

**GROWTH ECONOMIC DEVELOPMENT AND  
COMMUNITIES CABINET COMMITTEE**

**Tuesday, 17th May, 2016**

**10.00 am**

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







## AGENDA

### GROWTH ECONOMIC DEVELOPMENT AND COMMUNITIES CABINET COMMITTEE

**Tuesday, 17 May 2016 at 10.00 am**  
**Darent Room, Sessions House, County Hall,**  
**Maidstone**

Ask for: **Christine Singh**  
Telephone: **03000 416687**

*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 A H T Bowles, Mr D L Brazier, Miss S J Carey,  
Mr J A Kite, MBE, Mr G Lymer and Mr C Simkins

UKIP (2) Mr M Baldock and Mr F McKenna

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

Liberal Democrat (1): Mr B E Clark

#### **Webcasting Notice**

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#### **UNRESTRICTED ITEMS**

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

#### **A - Committee Business**

A1 Introduction/Webcast announcements

A2 Apologies and Substitutes

To receive apologies for absence and notification of any substitutes present

A3 Declarations of Interest by Members in items on the Agenda

To receive any declarations of interest made by Members in relation to any matter on the agenda. Members are reminded to specify the agenda item number to which it refers and the nature of the interest being declared

A4 Minutes of the meeting held on 3 March 2016 (Pages 7 - 18)

To consider and approve the minutes as a correct record

A5 Verbal updates by Cabinet Members

To receive verbal updates by Cabinet Member for Economic Development and Cabinet Member for Community Services.

A6 PRESENTATION

- Economic Impact of Turner Contemporary – Mike Hill, Cabinet Member for Community Services and Ms Karen Eslea of Turner Contemporary.

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

B1 Trading Standards - Business Charging Policy (Pages 19 - 28)

To receive a report that outlines the opportunity to generate income for the provision of non-statutory advice to businesses by the Trading Standards Service and seeks endorsement of the proposed decision of the cabinet member to implement the preferred scheme.

## **C - Other items for comment/recommendation to the Leader/Cabinet Member/Cabinet or officers**

C1 Thames Estuary 2050 Growth Commission (Pages 29 - 58)

To receive a report that sets out the role of the Commission and introduces the initial views expressed by Kent County Council.

C2 Skills Commission: Progress report and the potential for devolution (Pages 59 - 64)

To receive a report that provides an overview of progress since the Commission was established. It also outlines the opportunities that may be available to Kent and Medway as part of a 'devolution deal' with Government, and sets out the work that will need to be done over the coming months to bring these forward

C3 Locate in Kent Contract Performance Review (Pages 65 - 70)

To receive a report that provides a review of the performance of the inward investment services contract with Locate in Kent for the period April 2014 to March 2016. It also provides an update on the procurement of a new inward investment services contract

C4 Work Programme 2016 (Pages 71 - 78)

To receive a report that gives details of the proposed work programme for the Growth, Economic Development and Communities Cabinet Committee.

## **D - Monitoring of Performance**

### D1 Performance Dashboard (Pages 79 - 90)

To receive the fourth report for this financial year that shows progress made against targets set for Key Performance Indicators.

## **E - FOR INFORMATION ONLY - Key or significant Cabinet Member Decisions taken outside the Committee meeting cycle**

### E1 Redesign of the Mobile Library Service (Pages 91 - 94)

To receive a report to note on a decision taken between meetings as it could not reasonably be deferred to the next programmed meeting of the Growth, Economic Development and Communities Cabinet Committee.

## **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

**Monday, 9 May 2016**

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

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**KENT COUNTY COUNCIL**

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**GROWTH ECONOMIC DEVELOPMENT AND COMMUNITIES  
CABINET COMMITTEE**

MINUTES of a meeting of the Growth Economic Development and Communities Cabinet Committee held in the Darent Room, Sessions House, County Hall, Maidstone on Thursday, 3 March 2016.

PRESENT: Mr M A Wickham (Chairman), Mr S Holden (Vice-Chairman), Mr M Baldock, Mr A H T Bowles, Mr D L Brazier, Miss S J Carey, Mr B E Clark, Mrs P T Cole (Substitute for Mr G Lymer), Mr J A Kite, MBE, Mr F McKenna, Mrs E D Rowbotham, Mr C Simkins and Mr R Truelove

ALSO PRESENT: Mr M C Dance, Mr P M Hill, OBE, Mr M Wright and Mr P De Wilde

IN ATTENDANCE: Mrs B Cooper (Corporate Director of Growth, Environment and Transport), Mr R Gill (Economic Policy and Strategy Manager), Ms J Ward (Regional Growth Fund Programme Manager), Mr R Fitzgerald (Performance Manager), Miss K Phillips (Strategic Business Adviser - GET), Mr R Moys (Head of International Affairs), Mr J Ratcliffe (Principal Transport Planner - Strategy), Mr M Scrivener (Corporate Risk Manager) and Ms C A Singh (Democratic Services Officer)

**UNRESTRICTED ITEMS****138. Apologies and Substitutes**

*(Item A2)*

Apologies for absence were received from Mr Lymer. Mrs Cole attended as substitute.

**139. Declarations of Interest by Members in items on the Agenda**

*(Item A3)*

No declarations of interest were received.

**140. Minutes of the meeting held on 12 January 2016**

*(Item A4)*

RESOLVED that the Minutes of the meeting held on Tuesday, 12 January 2016 were correctly recorded, subject to Mrs Stockell being included as present as substitute for Mr Bowles and were signed by the Chairman.

**141. Verbal updates by Cabinet Members and Corporate Director**

*(Item A5)*

1. The Cabinet Member for Community Services, Mr Balfour and the Cabinet Member for Community Services Mr Hill gave their verbal updates on issues since the last meeting of this Cabinet Committee.

2. Mr Hill and the Director of Turner Contemporary, Ms Victoria Pomery, attended the LGA Annual Cultural, Tourism and Sports Conference to present a Case Study on Turner Contemporary as a cultural and regeneration project. A report on the economic impact of the Turner Contemporary would be submitted to the May meeting of this Cabinet Committee.

3. The Mobile Library Service Review consultation would conclude on 4 March 2016. There had been over 1000 responses received and generally those responses understood the rationale of the review of the Service. Mr Hill advised that he did not want to delay the implementation of the next stage of the review as this would be costly. Mr Hill advised that he would take the decision in mid-April 2016 before the next meeting of the Cabinet Committee in May. He would therefore follow the procedures set out in the Constitution for taking a decision outside the meeting cycle. There were no comments made by Members present.

4. Mr Dance spoke on business growth and infrastructure in the County. There were concerns regarding the timing of the government's major projects improving the infrastructure in Kent, mainly by Highways England. The issues had been raised with the relevant Minister.

5. Mr Dance advised that he was not aware if works on Junction 5 on the M2, Stockbury roundabout, were to commence in 2019. This was also a concern as this links to Eurolink - the largest industrial estate in the County.

6. RESOLVED that the information given in the verbal updates be noted.

## **142. PRESENTATION**

*(Item A6)*

1. The Enterprise Manager, Mr Marcus Wright, and the Pro Chancellor for Research and Innovation, Mr Phillippe De Wilde, from the University of Kent were welcomed to the meeting by the Chairman and Members.

2. Mr Wright advised that the University of Kent had:

- 20,000 students
- 3500 staff
- £250 million income per year

3. The University of Kent offered a wide range of subjects from the History of Art to Engineering. Students who graduated from the University had a good employability record to date as they gained transferable skills whilst on their courses. The University's vision was for the students to have a fifty year career ahead of them and was keen that what it offered to the students allowed them to perform well and evolve over the fifty year period.

4. The 3,500 staff [not all full time] supported the local economy and influenced the leisure facilities on offer and shops provided in the town. Mr Wilde considered that the retired staff also contributed to the economy as many remained in the local area. Some staff lived in London and commuted to Kent.



5. Mr Wilde explained how the £250m income per year was spent. The student fees were £9,000 per year and they expect high student to teacher ratio which was costly. Members of staff were recruited at an international level and the university had to have competitive salaries and pension funds etc. Mr Wright considered that the universities income was well spent. He added that the university did not have the resources to set up a Venture Capital Fund.

6. Mr Wright gave brief biographical details of his career to date advising that he was from Belgium and his studies were Computer science. He was appointed by the University of Kent in 2014.

7. Mr Wright and Mr De Wilde responded to questions by Members as follows:

a) Mr Wright explained that the living accommodation was rented during the undergraduate student's holidays. The University facilities were also hired for conferences although it made little profit from this.

b) Mr Wright made the following comments:

- There were no plans to have a large engineering school at the University
- He explained that the university course were market driven eg if there was a need for more doctors the University would offer more courses in medicine.
- The University was student focused.
- It was hoped that students would remain in Kent when they completed their studies.
- Property prices and transport prices and efficiency were a consideration for where people decided to work.
- The University ethos was that we have a free market opportunities, skills/innovation.
- Mr Wright advised that it was his role to research innovation by talking to representatives including companies, charities, museums and health and social services.

c) Mr Wright considered that it was a free market where people chose where they wanted to work and it was not the University's focus to fill the skill gaps for local employers in Kent. He said that he had read the report headed "Working together with Kent Universities: Scoping report" to be discussed later on the Committee's agenda and considered that what was proposed in the report made sense. Mr Wright explained that the University spent £1m of its budget per year on working with staff and students to be entrepreneurial. This was to cultivate the right attitude towards risk taking.

d) Mr Wright agreed that there was a lot to do in the field of Information Technology (IT) which was relatively cheap to set up. The University was looking to set up cyber security courses and there was a need to understand psychology behind computer crime.

e) Mr Wright explained that the government determines the courses and the numbers of student places and these were not in the gift of the University to steer. Therefore if the government limits the number of psychology students and expands engineering the University would provide the courses. The courses were also driven by student demand.

- f) Mr De Wilde advised that the Kent Enterprise Hub on the University campus was an inherited space and although it served a purpose it was insular. This had now been rebranded as the Innovation Centre. Mr Wide said that the Discovery Park was on his radar.
  - g) Mr Wilde said that he would welcome business people to the university campus including SMEs to discuss how they could work together. He said that although the University did things that had a varying degree of risk, setting up a Venture Capital Fund would be too high risk.
  - h) He concluded that the courses on Arts and psychology would be sustained.
8. RESOLVED that the information given by Mr Wright and Mr De Wilde in the presentation be noted with thanks

### **143. South East Business Boost**

*(Item B1)*

1. The Economic Strategy and Policy Manager, Mr Gill, introduced a report that explained the SEBB programme and sets out KCC's role and sought the support of the Cabinet Committee to accept Kent's share of the European Regional Development Fund grant allocation for £1.2 million over three years, should it be approved. This will fund a business support programme in Kent and Medway.
2. Mr Gill highlighted that as part of the proposal for the European Regional Development funding (ERDF), KCC had agreed to contribute £8,580 in kind match funding to the project. The project contains a business grant fund: this would be managed by Southend Council.
3. Mr Gill gave the following responses to questions by Members:
  - a) Mr Gill explained that the Kent and Medway Growth Hub signposted businesses to available business support, focusing primarily on small and medium-sized enterprises (SMEs). The South East Business Boost project will supplement this by offering business advisory and support services.
  - b) Successful applications for the ERDF funding are likely to be notified in early May. If the application was not approved KCC would not receive the supplementary ERDF money.
4. RESOLVED that:-
  - (a) the responses to questions by Members be noted; and
  - (b) the Cabinet Committee endorsed the proposed decision to be taken by the Cabinet Member for Economic Development to accept grant funding of up to £1.2 million revenue to deliver the South East Business Boost Programme; and to delegate to the Director of Economic Development the authority to sign a grant offer letter as required on behalf of KCC.

### **144. European Funding Update**

*(Item C1)*

1. The Head of International Affairs, Mr Moys, introduced a report on the outcomes from the opening calls for EU-funded projects in support of economic

development, growth and jobs, particularly under the South East LEP 'ESIF' programme.

2. Mr Moys highlighted the following:

- a) There were delays in approving the Euro plans 2014-20. The projects were launched in 2015; the first results were now being received. There were successes for KCC and Kent eg under the South East LEP European Programme two major projects had been secured; "Inward Investment Kent" project (£1.8 million) aimed at retaining and attracting investment into the science sector and LOCASE project (£2.5 million) to help businesses to shift to a low carbon economy.
- b) KCC Interreg bids had been approved; SME Internationalisation Exchange (SEI) project (£415,000) aimed at facilitating trade links for Kent firms and "PASSAGE" project (£213,000) for reducing carbon in maritime regions.
- c) Kent would have secured over £45 million in EU funding grant by the end of the first quarter of 2016.
- d) Mr Moys concluded that the new programmes were demanding higher quality bids and would have to demonstrate that the outputs such as growth and jobs would be achieved. KCC provides guidance on how preparing bids.

3. Mrs Cooper commended the achievements of Mr Moys and his Team in securing the European funding and supporting the delivery of KCC's core strategic objectives with the funding.

4. Mr Moys noted comments and responded to questions by Members as follows:

- a) Mr Moys advised that Leader funding now covered the whole of the County.
- b) Mr Moys advised that questions had been asked regarding the implications of the UK leaving the European Union. There was no firm legal answer but regarding the programmes the general view was the agreements were contracts and therefore would expect to continue their course through to 2020.
- c) Kent SMEs, through the SME Internationalisation Exchange project, were given the opportunity to speak to potential buyers in Europe. There were firm figures that showed that they had increased their turn over in exports to France, Belgium and Holland.
- d) Mr Moys confirmed that KCC's objectives were aligned with European Commission and European Union including; innovation, supporting SMEs, moving to a low carbon economy, education and training.
- e) A comment was made that improving productivity and GVA could also be added to our objectives.
- f) There were ten successful stage one bids by micro and SMEs and eight of those were from Kent. Mr Moys felt this success was due to the links with the LEADER programme.

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

## **145. Working together with Kent's Universities: Scoping report**

*(Item C2)*

1. The Economic Strategy and Policy Manager, Mr Gill, introduced a report that aimed to identify how KCC and the higher education sector could work together to support economic growth. Mr Gill highlighted opportunities to explore including the sharing of data, sectors, supporting the businesses in Discovery Park. Furthermore, KCC as a public service could support the universities' purchasing power. He suggested that a meeting be held with the four Universities in Kent to take this forward. He sought Members views.

2. Mr Gill noting comments and responded to questions from Members as follows:

- a) Comments were made that KCC needed to forge a stronger link with the four Universities in Kent and that it was not always important what was studied but the skills acquired whilst studying such as analytical skills and time management . There was a need for highly skilled people in the work place.
- b) A suggestion was made that this topic could put forward as a potential Select Committee
- c) A suggestion was made that Officers look at an article in the LGA publication that had an overview of City Deals case studies that brought together Councils and Universities.
- d) A comment was made that Universities needed to engage with the southern areas of the county.

3. RESOLVED that:-

- (a) the comments and the responses to questions by Members and the report be noted; and
- (b) a further report be submitted to the next meeting of the Cabinet Committee outlining a strategic approach to KCC-University engagement.

## **146. Proposed Response to the Highways England Consultation on proposed route options for a new Lower Thames Crossing**

*(Item C3)*

1. The Director of Environment, Planning and Enforcement, Mrs Stewart, introduced a report that outlined a proposed draft response to the Lower Thames Crossing (LTC) route options launched by Highways England (HE) on 24 January 2016.

2. Mrs Stewart highlighted that the report would also be considered by the Environment and Transport Cabinet Committee at its meeting on 11 March and the final version of the response would be submitted to Cabinet on 21 March for approval to meet the HE deadline on 24 March 2016. She advised that there had been engagement with the local councils directly affected by the proposed routes into Kent including Gravesham Borough Council and Medway Council.

3. The report focused on Option C which built on the previous response to the consultation by the Department for Transport (DfT) in 2013 when KCC highlighted the economic growth and transport benefits and the greater network reliance of the creation of a new strategic route from Dover to the Midlands and the North. Concerns had been raised within the response regarding the dropping of C variant and the need for measures to mitigate local and environmental impact as well as the need for compensation scheme for local residents and businesses.

4. The Transport Strategy Manager, Mr Ratcliffe, described the proposed route options set out in the consultation. He advised that Option C was HE's preferred option and within that option there were three potential routes through Essex with two possible alignments in Kent. HE preferred option was to the Eastern Southern Link. This was an entirely new route that had not been considered. In the 2013 consultation HE's proposed alignment ran through Shorne village, Shorn Woods and connected to Junction 1 of the M2. This route had been changed to skirt round the edge of Shorne and then connect into Junction 1 of the M2. KCC's response in 2013 argued strongly against that initial alignment by DfT and put forward an alternative Link which was now being described as the Western Southern Link. This provides a connection into the Gravesend East junction, skirting round the Eastern edge of Gravesend, between Thong and the eastern side of Gravesend and then a bored tunnel just south of the Lower Higham Road. There was a new proposed junction on the A226. KCC's proposed response to the consultation would continue with its support for the Western Southern Link option within Option C subject to some further modifications of the junction design put forward. Mr Ratcliffe stressed that the detailed design had not been produced and those in the consultation were purely illustrative. The detailed designs would be produced after the Secretary of State had chosen a preferred route. KCC would not be supporting the proposed junction at the A226 because strategic traffic should remain on the strategic road network.

5. Mrs Stewart and Mr Ratcliffe noted comments and responded to questions by Members as follows:-

- a) The Cabinet Member for Economic Development, Mr Dance commented on the economics of the County and the predicted 10% increase in freight traffic year on year through the Channel Tunnel and the Port of Dover. He stated that Option C was the preferred option that offered choice.
- b) The Local Member for Gravesham Rural, Mr Sweetland, thanked the Chairman for being allowed to speak at the meeting. He advised that he did not support Option C. He was speaking on behalf of the 16,500 electorate in his area of which 63% voted for the current administration and felt let down. Mr Sweetland had received a petition from the Villages of Shorne, Cobham, Higham and Chalk with nearly 3500 signatures. This had triggered the opportunity for the petitioners' views to be heard at the next Environment and Transport Cabinet Committee on 11 March. He also raised the following points:
  - The outcome of this item at the Cabinet Committees was a fait accompli.
  - Kent did need growth but considered that there would be no growth but there would be gridlock.
  - There needed to be an assurance that the option chosen by the Secretary of State this was scrutinised to avoid gridlock.

- One area that KCC was keen to promote in 2013 was Option C variance.
  - How would the predicted increased traffic in ten years' time travel to another crossing built at East of Gravesham.
  - The HE consultation did not address a case for upgrading existing roads such as Bluebell Hill or the A249 or the A227 which were routes used by existing traffic that were already congested.
  - There would be a need for an interchange for traffic to get to the M2 and A2 which had not been mentioned in the consultation. KCC had previously addressed this in its response in 2013.
  - The issues of air pollution had been observed over the years at Dartford. Gravesham did not want the same issues in the area.
  - The reference to additional housing growth was not included in Gravesham's Local Plan and this should be addressed with Gravesham Borough Council.
  - The HE Consultation had been poorly handled. Firstly, only Option C was going to be consulted on, then Option A was added. The Consultation was leaked a week early which cause confusion; and only 10% of the supporting documentation was made available.
  - The Chairman and Mrs Cooper advised that KCC's response did address the issues of the Option C Variant in paragraph 3.9 page 54 of the report.
- c) A comment was made that a status quo was not an Option. This was about Kent, South East England and the UK economy and support should be given to the proposed response.
- d) Comments were made that the criticisms outlined on page 81, section 9 of the report of HE's handling of the consultation; and the issue of compensation was in Appendix C, page 81 under paragraph 8.6 of the report were welcomed.
- e) Support was given to the suggestions for further improvements to the existing road network.
- f) A comment was made about the A226 and standing traffic would create air pollution that did not exist in the Shorne Country Park
- g) A Member expressed concern that the A229 and A249 were being considered as links between the A2 and M20.  
Mrs Stewart advised that the response did refer to wider network improvements in Appendix C, page 78 paragraph 7.8. The DfT has advised that they would discuss the issues in the wider investment programmes.
- h) A Member commented that making a link to the A226 would be an unparalleled disaster as it would open up an alternative rat run route that everyone would try to use especially when there were issues on the main routes and the effects on the local communities would be disastrous.
- i) The options do not move the economic benefit to the Swale area but potentially moved some of the disbenefits to Swale.
- j) For the Kent economy Option C was the right option but from an environmental point of view it has to be questioned whether increased traffic can be diverted from the M20 onto the A2 M2 corridor whilst not guaranteeing improvements on that corridor..
- k) It was suggested that Option C was not a solution as it created a new exit for traffic leaving the A2. To keep the traffic flowing it would be preferable

to improve the existing roads and improve the existing junctions. It was suggested that HE retained Option A because; (i) it was the cheapest and most likely to happen in the short term; and (ii) once you were on the road and kept traffic moving was the best way to get to a destination.

l) Further comments were made as follows:

- that Option C was poorly thought out as most traffic would already be on the M25 and moving the traffic onto the A2/M2 corridor was not a solution as those roads would be unable to cope with the increase in traffic.
- KCC had set out a range of proposals but the conversations with DfT had not been reflected in the response.
- Members were being asked to respond to an option that would bring gridlock to the other side of the County.
- KCC should request further information regarding Option A, if this option was upgraded it was far more realistic.
- A comment was made that KCC was doing it all it could do to; protect local people and the environment.

6. RESOLVED that responses by Members be noted and the comments be considered by the drafting officers of the proposed response to the Highways England consultation on a proposed route for a new Lower Thames Crossing.

#### **147. Growth, Environment & Transport Directorate Business Plan 2016-17** (Item C4)

1. The Corporate Director for Growth, Environment and Transport, Mrs Cooper, introduced a report that outlined the early draft Growth, Environment and Transport Directorate Business Plan for 2016-17 as set out in Appendix 1 of the report which would be used to help shape and inform the final version of the Directorate Business Plan to be published on line in April 2016. Mrs Cooper highlighted key sections of the draft, including the priorities for the whole of Growth, Environment and Transport, a commissioning timetable to guide the Commissioning Advisory Board and Cabinet Committees going forward as to which commissions they would like to look at, a section listing internal and external services which indicates when internal services would be reviewed, and cross-cutting priorities. Members noted that the Performance Indicators were to be developed further for the final business plan.

2. Mrs Cooper outlined the key cross-cutting priorities:

- Implementing GET's Customer Service Programme
- Continuing GET's commissioning journey
- Progressing devolution and District Deals, with a focus on developing commissioning and strengthening our partnerships.
- Developing and implementing our countywide strategies such as the Growth and Infrastructure Framework, Kent Environment Strategy and Local Transport Plan 4.
- Embed the Prevent strategy within the directorate.

3. Mrs Cooper noted comments and responded to questions by Members as follows:

- a) Mrs Cooper agreed to take comments on the draft Business Plan outside of this meeting and agreed with Mr Bowles' request that Mrs Cooper and Mr Cockburn speak with the Chair and Vice Chair of the Commissioning Advisory Board about which commissioning activity to consider for its forward plan.
- b) Mrs Cooper advised that the directorate risks listed on page 113 of the report had remained at medium risk rating for most of this year, and that this is considered an acceptable level of risk given that to get them to green may be too costly or unobtainable.
- c) Some Members commented in favour of the new commissioning activity table on pages 96-100 of the report and some were finding it difficult to understand. Mrs Cooper advised that there had been a lot of discussion about ways to simplify the format. Mr Hill added that he felt this format reflected Cabinet Members' priorities better than before.

4. RESOLVED that:-

- (a) the comments and the responses to questions by Members and the report be noted; and
- (b) the directorate business plan would be published online in April 2016 be noted.

**148. Work Programme 2016**  
(Item C5)

RESOLVED that the revised work programme for 2016 be noted.

**149. Risk Management: Growth, Environment and Transport**  
(Item D1)

1. The Corporate Risk Manager, Mr Scrivener, introduced an annual report that contained strategic or cross cutting risks that potentially affect several functions across Growth, Environment and Transport directorate. There were currently six directorate risks featured on the GET risk register none of which were rated "High". The Corporate Director for Growth, Environment and Transport was also designated as the Lead for two corporate risks relating to CRR3 and CRR4.
2. Mrs Cooper explained that Property Services was procuring a single monitoring system for S106 and CiL agreements and payments, across all County Council Directorates.
3. RESOLVED that the directorate risk register and relevant corporate risks outlined in appendices 1 and 2 be noted.

**150. RGF Programmes and Framework for Monitoring Report**  
(Item D2)

*(Mr Bowles declared that he was a Board Member of the TIGER Fund Programme appointed outside KCC)*



1. The Regional Growth Fund Programme Manager, Ms Ward, introduced a report that provided an update on the allocation of funds from the three schemes Expansion East Kent, Tiger and Escalate that provide funds for companies with investment plans that would lead to job creation in the format agreed by the Cabinet Committee. Ms Ward highlighted that Expansion East Kent had just closed and was no longer open to new applicants. The funding allocation would cease at the end of March 2016. In the report to the next meeting all three RGF programmes would include all the companies that Kent currently worked with in the monitoring cycle.
2. Ms Ward responded to questions by Members as follows:
  - a) Ms Ward advised that a comparison report had been produced to show if there are any trends. She advised that for this report no more companies had entered into bad debt. Some of the Red ratings were changing to Amber and the Greens were increasing, due primarily to officers being more robust now in ensuring returns are received.
  - b) Ms Ward explained that the companies coming into the report were largely Start Ups, some were equity investments and were higher risk. She considered that the mechanisms put around those companies as Start Ups would greatly increase their chances of success.
  - c) There was uncertainty on the percentage of safeguarding and jobs created overall. The overall figure was a job created or safeguarded. With regard to the reduction in the level of jobs there were two or three companies that had not created jobs but this was due to a delay and in the next six months they would be in place.
3. RESOLVED that the responses to questions by Members and the report be noted.

### **151. Performance Dashboard** *(Item D3)*

1. The Business Intelligence Manager for Performance, Mr Fitzgerald, introduced the third report for this financial year report on the performance against targets for the Key Performance Indicators included in this year's Directorate Business Plans. He highlighted that the online contacts for the Libraries and Registration and Archives Service was behind target. The digital offer had been improved and more residents had taken that up but it appeared that the trend on this indicator was downwards following the national general trend on visits and book issue KCC was actively promoting the digital offer to see what can be done to improve those figures. The remaining performance indicators were reasonably good. He referred to the context indicators showing that Kent's employment was down from the national average. He explained that this was from a sample survey which was an estimate, and was not entirely consistent with the job seekers allowance but Kent was improving over time.
2. Mr Fitzgerald and Mrs Cooper responded to questions by Members as follows:
  - a) Mr Fitzgerald agreed to provide more information in the next report on why indicators were red to put it in context.
  - b) Members were advised that the new LRA service was to be launched in April. Mr Stephens and Mr Hill would be looking at every branch of library to see how the number of visits and online contacts could be increased.

Libraries had been given the challenge to understand the communities that they were servicing whilst not alienating existing users to find ways of increasing usage of the libraries.

- c) Mr Hill considered that the red indicators represented a tiny percentage and overall customer satisfaction was high at 98%.
  - d) The ceremonies indicated in the summary were wedding ceremonies.
  - e) A comment was made that the RAG system was useful and those indicators that were Red should be kept under review.
3. RESOLVED that the comments and responses to questions by Members and the report be noted.

**From: Mike Hill, Cabinet Member for Community Services**  
**Barbara Cooper, Corporate Director for Growth, Environment and Transport**

**To: Growth, Economic Development and Communities Cabinet Committee – 17 May**

**Subject: Decision No: 16/00048- Trading Standards – Business Charging Policy**

**Classification: Unrestricted**

**Future pathway of paper: Cabinet Member Decision**

**Summary:** This report outlines the opportunity to generate income for the provision of non- statutory advice to businesses by the Trading Standards Service and seeks endorsement of the proposed decision of the cabinet member to implement the preferred scheme.

**Recommendations:**

The Cabinet Committee is asked to consider and endorse, or make recommendations to the Cabinet Member for Community Services on the proposed decision to:

1. agree the introduction of a charging policy for the provision of advice to businesses by the Trading Standards team.
2. agree a charging policy in line with option 3; the first hour free for tailored advice to a maximum of one hour (for the lifetime of the business) and £70 per hour thereafter
3. agree that the service will provide fully chargeable advice to businesses located outside of the County of Kent
4. Further explore opportunities to work collaboratively with other authorities and to delegate the decision to undertake such arrangements where appropriate to the Head of Trading Services in consultation with the Cabinet Member for Community Services

**1. Introduction**

- 1.1 Historically Kent Trading Standards has offered free consumer protection legal advice to businesses based in Kent.

- 1.2 Those firms with their head office in Kent and providing goods and services outside the County benefited from a formal 'Home Authority' relationship, whereby Kent Trading Standards would provide advice to the business and co-ordinate with Trading Standards from around the country to lead on the relationship with that business for all consumer protection matters. This system was duplicated around the country. There was no charge for this and businesses would receive the level of support their local Trading Standards service could 'afford' to give them.
- 1.3 The introduction of the Regulatory Enforcement and Sanctions Act 2008 (RES Act) provided a statutory basis for Trading Standards and other enforcement bodies (e.g. Environmental Health) to enter into a legally recognised partnership with a local authority to receive assured advice on complying most efficiently with regulation, known as a Primary Authority Partnership (PAP).
- 1.4 Businesses were not restricted as with the Home Authority relationship and could "shop around", choosing which Trading Standards service they wished to do business with.
- 1.5 The Act allows a local authority to charge the business for this work on a cost recovery basis in relation to the functions of the PAP. Kent Trading Standards adopted this approach at least two years ago and is now charging on a cost recovery basis £70+ VAT per hour.
- 1.6 Following the restructure of the Trading Standards Service in September 2015, a new team dedicated to providing businesses advice was created. This reflected the outcomes in the Facing the Challenge document, transforming customer service and using their expertise to maximise income by providing paid-for bespoke advice to local businesses.
- 1.7 There is, however, currently a dichotomy whereby businesses that have entered into a Primary Authority relationship are charged for business advice they receive, whereas those that have not, are able to receive tailored advice free of charge. This paper requests that this policy is changed to create a level playing field and fairer charging policy for proactively requested advice.
- 1.8 Furthermore several Trading Standards services in the South East, including London Boroughs either do not or are unable (due to lack of staff) to provide comprehensive advice to their local businesses. These businesses may be willing to pay for that advice from another Trading Standards service, providing opportunities to market these paid services to this wider audience and thereby increasing income opportunities.

## **2. Financial Implications**

- 2.1 Adopting this policy will allow for income generation, as the cost of providing business advice will be recovered on a cost recovery basis.

- 2.2 There are financial implications for businesses who have previously benefitted from receiving free tailored advice from Trading Standards if this policy is approved as they will be expected to pay for the service.
- 2.3 However the proposal will include the provision of free sign posting advice along with an initial hour of free tailored advice for the lifetime of the business.
- 2.4 Beyond this, businesses will be charged for advice they seek from Trading Standards. The rate of charging however is significantly less than a similar advisory service available from a solicitor and is benchmarked as being within the range of charges by other Trading Standards Services in the South East.

### **3. Corporate objectives**

- 3.1 The policy if amended will help to achieve the strategic outcomes in the Councils 5 year vision statement 'Increasing Opportunities, Improving Outcomes' that 'All Kent's communities benefit from economic growth and lower levels of deprivation'.
- 3.2 In order to thrive, businesses need access to good quality, value for money regulatory advice to ensure they are trading within the law, and to assist businesses at start up and expansion.

### **4. Trading Standards Business Charging Policy- The Proposal**

#### **Provision of Business Advice**

- 4.1 The Trading Standards restructure in September 2015 established a Business Advice Services team. This amounts to 5.6 FTEs. The team's remit is to manage Primary Authority partnerships and provide advice to business in its widest sense e.g. individual business advice, training seminars and guidance leaflets.
- 4.2 Kent Trading Standards currently provide free business advice to those businesses who do not want a formal Primary Authority Partnership. As the dedicated business support team function develops, a policy change is required to allow Trading Standards to charge for all business advice above and beyond basic compliance advice.
- 4.3 By offering this additional paid for service, businesses will be able to request bespoke advice tailored to their needs to help them comply with the law and grow their business. Cost recovery under Primary Authority is currently set at £70+VAT per hour. The proposal is that the same rate is charged for business advice outside of Primary Authority.
- 4.4 This proposal, based on demand for business advice from Trading Standards in 2015/16 has the potential to generate in the region of £50,000. This sum if realised would fund a full time Trading Standards Officer post.

- 4.5 The proposed change in charging policy will not prevent Trading Standards providing free business advice to those higher risk businesses caught by an ongoing annual inspection programme, businesses contacted as a result of a complaint, or proactive business education activities aimed at resolving issues in certain sectors. For example, given the potential risk from animal disease and the economic pressure on the sector advice on animal health to farmers typically falls outside any charging regimes.
- 4.6 Trading standards are exploring ways of providing a collaborative and comprehensive commercial business support service with Trading Standards services in East and West Sussex. By building on the Trading Standards service's good reputation and brand built up by Kent Scientific Services there are potential benefits of working together to provide mutual support, service provision resilience and sharing of specialist expertise.
- 4.7 Working together also provides a wider target audience of businesses willing to pay for consumer protection legal advice. Trading Standards would charge for advice provided to businesses based outside of Kent.

### **Options**

- 4.8 **Option 1:** Continue to provide free advice to businesses in Kent. Given that Trading Standards already charge for Primary Authority Partnerships, this does create an uneven playing field for businesses. If Trading Standards continue to provide free advice to businesses, this will limit the amount of advice they can receive within dedicated resources, unless they enter into a formal PAP, which doesn't suit all businesses needs, and is not possible for smaller business working within Kent borders. By missing out on potential income from paid for advice, Trading Standards will have less resources to focus on protecting the most vulnerable consumers, who are unable to help themselves.
- 4.9 **Option 2:** Charge for all business advice at all times at a rate of £70 per hour. This option would increase income and allow businesses to pay for bespoke tailored advice. However, some businesses may require simple basic advice at business start up or diversification which they can ill afford at that time. Charging for all business advice may deter those that need support most at a critical stage of their business.
- 4.10 **Option 3:** Charge for most business advice at a rate of £70 an hour, with the exception of new business start ups, or businesses that have not approached Trading Standards for advice previously, who will receive an hours free advice and free sign posting at any time. This is the preferred option, providing a balance between increasing income and offering a wider range of paid for business supports services, and helping businesses at the start up stage when they are at their most vulnerable to failure.

## 5. Risks

- 5.1 **Businesses are not willing to pay for Trading Standards advice resulting in lower levels of compliance.** This will be mitigated by providing a service signposting businesses to free advice from sources such as Business Companion website, which is a comprehensive one stop shop for consumer protection run by the Chartered Trading Standards Institute and on behalf of BIS, specifically aimed at SMEs. The risk is further reduced by providing an hour of free advice for the lifetime of the business, once the business has registered with Trading Standards. This will enable Trading Standards Officers to advise on the immediate issues, identify other business needs, signpost where appropriate and identify potential areas for further chargeable development.
- 5.2 It should also be noted that this does not prevent Trading Standards providing free business advice to those higher risk businesses caught by an ongoing annual inspection programme, businesses contacted as a result of a complaint, or proactive business education activities aimed at resolving issues in certain sectors. Furthermore the small minority of traders that refuse to seek advice and guidance are unlikely to do so regardless of Trading Standards Charging policy.
- 5.3 **Demand for Trading Standards advice exceeds the capacity available.** The extra income generated can be utilised to buy in additional resources on a flexible basis.
- 5.4 **Increased liability for providing advice for which a charge has been made.** Professional indemnity insurance is in place which covers the financial risk of claims against the authority for incorrect advice.

## 6. Legal implications

- 6.1 There are no legal implications of the charging policy change proposal.

## 7. Equalities implications

- 7.1 There no equalities implications as a result of the charging policy change proposal. An equalities impact assessment has been completed seperately.

## 8. Conclusions

- 8.1 As the Trading Standards business support function develops, the next step is to align all business advice services and provide a range of paid for options to businesses, with an intial free hours advice at the start up phase.
- 8.2 There is significant opportunity to offer paid-for services to businesses based outside of Kent, who either can not access these services locally, or who would prefer to receive advice from a more commercially aware team within a larger service with a good reputation for customer service and timely advice and guidance.

- 8.3 By maximising income, Trading Standards can focus resources on protecting the most vulnerable consumers.
- 

## **9. Recommendations:**

The Cabinet Committee is asked to consider and endorse, or make recommendations to the Cabinet Member for Community Services on the proposed decision to:

1. agree the introduction of a charging policy for the provision of advice to businesses by the Trading Standards team.
  2. agree a charging policy in line with option 3; the first hour free for tailored advice to a maximum of one hour (for the lifetime of the business) and £70 per hour thereafter
  3. agree that the service will provide fully chargeable advice to businesses located outside of the County of Kent
  4. Further explore opportunities to work collaboratively with other authorities and to delegate the decision to undertake such arrangements where appropriate to the Head of Trading Services in consultation with the Cabinet Member for Community Services.
- 

## **10. Background Documents**

Regulatory Enforcement and Sanctions Act 2008

## **11. Contact details**

Report Author  
Steve Rock, Head of Trading Standards  
03000 414137  
Steve.rock@kent.gov.uk

Relevant Director:  
Barbara Cooper, Corporate Director for Growth, Environment and Transport  
03000 415981  
Barbara.Cooper@kent.gov.uk



## KENT COUNTY COUNCIL – PROPOSED RECORD OF DECISION

**DECISION TO BE TAKEN BY:**

**MIKE HILL, CABINET MEMBER for COMMUNITY SERVICES**

**DECISION NO:**

16/00048

**For publication**

**Key decision: No**

### TRADING STANDARDS – BUSINESS CHARGING POLICY

**Decision:**

As Cabinet Member for Community Services, I propose to agree:

1. the introduction of a charging policy for the provision of advice to businesses by the Trading Standards team.
2. that the charging policy be as set out in option 3 of the report; the first hour free for tailored advice to a maximum of one hour (for the lifetime of the business) and £70 per hour thereafter
3. that the service will provide fully chargeable advice to businesses located outside of the County of Kent
4. to explore opportunities to work collaboratively with other authorities and to delegate the decision to undertake such arrangements where appropriate to the Head of Trading Services in consultation with myself as Cabinet Member for Community Services

**Governance:**

With the exception of any specific delegations provided for in the decision text the Executive Scheme of Delegation for Officers set out in Appendix 2 Part 4 of the Constitution (and the directorate schemes of sub-delegation made thereunder) provides the governance pathway for the implementation of this decision by officers as it assumes at 1.9 of the scheme that once a Member-level decision has been taken, the implementation of that decision will normally be delegated to officers, so that multiple Member decisions are not required in respect of the same matter.

In this instance, the Head of Trading Services will be the lead officer seeking to ensure that all such steps as are necessary to implement the decision are undertaken.

**Reason(s) for decision:**

In order to standardise the charging structure for advice provided by the Trading Standards team, to allow for improved services tailored to the individual needs of businesses and to generate income whilst still maintaining protections for the most vulnerable businesses to seek and receive advice without charge.

In addition the decision will allow KCC to explore, and enter, collaborative working arrangements with other councils where appropriate.

**Cabinet Committee recommendations and other consultation:**

The Growth, Economic Development and Communities Cabinet Committee will consider the matter at the meeting scheduled for the 17 May and the Cabinet Member will have regard to any comments received on taking the decision.

**Any alternatives considered and rejected:**

Alternative options (No charge and charging without exception) are set out within the report as are the reasons for the recommendation of option 3.

**Any interest declared when the decision was taken and any dispensation granted by the Proper Officer:**

None

.....  
signed

.....  
date



## **Equality Impact Assessment-Trading Standards Policy Change- Charging for Business Advice 4 May 2016**

### **Context of Policy Changes**

Trading Standards are seeking approval to implement changes to the charging policy to allow charges to be made for almost all of the business advice it provides, not just Primary Authority Partnerships (PAP) as present.

### **Aims and Objectives**

Trading Standards are seeking to standardise their provision of business advice and charge for bespoke tailored advice requested by businesses, not just those who have formal PAP in place.

The aim is to commercialise business advice and provide a higher level of bespoke service whilst also maximising income potential. This will free up resources to protect the most vulnerable consumers who are unable to help themselves.

### **Beneficiaries**

Kent consumers, Kent based businesses and businesses based in south east who currently do not have access to paid for advice from Trading Standards.

### **Potential Impact**

The EqlA focuses on the potential for impacting on those people who are covered by one or more of the nine protected characteristics which form the basis of all our identities. They are:

- Age
- Disability
- Gender
- Gender identity
- Race
- Religion / belief or none
- Sexual orientation
- Pregnancy and maternity
- Marriage and civil partnership

## **Initial screening**

The policy change does not impact on any of the nine core areas specifically.

Trading standards staff who provide the business advice service are bound by the standards set by Kent County Council in relation to equality of access of services and the provision of additional support for those who require it. There is nothing in the policy change that would affect the continued delivery of those standards.

As the first hour of business advice is provided free regardless, the identified most vulnerable group - those businesses at start up stage - are provided with free advice to assist them in complying with consumer protection law and what is required of them to help their business flourish.

If any business owner or employee needs additional assistance due to mobility issues, language or other cultural issues, or has other commitments such as caring responsibilities these can be taken account of when the business advice is given, e.g:

- Provide key advice in alternative formats and other languages when requested
- Meet face to face if preferred by the person requesting advice
- Visit the person requesting advice if they have mobility issues
- Arranging to advise the person at a time that takes account of their other commitments

There is no evidence that this policy change would cause any group or persons to be excluded from the services provided.

## **Conclusion**

There is no identified negative impact from the proposed policy change on any group covered by the nine core protected characteristics as set out in the Equalities Act 2010. There is the potential for positive impact; as income is generated, resources may be strengthened thereby allowing further adjustments to be considered reasonable in any consideration of such matters.

The initial screening is sufficient and no further action is required.

**Steve Rock**  
**Head of Trading Standards**  
4/5/2016

**By:** Mark Dance, Cabinet Member for Economic Development  
Barbara Cooper, Corporate Director for Growth, Environment and Transport

**To:** Growth, Economic Development and Communities Cabinet Committee - 17 May 2016

**Subject:** Thames Estuary 2050 Growth Commission

**Classification:** Unrestricted

**Past pathway of paper:** None

**Future pathway of paper:** None

**Electoral Division:** All

### Summary

In March, the Government announced the establishment of a Thames Estuary 2050 Growth Commission, chaired by Lord Heseltine, to examine the long term potential of the Estuary and how this may be delivered. The Commission is expected to report by autumn 2017.

This report sets out the role of the Commission and introduces the initial views expressed by Kent County Council.

### Recommendation

The Growth, Economic Development and Communities Cabinet Committee is recommended to CONSIDER this report and to NOTE KCC's initial response to the Commission

## 1. Introduction: The Thames Estuary 2050 Growth Commission

1.1 In the March 2016 Budget statement, the Chancellor of the Exchequer announced the establishment of a Thames Gateway 2050 Growth Commission, to be chaired by Lord Heseltine. The Growth Commission is intended to:

*"... develop an ambitious vision and delivery plan for North Kent, South Essex and East London up to 2050. This will focus on supporting the development of high productivity clusters in specific locations. It will examine how the area can develop, attract and retain skilled workers. It will also look at how to make the most of opportunities from planned infrastructure, such as the Lower Thames Crossing."*

1.2 At the time of writing, the specific terms of reference and the membership of the Commission have not yet been published. However, in addition to Lord

Heseltine, it is anticipated that the Commission will include the Secretary of State for Communities and Local Government and the Minister for the Thames Gateway. It is also understood that the Commission will include a number of prominent experts in planning and development, with the full list of members likely to be published shortly.

- 1.3 The geographic area on which the Commission will focus will extend along the North Kent coast, to include Canterbury and Thanet, as well as those districts which were previously included in the Thames Gateway (Dartford Gravesham, Swale and Medway). It is anticipated that the Commission will finally report back to Government in autumn 2017. It is likely however that interim findings will be published later this year.

## **2. Kent County Council and the Growth Commission**

- 2.1 Last month, KCC submitted an initial response to the Growth Commission, attached as Annex 1. This highlighted the major challenges and opportunities facing the Thames Estuary and welcomed the Commission as a reflection of continued Government support for the Thames Gateway as a priority for economic development and regeneration. While much has already been delivered, the area remains the most significant opportunity for growth in London and the South East.
- 2.2 The response also recommends a series of issues that the Commission should consider within its terms of reference, including:
  - The impact of rising traffic volumes in the A2/M2 Corridor and the need for further infrastructure improvements linked with the delivery of the Lower Thames Crossing. The response recommends that the Growth Commission takes into account the infrastructure constraints on the whole A2/M2 corridor, including the A2 from Brenley Corner to Dover, which is assumed to be outside the Commission's formal area of focus;
  - Solutions to the infrastructure funding gap identified in the Growth and Infrastructure Framework, noting that relatively high infrastructure costs and (in parts of the Estuary) low values impede delivery;
  - Maximising the benefits of High Speed One, particularly taking into account high commuting costs and the need for further investment (such as Thanet Parkway) to reduce journey times;
  - Addressing the costs of economic polarisation through investment in skills and community infrastructure;
  - Ensuring that new development is of high quality, reflecting the Commission's long-term objectives.
- 2.3 In addition, the response recommends that there is local representation from each of South Essex, the North Kent coast and East London on the Commission itself.

### **3. Moving forward**

- 3.1 While the issues highlighted in KCC's initial submission to the Growth Commission are not new, the Commission does present an opportunity to develop a consensus with Government on how the challenges to delivery may be overcome. Once the Commission's full membership and terms of reference have been announced, it is anticipated that it will begin work quickly. KCC, with partners in Thames Gateway Kent Partnership, as well as Thanet and Canterbury and the rest of the Estuary, will seek to work closely with the Commission to ensure that our priorities are considered.

### **4. Recommendation**

- 4.1 The Growth, Economic Development and Communities Cabinet Committee is recommended to CONSIDER this report; and NOTE KCC's initial response to the Commission.

### **Contact details**

Report author: Ross Gill, Economic Strategy and Policy Manager  
03000 417077  
[ross.gill@kent.gov.uk](mailto:ross.gill@kent.gov.uk)

Relevant Director: David Smith, Director of Economic Development  
Telephone: 03000 417176  
Email: [david.smith2@kent.gov.uk](mailto:david.smith2@kent.gov.uk)

### **Annex**

Annex 1: The Thames Estuary: Opportunities and Challenges: KCC's initial submission to the Thames Estuary 2050 Growth Commission

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# The Thames Estuary: Opportunities and challenges

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April 2016





# Foreword

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**Dear Lord Heseltine,**

I am delighted that you are to chair the new Thames Estuary 2050 Growth Commission.

In the early 1980s, you made bold decisions to revitalise the East Thames corridor. These have transformed its development. Beginning with the establishment of the London Docklands Development Corporation in 1981, new infrastructure, private investment and long term planning have refocused London's future to the east, building new opportunities on a global scale, where once there was industrial decay.

These opportunities have benefited Kent. Our rail infrastructure is greatly improved as a result of High Speed One. The former dockyards at Chatham now host a modern university campus. The great chalk quarries and industrial sites at Dartford and Gravesham contain Bluewater and Ebbsfleet International – with the prospect of major additional development.

Yet if we are to unlock the enormous potential of the Thames Estuary, we need to take a fresh, creative and long-term view. After a generation of development, the productivity of the Estuary still lags behind that of the economic corridors to London's north and west – so new investment must bridge this gap. While I greatly welcome the Government's commitment to a Lower Thames Crossing east of Gravesend, it is vital that we address the impact on our wider road network of rising international freight as well as local housing growth. And with planned growth far above the national regional averages – with 87,000 new homes across the North Kent coast by 2031- we must address the constraints that hold back our major sites.

The Government's approach is therefore entirely welcome. In particular, I strongly support the decision to extend the Growth Commission's remit beyond the Thames Gateway boundary to include the whole of North Kent as far as Thanet – an area which has both challenges and great potential.

To support the Commission's early deliberations, this paper sets out Kent County Council's thoughts on the barriers, opportunities and solutions to enable long-term growth – for Kent, the South East and the UK.

I look forward to working with you and with your fellow Commissioners.

Yours sincerely,

**Paul Carter CBE**  
**Leader, Kent County Council**

# Summary: Opportunities and challenges in the Thames Estuary



Page 36

— Historic Thames Gateway boundary

Major locations for growth	
<b>1. Ebbsfleet</b>	15,000 new homes adjacent to international station, and including London Paramount development at Swanscombe. Ebbsfleet Development Corporation established.
<b>2. Rochester Riverside</b>	2,000 homes. Agreement signed with developer; first housing and new station delivered
<b>3. Chatham Maritime</b>	Major new community delivered, including university campus on former dockyard. Scope for further development
<b>4. Rochester Airport</b>	Commercial development adjacent to BAE Systems; Enterprise Zone status granted, with potential for 1,700 jobs
<b>5. Sittingbourne/ Kent Science Park</b>	Major centre for manufacturing and logistics; around 1,500 jobs at Science Park campus.
<b>6. Queenborough and Rushenden</b>	Potential for over 2,000 homes – infrastructure in place, but little housing delivery to date
<b>7. Port of Sheerness</b>	Potential for new housing and commercial development, but complex site, now including former steelworks
<b>8. Herne Bay</b>	Primary location for recent regeneration and new housing in Canterbury district
<b>9. Universities at Canterbury</b>	Strong cluster of three universities, underpinning vibrant local economy and with potential to expand.
<b>10. Margate and Ramsgate</b>	Complex delivery challenges, but opportunities to build on significant

	progress
<b>11. Stonehill Park</b>	Potential for 2,500 homes and significant employment on former airport site
<b>12. Discovery Park</b>	Major centre for life science R&D. Currently 2,400 jobs in Enterprise Zone, with potential to expand to 5,000

Major transport investments	
<i>The A2/M2 Corridor</i>	
<b>A. Lower Thames Crossing</b>	Nationally vital and essential to growth of Estuary. Consultation on preferred option now closed.
<b>B. A2 Bean and Ebbsfleet junctions</b>	Essential junction improvements to access Ebbsfleet and Swanscombe. Now included in Roads Investment Strategy
<b>C. M2 Junction 5</b>	Vital to unlock sites in Sittingbourne and Sheppey. Included in Roads Investment Strategy
<b>D. M2 Junction 7</b>	Improvement required to enable traffic from Dover to access Lower Thames Crossing for routes north
<i>Rail connectivity</i>	
<b>E. Ebbsfleet International</b>	HS1 highly successful; need to increase train capacity and proposals coming forward for Crossrail extension
<b>F. Thanet Parkway</b>	New station to access High Speed One , bringing journey times from East Kent to London to within an hour

# 1. Introduction

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Kent County Council welcomes the establishment of the Thames Estuary 2050 Growth Commission. The wider Thames Estuary is the largest single opportunity for new housing and commercial growth in the South East: it is vital to London's growth as a world city and to the success of the UK economy.

We must plan now for the long-term future of the Estuary, ensuring the infrastructure, skills and innovative capacity that will make the greatest contribution to national productivity. But we must also overcome the capacity constraints that impede delivery. This paper sets out KCC's initial assessment of the issues that the Growth Commission should address and includes some recommendations for the Commission's consideration.

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## 1.1. Welcoming the Thames Estuary 2050 Growth Commission

1.1.1. In the March 2016 Budget Statement, the Chancellor of the Exchequer announced the establishment of a Thames Estuary 2050 Growth Commission, to be chaired by Lord Heseltine. The Growth Commission is intended to:

*"... Develop an ambitious vision and delivery plan for North Kent, South Essex and East London up to 2050. This will focus on supporting the development of high productivity clusters in specific locations. It will examine how the area can develop, attract and retain skilled workers. It will also look at how to make the most of opportunities from planned infrastructure such as the Lower Thames Crossing"<sup>1</sup>*

1.1.2. This renewed national focus on the Thames Estuary is welcome. For 35 years, the revitalisation of East London, South Essex and North Kent has been recognised as a priority, offering the capacity to support the growth of London and the South East. It also presents an opportunity to build a new economic future in an area historically characterised by the rise and fall of heavy industry.

1.1.3. Much has been achieved to date. In many ways, the Thames Estuary has been transformed since the first plans to regenerate London's Docklands were developed in the early 1980s. Today, Canary Wharf alone employs more financial services workers than Frankfurt, transport connectivity is greatly improved and environmental quality much enhanced. In North Kent, iconic developments such as Bluewater, Ebbsfleet International and the Universities at Medway have anchored high quality residential and commercial developments on land formerly occupied by heavy,



extractive and port-related industries. Superb waterfront development has taken place on former industrial sites in Chatham Maritime and at Greenhithe, and after many years of major environmental works and infrastructure, new development is set to be delivered at Rochester Riverside. Further east, cultural investment in facilities such as the Turner Contemporary at Margate are starting to transform the fortunes of the East Kent coast. There is also the scope to deliver much more, if we can bring forward those locations – such as Queenborough and Rushenden on the Isle of Sheppey – which have planning and infrastructure in place and the potential to offer very high quality development if we can overcome the constraints on viability.

- 1.1.4. However, the renewal of the Thames Estuary is a long-term endeavour. It is also not just about remediating the legacies of the past: it is about creating a corridor of economic opportunity in which people choose to live and work and which makes a substantial positive contribution to the economy of London and the South East and the rest of the UK.
- 1.1.5. The last comprehensive, independent review of the potential of the Thames Estuary took place with the publication of the 'Thames Gateway Planning Framework', RPG9a, in 1995<sup>2</sup>. RPG9a set out a long-term vision for the Thames Gateway, setting out shared aspirations for economic growth, housing, transport and the environment and identifying opportunities in specific strategic locations. Since its publication, many of the major projects highlighted have been delivered and the wider economic context has changed substantially.
- 1.1.6. However, the publication in 2014 of *Go East: Unlocking the Potential of the Thames Estuary* highlighted the gap between the potential of the Estuary and the delivery of economic change:

*"The potential for development in the East Thames area remains significant. Indeed major transport investments over the past twenty years have only increased the scale of the opportunity. Despite this however, house building and employment growth have been painfully slow... The justification for continuing to focus on the Thames Gateway therefore depends on whether a new approach can be found that can unlock significant new development. If this can be done, then the case for it remains strong"*<sup>3</sup>

- 1.1.7. The *Go East* report offered several new proposals for maximising the opportunities east of London. Some of these have already been taken up by the Government, notably the recommendation for a 'new town' and a development corporation at Ebbsfleet. Building on *Go East*, and 21 years on from RPG9a, it is time to look forward to the next 20-30 years, thinking about how we can rise to the technological and

economic challenges that we will face in the light of a growing population and London's expanding role as a great world city. **The Growth Commission is a signal of the Government's commitment to the growth of the Thames Estuary, and Kent County Council enthusiastically supports its work.**

## **1.2. The geographical reach of the Thames Estuary**

1.2.1. The Commission's detailed terms of reference are yet to be announced. However, it is expected that it will consider the wider Thames Estuary, extending beyond the boundary of the former Thames Gateway planning area. In Kent, we have assumed that this will mean that the remit of the Commission will extend to include the coastal part of Canterbury district, as well as Thanet.

1.2.2. **Kent County Council welcomes the wider geography to which the Growth Commission will work.** Like other parts of the Thames Estuary, the economy of the northeast Kent coast has been faced with the challenge of managing the loss of industries historically associated with London markets (such as domestic tourism in the case of Thanet). Today, the extended Estuary contains very significant sites for housing and business growth, the development of which will support local regeneration and contribute to the wider growth of the Estuary. There are also synergies between business clusters within the traditional Thames Gateway and beyond, for example in the case of the life science sector, with clusters both at Sittingbourne and Sandwich. Finally, given the linear nature of the road and rail links along the south bank of the Estuary and the east-west pattern of development, it makes sense to extend our view of the Estuary's potential out to its natural limit at the coast.

## **1.3. Issues to consider in the Commission's terms of reference**

1.3.1. The Growth Commission has the opportunity to take a broad remit. In addition to the broad principles set out in the Budget Statement, it should consider:

- **Solutions to the viability gap that impedes delivery.** The Thames Estuary has capacity and sites have planning permission and in many cases site-specific infrastructure – but the market is still unable to deliver.
- **Solutions to the infrastructure funding gap,** which currently stands at £666 million across the Kent part of the Thames Estuary for the next 15 years (rising to over £1.1 billion if the costs of Crossrail and wider strategic infrastructure are included). As the *Go East* report noted, flood risk, remediation and transport infrastructure costs are relatively high in the Estuary, on top of the community



infrastructure that must be provided to deliver high quality places in which people want to live – so it is vital that we bridge the gap.

- **The impact of rising traffic volumes throughout the A2/M2 Corridor** (including the A2 from M2 Junction 7 to Dover, which we assume to be outside the boundaries of the Commission’s area of focus). Increased freight via the Port of Dover and new access to the North via the new Lower Thames Crossing will both impact on the resilience of the A2/M2: this will have significant implications for growth which will need to be managed.
- **How we can make the most of existing investment in High Speed One.** Although journey times are greatly improved to much of North Kent, commuting costs remain prohibitively high. In parts of East Kent, journey times also remain too long: we need new solutions, such as the Thanet Parkway station, to bring the Estuary closer to London.
- **The costs of economic polarisation across the Estuary.** Some of Britain’s most deprived and most affluent communities live adjacent to each other along the North Kent coast – and some of our greatest opportunities for new, high-quality development are next door to some of our most disadvantaged communities. We must consider how better skills and new employment can open up the potential of the Estuary to all its residents.
- **How we can ensure development of excellent quality.** There are many examples of excellence in the Thames Estuary – but there are also examples of poorer-quality, unimaginative development. If we are going to make the Estuary a successful and integral part of the wider London and South East economy, we will need to ensure quality at the same time as bridging the viability gap.
- **Major growth locations and economic drivers immediately beyond district boundaries, but with substantial impacts within the defined Estuary.** This could include, for example, Discovery Park, located within Dover district, but fundamentally connected with related sites at Manston in Thanet and reliant on shared infrastructure. It might also include the significant university presence at Canterbury.

1.3.2. These issues are not new. Yet despite their persistence, much has been achieved in the Thames Estuary to date. This paper outlines some of our potential solutions, and we look forward to working with the Commission to explore these further.

#### 1.4. Engaging with the Commission

- 1.4.1. It is very welcome that the Commission is drawing together experts with a track record in long term planning and delivery. It is important that the Commission takes an independent, 'big picture' view and is not bound by purely local considerations. However, it is equally important that the Commission's discussions are also informed by knowledge of the major sites, infrastructure and businesses that make up the Thames Estuary - recognising that much of this knowledge exists within the local authorities, which will also play a central role in delivery.
- 1.4.2. **We would therefore welcome provision for at least one Commissioner from each of the London, Essex and Kent parts of the Estuary.** There is also scope for the Thames Gateway Strategic Group (TGSG), which brings together local partners with the Minister for the Thames Gateway acting as a consultative group or sounding board for the Commission.

## 2. Challenges, opportunities and solutions

In taking a fresh view of the prospects for the future growth of the Thames Estuary, this section outlines:

- **The scale and potential for growth**, taking account of current planned growth and future pressures in the light of London’s continued expansion;
- **The strategic infrastructure** required to support growth across the Thames Estuary, particularly the Lower Thames Crossing and the additional strategic transport improvements that must support it;
- **The major development opportunities** across North Kent, from Dartford to Thanet and the investment that will be needed to bring them forward;
- **Support for innovation and productivity growth**, highlighting existing clusters of economic activity in North Kent and how future investment in skills and business growth can transform the Estuary’s historic productivity shortfall

### 2.1. Growth: Scale, potential and strategic challenges

#### Current planned growth

2.1.1. North Kent is growing rapidly. Currently, the North Kent part of the Thames Estuary currently has a population of around 900,000. Over the period 2011-31, this is expected to rise by 19%, to well over a million – a growth rate substantially greater than the national average. Accommodating this level of growth will mean significant additional housing, with approximately 87,000 new homes planned over the same period:

Current scale and planned growth, 2011-31 <sup>4</sup>				
	Current population	Net additional: People	Homes	Jobs
Canterbury	157,600	32,200	16,200	17,000
Dartford	102,200	42,300	18,100	22,100
Gravesham	105,300	12,400	7,100	7,000
Medway	274,000	42,600	22,100	20,100
Swale	140,800	18,100	11,300	9,900
Thanet	138,400	23,500	12,000	5,000
<b>Total</b>	<b>918,300</b>	<b>171,100</b>	<b>86,800</b>	<b>81,100</b>

- 2.1.2. These relatively high levels of growth reflect the availability of brownfield sites, with the Thames Estuary containing a greater stock of development land than the Greater South East's other growth corridors. Housing growth has also been accompanied by greater economic opportunity and has been welcomed by local residents and planning authorities, where it is the right quality and has been accompanied by the right infrastructure.

#### Additional growth pressures

- 2.1.3. London's continued growth will mean additional pressures for the Thames Estuary, even though the London Plan 2015 sets a target of 42,000 new homes in Greater London each year between 2015 and 2025 and there are major sites in East London that are yet to be brought forward. Compared with the historical trend, the London Plan target is very ambitious target: over the decade between 2004 and 2014, just over 20,000 homes were completed in London each year – **so the target that has been set is more than double the historical rate of delivery.**
- 2.1.4. It is vital that London does more to accommodate its own housing pressures – on the ground as well as in planning documents. But while the Greater London Authority and the London Boroughs are developing ambitious plans for significant additional housing within the Thames Estuary in locations such as Bexley Riverside, there is still likely to be a substantial shortfall in the delivery of new housing to meet London's needs. An historical view of migration patterns bears this out: in 2013/14, net migration into Kent from London stood at 10,800, with much of the pressure borne by Dartford, Gravesham and Medway.
- 2.1.5. This means that **the wider Thames Estuary is already facilitating London's expansion and it is likely to continue to do so at increasing pace.** However, North Kent lacks the mechanisms to support infrastructure delivery and the strong strategic planning context from which Greater London benefits. So it is vital that we recognise the contribution of the Estuary to London's growth and develop a stronger framework for strategic planning and infrastructure.

#### Delivering critical infrastructure to unlock growth

- 2.1.6. Last year, Kent County Council published the **Kent and Medway Growth and Infrastructure Framework**. This provides a comprehensive analysis of the county's planned growth, the infrastructure required to support it and how this will be paid for. In analysing the estimated funding gap, the Growth and Infrastructure Framework takes into account funding that has already been secured and funding that is anticipated through negotiations that have already commenced, plus an estimate of

required developer contributions to public services. It also assumes that service infrastructure normally paid for by central Government (such as Health) or by commercially by the private sector (such as utilities) will be funded.



**The Thames Estuary, 2014-31**

Total infrastructure cost: £4,338,880,000

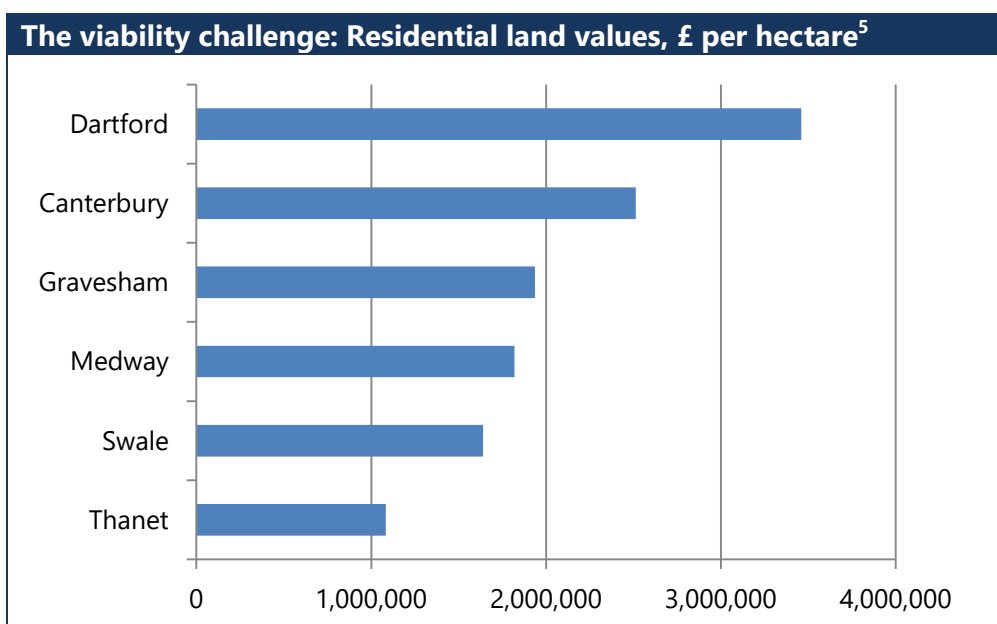
Anticipated receipts: £3,672,880,000

Total infrastructure shortfall: £666,200,000

<http://www.kent.gov.uk/about-the-council/strategies-and-policies/environment-waste-and-planning-policies/growth-and-infrastructure-framework-gif>

2.1.7. Even allowing for these caveats, over the period 2014-31, the Framework identifies a **total infrastructure funding gap of around £666 million** which will need to be bridged if the scale of growth required in the Thames Estuary is to be delivered. If the costs of Crossrail extension to Ebbsfleet and Gravesend and strategic flood defence are included, this rises to over £1.1 billion.

2.1.8. However, in the Thames Estuary, the greater the distance from London, the greater the infrastructure funding gap. **While the Estuary contains capacity, viability is very challenging**, especially in Thanet at the eastern extreme of the Estuary, but also in parts of Swale and Gravesham. As the table below indicates, residential land values in the Thames Gateway range from around £3.5 million per hectare in Dartford to less than half that in Thanet.



- 2.1.9. Delivery on the scale required in the Thames Estuary will inevitably require Government infrastructure investment. But we should also consider how we can make existing finance go further – for example, by enabling developer contributions to be collected and pooled across Kent and Medway, giving greater clarity to the development industry and enabling infrastructure to be cross-subsidised across the county.

#### Economic diversity and polarisation

- 2.1.10. On the whole, the Thames Estuary under-performs the rest of the South East in average wage levels, employment and productivity. However, overall statistics mask sharp disparities, with high and persistent concentrations of deprivation in parts of Gravesend, the Medway Towns, Sheppey, Sittingbourne and Thanet. These partly reflect a legacy of lower-value industrial employment, the skills that were associated with it and its long-term decline.
- 2.1.11. Development provides an opportunity to address these issues, with many of the Estuary's most important sites located adjacent to some of its most disadvantaged communities. However, new housing and employment opportunities do not automatically bring benefits to all local residents: combating entrenched disadvantage and benefits dependency demands an understanding of the way the local housing and labour market works and specific investment in skills and training. Major developments such as Bluewater have seen highly successful public-private partnerships to increase local employment, which must be built on as future projects come forward.

## **2.2. Transport infrastructure: The big, strategic priorities**

### Accelerating the delivery of the Lower Thames Crossing

- 2.2.1. With freight volumes rising between the Channel ports and the rest of the country, increasing commuter demand and an anticipated significant increase in traffic arising from development within the Thames Estuary itself, there is an overwhelming case for a new Lower Thames Crossing as essential national critical infrastructure. We therefore strongly welcome the Government's support for a Lower Thames Crossing east of Gravesend. Kent County Council, Kent and Medway Economic Partnership and our partners in the South East LEP have all responded positively to the recent consultation.
- 2.2.2. **It is now vital that the Government reaches a decision on the route alignment of the Crossing** and arrives at a financing solution to enable delivery at the earliest

opportunity. In Kent and Medway, we have previously investigated the potential for private finance: through the Growth Commission, further work could take place to explore financing options, maintaining pressure on the Department for Transport and its agencies to bring forward the scheme.

- 2.2.3. It is also vital that the Lower Thames Crossing is accompanied by **further measures to support the resilience of the A2/ M2 Corridor** as future traffic heading to the north from Dover is routed via the A2/M2 the Lower Thames Crossing and, ultimately, the M11 (rather than via the M20 as at present). Despite provision in the Roads Investment Strategy for major junction improvements that will unlock local growth, the current proposals for the Lower Thames Crossing do not include additional investment to improve connectivity between the A2/M2 and the M20, or to improve the resilience of the wider corridor. It is essential that the consequential impacts of the Lower Thames Crossing on the wider strategic highways network are considered.

#### Improving rail connectivity

- 2.2.4. For many years, rail services to North Kent were among the worst in the country. Journey times were far slower than those on commuter routes into London of equivalent distance, and despite improvements, 'classic' mainline services remain relatively slow and subject to significant capacity constraints.
- 2.2.5. The introduction of High Speed One in 2009 has delivered a major improvement, cutting journey times from Ebbsfleet to St Pancras to 17 minutes. However, the success of the service means that during peak hours, trains on High Speed One are already operating at capacity from Ebbsfleet – and as the service has been extended to other parts of Kent, there is no additional rolling stock to expand capacity, with a lengthy lead-in time to order additional stock. This is of course before we have seen significant new housing delivery at Ebbsfleet or the development of London Paramount. So **capacity on High Speed One is likely to be a significant constraint on growth.**
- 2.2.6. Accompanying High Speed One and in the light of rising rail demand, it is essential that we now **extend Crossrail from Abbey Wood to Gravesend via Ebbsfleet**, providing direct access from North Kent to central London and the West and relieving pressure on existing lines. Crossrail extension will also have a major impact in bringing forward new housing and commercial development on sites which have already been allocated, both in North Kent and at Bexley Riverside, and this will be demonstrated in the business case currently being developed.

- 2.2.7. Further east, Thanet is already benefiting from improved connections to London via High Speed One, although compared with other towns on the East Kent Coast, journey times remain relatively long. Work is already underway to improve journey times on the route. Partial funding has also been allocated to support a new **Thanet Parkway** station on the High Speed One route, adjacent to Discovery Park and the Stonehill Park development at Manston. Thanet Parkway will bring journey times from Thanet to London to within an hour and will be fundamental in opening up the potential of both these major sites, as well as supporting the wider growth of East Kent.
- 2.2.8. However, despite the success of High Speed One, **peak hour commuting costs remain prohibitively high**, especially compared with other destinations a similar distance from central London. Given the Thames Estuary's generally lower wage levels and prosperity, this is counter-intuitive and is likely to reducing the attractiveness of the Thames Estuary relative to other outer London locations. To encourage new development, consideration should be given to partial or time-limited subsidy, linked with investment in additional capacity.

### 2.3. The big growth opportunities in the North Kent Thames Estuary

#### Ebbsfleet Garden City

- 2.3.1. Ebbsfleet has been identified as a strategic location for growth since the 1990s. Bringing forward development has long been a priority for the Thames Gateway, building on the excellent rail connectivity offered by High Speed One and Eurostar. There are ambitious plans for the area, with consented or planned development for 11,800 homes and over 600,000 sq m of employment floorspace. But despite development has been slow to come forward as land remediation issues, utilities provision and market conditions impact on viability: only around 300 homes have been delivered so far.
- 2.3.2. The Government has sought to increase the pace of delivery and the creation of the new **Ebbsfleet Development Corporation** (EDC), intended to ensure that plans, infrastructure and finance are in place, is welcome. So far, the Development Corporation has been allocated £310 million from Government to forward-fund utilities and other local infrastructure provision, in addition to Government commitment to support vital junction improvements on the A2.
- 2.3.3. However, it must be recognised that **the powers of the EDC are significantly weaker than those of the 'first generation' urban development corporations**. In particular, the EDC has no land ownership, with all the sites within the Corporation's



area under the control of a small number of owners. Given the scale of the development and the high transport and environmental infrastructure costs, the Corporation's funding is likely to fall short of the level required, especially given that the Treasury expects to recover most of the Government funding commitment.

- 2.3.4. So far, no commercial development has taken place at Ebbsfleet, despite long-standing plans for a Commercial Quarter alongside the international station. Given the ease of access to central London and the scale of investment already made in High Speed One and international rail, this is a major missed opportunity. Public sector backing for an anchor activity could make a significant difference: options might include Government department relocations (taking advantage of the cost differential with central London), or the potential for higher education activity, perhaps linked with the need for additional teaching hospital capacity.
- 2.3.5. Within the Development Corporation's area, a 545 hectare site at Swanscombe Peninsula has been identified for the **London Paramount** entertainment and leisure resort. If this comes to fruition, the resort could be a major economic driver, potentially creating 7,000 – 11,000 jobs. However, the timetable for delivery has slipped and there are significant access issues, including rail capacity constraints.

#### Further growth in Dartford and Gravesham

- 2.3.6. Ebbsfleet Garden City is at the heart of the Dartford and Gravesham growth area, but the two boroughs contain significant development opportunities. In particular, Dartford will see 43% population growth between 2011 and 2031 – the fastest rate of growth of any district in Kent – with housing development proceeding steadily on major sites such as The Bridge, adjacent to the M25, and Dartford Northern Gateway.
- 2.3.7. Both strategic and local transport constraints are a significant barrier to growth in Dartford and Gravesham. The severe congestion experienced at the Dartford Crossing impacts on local development (including the otherwise very successful Crossways business park located immediately next to the Crossing), meaning that the delivery of a new Lower Thames Crossing east of Gravesend is a local imperative, as well being vital to the operation of the strategic network.
- 2.3.8. Some years ago, we put in place the **Kent Thameside Strategic Transport Programme (STIP)**, combining public sector grant and developer contributions to deliver a programme of transport improvements across the Dartford and Gravesham urban area to unlock development. With money from the Local Growth Fund and other sources, this is being delivered – but given the extraordinary costs associated with Ebbsfleet, we should consider the scope for additional sources of investment to

support growth at Ebbsfleet and in the wider Dartford and Gravesham growth area. This might include the **retention of a proportion of the revenues gained from the new Crossing to support local transport improvements** alongside developer contributions, or a commitment to forward-funding infrastructure where this will lead to future business rate or other taxation income, along the lines of the simplified Earnback scheme to which Government has committed in Greater Manchester.

#### Medway

- 2.3.9. Historically a major centre for shipbuilding, defence-related industries and manufacturing, the Medway Towns experienced significant economic challenges following the closure of the naval dockyards in 1984. Thirty years of regeneration, reinforced by the first generation of Enterprise Zones and major public investment through English Partnerships and its successor bodies have transformed the waterfront. Today, **Chatham Maritime** hosts a university campus with over 10,000 students and work to open up and develop the riverside at Rochester is nearing completion.
- 2.3.10. While absolute employment in Medway's traditional areas of economic strength in manufacturing and engineering has fallen, it remains home to several major companies in the sector, including BAE Systems at Rochester and Delphi at Gillingham. Developing higher value manufacturing is central to the proposed **Rochester Airport Technology Park**, adjacent to the BAE campus at M2 Junction 3, which has recently been granted Enterprise Zone designation.
- 2.3.11. For many years, Medway worked to progress plans for further residential development at Lodge Hill on the Isle of Grain, which could have accommodated 5,000 new homes. Despite the benefits to Government of the development of this former Ministry of Defence site, environmental objections proved insurmountable. However, there could be significant opportunities for major development on the Isle of Grain and the Hoo Peninsula – an area with substantial capacity and a history of industrial, utility and defence-related uses which would benefit from regeneration.

#### Swale: Sittingbourne and the Isle of Sheppey

- 2.3.12. Further along the M2, **Sittingbourne** contains southern England's largest single concentration of manufacturing employment. Dominated by SMEs, the Eurolink estate at Sittingbourne employs around 6,000 people in a range of industries, and is supported by extensive logistics operations linked with good motorway access and proximity to the Port at Sheerness. Just to the south of Sittingbourne, the former

Shell research facility at **Kent Science Park** now employs around 1,100 people, mostly in life science-related activities.

2.3.13. Despite its economic importance, development in Sittingbourne and Sheppey is constrained both by transport bottlenecks and by weak viability. The limitations imposed by congestion at Junction 5 of the M2 will be eased by improvements now scheduled within the Roads Investment Strategy, which we strongly welcome. But in locations such as **Queenborough and Rushenden** on the Isle of Sheppey, where new road infrastructure and environmental works have been delivered, values are still insufficient to make commercial housing development viable (although some employment use has come forward). If we are to deliver growth in the Estuary, in places that will benefit from regeneration, we need to be able to unlock places like Queenborough.

2.3.14. In the longer term, there may also be capacity for growth at **Sheerness**, associated with the redevelopment of the historic dockyard. Industrial change has had a major impact on Sheerness: the outdated steelworks closed in 2012, leaving both a physical legacy that will need to be managed and an employment gap. But the owners of the Port, Peel Holdings, have both ambitious plans and a strong track record of transformational delivery in other locations.

#### Canterbury, Whitstable and Herne Bay

2.3.15. Historically, the Thames Gateway ended between Sittingbourne and Faversham. But this was always an artificial boundary, as the transport connections and urban development extend along the North Kent Coast.

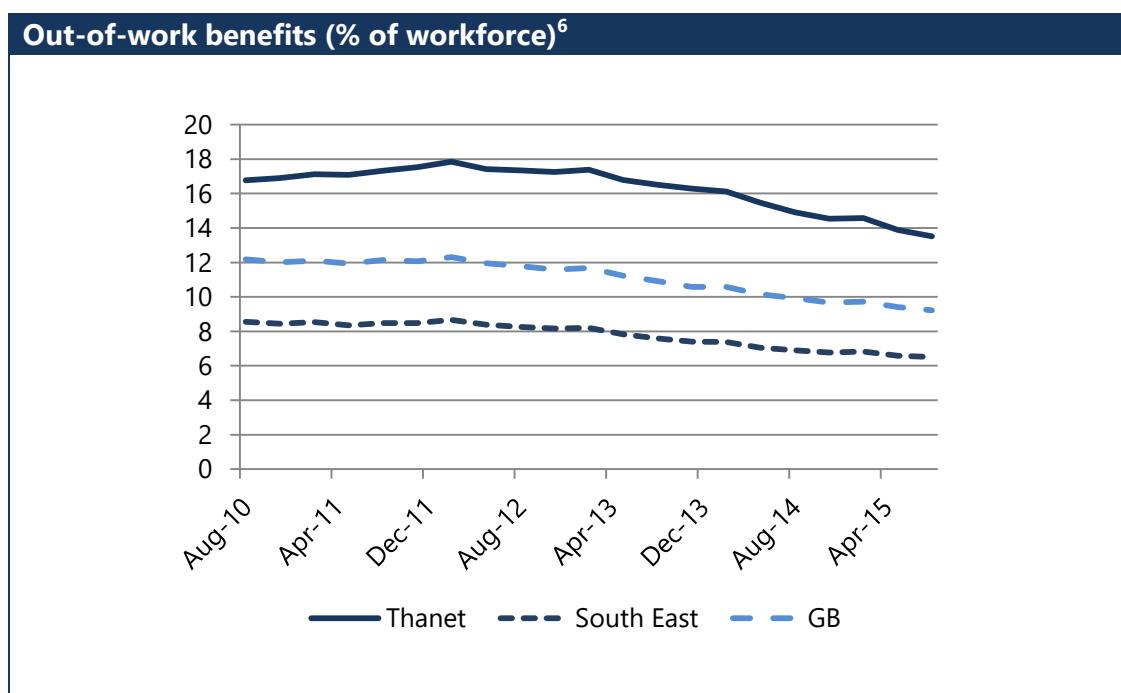
2.3.16. In general, Canterbury has a strongly performing economy, underpinned by the major **University of Kent** and **Canterbury Christ Church University** campuses within the city, both of which have expanded rapidly in recent years. With over 30,000 students based in Canterbury, the city has one of the largest student populations relative to the total urban population of any city in the UK – providing a strong base of highly-skilled potential employees and a centre for high-value activity within the Thames Estuary.

2.3.17. In planning for the future of the Estuary, it will be important to build on the potential of Canterbury's university cluster, identifying the specialisms (or potential specialisms) that can have the greatest wider economic value. Historically, direct local employer links with the universities have been somewhat fragmented, but this is changing, and we are seeing – from Canterbury Christ Church in particular – a strong willingness to respond to local economic demand and some exciting proposals coming forward.

2.3.18. Generally, development viability in Canterbury is strong, reflecting the vibrant local economy. In recent years, much development has been focused on **Herne Bay** on the coast, with the growth of Canterbury city itself constrained. However, a major strategic allocation to the south of Canterbury will deliver some 4,000 new homes: much needed development in an area of significant high-value economic growth.

#### Thanet

2.3.19. Extending the focus on the Thames Estuary to the east Kent coast presents opportunities for Thanet. Like many of Britain’s coastal towns, Margate and Ramsgate have been challenged by the long decline of the domestic tourism market, relatively isolated employment markets, low productivity and high levels of deprivation. As in many coastal towns, this has been reinforced by the operation of the local housing market, as former guest houses and large family properties have been converted to multiple occupation. With rents much cheaper than those in places closer to London, this has led to a negative cycle of migration, with those most vulnerable and dependent on benefits moving to places with relatively weak employment markets.



2.3.20. As the graph above illustrates, benefit dependency levels in Thanet have been persistently higher than the national average, even as the economy overall has strengthened. This places an additional burden on local services and weakening the area’s attractiveness to new investment.

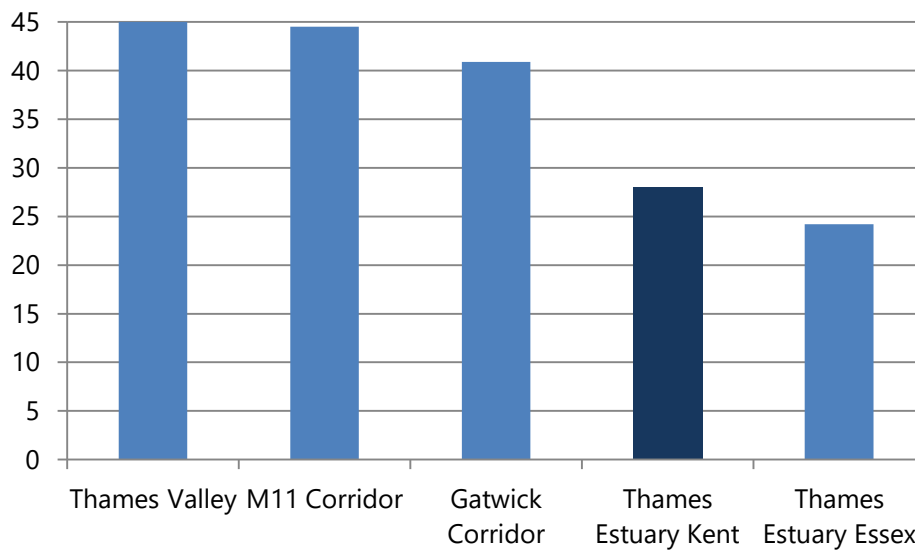
- 2.3.21. Work is underway to intervene in the housing market and to encourage a more positive migration cycle. At the same time, new investment is starting to have a significant impact. In Margate, the **Turner Contemporary** gallery has spearheaded a revival of culturally-led tourism into the town, helped by faster, more comfortable access from London via High Speed One. Just to the south of the Thanet towns, at Sandwich, over 2,300 people are now employed at **Discovery Park**, the former Pfizer research and development centre now transformed into a diverse, mainly life science-focused innovation park with Enterprise Zone designation.
- 2.3.22. Looking to the future, the plans for the development of **Stonehill Park** on the site of the former Manston airport offer the potential for 2,500 new homes and around 4,000 jobs, linked with the success of nearby Discovery Park. There are also opportunities to develop further economic activity associated with the Port of Ramsgate, potentially strategically important as a well-connected alternative to Dover for cross-Channel traffic, but currently in public ownership and under-exploited.
- 2.3.23. Development in Thanet is challenging, given relatively low land values and comparative peripherality. But extensive capacity and the success to date of our economic development strategy mean that the area can make a significant contribution to the growth of the Thames Estuary.
- 2.3.24. In particular, more must be done to maximise the advantages that access to High Speed One brings. The completion of the **Thanet Parkway** station, reducing journey times from Thanet to London to within an hour, will make a significant difference to investment in East Kent, directly serving Discovery Park and new development at Manston as well as opening up new opportunities in the wider area. At the same time, efforts to overcome the high cost of rail travel from Thanet to London will help to attract new residents, generating a positive cycle of migration.
- 2.3.25. Given the complexity of the regeneration opportunities in Thanet, there may also be a case for creating **new vehicles with development corporation powers** to bring forward development on specific urban sites: the Growth Commission may wish to give this consideration.

## **2.4. Innovation and productivity growth**

- 2.4.1. As well as available sites and physical capacity for growth, the Thames Estuary also has capacity for significant productivity gains. Compared with the other major 'growth corridors' radiating from London, the Thames Estuary lags behind in its economic scale and its workforce skills, reflecting its industrial legacy.

### The skills and productivity challenge: Workforce qualifications

% of workforce qualified to NVQ4+ in South East growth corridors<sup>7</sup>



- 2.4.2. The long-term strategy for the Thames Estuary must therefore attract new, higher value employment and businesses with scope for innovation, as well as new housing and better access to the opportunities available in London. The experience of the Thames Valley and the M3 and M11 corridors is that good infrastructure and accessibility to the capital attract business and enable strong local growth – consider for example the success of Reading, Guildford and Cambridge as centres of commerce and innovation in their own right, as well as part of the wider metropolitan economy.
- 2.4.3. In the Thames Estuary, we already have much on which to build. There are local sector strengths in advanced manufacturing and engineering, especially around Medway and Sittingbourne, and in the life science and pharmaceutical sectors, especially at Discovery Park and Kent Science Park. Dartford and Canterbury also have strong service-oriented economies. In the case of Canterbury, this is underpinned by the large university presence, supporting high levels of knowledge economy employment. Recent Government initiatives have supported local innovation and growth, notably through successful Regional Growth Fund programmes, which have directly supported growing businesses across the North Kent Thames Estuary.
- 2.4.4. However, more needs to be done to build powerful clusters of activity in the Estuary that can complement those in the wider South East – for example, in establishing a strong higher education presence at Ebbsfleet as an anchor for future business

growth, and in making sure that we overcome the skills and employment deficit that continues to persist in coastal areas such as Thanet and Sheppey. The recently-established, employer-led **Kent and Medway Skills Commission** is taking a new approach to addressing these issues and could have an important role in working alongside the Growth Commission to consider how we can identify and support clusters of high-value activity.

## 3. Moving forward

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### 3.1. Addressing the opportunities and challenges

- 3.1.1. In this paper, we have outlined the key opportunities and challenges facing the North Kent part of the Thames Estuary. The largest single opportunity for regeneration and economic growth in the UK, the success of the Thames Estuary is vital to that of London and the South East, and the whole UK economy. So the long term view that the 2050 Growth Commission will take is of great importance and we welcome the extension of its remit to cover the whole of the North Kent coast as far as Thanet.
- 3.1.2. Kent County Council is therefore fully supportive of the Growth Commission and its mandate. **It is vital however that the Commission takes into consideration the infrastructure required to support growth, and the mechanisms through which it will be funded.** The North Kent coast is already accommodating substantial planned growth – nearly 87,000 new homes over twenty years – and it is unlikely that London’s estimated population growth will be able to be accommodated within the boundaries of Greater London itself, creating additional pressures. At the same time, our transport infrastructure must support high and growing volumes of international traffic. Yet there is scope for new thinking, both in relation to the specific locations outlined in this paper, and in the longer term strategy for the wider Thames Estuary.

### 3.2. Next steps

- 3.2.1. We look forward to contributing further to the work of the Growth Commission, as it gets underway. The Thames Gateway Strategic Group provides a forum to work with colleagues in London and Essex, and the Growth Commission may wish to use this as a sounding board. Together with our partners in Medway and the Kent Districts and with business, we are committed to finding new solutions to unlock the potential of the Thames Gateway – and to working with the Commission over the coming 18 months.



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<sup>1</sup> HM Treasury (2016), Budget Report

<sup>2</sup> Department of the Environment (1995), 'Creating Opportunity: The Thames Gateway Planning Framework', Regional Planning Guidance 9a

<sup>3</sup> Andrew Adonis, Ben Rogers and Sam Sims (2014), *Go East: Unlocking the Potential of the Thames Gateway*, London: Centre for London, p.57

<sup>4</sup> Kent County Council (2015), Kent and Medway Growth and Infrastructure Framework. Current population: ONS 2014 estimates

<sup>5</sup> Valuation Office Agency (2015)

<sup>6</sup> ONS, DWP

<sup>7</sup> ONS, Annual Population Survey (2014). Growth Corridor definitions are non-standard and are approximated from local authority boundaries.

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**By:** Mark Dance, Cabinet Member for Economic Development  
Roger Gough, Cabinet Member for Education and Health Reform  
Barbara Cooper, Corporate Director for Growth, Environment and Transport  
Patrick Leeson, Corporate Director for Education and Young People's Services

**To:** Growth, Economic Development and Communities Cabinet Committee - 17 May 2016

**Subject:** Skills Commission: Progress report and the potential for devolution

**Classification:** Unrestricted

**Past pathway of paper:** None

**Future pathway of paper:** None

**Electoral Division:** All

**Summary**

In December, the Cabinet Committee considered a report on the establishment of the Kent and Medway Skills Commission, and endorsed its terms of reference.

This report provides an overview of progress since the Commission was established. It also outlines the opportunities that may be available to Kent and Medway as part of a 'devolution deal' with Government, and sets out the work that will need to be done over the coming months to bring these forward.

**Recommendations**

The Growth, Economic Development and Communities Cabinet Committee is recommended to:

- a) NOTE the progress to date in establishing the Skills Commission; and
- b) CONSIDER the potential for devolution of powers relating to employment and skills and how these may be progressed.

## 1. Background: The Kent and Medway Skills Commission

- 1.1. Kent and Medway has had an Employment and Skills Board since 2013. Last year, following the publication of the Workforce Skills Evidence Base, Kent and Medway Economic Partnership (KMEP) decided to strengthen the Board by increasing employer representation, providing clearer terms of reference and establishing a stronger relationship with the main KMEP Board. This led to the establishment of the Kent and Medway Skills Commission, which met for the first time in December 2015.
- 1.2. The Skills Commission's terms of reference were approved by KMEP in December and reported to the Cabinet Committee shortly afterwards. The Commission is established as a sub-group of KMEP, and aims to identify the skills priorities for Kent and Medway, based on evidence of current and future employer demand, and to develop a series of actions to be implemented over the short to medium term.
- 1.3. Employer representation on the Commission is drawn from the seven sector-based '**Guilds**' that have been established to provide a direct link between providers, industry and sector experts and to develop specific, industry-related workforce development programmes. Currently, guilds exist in the following sectors, and each guild has a representative on the Skills Commission:
  - Construction and the Built Environment
  - Creative and Media
  - Engineering, advanced manufacturing, energy and environmental technologies
  - Healthcare
  - Hospitality, leisure, tourism and transport
  - Land-based industries
  - Life sciences
- 1.4. While some of the guilds are fairly new, work is underway to increase employer participation and it is anticipated that they will develop over time.

## 2. Recent progress

- 2.1. *The Compelling Case*, the growth strategy published by KMEP last year, set out eight priorities that the Skills Commission should progress. The following paragraphs summarise progress in relation to each of these:
- 2.2. **Ensuring that we have excellent labour market intelligence and that this intelligence is used effectively:** In addition to the Workforce Skills Evidence Base, district 'datapacks' have been produced and are used by education and training providers. In addition, the guilds provide an opportunity for employers

to provide direct intelligence, adding qualitative information to the quantitative data provided in the WSEB and datapacks.

- 2.3. **Develop a Careers Education, Information, Advice and Guidance (CEIAG) framework for all schools and colleges:** Building on the intelligence base, there is a well-established CEIAG network across the county and the Skills and Employability Service has commissioned further analysis of this to support improvement. In addition, a coordinator is currently being recruited to work with twenty identified coastal schools to establish and improve employer engagement.
- 2.4. **Increasing the number of apprenticeships:** Each guild has been tasked with increasing apprentice numbers within its sector and a number of initiatives are underway, particularly focusing on how SMEs can be brought together to 'share' apprentices. In addition, FE colleges are providing a greater focus on developing apprenticeship programmes. 16-18 apprentice numbers are rising and this year's target is likely to be exceeded.
- 2.5. **Extending higher education as a key driver of growth and productivity:** Degree apprenticeships are already well-established at the University of Greenwich, which is increasing its provision, and a degree apprenticeship in science has been established by Pfizer, working with Greenwich and Manchester Metropolitan University. Canterbury Christ Church University is considering degree apprenticeships and is also advancing proposals for a new university centre for engineering and technology.
- 2.6. **Developing a new model to inform 14-24 pathways:** In addition to the careers information and advice work being taken forward via the guilds, a 'District Offer' has been established by the Skills and Employability Service to reduce the number of young people not in employment, education or training and to provide additional technical opportunities. This is now available online as part of *Kent Choices*.
- 2.7. **Ensuring that the resources available for vocational and technical education are maximised and deployed effectively:** The guilds, working with providers, have been tasked with developing a pipeline of future projects requiring capital and revenue investment, so that as such funds become available (for example through the Local Growth Fund) they can be used brought forward as part of an employer and evidence-driven strategy.
- 2.8. **Reducing unemployment among young people aged 18-25:** As well as the measures outlined in para. 2.6 above, work is also progressing on the development of a social impact bond to support innovative approaches to responding to those most excluded from the labour market.

- 2.9. **Reforming community learning, so that it is focused on the needs of the Kent and Medway economy:** The service specification for Community Learning and Skills (CLS), which is commissioned by KCC, has been rewritten. The new service will include increased skills training in priority sectors and outreach in sectors currently under-represented in the take-up of learning opportunities.

### **3. Opportunities for devolution**

- 3.1. A number of city and county regions have concluded 'devolution agreements' with central Government, containing significant skills and employment elements. KCC, KMEP and the Kent Leaders have considered the potential for devolution, and the establishment of the Skills Commission as a stronger, employer-led body, potentially provides a platform from which to make a case.
- 3.2. Areas of devolution which may be considered include:

#### **A leading role in the Kent and Medway Area Review of post-16 education and training institutions**

This is scheduled to take place at the end of 2016. Stronger local leadership could reflect the key role of the Skills Commission (and the employer voice that it provides) and would be consistent with the leading role agreed as part of the existing devolution agreements concluded elsewhere.

#### **Full devolution of Skills Funding Agency capital funding**

Following the Area Review, this would enable future SFA funds (or other capital funds directed towards the further education and adult learning sector) to be allocated in accordance with a locally-relevant Vocational Learning Strategy, reflecting evidenced economic demand.

#### **Full devolution of the 19+ Adult Skills budget**

Again following the Area Review, this would enable Kent and Medway to be responsible for allocations to providers and the outcomes to be achieved. This would also align with local realignment of adult community learning so that it more effectively supports people into work.

#### **Full devolution of the Apprenticeship Grant for Employers (AGE)**

This provides support to employers (primarily small businesses) in employing apprentices aged 16-24, where they would otherwise be unable to do so.

Devolving the AGE grant would enable levels of financial support to be varied by sector, business size and specialism in line with economic need. It would also enable financial assistance to businesses to be integrated with Kent's existing business loan and support services.

This could lead to broader National Apprenticeship Service devolution to more effectively promote Apprenticeships to local employers and contribute to meeting the national goal of 3 million apprenticeship starts by 2020.

#### **Joint design with DWP of employment support for hard-to-help claimants**

This would include a significant local role in contract management and in joining up local public services to better support the target group – potentially including a pilot programme with DWP to support the harder-to-reach back into the labour market.

- 3.3. Further work is underway to explore the potential of these areas of devolution, with a view to developing a proposal to Government over the next month. However, the suggestions set out above are not exhaustive, and Cabinet Committee Members may have additional proposals which could be developed further.

#### **4. Recommendations**

- 4.1. The Growth, Economic Development and Communities Cabinet Committee is recommended to:

- a) NOTE the progress to date in establishing the Skills Commission; and
- b) CONSIDER the potential for devolution of powers relating to employment and skills and how these may be progressed.

#### **Contact details**

Report authors:

Ross Gill  
Economic Strategy and Policy Manager  
03000 417077  
[ross.gill@kent.gov.uk](mailto:ross.gill@kent.gov.uk)

Sue Dunn  
Head of Skills and Employability  
03000 416044  
[sue.dunn@kent.gov.uk](mailto:sue.dunn@kent.gov.uk)

Relevant Directors:

David Smith  
Director of Economic Development  
03000 417176  
[david.smith2@kent.gov.uk](mailto:david.smith2@kent.gov.uk)

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By: Mark Dance, Cabinet Member for Economic Development  
Barbara Cooper, Corporate Director, Growth, Environment and Transport

To: Growth, Economic Development and Communities Cabinet Committee – 17 May 2016

Subject: Locate in Kent Contract Performance Review

Classification: Unrestricted

Past Pathway of Paper: None

Future Pathway of Paper: For consideration by Cabinet Committee

Electoral Division: Countywide

**Summary:** The inward investment services contract with Locate in Kent (LIK) was awarded by the County Council in March 2014 following an OJEU compliant process, and commenced in April 2014. The two year contract supported inward investment activity into Kent across all economic sectors, and ended in March 2016. The annual spend on this contract was £625,000 per annum, funded by the County Council.

The contract contained 7 Key Performance Indicators (KPIs) with agreed targets. With one exception (KPI 04 – Job outcomes in high growth sectors), Locate in Kent exceeded those targets over the two year period.

The report describes other activities undertaken by Locate in Kent over the same period, including the BioGateway initiative, marketing activities and development of its property database.

The report provides an update on the recent inward investment procurement.

**Recommendation:** The Growth, Economic Development and Communities Cabinet Committee is asked to consider and note the report.

## 1. Introduction

**1.1** This report provides a review of the performance of the inward investment services contract with Locate in Kent for the period April 2014 to March 2016. It also provides an update on the procurement of a new inward investment services contract.

**1.2** At the meeting of this Committee on 12 January 2016, Members asked for a review of performance of the contract with Locate in Kent.

## 2. Main features of contract with Locate in Kent

- 2.1 The contract contains 7 Key Performance Indicators (KPIs) with agreed targets:
- KPI 01 – 4,800 job outcomes (jobs created and safeguarded, and an estimate of indirect jobs based on a multiplier) over the two year period.
  - KPI 02 – 75% of job outcomes are in the target locations of East Kent and the Thames Gateway (excluding Medway).
  - KPI 03 – 50% of job outcomes are in professional or managerial positions, and in knowledge-based industries.
  - KPI 04 – 75% of job outcomes are in high growth sectors as identified in Unlocking Kent’s Potential.
  - KPI 05 – 100% of investment successes are visited 12 months after completion to check progress and job creation.
  - KPI 06 – Assessment of website traffic in terms of numbers of visits and enquiries from potential investor businesses.
  - KPI 07 – Achieve other sources of funding of at least 50% of KCC’s financial contribution.
- 2.2 The KPIs were reviewed on a monthly basis, along with a range of other information used to underpin the inward investment service provided by Locate in Kent. This includes regular service level updates about its investment enquiries pipeline, property database, participation in promotion and marketing events, numbers of businesses visited as part of Locate in Kent’s ‘aftercare’ activities, and development of life sciences and low carbon sector based initiatives.

## 3. KPI and service level performance over the period 2014-16

- 3.1 A summary of Locate in Kent’s performance over the two year period is provided below:

Key Performance Indicator	Target	Actual
KPI 01 – Job outcomes (new, safeguarded and indirect jobs)	4,800	5,725
KPI 02 – % of jobs in East Kent and Thames Gateway	75	80
KPI 03 – % of jobs in professional, managerial or knowledge based	50	53
KPI 04 - % of jobs in high growth sectors	75	63
KPI 05 - % of successes visited 12 months after completion	100	100
KPI 06 – Website statistics		
Visits per month	2,630	2,514
% are new visitors	70	73
Property registrations per month	78	93
KPI 07 – Securing other funding	£0.625m	£0.678m

- 3.2** At the end of March 2016, Locate in Kent were engaged in 300 'active' projects (ie those with which LIK has direct contact with, and which are at some stage in the process of deciding whether to invest in Kent). 196 of these were UK based and 104 were potential foreign direct investment (FDI) projects.
- 3.3** The number of active projects has remained fairly constant at 300 over the two year period, although the number of FDI projects has increased since 2014. This means that although just over 400 new projects were added to the pipeline since 2014, about the same number were removed either as investment successes or as 'dead' projects.
- 3.4** At the end of March 2016, about 50% of the FDI projects in the pipeline were from the United States, and 33% were from France.
- 3.5** The top two sectors in the pipeline are life sciences and manufacturing, although there are relatively large numbers of active projects in retail and warehousing, construction and development, and information technology.
- 3.6** 41% of project successes over the two year period were expansions within Kent, 26% were relocations within Kent and 16% were expansions into Kent. The remainder (17%) included new start-ups, relocations into Kent and retentions (where businesses have decided to stay in the county).
- 3.7** Manufacturing contributed around 25% of those successes, as did sales and administration. A large proportion of the remainder was in distribution, where over 1,600 jobs were created in 2014-15 by four retail distribution centres.
- 3.8** Most project successes (nearly 40%) were based in East Kent, and the remainder was spread fairly evenly across Thames Gateway, Mid Kent (Maidstone and Ashford) and West Kent.
- 3.9** The number of Kent based businesses targeted by Locate in Kent as part of its aftercare service increased from 173 in 2014-15 to over 200 in 2015-16. This service helps to ensure that companies continue to receive support from Locate in Kent. It has proved especially helpful in identifying and helping to resolve issues faced by businesses customers, for example in accessing finance and training programmes through local providers.

#### **4. BioGateway Kent**

- 4.1** In 2014, Locate in Kent and the County Council commissioned a report on the life sciences sector in Kent. The report was intended to obtain a better understanding of the sector, and to make recommendations for how it could be assisted to grow in Kent. As well as showing that Kent already had a significant cluster of some 130 life science businesses employing some 6,500 people, the report showed that businesses would value more interaction with others in the sector, in particular as a self-supporting cluster or network of businesses.

- 4.2** As a result, BioGateway Kent was established by Locate in Kent as a not-for-profit organisation in 2015, and now has 113 subscribing members comprising life science businesses, science service providers and non-profit organisations including academic institutes. Many of its members are located at Discovery Park and Kent Science Park in Sittingbourne, as well as other parts of the county including the Medway Towns.
- 4.3** Supported by Locate in Kent, Bio Gateway Kent has plans to expand its Kent membership and to establish closer relationships with other UK based networks and with other established groups in other parts of Europe. Recently, the County Council was successful in securing Interreg funding for the Boost4Health project, which will provide additional resources over the next three years to enable BioGateway Kent and its members to work more productively with other life science networks across Europe.

## **5. Marketing activities**

- 5.1** Over the past two years, Locate in Kent's website has attracted more than 48,000 unique visitors, and has been directly responsible for 115 new projects in its pipeline, of which 28 have so far been project successes. This represents 29% of all new projects registered over the contract period, and 31% of successful projects, and illustrates how important web-originating projects are to Locate in Kent's performance.

## **6. Property database**

- 6.1** Locate in Kent's property supply statistics are derived from its Property Database, which contains information provided by over 130 national and Kent based property agents. The information is regularly updated.
- 6.2** The number of properties on the database decreased from 1157 in March 2015 to 969 in March 2016, a reduction of some 16% and representing over one million square feet of industrial and office floorspace. Although this is partly due to an upturn in demand as more properties are being let and sold, there are also fewer properties coming onto the market. In 2015-16, for example, the number of properties added to the database reduced by 20% compared with the previous year.
- 6.3** As we reported to this Committee in January, where businesses experience difficulties in finding premises either to expand or relocate to, there is evidence that this has led to some having to reconsider relocation to other parts of the region, including outside the United Kingdom.

## **7. The new contract**

- 7.1** As we reported to the January meeting of this Committee, in December 2015 the County Council published a contract notice on the Kent Business Portal under the OJEU Open procedure, inviting tenders for inward investment services for Kent and Medway. The price for the service was set at the funding available, which is £1,108,443 plus VAT per annum for the next three

years, and comprises financial contributions from KCC (£511,464 per annum), Medway Council (£70,000 per annum) and the European Structural Investment Framework (£526,979 per annum) which is administered by the Department for Communities and Local Government. All of the funding has now been confirmed.

**7.2** The deadline for tenders to be returned via the Kent Business Portal was 29 January 2016. From 12 expressions of interest, one supplier – Locate in Kent – submitted a full response, which was then evaluated by the commissioning clients (KCC and Medway Council) against the mandatory requirements set out in the tender specification, and subsequently against the award criteria which were weighted on quality of service.

**7.3** The evaluation and clarification process is now complete and, in accordance with the Delegated Authorities Matrix, Approval to Award the contract to Locate in Kent has been given by the Director of Economic Development. The contract will begin on 1 May 2016.

## **8. Financial implications**

**8.1** The value of the County Council’s contract with Locate in Kent for the period April 2014 to March 2016 was £625,000 per annum.

**8.2** The value of the County Council’s new inward investment services contract with Locate in Kent for the period May 2016 to April 2019 will be £1,108,443 per annum.

## **9. Legal implications**

**9.1** There are no legal implications arising from this report.

## **10. Equalities implications**

**10.1** There are no equalities implications arising from this report.

## **11. Recommendation**

The Growth, Economic Development and Communities Cabinet Committee is asked to consider and note the report.

## **Background Documents - None**

## **Contact Details**

Report author: David Hughes Head of Business and Enterprise Telephone number: 07917 6319120 Email: dave.hughes@kent.gov.uk	Relevant director: David Smith Director of Economic Development Telephone number: 03000 417176 Email: david.smith2@kent.gov.uk
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From: Peter Sass, Head of Democratic Services

To: Growth, Economic Development and Communities Cabinet Committee – 17 May 2016

Subject: **Work Programme 2016**

Classification: **Unrestricted**

Past and Future Pathway of Paper: Standard agenda item

**Summary:** This report gives details of the proposed work programme for the Growth, Economic Development and Communities Cabinet Committee.

**Recommendation:** The Growth, Economic Development and Communities Cabinet Committee is asked to consider and agree its Work Programme for 2016.

## 1. Introduction

- 1.1 The proposed Work Programme, appended to the report, has been compiled from items in the Future Executive Decision List and from actions arising and from topics identified at the agenda setting meetings, held 6 weeks before a Cabinet Committee meeting in accordance with the Constitution, by the Chairman, Mr Wickham, Mr Holden, Vice Chairman and 3 Group Spokesmen, Mr Clarke, Mr Truelove and Mr Baldock.
- 1.2 Whilst the Chairman, in consultation with the Cabinet Member, are responsible for the programme's fine tuning, this item gives all Members of this Cabinet Committee the opportunity to suggest amendments and additional agenda items where appropriate.

## 2. Terms of Reference

- 2.1 At its meeting held on 27 March 2014, the County Council agreed the following terms of reference for the Growth, Economic Development and Communities Cabinet Committee '*To be responsible for those functions that fall within the responsibilities of the Director of Economic Development as well as some functions transferred from the former Communities Directorate and now located within the Growth, Environment and Transport Directorate*'. The functions within the remit of this Cabinet Committee are:

### **Economic Development**

Economic & Spatial Development

Strategy & Development

International Affairs

Regeneration Projects including Grant and Loan schemes and other 'bid for funded' projects

LEP reporting and monitoring

Kent Film Office

### **Communities**

Arts

Sport  
Libraries  
Registration and Archives  
Volunteering  
Big Society

### **3. Work Programme 2016**

- 3.1 The proposed Work Programme has been compiled from items in the Future Executive Decision List and from actions arising and from topics, within the remit of the functions, listed in paragraph 2.1 above, of this Cabinet Committee, identified at the agenda setting meetings [Agenda setting meetings are held 6 weeks before a Cabinet Committee meeting in accordance with the Constitution]. The attendees of the agenda setting meetings are; Mr Wickham, (Chairman), Mr Holden, (Vice Chairman) and 3 Group Spokesmen, Mr Clarke, Mr Truelove, Mr Baldock; and Mr Dance (Cabinet Member for Economic Development) and Mr Hill (Cabinet Member for Community Services).
- 3.2 An agenda setting meeting was held on 29 March 2016, when items for this meeting's agenda and future agenda items were agreed. The Cabinet Committee is requested to consider and note the items within the proposed Work Programme, set out in appendix A to this report, and to suggest any additional topics to be considered at future meetings where appropriate.
- 3.3 The schedule of commissioning activity 2015-16 to 2017-18 that falls within the remit of this Cabinet Committee will be included in the Work Programme and considered at future agenda setting meetings to support more effective forward agenda planning and allow Members to have oversight of significant services delivery decisions in advance. The next agenda setting meeting is scheduled for Thursday, 26 May 2016.
- 3.5 When selecting future items the Cabinet Committee should give consideration to the contents of performance monitoring reports. Any 'for information' items will be sent to Members of the Cabinet Committee separately to the agenda and will not be discussed at the Cabinet Committee meetings.

### **4. Conclusion**

- 4.1 It is vital for the Cabinet Committee process that the Committee takes ownership of its work programme to deliver informed and considered decisions. A regular report will be submitted to each meeting of the Cabinet Committee to give updates of requested topics and to seek suggestions for future items to be considered. This does not preclude Members making requests to the Chairman or the Democratic Services Officer between meetings for consideration.

<p><b>5. Recommendation:</b> The Growth, Economic Development and Communities Cabinet Committee is asked to consider and agree its Work Programme for 2016.</p>
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- 6. Background Documents:** None



**7. Contact details**

Report Author:

Christine Singh

Democratic Services Officer

03000 416687

[christine.singh@kent.gov.uk](mailto:christine.singh@kent.gov.uk)

Lead Officer:

Peter Sass

Head of Democratic Services

03000 416647

[peter.sass@kent.gov.uk](mailto:peter.sass@kent.gov.uk)

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**GROWTH, ECONOMIC DEVELOPMENT AND COMMUNITIES CABINET COMMITTEE**  
**WORK PROGRAMME 2016**

*(Members agreed that the number of jobs being created through the work being undertaken in the reports presented to the Cabinet Committee should appear at the top of each report where appropriate)*

<b>FORTHCOMING EXECUTIVE DECISIONS</b>		
<b>Decision</b>	<b>Decision Taker</b>	<b>Date to be taken</b>
None at present		
<b>STANDARD AGENDA ITEMS</b>		
<b>Item</b>	<b>Cabinet Committee to receive item</b>	
Verbal updates by the relevant Cabinet Members and Directors	At each meeting	
Portfolio Dashboard	At each meeting	
Budget Consultation	Annually (November/December)	
Final Draft Budget	Annually (January)	
Annual Equality and Diversity Report	Annually (September)	
Risk Register – Strategic Risk Register	Annually (last submitted in April 2015)	
Directorate Business Plan	March 2016	
Work Programme	At each meeting	

**PROPOSED AGENDA ITEMS**

<b>Proposed Agenda Item</b>	<b>Date requested</b>	<b>Cabinet Committee meeting</b>
Paramount Theme Park project on Swanscombe Peninsula	29/07/13	Regular updates
Performance of Libraries - Andrew Stephens		13 December 2016
Ebbsfleet Development Corporation - Tom Marchant	29/3/2016	tba
Update on the work of the Kent Film Office	15/9/15	12 October 2016
Mobile phone masts	29/03/2016	tba
Skills Commission update	21/01/16 (agenda setting)	tba
KCC's relationship with HE (the intention is for this paper to coincide with the Skills Commission Strategic Area Review)	24/2/16	19 July 2016

**PRESENTATIONS**

<b>Proposed Topic</b>	<b>Date requested</b>	<b>Cabinet Committee meeting</b>
Ebbsfleet Garden City	14/10/14 <i>(agenda setting meeting)</i>	19 July 2016
Margate Seafront	14/10/14	Following visit to Margate. Update to include Dreamland Paper + possible presentation
Presentations on the 4 District Deals (TWBC, TMBC and SBC)	22/01/15	Depending on decision route and timetable for agreeing deals

**VISITS**

Visit to be arranged to the regeneration sites in Margate To include <ul style="list-style-type: none"><li>• The Lido</li><li>• Dreamland</li><li>• Turner Art Gallery</li><li>• Winter Gardens</li></ul>	22/1/15	To be arranged for June 2016
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From: Mark Dance, Cabinet Member for Economic Development  
 Mike Hill, Cabinet Member for Community Services  
 Barbara Cooper, Corporate Director for Growth, Environment  
 and Transport

To: Growth, Economic Development and Communities Cabinet  
 Committee – 17 May 2016

Subject: Performance Dashboard

Classification: Unrestricted

**Summary:**

The Growth, Economic Development and Communities Performance Dashboard shows progress made against targets set for Key Performance Indicators.

**Recommendation:**

The Growth, Economic Development and Communities Cabinet Committee is asked to CONSIDER and NOTE the report.

**1. Introduction**

- 1.1. Part of the role of Cabinet Committees is to review the performance of the functions of the Council that fall within the remit of the Committee.
- 1.2. To support this role Performance Dashboards are regularly reported to each Cabinet Committee throughout the year, and this is the fourth report for this financial year to this Committee.

**2. Performance Dashboard**

- 2.1. The current Growth, Economic Development and Communities Performance Dashboard is attached at Appendix 1.
- 2.2. The Dashboard provides a progress report on performance against target for the Key Performance Indicators (KPIs) included in this year's Directorate Business Plans.
- 2.3. The current Dashboard provides results up to the end of March 2016 so gives the position at the year end, except where stated.
- 2.4. The Dashboard also includes a range of activity indicators which help give context to the Key Performance Indicators.
- 2.5. Key Performance Indicators are presented with RAG (Red/Amber/Green) alerts to show progress against targets. Details of how the alerts are generated are outlined in the Guidance Notes, included with the Dashboard in Appendix 1.

- 2.6. For Economic Development, over 2,900 jobs have been created or safeguarded since the start of the various Regional Growth Fund schemes. The number of properties brought back to use through No Use Empty (NUE) was 538 over the last year, which is equivalent to a boost of 15% on top of all other dwelling completions (mostly new build homes) the previous year. Over the course of the NUE programme a total of 4,445 properties have been brought back to use.
- 2.7. The average number of daily online contacts was the only indicator for the Libraries, Registrations and Archives service not to be rated as Green. This indicator measures “virtual”, as opposed to “physical”, visits to library, registration and archives services. The figure includes access to LRA pages on kent.gov and the Library app, which have increased, but also to online reference material, which has been reducing. We are reviewing this reference material to make sure it provides value for money and meets customer need. From 2016/17 this data will be reported as an activity indicator, with the addition that social media contacts which are not currently counted will be included, which will give us a better assessment of “virtual” visits.
- 2.8. For Sports, the target for the year was exceeded for the participation of young people in programmes coordinated by the Sports and Physical Activity Service. Sports income of £2.65 million has been levered into Kent in 2016/17 despite the challenging funding environment.

### **3. Recommendation:**

The Growth, Economic Development and Communities Cabinet Committee is asked to CONSIDER and NOTE the report.

## **4. Background Documents**

The Council’s Directorate Business Plans:

<http://www.kent.gov.uk/about-the-council/strategies-and-policies/corporate-policies/business-plans>

## **5. Contact details**

Report Author: Richard Fitzgerald  
Business Intelligence Manager - Performance  
Strategic Business Development & Intelligence  
03000 416091  
[richard.fitzgerald@kent.gov.uk](mailto:richard.fitzgerald@kent.gov.uk)

Relevant Director: Barbara Cooper  
Corporate Director for Growth, Environment and Transport  
03000 415981  
[barbara.cooper@kent.gov.uk](mailto:barbara.cooper@kent.gov.uk)



# **Growth, Economic Development and Communities Performance Dashboard**

## **Financial Year 2015/16**

### **Results up to March 2016**

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**Produced by Strategic Business Development & Intelligence**

**Publication Date: 9<sup>th</sup> May 2016**






## Guidance Notes

### RAG RATINGS

<b>GREEN</b>	Performance has met or exceeded the current target
<b>AMBER</b>	Performance is below the target but above the floor standard
<b>RED</b>	Performance is below the floor standard

Floor standards are pre-defined minimum standards set in Directorate Business Plans and represent levels of performance where management action should be taken.

### DOT (Direction of Travel)

	Performance has improved in the latest month/quarter
	Performance has fallen in the latest month/quarter
	Performance is unchanged this month/quarter

### Activity Indicators

Activity Indicators representing demand levels are also included in the report. They are not given a RAG rating or Direction of Travel alert. Instead they are tracked within an expected range represented by Upper and Lower Thresholds. The Alert provided for Activity Indicators is whether they are in expected range or not. Results can either be in expected range (**Yes**) or they could be **Above** or **Below**.

## Key Performance Indicators Summary

<b>Economic Development</b>	<b>YTD RAG</b>
Confirmed FTE jobs created/safeguarded through RGF (cumulative since start of schemes)	<b>AMBER</b>
Number of homes brought back to market through No Use Empty	<b>GREEN</b>

<b>Libraries, Registrations and Archives</b>	<b>Quarter RAG</b>	<b>YTD RAG</b>
Average number of e-books issued per day	<b>GREEN</b>	<b>GREEN</b>
Average number of daily online contacts to the service	<b>AMBER</b>	<b>RED</b>
Number of ceremonies conducted by KCC officers	<b>GREEN</b>	<b>GREEN</b>
Customer satisfaction with Birth and Death registration	N/A	<b>GREEN</b>
Customer satisfaction with ceremonies	N/A	<b>GREEN</b>
Customer satisfaction with Libraries and Archives	N/A	<b>GREEN</b>

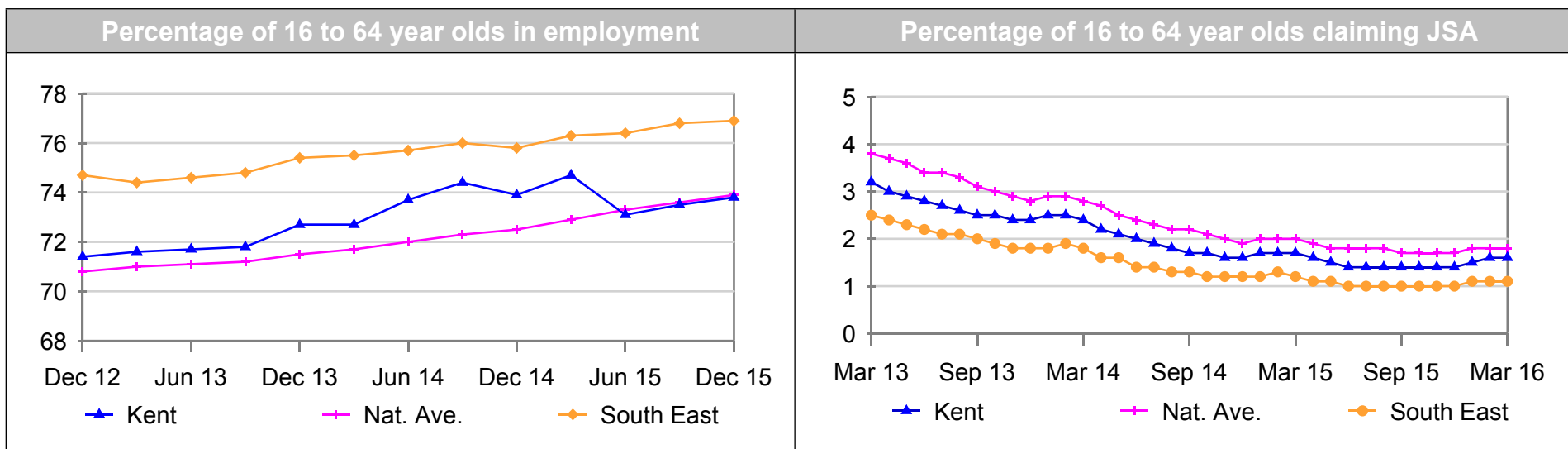
<b>Sports</b>	<b>YTD RAG</b>
Sports – Income levered into Kent (£000s)	<b>AMBER</b>
Participation of 11 – 25 year olds in programmes coordinated by Sport and Physical Activity Service	<b>GREEN</b>

Division	Director	Cabinet Member
Economic Development	David Smith	Mark Dance

Ref	Performance Indicators	YTD	YTD RAG	YTD Target	YTD Floor	Pr. Yr. YTD
ED04	Confirmed FTE jobs created/safeguarded through RGF (cumulative since start of schemes) – <b>December data</b>	2,902	AMBER	2,995	2,545	1,674
ED05	Number of homes brought back to market through No Use Empty – December data	538	GREEN	500	450	587

ED04 - As at December a total of 2,902 Full Time Equivalent jobs had been confirmed as created or safeguarded by the Regional Growth Fund loan schemes in Kent, providing a strong boost to the Kent economy, although this is slightly lower than originally expected due to some project delays.

Division	Director	Cabinet Member
Economic Development	David Smith	Mark Dance



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The indicators above provide contextual information on the general state of the Kent economy.

The percentage of 16 to 64 year olds in employment is derived from the Annual Population Survey (APS) which is a sample survey. The results of the survey come with statistical confidence intervals, which for Kent are plus or minus 1.9%. Over time this indicator gives a good indication of trend, but due to sampling issues sudden unexplained shifts can occur, as for example with the June 2015 result. The latest data for December estimates that the unemployment rate in Kent is 5.4% (38,400 people), and the economically inactive population as 22.0% (201,200 people). The economically inactive population includes individuals who are students, looking after family/home, temporary or long term sick, and retired.

The percentage of the population claiming Job Seekers Allowance (JSA) is a count of all claimants, and is currently at 1.6% (14,660 people). The JSA Claimant rate is currently low compared to past trends and although has risen slightly in the last few months, is still lower than at the same point last year. The number of people unemployed, as defined by the International Labour Organisation (ILO) and as estimated by the APS, includes individuals on other benefit types and also those not on benefits but seeking work, hence the higher percentage.

Service Area	Head of Service	Cabinet Member
Libraries, Registrations and Archives	Andrew Stephens	Mike Hill

Ref	Performance Indicators	Latest Quarter	Quarter RAG	DOT	Year to Date	YTD RAG	Target YTD	Floor YTD	Prev. Yr. YTD
LRA03	Average number of e-books issued per day	445	GREEN	↑	396	GREEN	340	300	321
LRA04	Average number of daily online contacts to the service	2,738	AMBER	↑	2,497	RED	2,725	2,525	2,591
LRA05	Number of ceremonies conducted by KCC officers	717	GREEN	↓	6,389	GREEN	6,000	4,500	6,109

LRA04 - This indicator measures “virtual”, as opposed to “physical”, visits to library, registration and archives services. The figure includes access to LRA pages on kent.gov and the Library app, which have increased, but also to online reference material, which has been reducing. We are reviewing this reference material to make sure it provides value for money and meets customer need. From 2016/17 this data will be reported as an activity indicator, with the addition that social media contacts which are not currently counted will be included, which will give us a better assessment of “virtual” visits.

Ref	Performance Indicators	Year to Date	YTD RAG	Target YTD	Floor YTD	Prev. Yr. YTD
LRA06	Customer satisfaction with Birth and Death registration	92 to 95%	GREEN	95%	90%	91 to 96%
LRA07	Customer satisfaction with ceremonies	97 to 99%	GREEN	98%	90%	98 to 100%
LRA08	Customer satisfaction with Libraries and Archives	94 to 95%	GREEN	93%	90%	92 to 94%

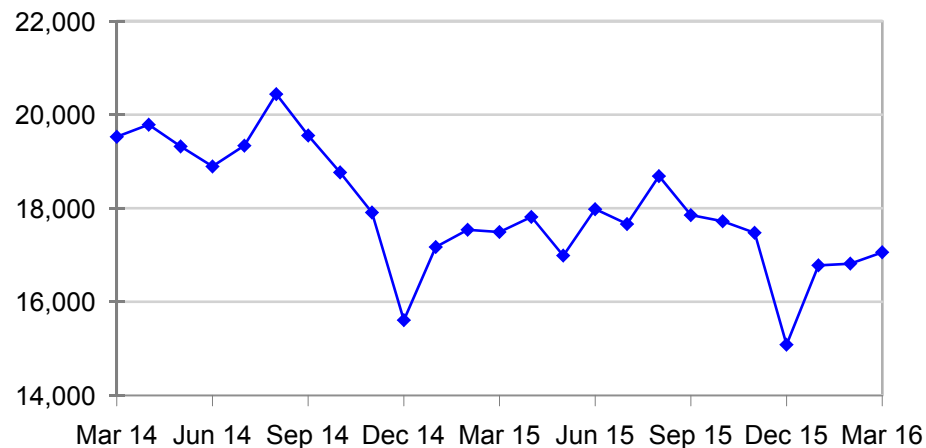
Satisfaction indicators are survey based and so Year to Date figures are expressed as a range based on 95% confidence intervals, meaning we can be 95% certain the true value lies within the range given. For LRA06 the result is not statistically significantly below target so is shown as Green, however feedback from customers is being looked at and acted upon, with improvements to signage one outcome from this.

Service Area	Head of Service	Cabinet Member
Libraries, Registrations and Archives	Andrew Stephens	Mike Hill

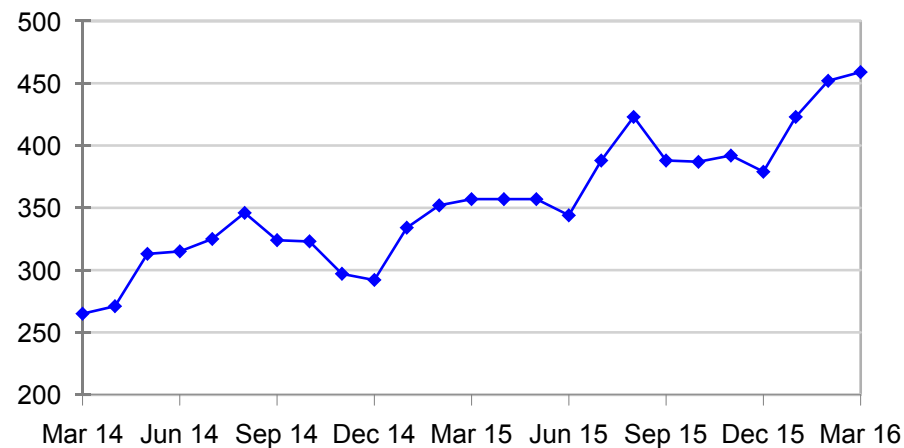
Ref	Activity Indicators	Year to date	In expected range?	Expected Activity		Prev. Yr YTD
				Upper	Lower	
LRA01	Number of visits to libraries per day (includes mobile libraries)	17,331	Yes	18,428	16,842	18,488
LRA02	Number of books issued per day (includes audio- and e-books)	16,503	Yes	17,056	15,586	16,753

Service Area	Head of Service	Cabinet Member
Libraries, Registrations and Archives	Andrew Stephens	Mike Hill

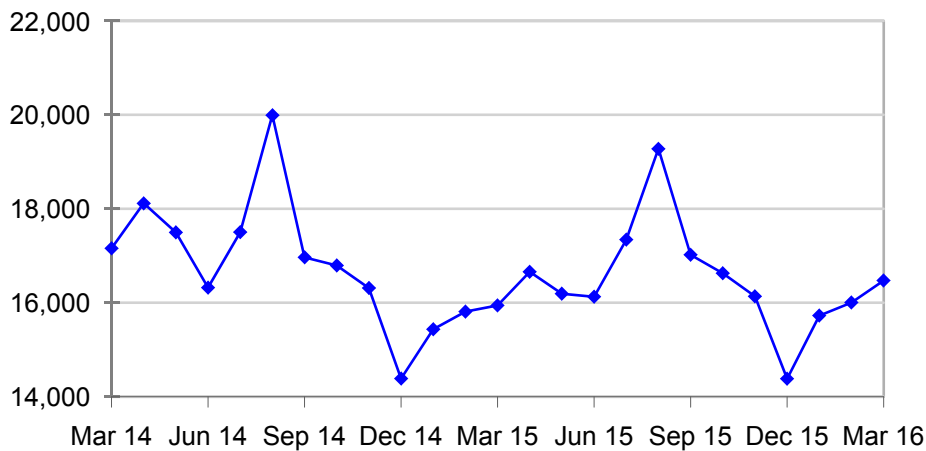
LRA01 - Number of visits to libraries per day



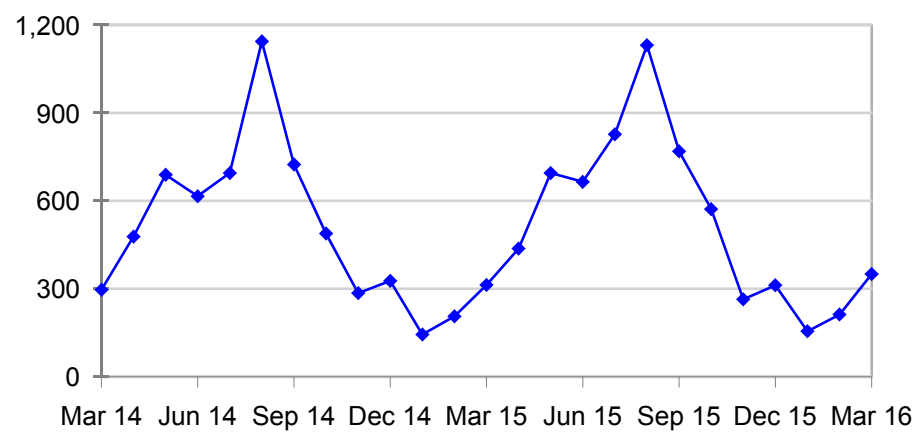
LRA03 - Average number of e-books issued per day



LRA02 - Number of books issued per day



LRA05 - Number of ceremonies conducted by KCC officers





Division	Director	Cabinet Member
Sports	Katie Stewart	Mike Hill

Ref	Performance Indicators	Year to Date	YTD RAG	Target YTD	Floor YTD	Prev. Yr. YTD
EPE09	Sports – Income levered into Kent (£000s) – <b>February data</b>	2,650	AMBER	2,750	1,500	2,902
EPE10	Participation of young people aged 11 - 25 in programmes coordinated by Sport and Physical Activity Service	3,283	GREEN	2,743	2,000	3,549

EPE09 – Securing £2.65m was a positive achievement in the current challenging funding environment. Kent has already secured substantial income for programmes due to start in 2016/17.

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**From:** Barbara Cooper, Corporate Director for Growth, Environment & Transport

**To:** Growth, Economic Development and Communities Cabinet Committee - 17 May 2016

**Subject:** **Decision Number: 15/00111(b) – Redesign of the Mobile Library Service**

**Classification:** Unrestricted.

Past Pathway of Paper: N/A

Future Pathway of Paper: N/A

Electoral Division: All

**FOR INFORMATION ONLY**

**Summary:** The attached urgent decision was taken between meetings as it could not reasonably be deferred to the next programmed meeting of the Growth, Economic Development and Communities Cabinet Committee for the reason(s) set out in paragraph 1.3 below.

**Recommendations** The Growth, Economic Development and Communities Cabinet Committee is asked to note that Decision number: 15/00111(b) has been taken in accordance with the process set out in Appendix 4 Part 6 of the Council’s Constitution to progress and implement the redesign of the mobile library service, in particular;

- a) To agree the proposed selection criterion that those mobile stops that received two or less visitors on average over the period selected will be withdrawn from the mobile library service.
- b) To agree the change in frequency of stops for every location to every two weeks
- c) To agree the change of days the service operates to Tuesday to Saturday
- d) To agree an increase in the minimum stop time to 30 minutes.
- e) To agree the changes proposed to the number of stops and the timetable as a result of considering the consultation feedback as detailed in section 5
- f) To agree to review the mobile Library service on an annual basis.

1.1 In accordance with the new governance arrangements, all significant or Key Decisions must be listed in the Forthcoming Executive Decision List and should be submitted to the relevant Cabinet Committee for

endorsement or recommendation prior to the decision being taken by the Cabinet Member or Cabinet.

- 1.2 For the reason set out below it has not been possible for this decision to be discussed by the Cabinet Committee prior to it being taken by the Cabinet Member for Community Services. Therefore, in accordance with the process set out in the Council's Constitution, the Chairman and Group Spokespersons for this Cabinet Committee, the Chairman and Spokesmen for the Scrutiny Committee and the local members affected were informed prior to the decision being taken. No views were received. After the decision was taken, it was published.
- 1.3 The deadlines and dates of the Growth, Economic Development and Communities Cabinet Committee would have delayed the decision. To delay the decision would have meant that the service would not achieve approximately £12,500 savings in 2016/17 financial year.

## **2. Recommendation:**

- 2.1 The Growth, Economic Development and Communities Cabinet Committee is asked to note that Decision number: 15/00111(b) has been taken in accordance with the process set out in Appendix 4 Part 6 of the Council's Constitution to progress and implement the redesign of the mobile library service, in particular;
  - a) To agree the proposed selection criterion that those mobile stops that received two or less visitors on average over the period selected will be withdrawn from the mobile library service.
  - b) To agree the change in frequency of stops for every location to every two weeks
  - c) To agree the change of days the service operates to Tuesday to Saturday
  - d) To agree an increase in the minimum stop time to 30 minutes.
  - e) To agree the changes proposed to the number of stops and the timetable as a result of considering the consultation feedback as detailed in section 5
  - f) To agree to review the mobile Library service on an annual basis.

## **3. Background documents: None**

## **4. Contact details:**

Name James Pearson  
Job title Service Improvement Manager  
Telephone: 03000 41493  
James.pearson@kent.gov.uk

# KENT COUNTY COUNCIL – RECORD OF DECISION

**DECISION TAKEN BY:**

Michael Hill, Cabinet Member for Community Services

**DECISION NO:**

15/00111(b)

**For publication****Key decision\***

*Affects more than 2 Electoral Divisions*

**Subject: Title of Decision**

Re-design of the mobile library service.

**Decision:**

As Cabinet Member for Community Services, I agree to progress and and implement the redesign of the mobile library service, in particular:

- a) To agree the proposed selection criterion that those mobile stops that received two or fewer visitors on average over the period selected, will be withdrawn from the mobile library service
- b) To agree the change in frequency of stops for every location to every two weeks
- c) To agree the change of days the service operates to Tuesday to Saturday
- d) To agree an increase in the minimum stop time to 30 minutes
- e) To agree the changes proposed to the number of stops and the timetable as a result of the consultation feedback as detailed in section 5
- f) To agree to review the mobile library service on an annual basis

**Reason(s) for decision:**

- Completion of the public consultation
- Budget savings targeted allocated for Libraries, Registration and Archives against the mobile library service redesign

**Cabinet Committee recommendations and other consultation:**

Following completion of the public consultation, it has been agreed that this decision be taken by the Cabinet Member for Community Services between meetings of the Growth, Economic Development and Communities Cabinet Committee. This is due to the fact that the next meeting of the Cabinet Committee is not until 17 May 2016, which would result in a month's delay in implementing this decision, equating to a loss of savings of approximately £12,500. Therefore, in accordance with the process set out in the County Council's Constitution, the Chairman and the Group Spokesmen for the Cabinet Committee, and the Chairman and Spokesmen for the Scrutiny Committee were informed that the decision would be taken using this process. All County Council Members were given notice of the proposed decision. No views were received.

**Any alternatives considered:****Any interest declared when the decision was taken and any dispensation granted by the Proper Officer:**

None

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signed

.....  
date

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