producers. He farmed his own land and rented other pieces of land. He grows, picks and packs his own fruits. He packed all year round.
- b) The farm has 550 workers, 540 of which were foreign workers. Mr Charles was asked at the visit why he did not recruit local young people and he responded that it was difficult to attract local people and he wanted people who were punctual and could do the work etc. In response the Chairman suggested that a Certificate of Employability could be the way forward. This would highlight local young people's basic skills/competencies eg punctuality and communication to aid in their recruitment.
- c) Concern was expressed in what the new arrangements for the Seasonal Agricultural Workers Scheme would mean for farmers.
- d) It was asked as to what KCC could do to boost the agricultural workforce. It was considered that young people did not feel that there was progression in farming jobs. Questions were asked about how the jobs are advertised and whether there was enough work being carried out in schools to promote farming as a career
- e) It was suggested that schools could work with farms to raise animals for food to produce and then sell them or create a cooking school.
- f) The Chairman suggested that an Informal Member Group be set up initially to look at the implications of the Seasonal Agricultural Working Scheme for Kent (SAWS) and if necessary further work be undertaken by a Select Committee . It was suggested that this could be widened to understand the need for the employment of foreign nationals across the board.

### **2. Visit to East Malling Research**

- a) The Chairman suggested that the POSC invite the Chief Executive of East Malling Research to give a presentation on the commercial value of EMR at the next meeting of the POSC as he was not available at the visit.
- b) Members expressed annoyance at Yorkshire Council's branding as the "Garden of England".
- c) There was general agreement that we need to better brand the Kent offer.

3. RESOLVED that:

- a) the Chief Executive of East Malling Research be invited to the next meeting of the POSC to give a presentation on the commercial value of EMR;
- b) the Committee agreed to seek approval from the Scrutiny Board to set up a Member IMG on the Seasonal Agricultural Workers Scheme (SAW) and if necessary, after this piece of work, propose further work be carried out by a Select Committee; and
- c) the comments and responses to Members questions and the report be noted with thanks.

**92. Financial Monitoring 2011/12**

*(Item B3)*

*(Report by Mr K Lynes, Cabinet Member for Regeneration and Enterprise  
Mr D Cockburn, Corporate Director of Business Strategy & Support)*

1. The Finance Strategy Manager, Mr Shipton, introduced the report and responded to comments and questions by Members.

- a) A request was made for confirmation of the date for the next meeting of the Budget IMG in October.

2. RESOLVED that the projected outturn for Regeneration and Enterprise for 2011/12 based on the first quarter's monitoring report to Cabinet be noted with thanks.

**93. Update on Strategic Projects**

*(Item B4)*

*(Report by Mr K Lynes, Cabinet Member for Regeneration and Enterprise  
Mr D Cockburn, Corporate Director of Business & Solutions, Business Strategy and Support)*

1. The Director of Economic Development, Ms Cooper introduced the report and responded to comments and questions by Members which included the following:

a) It was suggested that the POSC revisit Thanet in January or March 2012.

b) There was a need for better Broadband in the urban areas as well as the rural areas as businesses were struggling in those areas, which were further away from the exchange. It was advised that there will be some improvement in the fibre-to-the-cabinet (FTTC) Kent towns including Maidstone, Dover and Whitstable.

2. RESOLVED that the information in the report and given in response to Members comments and questions be noted with thanks.

**94. Connecting with Communities - 2010/11 Annual Report on Consultation, Engagement and Involvement Activity**  
*(Item B5)*

*(Report by Mr M Hill, Cabinet Member for Customer and Communities  
Mrs A Honey, Corporate Director of Customer and Communities)*

*(Mr M Bodkin, Head of Urban Regeneration, was present for this item)*

1. Head of Urban Regeneration, Mr Bodkin introduced the report and responded to questions and comments by Members.

a) It was considered that the lay out of the consultation details in the report was very well done.

2. RESOLVED that the information in the report and the comments by Members be noted with thanks.

**95. Select Committee Update**  
*(Item C1)*

*(Report by Mr P Sass, Head of Democratic Services)  
(Mrs C Singh, Democratic Services Officer was present for this item)*

1. Mrs Singh introduced the report and Mr Smith, Chairman of the Select Committee on the Student Journey, gave an update explaining that the draft areas of recommendation, attached to the report, would be checked and tested during further evidence gathering before they were finalised.

2. RESOLVED that the information in the report and update by Mr Smith be noted with thanks.

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**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**

**16 November 2011**

**Subject: LOCAL ENTERPRISE PARTNERSHIP**  
**AND REGIONAL GROWTH**

**Classification: Unrestricted**

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**Summary:**

This paper updates the Committee on progress in taking forward the measures to promote economic growth set out in last year's Local Growth White Paper. In particular, it highlights the progress made in establishing the South East Local Enterprise Partnership and in securing investment in Kent through the Government's Regional Growth Fund.

The Committee is asked to note this report.

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**1. Introduction**

1.1. In November last year, the Government published the Local Growth White Paper. This contained a number of measures designed to promote regional growth, including the development of Local Enterprise Partnerships and the creation of a new Regional Growth Fund. The Policy Overview and Scrutiny Committee considered the implications of the White Paper in some detail, and asked for regular reports on progress.

**2. The South East Local Enterprise Partnership**

2.1. As the Regional Development Agencies are being wound up, the Government asked groups of local authorities and businesses to come together to form Local Enterprise Partnerships to promote economic development. With one or two small exceptions, LEPs have now been established throughout England.

2.2. Kent has entered into a partnership with Essex, East Sussex, Medway, Thurrock and Southend to form the South East Local Enterprise Partnership. This received Government endorsement in autumn last year, and is now fully established, with a Board and a smaller Executive Group now in place. Kent's representation on both the Board and the Executive Group is drawn from KCC

and the Kent Districts and from the Kent Business Advisory Board. A full list of Kent's Board members is listed in Annex 1.

- 2.3. During the summer, the LEP Board agreed to enter into a search and selection process to appoint a Chairman for the Partnership. Following this, the Executive Group has endorsed the appointment of John Spence as the new Chairman. John has a strong background in the banking and finance sector and has also been heavily involved in developing public-private partnerships through his former chairmanship of Harlow Renaissance Ltd, an urban regeneration vehicle.
- 2.4. In addition, the LEP has appointed three private sector vice-chairs, representing each of the three counties. Geoff Miles, as Chairman of Kent Economic Board and the Business Advisory Board, is the vice-chair representing Kent.
- 2.5. During the summer, the LEP Board endorsed a 'vision' document, which sets out a high-level aspiration to make the South East LEP area "the most competitive local economy in England". The vision document identified four strategic objectives and four key enabling activities:

Strategic objectives	Enabling activities
Secure the growth of the Thames Gateway  Promote investment in our coastal communities  Strengthen our rural economy  Strengthen the competitive advantage of strategic growth locations	Strategic transport infrastructure  Universal superfast broadband  Skills  New financial instruments

- 2.6. For each of the above activities, task and finish groups have been established to identify where there are opportunities for working together across the three counties and where there is potential for joint campaigning on key issues<sup>1</sup>. The task and finish groups will report back to the LEP Board in December.
- 2.7. Looking to the longer term, it is likely that LEPs will remain 'informal' alliances, rather than statutory strategic bodies. Last year's Local Growth White Paper stated that Government would not seek to place LEPs on a statutory footing, and there is no indication that this policy has changed. However, it is likely that LEPs will be used as conduits for some forms of Government funding, where Government wishes to ensure some form of regional prioritisation.

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<sup>1</sup> With the exception of the Thames Gateway objective, for which action has been remitted to the existing Thames Gateway Strategic Group (which includes London as well as Kent and Essex).

### 3. Regional Growth Fund

- 3.1. The Regional Growth Fund (RGF) is a major element of the Government's sub-national economic growth policy. It was launched last year with £1.4 billion Government funding to support the creation of private sector jobs in areas considered to be heavily dependent on the public sector. Two bidding rounds have so far taken place, with deadlines in January and July.
- 3.2. In the first round, no projects from Kent (or indeed the South East) were successful. However, the outcomes of the second round were announced on 30 October - Kent has met with significant success.
- 3.3. In particular, KCC has been successful in securing £40 million RGF investment in **Expansion East Kent**, which will provide finance to businesses in Canterbury, Dover, Shepway and Thanet, and also includes provision to support enhancements to line speed on the Ashford-Ramsgate rail route.
- 3.4. Our allocation for Expansion East Kent is currently subject to due diligence by Government and we are awaiting a contract. However, in the meantime, work is underway to establish governance and operational procedures for the project, with finance becoming available to business in spring 2012.
- 3.5. In addition, **Vestas** has been awarded RGF grant to support the development of its wind turbine manufacturing facility at Sheerness, while **Visit Kent** is a partner in a successful national tourism marketing and development project led by Visit England. RGF funding has also been secured by **Aeromet**, an advanced manufacturing business headquartered in Sittingbourne.
- 3.6. Kent has been more successful in securing RGF investment than any other South Eastern county, highlighting in particular the lobbying success of the Sandwich Economic Development Task Force following the Pfizer exit announcement and the work of KCC and partners in support of Vestas' development proposals.

### 4. Enterprise Zones

- 4.1. The Government's approach to economic development also focuses on measures to incentivise new investment through targeted tax incentives and simplified regulation. Enterprise Zones, originally developed in the 1980s, have been part of this approach.
- 4.2. Following a competitive process involving the LEP early in the summer, Kent has successfully secured Enterprise Zone designation for **Discovery Park**, formerly the Pfizer site at Sandwich. This will mean a business rate discount worth up to £55,000 per year for businesses locating onto the site, as well as a simplified planning regime. Work is currently underway with Dover District Council to develop an Implementation Plan for the Enterprise Zone, which will formally take effect from April 2012.

## **5. Growing Places Fund**

- 5.1. It is anticipated that the Government will shortly announce a further investment programme known as Growing Places Fund (GPF). GPF will be a £500 million national pot jointly funded by the Department for Transport and the Department for Communities and Local Government to support capital schemes. Government's intention is that GPF is used to fund local recyclable funds which can then be invested in projects that will generate a return (for example through developer contributions for transport schemes, or rental income on business space). There may potentially be opportunities to link this with the development of the Kent and Medway Investment Fund.
- 5.2. It is likely that GPF will be allocated on a formula basis to LEP areas. This could mean around £35 million for the South East LEP area (or £14-16 million for Kent and Medway). However, further guidance is awaited.

## **6. Next steps**

- 6.1. Since the Local Growth White Paper was published, Government has introduced several measures from which Kent is now starting to benefit. Over the coming months, a key focus will be on ensuring that the programmes that we have secured through Regional Growth Fund and Enterprise Zone allocations are implemented effectively, and that KCC continues to maximise the benefits to Kent from the Local Enterprise Partnership.

## **7. Recommendations**

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

### **Report author:**

Ross Gill  
Economic Strategy & Policy Manager  
Tel: 01622 221312 (7000 1312)  
[Ross.gill@kent.gov.uk](mailto:Ross.gill@kent.gov.uk)  
2 November 2011

### **Background Documents:**

Annex 1: Kent membership of the Local Enterprise Partnership

Annex 2: John Spence – CV

## **ANNEX 1**

### **Kent membership of the South East Local Enterprise Partnership**

#### Board membership

Andrew Bowles	Swale Borough Council
Graham Brown	Denne
Paul Carter	Kent County Council
Rodney Chambers	Medway Council
Bill Fearon	K College
John Gilbey	Canterbury City Council
Steve Gobbi	Peel Ports
Prof Julia Goodfellow	University of Kent
Douglas Horner	Trenport Investments
Jo James	Kent Invicta Chamber of Commerce
Jeremy Kite	Dartford Borough Council
Geoff Miles	Maidstone Studios
Jon Regan	Hugh Lowe Farms
Paul Watkins	Dover District Council
Paul Winter	Wire Belt Co.
Mark Worrall	Tonbridge & Malling Borough Council

#### Executive Group membership

Graham Brown	Denne
Paul Carter	Kent County Council
Rodney Chambers	Medway Council
Steve Gobbi	Peel Ports
Geoff Miles	Maidstone Studios
Jon Regan	Hugh Lowe Farms
Paul Watkins	Dover District Council
Mark Worrall	Tonbridge & Malling Borough Council

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**By:** Kevin Lynes, Cabinet Member for Regeneration and Economic Development and David Cockburn, Corporate Director of Business & Solutions, Business Strategy and Support

**To:** Regeneration and Economic Development Policy Overview and Scrutiny Committee - 16 November 2011

**Subject:** Update on Strategic Projects

**Classification:** Unrestricted

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**Summary:** This report provides Members with an update on the progress of key regeneration projects.

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## **1. Introduction**

- 1.1** This report provides Members with an update on progress of major regeneration projects being delivered by Regeneration and Economy.
- 1.2** The tables that follow present progress against projects in Ashford, Kent Thameside, Dover, Thanet, Swale and for specific countywide initiatives such as Kent and Medway Infrastructure Model, Integrated Infrastructure Finance Model, Developers Guide, Broadband, Sector Conversations, Kent Forum Housing Strategy and No Use Empty.

Project	Summary of project outcome	Cost of Project KCC/Partners £	Latest progress	Next Steps
<b>Ashford Growth Area</b>		<b>Lead Officer: Mike Bodkin - Contact 01622 221960</b>		
Ashford Growth Area	Delivery of the Ashford Programme to support sustainable 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"> <li>• Drovers Roundabout, J9/Footbridge now substantially completed and open to traffic.</li> <li>• Final out-turns on both schemes being calculated and agreement being sought with Ashford partners to cover overspend.</li> <li>• Negotiations underway with development consortium on strategic and local transport mitigations and other community infrastructure needs for Chilmington urban extension.</li> </ul>	<ul style="list-style-type: none"> <li>• Agreement to be reached with Ashford partners to cover overspend on highway schemes.</li> <li>• Negotiations to continue with Chilmington development consortium and ABC with draft Action Area Plan and outline planning permission expected early 2012.</li> <li>• ABC to commence review of LDF Core Strategy in 2012. KCC will continue to support the Locality Board and partners in pursuing an employment-led growth agenda for the town.</li> </ul>
<b>Kent Thameside</b>		<b>Lead Officer: Mike Bodkin - Contact 01622 221960</b>		
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"> <li>• Meeting on 2<sup>nd</sup> Sept 2011 with DBC/GBC to move forward Partnership Agreement.</li> <li>• Agreement reached with developers of Lowfield Street and GSK East &amp; Millpond sites in Dartford regarding transport improvements to be provided as "In-Kind" contributions.</li> <li>• Work progressing on design of Rathmore Road Link, Gravesend with land referencing and surveys completed.</li> <li>• Methodology agreed for Eastern Quarry transport assessment after resolving concerns raised by Highways Agency.</li> <li>• Gravesham BC has produced Core Strategy for consultation.</li> </ul>	<ul style="list-style-type: none"> <li>• Partnership Agreement between KCC/DBC/GBC to be finalised.</li> <li>• Package of mitigation measures to support development in Dartford Town Centre to be finalised.</li> <li>• Detailed planning application for Rathmore Road Link to be submitted in Jan/Feb 2012.</li> <li>• On-going engagement with Land securities regarding S.106 Deed of Variation and transport assessment for Eastern Quarry.</li> <li>• On-going work with GBC regarding input for Core Strategy on transport element for inclusion of policies that will secure collection of funds for Homes and Roads.</li> <li>• Governance structure to be drafted and discussed with partners.</li> <li>• On-going discussions with CLG/DfT regarding further public sector funding</li> </ul>

Project	Summary of project outcome	Cost of Project KCC/Partners £	Latest progress	Next Steps
				<p>and investigation of alternative sources of funding for the programme.</p> <ul style="list-style-type: none"> <li>• 2<sup>nd</sup> Annual Progress Report and review of Forward Delivery Programme to be prepared for Homes and Roads Steering Group. Report will also be presented to funding partners; HCA, KCC, DBC, GBC and DfT</li> </ul>
Ebbsfleet Valley (including Eastern Quarry)	To deliver 11,000 homes and new community adjacent to Ebbsfleet station.	An estimated £100m worth of infrastructure secured by KCC and DBC to support the development of Eastern Quarry.	<ul style="list-style-type: none"> <li>• Awaiting formal agreement by Land Securities to the proposed reconfiguration of the remaining S.106 terms for community infrastructure.</li> <li>• Land Securities have shortlisted 4 developers for joint venture on residential development of EQ. Decision expected shortly on preferred bidder.</li> </ul>	<ul style="list-style-type: none"> <li>• Continue dialogue with Land Securities regarding future development and implications for KCC infrastructure requirements.</li> </ul>
<b>Dover</b>		<b>Lead Officer: David Hughes - Contact 01622 221942</b>		
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 regarding masterplanning and infrastructure provision.	<ul style="list-style-type: none"> <li>• S.106 negotiations relating to Phases 1 and 1a ongoing.</li> <li>• Highways Agency Article 14 directions dealt with – Grampian planning conditions agreed on development.</li> </ul>	<ul style="list-style-type: none"> <li>• Assist DDC with developing their approach to S.106 and CIL requirements.</li> </ul>
<b>Folkestone</b>		<b>Lead Officer: Theresa Trussell – Contact 01622 221362</b>		
HLF (Townscape Heritage Initiative) bid for £1.6m to enhance public	Extending the creative and cultural offer of the Old Town to attract more tourists and visitors to	Total project cost £1.6m. KCC match funding £400k from Reg Fund (subject to	<ul style="list-style-type: none"> <li>• HLF application being prepared for submission in November 2011. Project team comprising of KCC, Shepway District Council and Creative Foundation now formed and operational. Other partners to be</li> </ul>	<ul style="list-style-type: none"> <li>• Submit HLF bid in November 2011.</li> <li>• Complete survey work, consultation and design for highways element of the scheme.</li> <li>• Carry out consultation and finalise the scheme details.</li> </ul>

Project	Summary of project outcome	Cost of Project KCC/Partners £	Latest progress	Next Steps
realm and landmark buildings in Folkestone Old Town	Folkestone.	approval). HLF grant of £1.2m Additional funding (in kind and capital) will be sought from Creative Foundation and Shepway District Council.	included as project progresses. <ul style="list-style-type: none"> <li>• Consultation underway with local heritage and community groups and letters of support being received.</li> <li>• Background work to bring forward the highways element of the project underway.</li> <li>• Regen Fund bid of £500K submitted - £100k agreed by Regen Fund sub Group for improvements to Tontine Street and Tram Road. £400K to be decided later on the outcome of the HLF Bid.</li> </ul>	<ul style="list-style-type: none"> <li>• Tram Road outline design to go out to consultation in December</li> <li>• Meetings in November to take forward Tontine Street improvements</li> </ul>
<b>Swale</b>		<b>Lead Officer: Mike Bodkin – Contact 01622 221960</b>		
Queenborough/Rushenden Regeneration	Overall scheme to deliver 2000 new homes and related community/road infrastructure over 10 years.	Estimated cost of £26.4m of community infrastructure to be secured from S.106 CLG funding of £390k; KCC £15k to carry out environmental works.	<ul style="list-style-type: none"> <li>• Planning application submitted for works to raise levels, due to flood risk, for first phase of development</li> <li>• Rushenden Link Road on schedule with completion early November.</li> <li>• Works on site at Queenborough mound to improve open space; successful community days held on site with children and adults.</li> <li>• Some progress on new community /skills centre however one of the primary users may be withdrawing. KCC is assisting in trying to find other users as the withdrawal will impact on revenue streams.</li> <li>• Initial KCC/SBC S.106 discussions held highlighting KCC's main requirements.</li> </ul>	<ul style="list-style-type: none"> <li>• Preparation of first phase site.</li> <li>• Completion of Rushenden Link Road</li> <li>• Completion of planting and hard landscaping at Queenborough Mound.</li> <li>• Development of business plan and options for future of community /skills centre at Rushenden.</li> </ul>
Sittingbourne Northern Relief Road	<ul style="list-style-type: none"> <li>• Milton Creek Crossing. To join Eurolink and Kemsley</li> </ul>	Total cost £30.6m HCA £8m S106 £2.6 DfT £20m	<ul style="list-style-type: none"> <li>• Work proceeding well – to target and below budget.</li> </ul>	<ul style="list-style-type: none"> <li>• Road due to be completed by December 2011.</li> </ul>

Project	Summary of project outcome	Cost of Project KCC/Partners £	Latest progress	Next Steps
	Industrial Areas, relieving Town Centre.			
	<ul style="list-style-type: none"> <li>Bapchild Link. Completion of relief road from existing route to A2 at Bapchild route.</li> </ul>	Total cost estimated between £15m to £45m, dependant on final route option selected,	<ul style="list-style-type: none"> <li>Initial work on SNRR submitted to Swale BC for inclusion in LDF Core Strategy. Decisions being taken mid-November.</li> </ul>	<ul style="list-style-type: none"> <li>Development of scheme to satisfy Highways Agency and develop funding approach so scheme can progress through LEP.</li> </ul>
Sittingbourne Northern Relief Road /M2 Junction 5	<ul style="list-style-type: none"> <li>M2/Junction 5 Completion of Transportation Strategy for Sittingbourne, including solution to congestion / safety problems at M2 Junction 5.</li> </ul>	Total Cost estimated between £120m to £150m. (Preliminary costs only at this stage).	<ul style="list-style-type: none"> <li>Work pursued as identified by Swale JTB Members above.</li> </ul>	<ul style="list-style-type: none"> <li>See note above.</li> </ul>
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"> <li>Swale BC negotiating development agreement with Spirit of Sittingbourne for redevelopment of SBC owned sites in town centre.</li> <li>Joint meeting held between Swale BC and KCC October 2011 on potential transfer of KCC assets in Sittingbourne Town Centre, as part of SBC Joint venture.</li> <li>Planning Applications for Morrisons and Tesco, Spenhill being assessed.</li> <li>Joint approach on transport work progressing well.</li> </ul>	<ul style="list-style-type: none"> <li>Discussions with SBC over possible involvement of KCC owned sites and / or services in conjunction with Spirit of Sittingbourne partnership. Proposal to be reported to Cabinet on 5 December.</li> <li>Development agreement (DA) to be signed by SBC and Spirit of Sittingbourne end December.</li> <li>Transport Mitigation strategy agreed</li> <li>Morrisons and Tesco, Spenhill planning applications to be reported to Swale BC on 24 November 2011.</li> </ul>
<b>Thanet</b>		<b>Lead Officer: Theresa Bruton - Contact 01622 221947</b>		
East Kent	Limited liability	KCC purchased	<ul style="list-style-type: none"> <li>Review of planning application</li> </ul>	<ul style="list-style-type: none"> <li>All sales opportunities to be pursued at</li> </ul>

Project	Summary of project outcome	Cost of Project KCC/Partners £	Latest progress	Next Steps
Opportunities LLP	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.	Manston Park landholdings in June 2006 £5.35m. Now sits alongside TDC equivalent landholding at EuroKent in the LLP.	<p>proposals for Eurokent and completion of supporting documentation.</p> <ul style="list-style-type: none"> <li>Review of sales opportunities and exploration of prospective interests.</li> <li>Eurokent planning submission was submitted on 31 October 2011 informed by consultation.</li> </ul>	<p>Manston in difficult market conditions.</p> <ul style="list-style-type: none"> <li>Employ Thanet Jobs Fair now taking place in April 2012.</li> </ul>
<b>Margate</b>				
<b>Lead Officer: Theresa Bruton - Contact 01622 221947</b>				
Rendezvous site development	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"> <li>Watching brief on property market in Margate maintained. Margate has shown substantial uplift in visitors after opening of Turner Contemporary (TC) with local cafes reporting 3 fold increase in takings. Major developers still cautious and awaiting evidence of continued uplift after winter 2011/12.</li> <li>Completion of most landscaping works in and around TC – some works near slipway need to await flood defence works to be carried out in 2012.</li> <li>Agreement with TDC that they will continue to maintain the Winter Gardens as live music venue and await uplift in market before re-considering more ambitious plans.</li> <li>Work to secure wider use of the Winter Gardens especially during winter to increase numbers of visitors in town.</li> </ul>	<ul style="list-style-type: none"> <li>Objective still for KCC/private sector scheme to develop eastern end of KCC owned Rendezvous site for hotel/apartments to provide appropriate high grade development and provide income to TC.</li> <li>Re-evaluation of market in 2012.</li> <li>Agreed planning brief for Rendezvous with Thanet DC and take forward with users of site e.g. RNLI and Margate Yacht Club.</li> <li>Work with other partners to secure wider use of Winter Gardens during Winter</li> </ul>
Development on the Dreamland site	To deliver the Dreamland Entertainment Complex & Heritage	£12.4m (Phase 1) including: SeaChange £4m HLF £3m	<ul style="list-style-type: none"> <li>TDC is in the process of compulsorily purchasing site.</li> <li>Plans exist for the refurbishment of the site and currently include a Heritage</li> </ul>	<ul style="list-style-type: none"> <li>CPO of site likely to take 1 year to 18 months to resolve.</li> </ul>

Project	Summary of project outcome	Cost of Project KCC/Partners £	Latest progress	Next Steps
	Amusement Park on a 10 acre site around the listed cinema and scenic railway.	TDC £0.75m Developer £4m	Theme Park (which will be subject to HLF bid and other public funding sources), refurbishment of 1930's listed art deco theatre and public park	
<b>No Use Empty</b>		<b>Lead Officer: Steve Grimshaw - Contact 01622 221906</b>		
No Use Empty	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"> <li>• NUE - Winner of Partnership Working Award – Regeneration &amp; Renewal (Sep).</li> <li>• Gravesham Borough Council joined the Loan Scheme (Sep).</li> <li>• Held 1<sup>st</sup> NUE Surgery for Empty Property Owners in West Kent (Oct)</li> <li>• £5.1m loans awarded since start of Initiative, pulling in £10.9m leverage to date (Oct).</li> <li>• £935k of loans repaid (Oct).</li> <li>• Further applications for loans with a value of £1m currently being considered / processed.</li> <li>• 1,912 units returned to date since start of the Initiative. (Sep)</li> <li>• Annual Target to return 200 units has been exceed by 35 (235 achieved by Q2).</li> <li>• HCA have acknowledged bid for funds of £1.5m to pilot NUE Affordable Homes Project but have delayed announcing successful bids and mechanisms to access funds until April 2012.</li> </ul>	<ul style="list-style-type: none"> <li>• Continue to process loan applications.</li> <li>• Progress bid to Regeneration Fund to complement NUE Affordable Homes Project (Dec).</li> <li>• Submit Business Case for a request to extend NUE for 5 years to 2017/18.</li> <li>• Follow up work on recovery of loans in relation to revised payment plans (further £100k due by Dec).</li> <li>• NUE to explore further “surgeries” at Landlord Forums in other parts of Kent to offer advice, guidance and potential loan assistance.</li> <li>• Further discussion on raising awareness through Publicity/PR for 2012-13.</li> </ul>
<b>Kent Forum Housing Strategy</b>		<b>Lead Officer: Brian Horton - Contact 01622 221947</b>		

Project	Summary of project outcome	Cost of Project KCC/Partners £	Latest progress	Next Steps
Kent Forum Housing Strategy	To develop and implement an integrated Housing Strategy for Kent and Medway.	£255k (rev) funding from the KCC Regeneration Fund. £200K (capital)	<ul style="list-style-type: none"> <li>• The Joint Kent Chiefs and the Kent Forum received and endorsed an update on progress on delivery of the implementation plan and the proposal for refresh of the Housing Strategy in September.</li> <li>• The Kent Forum in September received a report from the KPOG chair on the development of Housing and Planning Futures, the new methodology to help District and Boroughs to determine their future dwelling numbers and demonstrate a Kent managed housing growth ambition.</li> <li>• Draft Heads of Terms have been set out for a potential pilot project between KCC and a major constructor into institutional investment on publicly-owned land to fund the delivery of new private sector housing.</li> <li>• A Kent Housing Group Task and Finish Group have been established to progress a pilot with Sector Treasury Services and Local Authorities around the development of a Kent-wide Local Authority Mortgage Scheme to help first time buyers access the mortgage market.</li> <li>• The Rural Housing protocol has been presented to the Kent Rural Board, Kent Planning Officers Group and a promotional event for members delivered by KHG and Ashford BC.</li> <li>• KHG research on older people's housing provision has been</li> </ul>	<ul style="list-style-type: none"> <li>• To continue to progress delivery of the 25 work streams based on the recommendations detailed in the endorsed Implementation Plan.</li> <li>• It is intended that a first draft of the refreshed Strategy will be shared with Kent Joint Chief Executives and the Kent Forum in early 2012, with a view to issuing a consultation version of the document by end March 2012.</li> <li>• Areas of focus for the refreshed Strategy include: <ul style="list-style-type: none"> <li>• Localism Bill</li> <li>• Neighbourhood Planning &amp; the National Planning Policy Framework</li> <li>• Housing and Planning Futures</li> <li>• Stimulating development (inc regulatory reform, using public assets, Kent &amp; Medway Investment Fund)</li> <li>• Welfare and benefit reforms</li> <li>• Homelessness</li> <li>• Affordable Rent Framework</li> <li>• Tenancy strategies</li> <li>• Under-occupation</li> <li>• Over-crowding</li> <li>• Tenure reform</li> <li>• Green Deal and retrofit</li> <li>• HRA reforms</li> <li>• Working with the private rented sector and institutional private rented investment</li> <li>• Local FTB mortgage scheme</li> <li>• Housing-based Regeneration – i.e.</li> </ul> </li> </ul>

Project	Summary of project outcome	Cost of Project KCC/Partners £	Latest progress	Next Steps
			<p>completed with DTZ and Silk, the recommendations from which is being taken forward by a KHG sponsored multi-agency public private sector Task and Finish Group.</p> <ul style="list-style-type: none"> <li>JPPB research with Silk has been completed into the role of housing in the re-settlement of ex-prisoners; this is now being used by the Integrated Offender Management Strategy Board as the basis for the housing strand of their reducing re-offending pathway.</li> </ul>	<p>Margate, Sherwood estate in Tunbridge Wells</p> <ul style="list-style-type: none"> <li>Housing for older people</li> <li>Wheelchair accessible housing – allocations and mobility</li> <li>Design and quality</li> <li>Housing for service personnel</li> </ul>
<b>Sector Conversations</b>		<b>Lead Officer: Megan McKibbin – Contact 01622 221914</b>		
Sector Conversations	<p>Expanded network of business contacts with key business sectors – target no of new business contacts 800</p> <p>Identify key actions that will stimulate business growth</p> <p>Task &amp; Finish activities to address issues that will make a tangible difference to business growth</p>	<p>Total project cost £12K – 1.5K per event.</p> <p>Partner contributions in kind – include subsidised venues, business champions time and speakers free of charge</p>	<ul style="list-style-type: none"> <li>Four conversations undertaken to date: - Food Production with Horticulture &amp; Agriculture, Construction &amp; Development, Low Carbon, and Health &amp; Social Care.</li> <li>Common themes emerging as priorities to support Business Growth:- <ul style="list-style-type: none"> <li>Enhanced Broadband capacity.</li> <li>Address delays and inconsistencies in the Planning System.</li> <li>Promotion of Kent’s key sector brands i.e. Kent Rural PLC, Low Carbon Kent, Creative Kent etc.</li> <li>Access to finance.</li> <li>Smooth and simplify public procurement.</li> <li>Respond to the demand for Higher Level Skills</li> <li>Support for Open Innovation and improve access to HEI R&amp;D capacity.</li> </ul> </li> <li>Report to Regeneration Board 2</li> </ul>	<p>Events planned for 2012:</p> <ul style="list-style-type: none"> <li>A Creative Media and Communication sector conversation to focus on Kent’s growing community of creative companies involved in advertising, design, communications, PR, marketing, film and video production</li> <li>A Digital event – to involve business from a range of sectors to explore the business opportunities to be captured from enhanced digital capacity</li> <li>A sector conversation for Manufacturing and Engineering</li> </ul>

Project	Summary of project outcome	Cost of Project KCC/Partners £	Latest progress	Next Steps
			November details follow-up from Sector Conversations to date.	
<b>Kent and Medway Investment Fund</b>		<b>Lead Officer: Adele Harrison – Contact 01622 694835</b>		
Kent and Medway Investment Fund	Revolving Fund to provide investment for regeneration	Phase 2: Development £650k – contributions from Medway & Districts subject to further discussion. KCC contribution up to £500k, subject to Regen Fund bid.	<ul style="list-style-type: none"> <li>Asset review started in a number of districts and boroughs and due to complete early November.</li> <li>Successful Regen Fund bid for KCC contribution of up to £500k</li> </ul>	<ul style="list-style-type: none"> <li>Establish project governance arrangements for development phase.</li> <li>Set up shell partnership structure to pre-empt Localism Bill.</li> <li>Procure consultancy support for next development phase of KMIF.</li> </ul>
<b>Pfizer/East Kent Recovery Package</b>		<b>Lead Officer: Barbara Cooper – Contact 01622 221856</b>		
Pfizer/East Kent Recovery Package	Following the announcement that Pfizer will exit the Sandwich site by the end of 2012, this project focuses on: <ul style="list-style-type: none"> <li>a) Establishing new options for the future of the Sandwich site;</li> <li>b) Supporting staff, contractors and suppliers affected by closure; and</li> <li>c) Developing the broader economic strategy for East</li> </ul>	Sandwich Task Force, East Kent Leaders and CE's, Business and HE.	<ul style="list-style-type: none"> <li>Task Force established in February and continuing to meet.</li> <li>Pfizer currently in negotiations with investors for sale of site.</li> <li>Enterprise Zone designation for site secured, giving a business rate discount for new occupiers and simplified planning procedures.</li> <li>Funding package secured to deliver 1 in 200 flood risk protection for site.</li> <li>£40 million Regional Growth Fund allocation secured for Expansion East Kent programme to provide grants to businesses and unlock private finance.</li> <li>Funding secured from Jobcentre Plus to support ex-employees and contractors in establishing own businesses.</li> </ul>	<ul style="list-style-type: none"> <li>Site marketing continuing, to incorporate marketing of incentives associated with Enterprise Zone.</li> <li>Implementation Plan for Enterprise Zone being developed.</li> <li>Local Development Order (offering simplified planning) being developed by Dover DC.</li> <li>Due diligence on RGF funded Expansion East Kent programme to take place in November, prior to launch.</li> <li>Governance arrangements for Enterprise Zone and Expansion East Kent to be put in place.</li> </ul>

Project	Summary of project outcome	Cost of Project KCC/Partners £	Latest progress	Next Steps
	Kent.			
<b>Rural Superfast Broadband Project</b>		<b>Lead Officer: Elizabeth Harrison – Contact 01622 694835</b>		
Unlocking Kent's Potential: Rural Superfast Broadband Project	To pilot innovative solutions to providing high speed access in areas of market failure for next generation broadband access.	£1.6m funding from KCC Regeneration Fund and £10 million funding from KCC Capital programme	<ul style="list-style-type: none"> <li>• Procurement framework finalised.</li> <li>• Mini-tenders being developed for wave one pilots.</li> <li>• £9.87 million allocated by Government (BDUK) towards wider upgrade of Kent's broadband infrastructure.</li> </ul>	<ul style="list-style-type: none"> <li>• Issuing of mini-tenders to procure wave one pilot solutions.</li> <li>• Finalising the BDUK plan to unlock Government funding.</li> <li>• Reviewing plans for wave 2 and wave 3 solutions to ensure strategic alignment with wider BDUK plan.</li> <li>• Commencing demand stimulation/registration work</li> </ul>
<b>Integrated Infrastructure Finance Model &amp; Developers Guide</b>		<b>Lead Officer: Nigel Smith – Contact 01622 221867</b>		
Integrated Infrastructure and Finance Model	Model developed jointly with Finance and external consultants	£125k revenue funding from the KCC Regeneration Fund.	<ul style="list-style-type: none"> <li>• Finance to complete corporate section of model.</li> <li>• Using model as the single source of information for ELS, FSC and C&amp;C in connection with Planning Applications, Local Development Frameworks (LDF's), Infrastructure Delivery Plans (IDP's), Community Infrastructure Levy (CIL) and KCC Developers Guide.</li> </ul>	<ul style="list-style-type: none"> <li>• Consider potential refinements to model.</li> <li>• Develop protocol for ongoing maintenance of model.</li> </ul>
Developers Guide	A revision of the current Guide to reflect new innovative service delivery methods for ELS, C&C and FSC and KCC's approach delivering services in the current economic climate. The Guide will be informed by the IIFM above.	£25k for public consultation	<ul style="list-style-type: none"> <li>• Draft Guide undergoing internal consultation</li> </ul>	<ul style="list-style-type: none"> <li>• Following internal consultation, modify draft if required and obtain Cabinet approval ready for public consultation.</li> <li>• Consideration of appropriate amendments following public consultation and adoption by KCC.</li> </ul>

## **2. Recommendation:**

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

### **Lead Contact Officer:**

Director of Economic Development  
Barbara Cooper

Email [Barbara.Cooper@kent.gov.uk](mailto:Barbara.Cooper@kent.gov.uk)

Tel: 01622 221856

**By:** Kevin Lynes, Cabinet Member for Regeneration and Economic Development  
David Cockburn, Corporate Director, Business Strategy & Support

**To:** Regeneration & Economic Development Policy Overview & Scrutiny Committee  
16 November 2011

**Subject:** Restructuring of the Regeneration & Economy Function

**Classification:** Unrestricted

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**Summary** To inform Members of the proposed structures for the new Economic and Spatial Development Unit within Business Strategy and the Regeneration Projects team in Enterprise and Environment and the respective selection processes.

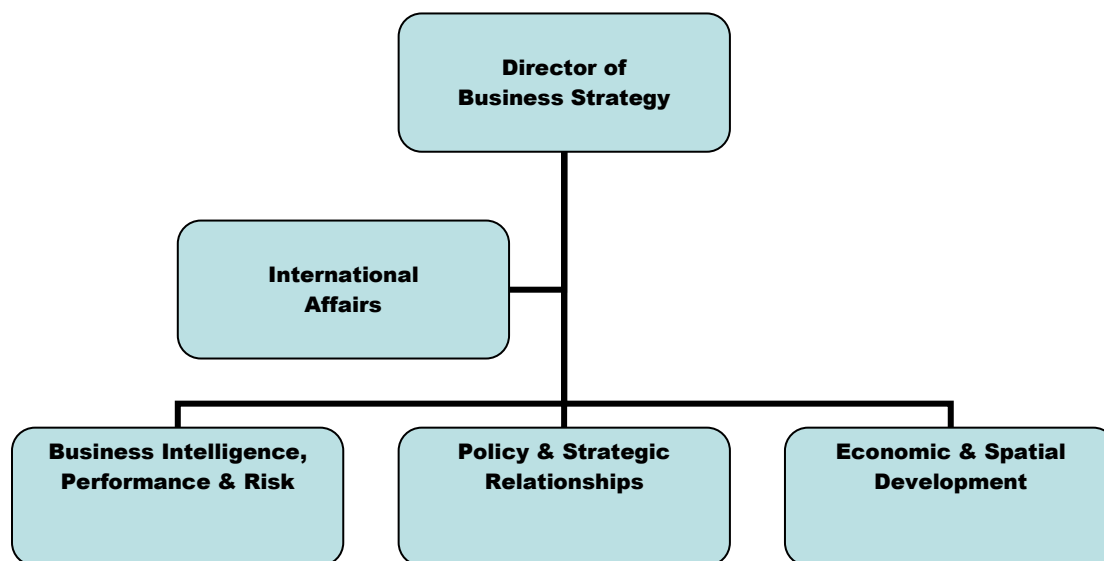
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## 1. Introduction

- 1.1 In April 2011 and as part of “Change to Keep Succeeding”, the Regeneration & Economy Function was split between the Commissioning/Strategy team entitled ‘Economic Development’ now located within Business Strategy and Project Delivery entitled ‘Regeneration Projects’ now located within Enterprise and Environment
- 1.2 Reflecting a budget reduction target of £500,000 for staffing for 2012/13 new structures have been proposed for both aspects of the Regeneration and Economy function which will result in a reduction of 8 FTE staff. The proposals for Economic Development sit within the context of the restructure of the whole of Business Strategy. An informal consultation took place over the summer to develop the high level ideas, and a formal consultation ran from 21<sup>st</sup> September to 21<sup>st</sup> October setting out a detailed proposal.
- 1.3 For Regeneration Projects the new structure has been designed to maintain sufficient capacity, capability and flexibility to deliver regeneration project activity from April 2012. Formal consultation was launched on 1<sup>st</sup> November and will conclude on 30<sup>th</sup> November when comments received will be taken into account, and the structure finalised.
- 1.4 The selection process for both aspects will be implemented during November/December.

## 2. Economic Development within Business Strategy

2.1 The Business Strategy Division will be organised into four teams – consolidating the 9 functional areas which exist today:



2.2 The restructure of **Economic and Spatial Development Unit** will result in a loss of 2FTE and will focus on shaping and developing policy and strategy to ensure conditions are right for economic growth in Kent. The unit will serve CMT/Cabinet and public sector partners and, most crucially, the business community. Its role is to respond directly to the priorities in the Regeneration Framework and within Bold Steps for Kent. It will shape and commission effective and timely responses to the strategic, spatial and development priorities and needs of Kent's economy and businesses. The unit's remit will also now extend to include more focus around broader Spatial and Environmental Strategy agendas and developing the performance, planning, service review and business intelligence relationships within these areas. This will be achieved particularly through further deepening of relationships both within and beyond Kent and of the business partner/adviser role with Enterprise and Environment. The existing and proposed structures for Economic & Spatial Development are set out in Annexes 1 and 2.

2.3 The remainder of Business Strategy will comprise **Business Intelligence, Performance and Risk Unit; Policy and Strategic Relationships** and **International Affairs**. The restructure of these units has been considered by the Corporate POSC.

## 3. Regeneration Projects

3.1 The re-structure of Regeneration Projects has focused on a reduction of approximately 6 FTE posts to meet the necessary savings targets. No substantial changes in the nature of its function are proposed and the skills and experience of staff required remains largely the same i.e. that of project delivery and related activity. The process of selection to be used is therefore that of 'diminution'. The existing and proposed structures for Regeneration Projects is set out in Annexes 3 and 4.

#### **4. Supporting Staff through the next steps**

- 4.1 Staff have been kept well informed about the restructuring proposals through staff meetings and consultation proposals. Responses to the informal consultation for Economic & Spatial Development during the summer resulted in a number of significant improvements to the proposals put forward under the formal consultation. The formal consultation closed on 21<sup>st</sup> October, and a number of changes were made to the Economic & Spatial Development structure (as reflected in Annex 2). The formal consultation for Regeneration Projects concludes on 30<sup>th</sup> November.
- 4.2 Assessment and interviews for the most senior posts will take place towards the end of November and interviews for all the remaining posts will be completed as far as possible before Christmas to minimise the period of uncertainty for staff and to enable the new structure to be up and running for the New Year.
- 4.3 Every effort is being made to avoid compulsory redundancy. Volunteers for redundancy or early retirement have been sought, although we clearly reserve the right to reject applications where we need to retain the skills/knowledge/experience of the person involved. Any staff who do not secure jobs in the new structure will then be priority candidates for any other job opportunities within KCC. All staff have also been offered employment support via “Workfriend”, which is an online job seekers’ training and redeployment tool – and reminded that Support Line is also available to them on a confidential basis.

#### **5. Recommendations**

- 5.1 The Regeneration and Economic Development Policy, Overview & Scrutiny Committee is asked to NOTE the proposals for the restructuring of Economic Development and Regeneration Projects and the progress to date.

Barbara Cooper

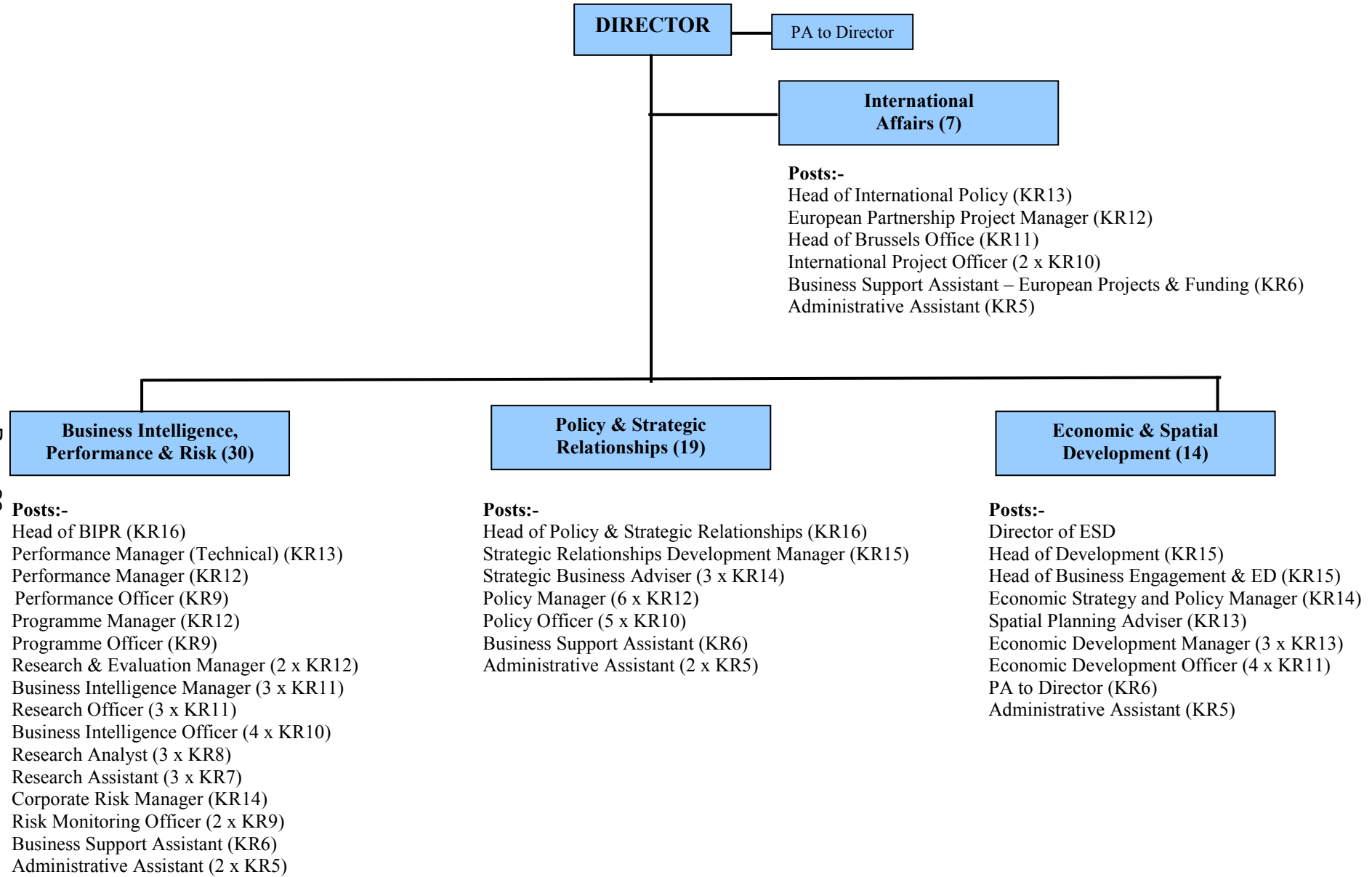
*Background Papers: None*

**Economic & Spatial  
Development (16)**

**Posts:-**

Director of ED  
Head of Development Investment (KR15)  
Head of Growth Areas & Development (KR15)  
Executive Director (Kent Economic Board) (KR14)  
Regeneration Manager (KR13)  
Kent Design Manager (KR13)  
Rural Regeneration Manager (KR13)  
Regeneration & Projects Manager (KR12/13)  
KEB Skills Manager (KR12)  
Project Officer (KR11)  
Principal Regeneration & Projects Officer (KR10/11)  
PA to Director (KR6)  
Administrative Officer (KR5)

Plus Strategy (Economic and Spatial) Team  
Economic Strategy and Policy Manager (KR14)  
Sustainability Managers (x2) (KR11)



# E&E Regeneration Projects Existing Structure October 2011

Head of Regeneration  
Projects  
KR 15

Regeneration & Economy Managers x 6.73 fte  
KR 12

Regeneration & Economy Project Officers x 4.68 fte  
KR 11

Regeneration & Economy Project Officers x 3.3 fte  
KR 10

Regeneration & Economy Project Officers x 2.6 fte  
KR 8/9

Project Delivery Support Officers x 2.46fte  
KR 4/5/6

**Visit Kent**  
KR 13 x 1fte  
KR 11 x 1fte  
KR 10 x 1fte  
KR 8 x 2fte

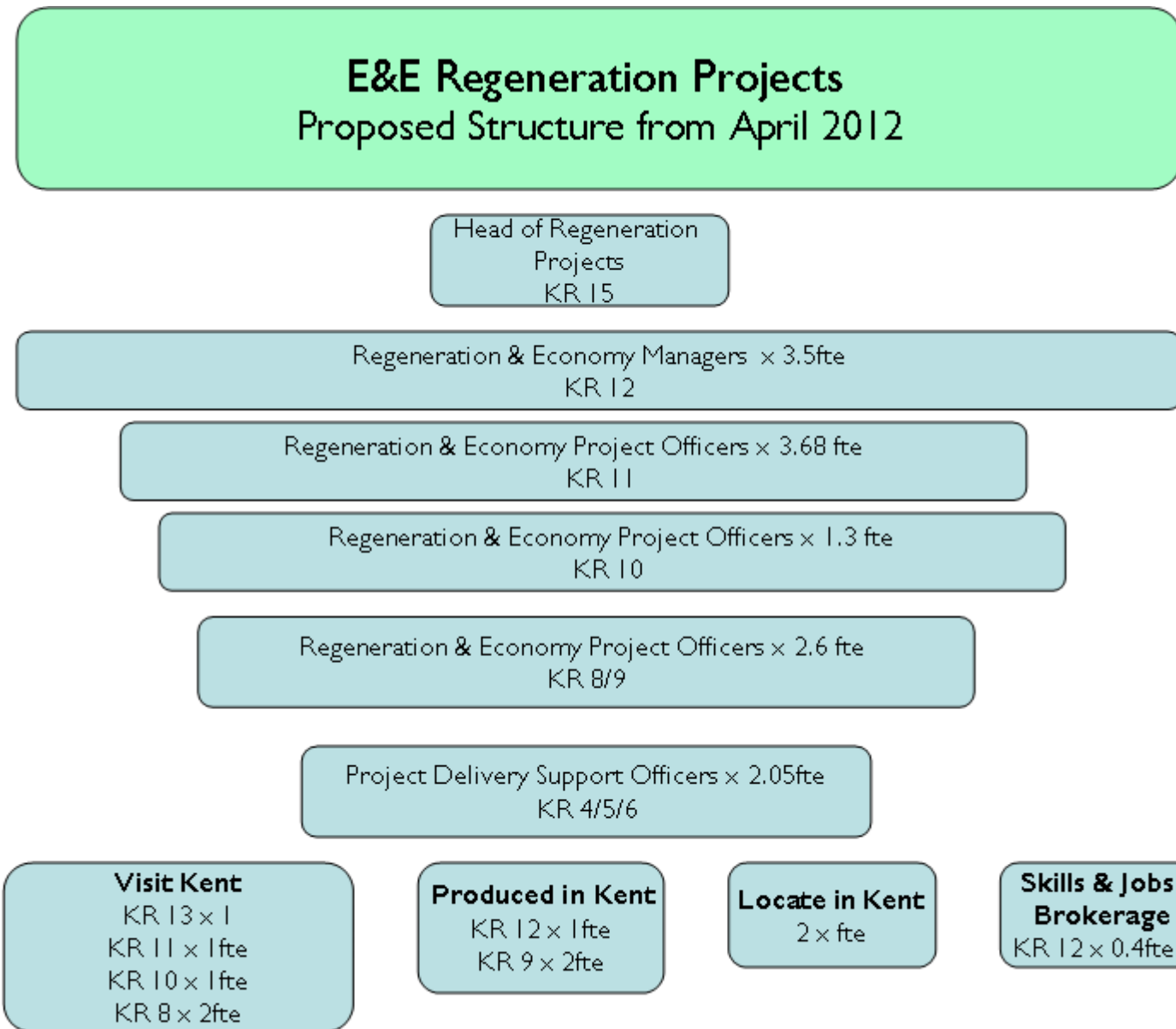
**Produced in Kent**  
KR 12 x 1fte  
KR 9 x 2fte

**Locate in Kent**  
2 x fte

**Housing Strategy**  
1 fte

**Skills & Jobs  
Brokerage**  
KR 12 x 0.4fte

PROPOSED REGENERATION PROJECTS STRUCTURE



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**BY:** Kevin Lynes, Cabinet Member for Regeneration and Economic Development  
David Cockburn, Corporate Director of Business Strategy & Support

**TO:** Regeneration and Economic Development Policy Overview & Scrutiny Committee – 16th November 2011

**SUBJECT:** Financial Monitoring 2011/12

**Classification:** Unrestricted

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**Summary:**

Members of the POSC are asked to note the budget monitoring exception report, based on the monitoring returns for August, as reported to Cabinet on 17<sup>th</sup> October 2011.

**FOR INFORMATION**

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**1. Introduction**

- 1.1 This is a regular report to this Committee on the forecast outturn for Regeneration and Enterprise portfolio as reported within Business Strategy & Support Directorate 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 full monitoring report for 2011-12 was presented to Cabinet in September. The position for the Regeneration and Enterprise Portfolio was reported to this POSC at its last meeting. This report is based on the exception report to Cabinet on 17<sup>th</sup> October.
- 2.3 There were no additional variations reported on either the revenue budget or the capital budget in the October exception report for Regeneration and Enterprise.

### **3. Savings Monitoring**

- 3.1 Further to the one-off savings report taken to this POSC on 24 June 2011, the monitoring of the delivery of savings is now being picked up as part of the routine budget monitoring process and reporting. However, it should be noted that the £625k saving on regeneration project activity, previously rated amber, has now been rated blue.

### **4. Recommendations**

- 4.1 Members of the POSC are asked to note the projected outturn for Regeneration and Enterprise for 2011/12 has not changed from the first quarter's monitoring report to Cabinet reported to this POSC on 23<sup>rd</sup> September 2011.

#### Background Documents:

- 1) Cabinet 17<sup>th</sup> October 2011 – Revenue and Capital Budget Monitoring Exception Report

#### Officer Contact:

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BY: Kevin Lynes, Cabinet Member for Regeneration and Economic Development and David Cockburn, Corporate Director of Business Strategy & Support

To: Regeneration and Economic Development Policy Overview & Scrutiny Committee – 16th November 2011

**Subject: REVENUE BUDGET 2012/13 AND MEDIUM TERM FINANCIAL PLAN 2012/13 TO 2014/15**

Classification: Unrestricted

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**Summary:** This report identifies the latest forecasts for next year's budget and the financial plans for the following years. This includes an analysis of the overall financial outlook for the whole council, appraisal of the existing plans for 2012/13, an update on the budget pressures facing the Regeneration & Enterprise portfolio budget and recommendations from the Informal Member Group on areas for budget savings.

**Recommendation:** Members are asked to review and comment on the pressures outlined for the Regeneration and Enterprise portfolio and to identify their priorities for savings in light of the overall financial outlook for the next three years.

## **FOR COMMENT**

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### **1. Introduction**

- 1.1 The Autumn Budget Statement is due to be presented to Cabinet on 5<sup>th</sup> December 2011 and will set out the County Council's proposed budget strategy following the Chancellor of the Exchequer's statement to Parliament on 29<sup>th</sup> November. The Chancellor's statement will include the latest economic forecasts from the Office for Budget Responsibility (OBR). All the indications are that these forecasts will show the economy has not recovered from recession as quickly as earlier predictions on which the 2011 Budget announced on 23<sup>rd</sup> March 2011 were based.
- 1.2 The Spending Review 2010 (SR 2010) set out the Government's four year plans to reduce the budget deficit. This showed an anticipated 21.9% reduction in the Formula Grant for local government over the four year period<sup>1</sup>. The Local Government Finance settlement for 2011/12

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<sup>1</sup> The overall reduction in resources from the department for Communities and Local Government (CLG) was 19.6% over the four years after taking account of new money for Council Tax Freeze, New Homes Bonus and Transitional Protection.

was published on 13<sup>th</sup> December 2010 and included provisional grant figures for 2012/13 but did not provide any provisional figures for 2013/14 or 2014/15. The 2012/13 provisional grant showed a £26.9m reduction in Formula Grant on 2011/12 (8.5%) for KCC.

- 1.3 Our overall planning assumption for the next medium term financial plan (MTFP) remains that we will need to make a £340m reduction in spend in real terms between 2011/12 to 2014/15.

## 2. Background

- 2.1 The MTFP for 2011/12 to 2012/13 was approved by the County Council on 17<sup>th</sup> February 2011. The approved MTFP for the Regeneration and Enterprise portfolio is included as appendix 1. At the time the plan was approved we had £15m set aside for unforeseen “emerging” budget pressures and £28m of savings still to be identified in order to balance the budget for 2012/13 against the anticipated level of resources (CLG grants and Council Tax).
- 2.2 Monitoring reports during 2011/12 have identified a number of additional budget pressures arising during the year in other Portfolios not covered by this POSC, which will have a full year impact in 2012/13 and some changes in the planned savings. The overall position for the County Council is that we are preparing for £25m of additional pressures in 2012/13.
- 2.3 We will need to review the indicative pressures included in the plan for 2012/13 in light of the latest activity information and identify any new pressures likely to arise in 2012/13 to 2014/15. The current assumptions for the Regeneration and Enterprise portfolio are set out in table 1 below.

Table 1	2012/13 £000's	2013/14 £000's	2014/15 £000's	Total £000's
<b>Regeneration &amp; Enterprise</b>				
Existing Approved MTP				
Base	4,137			4,137
Base Adjustments	0			0
Pressures	135			135
Grants	0			0
Savings & Income	-879			-879
Total Existing MTP	3,393			3,393
New Base Adjustments	0	0	0	0
Changes to Pressures	3			3
New forecast Pressures	0	0	0	0
Changes to Savings	0			0
New Proposed Savings	0	0	0	0
Proposed Budget	3,396	3,396	3,396	10,188

- 2.4 There have been some changes in the likely grant settlements since the budget and MTFP were agreed by County Council on 17<sup>th</sup> February which improve the position slightly. In particular the Chancellor announced in October 2011 that a further one-off grant would be available in 2012/13 where councils agree to a continued freeze on Council Tax, and a number of grants which were unclear have now been included in an un-ringfenced Local Service Support Grant.
- 2.5 The overall planning assumption in light of these changes is that some savings still need to be identified to balance the 2012/13 budget and that over the following two years substantial savings (estimated £110m) will be needed. In a break from previous convention we are not planning to set individual portfolio cash limit targets for the next three years. Cash limit targets were an appropriate mechanism in times of relative growth but are not an appropriate mechanism to determine spending priorities at a time of budget cuts.
- 2.6 For 2012/13 POSCs are asked to consider what savings would be feasible or acceptable in order to close the estimated overall £32m gap (3.5% of net spend) arising from the combination of additional pressures and the unidentified savings in the existing plan partially offset by the additional grant that will be available. For the medium term, POSCs are asked to consider what strategies should be considered if overall the council needs to make 15% saving over the next two years.

### **3. Latest Developments: National Context**

- 3.1 The Government has launched a consultation about re-localising business rates. If the proposals are implemented they would mean that in effect existing Formula Grant allocations would form a set base for the future (adjusted to the overall spending totals within the Spending Review) and any increase (or reduction) in overall resources available to the council would be determined according to changes in the business rate tax base.
- 3.2 Local authorities would also still be able to set the level of council tax and would also receive any resources from changes in the Council Tax base (as now). The effect of these changes mean that any increase in funding can only come from increase in the local business rate base or Council

Tax and local authorities would no longer be reliant on Government grants.

- 3.3 At this stage we have no announcements on decisions following the consultation which is due to be implemented from 2013/14. We have factored in our best estimates into the planning assumptions for 2013/14 and 2014/15 but POSC members need to be aware that the overall funding available is likely to be heavily reliant on local factors in future rather than Government decisions on the allocation of grants.

#### **4. Revenue Budget Strategy**

- 4.1 The council's overall strategy will be set out in the Autumn Budget Statement setting out how the authority plans to deal with reducing funding and continuing additional spending pressures. POSC is invited to comment on the strategy proposed within the Regeneration and Enterprise portfolio.
- 4.2 The functions within the Regeneration and Enterprise portfolio have recently restructured into two lean teams; 'Strategic Commissioning' within Business Strategy and 'Delivery' within Enterprise and Environment. The challenging external environment coupled with the strong commitment the County Council has made via its Regeneration Framework, and Bold Steps for Kent - with the first of its three ambitions being "to grow the economy" – means that the spotlight is on this function to maximise its impact, and demonstrate the ability to achieve sharply targeted interventions that make good use of limited resources whilst attracting significant leverage, and delivers real economic growth .

#### **5. The Current Budget for the Regeneration and Enterprise Portfolio**

- 5.1 POSC members should be well informed on the current budget through the regular monitoring reports and should refer to these as part of their discussions. The current budget for the Regeneration and Enterprise portfolio under the oversight of this POSC are summarised in table 2 below:

Table 2	Gross Exp £'000	Service Income £'000	Net Exp £'000	Gov't Grants £'000	Net Cost £'000
Regeneration and Enterprise	5,698	-1,586	4,112	0	4,112

5.2 More details on the 2011/12 budget are included in appendix 1. In very brief summary this budget provides for the following outcomes, outputs and/or service improvements:

- Successful bid to Broadband Delivery UK (BDUK) for £9.87m towards the £43m costs of delivering superfast broadband to 90% of Kent and Medway and 2mb to the remaining 10%.
- The Sandwich Task Force and the successful RGF bid for £40m for grants/loans to businesses; the successful bid for Enterprise Zone status for Discovery Park and monies for flood protection for the Pfizer site and Sandwich town.
- The Kent & Medway Investment Fund, which stands to generate £300m of private sector investment from an initial £30m contribution;
- Delivered sector conversations for rural, construction, low carbon and health and social care sectors. One of our first wins, working closely with the rural sector, has been the launch of Kent Rural PLC.
- Worked on bids to support an Innovation and Growth Team following the demise of SEEDA and the reconfiguring of business start up support across Kent.
- Co-ordinated and managed developer contribution service on behalf of all services in KCC. Since 2002 the team has attracted over £110m for KCC services, excluding transport. The team is also heavily involved in site developments at Whitfield, Thanet, Ebbsfleet/EQ, Sittingbourne TC, Gravesham and Dartford.
- Managed Service Level Agreements with Locate in Kent, Visit Kent and Produced in Kent as well as a significant rural programme.
- Managed the 'No Use Empty' scheme which has approved £4.8m loans, returning 260 units in eight districts and attracting a further £10.4m leverage from public/private sector funding.
- Oversaw the preparation of the Housing Strategy and its subsequent Implementation Plan.
- Work closely with numerous partnerships including TGKP, TGSG, EKRB, Ashford Locality Board, Thanet Regeneration Board.

## **6. Informal Member Group**

6.1 Members of this POSC have had informal member group meetings (IMG) throughout the summer/autumn. IMGs have found these meetings useful to gain a more detailed insight into budgets controlled by the

Regeneration and Enterprise portfolio. The IMG made the following recommendation:

- 6.2 The IMG recommended that the Policy Overview and Scrutiny Committee be informed that the Informal Member Group has serious concerns about the Regeneration and Economic Development Units capacity, within its proposed resources, to undertake new initiatives without out dropping existing regeneration work.

## **7. Recommendation**

### 7.1 Members are asked to

- (i) note the latest forecasts for 2012/13 and the next two years
- (ii) comment on the outline 3 year plan for the Regeneration and Enterprise portfolio in Table 1
- (iii) comment on the IMG recommendations and identify priorities for delivering the 3.5% saving requirement for 2012/13 and 15% for the following two years

#### *Contact officers:*

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## Appendix 1 – 2011/12 Revenue Budget

Budget Book Heading	Cash Limit				Reference
	Staff	Other costs	Service Income	Net Expenditure	
	£'000s		£'000s	£'000s	£'000s
<b>Regeneration &amp; Enterprise portfolio</b>					
Tourism	266	-5	-261	0	Row 8 page 32 Budget Book 2011-12
Regeneration and other projects	1,687	-637	-1,050	0	Row 10 page 32 Budget Book 2011-13
Economic Development	957	3,455	-275	4,137	Row 14 page 33 Budget Book 2011-14
Review of terms & conditions of employment	-28			-28	Row 2 page 33 Budget Book 2011-15
5p increase in casual user rate	3			3	In year cash limit adj
<b>Total R&amp;E portfolio</b>	<b>2,885</b>		<b>-1,586</b>	<b>4,112</b>	<b>0</b>

## Appendix 1 – Existing Published 2012/13 Medium Term Plan

<b>Regeneration &amp; Enterprise Portfolio Revenue Budget</b>				
				2012-13 £'000 Original Restated
Base budget				4,137
Total Base Adjustments				0
<b>Revised Base Budget</b>				<b>4,137</b>
<b><u>UNAVOIDABLE PRESSURES FUNDED IN INDICATIVE CASH LIMITS:</u></b>				
Pay:				0
Prices:				
Regen	Other	E		10
				10
<b>Service Strategies &amp; Improvements:</b>				
Regen	Analysis and dissemination of 2011 Census		E	25
Regen	AS Cyclopark		E	100
				125
<b>Total unavoidable pressures funded in indicative cash limits:</b>				<b>135</b>
<b>Total Pressures</b>				<b>135</b>
<b><u>SAVINGS AND INCOME:</u></b>				
<b>Efficiency Savings:</b>				
Regen	Central Costs		E	-12
Regen	Pensions		E	-12
				-24
<b>Political Prioritisation:</b>				
Regen	Regeneration Projects		E	-855
				-855
<b>Total Savings and Mitigations</b>				<b>-879</b>
<b>Total Savings and Income</b>				<b>-879</b>
<b>Budget controlled by this portfolio</b>				<b>3,393</b>

By: Mr Peter Sass, Head of Democratic Services

To: Regeneration and Economic Development Policy Overview and Scrutiny Committee – 16 November 2011

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.

1. There is one Select Committee review that partially falls within the portfolio of this POSC, Education Learning and Development POSC and is lead by Customer and Communities POSC, “The Student Journey”.

**2. The Student Journey** - This Select Committee, under the Chairmanship of Mr K Smith, has now completed its evidence gathering sessions with key stakeholders, including representatives from business and education, and from young people. A number of visits were undertaken.

The Committee met on 1 September 2011 to identify areas for possible recommendation. The potential recommendations were met with widespread agreement by the key KCC officers who will be responsible for the implementation of most of them. The Committee will meet on 24 November to formulate its final recommendations before the report is written. It is intended that the Select Committee will submit its final report to the Cabinet in April 2012 and to County Council in May 2012.

The contacts in Democratic Services for this Select Committee are: Research Officer Gaetano Romagnuolo (01622 694292) and Democratic Services Officer Theresa Grayell (01622 694277).

**3. Suggestions for Future Select Committee Work** - A review on Domestic Abuse has been suggested by the Customer and Communities POSC (meeting as the Crime and Disorder Committee, in July 2011). This review cuts across several portfolios; adult services and public health, communities and specialist children’s services. A formal proposal was welcomed and approved by the Scrutiny Board on 2 November. The review will commence in the New Year.

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 review work currently coming to fruition, and future work soon to commence, and 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.

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Background Information: *Nil*

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