

# AGENDA

## KENT & MEDWAY ECONOMIC PARTNERSHIP (KMEP)

ON

MONDAY, 8TH SEPTEMBER, 2014, AT 5.00 PM

AT

DARWIN ROOM, MEDWAY INNOVATION CENTRE,  
MAIDSTONE ROAD, CHATHAM, ME5 9FD

Membership: <textnotfound>

Meeting contacts: **Lou Whitaker or Ross Gill**  
Telephone **01622 694433 or 01622 221312**

*Refreshments will be available 20 minutes before the start of the meeting outside the meeting room*

### **UNRESTRICTED ITEMS**

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

1. Welcome, introductions and apologies for absence
2. Minutes of the previous meeting held on 14 July 2014 (Pages 3 - 6)
3. Local Growth Fund: Government feedback and next steps (Pages 7 - 14)
4. Capital Investment in Skills: Priorities and strategy for Kent and Medway (Pages 15 - 18)
5. European Structural and Investment Funds: Update (Pages 19 - 22)
6. Major economic developments
7. Any other business
8. Future meeting dates (Pages 23 - 24)

This page is intentionally left blank

## Kent and Medway Economic Partnership

---

### KENT AND MEDWAY ECONOMIC PARTNERSHIP BOARD

8 September 2014

#### ITEM 2

**Subject: Draft minutes of the meeting of Kent and Medway Economic Partnership Board held on 14 July 2014 at Medway Innovation Centre, Chatham**

---

#### Board members present

##### Business representatives

Geoff Miles (Chair)  
Roger House  
Jo James  
Andrew Metcalf  
Jon Regan  
Paul Thomas  
Paul Winter

##### Elected local government representatives

Andrew Bowles (Swale and Canterbury)  
Paul Carter (Kent County Council)  
Rodney Chambers (Medway)  
Nicolas Heslop (Tonbridge & Malling and Sevenoaks)  
David Jukes (Tunbridge Wells and Maidstone)  
David Monk (Shepway and Ashford)  
Paul Watkins (Dover and Thanet)

##### Higher education representative

Carole Barron

#### Non-voting participants present

Iris Johnston (Thanet District Council)

#### Officers in attendance

Julie Beilby (Tonbridge & Malling), Alison Broom (Maidstone), Ann Carruthers (KCC) Robin Cooper (Medway), Ross Gill (KCC/ KMEP Secretariat), David Godfrey (SE LEP), Madeline Homer (Thanet), Tim Ingleton (Dover), Richard Longman (Thames Gateway Kent Partnership), Karla Phillips (KCC), Susan Priest (Shepway), Mike Rayner (KCC).

#### Apologies

##### Business representatives

Graham Brown  
Eliot Forster  
Paul Gardiner  
Vince Lucas  
Nick Sandford

##### Elected local government representatives

Annabelle Blackmore (Maidstone and Tunbridge Wells)  
Peter Fleming (Sevenoaks and Tonbridge & Malling)  
John Gilbey (Canterbury and Swale)

##### Higher education representative

Prof Dame Julia Goodfellow

##### Further education representative

Graham Razey

### **1. Welcome, introductions and apologies for absence**

Geoff Miles introduced the meeting. Apologies were noted as above.

It was noted that while an item on the European Social Fund was to be considered, it had been decided to postpone this, given that Graham Razey was unable to attend the meeting and the primary focus on the Local Growth Fund outcomes.

### **2. Minutes of the previous meeting and matters arising**

The minutes of the KMEP Board meeting held on 30 June were considered. In relation to Item 6 (General Report), Cllr Paul Watkins noted that the minutes did not fully record the discussion. Specifically, it should have been recorded that the Board noted the regional and potentially national importance of Manston Airport in relation to the aviation reports produced by the South East LEP and KCC's aviation policy paper.

With this amendment, the minutes of the Board meeting of 30 June were agreed.

There were no matters arising.

### **3. Local Growth Fund: Outcomes for Kent and Medway**

Ross Gill introduced the report for this item. In addition, David Godfrey provided an overview of the funding outcomes, noting in particular the prospective freedoms and flexibilities that were set out in the Growth Deal, especially in relation to skills commissioning. He also noted that Government had promised feedback on the reasons for the success or otherwise of specific project proposals.

In discussion, the Board noted its disappointment with the outcome. In particular, it was noted that:

- It was disappointing that major schemes such as M2 Junction 5 had not been recognised in the Growth Deal, and that several schemes ranked as high priority by KMEP had not been successful.
- The allocation of funding appeared to be strongly Whitehall-driven. While welcoming the funding that had been made available, there did not appear to be evidence that the process had listened to the business voice. It was strongly requested that feedback should be sought from Government as soon as possible.

However, it was also noted that:

- Despite the outcome, KMEP had been successful in generating substantial business engagement as a result of the process, and the unity demonstrated between the public and private sectors was impressive.
- The business support outcome was more positive, with the proposed Growth Hub likely to be beneficial to business.

In moving forward, it was noted that:

- There must be better greater contact with civil servants to understand their objectives and feedback (potentially by inviting the appropriate individual(s) to a meeting of KMEP Board.
- There must be better engagement by Kent and Medway MPs. It was suggested that it would be helpful to organise a meeting with MPs, perhaps facilitated by business.

The Board discussed whether or not Kent and Medway had benefited from being part of the South East LEP, and it was noted that the transport funding outcome was not greater than under previous funding regimes.

In this context, it was questioned whether a separate Kent and Medway LEP would be a preferable alternative, and if so, whether this should be sought. No conclusion was reached, although the Board noted that several county-region LEPs (e.g. Oxfordshire) exist and had been successful in the LGF round. However, it was also noted that were an alternative Kent and Medway LEP to be pursued, consideration would need to be given to the impact on funding streams – such as the 2014-20 European Structural Funds programme that are allocated at LEP level.

It was agreed that the views of Essex partners should be sought in considering next steps.

#### **4. Manston Airport: Progress Update**

Cllr Iris Johnston introduced this item, noting that Thanet District Council had met with the owners of Manston Airport on 3 July and the current position was reported to Full Council on 10 July. An emergency meeting of Thanet District Council's Cabinet will take place on 17 July.

Thanet District Council is seeking expressions of interest from prospective partners in the event that the Council should decide to pursue the compulsory purchase of the airport. However, Cllr Johnston emphasised that compulsory purchase will only be considered if there was a clear and credible partner in place. Cllr Johnston also reported that she had spoken to the Aviation Minister as well as the Davies Commission regarding the airport's position in relation to national aviation strategy.

Thanet District Council is preparing a report on the viability of the airport and it was agreed that this shall be shared with KMEP for consideration at a future meeting. It was also agreed that the report shall be discussed at Business Advisory Board.

Cllr Watkins noted that Dover District Council had made a statement in support of Manston's future role as an airport in the context of wider aviation strategy.

The potential for the designation of Manston as an Enterprise Zone was discussed. In particular, it was noted that there is a commitment in the South East LEP's Strategic Economic Plan for Enterprise Zone designation, and that consideration should be given to taking this forward. This should include consideration of the boundaries of the potential Zone, its impact on and relationship with Discovery Park and whether it should be considered a new Zone or an extension of the existing Zone.

## **5. Future agenda items**

It was noted that for the next Board meeting on 8 September, potential items include:

- European Social Fund and employment and skills strategy and funding;
- Business support, the development of the Kent and Medway Growth Hub and strategy for ERDF (building on the report considered on 30 June);
- Further progress regarding Manston Airport;
- Feedback from Government regarding Local Growth Fund and potential future bidding rounds.

It was suggested that Board members may have additional items, and it was requested that these be forwarded to Ross Gill.

## **6. Future meeting dates and any other business**

The future Board meeting dates were noted.

There was no other business.

**The meeting closed at 6.45pm.**

# Kent and Medway Economic Partnership

---

## KENT AND MEDWAY ECONOMIC PARTNERSHIP BOARD

8 September 2014

### ITEM 3

**Subject:** Local Growth Fund: Government feedback and next steps

**From:** Ross Gill  
Economic Strategy and Policy Manager, Kent County Council

---

### Summary

This paper sets out the feedback that we have received from central Government on our Local Growth Fund allocation and the reasons why specific schemes were (or were not) supported. It also outlines current information on the process for drawing down funding and the work that is underway to support this.

It is likely that there will be some opportunity later in the autumn to bid for a small number of additional project allocations from the Local Growth Fund. The paper sets out the current information that we have available and seeks the views of KMEP Board on the process for agreeing potential priorities.

---

## 1. Introduction

- 1.1. At its last meeting, KMEP Board expressed its disappointment in the overall scale of Kent and Medway's Local Growth Fund allocation and the fact that several projects ranked as priorities by the Board had not been selected for funding. The Board took a strong view that we should seek urgent feedback from Government on our Local Growth Fund allocation and the reasons why projects were (or were not) supported.
- 1.2. Since then, we have received feedback from BIS, Cabinet Office and DfT, both across the LEP and specifically for Kent and Medway, the outcomes of which are set out in this report. Graham Pendlebury, the South East LEP's senior Whitehall sponsor (based in the Department for Transport) is also able to attend the KMEP Board meeting on 10 November.

## 2. The project prioritisation process

- 2.1. When it was established, the Local Growth Fund was billed as a 'single fund', containing several departments' funding, but without ring-fencing. However, it seemed likely that Government would expect funding requests broadly in line with the composition of the fund, and the Kent and Medway submission reflected this.

- 2.2. The Government maintains that there was no ring-fencing within the Local Growth Fund budget, other than the top-slicing of £50 million for the Housing Infrastructure fund managed by the HCA (and some separate designated grant for London). Within the funds available, projects were selected on a scheme-by-scheme basis through a three-stage process:
  - a) Assessment of the overall Strategic Economic Plan, taking account of the robustness of governance and the ability of the LEP to prioritise;
  - b) Project level assessment (value for money, strategic rationale, deliverability, risk, etc);
  - c) Review of local prioritisation.
- 2.3. This means that while the priority ranking assigned to schemes by KMEP was part of the assessment process, individual schemes were still considered on their merits. This partly explains why the eventual approved list of schemes does not reflect the full rank order applied by local prioritisation.

### **3. Funded schemes: Next steps**

- 3.1. For the **transport** schemes, which account for £127.5 million of Kent and Medway's project allocation, work is underway to develop business cases more fully to meet the DfT's requirements. A series of meetings is underway with DfT officials and between the six transport authorities across the LEP. DfT have said that there is likely to be flexibility within the overall allocation for schemes starting in 2015/16, although not at this stage for schemes starting in future years.
- 3.2. In addition to the transport schemes, £6 million has been allocated to the **Kent and Medway Growth Hub**. This funding is capital, and therefore cannot be used for business support activities as originally envisaged. However, it could be used to support access to finance activity, potentially matched with European funding. BIS have asked us to come forward with a proposal: this is being developed as part of the Innovation and Growth Strategy Statement (see Item 5) and it is proposed that this will be brought back to KMEP Board on 7 October.
- 3.3. There is also a relatively small amount of **revenue funding for business support** (£800,000 across the LEP in 2015/16 to create a single gateway to national and local business support services. Again, this is being considered in the context of the Innovation and Growth Strategy Statement.
- 3.4. The allocation of skills capital funding is covered in Agenda Item 4.

### **4. Unfunded proposals: Feedback and future work**

- 4.1. There were two major proposals within the Strategic Economic Plan which were not funded. First, there was no funding made available for the **SEFUND** property investment fund. Government has said that this is because it did not want to establish subsidiary funds to the Local Growth Fund: it wanted to use LGF to invest in discrete projects. The Government did in fact take a similar view across the country, with only a small number of devolved funds (generally with quite specific objectives) being funded. However, the LEP is commissioning some further work to consider the potential for a property investment fund using



uncommitted Growing Places Fund balances and potentially local authority investment. Defining the nature of the fund and providing greater clarity on its aims and the market failure it seeks to address will clearly be important in this work.

- 4.2. Second, the SEP proposed a large extension to the existing **access to finance** schemes operating in Kent and Medway. This is also explained by Government's reluctance to establish subsidiary funds using LGF, and there are few examples of LGF being allocated for this purpose. However, ERDF funding and the Kent and Medway Growth Hub allocation outlined above could help to meet the objectives of this request (as might future rounds of Regional Growth Fund investment).

## **5. Governance issues**

- 5.1. The amount of funding flexibility made available to LEPs varies across the country. Generally, those LEPs with clear governance frameworks and decision-making processes have higher levels of devolution. In the case of the South East, the Government's proposals are comparatively restrictive, reflecting the complexity of the LEP geography and the unclear governance arrangements that currently exist.
- 5.2. In recognition of this, the LEP has appointed Irene Lucas, a former local authority chief executive and senior civil servant, to carry out a review of governance. The outcomes of this will be reported to the LEP Board later in September (and to KMEP at its next meeting). The terms of reference for the review are attached as Annex 1.

## **6. The next round of Local Growth Fund**

- 6.1. Government has encouraged LEPs to develop a limited number of additional projects in anticipation that a small amount of further funding may be announced before the elections. There is no funding available in 2015/16 and probably very little in 2016/17, so proposals are likely to be for the medium term. The Government has indicated that the very large number of schemes proposed in the last round was probably not helpful to the South East: for Kent and Medway, prioritisation of perhaps 3-4 important schemes is likely to be a more successful approach.
- 6.2. While we await more guidance from Government, it would be helpful to start to consider potential priorities, both for transport and non-transport schemes. In the last round, all non-transport capital schemes were badged as notional projects to contribute to SEFUND, and were consequently unsuccessful; in the next round, it may be worth reconsidering any projects which may work as individual proposals. Depending on the initial views of the Board, it is suggested that we seek to identify potential projects via the sub-county partnerships in parallel with further intelligence from Government and the central LEP, to inform a further paper to the Board in October or November.

## **7. Recommendations**

- 7.1. It is recommended that the Board:

- a) Notes the feedback from Government;
- b) Notes the work underway to bring forward those schemes that have been approved;  
and
- c) Considers KMED's approach to identifying priority projects for the next round. In the absence of a LEP position on next round funding, this could help to inform any discussion at the LEP Board later in September.

**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)

28 August 2014

## **ANNEX 1**



## **SE LEP Delivery Review – Terms of Reference and Scope 2014**

---

### **SE LEP Delivery Review**

#### **Terms of Reference and Scope**

##### ***Objectives***

Reflecting the federal model of SE LEP, to establish new delivery arrangements and resourcing options for the LEP which

- Facilitate SE LEP's delivery of the Growth Deal and Strategic Economic Plan, and European Strategy (ESIF) ensuring that robust and timely delivery reporting mechanisms are in place to enable proactive management and intervention at the appropriate level
- Support the establishment of local delivery arrangements and local programme management through the federal model and devolution of funding through local delivery plans
- Embed the devolved operation and federated approach already approved by the SE LEP Board and provide clarity of roles at each level
- Ensure that Essex County Council as the accountable body provides effective support to SE LEP while meeting its own statutory and constitutional requirements
- Create effective reporting mechanisms to provide delivery assurance to the LEP and its constituent partners and recognising the Government will wish to deal corporately with SE LEP
- Ensures that the core LEP team and supporting capacity within LEP partners have the right capability, capacity and ways of working to support the effective operation of the LEP and the achievement of its ambitions within a federated model
- Respects the status and operation of the LEP as a business-led body hosted by ECC and working across the whole SE LEP area
- Address issues of accountability to local businesses and residents
- Supports and integrates with the delivery of the proposed SEFUND property and investment fund.

##### ***Reasons for undertaking review***

- Need to embed the federal model of SE LEP as agreed by the Board in new Ways of Working
- Agreement from business and public authorities that the time is right with the recently announced Growth Deal to ensure SE LEP's delivery and opportunities are maximised

- Recognition that unless delivery arrangements are robust, our case for further Local Growth Fund investment from Government is adversely affected
- Experience of some delays and lack of clarity across SE LEP and at all levels in meeting objectives and delivering programmes
- Concern that SE LEP and ECC, as accountable body, working in partnership have been insufficiently flexible and agile in securing opportunities
- Concern by ECC as to the governance arrangements they should have in place in supporting SE LEP and implementing their decisions
- Need to consider formally the advantages and disadvantages of incorporation of SE LEP
- Need for clear accountability as public funding through LEPs increases

### ***Method***

- Independent identification and analysis of current arrangements and their strengths and weaknesses by:
  - Review of documentation
  - Interviews with relevant Board Members and SE LEP Secretariat, advisers and local authority members and officers as needed
  - Desk top review of other LEPs arrangements including cities
- Discussion with Government officials about expectations
- Understanding of current SE LEP Business Plan objectives and budget
- Analysis of data
- Identification of issues and options based on best practice locally and nationally.
- Recommendations about revised future arrangements including working principles for future developments as context changes

### **SE LEP Governance Review**

#### **Terms of Reference and Scope**

#### ***Issues to be addressed***

- How best to ensure an effective local delivery structure for federated areas and providing SE LEP, partners and ECC as accountable body with clarity about management, delivery, financial flows and risk.
- Whether other bodies can have accountable body status delegated to them and if so under what circumstances
- How financial and delivery risks are best managed effectively
- The need for specialist advice from SE LEP
- How SE LEP is to be resourced including the capacity located within partners authorities and the SE LEP Secretariat

### ***Sources of Evidence***

- SE LEP Chairman, Board members and Director and Secretariat
- Leading members and senior officers of local authorities
- Chairmen, board members and directors of other LEPS and members and officers of their partner authorities
- BIS publications and officials.

### ***Indicators of Success***

- The development of proposals which address the issues identified above and secure the confidence of the Chairman and Board of SE LEP, the Government, leaders of partner authorities and Accountable Body.

### ***Delivery and Equality***

- SE LEP is subject to the Public sector Equality Duty. Proposals will be subject to an Equalities Impact Assessment.

This page is intentionally left blank

# Kent and Medway Economic Partnership

---

## KENT AND MEDWAY ECONOMIC PARTNERSHIP BOARD

8 September 2014

### ITEM 4

**Subject:** Capital investment in skills: Strategy and priorities for Kent and Medway

**From:** Ross Gill  
Economic Strategy and Policy Manager, Kent County Council

---

### Summary

The South East LEP's Growth Deal included an allocation of £22 million in skills capital funding. While a series of indicative projects were identified in the Strategic Economic Plan, no allocations to individual schemes have yet been made, and the distribution of the funding will be subject to competitive process.

This report outlines the projects indicatively identified in the Strategic Economic Plan and sets out the anticipated process for securing funds. It also seeks the in-principle views of KMEP Board on the broad distribution of funding, so that these may inform future discussions at the LEP.

---

## 1. Background

- 1.1. The Local Growth Fund included an element of skills capital funding previously administered centrally by the Skills Funding Agency. In its Strategic Economic Plan, the LEP set out a number of indicative projects: for Kent and Medway, these had a total funding request of £11.75 million for projects starting in 2015/16 and £17.5 million in future years and are set out in the table in Annex 1. Kent and Medway's indicative priorities included a large allocation for the development of the new campus at Ashford, with (in future years) a further large indicative allocation for provision at Sittingbourne. However, some of the later schemes proposed were notional.
- 1.1. In the LGF allocation, the South East LEP received **£22 million for a skills capital fund over 2015/16 and 2016/17**. The Growth Deal commits the LEP to run a competitive process for the allocation of this funding to projects (which may be from private providers and employers as well as the further education sector), with the Skills Funding Agency acting for the LEP in administering the competition.

## 2. Allocating the skills capital fund for 2015/16 and 2016/17

- 2.1. The SFA will provide an administrative function in assessing applications for funding and in ensuring that the funding competition is managed fairly and efficiently. To support this, the SFA have offered to share their existing guidance and assessment process. It is anticipated that the process for seeking, assessing and approving applications will take around 30 weeks, meaning that funds may start to be committed in summer 2015.
- 2.2. However, it will be for the LEP to define the broad priorities for the competition. The LEP Board has not yet discussed this, but work is underway at officer level to develop a draft strategy for consideration by the LEP Board. In parallel with this, there are two issues which the KMEP Board may wish to consider, relating to the *distribution* of funding and the *balance* between large and smaller schemes. The following paragraphs take each issue in turn.

### Funding distribution

- 2.3. £22 million is a relatively small amount of funding across the whole of Kent and Medway, Essex and East Sussex. It has therefore been assumed that the fund will exist as a 'single pot' across the LEP area (i.e. it will not be geographically ringfenced to Kent and Medway and the other 'federated' areas). Notionally, were the fund to be allocated on a pro rata basis, Kent and Medway might expect to receive around £9.5 million – but this would probably impose a higher administrative cost, would obviously place a ceiling on the amount Kent and Medway can secure and is not currently supported by the SFA.
- 2.4. As funding is unlikely to be devolved, KMEP will probably not have a formal role in determining allocations. However, it can of course express priorities and support strong applications from Kent and Medway.

### Balance between large and smaller schemes

- 2.5. The LEP could decide to allocate some of the £22 million fund for major projects, and some for smaller-scale specialist equipment and estates condition work. However, there is inevitably a tension on where the balance should be drawn between fairly small-scale projects across the LEP and investment in major projects that will make a significant wider difference.

## 3. Funding in future years

- 3.1. There is no commitment at present to skills capital funding in future years. However, bearing in mind that the Local Growth Fund is, in principle, un-ringfenced, there may be scope to bring forward additional skills capital proposals either in response to additional national calls for projects or in response to underspend within the South East programme. As ever, the Government takes the line that efficient spend in the next two years will stand the LEP in good stead for future resources.



#### 4. Recommendations and issues to consider

4.1. The Board is recommended to note this report. Recognising that any call for projects by the SFA must reflect LEP priorities, and recognising that the LEP must be directed by local views, the Board may wish to consider:

- a) Whether the indicative priorities set out in the Strategic Economic Plan (especially for start in 2015/16 and 2016/17) are still right;
- b) Where – in principle – the balance should be struck between the use of funding for major and smaller schemes; and
- c) Indicative priorities beyond 2017/18.

#### 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)

28 August 2014

#### ANNEX 1: Indicative skills capital projects in Kent and Medway included in the Strategic Economic Plan

| Project                             | Likely FE college lead | Indicative request (£m) | Comments                        |
|-------------------------------------|------------------------|-------------------------|---------------------------------|
| <b>2015/16 start</b>                |                        |                         |                                 |
| Swale Skills Centre, Sittingbourne* | -                      | 0.75                    | Expansion to adjacent building  |
| MidKent College, Medway             | MidKent                | 0.50                    | Equipment purchase              |
| Ashford International College       | Hadlow                 | 9.50                    | New campus build                |
| Tunbridge Wells vocational          | Hadlow                 | 1.00                    | Expansion of North Farm Ctr     |
| <b>Total</b>                        |                        | <b>11.75</b>            |                                 |
| <b>Future years start</b>           |                        |                         |                                 |
| Sittingbourne FE provision          | Unknown                | 4.00                    |                                 |
| Ebbsfleet Garden City FE provision  | Unknown                | 2.50                    | Indicative: No current proposal |
| Thanet vocational provision         | East Kent              | 1.00                    |                                 |
| Dover vocational provision          | East Kent              | 5.00                    |                                 |
| Folkestone FE provision             | East Kent              | 5.00                    |                                 |
| <b>Total</b>                        |                        | <b>17.5</b>             |                                 |

(\* - Not eligible for SFA funding)



## Kent and Medway Economic Partnership

---

### KENT AND MEDWAY ECONOMIC PARTNERSHIP BOARD

8 September 2014

#### ITEM 5

**Subject: European Structural and Investment Funds: Update**

**From: Ross Gill**  
**Economic Strategy and Policy Manager, Kent County Council**

---

#### Summary

This paper provides a brief update on progress in taking forward the European Structural and Investment Funds strategy in advance of initial calls for projects in early 2015. Lorraine George, the lead for the South East LEP on the development of the new programme, will attend the Board to cover this item.

---

#### 1. Introduction

- 1.1. Allocations of funding for the new European Structural and Investment Funds programme were announced last year. The South East LEP has been allocated £179.5 million over seven years from 2014. The table below breaks this down and also provides an indication of the rough amount that might be available to projects in Kent and Medway (although it should be noted that there is no designated Kent and Medway allocation):

|                           | SE LEP<br>(total) | Kent and Medway  |                   |
|---------------------------|-------------------|------------------|-------------------|
|                           |                   | Approx.<br>total | Approx.<br>annual |
| ERDF (innovation, growth) | 82.5              | 35.9             | 5.1               |
| ESF (skills, employment)  | 82.5              | 35.9             | 5.1               |
| EAFRD (rural growth)      | 14.5              | 6.3              | 0.9               |
| <b>Total</b>              | <b>179.5</b>      | <b>78.1</b>      | <b>11.1</b>       |

- 1.2. The programme will be managed nationally. DCLG, DWP and DEFRA will act as the Managing Authorities for the ERDF, ESF and EAFRD programmes respectively and will carry out calls for projects, project appraisals and monitoring. The Local Growth Delivery Team within central Government will also act as the secretariat for the South East sub-committee of the National Growth Board, which will consider applications, and there is likely to be a very strong emphasis placed at project level on the need to demonstrate compatibility with and added value to national Government programmes. However, there is still significant opportunity to influence calls for projects and the priorities within the 'opt-in' (cofinancing) arrangements –

and it is important to start developing proposals to come forward in early 2015 when the funds are open to applications.

- 1.3. As part of this, the LEP has been asked by Government to prepare a **Local Implementation Plan** for completion this autumn. This will be sequential to the Structural and Investment Funds Strategy adopted earlier this year, although its development will be an iterative process. The Government has provided a template for the development of the LIP and it is intended that a first draft will be considered by the LEP Board on 26 September.

## 2. European Regional Development Fund (ERDF)

- 2.1. ERDF funding is primarily revenue to support innovation and growth, SME competitiveness and the development of a low carbon economy.
- 2.2. Following the paper on potential priorities for ERDF discussed at the Board on 30 June, work is underway to prepare an **Innovation and Growth Strategy Statement** to inform the LEP's Local Implementation Plan. This will review publicly-funded business support across Kent and Medway, identify gaps and duplication and highlight potential projects which could be supported through ERDF. The Strategy Statement will also consider the link with the LGF Growth Hub funding and set out priorities for the 'opt-in' cofinancing arrangements with UKTI, Growth Accelerator and the Manufacturing Advisory Service. Given Government's emphasis on compatibility with national programmes, the Strategy Statement will focus on where local provision will help to drive demand for national schemes or meet specific local needs and opportunities.
- 2.3. Consultation with local authorities and business support agencies is currently underway and a consultation workshop with local authorities, businesses and other key partners is scheduled for 15 September. It is intended that a first draft Strategy Statement will be considered by KMEP on 7 October.

## 3. European Social Fund (ESF)

- 3.1. The majority of the ESF allocation will be cofinanced by the Skills Funding Agency, Department for Work and Pensions and the Big Lottery Fund, with the latter focused on providing support to the community and voluntary sector to respond to social inclusion and access to employment issues. Discussions are underway with the national opt-in agencies and a consultation event for the voluntary sector was held in Kent in conjunction with Big Lottery in July.
- 3.2. It should be noted that the SFA, DWP and Big Lottery Fund are likely to seek a limited number of contracts, and the allocation of funding will be through an open competitive tendering process (which will of course be open to providers from outside the LEP area), and it is likely that most calls for projects will be made at LEP-wide level. Setting the commissioning framework will therefore be more important than developing specific, individual projects. With this in mind, it may be important for a strong ESF commissioning group to exist at LEP level, and for this to have strong representation from Kent and Medway so that there is a clear mandate from local partners in setting commissioning guidance. It is anticipated that a

paper on this will be considered at the Kent and Medway Education Learning and Skills Partnership Board later in September, for further discussion at the October KMEP Board.

#### **4. European Agricultural Fund for Rural Development (EAFRD)**

- 4.1. The original Structural and Investment Funds Strategy contained fairly limited information on the potential priorities for the European Agricultural Fund for Rural Development, although it could be a source of funding for additional superfast broadband as well as the business grant based activity the fund has conventionally been used for. There is also likely to be a need to demonstrate synergy between priorities for EAFRD and those for the new locally-based LEADER programmes in 2014-20.

#### **5. Community-led Local Development (CLLD)**

- 5.1. There is some funding identified for community-led local development, focused on disadvantaged areas. A number of areas in Kent and Medway expressed interest in CLLD when the opportunity was first raised last year, although the only potential programme currently being considered appears to be in coastal East Kent, focused on Dover, Folkestone and Ramsgate.

#### **6. Governance**

- 6.1. The national Growth Programme Board will act as the Programme Monitoring Committee (PMC) for the European Structural and Investment Fund programmes in England. However, a local sub-committee of the Growth Programme Board will be established in each LEP to maintain oversight of local investments and delivery. This will include approving the Local Implementation Plan and considering prospective project applications in line with the national programme and calls for projects.
- 6.2. Membership of the sub-group will include the LEP; however, it must also include a broader range of stakeholders with an equal voice, including from the voluntary and community sector. In advance of the establishment of the sub-committee, a 'Sounding Board' has been established for the LEP to consider the local implications of the new arrangements. Geoff Miles and Paul Watkins both represent Kent and Medway on the Sounding Board, which met for the first time on 29 August.

#### **7. Recommendations**

- 7.1. The Board is recommended to note this report.

#### **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)

28 August 2014

This page is intentionally left blank

## Kent and Medway Economic Partnership

---

### KENT AND MEDWAY ECONOMIC PARTNERSHIP BOARD

30 June 2014

#### ITEM 8

**Subject: Future meeting dates in 2014**

---

All at 5pm at Medway Innovation Centre:

Monday 7 October

Monday 10 November

Monday 1 December

Future dates will be circulated shortly for 2015. These will be every two months from January, reflecting the earlier decision of the Board to reduce the meeting frequency.

This page is intentionally left blank