

AGENDA

KENT & MEDWAY ECONOMIC PARTNERSHIP (KMEP)

Tuesday, 7th October, 2014, at 5.00 pm

Ask for: **Ross Gill / Lou Whitaker**

Darwin Room, Medway Innovation Centre

Telephone **01622 221312 / 01622 694433**

Tea/Coffee will be available 15 minutes before the start of the meeting in 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 (Pages 3 - 8)
3. Local Growth Fund - Round 2 (Pages 9 - 12)
4. Delivering the LGF Transport Programme (Pages 13 - 22)
5. Future LEP Governance: The Irene Lucas Review (Pages 23 - 24)
6. Business Growth: Kent and Medway Growth Hub and the Innovation and Growth Strategy (Pages 25 - 38)
7. Future Kent and Medway Growth Strategy (Pages 39 - 42)
8. Economic Roundtable
9. Agenda forward plan and future meeting dates
10. Any other business

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)

Published: 29 September 2014

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Kent and Medway Economic Partnership

KENT AND MEDWAY ECONOMIC PARTNERSHIP BOARD

7 October 2014

ITEM 2

Subject: Draft minutes of the meeting of Kent and Medway Economic Partnership Board held on 8 September 2014 at Medway Innovation Centre, Chatham

MINUTES of a meeting of the Kent & Medway Economic Partnership (KMEP) held in the Medway Innovation Centre, Maidstone Road, Chatham, ME5 9FD on Monday, 8 September 2014.

Business representatives

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

Elected local government representatives

Annabelle Blackmore (Maidstone and Tunbridge Wells)
 Paul Carter (Kent County Council)
 Rodney Chambers (Medway)
 Peter Fleming (Sevenoaks and Tonbridge & Malling)
 John Gilbey (Canterbury and Swale)
 Paul Watkins (Dover and Thanet)

Further education representative

Higher education representative

Carole Barron

Graham Razey

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), David Liston-Jones (Thames Gateway Kent Partnership), Karla Phillips (KCC), Susan Priest (Shepway), Mike Rayner (KCC).

Apologies

Business representatives

Graham Brown
 Eliot Forster
 Paul Gardiner
 Nick Sandford

Higher education representative

Prof Dame Julia Goodfellow

1. Welcome, introductions and apologies for absence

(Item 1)

The Chairman, Mr Geoff Miles, opened the meeting and welcomed those present.

2. Minutes of the previous meeting held on 14 July 2014

(Item 2)

The minutes of the previous meeting were agreed as a correct record.

There were no amendments or matters arising.

3. Local Growth Fund: Government feedback and next steps

(Item 3)

The Partnership received a report by Ross Gill, Economic Strategy and Policy Manager for KCC which summarised the feedback received from Central Government regarding the Local Growth Fund allocation and the reasons for selection of particular projects over others.

In addition, the report sought to establish a strategic direction from the Partnership regarding a small number of additional project allocations that may become available in the autumn.

Government feedback

Ross Gill introduced the report for the Partnership; in particular he referred to the following:

- i. Government had selected projects based on three criteria:
 - a. Assessment of the overall Strategic Plan
 - b. Project level assessment
 - c. Review of local prioritisation
- ii. A large proportion of the project allocation funding (£127 million) would support transport projects with a further £6million of capital funding allocated to the Kent and Medway Growth Hub.
- iii. Revenue funding of £800k had been allocated to the wider LEP area for business support. It was envisaged that this money would link with the priorities emerging from the Innovation and Growth Strategy Statement.
- iv. A further round of Local Growth Fund bids would be launched in November, although the pot was likely to be small. The Partnership was asked to indicate whether non-funded transport projects from the original priority list should be resubmitted or whether new, non-transport schemes should be pursued.

Programme delivery

Ann Carruthers, Transport Strategy Delivery Manager noted that the LGF transport programme is of significant scale and will require significant resources and robust governance to deliver. Mr Carter,

Leader, Kent County Council asked for clarity on the liability for any overspend (or the benefits of any underspend) on schemes within the programme.

The Board sought advice from officers regarding the likelihood of delivering those projects for which funding had been allocated to time and costs set out in the application. It was agreed that a high-level analysis of risks across the programme should be brought forward to the next Board.

Jo James, of Kent Invicta Chamber of Commerce sought to establish whether the £6million of non-transport capital funding could be reasonably used to fund some of the business support work linked to the planned Growth Hub. Officers considered that this was likely to be possible. She expanded on current work in this area, including the establishment of a LEP wide steering group to develop the Growth Hub.

Governance Review

The Partnership discussed the review of LEP governance that would be undertaken by Irene Lucas and the Terms of Reference contained at Appendix 1 of the report.

Concerns were raised about the legitimacy of any 'decision' to reallocate project funding and where such decisions should be taken. It was noted that the Irene Lucas review would be an opportunity to provide greater clarity to the federated model; however, it was suggested that without further assurance regarding the competency of the accountable body and the strength of the federated bodies, the LEP could be disbanded and reformed along different geographical lines.

Vince Lucas remarked that the focus on governance could discourage business engagement. He urged the Board to think about the longer term strategy, to allow businesses to use their strengths to help and to represent the needs of Kent and Medway in the second and future rounds of bidding.

LGF Round 2

The Board was asked to determine whether LGF Round 2 should primarily focus on the resubmission of transport projects first proposed in Round 1, or whether new projects should be brought forward. The Board generally expressed support for the former course.

It was resolved that:

- a) The feedback from Government be noted;
- b) The work to bring forward schemes approved be noted;
- c) That resubmission of unsuccessful round 1 transport bids to the round two funding allocation be supported.

4. Capital Investment in Skills: Priorities and strategy for Kent and Medway *(Item 4)*

The Partnership received a report describing the Growth Deal allocation of £22 million of funding for capital investment in skills in 2015/16 and 2016/17 and the anticipated process for securing funds for particular projects. The report also sought views from partnership members as to the preferred distribution of those funds in order to inform future negotiations at LEP level.

Ross Gill introduced the item for the Partnership and in particular referred to the following:

- i. That allocations would be made on a competitive basis and would be assessed by the Skills Funding Agency.
- ii. That the LEP would define the broad priorities under which the applications for funding were made and as a result KMEP would need to influence those priorities.

The item was opened for discussion. The Partnership was supportive of efforts to prepare for the competitive process. However, it considered that the lack of control of the process at local level reflected the limitations of the federated model.

Jo Jones welcomed the funding and the opportunity to further skills provision in the County. She urged the partnership to particularly support work related to Ashford International College.

The Board expressed concerns about the way in which need-based criteria may be applied and reiterated the importance of taking this early opportunity to define the criteria by which applications would be judged.

It was agreed that further priority setting work should be undertaken.

5. European Structural and Investment Funds: Update *(Item 5)*

The Partnership received a report providing an update on the European Structural and Investment Funds.

Lorraine George introduced the item and, in particular, referred to the following:

- i. That the three funds, ERDF, ESF and the EAFRD would soon be looking to call for projects and that KMEP and the LEP must be ready to act as soon as that happened.
- ii. That a Local implementation Plan (LIP) would be produced in order to identify the priorities of the SELEP area. Whilst these must be broadly in line with Government Policies and Programmes, there would still be an opportunity to shape local investment.
- iii. For each thematic objective contained within the LIP, the investment required for specific outcomes must be identified.
- iv. That an ESIF Committee had been established in order to be ready for calls for projects from January.

The floor was opened to discussion. Mr Carter considered the amount of money at stake in the European Funds to be so considerable that additional project development resources might be needed in order to ensure that the applications were successful. He assured partnership members that KCC was committed to ensuring successful application and delivery for the right projects.

Lorraine George reiterated the importance of speed at this time. She asked the partnership members to focus on strategic priorities which officers would 'translate' in to bid application or LIP language as required.

Lorraine confirmed that a first rough draft would be completed within a week and distributed to Partnership members for comment when it would be updated as a first draft proper and brought back to future meetings for continued discussion.

Partnership members made suggestions for potential projects; Low Carbon projects, Growth Hubs and business support. It was suggested that the 'strands' that had been established at a previous meeting be further explored to identify those that had traction and should be pursued.

It was agreed that the report be noted and actions identified during the discussion undertaken.

1. Major economic developments

(Item 6)

Partnership Members were invited to update the meeting regarding major economic developments of which they were aware.

Housing Development - Medway

Mr Rodney Chambers, Leader of Medway Council reported that planning consent had been granted for a development of 5,000 new homes at Lodge Hill was now being assessed by the Secretary of State. It was hoped that the mitigation proposed to protect wildlife on the site would now be sufficient for the scheme to go ahead.

Davis Commission - Report

The Board noted positively that the Davis Commission had 'rejected' the idea of an Airport Thames Estuary.

Manston Airport

Councillor Iris Johnston, Leader, Thanet District Council updated the Partnership on progress and noted that a report would be taken to Cabinet at Thanet later that week.

7. Any other business

(Item 7)

Mr Miles, Chairman reported that Mr Roger House was standing down from the Partnership after many years chairing the Federation of Small Business in Kent and Medway. The Board thanked him for his contribution.

1. Future meeting dates

(Item 8)

The Partnership confirmed the future meetings dates as:

Tuesday 7 October 2014

Monday 10 November 2014 - earlier start time of 4pm

Monday 1 December 2014

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Kent and Medway Economic Partnership

ITEM 3

Subject: Local Growth Fund Round 2
Project prioritisation for Kent and Medway

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

Summary

Last month, the South East LEP was asked to put forward additional projects for a second round of Local Growth Fund allocations. To contribute to this, a number of priority projects have been identified across Kent and Medway, for initial submission to Government on 6 October.

This paper sets out the outcomes of the project identification work in Kent and Medway so far, proposing schemes requesting £35 million from the Local Growth Fund. It also sets out the anticipated next steps and issues for consideration in future rounds.

Board members are asked to note this report.

1. Background

- 1.1. Earlier this year, the Government announced the allocation of £442 million from the Local Growth Fund for capital projects across the South East Local Enterprise Partnership area. This included some £133 million in specific capital allocations for Kent and Medway, mainly for transport schemes.
- 1.2. Last month, the Government announced that there would be a second round of LGF funding. While the scale of this is not yet known, the Government has suggested that it is likely to be around £500 million nationally, mostly in 2016/17 and 2017/18. This will make the second round much smaller than the first: £50 million would appear to be a 'realistic but ambitious' estimate of funding that could be allocated to the South East.
- 1.3. The next round of LGF will be competitive. To give an indication of schemes that are likely to come forward, the Government asked LEPs to come forward with outline project proposals by 6 October. The LEP Board agreed last week that this would be done in Kent and Medway and the other 'federated' areas of the LEP, with a view to a consolidated list being prepared on Monday.

2. Process

2.1. To identify a shortlist of projects for Kent and Medway within the very tight timescale, the following process was followed:

- All projects proposed for Round 1, but not funded, were reviewed, in conjunction with the sub-county partnerships. Those projects which were either not considered to be strategic priorities, or which are not likely to be deliverable within the funding timescale, were deleted.
- The remaining projects were then scored on the basis of deliverability, outputs and value for money using a basic, high level scoring methodology. This resulted in a 'long list' of projects with a total notional LGF grant request of £53 million.
- The long list of projects was then ranked according to project scores and 'sense checked' with partners. Where requested, projects were reviewed and re-scored.

2.2. Bearing in mind the limited size of the fund, a short list of schemes was identified to a maximum value of £35 million. This is still greater than the amount that we are likely to be able to expect, although it appears to be broadly in line with the total value of proposals from other parts of the LEP.

2.3. While in Round 1, the great majority of schemes funded were transport projects, there has been an indication that there is scope for more non-transport capital projects this time. This has been reflected in the scheme identification process.

3. The project shortlist

3.1. Following the process outlined above, the following shortlist of capital projects has been identified:

Project	Indicative LGF request (£m)
Maidstone Medical Campus	4.00
Pembury Road Phase 1	1.00
Folkestone Seafront	5.20
Rochester Airport	4.40
Westwood Relief Strategy	5.00
Leigh Barrier	2.50
Ashford Spurs signalling	1.25
Dartford town centre	2.30
Medway station improvements	1.95
Shearway Business Park	1.40
Dover Western Docks Revival	5.00
Swanley Centre	0.80
Total	34.80

- 3.2. Inevitably, a number of schemes that were put forward have not made the ‘top £35 million’. The major scheme in this category is M2 Junction 5a, partly due to the need for a change in Highways Agency regulations to permit a new junction to access Kent Science Park. This rule change was highlighted as an ask in the Strategic Economic Plan submitted earlier this year, and it will be important that any submission by the LEP to Government highlights the need for Highways Agency support for Junction 5a.

4. Anticipated next steps

- 4.1. It is anticipated that the Kent and Medway shortlist will form part of the LEP submission to Government on Monday 6 October. There may still be a need for further prioritisation to ensure that the overall LEP bid is credible, although this will need to be determined once the lists from each area are assembled next week.
- 4.2. It is likely that over the course of October, we will be asked to submit business cases, in advance of funding announcements being made late this year or early in the New Year. Business cases for all projects exist, at least in outline form. It is unclear at this stage whether final bids to LGF Round 2 will be constrained to the projects identified above or opened to other applications.

5. Some considerations for future rounds of bidding

- 5.1. The timescale for submitting information into this round has been exceptionally short, and project promoters, local authorities and sub-county partnerships have responded very quickly and clearly to requests for information. However, there are some issues for future bidding rounds that the Board may wish to consider:
 - First, although the current system of *ad hoc* bidding is not ideal, it is not within our control. There may therefore be a value in preparing outline business cases on a more consistent basis across Kent and Medway so that we are in a better position to respond quickly should we need to.
 - Second, the scoring methodology used to date, with its emphasis on jobs and homes outputs, tends to favour infrastructure projects at the expense of (for instance) projects to promote innovation. It may be useful to develop a more robust methodology, especially for non-transport capital projects, either within Kent and Medway or at LEP level.
- 5.2. A further update on LGF 2, including the final submission by the LEP, will be provided at the KMEP Board meeting on Tuesday.

Report author

Ross Gill

Economic Strategy and Policy Manager, Kent County Council

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3 October 2014

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Local Growth Fund

Delivery of Round 1 Allocation Update on Progress

Ann Carruthers

Transport Strategy Delivery Manager

Robin Cooper

**Director of Regeneration, Community and
Culture**

Our Allocation...

South East LEP...

- Awarded £442 million
- Funding committed for 2015/16 and provisional for 2016/17

Kent and Medway...

- Awarded £133 million
- £127 million for **transport** projects
- £6 million for **business** growth
- Plus £22 million awarded across SELEP for **skills** capital funding

Transport allocation

Kent and Medway...

£127 million for Kent and Medway transport projects

- £98 million for 21 Kent transport projects
 - £63 million committed
 - £35 million provisional
- £28.6 million for 5 Medway transport projects

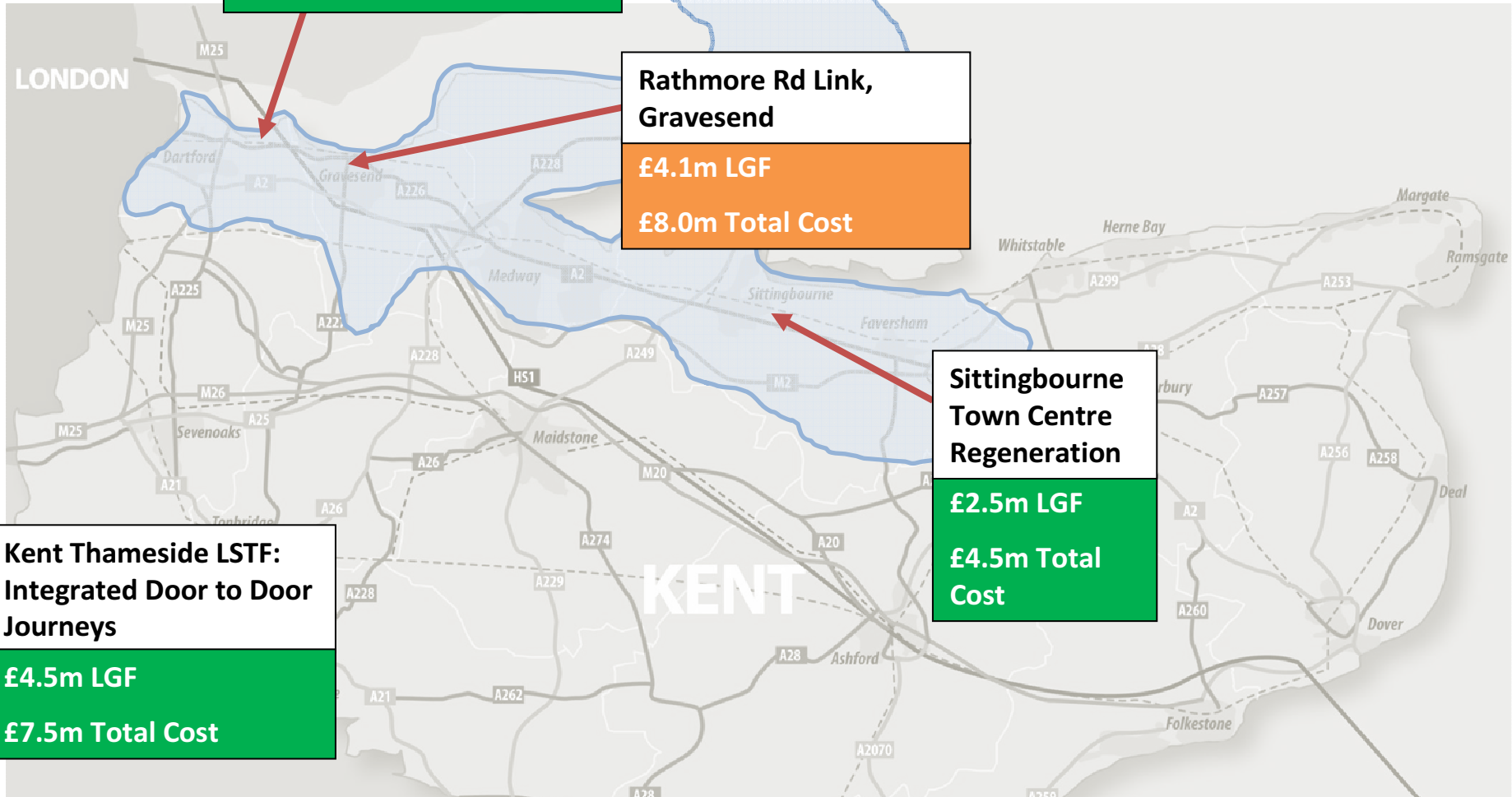
Thames Gateway (excluding Medway)

A226 London Road/ B255 St Clements Way Junction
£4.2m LGF
£8.7m Total Cost

Rathmore Rd Link, Gravesend
£4.1m LGF
£8.0m Total Cost

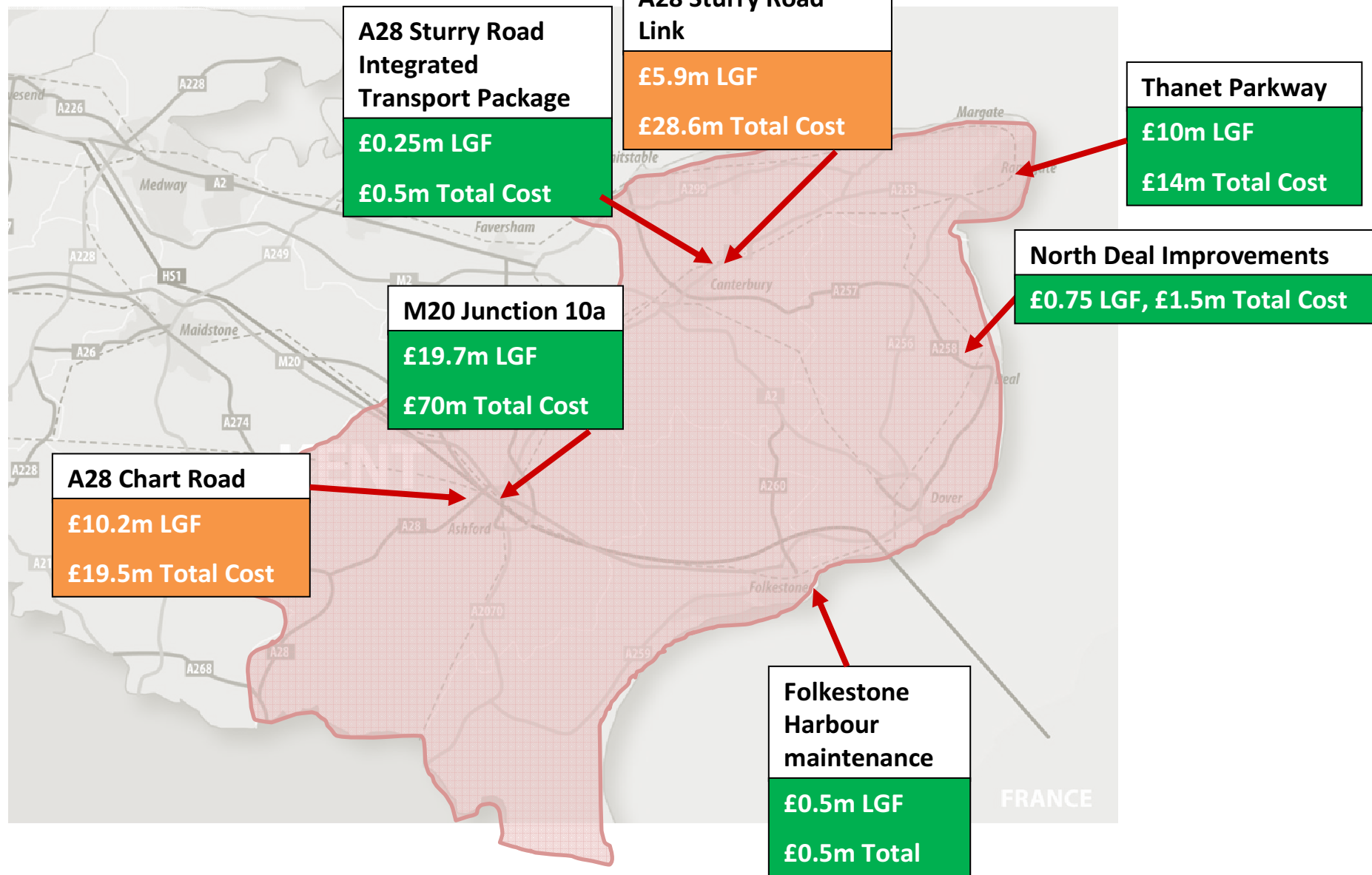
Sittingbourne Town Centre Regeneration
£2.5m LGF
£4.5m Total Cost

Kent Thameside LSTF: Integrated Door to Door Journeys
£4.5m LGF
£7.5m Total Cost

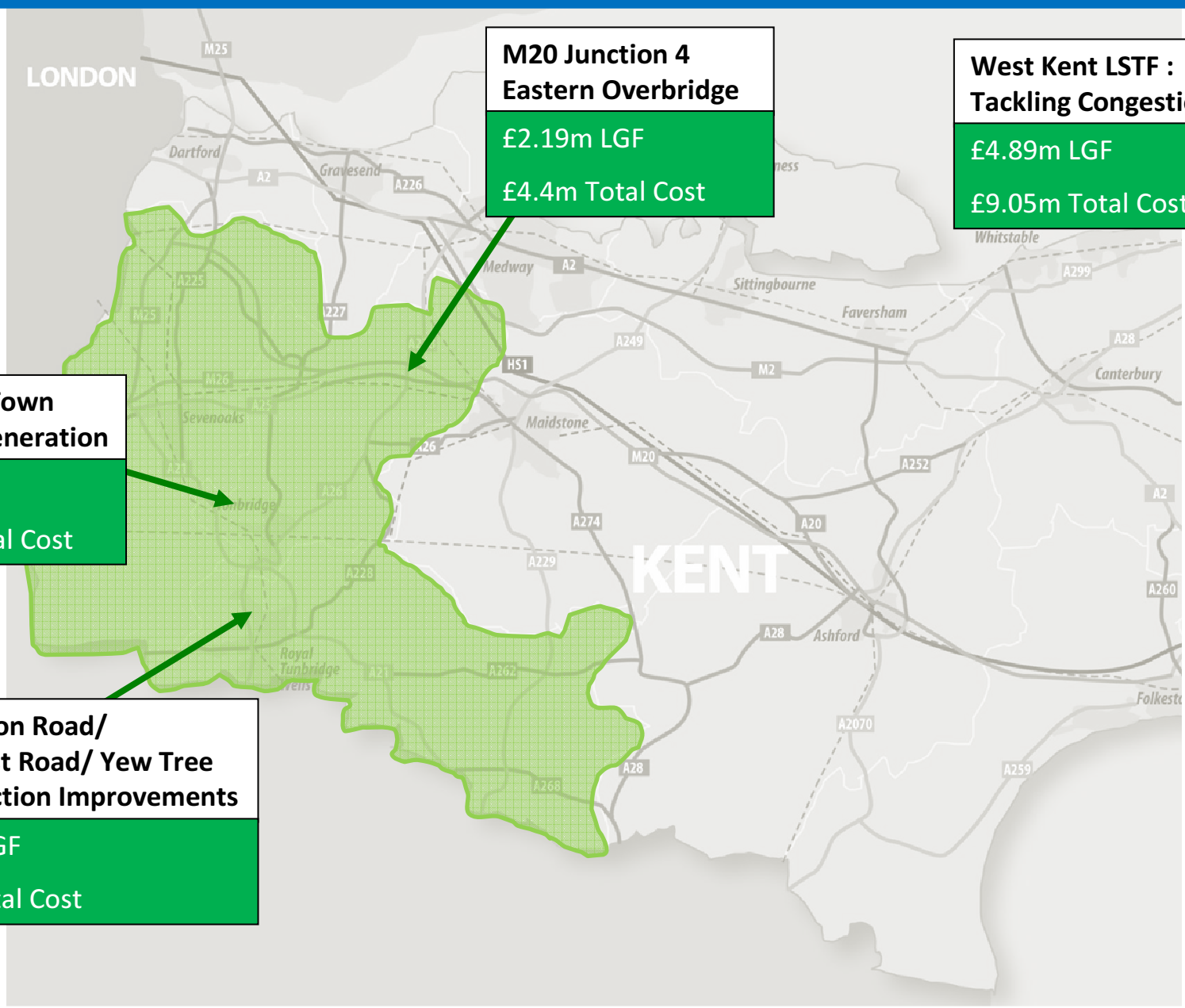


East Kent

Schemes across East Kent



West Kent



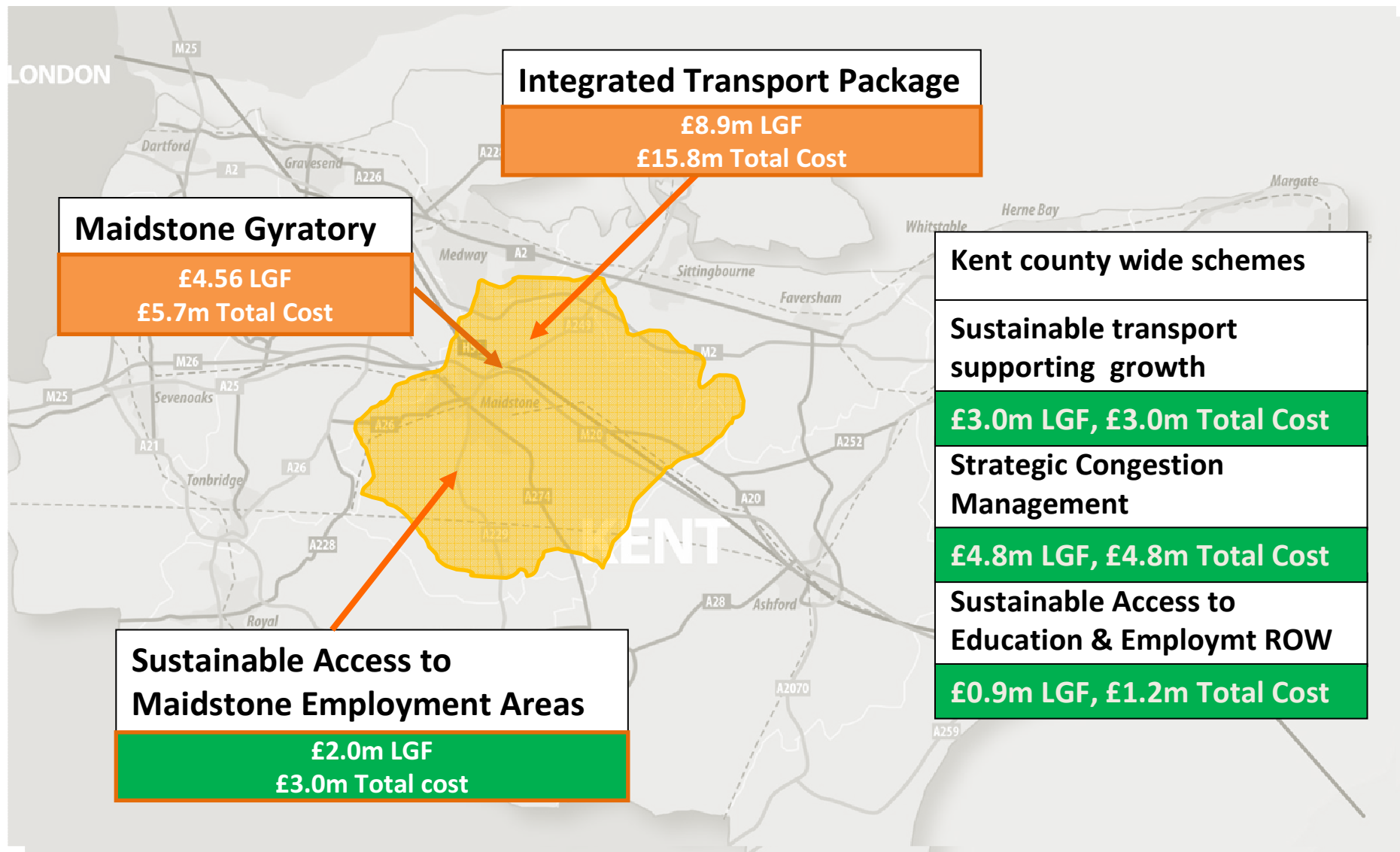
**M20 Junction 4
Eastern Overbridge**
£2.19m LGF
£4.4m Total Cost

**West Kent LSTF :
Tackling Congestion**
£4.89m LGF
£9.05m Total Cost

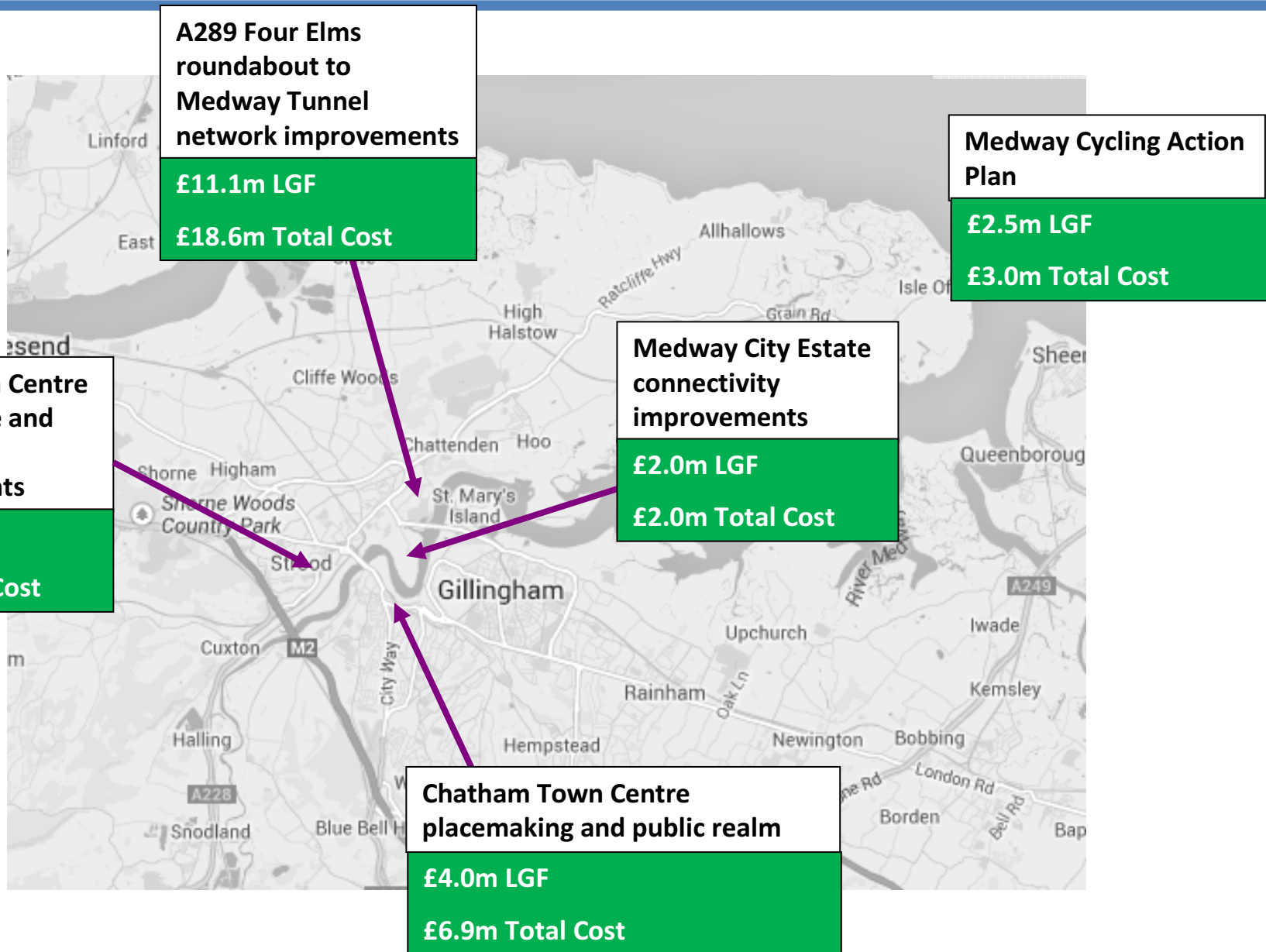
**Tonbridge Town
Centre Regeneration**
£2.37m LGF
£3.87m Total Cost

**A26 London Road/
Speldhurst Road/ Yew Tree
Road Junction Improvements**
£1.75m LGF
£2.0m Total Cost

Maidstone and county-wide



Medway



Next Steps....

1. Focus on Delivery
2. KMEP monitoring – format?
3. LGF Round 2 initial submission 6 Oct



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Kent and Medway Economic Partnership

ITEM 5

**Subject: Future governance of the South East Local Economic Partnership:
The Irene Lucas Review**

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

Summary

Earlier this year, the South East LEP commissioned Irene Lucas to carry out a review of governance, with a view to strengthening the 'federated' model and providing more robust accountability mechanisms in preparation for the allocation of funding.

At the last LEP Board meeting, Irene presented the initial outcomes of her review. This paper summarises these; the presentation given to the LEP Board is attached at Annex 1.

The Board is asked to note the proposals emerging from the review and to provide initial feedback, so that this may be taken into account by the LEP Chairman and Board.

1. Introduction

- 1.1. During the summer, the LEP commissioned Irene Lucas CBE, a former local authority chief executive and senior civil servant with extensive business experience, to carry out a review of governance. In particular, the terms of reference for the review recognised that as Local Growth Fund monies start to flow, there will be a need to establish stronger accountability mechanisms. It was also noted that the LEP's relatively weak existing governance arrangements are a barrier to securing future devolution and funding from Government.
- 1.2. Within the terms of reference for the review, Irene was asked to make the LEP's federated model work, which ensuring effective delivery of the schemes for which the LEP has secured funding.

2. Review recommendations

- 2.1. Irene Lucas presented her initial findings to the LEP Board in September. At the time of writing, a full report has not been published, although the presentation given to the Board is attached with these papers.
- 2.2. The initial findings make 12 recommendations, set out in Annex 1. The core recommendation is Recommendation 3, which proposes the establishment of an **Accountability Board**, based on a local authority Joint Committee model. The proposal states that this would provide for two local authority voting representatives from each federated area, in addition to HE, FE and business representation.

- 2.3. The review proposes that the Accountability Board should act as the main performance management structure for the LEP, taking responsibility for all scheme appraisals and approvals, managing variations to schemes and reporting to central Government.
- 2.4. In addition, Recommendation 10 proposes the appointment of a **Senior Programme and Project Management Officer** (and presumably an associated team) to act as the main scheme-level contact with Government and each federated area.
- 2.5. In broad terms, the review therefore proposes enhanced central resourcing and accountability, consistent with the Government's requirement for a single contract between Government and the LEP (via a single accountable body) for the Growth Deal.

3. Moving forward

- 3.1. While the LEP Board discussed Irene's proposals, no decisions were made. However, it was agreed that the proposals would be taken to KMEP and its equivalents for discussion, before further proposals are developed to take to the LEP Board in December.

4. Recommendations

- 4.1. KMEP Board is recommended to consider (at 'in-principle' level) the initial findings of the review. The Board may also wish to consider whether it would like any further work to be done on alternative proposals.
- 4.2. Depending on the outcomes of discussion at KMEP Board, the Board may wish officers to prepare a draft Kent and Medway response to the review, for approval by KMEP prior to submission to the LEP Chairman.

Report author

Ross Gill

Economic Strategy and Policy Manager, Kent County Council

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3 October 2014

Business Growth:

An update on the Growth Hub and future funding for innovation and growth

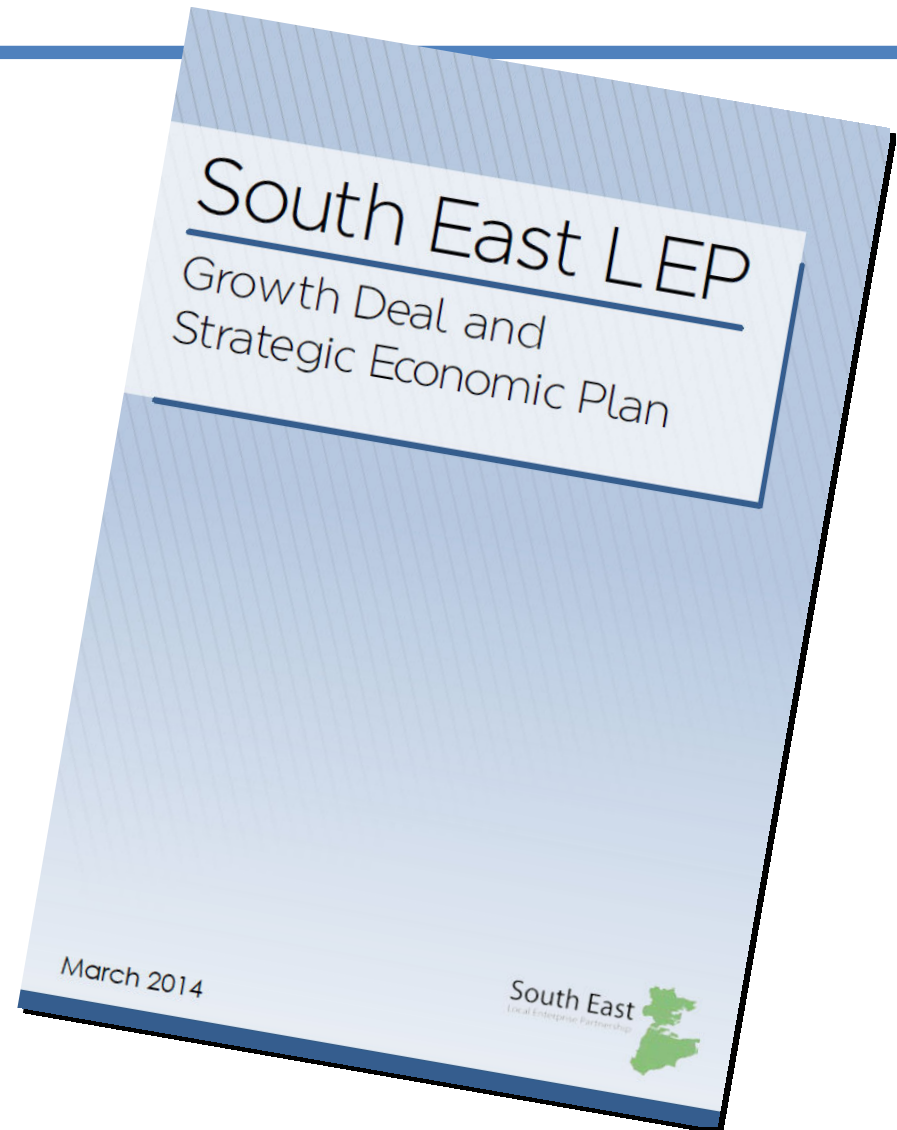
What we said...

“We will simplify and streamline the business support offer – creating a new Kent and Medway Growth Hub at the heart of a better coordinated network”

“We will [continue to] provide loan and equity finance to SMEs seeking to invest in new products, services and processes”

“We will [create] a wider innovation support system... setting out how we will work together and add substantial local value to national programmes and initiatives”

“We will support increased growth through trade and investment... linked with the development of the county’s growth sectors”



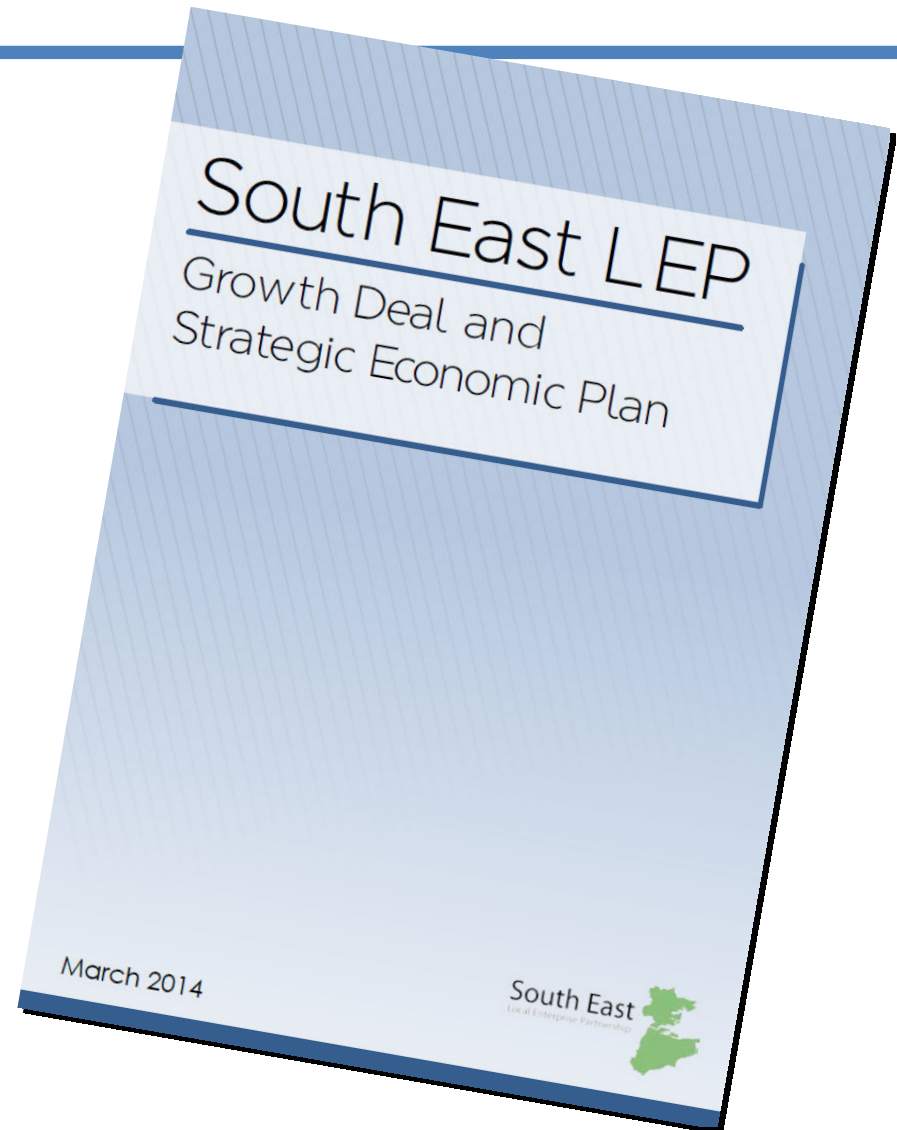
What we said...

*“We will **simplify and streamline the business support offer** – creating a new Kent and Medway Growth Hub at the heart of a better coordinated network”*

“We will [continue to] provide loan and equity finance to SMEs seeking to invest in new products, services and processes”

*“We will [create] a wider innovation support system... setting out how we will work together and **add substantial local value to national programmes and initiatives**”*

“We will support increased growth through trade and investment... linked with the development of the county’s growth sectors”



The new funding landscape...

- Limited revenue funding to develop a **'Growth Hub'** as central signposting point
- £6 million **capital for business growth** (potentially access to finance or business facilities)
- £5-6 million per year (roughly) in **European Regional Development Funds** (for low carbon, innovation and SME competitiveness)
- New **Interreg** programmes from next year, focused on similar themes

PLUS – continuing national programmes, HE offer, etc...

Time to review...?

DEMAND

How do we deliver what the economy needs as growth returns?

LEARNING

What have we learnt from the delivery of existing programmes

FEEDBACK

Business views of what works... and business demand for better coordination

POLICY

Changes in what Government want to deliver

FUNDING

Existing sources coming to an end
New sources coming forward

Focusing our efforts...

Innovation and Growth Strategy Statement

“to guide Kent and Medway Economic Partnership’s priorities for future investment in business support to promote growth and improve coordination across the county”

Focusing our efforts...

Innovation and Growth Strategy Statement

“to guide Kent and Medway Economic Partnership’s priorities for future investment in business support to promote growth and improve coordination across the county”



Focusing our efforts...

Innovation and Growth Strategy Statement

“to guide Kent and Medway Economic Partnership’s priorities for future investment in business support to promote growth and improve coordination across the county”

Help avoid duplication
Help secure Government and European funding
Help deliver what business wants

BUT NOT...
A single commissioning plan
(there isn't just one buyer)
A bid (there isn't just one source)
Building on future innovation
(there's a market!)

KMEP's views...

- **How do we deliver the Kent and Medway Growth Hub?**
- **How do we direct the £6 million business growth capital funding?**

The Growth Hub

Consultation responses...

- “Need a central point or hub offering support for recruitment, training, grants, funding, etc.”
- “Signposting to the right information and services”
- “Need better coordination – information about what’s about”
- “Need better information about various different types of provision across Kent and Medway – but not enough to just provide this via a website”
- “Keep it simple”
- “Supplement by having advisors to add value”

We’re being offered...

- Some funding to develop a central signposting service
- Part of a national network of Growth Hubs
- ‘Virtual’, not physical
- £800k across the South East LEP area

The Growth Hub

Two options:

Option 1: LEP-wide central service (as reported to LEP Board)

- Single central website and LEP-wide management
- Some local support and advice provision (c. £150k for Kent and Medway)

Option 2: Devolved Kent and Medway service

- Funding distributed roughly pro-rata (c. £350k for Kent and Medway)
- Specification and procurement this year for launch on 1 April

Either option is viable – but we need a steer on KMEP’s preference.

Business growth capital funding

We're being offered...

- £6 million for Kent and Medway (£1 million per year)
- Entirely capital
- Need to come forward with a proposition to Government soon

Consultation responses...

- “Focus on support for businesses and entrepreneurs”
- Responses vary on focus – some preference for business and innovation workspace; some preference for additional access to finance

Business growth capital funding

Two options

Option 1: Innovation finance

- Building on existing successful access to finance schemes (ExEK, TIGER, Escalate, etc.)
- Potentially more specific sector focus
- Opportunity to offer loan support for resource and energy efficiency improvements – potentially linking with future ERDF application

Option 2: Innovation workspace

- Loan or grant funding for additional business space, where there is private investment
- Linked with existing Workspace Kent programme (now with GPF funding)

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Kent and Medway Economic Partnership

ITEM 7

Subject: Future Kent and Medway Growth Strategy

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

Summary

Earlier this year, KMEP considered *Unlocking the Potential* as a draft growth plan submitted to Government as part of the South East LEP's bid to the Government's Local Growth Fund. However, it has not yet been finalised or taken through full public consultation.

This paper explains the process through which it is proposed that a Kent and Medway Growth Strategy will be revised and finalised in the light of recent funding decisions and the wider policy landscape. It also sets out how the Growth Strategy will relate to other county-wide strategies for transport, housing and the environment, which are also to be revised during 2014/15, as well as plans and strategies at District and sub-county level.

1. Background

- 1.1. In 2009, the former Kent Partnership published *Unlocking Kent's Potential*, the county's regeneration framework. This provided the basis for a series of county-wide strategies, including those focused on housing (*Better Homes*), transport (*Growth without Gridlock*) and the environment (*Growing the Garden of England*), all of which were subject to consultation and have subsequently been monitored, refreshed and used to support delivery and secure additional investment in Kent.
- 1.2. Since *Unlocking Kent's Potential* was adopted, the policy and economic context has clearly changed substantially. Notably, it was published a year before the last general election as the economy entered a deep recession. Five years on, economic conditions have improved, although we are again coming towards the end of a Parliament. Recognising that the county's growth strategy should be refreshed to reflect the changed landscape, Kent Leaders and Kent and Medway Economic Partnership decided last year to prepare a revised version of *Unlocking the Potential* for adoption in 2014. At the same time, the Government asked local partners (via Local Enterprise Partnerships) to prepare strategic economic plans setting out their priorities – essentially their bid – for a share of the £2.4 billion Local Growth Fund.
- 1.3. A draft of a new strategy, *Unlocking the Potential: Going for Growth*, was produced in January. It was subject to limited consultation and subsequently became the Kent and Medway section of the South East LEP's bid to Government. Inevitably, the draft strategy was strongly focused on

the case for investment from the Local Growth Fund, and it was recognised at the time that it would have to be revisited once the outcomes of the LGF allocation were known.

- 1.4. In July, the Government announced the LGF allocations, which resulted in Kent and Medway securing some £133.5 million for specific capital projects, mostly related to transport. Now that the results of the bid are clear, we are in a position to revise the growth strategy, focused on Kent's broader, longer-term priorities.

2. **Revising the growth strategy: Outline principles and content**

- 2.1. The new growth strategy will not be a statutory document. Its success will depend on the extent to which it has credibility with and support from business, local and central Government and other partners and on the extent to which it is used to secure investment and drive delivery. It is therefore important that there is wide consultation and engagement on its content.
- 2.2. Considerable discussion has already taken place with Kent Leaders, business organisations and the sub-county partnerships on the earlier draft. Based on this, it is proposed that the new draft will retain the core themes of:

- **Places for growth**, setting out the infrastructure priorities and their affordability and the funding solutions needed to bring forward key housing and employment locations;
- **Business for growth**, highlighting key sectors with growth potential and setting out how we can support business growth and innovation; and
- **Skills for growth**, focused on supporting the economy by investing the supply of skills to meet future business need.

- 2.3. However, within these core themes, it is envisaged that the new growth strategy will move on from being essentially a bid to a single Government funding stream and will consider in greater detail:

- Potential **policy priorities** for Kent and Medway to influence central Government (regardless of its complexion) after May 2015. This may have regard to the continuing emphasis on devolution to city and county regions (and to the South East LEP) set out in recent policy papers from both the Government and the Opposition;
- Links between economic growth, innovation and the **environment, housing and transport** strategies that will be refreshed over the course of 2014/15. This recognises explicitly the obvious link between economic growth and broader spatial strategy, taking into account District Local Plans and building upon bilateral work already underway between KCC and sub-county partnerships and the Kent Districts in planning for infrastructure and growth;
- A more clearly defined set of **spatial priorities of county-wide or national significance**, linked with the prioritisation work undertaken at sub-county level and perhaps helping to inform future rounds of funding allocation.

3. Timetable for development

- 3.1. Given that considerable work has already been done in preparing earlier drafts of the new growth strategy, it is anticipated that an initial outline will be prepared for consideration by KMEP in November, with a view to a draft strategy being published in the New Year.

4. Recommendations

- 4.1. KMEP Board is recommended to note this report and to receive an initial outline at the next Board meeting on 10 November.

5. Contact details

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