

**ECONOMIC DEVELOPMENT CABINET COMMITTEE**

**Thursday, 23rd January, 2014**

**10.00 am**

**Darent Room, Sessions House, County Hall, Maidstone**







## AGENDA

### ECONOMIC DEVELOPMENT CABINET COMMITTEE

**Thursday, 23 January 2014, at 10.00 am**  
**Darent Room, Sessions House, County Hall,**  
**Maidstone**

Ask for: **Christine Singh**  
Telephone: **01622 694334**

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

#### **Membership (13)**

Conservative (8): Mr M A Wickham (Chairman), Mr S Holden (Vice-Chairman),  
Mr M A C Balfour, Mr A H T Bowles, Miss S J Carey,  
Mr J A Kite, MBE, Mr G Lymer and Mr C Simkins

UKIP (2): Mr R A Latchford, OBE and Mr F McKenna

Labour (2) Mrs E D Rowbotham and Mr R Truelove

Liberal Democrat (1): Mr R H Bird

#### **UNRESTRICTED ITEMS**

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

#### **Webcasting Notice**

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#### **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 3 December 2013 (Pages 5 - 14)

A5 Verbal Update by Cabinet Member

A6 PRESENTATIONS:- Kent Savers Credit Union and Linkages to Trading Standards Loan Sharks Project - Gail Devries, Chairman of the Board and Kent Loan Sharks Project (Pages 15 - 32)

**B. Key or Significant Cabinet/Cabinet Member Decision(s) for Recommendation or Endorsement**

**None**

**C. MONITORING PERFORMANCE**

**None**

**D. Other Items for Comment/Recommendation to the Leader/Cabinet or Officers**

D1 Unlocking the Potential: Going for Growth: The Kent and Medway Growth Plan (Pages 33 - 108)

D2 New Leader Programme 2014-2020 (Pages 109 - 112)

D3 Verbal Update by Director Economic Development

D4 Unlocking the Potential: Low Carbon Kent (Pages 113 - 118)

**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

**Wednesday, 15 January 2014**

## KENT COUNTY COUNCIL

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### ECONOMIC DEVELOPMENT CABINET COMMITTEE

MINUTES of a meeting of the Economic Development Cabinet Committee held in the Council Chamber, Sessions House, County Hall, Maidstone on Tuesday, 3 December 2013.

PRESENT: Mr M A Wickham (Chairman), Mr S Holden (Vice-Chairman), Mr M A C Balfour, Mr R H Bird, Mr A H T Bowles, Miss S J Carey, Mr J A Kite, MBE, Mr R A Latchford, OBE, Mr G Lymer, Mr F McKenna, Mrs E D Rowbotham, Mr C Simkins and Mr R Truelove

#### UNRESTRICTED ITEMS

#### **28. Declarations of Members' Interest relating to items on today's Agenda** (Item A3)

No declarations of interest were received.

#### **29. Future Meetings Dates 2014** (Item A4)

RESOLVED that the future Economic Development Cabinet Committee 2014 meeting dates be agreed as follows:

Thursday, 23 January	Tuesday, 16 September
Tuesday, 15 April	Tuesday, 2 December
Tuesday, 8 July	

*(All meeting will commence at 10.00 am)*

#### **30. Minutes of the meeting held on 20 September 2013** (Item A5)

RESOLVED that the Minutes of the meeting held on 20 September 2013 were correctly recorded and that they be signed by the Chairman.

#### **31. Verbal Update by Cabinet Member for Economic Development** (Item A6)

1. The Cabinet Member for Economic Development, Mr Dance, gave his verbal update and highlighted the following:
  - That the launch of 'Fibre boxes' in the County was planned for Densole for later in December.
2. He made no further updates as any other matters on which he might wish to comment were covered elsewhere on the agenda.
3. It was RESOLVED that the information given in the verbal update be noted.

**32. PRESENTATION: "Plan Bee" by Mr Sean Holden, Vice Chairman of EDCC**  
(Item A7)

1. Mr Holden gave his presentation and highlighted the following points:
  - That the number of bees had reduced significantly in recent years.
  - That bees were of vital importance to the Kent economy, the value of bee pollinated products was extremely high and would be cost intensive for humans to produce.
  - Work was being undertaken to increase bee numbers, including working with partner organisations to increase bee friendly plants within parks, gardens and other open spaces.
2. The Committee saw an interview conducted with the Lord de Mauley, Bees Minister, and footage of the recent Bee Conference which Mr Holden had attended.

[The full presentation is available to view on line here [http://www.kent.public-i.tv/core/portal/webcast\\_interactive/119162/start\\_time/233000](http://www.kent.public-i.tv/core/portal/webcast_interactive/119162/start_time/233000) ]

3. In response to comments made and questions raised, the Committee heard the following further information from Mr Holden:
  - That the idea of engaging with rail and track companies in order to increase bee friendly planting by the railway would be pursued, as would coast line planting as undertaken in east Sussex
  - That farmers in the county were being encouraged to participate in the work to reduce bee starvation through a county wide co-operative. Grant funding had not been identified for those farmers taking part.
  - That although Bees were at risk from other dangers such as disease and the use of particular pesticides, the work to date in Kent had focussed on starvation as the problem that might be most easily resolved.
  - That there was no evidence to suggest that taking honey from bees and replacing with a sugar substitute created less healthy bees.
4. Mr Holden thanked members for their helpful suggestions and comments.
5. It was RESOLVED that the responses to comments and questions by Members and the information given in the presentation be noted with thanks.

**33. Decision No: 13/00080 - Procurement of an organisation to deliver Visitor Economy Services for the Kent County Council Area**  
(Item B1 – Report by Mr M Dance, Cabinet Member for Economic Development and Mr D Cockburn, Corporate Director, Business, Strategy and Support)

*(Mr W Gough, Economic Development Manager, was present for this item)*

1. The Economic Development Manager, Mr Gough, introduced the report that detailed the procurement process that had been followed and outlined the requirements that KCC had asked bidders to meet when submitting their proposals.
2. Mr Gough responded to comments and questions by Members which included the following:

- That ten organisations had initially registered an interest in securing the contract.
- That Visit Kent currently employ 20 members of staff, and that KCC has a team of 3.5ftes, who work on tourism, and work very closely with Visit Kent.
- That the diversity questionnaire that accompanies tender specifications such as this one was a standard document provided by Procurement at KCC and intended to ensure compliance with various legislative requirements. Mr Gough would feedback members concerns that the document was unnecessary and overly detailed.

3. Comments were received from members of the Committee regarding the benefits and disbenefits of outsourcing such projects. Mr Gough confirmed that bringing services 'in house' for delivery was not considered to be best value at this time.

4. In addition members expressed concern that further information was not available regarding the preferred bidder or the number of bids received. The Committee received advice regarding the relevance of the information before it and the further opportunity that would be available to all members to comment when the proposed decision were published.

5. Ms Cooper reported that she and Mr Dance had taken every necessary step to ensure that no conflict of interest might occur in relation to the award of contract, in particular both had withdrawn from the Board meetings of both Visit Kent and Locate in Kent when the procurement exercise/tenders were being discussed.

6. It was RESOLVED that:-

a) the responses to comments and questions by Members be noted;

and

b) the proposed decision to be taken by the Cabinet Member for Economic Development to award the contract for Inward Investment Services for Kent County Council Areas be endorsed.

**34. Decision No: 13/00079 - Procurement of an organisation to deliver Inward Investment Services for Kent County Council Area**

*(Item B2 – Report by Mr M Dance, Cabinet Member for Economic Development and Mr D Cockburn, Corporate Director, Business, Strategy and Support)*

*(Mr W Gough, Economic Development Manager, was present for this item)*

1. The Economic Development Manager, Mr Gough, introduced the report that detailed the procurement process that had been followed and outlined the requirements that KCC had asked bidders to meet when submitting their proposals.

2. Mr Gough responded to comments and questions by Members which included the following:

- That the procurement of inward investment services was likely to be delayed into the New Year and after the Visitor economy contract had been awarded.

- That the current Chief Executive of Locate in Kent plus one further member of staff were employed by KCC, and as such were seconded to Locate in Kent Ltd, and that they would TUPE across to the organisation that was successful in winning the tender.
- That it was not considered to provide best value for KCC to being the services 'in house'.

3. Mr Dance confirmed that, as stated in tender specification, there was no intention for Members of the Council to be part of any ambassadorial trips.

4. It was RESOLVED that:-

- a) the responses to comments and questions by Members be noted;  
and
- b) the proposed decision to be taken by the Cabinet Member for Economic Development to award the contract for Inward Investment Services for Kent County Council Areas as detail in appendix A to the report, be endorsed.

### **35. Regeneration and Economic Development Portfolio Financial Monitoring 2013/14**

*(Item C1 – Report by Mr M Dance, Cabinet Member for Economic Development and Mr D Cockburn, Corporate Director, Business Strategy and Support)*

*(Mrs J Hansen, BSS Finance Business Partner, was present for this item)*

1. Mrs Hansen introduced the report on the second quarter's full budget monitoring report for 2013/14 reported to Cabinet on 2 December 2013. In particular she drew the attention of members to the information

- That the regeneration portfolio was on target at this point and that this provided good evidence that the end of year budget would also be on target.
- In relation to the Capital budget some expected re-phasing of projects had occurred but all were expected to deliver in the 3 year period.

2. It was RESOLVED that the revenue and capital forecast and variances from the budget for 2013/14 for the Regeneration and Economic Development Portfolio based on the second quarter's full monitoring to Cabinet be noted.

### **36. Half-year Performance Dashboard and 2013/14 Business Plan Monitoring**

*(Item C2 – Mr M Dance, Cabinet Member for Economic Development and Ms B Cooper, Director, Economic Development)*

1. Ms Cooper introduced the report to the Committee, in particular she drew attention to the following information contained therein:

- That the business plan focussed on two aspects, Business Support and site development.



- That the report contained information on a new initiative, Key Kent Companies, to identify the Key Companies present in Kent in order to identify gaps in the County Council's networks.
- A business Portal was being developed in order to signpost business advice and services.
- The report also provided an update on work conducted with Borough Councils regarding the introduction of CiL.

2. Following comments made and questions raised the Committee heard the following further information from Ms Cooper and Mr Dance:

- That a key theme of the business portal was to make sense and to signpost the support available to small businesses, to create a single pathway for advice. However it was not intended that KCC would deliver services except in certain circumstances such as the regional growth Fund.
- That the Eurokent planning application sale would be going to appeal; resubmitting the application would be considered should it be considered to be a more efficient route to securing the desired outcome.
- Marsh Million was a new fund, the first meeting took place only a week ago. The next step would be to appoint private sector representatives to the Board. It was envisaged however that some of the fund would be used to target connectivity and transport.
- Expansion East Kent was the first fund established by Kent County Council and important lessons were learned from that exercise. Officers were able to set up TIGER much more quickly and this would be the case for Marsh Million.

3. It was RESOLVED that the report be noted.

### **37. Budget 2014/15 and Medium Term Financial Plan 2014/17 Consultation**

*(Item D1 – Report by Mr M Dance, Cabinet Member for Economic Development and Mr A Wood, Corporate Director, Finance & Procurement)*

*(Mr D Shipton, Head of Financial Strategy and Mr M Burrows, Director of Communication and Engagement was present for this item)*

1. Mr Shipton (Head of Financial Strategy) gave an update on three matters of interest from the Chancellor's Autumn Statement. The Chancellor had said that funds would not now be transferred from the New Homes Bonus grant into the Single Local Growth Fund; local government would not face any additional funding cuts in 2014/15 and 2015/16 above those already announced. He also said that it was likely that local government would be compensated for changes proposed to the business rates although the detailed information would not be available until the provisional settlement was received later in December.

2. Mr Shipton introduced the report and said the aim of the consultation was to engage with and better inform Kent residents and businesses of the financial challenges for the authority as a result of: reductions in funding from central government; additional demands on spending; and restrictions on the ability to raise council tax.

3. Mr Burrows and Mr Shipton gave a presentation about the consultation on the Budget 2014/15 and the Medium Term Financial Plan 2014/17.

4. Following comments made and questions raised the Committee received the following further information from officers:

- Although the response was relatively small in comparison to the population of Kent as a whole, officers were congratulated on the improvement made.
- That the consultation responses were one tool amongst others that would be used to aid elected members in their decision making.
- That it was possible for individuals to respond to the survey more than once, the stripping back of identifying questions was deliberate in order to encourage more responses. It was possible to monitor unique visits and the evidence suggested that most people had only filled out the survey once.
- That increasing council tax above the government threshold did not represent value for money as the council would be required to hold a referendum, which, in a year where there were no other elections in the County, would be prohibitively expensive.

5. It was RESOLVED that the consultation and engagement strategy/process as set out in the report be noted.

### **38. Unlocking the Potential/Strategic Economic Plan**

*(Item D2 – Report by Mr R Gill, Economic Strategy and Policy Manager)*

1. The Economic Strategy and Policy Manager, Mr Gill, introduced the report which set out the progress and next steps toward finalising 'Unlocking the Potential' and the South East Local Enterprise Partnership's Strategic Economic Plan. The report also introduced '*Unlocking Potential – Maintaining Momentum: Prospective Priorities and Asks*' and outlined the proposed governance arrangements for Kent and Medway in context of the South East LEP. He highlighted the following information contained within the report:

- The Strategic Economic Plan was intended to achieve three aims:
  - To set out the overall strategic priorities for the area
  - To set out the freedoms that would be sought from central government in order to deliver those priorities
  - To set out the reasons that the priorities identified require government funding.
- Shared Intelligence was currently working on the SEP for the LEP
- UK national funding worth approx £2 billion would be available of which KCC was likely to pitch for £83 million. A large proportion of this funding was already within the local authority spending arena but was being repackaged for the purposes of the LEP
- In addition £65million of EU funding would become available, of which Kent would seek to secure approximately £10million.
- The three main themes of 'unlocking the potential' were 'Unlocking Places', 'Business for Growth' and 'People for Growth'
- That comments would be particularly welcomed in relation to the spatial element of the report and how funds would be distributed once secured.
- A draft would be prepared by the 19<sup>th</sup> December for submission by the LEP to Government, following that the final document would be completed by March 2014. Ongoing negotiations with Government would follow with a view to a growth deal being agreed in the summer with funding to flow from April 2015. .

- That the Kent and Medway Economic Partnership had now been established and the process, minutes and papers related to that meeting would be fully transparent.
2. In response to questions raised and comments made the committee heard the following further information from Mr Gill:
    - a) That the importance of the rural economy to the strategy had been raised on several occasions and had now been captured and would appear in the draft.
    - b) That members of the business community had been consulted on priorities, challenges and opportunities through a series of roundtable exercises and a business survey.
  3. It was RESOLVED that:
    - a) the responses to Members comments and questions be noted; and
    - b) the content of *Unlocking the Potential – Maintaining Momentum: Prospective Priorities and Asks* be endorsed subject to it reflecting comments received regarding the rural economy and skills for young people.

### **39. Members' Visits to East Kent Businesses**

*(Item D3 – Mr M Dance, Cabinet Member for Economic Development and Ms B Cooper, Director, Economic Development)*

*(Mrs J Ward, Regional Growth Fund Programme Manager was present for this item)*

1. The Regional Growth Fund Programme Manager, Ms Ward, introduced a report that gave an update on every SME company that received RGF grant funding from the Department of Business, Innovation and Skills (BIS) in the East Kent area, some of which were visited by Members of the Economic Development Cabinet Committee in October, November and December.
2. Ms Ward made the following comments to the committee about the report and the visits undertaken:
  - That 53 companies had now been awarded loans.
  - That 13 companies had been visited to date spread around East Kent. Companies welcomed the elected member visits
  - Feedback from companies had focussed on three areas; Financing and issues with traditional bank loans; skilled worker recruitment and retention and the application process for loans from KCC.
3. Ms Ward responded to comments and questions by Members by providing the following additional information:

- a) That businesses were encouraged to approach the bank and the loan fund simultaneously thereby de-risking funding for banks.
- b) That firms were losing skilled workers to competitors in a highly competitive market
- c) That the loan to Viking Recruitment would not cause duplication of training carried out at Dover College, who were part of the overall proposal for the maritime academy. It was intended that the academy would train people in all areas of maritime service. Recruitment to jobs related to the establishment of the academy would be sourced from the local population. In addition those people coming to the academy to train would bring money into the local area.
- d) That it was not possible to comment on another company's recruitment model, but that it would be possible to monitor Viking recruitment as they have to report to KCC as a condition of the loan.
- e) In Canterbury, Giram UK Ltd had been awarded a loan and this would be the third research centre of its kind to open in the country and would create an additional 15 jobs, details would be sent to members.

4. Mr Dance reported for the committee on the background of the company that intended to provide the maritime training.

5. He also confirmed that he was happy to provide for members 12 month updates on loans given, additional jobs created and loan repayments made. As the fund is a recyclable scheme, the recycled element would be set aside for further rounds of the Expansion East Kent Scheme.

6. RESOLVED that the responses to comments and questions by Members be noted and the information in the report be noted.

#### **40. Supporting Kent Businesses through Procurement**

*(Item D4 – Mr M Dance, Cabinet Member for Economic Development and Ms B Cooper, Director, Economic Development)*

*(Mr H Swan, Head of Procurement was present for this item)*

1. The Head of Procurement, Mr Swan, introduced a report that highlighted the progress made by the County Council to date in supporting Kent businesses through procurement, and an update on the proposed future developments.

2. He referred in particular to the following:

- That three key targets existed:
  - Achieve value
  - Be risk aware
  - Support Kent Business
- All procurement exercises over £50,000 were subject to a detailed plan, one part of which was to establish that Kent businesses would be supported by the approach.
- The Kent Business Portal had been launched and was used by not only KCC but other Local Authorities and statutory bodies such as the Fire Authority.
- Regular meetings were held with Business partners and advice given on recruiting from within the local area.
- That targets of 60% for both tiers were being not only met but exceeded.

3. Mr Swan responded to comments and questions by Members which included the following:

- a) the Kent portal is only advertised in Kent
- b) The approach to managing risk whilst balancing the requirements of the local community and the law.

4. RESOLVED that the responses to comments and questions by Members and the report be noted.

**41. Verbal Update by Director of Economic Development**  
*(Item D5)*

1. The Director of Economic Development, Ms Cooper, had no further update.

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**By** Mark Dance  
Cabinet Member for Economic Development

Barbara Cooper  
Director of Economic Development

**To:** Economic Development Cabinet Committee

23 January 2014

**Subject:** KENT SAVERS CREDIT UNION AND LINKAGES TO TRADING STANDARDS LOAN SHARKS PROJECT.

**Classification:** Unrestricted

**Electoral Division:** All Divisions

**Summary:**

This paper provides background to the two presentations to the Cabinet Committee by Kent Savers Credit Union which provides affordable financial services, including help for those who may be financial excluded and by KCC Trading Standards with regard to its Loan Sharks Project. This paper includes contributions from Kent Savers and outlines the Credit Union's current situation and recent developments locally and nationally. The link to supportive activity within KCC Trading Standards and other help that KCC can give is also outlined.

**Recommendations**

The Economic Development Cabinet Committee is recommended to:

- i. **RECEIVE** this report for information
- ii. **RECEIVE** presentations to the Committee
- iii. **NOTE** and **DISCUSS** the progress of Kent Savers and joint working with KCC Trading Standards

**1. Introduction**

- 1.1 Kent Savers was set up as a credit union and approved by the regulator in March 2010 with £250,000 of financial support from KCC. Its role is to offer affordable and fair financial services to those who 'live or work' in Kent and Medway. This includes savings and loans to individuals who cannot access mainstream banking products. It is an independent legal entity and, like all credit unions, is regulated by the Prudential Regulation Authority and the Financial Conduct Authority previously the Financial Services Authority.
- 1.2 A place on the Kent Savers Board for KCC is currently being explored and the Supervisory Committee (a Prudential Regulation Authority required scrutiny body) is chaired by KCC's Head of Financial Services who sees all papers and also attends Board meetings.
- 1.3 KCC has continued to take a close interest through the Cabinet Member for Economic Development and his officers. Meetings have been held with Kent Savers to discuss the long term development of the business.

## **2. Current situation**

- 2.1 Kent Savers has been successful with £1,069,000 of loans issued and deposits of £733,000. This is a major achievement and means that a substantial number of people have been kept away from high cost lenders. This would not have been possible without KCC's initial contribution of £250,000.
- 2.2 Kent Savers is a small organisation with a voluntary Board of Directors and only 3-4 employees. Most of their work is done through postal applications for loans with a high proportion of applications being unsuccessful as Kent Savers can only issue loans where there is a very strong likelihood of repayment. This is in line with most credit unions as affordability risk is a key factor.
- 2.3 The main source of income for Kent Savers is the interest which it earns on loans. Whilst the loan book is substantial it does need to grow considerably for the income to cover core running costs. Kent Savers staff, volunteer and financial resources are insufficient to support a significant marketing and promotions campaign to grow membership and increase the number of loan applications and does require resourcing.
- 2.4 Kent Savers is participating in the two year Department for Work and Pensions Credit Union Expansion Programme (CUEP) which the Association of British Credit Unions Ltd was appointed to run. This is intended to assist over 80 successful credit unions to expand by using new systems and efficient ways of working to reduce operating costs.
- 2.5 Whilst the DWP project is expected to produce a national marketing initiative this is not likely to be for some time. In the short term KCC could consider various ways to help promote Kent Savers, including easier access via the Council's website, promotion at Gateways and by encouraging savings and access to loans supported by payroll deductions as well as initiatives jointly with Trading Standards.
- 2.6 Kent's District Councils and Registered Social Landlords have only been able to provide limited financial assistance, albeit they are keen to promote the credit unions services to their residents. Kent Savers has a very small marketing budget and, not surprisingly, this results in a low public profile. In addition, the lack of a high street presence to enable the business to be seen alongside more mainstream banks and building societies may have affected the rate at which it has been able to grow.

## **3. Recent Developments**

- 3.1 The Archbishop of Canterbury has recently been highly critical of pay day lenders and supportive of credit unions. As a result Kent Savers is now working in partnership with the Diocese of Canterbury to offer access to credit union services in the community. In addition, KCC facilitated discussions with the Diocese of Rochester in the autumn of 2013.
- 3.2 In September 2013, KCC granted the first £25,000 tranche of a £100,000 five year interest free loan. This supports the capital base and ensures that Kent Savers can look to grow and become financially free standing.
- 3.3 A more detailed update on recent developments has been provided by Kent Savers General Manager Chris Hunt:



- **Church of England**
  - Diocese of Canterbury: Held launch event in October 2013 with the Diocese of Canterbury as outlined in the News Release - forming a supporting document to this report. A community branch of Kent Savers in Murston, Sittingbourne is planned to launch in January 2014 supported by church volunteers and will offer a range of support to local people including money advice.
  - Diocese of Rochester: Met with Jean Kerr and discussed replicating work with the Diocese of Canterbury. Piloting the setting up Kent Savers in a community building in Walderslade staffed by church volunteers assisting people to open accounts prior to roll-out more widely.
- **Barclays Bank** has been working with West Sussex Credit Union and referred customers they couldn't help to the credit union. Barclays are about to replicate this arrangement with Kent Savers. There is scope for other banks to join this initiative.
- **Online membership** - Kent Savers has secured £6,000 (Unity Trust, Diocese of Canterbury, Maidstone, Swale and Tunbridge Wells BC's) for an on-line membership application service to make it simpler for people to join.
- **Credit Union Expansion Project (CUEP)**. This DWP funded project which began in May 2013 is developing credit union products/services ranging from a budget account to a common debt recovery service for all credit unions. Also, extensive market research on barriers to credit union growth and production of marketing materials to be made available soon. An automated loan assessment tool will enable credit unions to process more loans without increasing staffing and improve risk assessment. Kent Savers will go live with this tool in January 2014.
- **Growth**. Kent Savers members and shares continue to grow, but the loan book has levelled off (i.e. loans repaid every month now match loans issued). Membership is nearly 1,400 Members. The shares took a temporary decline when dividend level dropped from 3% to 1% agreed at this year's AGM as some members withdrew their savings intending to invest them elsewhere. The difference between a dividend and interest is that the interest rate would be announced in advance and paid at set times (e.g. 30th September) whereas the dividend rate is announced in arrears and is subject to a vote at our AGM.
- **Community Investment account**. Just launched this account to encourage individuals and organisations with capital to invest some of their money to help their community.

**Note:** whilst Kent Savers will shortly have an on-line joining facility for members and an automated system to assess loan applications as part of the CUEP project, this does not equate to having an on-line loans application system akin to that used by pay day lenders. In addition, Kent Savers does not offer short term high interest loans like pay day lenders and does not see itself as competing directly. The credit union is, however, an alternative source of affordable credit to pay day lenders.

#### 4. Links between Kent Savers and other initiatives:

##### 4.1 Trading Standards Loan Sharks Project

KCC Trading Standards has, for a number of years, worked in partnership with Birmingham City Council Trading Standards who have Government funding for this national project.

So far in Kent this has resulted in two prosecutions and one formal warning. There are a further six cases on-going, one of which is at a fairly advanced stage. Operational security is of paramount importance so no further details will be available until cases are concluded.

Trading Standards continues to liaise with the Birmingham enforcement team and share intelligence about possible loan sharking in Kent. Several of the prosecution cases result from this intelligence or have relied on it for their progression.

The Loan Shark Team employs a Financial Inclusion Officer (FIO) whose role is to inform, educate and gain intelligence for the enforcement teams locally. The Officer operates across the whole of the South East engaging frequently to help deliver this work in Kent. Recent examples, provided by the FIO include:

- A large campaign in Margate in May. A 'week of action' took place and it's estimated that 700 people were engaged directly and 1,000 indirectly just in this area alone. During the week there was training, meetings with key agencies including the Police, display stands in high foot-fall areas where the Community Wardens helped to speak to people and to give out and gather information. This resulted in a contact list of around 100 people and 70 different organisations in the Margate area.
- Various Registered Social Landlords (RSL) and Private Tenant Forums have been trained or received presentations and key intelligence has come from a couple of RSLs this year.
- There is scope to explore further work with Kent Savers and also Wantsum Savers in Thanet, the two Credit Unions within Kent.
- The team is planning a campaign in Schools at the end of this year, with free lesson plans being advertised to all schools across Kent.
- KCC Trading Standards successfully bid for some money seized as proceeds of crime from loan sharks. This was used to run a short education programme in secondary schools.
- Work was carried out at the time of the closure of Sheerness Steel to prevent former workers falling victim to loan sharks. This included placing food items wrapped in packaging carrying the anti-loan shark message into food parcels and also helpful contact numbers.

#### 4.2 Potential action by the County Council with regards to Pay Day Lenders

Kent Savers can provide affordable financial services for those who, for various reasons, are suffering financial exclusion from mainstream banking. It is keen to offer an alternative and encourage people away from pay day lenders with loans over a more affordable term for its members.

At the September County Council meeting, Trudy Dean asked the following question:

*'Will the Leader of the Council agree to request a report to Policy and Resources Cabinet Committee exploring what action KCC could take to limit the activities of so called Pay Day Loan Companies including:*

- *banning payday loan websites from its entire computer network, including publicly accessible PCs in libraries and community centres;*
- *seeking to persuade district/borough council colleagues (through the numerous twin-hatted Members as well as by directly approaching councils) to ban payday loan advertising on billboards and bus shelters;*
- *publicly promoting credit union facilities as alternatives to payday loan companies; and*
- *banning all advertising from its property including highway land'*

In response, a paper was prepared for 6 December Policy & Resources Cabinet Committee setting out the policy context, actions currently being taken including the role of Kent Savers, actions by other authorities and options for KCC to take forward. The meeting minutes recorded that:

“(1) Mr Carter (Leader), Mr Whittle (Head of Policy and Strategic Relationships) and Ms Exall (Policy and Strategic Relationships Advisor) introduced the report which set out the current position around high-cost short-term credit providers, the proposed national changes in regulation, action already underway in Kent and some possible areas for action that the County Council might wish to explore further.

(2) A number of proposals set out in the paper were discussed including: limiting access to high-cost short term credit; promoting credit unions as an alternative provider of loans; providing information, advice and guidance on money management; working with partners to promote financial inclusion: and encouraging banks to promote easy access to basic bank accounts.

(3) RESOLVED that

(a) Mr Carter (Leader of the Council) be asked to consider formalising the policy banning advertising for high-cost short-term credit providers from all KCC-owned property;

Mr Hill (Cabinet Member for Communities) be asked to consider:

- (b) Banning access to high-cost short-term credit providers' and brokers' websites from public computers provided by KCC;
- (c) Training staff in libraries, children's centres and other frontline services to signpost to or provide money management advice and also raise awareness of the Kent Savers Credit Union via leaflets, posters and other publicity;

Mr Dance (Cabinet Member for Economic Development) be asked to consider:

- (d) Encouraging high street banks to promote basic bank accounts;
- (e) Lobbying the Chancellor of the Exchequer to review regulations relating to credit unions in particular to enable applications for loans to be decided faster;

Mr Gough (Cabinet Member for Education and Health Reform) be asked to consider:

- (g) Reviewing the Personal Health and Social Education (PHSE) curriculum to ensure that financial awareness is being promoted through schools, and young people are receiving relevant education about how to manage money.”

A recent report by KCC Trading Standards on Pay Day Lending is appended to this report. An extract from local.gov.uk announcing action by Cheshire East and Plymouth City Councils is also appended to this report.

## 5. Accountability, governance and management

- 5.1 Kent Savers trades as a business and is independent of Kent County Council. As such it has a Board of Directors chaired by Gail Devries. The General Manager, Chris Hunt leads a small team to run the business on a day to day basis. KCC has nominated a potential Board member. The Head of Financial Services at KCC already sits on the Supervisory Committee and regularly attends Board meetings.

## 6. Risks

- 6.1 The main risk to KCC is reputational. The County Council, having identified the need and then set up the credit union is closely associated with its success or failure as a business. It was for this reason, and also for the inherent benefits to Kent residents in having access to a credit union in the current economic conditions, that an additional supporting loan was recently agreed.
- 6.2 The increasing prevalence of pay day lending and the relative ease with which money can be obtained from these sources is a reflection of the significant marketing resources available compared to Kent Savers and credit unions more widely.
- 6.3 Nevertheless, it also needs to be acknowledged that the relatively controlled lending provided by Pay Day Loan companies can, to some extent, reduce the risk that some members of the public will resort to Loan Sharks.

## 7. Next steps

- 7.1 It is intended that KCC officers, led by the Economic Development team will continue to explore joint projects and ways to support Kent Savers in order to help the credit union develop into a sustainable business where they request it.
- 7.2 To this end an informal officer group met on 14<sup>th</sup> November 2013 to ensure a joint approach across KCC with regard to Kent Savers, Pay Day Lenders and the Loan Shark Project. Further meetings are planned in 2014.

## 8. Recommendations

- 8.1 The Economic Development Cabinet Committee is recommended to:
- i. **RECEIVE** this report for information.
  - ii. **RECEIVE** presentations to the Committee
  - iii. **NOTE** and **DISCUSS** the progress of the credit union and joint working within the County Council and with partner organisations.

## 9. Report joint authors:

Nick Vickers  
Head of Financial Services  
01622 694603  
07837 872705  
[Nick.vickers@kent.gov.uk](mailto:Nick.vickers@kent.gov.uk)

Rob Hancock  
Project Manager Economic Development Division  
01622 2213547  
07885 647966  
[Rob.hancock@kent.gov.uk](mailto:Rob.hancock@kent.gov.uk)

Mark Rolfe  
Trading Standards Manager (East)  
Customer & Communities  
03000 410336  
[Mark.rolfe@kent.gov.uk](mailto:Mark.rolfe@kent.gov.uk)

Debra Exall  
Strategic Relationships Adviser  
Business Strategy & Support  
01622 221984  
[Debra.exall@kent.gov.uk](mailto:Debra.exall@kent.gov.uk)

**Relevant Director:**

Barbara Cooper  
Director of Economic Development  
01622 221856  
[Barbara.cooper@kent.gov.uk](mailto:Barbara.cooper@kent.gov.uk)

**10. Annexes**

1. Trading Standards Report on Payday Lending
2. News Release from Diocese of Canterbury October 2013
3. Extract from local.gov.uk Action by Cheshire East Council and Plymouth City Council

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## **Payday lending and associated advertising through KCC media**

### **Introduction**

Payday lending has been a feature of the U.K. credit market for a considerable number of years. In recent years there has been aggressive marketing of this type of lending leading to a growth in the market sector and also a growth in the issues associated with it.

Payday lending, historically, has been a market aimed at providing a facility for monthly paid workers to borrow small sums of money for short periods of time to tide them over until they received their next salary payment. The original providers of this type of loan were pawn brokers, where the loan is secured against an item of property, but the market of unsecured lending has grown in recent years.

The current focus on this market, in terms of media and public interest, is on those businesses who offer unsecured loans at relatively high rates of interest.

Payday lending is a relatively small part of the U.K. credit market. The total market in 2011/12, excluding student loans, was some £176.2 Bn. Of that an estimated £2.2 Bn was payday lending, or some 1¼%. That said, this type of credit frequently attracts customers who are at the more vulnerable end of the financial inclusion spectrum.

### **The market and legal compliance**

As with all credit offered to consumers, as opposed to businesses, the market is highly regulated by the Consumer Credit Act 1974 and various subordinate legislation.

In March 2013 the Office of Fair Trading published a detailed report following their study of compliance within the payday lending market.

Their conclusion is that the market is not working well and that evidence of widespread non-compliance with legislation was found. As a result they have required 50 lenders (who account for 90% of the market between them) to take immediate steps to address this non-compliance or risk losing their licence to provide credit.

The major issues include not following the OFT's guidance on irresponsible lending, marketing speed and ease of access over cost and failure to properly assess affordability prior to lending, or increasing lending.

The OFT has referred the market to the Competition Commission who have begun a market investigation. This is not due to report until December 2014.

The Financial Conduct Authority takes over responsibility for regulation of this market in 2014 and have indicated that this market will be an early focus for them.

### Impact on the vulnerable

The majority of payday loans are paid off in full by the customer with no ill effect.

Around one third of loans, however, are repaid late or not at all with 28% being “rolled over”. This “rolled over” part of the market accounts for 50% of lenders’ revenue. 19% of revenue comes from the 5% of loans which are “rolled over” four or more times.

In the first quarter of 2009/10, the Citizens’ Advice Bureau stated that 1% of the debt casework clients had a payday loan. Three years later that number had increased to 10%. In the same period the Stepchange debt charity reported that the proportion of their clients with at least one payday loan had increased from 3.7% to 17%.

### Payday loan customers

There have been a number of studies seeking to understand customers’ motivations in taking out payday loans.

Research suggests that these loans are taken out to pay for household expenses, including emergency expenses, or to fund special occasions like Christmas and birthdays.

Research suggests that speed, ease of access and the anonymity afforded by mainly internet based providers are significant factors in customer choice.

A large proportion of customers have reported that they use payday loans as they are less likely to get into financial trouble with these products than with credit cards or overdrafts. There is a suggestion that the availability of payday loans prevents a small number of people using illegal money lenders (loan sharks).

### Media and public interest

There has been significant media interest in this market over recent months and notable intervention from the Archbishop of Canterbury.

Plymouth City Council, which is a Labour controlled unitary authority, has been the first, and so far only, local authority to prevent payday lenders advertising on any media it controls and also has blocked access to the websites of payday lenders on any of its computers, including those which are available for public use in libraries and the like.



There are a number of other councils who are reported to be considering this type of approach, including Medway Council who are reported to be seeking advice on the legality of such a move.

#### Options for KCC action

Subject to legal advice, it is open to KCC to follow the Plymouth model and restrict advertising and access to this type of lending in relation to media within our control.

That said, this is a legal market (albeit with poor compliance) and it is therefore open to debate about whether it would be appropriate for KCC to take this course. The highest impact advertising of this type of lending is likely to be television advertising which this action by KCC would not impact upon.

There are other markets which would not be compatible with various KCC priorities but where we would not take similar action. Examples could include the tobacco, fast food and alcohol markets.

In terms of outcomes, there is, arguably, much more benefit to be gained by KCC developing and delivering a targeted advice, education and, where appropriate, enforcement campaign aimed at ensuring that the products available in the market are understood by consumers and that the alternatives are also understood, particularly the use of "Kent Savers" and other credit unions.

This campaign would, ideally, support the PHSCE curriculum in schools, starting in schools located in areas of identifiable deprivation, but also include elements targeted at vulnerable adults, young offenders and families at risk of financial exclusion.

To deliver positive outcomes would require medium to long term investment across all KCC directorates.

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October 18 2013

News release from Canterbury Diocese

For immediate use

**Bishop marks International Credit Union Day with new church partnership with Kent Savers**

The Bishop of Dover, the Rt Revd Trevor Willmott, marked a new partnership between the Diocese of Canterbury and Kent Savers Credit Union at an event held in All Saints Maidstone on Wednesday 16 October.

Organised to fall the day before International Credit Union Day, the event followed a call from the Archbishop of Canterbury for churches to work with Credit Unions, so that more people can access local, ethical and affordable financial services.

The event was attended by the Mayor of Maidstone, Cllr Clive English, the Chairman of Kent County Council, Mr Eric Hotson, volunteers, staff and customers from Kent Savers, along with representatives from churches, Barclays Bank, local businesses, housing associations and local authorities.

During the event, Bishop Trevor spoke about the negative effects of debt.

“Indebtedness is a big problem for individuals as it destroys human dignity. As a society we allow that to happen at our peril. If we allow people to lose their dignity then we lose our dignity as a community.”

The partnership will see churches across Kent becoming access points of ‘branches’ of the credit union Kent Savers, providing local people with financial advice, including help with debt and savings and providing some banking services.

Describing the aims of the partnership, Bishop Trevor said: “The partnership with Kent Savers will help people exit the debt cycle, will help people learn to save and help people belong to a credit union, with all the benefits that it offers. I am delighted that along with Kent County Council and other partners in the community we can stand together with Kent Savers.”

Following a talk in which the Chairman of Kent County Council, Mr Eric Hotson, said that Kent County Council were ‘fully behind’ the partnership, the Mayor of Maidstone, Cllr Clive English said that having seen the problems caused by debt, he hoped the partnership would bring about improvements in Maidstone. Clare Marsh of Barclays said that the bank would be supporting the initiative by referring members.

Kent Savers, which has been operating for three years, currently has 1,313 members, both savers and borrowers. Individuals and organisations can save through a community investment account, which enables more ethical and affordable loans to be issued to people in need.

Ms Gail Devries, Chair of Kent Savers who spoke about the work of the organisation, said: "With the support of the Diocese we hope to expand a network of access points. We will do this through using church premises and training volunteers to talk about how Credit Unions can help. Together we can make Kent Savers bigger, better known and easier to access."

At the end of the meeting, to show his support for the ethical financial services offered by

Credit Unions, Bishop Trevor symbolically joined Kent Savers.

For more information on joining Kent Savers Credit Union, visit <http://www.kentsavers.co.uk/>.

More information on credit unions can be found at [www.abcul.coop](http://www.abcul.coop)

## **ENDS**

Notes for Editors.

Further information from:

Emily Shepherd, Director of Communications, Canterbury Diocese 01227 459 401, 07876

210 446, [eshepherd@diocant.org](mailto:eshepherd@diocant.org)

Photo:

Ms Gail Devries of Kent Savers with Bishop Trevor Willmott as he signs up to become a

member.

More information about Kent Savers:

<http://www.kentsavers.co.uk/>.

Christopher Hunt, General Manager, Kent Savers Credit Union,

[chris.hunt@kentsavers.co.uk](mailto:chris.hunt@kentsavers.co.uk)

0333 321 9050

About credit unions

Credit unions are financial co-operatives owned and controlled by their members. They are

licensed deposit takers, authorised by the Prudential Regulation Authority and regulated by

the Financial Conduct Authority and the Prudential Regulation Authority.

Savings held in credit unions are covered by the Financial Services Compensation Scheme,

so the first £85,000 of a member's savings are completely safe.

The maximum by law that a credit union can charge for a loan is 2% a month on the reducing balance (26.8% APR).

To find a credit union to join, people can visit: [www.findyourcreditunion.co.uk](http://www.findyourcreditunion.co.uk)

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## **Extract from localgov.co.**

### **Cheshire East Council throws weight behind local credit unions**

Cheshire East Council is asking all its councillors to personally back local credit unions with cash from their own pockets. The council is backing the local Cheshire Neighbours Credit Union (CNCU) as a reputable alternative to payday lenders and illegal loan sharks. Peter Raynes, Cheshire East Council's cabinet member in charge of finance, has asked fellow cabinet members to put their own money into the scheme.

He said: 'We want to protect the most vulnerable people from falling into the trap of borrowing money at astronomical rates of interest.

'Credit unions are superb local institutions which can really help hard-pressed local people access loans, which are affordable and have fair rates, to tide them over.

'I am delighted that all of my cabinet colleagues have signed up to provide local credit unions with cash from their own pockets. I am sure that many of my council colleagues, of all parties, will also want to sign up to this scheme and help give real practical assistance to hard-pressed local people.'

Cheshire East has already blocked access to payday loans websites from all council computers.

### **Plymouth City Council has banned payday loan websites from advertising on bus shelters and billboards.**

The council has also blocked access to 50 of the most popular payday loans websites from council computers and will be working with credit union services to ensure residents have access to affordable lending options.

Cabinet member for co-operatives and community development, Chris Penberthy said: 'Plymouth's advice agencies are taking calls daily from people who are running up huge debts that are causing stress and hardship to them and their families. We need to protect people and make it difficult for payday loan companies to operate in our city but we do recognise times are hard.'

The Public Accounts Committee estimates two million people have payday loans, with 5,000 of them in Plymouth. City watchdog the Financial Conduct Authority, is currently considering a blanket ban on advertising by lenders.





**From:** Mark Dance  
Cabinet Member for Regeneration and Economic Development

Barbara Cooper  
Director of Economic Development

**To:** Economic Development Cabinet Committee  
23 January 2014

**Subject:** Unlocking the Potential: Going for Growth:  
The Kent and Medway Growth Plan

**Classification:** Unrestricted

**Electoral divisions:** All

**Summary**

This paper introduces *Unlocking the Potential: Going for Growth*, the draft Kent and Medway Growth Plan and explains its relationship with the South East Local Enterprise Partnership's Strategic Economic Plan and potential future Government and European funding.

It invites comments on the draft *Unlocking the Potential* and sets out proposals for finalising the document and developing a 'Commissioning Plan' to guide the investment of future resources as they become available.

**Recommendation**

The Economic Development Cabinet Committee is recommended to **NOTE** this report and the draft of *Unlocking the Potential* attached at Annex 1.

**1. Background**

- 1.1. Last year, the Government asked Local Enterprise Partnerships (LEPs) to develop Strategic Economic Plans setting out their ambitions for growth and their priorities for investment from the Government's new Local Growth Fund and European structural and investment funds. At the same time, it was agreed last year that a new version of *Unlocking the Potential*, Kent and Medway's growth strategy, would be prepared alongside and consistent with the South East LEP's strategic economic plan.
- 1.2. The Government asked for a draft Strategic Economic Plan to be submitted by 19 December. The LEP therefore submitted a first draft of its plan, *Innovation driving Prosperity* by this date. A first draft of *Unlocking the Potential: Going for Growth*, the Kent and Medway component of the Plan, was completed at the same time and was submitted to Government as part of the LEP's package of proposals.

## 2. ***Unlocking the Potential: Going for Growth: The current draft***

- 2.1. The current draft of *Unlocking the Potential: Going for Growth* is attached with this report as Annex 1. Consistent with previous discussions at Economic Development Cabinet Committee, Kent and Medway Economic Partnership, Kent Council Leaders and Business Advisory Board, it focuses on the three key themes of:
- **Places for Growth**, unlocking jobs and homes in those locations with the capacity and appetite for growth;
  - **Business for Growth**, focusing on growth in key business sectors to drive forward innovation, investment and jobs;
  - **Skills for Growth**, maximising the potential of the Kent and Medway workforce, with a central role for employers.
- 2.2. The draft includes proposals for funding from the Local Growth Fund of £575 million over six years from 2015/16 and £70 million from European Structural Funds over seven years from 2014. This request represents Kent and Medway's proposed 'share' of funds allocated to the South East LEP and is reflected in the overall South East LEP strategic economic plan. The draft of *Unlocking the Potential* breaks down the high-level investment request as follows:
- **Transport Investment Programme (£358.7 million)**, focused on transport proposals that will unlock housing and employment growth and additional private sector funding. An indicative schedule of priority transport schemes has been prepared and was discussed at the December meeting of KMEP.
  - **Skills and Employment programme (£65 million)**, including Kent and Medway's allocation of European Social Fund monies and anticipated match funding from the Skills Funding Agency.
  - **Direct Business Finance (£57.5 million)**, offering loan or equity finance to businesses with the potential for growth – building on the existing schemes offered by Expansion East Kent, TIGER and Escalate, with the goal of unlocking additional private finance.
  - **Land Development (£51.9 million)**, creating a fund to invest in bringing forward sites for jobs and homes. Recognising the diversity of the market and variable viability across Kent and Medway, it is envisaged that such a fund would operate on both commercial and gap funding based models.
  - **Skills Capital Fund (£20 million)**, investing in further and vocational educational facilities, especially in those parts of Kent and Medway where there has been less investment in new provision in recent years.
  - **Business Support (£15 million)**, offering direct support to businesses for growth and innovation and building on existing services such as High Growth Kent.
  - **Marketing and Promotion (£7 million)**, promoting opportunities in key sectors and marketing Kent and Medway as a place in which to invest and do business.
- 2.3. It should be noted that at this stage, these indicative allocations remain notional, and reflect anticipated departmental investment into the Local Growth Fund (for example, the largest source of funding is from Department for Transport) and likely funding regulations as well as Kent and Medway priorities.

- 2.4. In addition to our funding proposals, *Unlocking the Potential* contains twenty **solutions for growth**, some of which require specific freedoms and flexibilities to be granted by central Government. The full list is set out on pages 49-66 of the draft and is summarised on page 10.

### **3. Finalising *Unlocking the Potential***

- 3.1. The Government has asked us to work to a tight timetable. The LEP must submit a revised Strategic Economic Plan by 31 March. Within the federal structure adopted by the LEP, *Unlocking the Potential* and Kent and Medway Economic Partnership (KMEP) will set out Kent and Medway's priorities for the Strategic Economic Plan, so locally, we need to work to the same timescales.
- 3.2. It is therefore envisaged that over the coming weeks, the draft of *Unlocking the Potential* will be considered by business representation bodies, other local authorities, sub-county partnerships and other bodies, as well as Economic Development Cabinet Committee, with a revised strategy prepared for approval by KMEP prior to submission to Government in March. It is anticipated that the Government will also provide feedback shortly on the LEP's Strategic Economic Plan and *Unlocking the Potential*, which we will need to take into account in preparing the revised draft.
- 3.3. During spring and summer, a period of negotiation is anticipated between the LEP and Government regarding the specific allocation of Local Growth Fund monies. It is envisaged that the outcome of this will be reported to the Cabinet Committee in early autumn, along with the final version of *Unlocking the Potential*.

### **4. Developing a Commissioning Plan**

- 4.1. At this stage, the investment requests and proposed solutions in *Unlocking the Potential* are high level. However, it is anticipated that Government will provide indicative allocations of Local Growth Fund by the autumn. As the allocation of LGF is competitive, it is important that further work is done to work out the detail of our investment proposals.
- 4.2. It is therefore proposed that Kent and Medway Economic Partnership develops a '**Commissioning Plan**', setting out how the Partnership seeks to invest funds devolved to it from the South East LEP, within the parameters of the indicative allocations set out in *Unlocking the Potential*. Development of the full Commissioning Plan is likely to take longer than 31 March and some aspects will depend on central Government guidance which we are still awaiting. In due course, further work will also need to take place to clarify governance arrangements linked with KMEP's intended future role in allocating and monitoring the use of public funds. However, while there are several unknown factors at this stage, starting to provide greater detail is important to our final submission, and a Commissioning Plan will be critical to KMEP's (and KCC's) future role in influencing funding.
- 4.3. The development of the Commissioning Plan will clearly need to involve a number of KCC directorates, building on extensive input to date in the development of *Unlocking the Potential* from across the authority. Linked with this, a revised draft of *Growth*

*without Gridlock*, Kent and Medway's 20-year transport delivery plan, is currently being prepared, reflecting the importance of transport infrastructure in unlocking growth and the significance of transport investment within Kent and Medway's proposed Local Growth Fund allocation.

## **5. Recommendations**

5.1. The Cabinet Committee is recommended to note this report and the draft of *Unlocking the Potential* attached at Annex 1.

### **Report author**

Ross Gill  
Economic Strategy and Policy Manager  
Kent County Council  
01622 221312 | 07837 872705 | [ross.gill@kent.gov.uk](mailto:ross.gill@kent.gov.uk)  
14 January 2014

### **Supporting documents**

*Unlocking the Potential: Going for Growth* (attached)

*Innovation driving Prosperity* (<http://www.southeastlep.com/about-us/activities/262-developing-a-growth-strategy-and-prioritising-investment-in-the-south-east>).

# Unlocking the Potential: Going for Growth

Kent and Medway's Growth Plan:  
Opportunities, challenges and solutions

## What do you think?

This Growth Plan is open for consultation and discussion – and we'd like to know what you think.

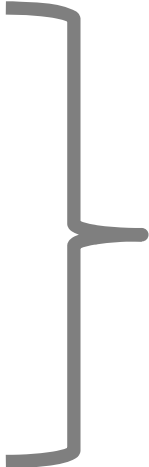
Comments are welcome – please email [UnlockingThePotential@kent.gov.uk](mailto:UnlockingThePotential@kent.gov.uk) or visit [www.kmep.org.uk](http://www.kmep.org.uk)

before 31 January 2013

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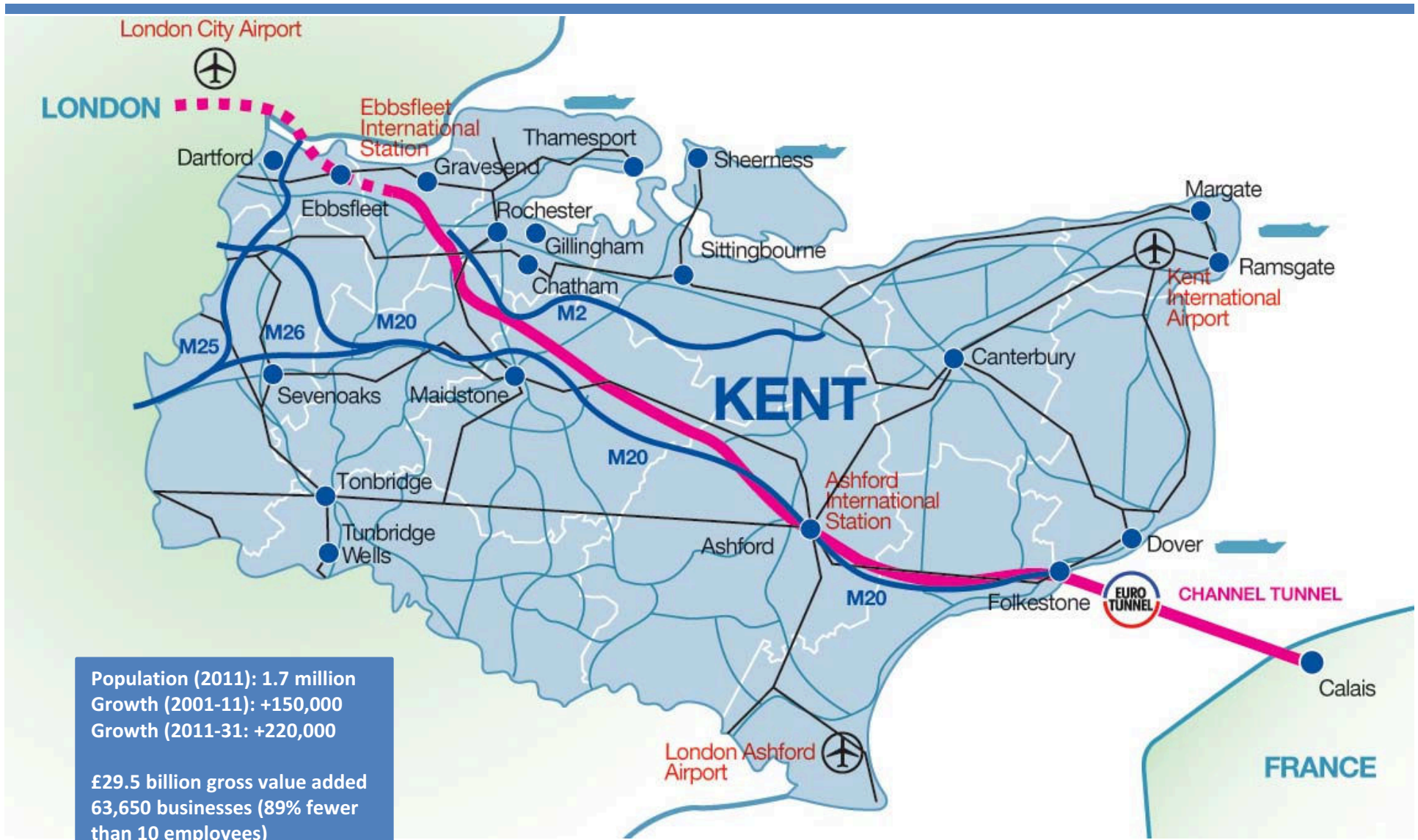
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# Welcome / The Kent and Medway big picture

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Population (2011): 1.7 million  
 Growth (2001-11): +150,000  
 Growth (2011-31): +220,000

£29.5 billion gross value added  
 63,650 businesses (89% fewer than 10 employees)

Map courtesy of Locate in Kent



# Foreword / Unlocking the Potential for Growth

Welcome to *Unlocking the Potential: Going for Growth*, Kent and Medway's seven year growth plan. In Britain's gateway county, we have great potential for growth – and with business reporting renewed confidence as the economy returns to growth, now is the time to invest.

So this plan sets out our big opportunities for business growth – and the challenges that we must overcome. It identifies our solutions to unlock growth and sets out proposals for intelligent, market-led investment for jobs, homes and added value.

In this plan, we have set out the **opportunities, challenges and solutions** to meet the following objectives:

1. Deliver the **housing growth** that our economy needs. We aim to increase delivery to meet planned requirements – meaning an **additional 3,300 homes per year** for seven years above 2012/13 delivery levels (23,100 homes in total)
2. Create sustainable **private sector employment**. We aim to enable the creation of an **additional 40,000 jobs**, primarily by making it easier for businesses to secure finance and support, unlocking new development and promoting the county's opportunities.
3. Increase **economic value**. We aim to increase Kent and Medway's levels of productivity and innovation, leading to an additional **7,500 knowledge economy jobs** over seven years.

## Big opportunities

Kent and Medway is growing. Over the next twenty years, our population will increase by around 220,000 – equivalent to five towns the size of Tunbridge Wells.

With **London** on our doorstep, we are vital to the economic expansion of Britain's only world city and Europe's biggest city-region. The county offers some of the country's most important development sites. Our **strategic port, rail and road infrastructure** is vital in linking continental Europe with the rest of the UK. Recent investment in major transport infrastructure has brought Kent and Medway closer to markets and employment opportunities – with enormous opportunities presented to North and East Kent by **High Speed One**. With Kent and Medway an early adopter of national and local government investment in broadband, better connectivity is opening up new business opportunities, especially in rural parts of the county.

For much of the twentieth century, our economy was dominated by traditional industries such as paper making, shipbuilding, building materials, agriculture and domestic tourism – and historically it has lagged behind the rest of the South East.

But today, our economy is rapidly changing, with growing strengths in key sectors such as life sciences (for example at Discovery Park Enterprise Zone and Kent Science Park), creative and media industries (especially in West Kent, Folkestone and Margate), precision engineering and manufacturing (especially in Medway and Swale) increasingly R&D-intensive agricultural and horticultural activity and green technologies.

# Foreword / Unlocking the Potential for Growth

With few large companies, our economy is dominated by small and medium enterprises – creating a diverse and resilient economic base, and one which is increasingly innovative.

**We have had a strong relationship between business and local government for over a decade. We are building an environment conducive to private sector growth – with new infrastructure giving us capacity for expansion.**

## What we're already delivering

In Kent and Medway, we are making a strong commitment to growth – with local business and local councils working together with central Government.

Delivering England's most successful **Enterprise Zone** – with over 1,300 jobs at Discovery Park since EZ status was granted.

Delivering £65 million of the Government's **Regional Growth Fund** investment in North, East and West Kent. This will create over 8,000 jobs, with 2,090 already secured.

Delivering new solutions to **unlock housing growth** – such as the Kier Kent Initiative, using public sector land to bring forward institutional investment.

**Sharing the risk** with developers on major infrastructure costs to get development started in the Thames Gateway.

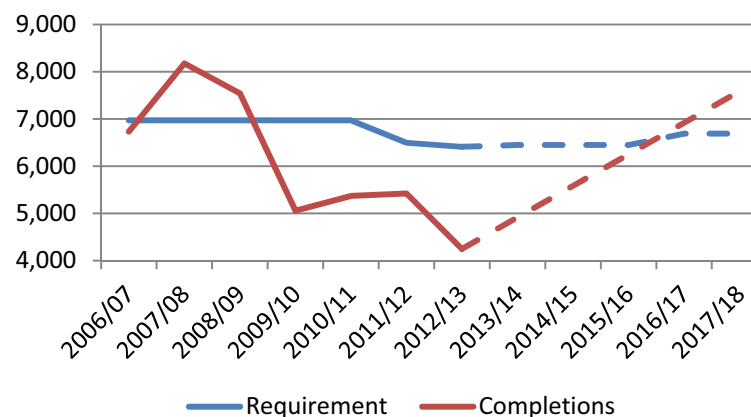
Delivering **integrated investment** in our coastal towns – linking housing market renewal and attracting new investment.

## Challenges

The expansion of jobs and homes in Kent and Medway is essential to the growth of the national economy.

However, in recent years, housing delivery has fallen substantially short of requirement. To meet forecast demand, we need to deliver almost 7,000 homes a year across Kent and Medway. Yet although planning permissions are in place, the impact of recession on viability in many places means that last year, we only delivered half of our requirement:

*Kent and Medway housing completions v. requirement*



Returning to a sustainable level of growth – for housing and employment - is essential if we are to meet the county's future needs.

# Foreword / Unlocking the Potential for Growth

From discussions with business, we have identified **four key factors** on which our return to growth depends:

- 1. Our ability to unlock major development sites.** In parts of the county – especially East Kent – the gap between the costs of the infrastructure to unlock growth and the receipts that these developments will yield is wide, even as the market returns. So we need solutions to reduce costs and bridge the viability gap.
- 2. The resilience of our strategic transport network.** We have benefited from significant investment in road and rail infrastructure. But as international traffic rises on major routes, our capacity will become increasingly limited. So we need to address bottlenecks on the strategic network. It is very welcome that the Government has now ruled out the least viable of the three options for a new motorway crossing of the Thames – and Government now must find new ways to finance delivery at the earliest opportunity.
- 3. Our skills potential.** Over the next twenty years, the Kent and Medway workforce will grow more slowly than the population as a whole – so we will need to increase productivity and drive forward our human resource potential – ensuring business has a real role in skills planning and getting more people into work.
- 4. The innovative capacity of our businesses.** In a competitive world, we need more businesses to invest in R&D, new products, goods and services. So we need to make it easier for businesses to unlock the finance and support that they need to expand.

## Solutions: Unlocking the Potential

Taking into account our big opportunities and the challenges that we face, this growth plan focuses on solutions to unlock growth – and the actions that we must take together.

Within this document, we have identified **20 key solutions**, focused on our three key themes of:

### Places for Growth

Solutions to unlock jobs and homes in places with the capacity and appetite for growth

### Business for Growth

Solutions to harness the opportunities of key business sectors to drive forward innovation, investment and jobs

### Skills for Growth

Solutions to maximise the potential of the Kent and Medway workforce, with employers at the heart of the system

Some of our proposals involve use of Government investment made available to us through the new Local Growth Fund. Some involve requests for changes to rules where we can reduce costs, cut bureaucracy and speed up delivery. **But all our proposed solutions are focused on achieving growth and delivering our three objectives of homes, jobs and business growth.**

# Foreword / Unlocking the Potential for Growth

## To unlock our potential, we will...

Invest in a **strategic transport programme for growth** focused on key employment and housing sites. We will seek devolution from Government to deliver some strategic schemes locally where it is cheaper to do so – and **we will ensure that all commitments to transport funding from the public sector are accompanied by developer commitments to build within a specified period.**

Bring forward sites for housing growth through a new **development fund** focused on opportunities for new forms of institutional investment in housing, and accompanied with a new role for Kent and Medway Economic Partnership in **commissioning the Homes and Communities Agency.**

Make it much easier for **SMEs in our key growth sectors to access loan finance and equity investment.** For every pound from the public sector we will secure £3 in private investment, linked with a better coordinated programme of support for firms with the potential for high growth and innovation and building on our successful RGF programmes.

Take bold steps to **tackle housing market failures and concentrations of deprivation** in parts of coastal Kent. We will act to remove poor quality housing at the same time as attracting new jobs and investment.

Invest in new, coordinated, innovative approach to **independent careers advice and guidance** accessible to all between the ages of 12 and 24 – with new incentives for training providers to meet local business needs.

## Working together

In Kent and Medway, we have a strong partnership between business and local government and we have a strong track record of delivery.

As part of the South East Local Enterprise Partnership – the largest LEP in England outside London – there are also many challenges and solutions that we share with our neighbours in Essex and East Sussex. So this plan is an integral part of the South East LEP’s strategy. But crucially, it sets out our shared ambitions, and our shared strategy for the county.

**We have the capacity and the appetite for growth.**

**We are vital to the growth of London, the South East and the UK.**

**We are focused on growth and we are committed to clear targets.**

**This is our strategy to unlock Kent and Medway’s potential.**

### Geoff Miles

Chairman, Kent and Medway Economic Partnership

### Paul Carter

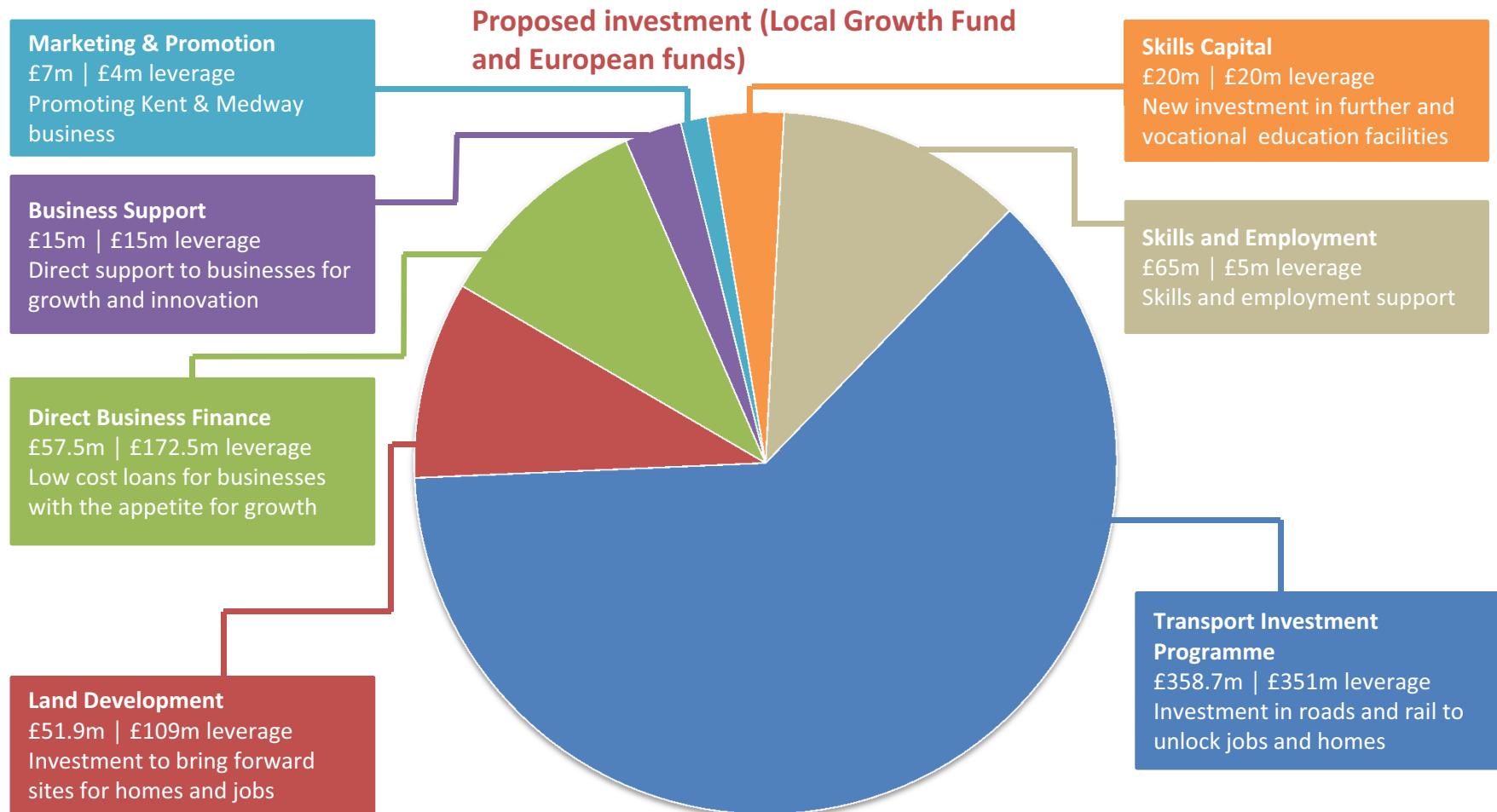
Leader, Kent County Council

### Cllr Rodney Chambers, OBE

Leader, Medway Council

# Summary / Investments

As part of the South East LEP’s plans, our proposals for growth seek to use £575 million from the Local Growth Fund over six years from 2015/16 (including some funds managed directly by the LEP) and £70 million from the European Structural Funds over seven years from 2014/15. Our proposals will help to deliver 23,000 homes and 40,000 jobs and secure over £675 million in private finance:



# Summary / Solutions

We have identified **twenty solutions** to unlock growth in Kent and Medway.

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Places for Growth		
<ol style="list-style-type: none"> <li><b>Transport Investment Programme</b> – investing in transport to unlock jobs and homes</li> <li><b>Selective devolution</b> of Highways Agency responsibilities for cheaper, quicker delivery</li> <li><b>Highways Agency</b> flexibility to open up growth sites</li> <li>New <b>Kent &amp; Medway Development Fund</b> to unlock sites for housing and jobs</li> <li>Consolidated <b>public sector assets</b> for economic growth</li> <li>A joined-up approach to current and historic <b>gap funding</b> decisions</li> <li>New role for Kent and Medway in <b>commissioning the Homes and Communities Agency</b></li> </ol>	<ol style="list-style-type: none"> <li>New incentives to attract <b>institutional investment</b> in housing</li> <li>A Kent and Medway Growth Framework – signed up to by all main <b>regulatory agencies</b> to prevent blockages to planned growth</li> <li>Local solutions to <b>deliver and restore housing</b>.</li> <li>Maximising the benefit of <b>High Speed One</b> – improving links to East Kent and reducing the costs of travel</li> <li>Tougher powers to deal with <b>poor quality housing stock</b> and landlords and tackle local concentrations of deprivation through ‘no go zones’ for the placement of vulnerable people</li> </ol>	<ol style="list-style-type: none"> <li>Co-ordinated support to business through a <b>Kent and Medway Business Hub</b></li> <li>Programme of <b>marketing and promotion</b> for Kent and Medway and its sub-county areas</li> </ol>
Skills for Growth		
	<ol style="list-style-type: none"> <li>Expanded <b>Kent and Medway Business Finance</b> programme offering low-cost loans to companies with the appetite for growth</li> </ol>	<ol style="list-style-type: none"> <li>Employer-led approach to independent <b>careers information, advice and guidance</b></li> <li>Additional <b>higher apprenticeships</b>, supported through better information and financial incentives to business</li> <li>Reduced travel for 16-19 year olds – improving <b>access to learning and work</b></li> <li>New <b>Skills and Employment Responsiveness Fund</b> to address barriers to training</li> <li>Supported transition to work through <b>Assisted Apprenticeships</b></li> </ol>
Business for Growth		

# Places for Growth/ Introduction

There is great potential to bring forward new homes and new jobs across Kent and Medway, with major sites for development to support a growing population. We must address the viability constraints that hold back some of our key locations for growth.

## Opportunities

**Capacity and appetite for growth** – especially in the Thames Gateway, Ashford, Maidstone and East Kent – with nationally significant **growth opportunities**  
Investment in **infrastructure** – especially High Speed One – is starting to transform business opportunities and perceptions

## Challenges

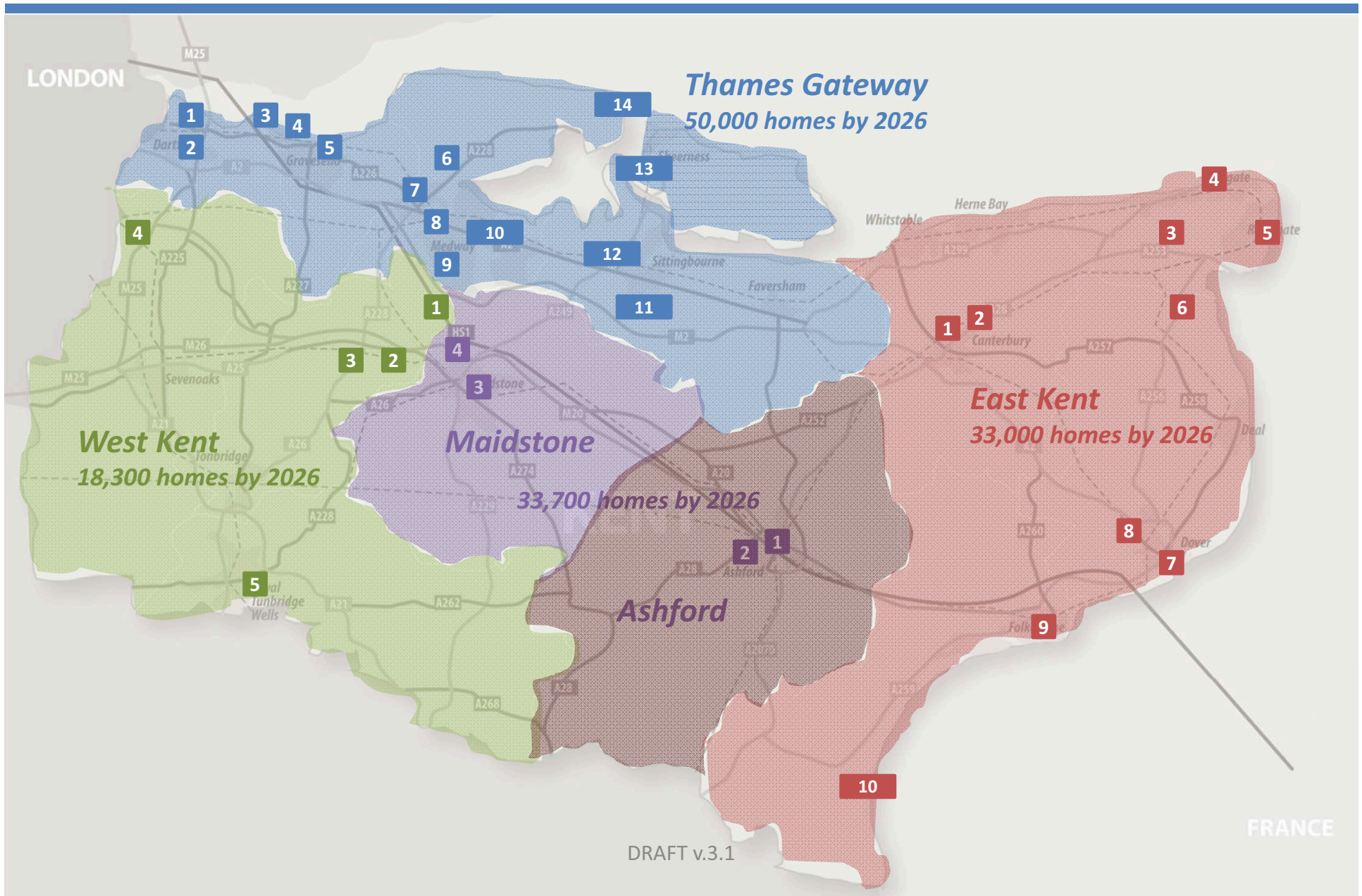
High **infrastructure costs** impacting on viability, especially as market has yet to fully return to growth  
Imbalance between **high capacity but weak viability** in the east of the county and limited capacity and higher viability in the west  
Constraints on **strategic transport network** impact on ability to bring forward key locations for growth  
**Risk aversion by major developers** – emergence of a high profit/ slow delivery equilibrium

## Solutions

Major investment in **transport infrastructure**  
Early action to bring forward strategic (Highways Agency) schemes where they impede growth  
Public sector-backed **Kent and Medway Development Fund** – providing investment  
New solutions to open up **housing delivery** – building on pilot work already underway to attract new institutional investment into the housing market  
Measures to tackle concentrations of deprivation and housing market failure in coastal Kent, including much stronger enforcement powers to **remove poor quality housing** and tackle benefit traps, ensuring that our investments in economic growth are reinforced with investments to tackle disadvantage

The following pages set out the opportunities and challenges that we face in each part of the county, and the solutions that we propose.

# Places for Growth / The opportunity





# Places for Growth / The opportunity

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Thames Gateway
1. Dartford Northern Gateway
2. Ebbsfleet Valley
3. Swanscombe Peninsula
4. Northfleet Embankment
5. Gravesend Riverside
6. Lodge Hill
7. Strood
8. Rochester Riverside
9. Rochester Airfield
10. Chatham/ Chatham Maritime
11. Kent Science Park
12. Sittingbourne
13. Queenborough and Rushenden
14. Medway Superhub
Coastal East Kent
1. Canterbury Knowledge City
2. A28 Corridor
3. Manston/ Thanet Central Island

4. Margate
5. Port of Ramsgate
6. Discovery Park Enterprise Zone
7. Dover Port and Waterfront
8. Whitfield
9. Folkestone Town Centre and Seafront
10. Romney Marsh
Ashford and Maidstone
1. Ashford Commercial Quarter
2. Chilmington
3. Maidstone Town Centre and Growth
4. Maidstone Medical Campus/ M20 J7
West Kent
1. Peters Village
2. East Malling Research
3. Kings Hill
4. Fort Halstead
5. Tunbridge Wells

# Places for Growth / Thames Gateway Kent

50,000 homes; by 2026. Target housing delivery: 14,660 to 2017/18

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*Chatham Maritime*  
*From a former dockyard to a flagship business, university and residential location*

DRAGAGES

# Places for Growth / Thames Gateway Kent

50,000 homes by 2026. Target housing delivery: 14,660 to 2017/18

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Opportunities	Challenges	Solutions
<p><b>The UK's leading economic growth zone</b> From the City to Sheerness – rebalancing London's opportunities to the east with the biggest economic renewal area in Europe.</p> <p><b>Building on transformational investment</b> With Ebbsfleet just 17 minutes from central London by High Speed One – and Medway transformed into a university city in less than two decades.</p> <p><b>Nationally-significant growth locations</b> Ebbsfleet Valley – 10,000 homes and 20,000 jobs transforming a former chalk quarry into a new residential and commercial community next to Ebbsfleet International station.</p> <p>Swanscombe Peninsula – up to 27,000 jobs at a proposed international leisure park on a formerly contaminated brownfield site.</p> <p>Exceptional quality, shovel-ready waterfront development, including at Rochester and Chatham.</p> <p><b>Opportunities in high value sectors</b> – for example at Kent Science Park.</p>	<p><b>Transport infrastructure</b> High levels of growth and the number of sites in close proximity mean substantial extra transport investment – on the national network (A2 and M2) as well as on local roads.</p> <p><b>Viability constraints</b> The pace of development is accelerating as the market improves – especially in Dartford. But further east, viability issues stall development places such as Queenborough and Rushenden, infrastructure costs (e.g. flood defence) are high, major developers are risk averse and credit constraints still impact on smaller developers</p> <p><b>Unfocused national agencies</b> National regulatory agencies (such as Natural England) often take an excessively narrow view of development costs and benefits and fail to see the big picture.</p> <p><b>Perceptions and promotion</b> The scale of transformation makes the Thames Gateway an ideal place to invest. But external perceptions have not yet caught up with the Thames Gateway's potential.</p>	<p><b>Strategic Transport Programme for Growth</b> We will unlock development with a proposed programme worth £190 million for Thames Gateway Kent (of which £133 million will be sought from the Local Growth Fund).</p> <p><b>Deal for Growth with the Highways Agency and with developers</b> We will use an additional £31 million of Local Growth Fund investment to bring forward HA schemes – <b>with no public funds to be used without developer commitment.</b></p> <p><b>Multi-agency Growth Framework</b> We will seek agreement with DEFRA, DCLG, BIS and DfT to ensure that regulatory agencies reflect growth objectives.</p> <p><b>Kent and Medway Development Fund</b> We will create a new fund as part of the LEP, to bring forward development, with public sector assets including incorporating the HCA's Economic Assets Programme.</p> <p><b>Promoting investment</b> We will develop a marketing campaign for the Thames Gateway aimed at attracting significant institutional investment in infrastructure and housing</p>

# Places for Growth / Coastal East Kent

33,000 homes by 2026. Target housing delivery: 8,500 to 2017/18

## *Margate*

*With over 1 million visitors attracted to Turner Contemporary since 2011*



# Places for Growth / Coastal East Kent

33,000 homes by 2026. Target housing delivery: 8,500 to 2017/18

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Opportunities	Challenges	Solutions
<p><b>Closer to London than ever</b> Journey times cut dramatically, with Canterbury and Folkestone now accessible to London via HS1 within an hour.</p> <p><b>Transformed cultural and tourism offer</b> Building on better accessibility, cultural and creative industries in places such as Margate and Folkestone are growing rapidly – boosting the £1.4 billion visitor economy.</p> <p><b>Key sector opportunities for growth</b> Discovery Park EZ is a centre for investment in pharmaceuticals and life science, with further strengths in the low carbon industries</p> <p><b>Large number of key sites</b>, many with infrastructure and services provided.</p> <p><b>Major university cluster</b> University of Kent and Canterbury Christ Church and UCA combined make a major contribution to the local economy, supporting the business base.</p> <p><b>Nationally vital infrastructure</b> Europe’s busiest passenger port at Dover - 12.7m passengers and 7m road haulage vehicles a year – with major expansion plans.</p>	<p><b>Many sites difficult to bring forward</b> Commercial and residential land supply exists, with consent, but many sites not viable in current market conditions. So public intervention is essential to bring forward development where there is demand.</p> <p><b>Insufficient infrastructure capacity</b> The expansion of the Port of Dover and continued long term growth in traffic mean that strategic solutions are needed to increase capacity on the A2 corridor.</p> <p><b>Exploiting the benefit of HS1</b> In particular, journey times to Thanet remain lengthy and HS1 is costly – so it is important that we invest in the existing line to improve connections.</p> <p><b>Housing renewal is hampered by long-term structural problems</b> The operation of the housing market – a legacy of the decline of traditional tourism and low values – reinforces concentrations of unemployment, impacting on the wider economy.</p>	<p><b>Transport infrastructure investment</b> We will invest in improvements to the A2 and M2, linked with the delivery of a new Thames Crossing.</p> <p><b>Improved rail connections</b> We will reduce journey times through targeted improvement of the existing network (linked with HS1) and a new parkway station in Thanet.</p> <p><b>Development funding to deliver key sites</b> - We will deliver gap funding solutions through the Kent and Medway Development Fund to overcome significant viability issues.</p> <p><b>Breaking concentrated deprivation</b> We will seek new draconian powers to close down poor quality housing stock that puts residents at risk – reducing the benefit trap by capping placements of vulnerable families in designated ‘no go’ areas, restricting housing benefit payments to sub-standard landlords, and investing in housing renewal.</p> <p><b>Promoting investment and tourism</b> We will increase East Kent’s attractiveness as a place to live and invest, capitalising on HS1 and the area’s quality of life</p>

# Places for Growth / Ashford and Maidstone

33,700 homes by 2026. Target housing delivery: 11,400 to 2017/18

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## *Ashford*

*Direct links to continental Europe and just 37 minutes to central London by high speed rail*

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# Places for Growth / Ashford and Maidstone

33,700 homes by 2026. Target housing delivery: 11,400 to 2017/18

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Opportunities	Challenges	Solutions
<p><b>Capacity for growth</b> Ambition for growth in both districts, with significant sites with capacity for expansion. These include Chilmington Green and the area around M20 Junction 10 at Ashford and substantial housing and commercial growth in Maidstone.</p> <p><b>Clear developer appetite for investment</b> on major sites in both Maidstone and Ashford.</p> <p><b>Excellent connectivity to Ashford</b> Ashford International only 37 minutes from central London by High Speed One, and good road connections via the M20.</p> <p><b>Key opportunities for employment growth</b> Associated with the expansion of Ashford Commercial Quarter and Eureka Park, the development of Kent Institute of Medicine and Surgery at Maidstone and the growth of an increasingly dynamic creative economy.</p> <p><b>Strong links to wider economic area</b> With both Ashford and (especially) Maidstone employment centres for East, North and West Kent.</p>	<p><b>Major strategic infrastructure constraints</b> blocking growth in key locations – for example, Junction 10a on the M20, which could deliver around 5,000 jobs.</p> <p><b>Congestion threatening existing economic performance</b> - especially in Maidstone, with significant pressure on existing transport infrastructure as a result of significant development having already taken place</p> <p><b>Unbalanced rail connectivity</b> - excellent services via HS1 from Ashford, but poor connections from Maidstone - and infrastructure constraints on future international services from Ashford.</p> <p><b>Need to attract higher value private sector activity</b>, with relatively high dependence on public sector employment in Maidstone and relatively low levels of non-public sector knowledge economy employment in both Maidstone and Ashford.</p> <p><b>Balancing rapid growth</b> - maintaining investment in town centres and quality of life alongside major commercial and residential development.</p>	<p><b>Targeted transport investment</b> We will open up Junction 10a (with funding now agreed through the Local Transport Board) and address congestion pressures – including investment in signalling at Ashford International to safeguard future Eurostar services.</p> <p><b>Funding for land development</b> We will create the Kent and Medway Development Fund to assist in bringing forward schemes that are close to market through recyclable funding solutions.</p> <p><b>Support for innovation and growth</b> We will increase the growth potential of Mid Kent’s SME base – linked with the opportunities, challenges and solutions set out in the <b>Business for Growth</b> section and including extended access to low-cost business finance.</p> <p><b>Promoting opportunities</b> We will invest in the promotion of key development opportunities in Ashford and Maidstone.</p>

# Places for Growth / West Kent

18,300 homes by 2026. Target housing delivery: 3,750 to 2017/18

## *Kings Hill*

*Kent and Medway's flagship business and residential location, generating over 5,000 quality jobs*





# Places for Growth / West Kent

18,300 homes by 2026. Target housing delivery: 3,750 to 2017/18

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Opportunities	Challenges	Solutions
<p><b>Strong, high value business base</b> Over 16,000 small and medium enterprises in a diverse range of sectors, with particular strengths in creative and media (especially in Tunbridge Wells) and financial and business services.</p> <p>This is linked with a strong workforce skills base and high levels of knowledge economy employment.</p> <p><b>Important locations for growth</b> In particular, Kings Hill is Kent’s flagship mixed use development, with over 5,000 jobs and 10,000 residents. Other key growth locations include Peters Village in the Medway Valley, Fort Halstead near Sevenoaks and the major town centres at Tonbridge and Tunbridge Wells.</p> <p><b>Strong demand and land values</b> Developer demand is high, with West Kent seen as a desirable place to live and invest.</p> <p><b>Relatively good connectivity</b> Good access to M25 and London infrastructure (e.g. Gatwick Airport); good rail links to Sevenoaks and Tunbridge Wells.</p>	<p><b>Limited development opportunities</b> Very constrained capacity due to metropolitan green belt and other environmental designations – so limited delivery despite high demand.</p> <p><b>High levels of congestion</b>, especially in town centres, impacting on resilience of existing economy.</p> <p><b>Localised connectivity constraints</b>, in particular the poor quality of London services on the Maidstone line via West Malling.</p>	<p>Unlocking development in West Kent is unlikely to require significant public sector intervention to free up access to finance or pay for substantial infrastructure works.</p> <p>However, with capacity for growth constrained in West Kent, it will be important to ensure delivery in those locations that can be brought forward:</p> <p><b>Investment in sustaining West Kent’s economic base</b> We will invest in measures to overcome congestion pressure points at Tonbridge and Tunbridge Wells through the Transport Investment Programme, alongside targeted investments to open up key sites (e.g. at Peters Village in the Medway Valley).</p> <p><b>Backing innovation and growth</b> Focusing in particular on opportunities at key growth locations such as Fort Halstead and East Malling.</p> <p><b>New solutions to unlock housing</b> For example, we will build on the Kier Kent Initiative at Sevenoaks to develop housing with a mix of tenures on public sector land.</p>

# Places for Growth / Rural Kent



## *Lamberhurst*

*Kent and Medway's high-value land-based sector at the heart of an innovative rural economy*

# Places for Growth / Rural Kent

Opportunities	Challenges	Solutions
<p><b>High levels of economic activity</b> Rural Kent accounts for over 36% of all businesses in the county (compared with 29% of its population). So the rural economy makes a disproportionately large contribution to Kent and Medway’s economic growth, providing jobs for urban as well as rural Kent.</p> <p><b>Diverse business base</b> Overwhelmingly SME-dominated, with high levels of home-working in a range of sectors.</p> <p><b>Better digital connectivity</b> With Kent and Medway among the first places in the country to deliver superfast broadband, rural business will be better able to respond to market demand – vitally important to the growing home-based sector.</p> <p><b>Quality of life</b> A key reason why business wants to locate in rural Kent– with excellent quality of life underpinned by environmental designations alongside access to the South East’s infrastructure.</p>	<p><b>Housing affordability</b>, with high market prices reinforced by strong environmental constraints on bringing forward new supply.</p> <p><b>Isolation and concentrations of deprivation</b> in peripheral rural areas, such as Grain and the Isle of Sheppey, where distances from markets and jobs are significant.</p> <p><b>Constrained growth</b> due to need to balance environmental and economic demands – and the reliance of much of the rural economy on protecting environmental quality – but demand for additional homes to support local need.</p>	<p>Solutions to growth focus on balancing the vitality of the rural economy with environmental protection, including:</p> <p><b>Supporting the growth of Kent’s land based sector</b> We will invest in the development of the sector’s innovative capacity, focusing on key assets such as East Malling Research.</p> <p><b>Completing the rollout of superfast broadband</b> We will deliver BDUK rollout in Kent and Medway by 2015/16. Alongside this, we will deliver a programme to promote demand for new technology among SMEs.</p> <p><b>Promoting rural investment</b> We will promote investment opportunities in rural Kent, linked with tourism, land-based industry, environmental quality and small business strength, as part of a coordinated county-wide approach.</p>

# Business for Growth / Introduction

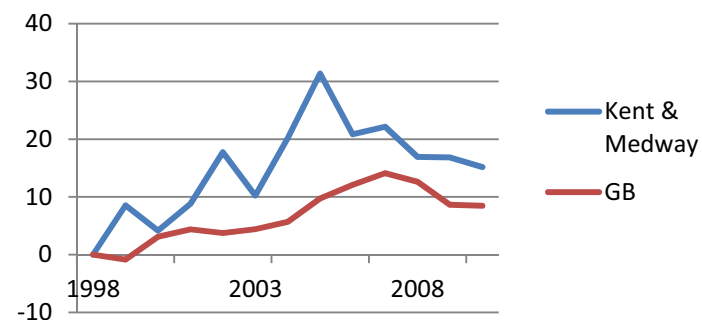
With a strong SME base and growing sector strengths, business in Kent and Medway will be leading the county's return to growth. So we must ensure that we have a positive environment for business expansion – where businesses with the appetite for growth can secure the finance, people and ideas to create jobs and prosperity.

**We have an entrepreneurial economy**, driven by thousands of small and medium-sized businesses. Of **63,650** businesses across the county, 89% employ fewer than ten people – and most of these employ fewer than five.

**We have a growing knowledge economy**. The number of people employed in the knowledge economy remains relatively small – reflecting Kent and Medway's traditional industrial legacy. But over the past 15 years, **it has grown at almost twice the national rate of growth**. If we can sustain and stabilise this rate of growth, we will increase our contribution to national growth and increase the number of higher-value jobs.

**We are benefiting from improved infrastructure**. As the previous chapter set out, High Speed One has transformed the travelling time between London and parts of Kent. Previously distant and peripheral, it is now quicker to reach Canary Wharf from Ebbsfleet than it is from Kensington – a huge opportunity for Kent business.

Knowledge economy growth (%) since 1998



**We have key sector strengths** in life sciences, creative and media industries, low carbon technology, land-based industry, manufacturing, construction, tourism, higher education and health and social care.

We have established a strong, long term relationship with our leading business sectors, through a continuing series of sector roundtables and a business survey. These have informed our analysis of opportunities, challenges and solutions set out on the following pages.

**We have an innovative approach to business support**. In a dynamic market, **most business finance and most innovation will be delivered by the market in open competition**.

We have used our sector knowledge to focus on targeted interventions where there are gaps in the market and a real role for the public and private sectors to work together, for example in delivering access to finance, business coaching for innovation and support for trade and investment.

# Business for Growth / Introduction

Businesses have told us that to unlock the growth potential of Kent and Medway’s businesses, we must tackle finance, skills and network constraints and focus on those sectors of the economy with the opportunity for long-term expansion.

## Opportunities

Diverse and resilient business base, dominated by SMEs  
Strengths in key sectors with long-term growth potential (and a strong understanding of our sector base)  
Access to large and affluent markets in London and the South East  
Return to growth reinforced by positive UK tax and regulatory environment

## Challenges

Capacity for growth, especially within innovative SMEs – including ability to access finance for expansion  
Workforce sustainability, with difficulties reinforced by outdated/inaccurate perceptions of sector opportunities  
Networking and supply chain challenges, especially among SMEs across dispersed geography

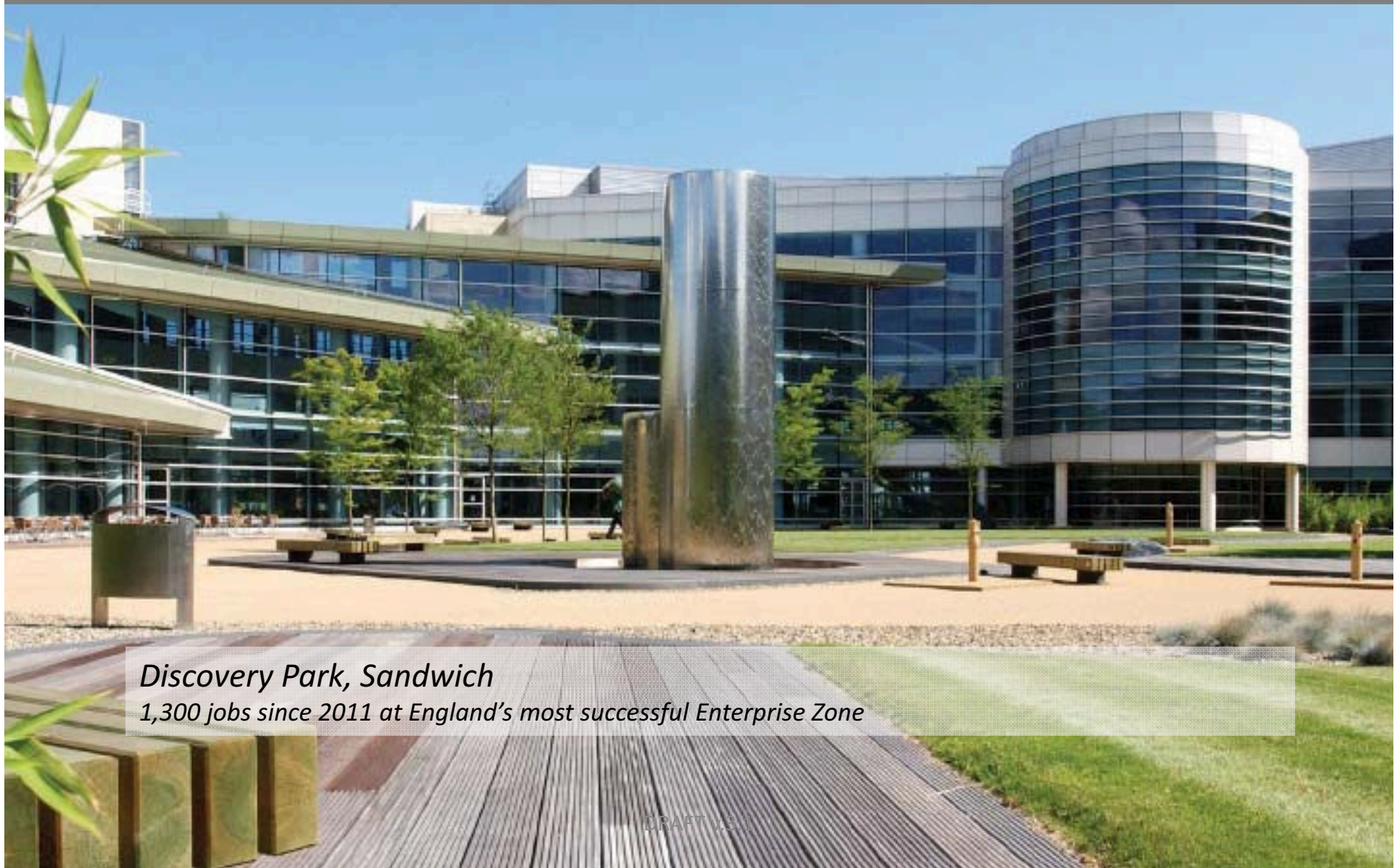
## Solutions

Support for **equity and debt finance to support business expansion**, product development and commercialisation, where this will unlock private investment. Building on our existing Regional Growth Fund schemes, we will create a **£100 million recyclable fund** offering finance on viable terms to SMEs  
Business coaching to support capacity for **growth and innovation** – with improved links between capacity and commercialisation support offered locally, nationally and by the university sector  
Greater employer involvement – especially through sector networks – in identifying **workforce skills needs** and in promoting opportunities to prospective employees  
Business-led network development to promote opportunities for commercial collaboration

The following pages set out the opportunities and challenges that faced by each of our key growth sectors, and the solutions that we propose to unlock our business potential.

# Business for Growth / Life Sciences

Currently: 6,000 jobs; 126 businesses. Target: 20% job increase by 2018



*Discovery Park, Sandwich*  
*1,300 jobs since 2011 at England's most successful Enterprise Zone*

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# Business for Growth/ Life Sciences

Currently: 6,000 jobs; 126 businesses. Target: 20% job increase by 2018

## Opportunities

### UK national advantage

Britain's pharmaceutical sector is the world's fourth largest, underpinned by a favourable regulatory and tax environment for R&D.

### Changing global market

Multinationals such as Pfizer and GSK moving away from integrated R&D and production operations – leading to opportunities for smaller businesses.

### Significant concentrations of activity,

including Sandwich (Discovery Park), Sittingbourne (Kent Science Park) and Dartford (Crossways), as well as in Medway and Ashford – and new opportunities with the development of the Maidstone Medical Campus.

### Strong legacy from former major employers

Such as the former Pfizer site at Discovery Park, and a significant skills base from former multinational employees based in the county.

### Proximity to research base

Bioscience and pharmacy presence at University of Kent, and easy access to London research institutions.

## Challenges

### Risks and costs of innovation

R&D outsourcing is a big opportunity for SMEs – but the costs and risks of life science R&D are high, and the equity gap for smaller innovative businesses is recognised as a national problem.

### Perceived distance from the life science R&D core

The sector has significant concentrations in locations such as Cambridge and Oxford. With HS1, Kent and Medway is the same journey time from London – but we need to do more to change investor perceptions .

### Retaining and growing the skills base

Part of our skills base is our legacy from major employers such as Pfizer. We need to retain this mobile workforce, while ensuring that the significant opportunities in the sector attract new entrants.

### Linking with the knowledge base

There are relatively few life science spin-outs in Kent and Medway, and no university medical school (a key part of the life science innovation system in many places).

## Solutions

### Improving access to finance

We will use public sector financial support alongside private investment to bridge the equity gap.

### Promoting Kent and Medway

We will take a sector-focused approach to investment opportunities – in particular in marketing Discovery Park Enterprise Zone and Kent Science Park as key life science clusters.

We will **increase support to innovative businesses**, both through the expansion of High Growth Kent and its links with Growth Accelerator and by developing much stronger connections with university business support (including with leading universities in London and beyond).

### Developing a life science network

Kent and Medway's life science cluster is somewhat dispersed. We will support the establishment of a private sector-driven network to support collaboration between SMEs and the research base.

# Business for Growth / Creative and Media

Currently: 14,000 jobs; 4,100 businesses. Target: 20% job increase by 2018

## School for Creative Start-ups

The School for Creative Start-ups is an interactive support programme based in Folkestone and backing new start businesses. Starting this year, it currently supports 86 start-ups from across the county.

*Francesca Rowan joined the programme with a theatre business, but quickly decided that she could make more of her current interior design business. Since she has made the transition, she has already secured an £80,000 contract with Goodnestone Park, a Stately Home in Kent.*

## Creative Quarter, Folkestone

*Creativity and better connectivity leading to growth*

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# Business for Growth/ Creative and Media

Currently: 14,000 jobs; 4,100 businesses. Target: 20% job increase by 2018

## Opportunities

### UK national sector strength

Creative industries account for about 4.3% of national employment – but over 10% of UK exports, reflecting strengths in areas such as software and publishing.

### Very strong sector growth

Creative industry employment increased 85% over past decade.

### Strong locations for growth

Especially in West Kent (notably Tunbridge Wells), with strengths in Ashford, Canterbury and a growing presence in East Kent.

**Strong focus on fast-growing sub-sectors,** through programmes such as Medway’s Recreate initiative, with software and digital media (accounting for 48% of the county’s total creative workforce).

### Relevant higher education base

Especially through the University for the Creative Arts at Medway.

### Connectivity improvements

Especially better digital connections following broadband rollout, supporting opportunities in rural Kent.

## Challenges

### Dispersed and often isolated businesses

Lack of connectivity and weak business networks identified by business as a barrier to growth – for example, inhibiting the ability of businesses to collaborate in seeking joint procurement opportunities.

### Capacity to manage growth

Small and micro businesses are faced with the challenge of responding to very rapid staff and turnover growth.

### Sustaining young businesses

Creative businesses are innovative and often high risk – with a challenge of survival and securing the right finance in their early years.

### Securing the right skills for the future

A particular challenge for software and digital media businesses, with businesses reporting difficulties in securing new staff with the right level of specialist computing skills.

## Solutions

### Supporting better networks

We will support Creative Kent and other networks - bringing the creative sector together to compete for contracts and market and promote opportunities.

### Innovation and growth

We will target business coaching and growth support to creative businesses, through the High Growth Kent network and through access to loan and equity finance.

### Informing the skills market

We will provide a stronger business voice to further and higher education providers in articulating changing industry skill needs.

# Business for Growth / Low Carbon

Currently: 21,000 jobs. Target: 20% jobs increase by 2017/18

## *London Array*

*The world's largest wind farm off the North Kent coast*



# Business for Growth / Low Carbon

Currently: 21,000 jobs. Target: 20% jobs increase by 2017/18

## Opportunities

### Rapid sector growth

As energy and environmental costs rise, opportunities grow in energy efficiency and carbon reduction. Nationally, sector growing by 4-5% per year across renewable energy, retrofit, waste management and environmental technologies.

### Comparative advantage

Relatively high low carbon and energy employment in Kent and Medway compared with other regions.

### Offshore wind and CORE designation

Kent and Medway is designated as a Centre for Offshore Renewable Engineering (CORE), including the world's largest wind farm at London Array and the potential for manufacturing in Medway and Swale.

### Government support

The UK low carbon market is one of the world's largest and Government make a significant range of incentives and support schemes available to promote growth.

### Strong local supply chain opportunities

Especially in areas such as retrofit and low carbon construction.

## Challenges

### Attracting larger investments

Especially in offshore wind, where the sector is dominated by a limited number of large businesses with high initial investment costs.

### Developing the supply chain

The sector is diverse and fragmented – and many potential suppliers unaware of the scale of the potential.

### Raising demand

The sector will be stimulated by increased demand for new solutions from businesses and households. But potential consumers don't always understand product availability or potential cost savings.

### Costs of innovation

Environmental technology SMEs face high costs and risks (as with other R&D-intensive businesses) and access to finance and support is often a barrier.

### Securing the right skills

Specialist skills are in high demand – but changing industry demand not always articulated.

## Solutions

### Improving access to finance

We will use targeted public sector support to unlock private investment in SMEs in the low carbon sector.

### Understanding the market

We will support the growth of the market by helping potential suppliers understand likely areas of growth and by incentivising residential and commercial demand for energy efficiency.

### Building networks

We will support the growth of the Kent Wind Energy and Low Carbon Kent supply chain networks to enable Kent and Medway SMEs to access new business opportunities, linking them directly with business support.

### Improving skills intelligence

We will increase employer involvement in making the Kent and Medway workforce – and potential workforce – aware of job opportunities in the sector.

# Business for Growth / Land-based



*Thanet Earth*  
*Using technology to increase UK food production*

DRAFT V3.1

# Business for Growth / Land-based

Opportunities	Challenges	Solutions
<p><b>Comparative advantage in horticulture</b> Kent contains some of the UK’s most productive agricultural land, accounting for two-thirds of national top fruit production (apples, pears, etc) and about a third of strawberry production.</p> <p><b>Strong sector identity</b> The Garden of England, with a long agricultural history and brand.</p> <p><b>Changing markets and crop production</b> Rising transport costs and changing consumer preference mean demand for home production, at the same time as new export markets are developed.</p> <p><b>Research and skills base</b> East Malling Research one of the country’s most important institutions for horticultural R&amp;D; National Fruit Collection at Brogdale near Faversham and specialist land-based education offered through Hadlow College.</p> <p><b>Extensive supply chain links</b> Strong impact of sector on wider business services and supply chain – total Kent food chain worth £2.6 billion.</p>	<p><b>Purchaser strength</b> Strong pressure on costs and margins by small number of dominant retail purchasers in the market.</p> <p><b>Rising resource costs and constraints</b> In particular, pressure on water resources is a key issue for Kent, given intensive use by horticulture sector and long-term supply pressures.</p> <p><b>Underexploited branding</b> Despite the potential of the Kent brand, its value is not always levered to its full extent.</p> <p><b>R&amp;D base undervalued</b> Despite natural strengths, Kent’s agricultural research base has historically not been valued as highly.</p> <p><b>Outdated sector perceptions</b> In particular, perceptions of the land-based sector as a career choice are often uninformed, with a lack of recognition of the sector’s technological and organisational sophistication.</p>	<p>Although public assistance to the land based sector is restricted by state aid rules, there is a strong partnership in place with the sector, including through Kent Rural Board.</p> <p><b>Improving perceptions</b> We will improve access to sector skills and careers information.</p> <p><b>Supporting branding and marketing</b> Building on Produced in Kent, we will support sector-led efforts to develop the Kent brand and local producer networks.</p> <p><b>Developing access to R&amp;D</b> We will support the expansion of Kent and Medway’s R&amp;D base and focus efforts on enabling businesses to access and finance research. In particular, we will support efforts to address rising resource costs (especially water scarcity) where they impact on Kent’s horticulture sector.</p>

# Business for Growth / Manufacturing

Currently: 44,700 jobs; 3,535 businesses



*Manufacturing and Engineering Expo 2013, Chatham  
Promoting opportunities and technology in Kent and Medway*

DRAFT v.3.1

# Business for Growth / Manufacturing

Currently: 44,700 jobs; 3,535 businesses

## Opportunities

### Substantial existing sector presence

Manufacturing accounts for 10% of Kent and Medway’s GVA (£2.85 billion) – and is particularly important in Medway and Swale.

### High and rising productivity

GVA contribution has remained high, although employment has fallen over time.

### Some large employers...

For example, BAE Systems at Rochester, Delphi at Gillingham, Hitachi at Ashford, Cummins at Ramsgate, Knauf at Sittingbourne.

### ... But mostly a diverse SME base

With diversity and lack of reliance on any major anchor at the centre of the supply chain a source of resilience.

### Higher education engineering strengths

Especially through School of Engineering at University of Greenwich at Medway.

### Land capacity

Extensive availability of suitable premises for manufacturing, especially in North and East Kent.

## Challenges

### High levels of competition

Strong cost competition from overseas placing increasing pressure on UK sector to raise productivity and innovative capacity.

### Sensitivity to input prices

In some parts of the sector, rising energy costs are likely to be a significant issue.

### Relatively dispersed activity

Despite concentrations in North Kent, local supply chain links and export levels are quite weak, reflecting lack of dominant ‘anchor’ employers.

### Ageing workforce

Specialist skills and knowledge hard to replace and difficulties in recruiting new staff with the right skills.

### Costs of development and expansion

Access to finance a barrier to expanding production, especially for SMEs.

### Outdated sector perceptions

Negative perceptions of mass manufacturing fail to take account of higher-value state of the modern industry.

## Solutions

### Developing R&D collaboration

We will promote the development of stronger sector-based networks, including facilities for collaboration in design and development.

### Supporting innovation and productivity improvements

We will improve access to innovation and growth support, building on the work of High Growth Kent and national organisations.

### Improving access to finance

We will extend access to finance where it will unlock private sector investment. We will make best use of Government’s proposed Assisted Area designations in Thanet /Dover and Medway/Swale.

### Improving business ownership of skills

We will build on the experience of Swale Skills Centre at Sittingbourne and proposed University Technical College in Chatham to increase relevant skills supply.

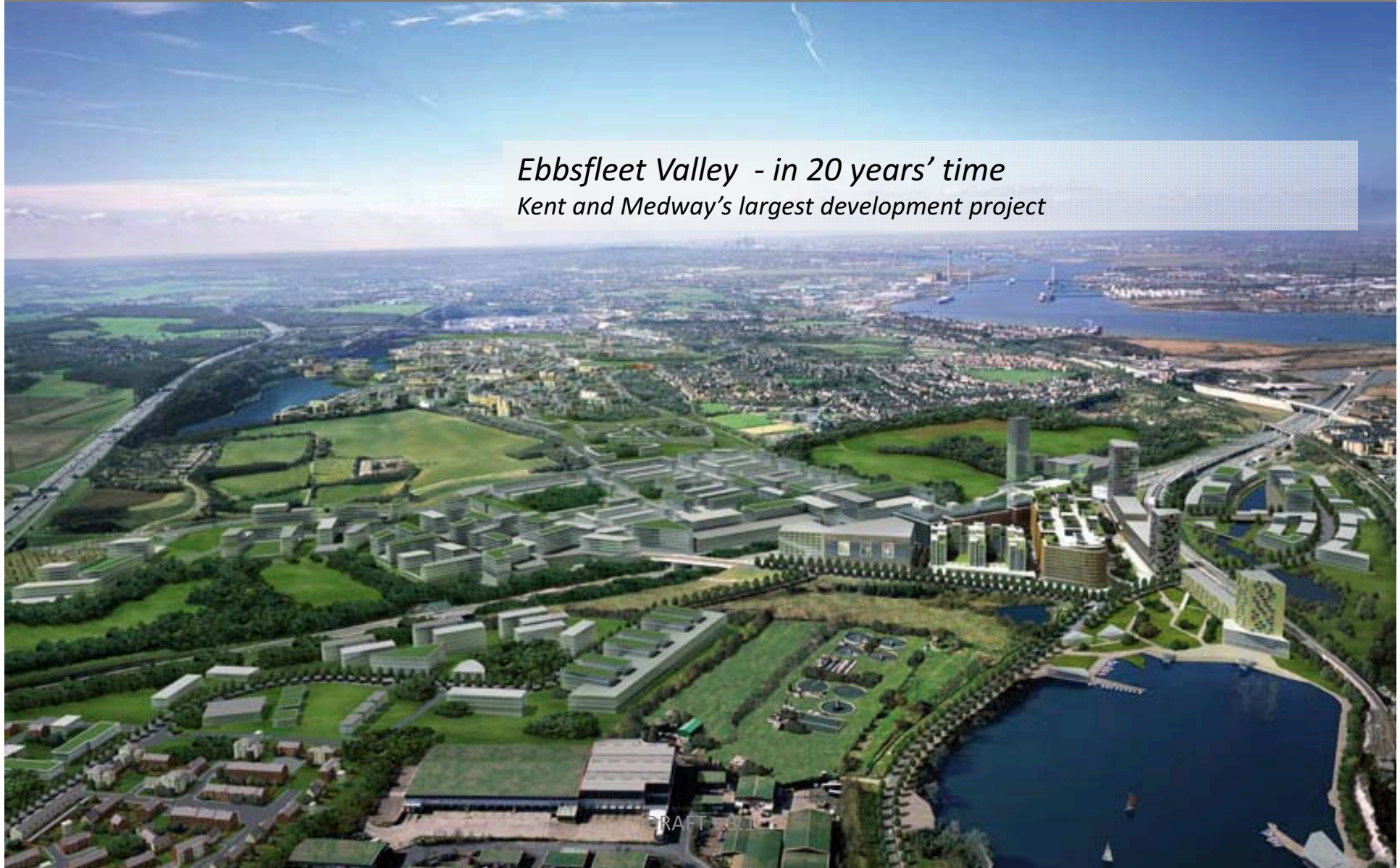
### Changing perceptions

We will improve careers guidance to promote opportunities in manufacturing .

# Business for Growth / Construction

Currently: 36,000; 8,200 businesses

*Ebbsfleet Valley - in 20 years' time*  
*Kent and Medway's largest development project*





# Business for Growth / Construction

Currently: 36,000 jobs; 8,200 businesses

## Opportunities

**Major new development opportunities**  
 With the need to deliver around 7,000 homes a year to support anticipated demand, including very major commercial and residential schemes.

**Return to growth in property market**  
 Initiatives such as Help to Buy have stimulated market demand, and there is a greater appetite to develop (at least in places closer to M25).

**Demand for retrofit**  
 As energy costs rise and Government incentives are offered, demand for energy efficiency measures is rising, offering opportunities for the local construction sector.

**Proximity to markets**  
 Easy access to London and wider South East market – generally the most buoyant in the UK.

**Extensive supply chain links**  
 Industry tends to have extensive and local supply chains, meaning significant multiplier effect on local economy.

## Challenges

**Impact of recession**  
 8,000 jobs were lost in the construction sector in Kent and Medway between 2009 and 2012 – 18% of the workforce. This is a considerable shrinkage – leading to capacity constraints as the market returns to growth.

**Demand and price volatility**  
 As demand returns, inflation in materials costs rise.

**Difficulty in accessing finance**  
 Especially for smaller developers, as demand volatility makes private investors risk-averse.

**Skills supply**  
 Difficulties in responding to rising demand due to earlier contraction – and shortage of new sustainable construction skills.

**Regulatory and resource costs**  
 Costs of regulation generally seen as higher in the UK than in parts of continental Europe. Water and energy costs rising.

## Solutions

**Access to finance for smaller developers**  
 As part of the Kent and Medway Business Finance programme, we will make additional products available offering access to finance where this will help unlock private investment.

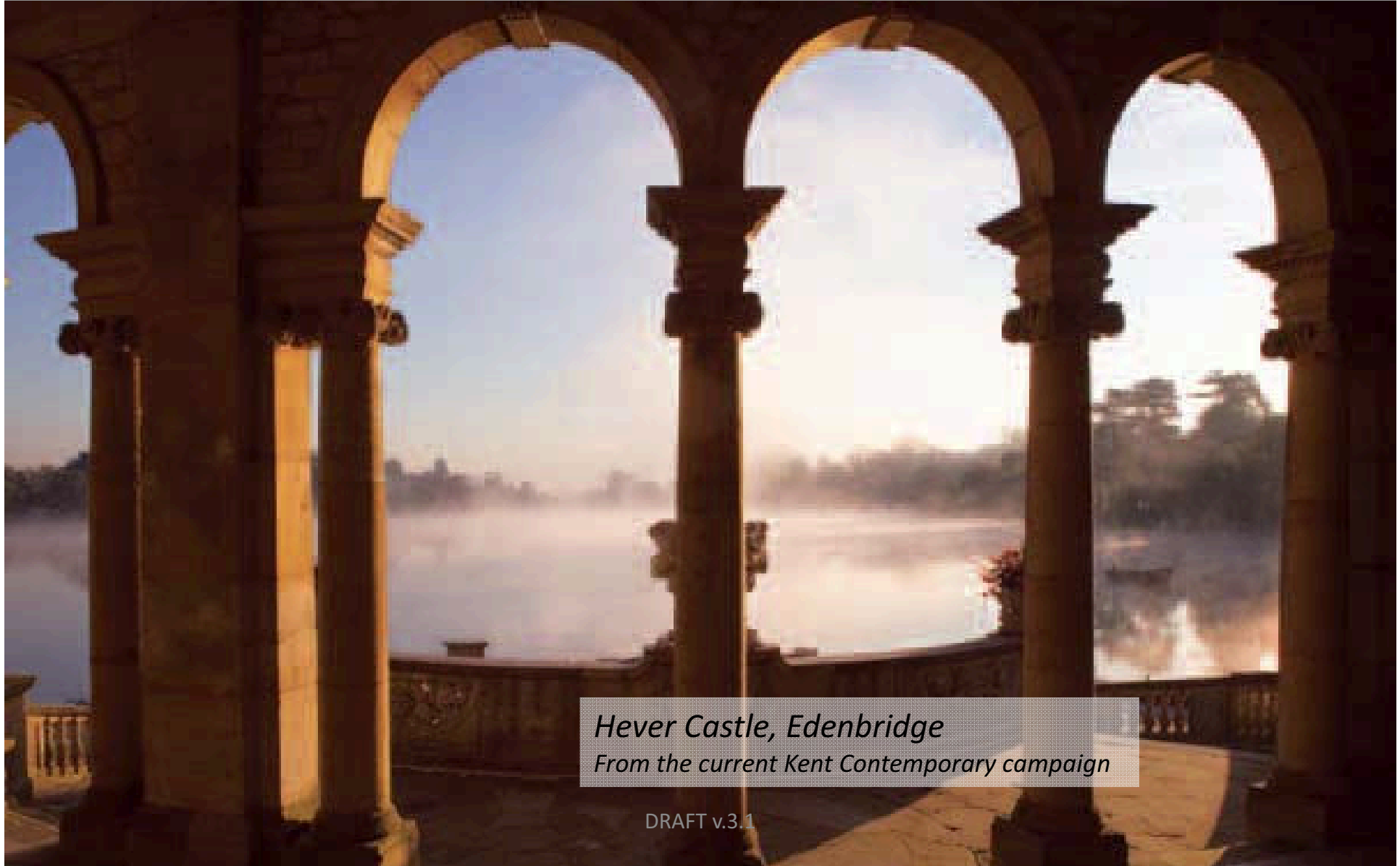
**Public-private sector relationship**  
 We will maintain and build on Kent Developers’ Group as a forum for local authorities and developers.

**Better skills opportunities**  
 We will invest in facilities such as SusCon at Dartford and Swale Skills Centre at Sittingbourne, where they are developing new, higher-value skills. We will also aim to change perceptions of the opportunities in the sector among new entrants to the jobs market.

**Kent and Medway Development Commitment**  
 We will support project delivery through a new principle in the allocation of capital funding to infrastructure schemes – requiring developers to formally commit to delivery if infrastructure funds are allocated.

# Business for Growth / Tourism

Currently: 40,000 jobs; 3,500 businesses



*Hever Castle, Edenbridge  
From the current Kent Contemporary campaign*

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# Business for Growth / Tourism

Currently: 40,000 jobs; 3,500 businesses

## Opportunities

### Strong tourism product offer

Including internationally-renowned historical assets (such as Canterbury Cathedral), coastal tourism and a strong rural offer underpinned by environmental and landscape quality. This is reinforced by investment in new attractions, environmental quality and effective marketing and development by Visit Kent.

### Major future opportunities

For example, the proposed Paramount theme park development in North Kent.

### Proximity to markets

Especially to London and Northern Europe – with accessibility greatly improved by High Speed One. Visitor trips account for some £2.7 billion of expenditure annually.

### Resilience through recession

Overseas numbers continued to rise during the downturn and domestic demand also increased.

### Significant supply chain opportunities

With close links between the tourism sector and the county’s key creative and land-based industries, as well as with retail.

## Challenges

### Fragmentation – but shared interests

There are many thousand micro tourism and hospitality businesses – but all depend on the quality of the wider offer. So there is a key challenge in maintaining the quality of the Kent brand.

### Market competition

High competition between visitor destinations, placing a premium on quality and value for money.

### Staff recruitment and retention

With employment in the sector historically seen as lower-value, there is a need to raise awareness of the range of opportunities in the sector.

## Solutions

### Marketing and promotion

We will continue our investment in Visit Kent to promote the county, ensuring a consistent, quality brand.

### Supporting business growth

We will offer sector-specific support to tourism and hospitality businesses, including financial support, with the aim of supporting micro enterprises and raising product quality.

### Improving employer direction of skills provision

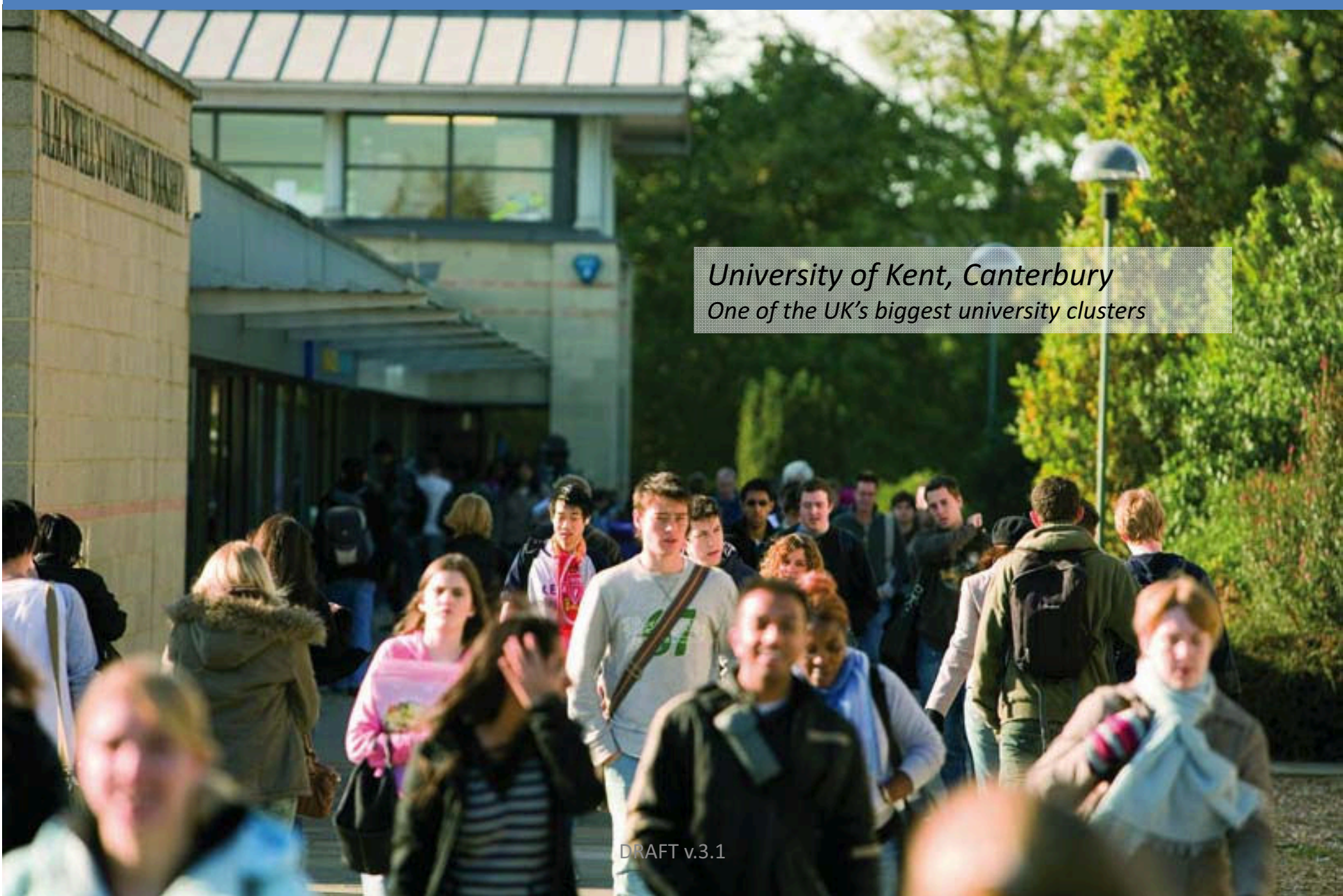
We will establish a Tourism and Hospitality Guild to help employers recruit and retain, which we will expand and roll out.

## Developing quality



Before Nicola Liddiard decided to open Brook Farm B&B in Woodchurch, near Ashford, she had no experience in the hospitality sector. So before starting, she got in touch with Visit Kent’s Quality Programme, who supported her from planning her business start to the actual opening – securing a Visit Britain 5 star silver rating at the start and becoming part of Kent’s quality visitor offer.

# Business for Growth / Higher Education



*University of Kent, Canterbury*  
*One of the UK's biggest university clusters*

# Business for Growth / Higher Education

Opportunities	Challenges	Solutions
<p><b>Large university presence</b> Four universities (University of Kent, Canterbury Christ Church University, University of Greenwich and University for the Creative Arts), with 45,000 students and recent expansion.</p> <p><b>Concentrations of activity</b> Mainly at Canterbury (70% of the county’s university student population) and Medway, with significant contribution to local economy.</p> <p><b>Linking university expertise with business</b> Especially encouraged following the Witty Review of university links with local growth and building on universities’ current innovation products.</p> <p><b>Commercial application of university research</b> Within multiple areas of university activity, but especially in areas of key local sector strength (such as engineering/ University of Greenwich and biosciences/ University of Kent).</p>	<p><b>High and increasing competition</b> Both for research funding and for students (including international students who bring substantial revenue).</p> <p><b>Innovation and business support offer not always joined up</b> across universities, local authorities and providers and national programmes.</p> <p><b>Local growth contribution not always understood</b> In particular, universities are often seen as suppliers of skills to the local economy, but they are also economic drivers in their own right.</p> <p><b>Physical capacity for business expansion</b> With space for spin-outs and start-ups on campus at Canterbury and Medway limited.</p>	<p><b>Joining up business support activities</b> We will link together university-based support programmes with other locally-available initiatives to give the best possible advantage to Kent and Medway-based university start-ups. This will be linked with a joint marketing programme.</p> <p><b>Linking access to finance</b> We will use Kent and Medway’s business loan products to support university start-ups and spin-outs, and will develop a joint equity investment product alongside the private sector for university-based start-ups, where businesses have strong growth potential.</p> <p><b>Developing facilities for growth</b> We will consider the demand for additional incubator and innovation facilities linked with Kent and Medway universities on or off campus, ensuring that they have clear gateway and time-limit policies and support businesses with real growth and innovation potential.</p>

# Business for Growth / Other key sectors

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	Opportunities	Challenges	Solutions
Health and Social Care	Rising demand as population ages. Greater variety of provision. New application of telecare/telehealth technology.	Future viability of funding models and pressures on cost. Recruitment and retention of quality staff.	Access to finance to support new social enterprises. 'Futureproofing' housing in new developments to reduce future costs.
Financial and business services	Proximity to London jobs and business market. New technology-driven services Locations for future growth (e.g. Ebbsfleet)	Vulnerability to offshoring, especially back-office functions. Limited potential for local influence over sector development.	Access to finance and innovation support for SMEs at innovative end of sector (e.g. advanced data services)
Transport and logistics	Existing strengths in distribution Nationally-important operators (e.g. Port of Dover, Eurotunnel) with expansion plans. Rising trade and freight volumes	Rising energy and environmental costs. Ageing workforce.	Support for major expansion plans within Strategic Transport Programme.
Retail	Increasing link with wider leisure and tourism industry Key national retail destination at Bluewater Potential driver of local growth	Vulnerability of traditional model to internet shopping. Continued difficult conditions for town centres, especially in second-order locations.	Focused business support as part of wider town centre renewal strategies.

# Business for Growth / Already investing

Kent and Medway businesses are taking advantage of growth opportunities...

## Finance

Kent and Medway benefits from a range of access to finance products, to help companies with growth potential unlock private sector investment.

This includes over £60 million secured through the Government's **Regional Growth Fund** supporting the Expansion East Kent, TIGER and Escalate schemes, in addition to local investment in established programmes such as Medway's **Partners for Growth**



**HV Wooding** is a precision engineering company in Hythe. With clients including CERN and Rolls-Royce, the firm has strong growth potential– but needed additional finance to support expansion. A £1.1 million loan from **Expansion East Kent** is funding new production capacity, creating 16 jobs in the next 12 months.

## Growth

**High Growth Kent** provides coaching to businesses with high growth potential.

This year, **East Kent Cartons** approached High Growth Kent, concerned about losing their competitive edge. Their machinery was inefficient with regular downtime.



They needed to invest in a new 6 colour printer for quicker production time but the new machine would not fit in their existing premises. Their HGK coach helped them raise the finance they needed and they have now identified new premises, purchased new machinery and introduced a new shift pattern. East Kent Cartons is now looking at 30% growth in turnover and a bright future.

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## Trade

Exporting is a proven route to business growth. The **Two Seas Trade** programme helps Kent and Medway businesses enter new markets.

**Blends for Friends** is a West Kent firm making specialist tea blends for corporate clients and the catering sector.



Last year, Two Seas Trade helped Blends for Friends make new business contacts in Belgium. Following their success at the TAVOLA food and drink fair in Kortrijk, Blends for Friends secured new business in Belgium worth £40,000. This year, turnover is expected to rise by £100,000, and the firm is successfully doing business with a top-end Belgian catering firm.

# Skills for Growth / Introduction

**Growth in key sectors and increasing employment opportunities demand a skilled, motivated and creative workforce. So we must be innovative, flexible and responsive – engaging employers in designing approaches to skills and the information, advice and guidance that supports it.**

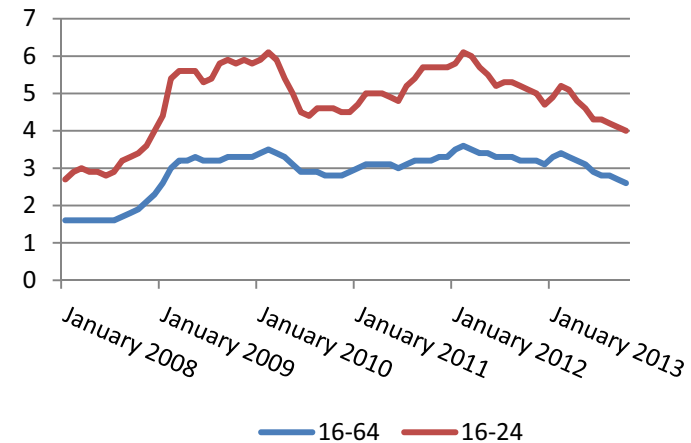
**We have major opportunities for new employment.** Growth is forecast in key sectors, major new developments offer prospects for large-scale job creation and opportunities in London – in commuting distance for much of the county – are set to increase. We also have an increasingly strong understanding of our sector skills needs.

**Employment levels are rising.** The recent recession saw a much smaller rise in unemployment than previous downturns, and unemployment is now falling – both among the workforce overall and among people aged 18-24. With greater flexibility, the labour market should be able to respond as employment opportunities develop. So we must create stimulating approaches to skills development in our growth sectors.

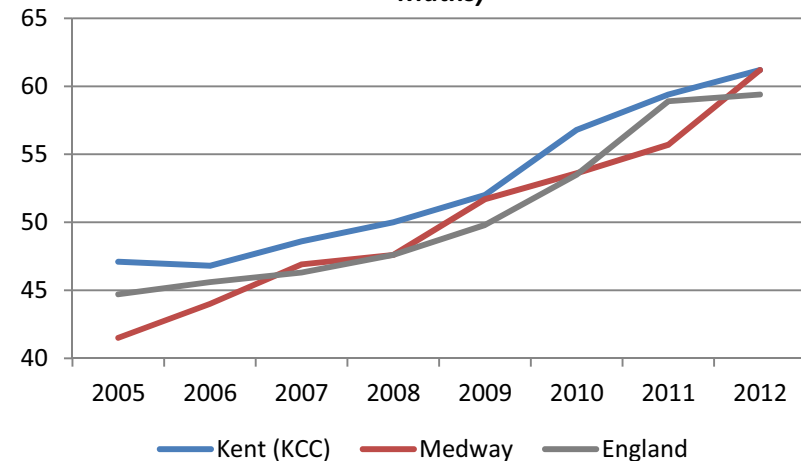
**Our workforce is becoming better skilled.** Workforce skills still lag behind the national average, but long term improvement is fairly consistent. This will be enhanced by developing creativity, entrepreneurship and innovation within the workforce.

**School attainment levels are improving.** GCSE results have improved consistently over the past decade, but **Kent and Medway now outperform England as a whole** – and although results have levelled off nationally, they have kept on rising in the county.

*Jobseekers' Allowance claimant count (%) since 2008  
Kent and Medway*



*% gaining 5+ GCSEs as grades A\*-C (inc English and Maths)*

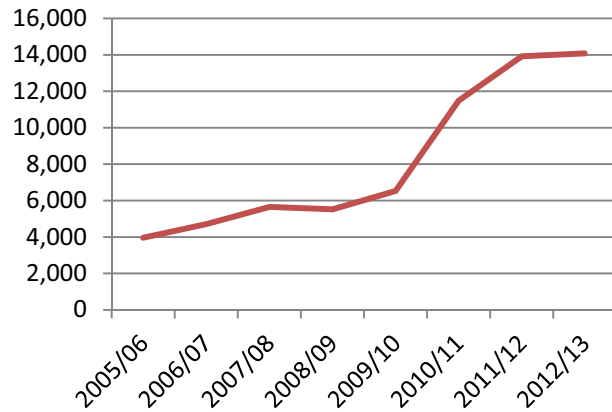




# Skills for Growth / Introduction

**Apprenticeships are increasing.** There has been a consistent rise in the number of apprentices in Kent and Medway. Medway Council, KCC and the Kent Districts play an active role in promoting and brokering apprenticeship opportunities.

**Apprenticeship starts (all ages)**



Increasing the number of apprentices means working to raise employer demand by promoting opportunities, reducing the costs to SMEs and focusing on the availability of opportunities in our growth sectors.

It also means raising the supply of potential apprentices, ensuring that young people are aware of the available opportunities, understand how they can take advantage of them and have the skills they need.

Some of the services we currently offer in Kent and Medway include:

## GAPS

Medway Council’s flagship apprenticeship scheme, the GAPS project has helped over 200 people into apprenticeships since 2011 and helped Medway achieve a rate of apprenticeships almost 11 times higher than the national average. Working with over 140 SMEs in Medway, GAPS has set up and filled apprenticeships and helped businesses access training and financial support. Employers have praised the programme for ‘providing bright and willing to learn employees’

## Kent Employment Programme

Following rising youth unemployment, the Kent Employment Programme was set up as a flexible grant fund to help local businesses take on young people who had been unemployed for three months or more as apprentices. Developing strong relationships with Jobcentre Plus and Work Programme providers, the Kent Employment Programme has helped business recruit 500 apprentices so far.

## Assisted Apprenticeships

Assisted Apprenticeships help care leavers, young parents, those from troubled families and other vulnerable young people find sustainable employment. Each category has an identified champion working with the young people, while KCC provides support to the employer. This successful model has resulted in 106 young people accessing apprenticeships since 2011.

# Skills for Growth / Challenges and solutions

Opportunities	Challenges	Solutions
<p><b>Building on success</b> With attainment levels rising steadily and successful initiatives underway to increase choice in vocational learning, increase apprenticeships and training in higher level technical skills and in growth sectors, with involvement employers.</p> <p><b>Policy clarity</b> The Government is clear that the skills system should be market-led and demand-responsive. This provides a clear context for our local, demand side-focused response.</p>	<p><b>Tightening labour market over the long term</b> There will be fewer working age people as a proportion of the population , leading to pressure to increase productivity and skills levels.</p> <p><b>Mismatch between opportunities and perceptions</b> In a demand-led system, we must ensure that demand is well-informed. But frequently, perceptions of many sector opportunities are outdated and inaccurate.</p> <p><b>Reported skills shortages</b> About 20% of employers in Kent and Medway report skills shortages, higher than the national average – and many continue to report concerns about work readiness and employability.</p> <p>There are more apprenticeship vacancies than there are young people to fill them, because many applicants do not have the vocational or work-ready skills to take up available opportunities.</p>	<p><b>Informing the market</b> Working with key business sectors, we will develop a much stronger <b>independent information, advice and guidance system</b>, building on the successful Kent Choices4u platform and offering more accurate information on future employment opportunities. This will include a job matching service for those aged 16-24.</p> <p>We will link this with the development of a sector-based <b>Guild model</b>, giving businesses greater ownership of the delivery of information, advice and guidance to meet future sector needs.</p> <p><b>Increasing employer support</b> Building on the successful <b>Kent Employment Programme</b> and <b>Employ Medway</b>, we will seek to offer financial assistance to employers recruiting higher apprentices in priority sectors.</p> <p>We will expand the KEP/ Employ Medway model to become a brokered service that supports SMEs, helps them to access their needs, provides support to enable sustained apprenticeship and job opportunities and supports the transition to work</p>

# Skills for Growth / Challenges and solutions

Opportunities	Challenges	Solutions
<p><b>Economic recovery</b> As youth unemployment starts to fall and employers become more willing to recruit, we need to ensure that there is an effective supply chain of young people with the right skills, capabilities and ambition.</p> <p>We also need an infrastructure that enables successful transition for adult workers moving from one career to another, especially in priority sectors.</p> <p><b>Strong partnerships</b> The Kent and Medway Employment Learning and Skills Partnership Board brings together employers, providers and the KMEP – with the HE and FE sectors also represented directly on KMEP and with the Skills Funding Agency participating.</p>	<p><b>Concentrated worklessness</b> Despite falling unemployment, access to the labour market is low in places, especially coastal and estuarial Kent and Medway and especially among 18-24 year olds.</p> <p>The requirement for English, maths and IT skills for most jobs means that vulnerable young people and adults risk becoming disenfranchised and struggle to access sustainable employment.</p> <p><b>Employer involvement and capacity</b> Employer time to inform the market - and to benefit from apprentices – is often limited, especially in an economy dominated by SMEs.</p>	<p><b>Responding to employer demand</b> We want to ensure that a system responsive to learner demand is also responsive to employer demand.</p> <p>So we will work with the Skills Funding Agency to examine the outcome of pilot projects which have offered incentives to providers meeting employer priorities, and we will consider how these can be applied in Kent and Medway, with potential pilots in the newly created Youth Employment Zone areas.</p> <p><b>Supporting access to learning and employment</b> We will establish a Workforce Response Fund, financed by the European Social Fund, to be used flexibly to remove barriers for individuals, employers and providers in order to boost skills, employment and job creation. Building on Medway’s SUCCESS model, we will ensure that ‘soft skills are a key element of all training programmes</p> <p>We will seek to make it easier for young people to access work and learning by <b>extending reduced-cost travel</b> by public transport to 16-19 year olds.</p>

# Skills for Growth / Already investing

## The Langton Star Centre

The Langton Star Centre, based within the Simon Langton Grammar School for Boys, provides a world class model for the promotion of research based science education within schools. Students are routinely involved in research activities in which they are the architects of the learning process and where they are able to work alongside academic and research scientists in pursuing authentic research projects.

In addition to research carried out in conjunction with CERN, work includes research into multiple sclerosis and genetic crop research on wheat.

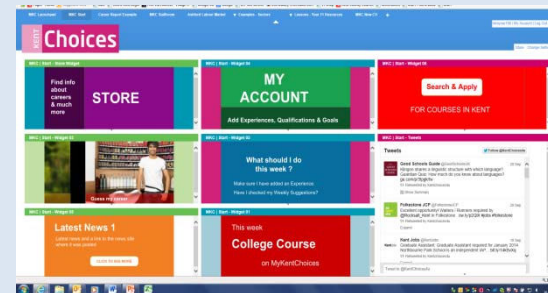


As a result, the school has more students taking A levels in maths, further maths, chemistry and physics than any other school in the UK and provides almost 1% of all the physics undergraduates in the UK.

## Kent Choices4u

Kentchoices4u.com is Kent's online applications and careers portal. Year 11s use the system to apply for courses and it contains information about careers and post 16 options.

The site is increasingly popular, with over 170,000 visits to the site, and over 11,000 young people making an application between September 2012 and May 2013. The site is the largest and most used of its type in the country.



We are piloting a fully interactive system to bring together web and computer-based resources and target them at young people. This will also contain a CV builder, interactive skills development portfolios and employability skills support.

Using the system, we will bring students and companies together. Companies will be able to place their employment/training offer within the site alongside resources to help young people to develop the skills and experiences they need to progress into employment

# Deal for Growth / Our solutions

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We have identified 20 solutions for growth – including asks of Government and investment proposals – which we will progress as part of our Growth Deal.

Places for Growth: Solutions

Business for Growth: Solutions

Skills for Growth: Solutions

# Deal for Growth / Places for Growth: Transport

## Solutions to deliver growth without gridlock

### Solution 1: Strategic Transport Investment Programme

#### We have a clear plan for growth

In Kent and Medway, we are clear on what needs to be delivered **to accelerate growth**. Our bold and ambitious transport strategy, *Growth without Gridlock* sets out the infrastructure we need, linked with the key growth locations outlined in this Growth Plan. Our priorities include:

**A third Thames crossing constructed by 2020 as part of a new strategic national route** from Dover to the North, relieving the Channel Corridor. Improvements along the A2, A249 and delivery of a number of lorry parks are key features of this package.

**Unlocking our major growth locations** with improvements such as the M20 Junction 10a at Ashford, A2 off slips at Canterbury and A2 Bean and Ebbsfleet junctions in the Thames Gateway

**Securing significant investment in East Kent** through improving access options particularly by rail and relieving major bottlenecks such as Westwood Cross.

**Improving connectivity and cutting congestion in West Kent** through schemes such as the dualling of the A21 from Tonbridge to Pembury, the A228 Colts Hill Relief scheme and improved access to North Farm at Tunbridge Wells

... in addition to many more, shown on page 52

#### We will...

Invest in a **strategic transport investment programme for growth** to open up our key growth locations and address strategic transport constraints.

Our proposals are set out on the map overleaf. Combined, they will help to unlock over 40,000 homes over a twenty year period.

Many of the schemes identified already have developer and third party contributions : with a Local Growth Fund contribution of £358 million, we expect to secure £351 million in private funding.

However, we **will only invest public money in transport infrastructure where we have a solid commitment from the developer to build their commercial or residential development out in defined timescales**. We will agree a Kent and Medway Commitment with developers on schemes assisted by the Strategic Transport Programme to ensure clear growth outcomes for public investment

# Deal for Growth / Places for Growth: Transport

## Solutions to deliver growth without gridlock

### Solution 1: Strategic Transport Investment Programme

Much of the investment that we require is on the national strategic network.

So we will also **commit £64 million of Local Growth Fund to strategic Highways Agency and Network Rail schemes**, where these are essential to the county's economic growth. These include:

**Strategic improvements to the A2 and M2 corridors** opening up investment around Ebbsfleet Valley and in Swale.

**Relieving the pressure of international freight** through the provision of dedicated lorry parks.

**Improving access to East Kent by High Speed One** through a new parkway station at Thanet, building on approved investment in faster line speeds.

**Safeguarding international rail services at Ashford** through signalling works to accommodate modern rolling stock.

### We ask Government to...

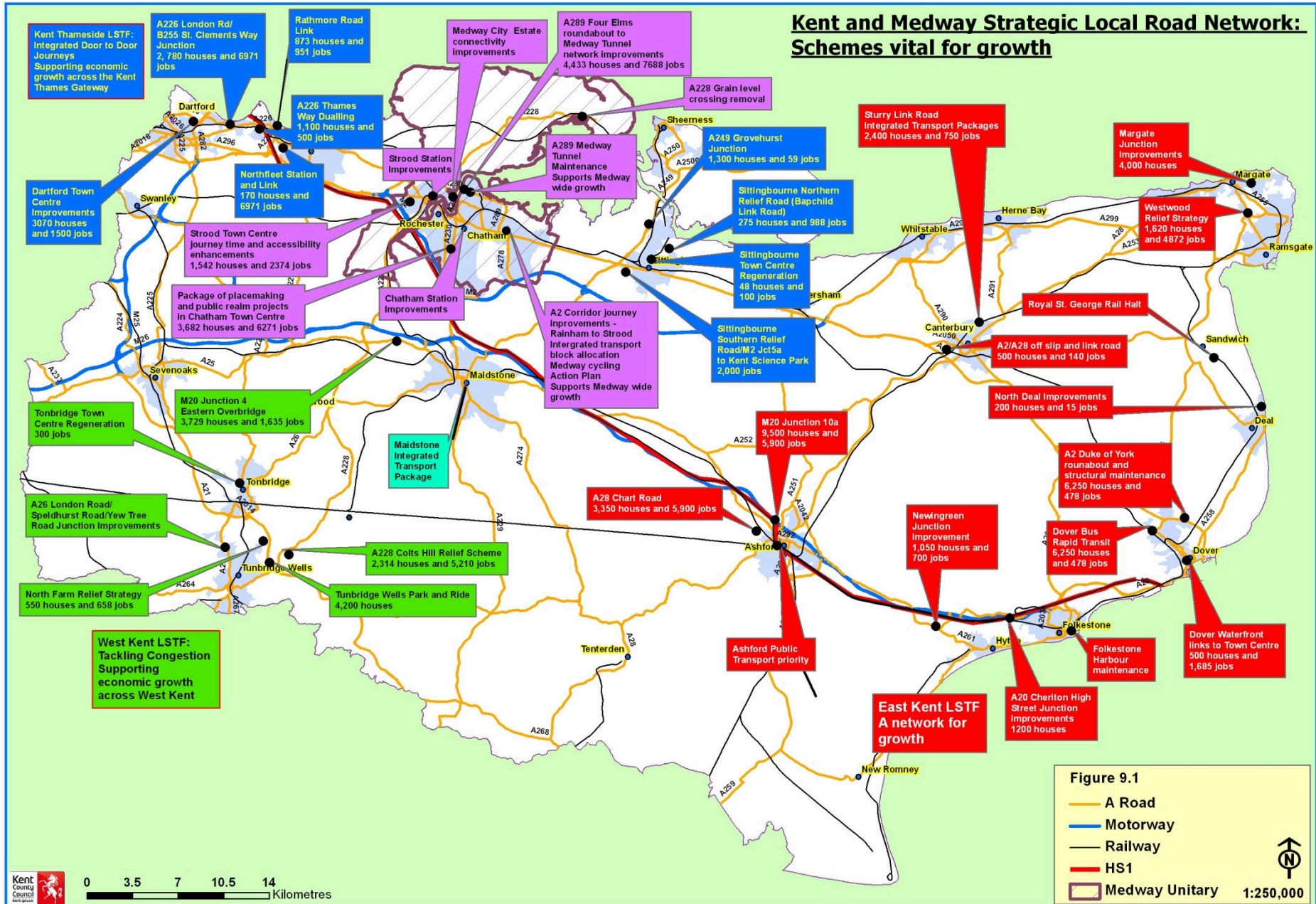
Work with us, via the Department for Transport, Network Rail and the Highways Agency, to deliver our strategic transport programme.

In exchange for our commitment of Local Growth Fund investment to support Highways Agency and Network Rail schemes, we **ask the Department for Transport to agree a timetable with the Kent and Medway Economic Partnership to bring these schemes forward within the Local Growth Fund investment period.**

While welcoming the Government's commitment to rule out the unviable Option B for the Lower Thames Crossing we also ask for an **early final decision on the preferred route for the Crossing**, and commit to working with Government to secure investment to deliver the scheme by 2020.

**Outcomes:** Total jobs unlocked: 40,000. Total homes unlocked: 50,000. Leverage: £725 million.

# Kent and Medway Strategic Local Road Network: Schemes vital for growth



**Figure 9.1**  
 — A Road  
 — Motorway  
 — Railway  
 — HS1  
 — Medway Unitary  
 1:250,000



0 3.5 7 10.5 14 Kilometres



# Deal for Growth / Places for Growth: Transport

## Solutions to deliver growth without gridlock

### Transport Investment Programme: Investment breakdown

	Total investment (£m)	Local Growth Fund (£m)
<b>Local strategic schemes</b>		
Thames Gateway	190.84	133.96
Coastal East Kent	121.00	53.15
Ashford and Maidstone	47.00	28.69
West Kent	74.86	63.00
Kent County-wide	47.10	16.20
<b>Highways Agency schemes</b>	<b>216.00</b>	<b>56.00</b>
<b>Network Rail schemes</b>	<b>13.50</b>	<b>7.75</b>
<b>Total</b>	<b>710.30</b>	<b>358.74</b>

# Deal for Growth / Places for Growth

## Solutions to deliver growth without gridlock

### Solution 2: Selective devolution

#### We will...

Investigate the potential for **selective devolution** of Highways Agency responsibilities where local management could result in cheaper and quicker delivery. We have already examined the opportunity for this in relation to the dualling of the A21 between Tonbridge and Pembury, where we estimate the cost of the scheme could be reduced from £130 million to £70 million.

#### We ask Government to...

Enter into a **dialogue with us through the Department of Transport during 2014/15 on the practicalities of a selective devolution scheme**, where this can result in cost savings to Treasury, faster scheme delivery and guaranteed delivery of homes and floorspace through the Kent and Medway Delivery Commitment.

**Outcomes:** To be confirmed subject to scheme

### Solution 3: Highways Agency flexibility

#### We will...

Commit through our Strategic Transport Programme to fund access from the **M2 motorway to Kent Science Park**, in order to support the expansion of the Park as a major centre for high-value employment. This will result in a cost reduction of over £80 million compared with the more expensive option of providing a new strategic route into Sittingbourne – although the direct job outputs will be similar.

#### We ask Government to...

Work with us through the Highways Agency to examine the case for providing flexibility to access this strategic developments from the motorway network.

**Outcomes:** 2,000 jobs

# Deal for Growth / Places for Growth

## Solutions to unlock sites for jobs and homes

### Solution 4: The Kent and Medway Development Fund

#### We will...

Create a **Kent and Medway Development Fund (KMDF)**, working together with our neighbours in the South East LEP.

Initially funded by the Local Growth Fund, the KMDF will respond to the need for patient finance to help deliver schemes to which the market is not yet fully ready to respond.

The KMDF will operate both a **fully recyclable** fund, focused on those schemes (mainly in Mid Kent and the Thames Gateway) that are close to market, and a **softer or gap funded** scheme focused on more marginal schemes. The KMDF will in every case be based on the Kent and Medway Delivery Commitment, with all public support dependent on a concrete developer commitment to build.

In the coming months, we will develop a comprehensive business case and investment strategy for the KMDF, with a pipeline of schemes based on the places for growth outlined in this plan, and including a full analysis of state aid implications.

#### We ask Government to...

Approve our request for **£51.9 million over six years from the Local Growth Fund** (of which we anticipate £22.5 million to be invested in the Fund in 2015/16).

At this stage, there are no operational freedoms or flexibilities that we believe we require to operate the KMDF. However, on the basis that we provide an initial business plan to the Department for Communities and Local Government no later than 1 March 2014, we ask that Government provides feedback on the principles of the Fund by the start of May, so that detailed work can proceed in developing the pipeline of schemes and the operation of the Fund.

**Outcomes:** Jobs: 2,375. Homes: 5,000. Private sector leverage: £110 million

# Deal for Growth / Places for Growth

## Solutions to unlock sites for jobs and homes

### Solution 5: Consolidated public sector assets

#### We will...

Create a better coordinated approach to public sector support for property development and regeneration. As part of the development of the KMDF, we will **pool part of the proceeds of publicly owned assets** in Kent and Medway to de-risk and prepare sites for the delivery of future housing and employment.

Alongside the development of the business plan for the KMDF, we will consider the potential return to public sector investors and will review the local public sector asset base.

#### We ask Government to...

Consider **pooling part of Government assets in Kent and Medway** to the KMDF pool, including Homes and Communities Agency Economic Property Assets currently managed through the Stewardship Model, subject to agreement on the eventual target return to Treasury.

Outcomes: To be confirmed

### Solution 6: Joined up gap funding

#### We will...

Consolidate our approach to capital investment within the Kent and Medway Development Fund. As part of this, we will seek to absorb historic grant and loan commitments from the former Thames Gateway Programme within the KMDF, subject to approval of its investment strategy.

#### We ask Government to...

Work with us to link outstanding commitments with the KMDF and ensure that historic funding constraints do not present barriers to investment in changed market conditions.

In particular, we ask for specific flexibility from DCLG regarding historic Thames Gateway investment in the strategic **Strood Riverside** site, where Government's first claim on eventual capital receipts currently make further local investment unviable. We ask DCLG to consider greater flexibility, allowing future capital receipts from the site to be shared between central Government, Medway Council and the KMDF, enabling additional investment to proceed.

Outcomes: To be confirmed

# Deal for Growth / Places for Growth

## Solutions to unlock sites for jobs and homes

### Solution 7: HCA commissioning

#### We will...

Seek a **new role for the Kent and Medway Economic Partnership in commissioning the Homes and Communities Agency** through the development of a five year rolling programme and annual commissioning plan.

Building on our excellent relationship with the HCA, we will examine the advantages of such a commissioning relationship based on the cost savings and likely increase in housing delivery involved in pooling separate HCA funding schemes and in more direct links between the Agency, local planning and housing authorities and developers.

#### We ask Government to...

Work with us through the HCA to examine the practical and financial case for local commissioning

**Outcomes:** To be confirmed

### Solution 8: New opportunities for investment

#### We will...

Seek to extend opportunities for private institutional investment in new models for housing development, creating a new mix between private rent, affordable housing and market ownership.

We will build on existing successful initiatives, such as the **Kier Kent** partnership, using investment from the Kent and Medway Development Fund to match private sector investment.

#### We ask Government to...

We do not require any specific freedoms or permissions from Government – and indeed, we are already getting on with delivery. However, through the work outlined in Solution 6 (HCA commissioning), we will seek to ensure that where new models of investment yield results, they are shared elsewhere in the South East LEP and beyond and supported by Government and the HCA.

**Outcomes:** To be confirmed

# Deal for Growth / Places for Growth

## Already investing in jobs and homes

### Case study: No Use Empty

No Use Empty was established in 2005 to bring homes back into use, supporting the work of district housing authorities with advice to property owners and loan assistance.

The scheme operates across Kent and has so far returned over 3,000 homes to use. Some £25 million has so far been invested, with a third from Kent County Council and the remainder from the private sector.

No Use Empty offers interest free loans of up to £175,000. Earlier this year, NUE launched a partnership with social housing provider AmicusHorizon to create affordable homes available for rent at 80% of market value.



Prince of Wales House in Dover was vacant for several years. With a £175k loan from No Use Empty, it now contains 35 apartments (11 shared ownership) – and the loan was repaid 9 months early.

### Case study: Kier Kent

In 2011, Medway Council, Kent County Council and the 12 Kent Districts adopted the **Kent and Medway Housing Strategy**, the first countywide housing strategy to be developed in England.

The Housing Strategy contained ambitious commitments to make better use of public sector land. So earlier this year, Kent County Council launched the **Kier Kent Initiative**.

This deal packages together KCC-owned sites in Sevenoaks, Canterbury and Swale, and brings in institutional investment to build homes for affordable, intermediate and private rent and open market sale, **enabling new affordable homes to be delivered without Government grant**.

We know that there are a growing number of institutions seeking investment opportunities in housing and there is the potential to expand mixed tenure schemes on public sector land and to raise interest in the potential of institutional investment in the private rented sector.

The first 172 homes completed under the Kier Kent Initiative will be completed by the end of 2015.

# Deal for Growth / Places for Growth

## Solutions to unlock sites for jobs and homes

### Solution 9: Pro-growth regulation

#### We will...

Building on the good practice that has been developed through our excellent relationship with the Environment Agency, we will ensure that **all key Government agencies with a regulatory or delivery role in growth are invited as non-voting participants on the Kent and Medway Economic Partnership**. This will include the HCA, Environment Agency, Natural England, Highways Agency, JobcentrePlus and the Skills Funding Agency – ensuring that there is a coordinated approach to growth strategy for Kent and Medway

#### We ask Government to...

Agree with us a **Growth Framework for the Kent and Medway Economic Partnership**, linked with this strategy, to which Natural England, the Highways Agency and other bodies must sign up. This will ensure that all those involved in the county's growth have the full picture of our – and Government's – shared aspirations as well as their departmental focus.

**Outcomes:** Contributes to overall outcomes

### Solution 10: Local housing solutions

#### We will...

Develop additional local authority housing. With government partially lifting the Housing Revenue Account debt cap, Ashford Borough has indicated that it will be able to develop 250 homes over the next five years, linked with market housing, with other local authorities also expressing interest.

We will also extend the successful **No Use Empty** programme in target locations, to offer support to owner occupiers where direct loan support can be matched by additional private funding.

#### We ask Government to...

We ask **DCLG and Treasury for a discussion on the practicality of further lifting the HRA debt cap**, linked with the success of delivery within existing powers and a commitment from participating local authorities to develop within a fixed timescale.

**Outcomes:** To be confirmed

# Deal for Growth / Places for Growth

## Solutions for coastal renewal

### Kent's Coastal Challenge

The Kent and Medway coast has great potential. Much has been achieved in recent years, as new investment has helped Turner Contemporary and Folkestone Creative Quarter open up new opportunities in the cultural, creative and tourism sectors. Accessibility to most coastal towns has been transformed through HS1– with further improvement on the way.



**Ramsgate Harbour.** We must build on coastal Kent's tourism and cultural assets at the same time as developing new solutions to reduce concentrations of deprivation.

Yet Kent's coastal and estuarial towns continue to face challenges that hold them back from reaching their full potential. Deep social problems in part of Thanet, Sheppey and elsewhere hamper growth and waste human potential and the full benefits of recent investment have yet to be realised. So we need to ensure that investment to reduce peripherality and promote business growth is accompanied by measures to break the cycle of deprivation and housing market failure.

### Solution 11: Maximising the benefit of HS1

#### We will...

Seek to develop measures that help to attract wealth and prosperity to coastal Kent, building on the area's advantages and mitigating some of the continued disadvantages of distance and travel costs. As part of this, we will invest some of our Strategic Transport Investment Programme in improved access to the HS1 network (including a **Thanet Parkway** station). We will also discuss with Southeastern the viability of measures to **reduce the high costs of peak travel on High Speed One**, with the aim of promoting East Kent as a place to live and invest.

#### We ask Government to...

We ask **Department for Transport, Network Rail and Southeastern Railway to continue to work with us to build the business case for further rail improvements** in East Kent and to identify options for reducing the 'rail price penalty'

**Outcomes:** To be confirmed



# Deal for Growth / Places for Growth

## Solutions for coastal renewal

### Solution 12: Reducing concentrated deprivation by dealing with poor quality housing

#### We will...

Seek to reduce demand for low quality, low cost housing by reducing the abnormal concentrations of deprivation within specific coastal towns. We have already **committed to capping the numbers of looked after children** placed into communities such as Cliftonville and Margate and we will commit to **overall limits on the volume of social housing** within designated zones.

We will also address the concentration of social challenges in Kent and Medway's coastal communities by tackling entrenched housing market failure.

We will **commit to using all methods in our power to combat poor quality housing stock**, including firm application of existing selective licensing regimes and the full use of housing market interventions such as the Live Margate renewal programme, while **seeking much stronger powers** to combat entrenched market and social failure.

Outcomes: To be confirmed

#### We ask Government to...

Much of the demand for low-cost, poor quality housing is generated outside Kent, and is a consequence of a lack of housing in London and elsewhere and extreme house price differentials at the lower end of the market.

So we **ask Government to work with us, together with other coastal areas in the South East and with the London Boroughs and the GLA to establish a strategic solution** to the negative consequences of benefit-driven migration.

We ask DCLG to make available **much tougher powers to deal with landlords of very poor quality housing stock**, including the ability of the local authority to **increase and retain the proceeds of fines** for non-compliance with selective licensing rules and **'no go zones'** for the continued placement of vulnerable families. We ask Government to enter into dialogue with us on the full menu of potential powers that may be made available.

Outcomes: To be confirmed

# Deal for Growth / Business for Growth

## Solutions for business expansion

### Solution 13: Kent & Medway Business Finance

#### We will...

Continue and extend the business finance products that we currently offer, including Expansion East Kent, TIGER, Escalate and Partners for Growth, within an overall **Kent and Medway Business Finance (KMBF) programme** covering all parts of the county.

All KMBF products will be recyclable and targeted towards businesses with the appetite for growth, the ability to unlock private finance as a result of KMBF investment, overall job creation and value generation through the development of new, or higher-value products and services. We will continue to work with the major banks and with other investors to maximise private sector leverage into the programme.

Before expanding the KMBF portfolio, **we will undertake a market assessment to establish likely demand** – considering the potential for targeted equity investment where this is matched by willing and appropriate commercial investors.

#### We ask Government to...

Approve our request to invest **£23.5 million over six years from our Local Growth Fund allocation**, to be partially matched with funds from the European Regional Development Fund as well as from the private sector. £10 million of this investment will be required in 2015/16.

We also ask Government, via its delivery agencies, to work with us in offering a **coordinated approach to business access to finance**, so that nationally managed specialist funds (such as the offshore wind supply chain grant managed by Manufacturing Advisory Service) is linked with local products and businesses are advised accordingly.

**Outcomes:** Jobs: 2,000. Leverage: £70.5 million.

# Deal for Growth / Business for Growth

## Solutions for business expansion

### Solution 14: Kent & Medway Business Hub

#### We will...

Establish the **Kent and Medway Business Hub**, bringing together investment by Kent County Council, Medway Council, the Kent Districts, national Government and future European funding sources – co-financing ERDF funds with the Local Growth Fund and local investment to ensure an integrated approach to business support and innovation.

#### We ask Government to...

Approve our allocation of £21 million over six years for the Kent and Medway Business Hub programme. We also seek to engage via BIS in a single coordinated discussion with us on **the integration of national programmes** with the Kent and Medway Business Hub, **including the proposed arrangements for opt-ins to national programmes** through European funding sources.

**Outcomes:** Jobs: 1,100. Leverage: £21 million

### Solution 15: Promoting Kent and Medway

#### We will...

Develop a programme for the **marketing and promotion** of business opportunities across Kent and Medway. As part of this, **we will maintain our commitment to promoting the county** as an location for inward investment through Locate in Kent and Visit Kent. We will work with Kent and Medway’s business sector groups to promote career choices and change inaccurate perceptions (linked with Solution 17 below). Building on the successful **Grow for It** campaign in East Kent, we will also work with our partners in South Essex and London to more effectively market the investment opportunities in the Thames Gateway.

#### We ask Government to...

We ask BIS to work with us via UKTI to promote Kent and Medway’s big investment opportunities – building on the existing memorandum of understanding with Locate in Kent to develop a more comprehensive joint approach to marketing the county.

**Outcomes:** To be confirmed

# Deal for Growth / Skills for Growth

## Solutions for business-focused skills

### Solution 16: Employer-led careers advice

#### We will...

Put in place a more **joined-up and creative approach to information, advice and guidance**. We will build on the Kent Choices4u platform and work with our key sectors to ensure that employers contribute towards the content, acting as business ambassadors and mentors so that information on careers options and routes is inspiring, practical and accessible through a variety of channels, linked with the National Careers Service.

We will give businesses greater ownership of the delivery of information, advice and guidance for their sectors. The sector-based **Guild model**, in which businesses establish employer-led bodies setting out skill needs, informing the curriculum and agreeing quality standards, provides a mechanism for this. We will build on the existing pilot in the hospitality sector to explore how it could be developed for other sectors.

#### We ask Government to...

We ask the **Skills Funding Agency** to work with us in developing our new approach, potentially as a national pilot.

**Outcomes:** To be confirmed

### Solution 17: Higher Apprenticeships

#### We will...

Encourage more higher apprenticeships, enabling employers to influence and secure the skills they need and increasing higher-level qualifications within the workforce. We will provide comprehensive careers guidance on what **higher apprenticeships are, how they can be accessed and what opportunities can lead to**. This will be developed through the Guild model.

We will build on the successful Kent Employment Programme model, introducing a grant programme to incentivise employees to offer higher apprenticeships in our priority growth sectors. Kent and Medway will become a Trailblazer for higher apprenticeships in local government and we will seek to incentivise universities to develop the higher apprenticeship model.

#### We ask Government to...

We do not need any specific freedoms or flexibilities from Government at this stage. However, we ask Government, via the Skills Funding Agency and the National Apprenticeship Service, to work with us in co-designing with Kent and Medway businesses a pilot to increase higher apprenticeship delivery.

**Outcomes:** To be confirmed

# Deal for Growth / Skills for Growth

## Solutions for business-focused skills

### Solution 18: Responding to employer demand

#### We will...

Encourage providers to respond to **local employer demand**, stimulating SME growth. Using existing information such as the Kent Post-16 District Datapacks, Labour Market Information tools, employer surveys and sector roundtables, the Kent and Medway Economic Partnership will maintain up-to-date analysis of the labour market, working with the SFA, and we will make this fully available to all schools, FE colleges and private providers, so that there is coordinated labour market information.

#### We ask Government to...

Help us ensure that this information is put to practical use to benefit business, especially SMEs. Pilots are currently taking place in Liverpool and Leeds to examine whether a system of financial incentives to providers for responding to locally expressed skills needs would be effective. **We ask to maintain a dialogue with the Government via the SFA during the pilot period to consider whether a future phase could be extended to Kent and Medway.**

Outcomes: To be confirmed

### Solution 19: Skills & Employment Response Fund

#### We will...

Create a fund (supported by ESF) to deliver targeted interventions that either address immediate barriers to accessing training or employment, or which pump prime new provision, especially where this delivers 'soft skills' and work readiness.

#### We ask Government to...

Allow a proportion of ESF funds to be set aside without any strings or stipulations over and above the standard ESF regulations, so that it can be entirely responsive and flexible in order to lift barriers to accessibility (for the individual) and planning (for the employer or provider).

Outcomes: To be confirmed

# Deal for Growth / Skills for Growth

## Solutions for business expansion

### Solution 20: Supported transition to work

#### We will...

Provide additional support for vulnerable young people and adults to ensure they acquire the necessary basic and 'soft' skills to access sustainable learning and employment opportunities.

This will build on Kent's **Assisted Apprenticeships** model, with activities targeting priority locations with high levels of unemployment.

Activities such as high quality work experience, internships, mentoring and coaching will be delivered with tailored support to the individual through accessible physical and virtual learning environments to ensure learners attain basic skills in English, maths, IT and employability skills to help them progress into further learning and employment opportunities.

#### We ask Government to...

Relax its rules regarding claiming benefits to allow unemployed young people and adults claiming Jobseekers' Allowance access learning and training opportunities, so that they are enabled to access sustainable employment.

This could include allowing claimants to access training of 16+ hours a week if this is an appropriate pathway to meaningful employment, or allowing unemployed 18-24 year olds to claim JSA while accessing a traineeship.

We ask Government, via DWP, to work with us in identifying the costs, benefits and practicalities of selective relaxations of JSA rules in order to design a **Kent and Medway pilot** scheme (in partnership with the rest of the South East LEP or other LEPs as appropriate).

To improve access to work and learning, we ask Government to consider the **extension of reduced-price travel** to 16-19 year olds.

**Outcomes:** To be determined

# Deal for Growth / Investments

In total, our proposals seek £505 million from the Local Growth Fund over six years from 2015/16 and £70 million from European structural funds from 2014/15. These figures are indicative at this stage:

*£ million*

	LGF	EU Funds	Match	Total
<b>Places for Growth</b>				
Transport Investment Programme	358.7		351.5	710.2
Kent & Medway Development Fund	51.9		109.0	160.9
<u>Total</u>	<u>410.6</u>		<u>460.5</u>	<u>871.1</u>
<b>Business for Growth</b>				
Kent & Medway Business Finance	32.5	25.0	172.5	230.0
Kent & Medway Business Hub	5.0	10.0	15.0	30.0
Marketing & Promotion Programme	7.0		4.0	11.0
<u>Total</u>	<u>44.5</u>	<u>35.0</u>	<u>191.5</u>	<u>271.0</u>
<b>Skills for Growth</b>				
Skills Capital Fund	20.0		20.0	40.0
Workforce Development Fund	30.0	35.0	5.0	70.0
<u>Total</u>	<u>50.0</u>	<u>35.0</u>	<u>25.0</u>	<u>110.0</u>
<b>Total</b>	<b>505.1</b>	<b>70.0</b>	<b>676.5</b>	<b>1,252.1</b>

We aim to increase housing delivery by 23,500 over the plan period, and to support delivery of around 40,000 jobs. We will set out our detailed outcomes in our full Growth Plan, to be prepared by the end of March 2014, with budget plans to be set out for each programme.

# Deal for Growth / Making it happen

In Kent and Medway, we will deliver *Unlocking the Potential* through the Kent and Medway Economic Partnership. This page explains how this will work.

## Governance

### 1. South East Local Enterprise Partnership

Kent and Medway is part of the **South East Local Enterprise Partnership**, and this Growth Plan is consistent with the Strategic Economic Plan that the LEP has prepared.

The South East LEP is unique. It is the only LEP in England covering several economic areas, and it includes almost all the major brownfield sites in the South East outside London, as well as virtually all the Greater South East's significant infrastructure schemes. It is therefore vital to forward opportunities in Kent and Medway and in Essex to ensure balanced growth – so it is common sense that we need to have a bold, joined-up strategic approach.

The LEP has a crucial role. Because of the scale and complexity of our development opportunities, the timing of specific infrastructure projects will depend on wider viability issues and market factors. So we will benefit from the ability to bring projects forward according to market conditions within a large programme, and the South East LEP Board and executive team will maintain high level oversight of this.

### 2. Kent and Medway Economic Partnership

Within the overall context of the LEP's Strategic Economic Plan, the Kent and Medway Economic Partnership will be responsible for the delivery of the objectives set out in this Growth Plan.

The KMEP Board, which consists of 11 business representatives, 8 local authority leaders, and 1 representative from each of higher and further education, will prepare a **Commissioning Plan** setting out in detail the programmes that will be delivered. The Commissioning Plan will cover Local Growth Fund, European Structural Fund and local funding sources.

We will prepare a draft Commissioning Plan in January/ February 2014 and will submit this to Government along with the final version of *Unlocking the Potential*. In the meantime, we will prepare and consult on an interim Commissioning Plan for the use of European structural funds, consistent with the LEP's European structural and investment funds strategy, so that we can begin to move projects forward as soon as funds become available.

### 3. Accountability

The KMEP is an informal partnership. To ensure full accountability for delivery, Kent County Council and Medway Council will share the accountable body role, depending on the programme or project.

## Transparency

KMEP Board intends to adopt local authority standards of transparency, and will be subject to the procedures of Kent County Council and Medway Council.



# Deal for Growth / Next steps

December 2013	Draft <i>Unlocking the Potential</i> published	LEP publishes draft Strategic Economic Plan
January 2014	Consultation on <i>Unlocking the Potential</i> Draft Commissioning Plan prepared	
February 2014		
March 2014	Revised <i>Unlocking the Potential</i> published	LEP produces revised Strategic Economic Plan
April 2014	Discussions with Government on Growth Deal	
May 2014		
June 2014		
April 2015	Local Growth Fund available	

# Deal for Growth / Working with partners

Kent and Medway’s business and local partnerships will also be crucial to the delivery of *Unlocking the Potential*. Across the county, we have strong partnerships with business and local government, including:

## Kent and Medway Economic Partnership

Sub-County Partnerships	Business Groups	Local Government
Thames Gateway Kent Partnership	Business Advisory Board	Kent Council Leaders
East Kent Regeneration Board	District Business Forums	Kent County Council
West Kent Partnership	Kent Developers’ Group	Medway Council
Kent Rural Board	Sector Roundtables	Kent Districts
	TIGER/ Expansion EK/ Escalate Panels	
	Chambers of Commerce	
	Federation of Small Businesses	
	Institute of Directors	
	Sector bodies (e.g. EEF)	

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**Kent and Medway Economic Partnership**  
**[www.kmep.org.uk](http://www.kmep.org.uk)**

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**By:** Mark Dance – Cabinet Member for Economic Development  
Barbara Cooper – Director, Economic Development

**To:** Economic Development Cabinet Committee – 23 January 2014

**Subject:** **New Leader Programme 2014 - 2020**

**Classification:** **Unrestricted**

**Electoral Divisions:** Ashford, Canterbury, Dover, Maidstone, Shepway and Swale

**Summary:**

This report gives an overview of the outline activity that will take place in 2014 to develop a new Local Development Strategy for the Kent Downs and Marshes Leader area. This Strategy will be the basis for a bid for Leader funding from the Rural Development Programme for England 2014-2020. Members will receive a further report once information is known on available funds, the outline content of the emerging KDML Local development Strategy and the costs involved in its implementation.

**Recommendations:**

The Economic Development Cabinet Committee is asked to:

- NOTE the report
- DISCUSS any issues that arise and
- PROVIDE suggestions for the transitional year activities and the future work of the Kent Downs and Marshes Leader Programme

**1. Introduction**

- 1.1 The current Kent Downs and Marshes Leader Programme will come to an end on 31<sup>st</sup> December 2013. Although a new Leader Programme will start on 1<sup>st</sup> January 2014, funding for this Programme will not become available until January 2015. Consequently, 2014 will be a transition year which will allow Leader groups to put together proposals/bids for securing Programme funding up to 2020 to run the new Programme.
- 1.2 The Kent Downs and Marshes Leader (KDML) is part of the Rural Development Programme for England 2007-13 (RDPE) funded by Defra and the EU. KDM Leader was awarded £1,321,546 project funding and a further £330,387 for facilitation and administration to support projects within a specific geographical area between 2007 and 2013. Over the course of this Programme this investment in the KDML area will have supported 54 projects, with a total project value of £4,266,143 in the land based, small and micro enterprise, and community sectors. The Programme will also have helped create 47 new jobs, safeguarded 247 jobs and supported 365 businesses. Fourteen community projects will also have been supported.
- 1.3 Local Authority partners (Ashford, Swale, Medway, Canterbury, Shepway, Maidstone and Dover) have contributed just over £100k during the life of the Programme with a further £60k from KCC. This has been to assist and augment the administration, facilitation and animation (Programme preparation and launch events, publicity and information material, development of a website and a secure portal for posting applications, appraisals and supporting information for KDML members).

- 1.4 KDML has recently successfully bid for, and has been awarded, £30k from Defra to undertake activities in the transition year (2014) to develop a bid for funding from the new RDPE Programme 2014-2020. This has been match funded from the current KDML programme using the remainder of funds from the contributions from Local Authority Partners and KCC. Programme staff have planned for this situation since it was known that funds for the new Programme would be delayed for up to a year from 2014. The transition funding is there to provide continuity in Leader areas by keeping hold of key staff and Leader group members, and allow them to develop new plans and submit a new funding strategy for the period 2015 -2020. If this strategy is successful in its bid for funding, the Leader group will then be in a position to hit the road running when funds become available in 2015. Lessons have been learned from the this current Programme where successful Leader areas were slow to start in the early years (2007/08) and Defra is keen not to see this happen again.
- 1.5 KDML will now work with Defra, SE LEP and key local stakeholders to develop a new proposal for the next RDPE Programme which will;
- Reflect both Defra and KDML emerging priorities.
  - Build on the capacity, expertise and strong working relationships established to date, evaluate performance to date and plan for the future.
  - Offer an integrated approach – which is aligned to the new delivery landscape (LEPs, Rural Farming Networks etc) – and explore local opportunities presented by the ‘multi-fund’ approach to make the most of available funding to produce a new, coherent KDML Local Development Strategy that delivers the bottom up programme specific for KDM area, but is also in line with other area strategies.
- 1.6 In particular, the KDML will be open to change and keen to develop the optimal approach (with regard to available funding) to maximise opportunities afforded by the new Programme. The planned work programme of transitional activity will include;
- Work with local partners and neighbouring Leader groups, mainly West Kent Leader to review different geographical options for the new proposal i.e. to increase the geographical coverage and availability of Leader where possible.
  - A review of the current KDML structure and the way it operates – membership, communication/promotion, training etc. – learning from best practice and recent report findings.
  - Continued joint working with neighbouring Leader groups (West Kent/ Weald and Rural Rother) and consider how this can be improved further to benefit the wider area and achieve economies of scale.
  - Reviewing working arrangements with the accountable body (KCC) – lessons learned, what could be improved, level of support needed and potential solutions to bank rolling some projects.
  - Building further on KDML working relationship with Local Authority partners. This has been a strength of the current programme and the transition period will seek to secure on-going buy-in to the new programme.
  - Undertaking a full and comprehensive evaluation of the current programme to measure the full impact of the Leader approach in the KDML area, capturing

lesson learned, best practice, spend, leverage, outputs and outcomes achieved, how the programme has met local need and value for money. The study will be used to underpin an evidence-based approach to the transitional work programme; highlight additional development opportunities and inform the consultation process highlighted above.

- 1.7 In addition, the KDML is already inputting into the development of the Kent Rural Investment Plan, being developed by the Kent Rural Board which will;
- Set out priorities for unlocking additional rural economic growth and job creation.
  - Inform the SE Growth Programme being developed by the LEP.
  - Create the strategic policy framework within which the KDML new Local Development Strategy will sit.

This work will help KDML attain the necessary strategic alignment of its new Local Development Strategy – but also assist the development of an integrated ‘multi-fund’ approach where appropriate funds can be targeted at addressing particular rural development needs.

- 1.8 The principal outcome KDML expects to achieve through the transition year is the development and submission of a Local Development Strategy. This will need to be accompanied by a strong bid to draw down major new funding for its implementation in the RDPE 2015-2020.
- 1.9 The timescale for the transitional year activities will involve submitting an outline transitional plan to Defra by January 2014. Once agreed, work will start on the development and the completion of a new Local Development Strategy (along with a supporting bid for new RDPE Programme funding) by July 2014. Defra will assess the bid and LDS and confirmation of success or otherwise will be given by September/October 2014 for a start date in January 2015. At the moment it is not known how much funding will be available to Leader groups nationally and because of this the priorities for the new national Leader Programme are yet to be determined. Decisions will be made when the outcome of the Comprehensive Agricultural Policy Reform consultation are known and published towards the end of December this year. Progress on the Local Development Strategy and the bid will be reported to the Regeneration Board and the Kent Rural Board as things progress.

## **2. Recommendations**

- 2.1 The Economic Development Cabinet Committee is asked to:
- NOTE the report
  - DISCUSS any issues that arise and
  - PROVIDE suggestions for the transitional year activities and the future work of the Kent Downs and Marshes Leader Programme

### **3. Report author:**

Name; Huw Jarvis

Title; Programme Manager – Kent Downs and Marshes Leader

Phone number; 01622 696940

Email; [huw.jarvis@kent.gov.uk](mailto:huw.jarvis@kent.gov.uk)



By: Mark Dance – Cabinet Member for Economic Development  
 Barbara Cooper – Director, Economic Development

To: Economic Development Cabinet Committee – 23 January 2014

Subject: **Unlocking the Potential: Low Carbon Kent**

Classification: Unrestricted

Electoral Division: All Divisions

**Summary:**

The low carbon environment technologies, goods and services sector is a key theme of the emerging Kent and Medway Growth Plan – Unlocking the Potential, as well as a core priority for the emerging EU Structural Funds 2014-18. This paper provides an update of the current focus and initiatives in Kent in this sector.

**Recommendations;**

The Economic Development Cabinet Committee is asked to **NOTE** progress and **DISCUSS** any further action needed.

**1. Background**

1.1. The low carbon environment technologies, goods and services sector is one of the key sectors identified as part of ‘Unlocking the Potential’ as providing significant opportunities for economic growth within Kent and Medway. Over the last year, KCC with partners have been consolidating the approach to this sector under the banner of Low Carbon Kent and the county’s designation as a Centre for Offshore Renewable Engineering (CORE). This paper outlines the approach and highlights some of the key initiatives across Kent.

**2. Understanding the Market**

2.1. The total value of the low carbon environment technologies, goods and services sector in Kent and Medway is estimated at £1.2 billion and accounts for around 25,000 jobs across a diverse range of activities (including construction, energy, engineering and services). A recent analysis of the sector indicates the potential for around 9,000 new jobs in the county over the next decade, representing a significant rate of growth.

2.2. To date this sector has been fast moving and reactionary due to the dynamic policy environment, with businesses, especially SMEs often playing catch up e.g. solar.

2.3. KCC through an EU funded FUSION Programme and High Growth Kent are working closely with research institutions, partners and business to identify earlier emerging opportunities, evaluating the potential for Kent and what is

needed to unlock it, including identifying appropriate public sector intervention.

2.4. Key areas where work is being undertaken to assess and develop opportunities include water resilience and demand management in partnership with the rural and agricultural sector, waste resources, marine renewables and off shore wind supply chain development.

### **3. Low Carbon Technologies, Goods and Services (including renewables)**

3.1. As with other key sectors, low carbon businesses can access mainstream business support from High Growth Kent and chambers etc.

3.2. Historically, take up of support has been low, therefore, through the FUSION and High Growth Kent programmes businesses are being proactively identified and supported and where relevant being given intensive support to develop applications for finance in particular through Expansion East Kent, TIGER and Escalate.

3.3. To date across Expansion East Kent and Tiger approximately £450,000 has already been allocated to low carbon businesses and a further £795,000 provisionally allocated subject to contract.

3.4. In addition, Kent has been successful in attracting £1m of grants through the Low Carbon Plus ERDF project to support business case development and to facilitate applications for RGF loans where appropriate. Low Carbon Plus will be launched in the New Year, and already has received a number of expressions of interest.

### **4. Offshore Wind**

4.1. The completion of London Array phase 1 and its inauguration by the Prime Minister as the world's largest offshore wind farm in July this year brought very good exposure for Kent as key location for the offshore industry. Kent is now home to three pioneering projects of national significance in the Kentish Flats, Thanet Offshore and the London Array.

4.2. Developing local supply chains to realise new business opportunities locally has been ongoing since the arrival of the offshore wind industry in Kent. Working in partnership with London Array and Vattenfall a number of networking and 'meet the buyer' events have been held, and an online business directory with over 360 businesses signed up has been developed to showcase Kent business capability to the industry ([www.kentwindenergy.co.uk](http://www.kentwindenergy.co.uk)).

4.3. However, whilst local businesses have benefitted from new supply opportunities there remain many challenges related to becoming a supplier and local supply chain growth has been slow and companies are often unwilling to risk new investment.

- 4.4. In order to better understand supply chain potential and to identify what specific action can be taken locally, the County Council funded by the Fusion Programme commissioned the University of Chichester to undertake a study of business capability in Kent and Medway. The study confirms that Kent and Medway is uniquely placed to become a key player in the offshore wind industry with the potential to meet 40% of the industry's supply chain needs. This capability rises to 60% if the search area is extended into neighbouring counties giving rise to the notion of a regional cluster. Key strengths in Kent and Medway are in operations and maintenance, support services, port and marine activities.
- 4.5. One of the key recommendations from the report is that Kent County Council working with partners should focus on developing Kent as a key centre for the supply of spare parts as projects move out of warranty periods and operators look to reduce cost. The future market for spares is expected to be a significant growth area and the University indicates the value of this could be £879 million a year by 2020.
- 4.6. The recommendations from the study are now being refined and strengthened to reflect what can be effected at the local level with the influence/resources we have to give the most impact. This will include actions to: strengthen the CORE offer and looking at the feasibility/advantages of developing a trade body to strengthen Kent's offer; improve the relationship between wind farm operators and local business, and, regional specialisation initiatives including using innovation and technology transfer to elevate Kent's position as a key member of the supply chain.

## **5. Retrofit and Construction**

- 5.1. In October this year the Kent Warm Homes Programme was launched with an initial aim of retrofitting 1400 homes by March 2014, leveraging in around £12m of the Government's ECO scheme funding in the first phase. To date almost £5m ECO funding has been committed, with around 800 homes in the pipeline to receive energy efficiency improvements.
- 5.2. Though there has been some recent changes in Government policy which are currently having a significant impact on the project and the industry as a whole, over the life time of the ECO programme 2013-2017 there is still significant potential for job creation, retention and utilisation of Kent and Medway SMES, as well as training, skills and apprentices opportunities.
- 5.3. There have now been three 'Meet the Buyer' events held with the successful contractor Enterprise and over 40 SMEs are in the process of applying to be part of Enterprise's supply chain. A local contractor was used to develop a number of show homes in Kent, and a case study promoting this work and the SME is being developed.
- 5.4. KCC and partners will continue to work with Enterprise and other providers of ECO funding to work towards maximising benefits for Kent and Medway SMEs now and post the Government Consultation on ECO following the Autumn Statement.

## **6. Biomass**

6.1. In addition to the off shore wind sector, KCC are also proactively working with partners to develop the supply chains for wood fuel biomass. Specifically the North Downs AONB through the EU Funded projects MULITIFOR and ADAPTFOR are working with the local suppliers of wood biomass to raise capacity and with the public sector to stimulate demand. The AONB provides technical support and identify potential opportunities for wood fuel installations. To date the MULIFOR/ADAPTFOR projects have worked intensively with over 50 wood biomass businesses and were involved in facilitating the biomass facility at Discovery Park. This project is a National Pathfinder in partnership with the Forestry Commission.

## **7. Driving Business Competitiveness, Stimulating Demand**

7.1. Key to supporting the growth of the low carbon environment technologies, goods and services sector is stimulating demand with the added benefit of increasing the competitiveness of Kent and Medway businesses through better management of resources, cutting energy, water and waste costs. To date the Low Carbon Kent through the Steps To Environmental Management Programme (developed by KCC) has worked with around 1300 businesses and intensively with almost 500, identifying average annual cost savings of over £2000 per business, with some achieving much larger savings. Where possible, businesses are directed to local suppliers through [www.lowcarbonkent.com](http://www.lowcarbonkent.com).

7.2. Supporting this work and complimentary to the Low Carbon Plus Grant fund of £1m to support the low carbon business sector mentioned earlier, the West Kent Sustainable Business Growth Project has accessed ERDF funding to the value of around £800,000 to provide grants for energy efficiency measures. The grants with a value of £500-£3000 can be used to buy and install measures such as LED lights, insulation, and PV panels.

7.3. The Low Carbon Kent Network - [www.lowcarbonkent.com](http://www.lowcarbonkent.com) - was established in 2012 and now has nearly 1300 members registered on the network, including a significant number of low carbon businesses. KCC, utilising European Funding, sponsored the Low Carbon Kent Zone at Kent 2020 which attracted 18 exhibitors from the low carbon sector. The second Green Business Conference held this November and opened by Mark Dance attracted almost 100 delegates, a significant proportion of which were local SMES and green business and had 20 businesses exhibiting. KCC with Skanska also sponsor a 'Commitment to the Environment' category at the Keiba business awards. In addition, there have now been three 8 page pull outs in the Kent Messenger covering the low carbon sector, offshore wind and retrofitting.

## **8. Skills for the Low Carbon Sector**

8.1. The Swale Skills Centre has established a reputation as a provider of training to the offshore wind industry. The centre has been running at capacity for some time and held ambitions to expand into a neighbouring industrial unit. A

successful application to the Demographic Capital Growth Fund this summer has secured a grant of £1,225,000 enabling them to now proceed with this ambition. This grant includes the funding needed to buy the neighbouring unit. The extension will double the size of the centre and increase student capacity to 400. The centre plans to add further engineering specialisms while continuing to offer training for sustainable technologies including wind farm operation. In addition to the Swale Skills Centre, East Kent College have recently completed their new Environmental Technologies Centre. Together the two centres form a strong skills and training resource for low carbon technologies.

## 9. Recommendations

9.1 The Economic Development Cabinet Committee is asked to **NOTE** progress and **DISCUSS** any further action needed.

### Report author:

Name: Carolyn McKenzie  
Title: Sustainability and Climate Change Manager  
Phone: 01622 221916  
Email: [Carolyn.mckenzie@kent.gov.uk](mailto:Carolyn.mckenzie@kent.gov.uk)

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