CABINET

Monday, 18th July, 2016 10.00 am
Darent Room, Sessions House, County Hall, Maidstone

Ask for: **Louise Whitaker**
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Tea/Coffee will be available 15 minutes before the meeting.

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

1. Introduction/Webcasting

2. Apologies and Substitutions

3. Declaration of Interest

4. Minutes of the Meeting held on 27 June 2016 (Pages 3 - 10)

   To agree the minutes of the previous meeting as a correct record.

5. 2016-17 Revenue and Capital Budget Monitoring (Pages 11 - 20)

   To receive the initial forecast revenue and capital budget monitoring position for 2016-17.

6. Local Growth Fund Round 3 and Large Local Major Schemes (Pages 21 - 38)

   To seek endorsement of the Local Growth Fund Round 3 (LGF3) and Large Local Major Scheme (LLMS) bid submissions to Government proposed by the Kent & Medway Economic Partnership & the South East Local Enterprise Partnership.

Peter Sass
Head of Democratic Services
Friday, 8 July 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.

KENT COUNTY COUNCIL

CABINET

MINUTES of a meeting of the Cabinet held in the Darent Room, Sessions House, County Hall, Maidstone on Monday, 27 June 2016.

PRESENT: Mr G Cooke, Mr G K Gibbens, Mr R W Gough, Mr P M Hill, OBE, Mr P J Oakford, Mr J D Simmonds, MBE, Mrs S V Hohler, Mr S Holden and Mr C R Pearman

UNRESTRICTED ITEMS

168. Apologies and Substitutions

(Item 2)

Apologies were received from:

i. Mr Paul Carter, Chairman and Leader of the Council. Mr John Simmonds, Cabinet Member for Finance and Procurement and Deputy Leader took the Chair in his absence and the Deputy Cabinet member for Finance and Procurement joined the meeting to manage items within that portfolio as a result.
ii. Mr Matthew Balfour, Cabinet Member for Environment and Transport who was substituted by the Deputy Cabinet Member, Mr Clive Pearman.
iii. Mr Mike Hill, Cabinet Member for Community Services and who was substituted by

169. Declarations of Interest

(Item 3)

No declarations of interest in items on the agenda were received.

170. Minutes of the Meeting held on 25 April 2016

(Item 4)

The minutes of the previous meeting were agreed as an accurate record and signed by the Chairman accordingly.

171. Revenue and Capital Budget Outturn for 2015-16

(Item 5)

Cabinet received a report providing the revenue and capital budget outturn position for 2015-16 and including a final update on key activity data. The report also sought approval for various necessary re-phasing and roll forward of funds as set out within it and detailed below.

Ms Susan Carey, Deputy Cabinet Member for Finance and Procurement introduced the item for members, first reporting that this was the sixteenth year in which a balanced budget had been delivered and thanking officers for the hard work that had been required to achieve it. Ms Carey referred to work of particular note within each directorate, as detailed in the report, to manage pressures that had occurred during the year and which would, in some cases, continue in the future, such as support for unaccompanied asylum seeking children. She continued, and referred to the following:

Revenue budget:

i. That after necessary rephasing and roll-forward of funds an underspend of approximately £3.6million had been achieved. Of this approval was sought to allocate £1.1million to 'Find and Fix' pothole repairs and just under £2.5million to support future budgets.
ii. Savings would continue to be expected with a further £81million to be found from the 2016-17 budget and therefore efforts must continue if a balanced budget were to be delivered in the next financial year.

Mr Peter Oakford, Cabinet Member for Specialist Children's Services spoke to the item. He reported that in June the Home Office had invited KCC to attend two meetings on the matter. The first to announce the dispersal programme, and the second, a meeting of all South East authorities, to discuss how the programme would move forward. The meetings had been positive and there was there was an understanding of the challenges that Kent faced in this area but as yet the programme remained voluntary. Nationally some Local Authorities had started to sign up to the programme but the details of what that sign up would mean and the proposed dispersal numbers were not yet known. KCC already had 270 young people placed outside of Kent and it was hoped that the first step in any programme could be to see those authorities with which they were placed take full responsibility for them. KCC had a further 163 young people ready to move in to new accommodation should other Local Authorities volunteer to take them.

He reported that KCC continued to liaise with government regarding the programme and had sought assurances regarding a move to a mandatory programme of dispersal should numbers of arrivals rise to the levels of 2015, something which, as yet, had not occurred.

Mr Andrew Ireland, Corporate Director for Social Care, Health and Wellbeing identified two key issues for his Directorate. Firstly, the introduction of a dispersal scheme, which he was confident would occur but as yet had no indication of timelines or of the voluntary or mandatory nature of any scheme and secondly, the fact, reported previously that a significant number of the young people in question were close to turning 18 and at that point the financial arrangements relating to their care would become more disadvantageous for the local authority.

It was RESOLVED that:

CABINET **27 June 2016**	
1.	the report, including the outturn position for 2015-16 for both the revenue and capital budgets be noted
2	£798.7k of the 2015-16 revenue underspend be rolled forward to fund existing commitments, as detailed in section 2 of Appendix 1.
3	£3,142.1k of the 2015-16 revenue underspend be rolled

	forward to fund the re-phasing of existing initiatives, as detailed in section 3 of Appendix 1.
4	£85.1k of the 2015-16 revenue underspend be rolled forward to fund the bids detailed in section 4 of Appendix 1.
5	£1.1million of the residual 2015-16 revenue underspend be provided for a Find & Fix programme of repair of pot holes.
6	the remainder (£2.483.8m) of the 2015-16 revenue underspending be set aside in the earmarked reserve to support future years' budgets.
7	contributions to and from reserves as reflected in section 3.9, which includes all appropriate and previously agreed transfers to/from reserves, be agreed.
8	£26.529m of capital re-phasing from 2015-16 be added into 2016-17 and later years capital budgets, as detailed in Appendix 2.
9.	the proposed capital cash limit changes outlined in Appendix 3 be agreed.
REASON	
1.	In order that Cabinet can effectively carry out monitoring requirements.
2 - 10	In order that the budget accurately reflects the real time position, is fit for purpose enabling necessary actions to be taken, and can be reflected in the 2015-16 budget as required.
ALTERNATIVE OPTIONS CONSIDERED	None.
CONFLICTS OF INTEREST	None.
DISPENSATIONS GRANTED	None.

172. Quarterly Performance Report, Quarter 4, 2015/16
(Item 6)
Cabinet received a report containing the latest quarterly performance information relating to key areas of performance for the authority.

Richard Fitzgerald, Business Intelligence Manager – Performance was in attendance and introduced the item for members. In particular he referred to the following performance results:

i. Across the indicators the majority were 'green' with only one indicator recorded as 'red'. The direction of travel was also positive.

ii. Customer Services indicators now included figures recorded since the agylisis contract began and were showing an increase in visits to the website and a decrease in phone calls as desired.
iii. In the GET Directorate diversion from landfill of household had exceeded target.
iv. The Education and Young People's Directorate had seen further improved figures for those schools judged to be 'good' or 'outstanding' and primary school ratings were now in line with the national average. Adult Social Care had recorded a reduction in the proportion of delayed discharges form hospital where KCC was responsible.
i. The only 'red' target related to the number of admissions to residential care which had increased significantly in the quarter, and now exceeded the floor standard with pressures from hospital activity having put additional pressure on social care services in the last few months of the financial year.

Mr Graham Gibbens, Cabinet Member for Adult Social Care and Health reported that demand in Adult Social Care remained high and that although it was disappointing that admissions to residential care had risen the he remained committed to facilitating independent living for those who desired it for as long as that was possible.

Mrs Susan Hohler, Deputy Cabinet Member for Community Services welcomed the positive results recorded for the Libraries and Archive Services.

Mr Sean Holden, Deputy Cabinet Member for Economic Development, referred to the Broadband infrastructure project, despite further gains became harder to achieve as coverage became more widespread, continued to progress well.

In response to a question from the Chairman, Mr Fitzgerald reported that the indicators included in the report were reviewed annually as part of the council's business planning process. Each Cabinet Member and officers from the relevant directorate would help to identify the indicators that would be reported to Cabinet and the indicators would be updated for the next meeting in September.

It was RESOLVED that the report be NOTED.

173. Pothole Blitz
(Item 7)
Cabinet received a report containing information about the award of a one off capital sum and additional internal funding to be used to deliver a campaign of pothole repair during the summer.

Mr Clive Pearman, Deputy Cabinet Member for Environment and Transport introduced the item for members. He reported that the programme had now begun and would mark a new style of delivery which it was hoped would see significant improvements in the number, speed and quality of repairs undertaken. The project would run for four months in order to achieve the greatest impact over the summer months and would be managed by Commercial Services Kent.

Roger Wilkin, Director of Highways, Transportation and Waste, spoke to the item to explain further the nature of the monies allocated and the work to be undertaken. The money received from central government (£1.47m) had been supplemented by funding from KCC to a total of £3million and was set aside for a defined 'Find and Fix' scheme; Amey would still be responsible for the day to day business of highway maintenance. This scheme would be delivered by a network of local contractors and it was believed that the delivery model would show real dividends in terms of the quality and affordability of outcomes, and early signals were positive.

It was RESOLVED that the report be NOTED.

174. Grammar School and Social Mobility Select Committee Report
(Item 8)
Cabinet received the report of the Select Committee on Grammar Schools and Social Mobility.

Mrs Jenny Whittle, Chairman of the Committee was in attendance to present the report and, in particular, she thanked the officers and witnesses who had been involved in the production of the report and continued to refer to the following:

i. That the remit of the committee had been to assess how it might be possible to improve access for children from poorer backgrounds to grammar schools in the County. Those children had been identified as those in receipt of free school meals and those for whom the school received a 'pupil premium'.
ii. Nationally, research had shown that the attainment gap between poorer children and their more affluent peers was detectable from an early age and widened throughout the education system. In Kent 57% of high ability children for whom the school received a pupil premium would go on to attend a Grammar School as opposed to 79% of children of similar ability who did not qualify for a pupil premium. IN numbers this translated to approximately 700 children from poorer backgrounds who would be able to attend a Grammar School but who did not.
iii. Despite reductions in the attainment gap at some primary schools in Kent, this had not translated in to more pupils from poorer economic backgrounds passing the 11+ or attending Grammar Schools.
iv. The recommendations looked at the work that KCC, Primary School Head teachers and Grammar Schools could do to encourage applications and attendance from children from poorer economic backgrounds. Grammar Schools were encouraged to work with parents to allay commonly held fears about the support for pupils with conditions such as dyslexia and the cost of uniforms and trips for example and Head teachers were encouraged to work with parents identify at an early stage those children that may be suitable to take the 11+.
v. Finally Mrs whittle referred to the low numbers of children in care attending grammar schools and the work currently being undertaken to address the issue.

Mr Latchford, Leader of the UKIP group and Select Committee Member addressed Cabinet. He referred to his own experience of attending a Grammar School and the positive impact it had had on his life. He believed that key to improvement in attendance by children from poorer economic backgrounds would be providing ensuring that parents were equipped with all of the information that they needed in order to make an informed decision about the Kent test and any application to a Grammar School. This he argued was the responsibility of all of those parties to which the Chairman of the Select Committee had referred, Head Teachers, KCC and the schools themselves. He hoped that the hard work and recommendations of the committee would be acted upon not only in Kent but nationally and that opportunities for the children that needed them most would be increased. He concluded by thanking the Chairman, officers and witnesses for their hard work in producing the report.

Mr Truelove, Labour Group and Select Committee Member thanked all of those involved with the Committee and welcomed the cross party approach to the matter, helpfully achieved by not discussing the merits of a selective system in general. He believed that the recommendations were sensible and helpful but referred to the wider social issues that were too broad for the committee to address but which nevertheless affected the ability of some children to progress educationally and all of the consequences of that inability. He welcomed the creation of the committee as a sign that these issues were recognised and that work would be undertaken to address them. He identified a lack of aspiration from some working class parents, alongside a lack of commitment from some Grammar Schools to be more inclusive as the decisive factors in keeping children from lower economic backgrounds from attending Grammar Schools in the same numbers as there wealthier peers.

Mr Vye, Liberal Democrat Member and Select Committee Member referred to the issue of social mobility and the aims and aspirations that lower economic groups should be enabled to hold and achieve. He spoke about not only those children who were achieving good results but did not apply to Grammar schools or take or pass the 11+ but also about the attainment gap for those children from lower socio-economic groups in educational achievement in the first place and that he welcomed the work already underway in the Education and Young People’s Directorate to close that gap.

Mr Roger Gough, Cabinet Member for Education and Health Reform, commended the report. He assured members that attainment for disadvantaged pupils continued to be a priority for the Directorate and he welcomed suggestions contained within the report as to how to translate academic success for children from poorer economic background into Grammar School attendance. He reported that the trend in recent years had been favourable but that work should and would continue with the help of the recommendations in the report.

Patrick Leeson, Corporate Director for Education and Young People’s Services welcomed the report. It contained a strong message which should be disseminated widely; that socio-economic background should not determine future academic performance. The work going forward, as it had been to date, would need to be a collaborative effort with schools.

Mrs Sarah Hohler, Deputy Cabinet Member for Community Services, spoke to welcome the report and in particular was pleased to see the work that some Primary Schools were already undertaking to work with parents and Grammar Schools to increase inclusivity.

Mr Holden, Deputy Cabinet Member for Economic Development reported that his four children attended a Grammar School in Kent and recognised the lack of aspiration from some families that was identified within the report.

The Chairman thanked the Select Committee for the sensible, cross-party approach that had been taken in order to achieve a well-balanced and helpful report.

It was RESOLVED:

i. that the Select Committee be thanked for its work and for producing a relevant and timely document.
ii. that the valuable contribution of the witnesses who provided evidence to the Select Committee be recognised.
iii. that the consideration of the report by County Council be supported.

175. Adoption of the Kent Minerals and Waste Local Plan 2013-30
(Item 9)
Cabinet received a report providing details of the outcome of the examination into the Kent Minerals and Waste Local Plan 2013-30 by the Government-appointed Inspector and seeking endorsement of the Plan for adoption by the County Council.

Katie Stewart, Growth Environment and Transport, was in attendance to present the report, she reported that the Kent Minerals and Waste Local Plan was very important to the council's aims of sustainable growth, particularly in light of the intended increase in housing in the County. Increased housing would lead to increased waste and managing this was an important duty of the county council.

Mrs Sharon Thompson, Growth, Environment and Transport, spoke to the item she reported that this was the final stage of the plan making process. The plan set out how the council would allocate sites for minerals and waste management facilities and would set out how planning applications for such development would be determined. Many other authorities were yet to deliver local plans despite pressure from government and had taken seven years to get to this stage.

Both Cabinet and the Environment and Transport Cabinet Committee were being consulted on the plan before it was considered by County Council for adoption. The inspector had assessed the plan as legally compliant and suitable for adoption and the choice for county council would be to adopt the plan with the modifications that the inspector had identified or to start the process again.

Mrs Thompson continued to explain the practical importance of the plan, it treated waste as a valuable resource and as such aimed to divert it from landfill and use it more efficiently. It would ensure the steady supply of minerals to support growth whilst continuing to use them wisely in order to protect them for the use of future generations. It also supported the council's corporate objectives. The report had been underpinned by an extensive evidence base and the Environment and Transport Cabinet Committee had been actively involved. Public consultation had also been critical and there had been six in total since 2010 with each helping to refine the plan further.

Mrs Thompson recommended that Cabinet endorse the plan to County Council for adoption and assured members that it would allow a local perspective on national planning policy and guidance in on site allocation work that would be the next stage of plan making.

It was RESOLVED that the report be noted and the recommendations to County Council be endorsed.

From:	John Simmonds, Deputy Leader & Cabinet Member for Finance & Procurement Andy Wood, Corporate Director of Finance & Procurement Corporate Directors
To:	CABINET – 18 July 2016
Subject:	**REVENUE & CAPITAL BUDGET MONITORING REPORT 2016-17**
Classification:	Unrestricted

1. Summary

1.1 This is the first budget monitoring report for 2016-17. This report reflects the position for each of the Directorates based on the major issues arising from the 2015-16 outturn presented to Cabinet on 27 June. These are issues which were either not addressed in the 2016-17 budget build because they came to light after the 2016-17 budget was set or they are a continuation of pressures/savings that were addressed in the budget but only up to demand levels as at November/December time, when the 2016-17 budget was calculated.

1.2 The report provides initial forecasts for both the revenue and capital budgets.

1.3 Cabinet is asked to note these initial forecasts. In the light of further government funding reductions in the short to medium term, it is essential that a balanced position is achieved in 2016-17, as any residual pressures rolled forward into 2017-18 will only compound an already extremely challenging 2017-18 budget position. This early forecast revenue pressure of £7.922m is very clearly a concern, and needs to be managed down to at least a balanced position. However, it is not unusual for the first forecast of the year to be on the pessimistic side. For comparison, the initial forecast for 2015-16 was a forecast pressure of £11.7m and we ended the year with a "net" underspend of £3.6m; which is also consistent with the position in 2014-15 where we started the year with a pressure of £8.4m and ended with a "net" underspend of £6.1m. That's not to say that such a significant turnaround can be repeated again this year, especially as the risk of non-delivery of savings increases each year due to the aggregated impact of year on year reductions.

1.4 Whilst it is clear that some of this turnaround in previous years will have been due to the delivery of management action, history suggests that we also have a tendency to be pessimistic with our forecasting, by declaring pressures early but holding back on declaring underspending until towards year end, just in case it's needed. We urge budget managers to be less guarded with their forecasting from the offset so that decisions can be made on a more robust footing. For example, we want to avoid imposing such things as a freeze on recruitment or moratoriums on spend if they are not absolutely necessary, so more "accurate" forecasting earlier in the year is in everyone's interests, to avoid these more radical actions if possible.

2. Recommendations:

Cabinet is asked to:

2.1 **Note** the initial forecast revenue budget monitoring position for 2016-17 and capital budget monitoring position for 2016-17 to 2018-19, and that the forecast pressure on the revenue budget needs to be eliminated as we progress through the year.

2.2 **Agree** that £0.110m of the uncommitted underspend from 2015-16, agreed by Cabinet in June to be transferred to reserves to support future years budgets, be used this financial year to fund a further weed spray to control weed growth on hard highway surfaces, which is necessary due to the favourable growing conditions caused by the very mild and wet winter.

2.3 **Agree** to ring-fence future highway winter service underspends resulting from a mild winter, of up to the cost of a second weed spray (currently £0.110m), in anticipation of higher than average weed growth in the following growing season. Such underspending to be reflected as a committed roll forward requirement into the following financial year.

3. Introduction:

3.1 This is the first budget monitoring report for 2016-17 and contains a high level strategic view of material pressures and savings for each Directorate. Overall the net projected revenue variance for the Council is a pressure of £7.922m. The pressures and savings highlighted in this report are largely informed by the actual activity outturn position at the end of the 2015-16 financial year, and also by each Directorates' initial assessment of the achievability of their 2016-17 savings. In total £81m of saving requirements were included in the approved budget for this year.

3.2 The forecasts show the vast majority of the £81m savings are on track to be delivered; this is a promising position at this stage of the year. The intention remains that where delivery proves to be unlikely, equivalent savings elsewhere within the relevant Directorate will be made as appropriate. As this is the first monitoring report of the year, alternative saving plans have not yet been sufficiently developed. It is our expectation that once these alternative plans are finalised and agreed then the forecast pressure will reduce. Should alternative offsetting options not be identified within a directorate, then the Corporate Management Team will need to consider how this will be managed on an Authority-wide basis for recommendation to Cabinet, as we must achieve a balanced position overall. We cannot afford to enter 2017-18 with an underlying problem.

3.3 Details of issues faced within the revenue budget are provided in section 4 and those faced within the capital programme are provided in section 5.

4. 2016-17 REVENUE MONITORING POSITION

4.1 A summary of the major forecast revenue pressures and savings, excluding schools, is shown in table 1 below:

Table 1: 2016-17 Revenue Pressures and Savings:

Directorate	£m	Pressure/Saving
Education & Young People's Services	0	There are a number of pressures and savings which are detailed in section 4.2 below, totalling £0.412m but management action is expected to be delivered to offset this.

Directorate	£m	Pressure/Saving
Social Care, Health and Wellbeing – Specialist Children's Services (SCS)	4.581	The full year effect of increased activity and expenditure experienced in the last half of 2015-16 on residential (+£2.394m) and fostering (+£1.097m), together with some offsetting transformation savings. Pressure on the staffing budgets based on continuing difficulties in recruiting permanent staff, exacerbated by the higher activity requirements noted above (+£1.277m). Pressures on the adoption/permanency budget (principally special guardianship orders) based on latest activity and spend figures (+£1.058m). -£1.245m of forecast underspends for a number of other budget lines including Safeguarding (-£0.408m), Strategic Management & Directorate Support (-£0.382m) & Preventative Services budgets (-£0.297m).
Social Care, Health and Wellbeing – Specialist Children's Services (SCS) – Asylum	1.407	This pressure takes into consideration that Kent will continue to receive the same grant rates as 2015-16 for all eligible young people.
Social Care, Health and Wellbeing – Adults	1.422	Pressures within Learning Disability Services (+£0.712m) and Mental Health Services (+£1.363m), offset by underspends within Commissioning (-£0.259m) and other support services (-£0.321m), together with the net effect of variances within Older People & Physical Disability Services (-£0.073m)
Social Care, Health and Wellbeing – Public Health	0	A breakeven position is reported.
Growth, Environment and Transport	1.368	Risk surrounding delivery of the YPTP savings due to increased journey numbers and costs in the second half of 2015-16, after the 2016-17 budget was set +£0.54m. The commercial business rate pool saving is currently forecast to not be deliverable in the current year +£0.5m. Waste budget pressures of +£0.328m following latest procurement exercise and a continuation of the increased tipping away payments at Church Marshes experienced in 2015-16.
Strategic and Corporate Services	0.412	The Property saving related to the exiting of buildings through the Asset Utilisation programme, is reliant on decisions of the service directorates and Members. At present there is £0.412m of savings where the closure of buildings has yet to be identified.
Financing Items	-1.268	This largely relates to lower interest costs (-£0.372m) and further Government funding and retained business rates income that has become apparent since the budget was set (-£0.896m).
Total	**7.922**	

4.2 Education and Young People's Services Directorate:

4.2.1 The initial forecast indicates an overall pressure of £0.412m but management action is expected to reduce this to a balanced position. The current significant forecast variances are:

4.2.2 SEN Home to School Transport – there is a forecast pressure of £0.257m on the SEN transport budget. This includes a pressure of £0.464m on hired transport as the number of children travelling is consistently higher than the budgeted number, although there are a number of other factors which contribute to the overall cost of the provision of transport such as distance travelled and type of travel. This forecast assumes that contract re-tendering, which will take place later in the financial year, will yield some savings. This pressure is partly offset by savings on cash allowances given to parents to arrange their child's transport to school and payments to Special Schools and Pupil Referral Units (PRUs) of -£0.207m.

4.2.3 Early Years and Childcare – the directorate is responsible for 3 nursery provisions which are part of the Early Years Unit. Each nursery has a challenging income target. They have recently been restructured to reduce reliance on agency staff and are planning a relaunch in September 2016 of the services in order to increase income. It is hoped that both of these measures will, in the long term, mean the nurseries can operate within their budget but a pressure of £0.1m is forecast for 2016-17.

4.2.4 Other School Services – there is a forecast pressure on this budget of £0.197m due to payments for employee tribunal cases for former school staff.

4.2.5 Education Psychology Service – this service continues to generate income for non-statutory psychology traded services in excess of the income targets set. The current forecast net underspend is -£0.142m.

4.2.6 Management action – the re-tendering of SEN transport contracts may reduce the forecast pressure shown above. The directorate is confident that it can achieve a balanced budget position by the end of the financial year and would initially look to cover any residual pressure by reviewing all items of discretionary non staffing spend.

4.3 Social Care, Health and Wellbeing Directorate:

4.3.1 The initial forecast for Social Care, Health and Wellbeing Directorate indicates an overall pressure of £7.410m, as outlined in further detail below:

4.3.2 Specialist Children's Services:

4.3.2.1 The initial forecast for Specialist Children's Services (excluding Asylum Service) suggests that the service will be overspent by £4.6m. This assumes that the Specialist Children's Services Transformation Programme will deliver a lower than budgeted level of savings. This programme commenced in 2014-15 and work is continuing to ensure that the savings proposed are on track to be achieved.

4.3.2.2 In the last half of 2015-16, there was an unanticipated increase in activity and expenditure especially in relation to residential, fostering and special guardianship orders. The full year effect of this increased activity, (combined with ongoing pressures particularly in residential unit cost), is costing less than it otherwise would have done prior to the changes made via the transformation programme to the way the service operates. It is anticipated that there will be underspends on Safeguarding, Preventative Services and Strategic Management & Directorate Support budgets based on current commitments.

4.3.2.3 Every Residential placement will be reviewed in order to ensure that it is the most appropriate and cost-effective way to meet the young person's needs in the near future, as well as being reviewed again on a six-monthly basis thereafter. In addition, checks are being performed to ensure that all income due from outside of Children's Services for those supported under joint arrangements with Health and Education Services is taken into account.

4.3.2.4 Part of the pressure on the fostering service is likely linked to the limited availability of placements, partly due to a ripple effect of Unaccompanied Asylum Seeking Children being placed in this form of care. It is planned that recruitment of foster carers is to be increased to combat this.

4.3.2.5 The pressure on Assessment and Related Staffing for 2015-16 is £1.277m. This is partly due to increased pressures arising from the higher overall volumes of activity noted above and also the increase in referrals, but predominately due to the use of agency staff where insufficient numbers of permanent salaried staff have been recruited (which is partly driven by the increased numbers of staff required to meet the higher levels of activity). In order for planned budget savings to be achieved, the number of agency staff needs to be reduced significantly and this is a key focus for the service, which has plans to recruit at least 47 newly qualified social workers in 2016-17.

4.3.2.6 The forecast currently assumes that savings to compensate for the removal of SCS one-off funding (for transitional arrangements and special operations) will not be fully delivered. This will be reviewed once more detailed plans have been worked up.

4.3.2.7 The directorate is currently considering options to offset the £4.581m forecast pressure and a management action plan will be agreed. When the 2016-17 budget was set, the assumption was that Looked After Children (LAC) numbers (excluding Asylum) would reduce in the second half of 2015-16 and would continue to reduce in 2016-17. LAC numbers have in fact increased marginally since the end of September 2015, from 1,435 to 1,438 as at the end of May, which is contributory factor in this current forecast position.

4.3.2.8 In relation to the Asylum service, we are still in negotiations with the Home Office, although the forecast position included in this report is based on the latest offer received. Under this current offer, it is anticipated that there will be a small underspend position on the UASC's (Under 18's) of -£0.013m. An overspend of £1.420m is anticipated for Care Leavers, as funding for this group still remains at the figure of £200 per week (or nothing for those deemed ineligible), which is not adequate to cover the costs of support. At this time, no additional offer has been made by the Home Office to increase the £200 per week. This forecast position assumes that funding for the first 25 Care Leavers will be provided for 2016-17 to the value of £0.26m. Kent is also working closely with officers from the Home Office in relation to those young people deemed as ineligible, for whom we still bear a significant cost to support.

4.3.3 Adult Social Care:

4.3.3.1 The initial forecast for Adults Services suggests that there is likely to be a pressure of £1.422m. This is mainly due to pressures within Learning Disability Services (+£0.712m) and Mental Health Services (+£1.363m) which are partially offset by underspends within Commissioning of -£0.259m, other support services of -£0.321m, and the net effect of variances within Older People and Physical Disability (-£0.073m).

4.3.3.2 The significant pressures on Mental Health residential care and supported living services in 2015-16 are expected to continue at a similar level in 2016-17, partially offset by anticipated underspends within commissioned community support services, carers residential respite services and staffing, leading to a total forecast pressure of £1.363m within Mental Health Services at this stage.

4.3.3.3 The pressures on learning disability supported living and day care services in 2016-17 are expected to be higher than previously anticipated when we set the 2016-17 budget, this is partially offset by underspends on residential care, direct payments and staffing, resulting in a forecast pressure of £2.412m. This forecast also assumes £1.640m of MTFP savings will be achieved before the end of the financial year. Work is underway to develop a management action plan to address this forecast and initial estimates suggest this pressure could be reduced by approximately £1.7m, resulting in a total forecast pressure of £0.712m for Learning Disability Services.

4.3.3.4 The following forecast underspends are helping to offset the overall pressures on Learning Disability and Mental Health services: -£0.259m across Commissioning Staffing budgets; -£0.175m funding to cover the costs of the terms & conditions changes implemented in late 2015-16 and -£0.146m primarily due to lower than budgeted office support costs.

4.3.3.5 The net minor underspend on Older People and Physical Disability Services of -£0.073m comprises some significant offsetting variances including pressures on older people residential care, physical disability domiciliary care and underspends on older people nursing care and both older people and physical disability direct payments. This forecast assumes that funding is set aside for winter pressures. If there is no increased spend as a result of winter then this funding will be available to offset other pressures. The forecast for Older People and Physical Disability services assumes £3.8m of the MTFP savings will be achieved before the end of the financial year.

4.3.3.6 Price uplifts to reflect the impact of the national living wage and contractual commitments have been made, along with the implementation of the new guide prices for older people residential and nursing care contracts. Work is ongoing to address market sustainability across adult social care therefore it is currently assumed that the prices provision included in the 2016-19 MTFP will be fully utilised.

4.3.4 Public Health:

4.3.4.1 A breakeven position is currently reported, with no significant forecast variances to report.

4.4 <u>Growth, Environment and Transport:</u>

4.4.1 The initial forecast indicates an overall pressure of £1.368m for the Directorate relating to Young Persons Travel Pass, Economic Development and Waste.

4.4.2 A +£0.540m pressure is forecast against Young Persons Travel Pass. A saving of -£0.540m was built into the budget to reflect the reduced take-up and fewer journey numbers seen in 2015-16 at the time the budget was being set, however the increased journey numbers and cost in the third and fourth quarters has put this saving at risk. The Directorate is in regular communication with bus operators with a view to reducing costs and mitigating the pressure.

4.4.3 A +£0.500m pressure is also forecast against Regeneration and Economic Development Services relating to the Commercial Business Rate Pool saving in the Medium Term Financial Plan, which is at risk of being achieved. The saving was based on exploring options around how the business rate regeneration pot might be distributed in future and these have yet to be confirmed.

4.4.4 There is a forecast pressure on the Waste budgets of +£0.328m, comprising +£0.200m (part-year effect) within Recycling Contracts and Composting and +£0.128m within Payments to Waste Collection Authorities. The +£0.200m pressure relates to the dry recyclables contract which could not be extended and therefore an e-auction procurement process was undertaken and the tendered price is higher than the allocated budget. The +£0.128m pressure results primarily from a continuation of increased tipping away payments at the Church Marshes Waste Transfer Station in Swale, with the capital improvements to the site not yet complete. In addition, there are other smaller pressures within this budget line.

4.4.5 In addition, the combination of a mild winter and a damp spring and early summer has led to a level of weed growth on hard highway surfaces that is much greater than could be expected in a more typical year. The budget only provides for one weed spray per year. A second weed spray in the current year would limit potential trip hazards and reduce the potential for weed growth to survive the winter without frost damage and then grow rapidly in the early part of the following growing season. **Cabinet is asked to agree** to a second weed spray in September 2016 at a cost of £0.110m, to be funded from the uncommitted roll forward from 2015-16, held in reserves.

4.4.6 Whilst mild winters do inevitably lead to increased weed growth, they are also likely to result in some degree of underspend on the highways winter service (i.e. gritting and snow ploughing). **Cabinet is asked to agree** to ring-fence future highway winter service underspends resulting from a mild winter, of up to the cost of a second weed spray (currently £0.110m), in anticipation of higher than average weed growth in the following growing season. Such underspending to be reflected as a committed roll forward requirement into the following financial year.

4.5 Strategic and Corporate Services:

4.5.1 Property Group manages the Corporate Landlord estate which is occupied by front line services and has a savings target attached to it relating to the exiting of some buildings through the Asset Utilisation programme. It is not within Property's control to exit these operational buildings as the services and Members must take those decisions reflecting the complex and challenging nature of this target. However, Property Group is working closely with service directorates and Members to identify potential buildings which could deliver the savings requirement. At present there is circa £0.412m of savings to be delivered from the closure of buildings, which are yet to be agreed.

4.5.2 Within ICT there are savings to be delivered from the procurement of User Access Devices and other third party contracts. Work is progressing well to identify specific contracts which will deliver these savings and it is anticipated that the risks will diminish once this work is completed.

4.6 Financing Items budgets:

4.6.1 We have recently received notification from Government of the amount of reimbursement relating to the impact of tax changes, incurred under the business rates retention scheme, that were announced in recent Autumn Budget Statements. This reimbursement is higher than our estimate of compensation included in the budget. The Government has also recently confirmed our funding levels for Extended Rights to Free Travel and Inshore Fisheries Conservation, which are marginally higher than we had assumed at the time of setting the budget. In addition, our estimate of Education Services Grant, based on the latest projection of schools converting to academies this financial year, is higher than assumed when setting the budget. These amount to an additional £0.650m.

4.6.2 We have been notified by Swale Borough Council that we are due some additional retained business rates in relation to 2015-16 for a Renewable Energy scheme. This is marginally offset by a lower retained business rates levy from being in a business rates pool with Kent District Councils than assumed at the time of closing the 2015-16 accounts. As a result we are forecasting £0.246m of additional retained business rates income in 2016-17.

4.6.3 There is a forecast underspend of £0.372m on the net debt charges budget, mainly due to lower than budgeted interest costs, including a reduction in bank charges following the recent retendering for banking services and savings on brokerage fees, as we are not looking to take out any new borrowing this financial year.

5. 2016-17 CAPITAL MONITORING POSITION

5.1 The capital programme 2016-17 has an approved budget of £304.512m (excluding schools and PFI). This includes roll forwards and other cash limit changes which were agreed as part of the 2015-16 outturn report. There are no forecast variances to cash limit, however items to note are listed below:

5.2 **New Ways of Working – Strategic & Corporate Services:**

The New Ways of Working programme is currently forecasting an overspend based on the existing profile of spend per property. Discussions are underway to seek a solution to this. An update on this will be reported in the first quarter's monitoring.

5.3 **Highway Maintenance, Integrated Transport & Public Rights of Way (PROW) – Growth, Environment & Transport:**

The overall funding from Department for Transport has been realigned to best suit the service requirements as follows:

+£0.615m to Highway Maintenance
-£0.439m from Integrated Transport
-£0.176m from PROW
£0.000m

6. RECOMMENDATIONS

Cabinet is asked to:

6.1 **Note** the initial forecast revenue and capital budget monitoring position for 2016-17, and that the revenue forecast pressure needs to be eliminated by year end.

6.2 **Agree** that £0.110m of the uncommitted underspend from 2015-16, agreed by Cabinet in June to be transferred to reserves to support future years budgets, be used this financial year to fund a further weed spray to control weed growth on hard highway surfaces, which is necessary due to the favourable growing conditions caused by the very mild and wet winter.

6.3 **Agree** to ring-fence future highway winter service underspends resulting from a mild winter, of up to the cost of a second weed spray (currently £0.110m), in anticipation of higher than average weed growth in the following growing season. Such underspending to be reflected as a committed roll forward requirement into the following financial year.

7. BACKGROUND DOCUMENTS

2015-16 outturn report, which was presented to Cabinet on 27 June 2016.

8. CONTACT DETAILS

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From:	Matthew Balfour, Cabinet Member for Environment & Transport Mark Dance, Cabinet Member for Economic Development Barbara Cooper, Corporate Director for Growth, Environment & Transport
To:	Cabinet – 18 July
Subject:	**Local Growth Fund Round 3 and Large Local Major Schemes**
Decision No:	16/xxxxxxxxxx
Classification:	Unrestricted
Past pathway:	Environment & Transport Cabinet Committee – 8 July 2016
Future pathway:	Growth, Economic Development & Communities Cabinet Committee – 19 July 2016 Decision by the Leader of the Council
Electoral Division:	All

Summary:

The Government has launched two new calls for project proposals that will help unlock economic growth in local areas. In the first call, Local Enterprise Partnerships (LEPs) are invited to bid for a share of the third tranche of Local Growth Funding (LGF), worth £1.8 billion across England. In the second call, LEPs are invited to bid for a share of the Large Local Major Schemes funding, worth £475m across England.

Recommendations:

The Cabinet is asked to consider and endorse, or make recommendations to the Leader of the Council on the proposed decision for Kent County Council to:

• Endorse the Local Growth Fund Round 3 (LGF3) and Large Local Major Scheme (LLMS) bid submissions to Government proposed by the Kent & Medway Economic Partnership & the South East Local Enterprise Partnership.

• Act as the accountable body for projects within Kent County Council's geographical boundaries that are selected by the Government to receive LGF3 and LLMS funding.

• Delegate to the Section 151 Officer the authority to sign on KCC's behalf a grant offer letter or equivalent, where this is required to draw down funds following business case approval.

1. Introduction

1. 1. In July 2014, the Government announced that it planned to invest at least £12 billion nationally to promote growth in local economies through a series of 'Growth Deals' that would operate over six years from 2015/16. This money, known as Local Growth

Funding (LGF), would finance infrastructure and skill schemes that in turn would unlock housing growth and encourage job creation.

1. 2. In the first round of Local Growth Funding (LGF1), £133 million was allocated to schemes in Kent and Medway; and in the second round (LGF2), a further £19.5 million was received. In addition, £22 million was allocated to establish a Skills Capital Fund for distribution across the South East Local Enterprise Partnership (SELEP).

1. 3. In March 2016, the Secretary of State for Communities and Local Government announced the release of a third tranche of Local Growth Funding (LGF3), worth £1.8 billion across England. He also announced a project call, worth £475m nationally, for 'Large Local Major Schemes' (LLMS).

1. 4. The Government has stipulated that LGF3 and LLMS funding will be allocated to Local Enterprise Partnerships[1] (LEPs) through a competitive bidding process. No LEP will be entitled to a particular share of funding, rather funding will be apportioned based on the strength of specific project proposals and their alignment with a wider strategy for economic growth.

2. The Local Growth Fund Round 3 (LGF3)

Eligibility criteria and information issued by the Government

2.1 The Secretary of State for Communities and Local Government issued a letter on 12th April (see appendix A) describing the LGF3 eligibility criteria. In summary, the criteria are:

a) Proposed schemes should increase growth, over and above the impact of the existing Growth Deal. The LEP submission should provide details on what the proposed schemes will deliver in terms of job creation, investment and housing.

b) Strong collaboration between the partnership and the local area must underpin the proposal. This work must be owned by both political and business leaders.

c) Proposed schemes that are aligned with mayoral Combined Authorities (or proposed Combined Authorities) will have an advantage.

d) Proposed schemes should include a greater level of private sector investment than in previous rounds, as well as match funding from other bodies such as universities.

e) Proposed schemes should engage with government's key objectives within the wider local context (such as plans for housing delivery and the area reviews into further education).

f) The delivery of existing Growth Deals will play a part in the Government's consideration of proposals.

Timeline for the submission

[1] Local Enterprise Partnerships (LEPs) are partnerships between local authority and business leaders set up in 2011 by the Department for Business, Innovation and Skills to help determine local economic priorities and lead economic growth and job creation within the local area.

2.2 The SELEP submission detailing the proposed LGF3 schemes must be returned to the Government by no later than Thursday 28th July. The Secretary of State intends to announce the final allocations of LGF3 funding around the time of this year's Autumn Statement.

LGF3 schemes endorsed by the Kent and Medway Economic Partnership

2.3 Through the Kent and Medway Economic Partnership (KMEP), which is a federated board of the South East Local Enterprise Partnership (SELEP), information on the LGF3 funding opportunity was distributed to Kent County Council, Medway Council, and 12 District Councils. The local authorities were asked by KMEP to submit business cases for potential LGF3 schemes that would unlock economic growth and reflect the local strategic priorities. 34 business cases were received in total in advance of KMEP's Board meeting.

2.4 KMEP met on 14th June 2016 to consider these 34 business cases. The Partnership considered each scheme in relation to four prioritisation attributes. These were:

- a value for money score;
- a match-funding score;
- a deliverability score; and
- a sub-county partnership prioritisation score.

2.5 As a result of the discussion, KMEP recommended the business cases for 21 schemes be developed further and included within SELEP's LGF3 submission to Government. Subsequent to this meeting, the East Kent Spatial Development Company's bid was removed by the applicant. A description of the 20 remaining schemes, plus the ranking KMEP gave to each scheme, can be found in appendix 2.

2.6 The total value of these 20 schemes is £75.03m (although this is subject to minor variation as the business cases are developed). For context, if the Government had chosen to base the allocations on the population, a proportionate share of the £1.8bn fund would have resulted in roughly £140m for the South East LEP, with circa £60m for Kent and Medway.

3. Large Local Major Schemes (LLMS)

3.1 The Large Local Major Schemes (LLMS) fund is intended to support transport schemes which are too large to receive LGF3. The Department for Transport (DfT) guidance sets out that schemes within the SELEP area need to exceed the minimum funding threshold of £75 million.

3.2 LLMS funding (like LGF3) will be allocated via LEPs, and will be based on a competitive process. As the LLMS fund itself is only £475 million nationally, only a limited number of schemes will be funded.

3.3 To bid for LLMS, LEPs are required to submit large scale transport business cases to the DfT, which are compliant with the Department's business case development methodology (known as WebTAG).

3.4 The DfT recognises that there are very few large scale projects with a WebTAG-compliant business case already developed, due to the high cost of undertaking this type of project development work. The DfT is therefore allocating some of the £475m to support LEPs in developing new WebTAG-compliant business cases (known as LLMS development funding).

3.5 To secure LLMS development funding, bids should have some match funding, have a strong strategic case and must demonstrate that the scheme cannot be funded through LGF3.

3.6 Where the LLMS development fund is made available to support the development of a new WebTAG-compliant business case, there is no guarantee that these projects will be subsequently granted capital funding for project delivery and implementation.

Large Local Major Scheme endorsed by the Kent and Medway Economic Partnership

3.7 KMEP received a report at its meeting on 14th June which explained that no Large Local Major Schemes are sufficiently developed to submit a WebTAG-compliant business case to the Government by its July deadline.

3.8 A presentation was given to KMEP identifying potential schemes which would benefit from LLMS development funding. Of the schemes proposed, KMEP recommended that SELEP submit a bid to Government for LLMS development funding to finance the production of a WebTAG-compliant business case for improvements to Junction 7 on the M2, which is known locally as Brenley Corner.

3.9 Junction 7 of the M2 is located on the strategic European transport route of the A2/M2 that runs from the Port of Dover through to the Midlands and the North of England, via the Dartford Crossing. People, wishing to travel to Canterbury and Dover via the A2, are currently compelled to use the slip road from the M2 to the Brenley Corner roundabout before joining the A2. This current configuration of the junction creates peak hour congestion on a regular occurrence, as traffic on the strategic Highways England road network mixes with traffic on the local road network.

3.10 This scheme, which was endorsed by KMEP, fits both the strategic SELEP-wide objective to support bifurcation and a new strategic route from the Port of Dover to the proposed new Lower Thames Crossing, as well as the local objective of supporting growth in Swale, Canterbury and wider East Kent.

4. Financial & Legal Implications of LGF3 and LLMS

4.1 The LEP Assurance Framework[2] issued by the Government in 2014 defines the governance arrangements that must exist between a LEP and a local authority. It states that Local Growth Funds, allocated to a LEP, will be paid via a Section 31 grant determination to a lead local authority (called the accountable body). The framework says “the LEP has a vital leadership role to play, responsible for developing and maintaining the Strategic Economic Plan and determining the key funding priorities to which LGF and other resources should be directed”, but the accountable body will retain the legal and financial responsibility for ensuring the proper use and administration of the funding in accordance with the grant funding letter/agreement.

5. Recommendations

[2] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/386642/bis-14-1241-local-enterprise-partnership-LEP-national-assurance-framework.pdf

5.1 The Cabinet is asked to consider and endorse, or make recommendations to the Leader of the Council on the proposed decision for Kent County Council to:

- Endorse the Local Growth Fund Round 3 (LGF3) and Large Local Major Scheme (LLMS) bid submissions to Government proposed by the Kent & Medway Economic Partnership & the South East Local Enterprise Partnership.

- Act as the accountable body for projects within Kent County Council's geographical boundaries that are selected by the Government to receive LGF3 and LLMS funding.

- Delegate to the Section 151 Officer the authority to sign on KCC's behalf a grant offer letter or equivalent, where this is required to draw down funds following business case approval.

6. Appendices

- Appendix A: Secretary of State's letter of 12th April describing the LGF3 funding opportunity
- Appendix B: Description of KMEP-endorsed LGF3 bids
- Appendix C: Proposed Record of Decision

7. Contact details

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The Rt Hon Greg Clark MP
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Department for Communities and Local Government

Chris Brodie
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12 April 2016

Dear Chris

Competing for Growth – Further Growth Deals

Across the country, Local Enterprise Partnerships have used the existing Growth Deals to build stronger local economies. Every new job created as a result of a Growth Deal makes someone's life better: there's little more important work than this.

I am delighted, therefore, to invite proposals for the **next round of Growth Deals**.

We are looking for even more ambition in this round: the competition is open to every LEP, but no area is entitled to a particular share of funding. We'll make the awards on the basis of the merits of the cases you make, in light of the criteria I outline below. The stronger your proposal, the greater your chance of success - it's that simple.

Here are the criteria we will use in our review:

- You should explain how new funding will help to increase growth in your area, over and above the impact of your existing Growth Deal. What barriers (in transport, skills, housing supply, for example) could be overcome by new investment? **Propose a specific figure** for funding, and describe the purpose to which it would be put. (The e-mail you received from Louise Morgan, the BIS Local Deputy Director for London & East, made clear the funding for which everyone is competing). As in previous rounds, I will look for you to provide details on what your proposals will deliver in terms of job creation, investment and housing, as well as what will be required to achieve this in terms of cost and capacity.

- **Strong collaboration between your partnership and the local area** must underpin your proposal. This work must be owned by both political and business leaders in your area.

- The need for **stronger, reformed governance structures** implies that proposals that are aligned with mayoral Combined Authorities (or proposed Combined Authorities) will have an advantage. You would do well to outline the positive role your partnership is taking in strengthening local governance.

- As your Partnership will be more engaged with local business now than was the case in 2014, your proposal should include **a greater level of private sector investment** than in previous rounds, as well as match funding from other bodies such as universities. My expectation is that LEPs will have SME representation on their Board and I would like to see a proposition on how you will implement this in your proposal.

- Your strategy should **engage with government's key objectives within the wider local context** (such as plans for housing delivery and the area reviews into further education).

- And, of course, the **delivery of existing Growth Deals** will play a part in my consideration of proposals. We expect your proposals to set out the systems in place to ensure value for money and proper use of public money.

Your proposal will also be seen in the context of your bid, should you make one, for Local Transport Majors funding. Local Transport Majors funding allows several areas to fund transport projects beyond that which individual Local Enterprise Partnerships have previously delivered. Ministerial colleagues in the Department for Transport will write to you shortly to explain how that funding will be awarded.

Your new Growth Deal proposal should be submitted by summer recess, and my officials will contact you in due course regarding your challenge session. I intend to announce the winners of this competition around the time of this year's Autumn Statement. BIS Local teams are ready to support you in preparing your proposals — make good use of them.

To support this round of funding, I was pleased to announce continued core funding for LEPs into 2017-18, to enable you to plan for the future with confidence. We will provide further guidance on this in due course.

I hope you share my excitement about this new round of Growth Deals, and look forward to reading your proposals.

Rt Hon Greg Clark MP

CC. Adam Bryan, Executive Director South East LEP

Appendix B

Scheme priority	Proposed scheme seeking LGF3 funding	Local Authority	**LGF3 ask** in accordance with business case of 14 June 2016	Accumulative total	Description
1	Dartford Town Centre Transformation	Dartford BC + Kent CC	£4,300,000	£4,300,000	This scheme will incentivise private sector investment in major stalled development sites and improve the economic performance of Dartford Town centre through public sector funding of transportation and public realm improvements. Comprising multiple elements, the scheme will see the introduction of a market square and the creation of a shared surface space; the reconfiguration of the Hythe Street/Westgate Street junction and public realm improvements to High Street. All this will be accompanied by a programme of highway works including signal synchronisation and a new road layout to improve traffic flow. The benefits of the scheme include: Increased draw from the immediate catchment area from current 15% to 25% (provisional); 25% increased footfall in town centre (provisional); 25% increase in town centre expenditure (provisional). Over 4000 new jobs and dwelling are expected to be generated from the project.
2	Ashford Spurs	Ashford BC + Kent CC	£4,800,000	£9,100,000	The scheme invests in the new signalling infrastructure required to allow international trains to continue to stop at Ashford International Station. In doing so, the project will: safeguard approximately 1,000 jobs in Ashford which have been located in the town precisely due to its international rail service; stimulate the creation of 1000 additional jobs by encouraging business location and expansion decisions based on the existence and future guarantee of the international rail service; stimulate housing growth to match the growth in jobs; support the creation of a further education hub adjacent to the international station with courses which attract students from other European countries; support further economic growth in Ashford and in the wider East Kent region; create a town in which people want to live, work and participate in business activity; promote modal shift from road or air to rail transport, providing environmental benefits and a reduction in congestion.

3	Fort Halstead	Sevenoaks DC + Kent CC	£1,500,000	£10,600,000	This scheme allows Sevenoaks District Council to purchase and develops the Fort Halstead (ex-MOD) site for employment, housing and a hotel. If the bid is successful, the site will become Sevenoaks District Council's largest new employment site, unlocking over 1000 new jobs (especially high-tech jobs), nearly 500 residential units, an 80 bed hotel and a new village centre. The employment site will deliver: 127,000sq ft of A grade HQ style offices, 29,000 sq ft of light industrial floorspace, 5,000 sq ft of laboratories, and 18,300 sq ft of precision engineering. Demand for commercial premises is currently very strong and availability very low.
4 =	Strood Civic Centre - Flood Defences	Medway Council	£3,500,000	£14,100,000	The Civic Centre is a brownfield site in Strood, that was cleared a number of years ago and is currently used for car parking, that Medway Council wishes to develop to enable a mixed use regeneration site. The site is at considerable risk of flooding and requires protection works before it can be redeveloped, but once protected will be an area of prime, high quality residential land with potential for premium housing, offering fantastic views and access to the River Medway, Rochester Castle and Rochester Cathedral. The site will also provide valuable employment land, which will be targeted at SMEs, encouraging local cafes, restaurants and independent retailers to locate there. Regenerating the site is expected to unlock over 1,500 jobs and over 300 dwellings.
4 =	Rochester Airport Technology Park	Medway Council	£3,700,000	£17,800,000	First phase of enabling infrastructure at Rochester Airport Technology Park site to encourage private sector developers to invest in construction on the land (benefiting from Enterprise Zone tax discounts), unlocking the land for commercial use. There will be leverage funding opportunities from the public sector, BAE Systems, Sheppey Industries and the University of Greenwich, all are active stakeholders in the master plan development, in order to fully exploit the Enterprise Zone status. The site is in the ownership and control of Medway Council.

6	A2500 Lower Road Improvement	Swale BC + Kent CC	£860,000	£18,660,000	The A2500 Lower Road improvements scheme will improve the A2500/Barton Hill Junction, an existing pinch point on the network and a barrier to development on the Isle of Sheppey. The limited route options for traffic wanting to enter or leave the Island places a significant demand on the A2500 Lower Road across the typical weekday periods, particularly near the junction. The Island's tourism-related economy, coupled with the significance of the prison service on the Island (the largest employer on the Isle) gives rise to further peaks in traffic demand. Unsurprisingly, the cumulative pressures being placed on the A2500 Lower Road and its junction with Barton Hill is currently resulting in significant delays and issues concerned with journey time reliability for all users, which has reached an unacceptable level. In the context of the emerging Local Plan a proportionate amount of development allocations will bring the transport network under greater strain, with increasing focus on the need for significant upgrade. The rationale for the A2500 Lower Road highway improvements is to ensure the travelling public can place a suitable level of confidence in journey time reliability.
7	Kent & Medway Engineering, Design, Growth & Enterprise (EDGE) Hub	Ashford BC, Canterbury CC, Dover DC, Medway Council, Swale BC, Kent CC + North Kent	£6,000,000	£24,660,000	This scheme, sponsored by CCCU, will see the construction and equipping of a Kent + Medway EDGE Hub. This will be a new 3,588m^2 facility in Canterbury, with satellite facilities at Discovery Park, Medway Campus + other parts of Kent, will support high value employment, growth and investment in Engineering + Technology businesses, and become a centre of excellence in this field. The Hub will be worth approx £10m per year to the Kent + Medway economy, and attract numerous learners. The expectations are there will be over 1000 additional student enrolments in Engineering, Product Design, and Technology and over 250 Degree Apprenticeships. LGF investment will take the University's existing plans to expand science at the former Canterbury Prison site to the next level by adding a whole new suite of Technical + Professional Education opportunities at the facility. The scheme has a multitude of other benefits for local scientific and engineering businesses, with expanded PhD, Masters, Undergraduate research project programmes responding to local employer and business needs in the new subject areas. The scheme will also deliver over 12,000 additional school student visits to experiential + innovative Engineering + Technology-themed careers and learning events

					at the new facilities to improve the careers, advice and guidance, and building a passion for science in the region.
8	Leigh Flood Storage Area	Tonbridge & Malling BC + Kent CC	£4,545,000	£29,205,000	The scheme will increase the capacity of the Leigh Flood Storage Area and will deliver local flood mitigation works at East Peckham in order to achieve greater protection for both existing homes and businesses and to unlock new residential and commercial development. The Leigh Flood Storage works will have additional benefits in diminishing the flood risk to Yalding. A partnership has been formed between Tonbridge + Malling BC, Maidstone BC, Kent County Council, + the Environment Agency. Together they have raised £1.08 million toward developing solutions to reduce the risk of flooding to vulnerable communities in the catchment. This project is referred to as the River Medway Flood Storage Areas project, which started work in January 2015. Its objective is to identify options to reduce the risk of flooding, select preferred options and prepare a business case in line with Defra and Treasury rules by 2018. An inter-related project is also required to reduce the risk of flooding in East Peckham. For the detailed design + construction phases it is likely that both projects will be merged to seek efficiencies from capacity building and a shared cost base.
9	A2 off-slip at Wincheap, Canterbury	Canterbury CC + Kent CC	£4,400,000	£33,605,000	This scheme will fund a new A2 Coastbound off-slip road at Wincheap, Canterbury, and support the delivery of over 1,000 new houses, over 68,000sqm of gross employment floor-space, + over 1,500 new jobs through enabling new residential + commercial development in Thannington, South West Canterbury + at Wincheap Retail Estate. The project will also improve journey time reliability by reducing congestion + providing direct access to an expanded Wincheap Park + Ride site. The scheme also includes the construction of a new gyratory system through Wincheap. This forms part of wider programme of improvements which intend to keep the A28 road corridor moving through East Kent by removing key bottlenecks + impediments as well as preparing for future developments + regeneration.

10	Dartford Station Mound & Hythe Street	Dartford BC + Kent CC	£3,600,000	£37,205,000	The proposed bid seeks funding for enabling works to bring forward sites for development. On Station Mound this would include the regrading of the site (it is a man-made mound) to increase the development platforms + bring it down to street level at its southern end/town centre side, with improved links to Hythe Street crossing Home Gardens. For Hythe Street this would involve site clearance, preparation + highway improvements. The Station Mound Site comprises Dartford Station, station car park + Dartford BC's offices with associated parking. The Hythe Street Site includes the site of the former Co-Op store (now demolished) + the former multi-storey car park off Kent Road (also demolished). Whilst immediately adjacent to the shopping core, the Station Mound site in its current configuration is poorly connected with the town centre. The site is not maximising its value as a station site with frequent train services to London. A joint marketing exercise for the two sites has been carried out by the three landowners working in partnership. Whilst there is some private interest the sites are not viable at current land values. The Station Mound site, in particular, lacks viability because it is a man-made mound which requires significant re-profiling to achieve an appropriate quantum of development. Development of the sites could provide for up to 500 homes + a mix of retail + leisure uses with the potential for other supporting uses. It would improve one of the key walking routes into the town centre from the station to the main shopping core.
11	Swanley Town Centre	Sevenoaks DC + Kent CC	£1,900,000	£39,105,000	Local Growth Funding is sought is to kick start the redevelopment of three sites in Swanley for residential development, for the provision of business incubator space and for the development of new leisure facilities that would generate new employment in the town. All the three sites identified by the bid are at the end of their useful life, unattractive, not in economic use + create a tired and uninspiring impression to visitors as they reach this important 'gateway' to the town. By development of the sites for a mixture of housing and business use, the entrance to Swanley at a strategic location, juxtaposed with the London Road leading from the M25 junction 3 and the footpath to Swanley station will be transformed. Across the three sites, over 1000 new jobs and thousands of new dwellings will be provided. At the same time, the District Council has funding to improve the railway station, footway and cycle paths connecting the station to the

					Centre. The subject sites are in very close proximity and together will transform the Town.
12 =	East Kent Spatial Dev. Company - Hurricane Way Hawkinge Project	Shepway DC + Kent CC	£500,000	£39,605,000	Withdrawn by applicant.
12 =	Ashford Town Centre Regeneration Project	Ashford BC + Kent CC	£969,240	£40,574,240	This scheme provides the framework for the transformational large scale regeneration and development of Ashford Town Centre, with over 1,000 homes and 1,000 jobs. The 5 key developments include the major new Commercial Quarter office development in Ashford, only 38 minutes from London St Pancras, and an emerging major office location within Kent and the South East. These developments are regenerating town centre brownfield sites that have been vacant for approximately 20 years, with this project providing the investment in highways and pedestrian infrastructure that unlocks these pioneering high risk developments, and helps create a new more dynamic property market in Ashford and East Kent. This project delivers improvements to existing junctions within the town centre to support increased activity and traffic flow throughout the area, improvements to parking to accommodate new capacity to facilitate the developments, but also improvements to the public realm and pedestrian movement between Ashford International Station, the town centre and surrounding developments.
14	Chatham Place-making	Medway Council	£4,000,000	£44,574,240	This scheme will see the transformation of Central Chatham to create a City Centre environment, attracting inward investment, raising local aspirations and core destination for Medway, an area that aspires to become a Waterfront City with a population of 330,000 by 2035. The re-imagined city centre will create a high quality public space that highlights and enhances access to, and connections between world class heritage at Fort Amherst and Barrier Ditch, Old Town Hall, proposed Chatham Waterfront Marina, Chatham Bus Hub, Pentagon Centre, Chatham High Street, Chatham Waterfront mixed use regeneration, Medway Creative Quarter and the proposed Medway Street regeneration. The private sector

					operated Chatham Waterfront Marina adjacent to the public space will bring an active leisure activity to the area. Place-making and public realm improvements of city centre include redesigning Military Square, landscaping of The Paddock and Chatham Waterfront, development of Chatham Marina, mixed use regeneration development of adjacent areas such as Medway Street. Areas of improved landscaping will create an informal amphitheatre for viewing significant events on the existing big screen. The improved public space will raise residential and investor aspirations to activate land redevelopment and mixed use regeneration of the Medway Street area, adjacent to the city centre. Investment follows development of Strategic Route and improved wayfinding into Chatham, improvements at Chatham train station, and development of Chatham Bus Hub.
15	Woodsgate Corner roundabout	Tunbridge Wells BC + Kent CC	£550,000	£45,124,240	This scheme delivers a roundabout to replace existing traffic signalised junction on key route into/out of Tunbridge Wells town centre. The A264/A228 is already a congested route into and out of Tunbridge Wells town centre already and one which TWBC received lots of complaints about from businesses and residents. A corridor study recently commissioned by KCC and TWBC identified that both the Woodsgate Corner junction and the Halls Hole Road junction could be improved significantly through the replacement of the existing signalised junctions with roundabout schemes. Improving the flow of traffic on the A264/A228 will support economic growth in the town centre of Royal Tunbridge Wells (homes and jobs). It will help to support the delivery of the Tunbridge Wells Site Allocations DPD, which proposes approximately 4500 new dwellings in and around the Tunbridge Wells Urban Area by 2026. The Site Allocations SPS also proposes approx. 30,000 m2 net comparison floorspace and 1,700 m2 net convenience floorspace in and around Tunbridge Wells town centre. This project will support this delivery.

16	Paddock Wood junction improvements	Tunbridge Wells BC + Kent CC	£3,000,000	£48,124,240	The scheme involves improvements to two key junctions along the B2017 Badsell Road with the aim to increase vehicular capacity in support of housing delivery in Paddock Wood. The existing junctions with the B2160 and the A228 do not have sufficient capacity for additional traffic associated with forthcoming development sites. The improvements are imperative to ensuring the highway infrastructure does not hinder the delivery of housing provision within the district. There are three housing sites coming forward in the Paddock Wood area with a total delivery of nearly 1,000 homes; Church Farm, Mascalls Court Farm and Mascalls Farm. These developments would in turn support local businesses including retail in Paddock Wood town centre. Paddock Wood is already a key employment area and the proposed developments include a Primary School which will be a new employer in the area. The necessary improvements to existing junctions are vital to ensure the wider economic benefits are realised. The three development sites are directly dependant on the delivery of the two junctions. However, it is unviable for the developers to fund the full cost of the project. Without Local Growth Fund investment, the requirement for the delivery of these highway improvements will become a delivery constraint and barrier to the completion of the planned new houses.
17 =	Duke of York's roundabout	Dover DC + Kent CC	£3,000,000	£51,124,240	The Duke of York's Roundabout is a key junction on the A2 Strategic Transport Route serving not only a major role in the Trans Continental Route accessing the Port of Dover but also fulfilling a unique local role as a primary junction serving both Dover and Deal. Locally, it also the major junction serving the principle housing allocation in Dover District at Whitfield along with the one of the major East Kent employment and business allocations at White Cliffs Business Park. The junction serves the adjacent Connaught Barracks Site owned by the Homes and Communities Agency (being one of four sites announced by the Prime Minster on 4 January for Accelerated Delivery). In addition, the junction will face significant increase in additional traffic generated by the implementation of the Lower Thames Crossing. It will provide much needed resilience to the Trans European Network in the event of interruptions of service on the M20/A20 Route.

17 =	Westwood Relief Strategy	Thanet DC + Kent CC	£4,900,000	£56,024,240	Westwood Relief Strategy addresses severe congestion at the main intersection of roads across Thanet District. This pinch-point is also the access to the extremely successful Westwood Cross Shopping Centre. The bottleneck has an adverse impact on accessibility in Thanet and directly impedes growth in Westwood itself. The initial phases of the Westwood Relief Strategy have been delivered through a combination of private sector and Department for Transport Local Pinch Point Funding. LGF3 is now required to deliver the final stage of the Westwood Relief Strategy, known as Tesco's Link Road, to achieve all the economic and transport benefits associated with the project. These include: Safeguarding existing jobs due to better business; Creating new jobs due to potential expansion; Improving journey time for shopping and business trips; Enabling the delivery of new residential development in Westwood; Additional and Indirect Jobs created through construction works.
17 =	Maidstone Medical Campus Highway Works	Maidstone BC + Kent CC	£7,466,340	£63,490,580	The scheme involves the reconfiguration and signalisation of the M20 Junction 7 grade separated gyratory, the A249 / Bearsted Road roundabout junction and the enlargement of the Bearsted Road / New Cut Road roundabout junction to improve junction capacity and traffic flow in order to accommodate the traffic associated with the Maidstone Medical Campus (MMC) development, which is part of the North Kent Innovation/Enterprise Zone. The scheme includes the construction of the on-site access road required to service the development plots, and provision of new pedestrian crossing facilities. The purpose of this funding bid is to attract businesses to locate at the Enterprise Zone and to assist in the delivery of the Maidstone Medical Campus. The scheme will deliver over 2,500 jobs and nearly 500 houses.

20	Investment in NIAB EMR Biotech Hub	Tonbridge & Malling BC + Kent CC	£6,037,000	£69,527,580	This scheme will support the further development of the NIAB EMR biotech hub that will support innovation, research and spin-out businesses. The proposed development includes the purchase of an Industry Standard Glasshouse and energy centre; three laboratories (for genetics service, fruit processing; and fruit analysis); IT infrastructure; and farming infrastructure. This investment will: accelerate the commercialisation of existing and new UK developed plant-based intellectual property; help to develop new UK varieties and crops, for export and including added value uses in food and health; help to develop new and improved tools for agricultural production including application of engineering and bio-tech solutions by UK SMEs with the potential for international export; and create supply chain resilience for UK fresh produce. There are a number of other wider industry benefits to this scheme, most notably as a consequence of re-enforcing the strong role that Kent has to play in the UK horticultural industry by creating nearly 1,000 jobs, and safegaurding over 14,000 jobs in the SELEP area in the horticultural sector and in downstream industries associated with horticulture.
21	Port of Ramgate	Thanet DC + Kent CC	£4,000,000	£73,527,580	This scheme funds phase 1 of a 3 phase expansion strategy to increase the Port's capacity and resilience. Phase 1 delivers the construction of a new double-deck ro-ro berth at the Port of Ramsgate, that will improve the Port's handling capacity, particularly for unaccompanied freight vehicles. The Port is a municipal port owned and operated by Thanet District Council. Ramsgate Port currently has the capacity to accommodate up to 500,000 HGV's per annum. This investment will increase that capacity to 1 million HGV's per annum. At 58 miles, Ramsgate is the same distance via the M2 from the QE2 Bridge as Dover and offers an opportunity to meet future freight demand by linking with the continental road and rail network via the Port of Calais. The port also offers cost effective routes to Northern Europe via Ostend, Dunkirk and Vlissingen.