

By: Kevin Lynes, Cabinet Member for Regeneration and Economic Development and David Cockburn, Corporate Director of Business & Solutions, Business Strategy and Support

To: Regeneration and Economic Development Policy Overview and Scrutiny Committee - 16 November 2011

Subject: Update on Strategic Projects

Classification: Unrestricted

Summary: This report provides Members with an update on the progress of key regeneration projects.

1. Introduction

- 1.1** This report provides Members with an update on progress of major regeneration projects being delivered by Regeneration and Economy.
- 1.2** The tables that follow present progress against projects in Ashford, Kent Thameside, Dover, Thanet, Swale and for specific countywide initiatives such as Kent and Medway Infrastructure Model, Integrated Infrastructure Finance Model, Developers Guide, Broadband, Sector Conversations, Kent Forum Housing Strategy and No Use Empty.

Project	Summary of project outcome	Cost of Project KCC/Partners £	Latest progress	Next Steps
Ashford Growth Area		Lead Officer: Mike Bodkin - Contact 01622 221960		
Ashford Growth Area	Delivery of the Ashford Programme to support sustainable growth.	Total Programme value £53.5m public sector funding (of which £22m GAF 3 and £5.5m KCC funding).	<ul style="list-style-type: none"> • Drivers Roundabout, J9/Footbridge now substantially completed and open to traffic. • Final out-turns on both schemes being calculated and agreement being sought with Ashford partners to cover overspend. • Negotiations underway with development consortium on strategic and local transport mitigations and other community infrastructure needs for Chilmington urban extension. 	<ul style="list-style-type: none"> • Agreement to be reached with Ashford partners to cover overspend on highway schemes. • Negotiations to continue with Chilmington development consortium and ABC with draft Action Area Plan and outline planning permission expected early 2012. • ABC to commence review of LDF Core Strategy in 2012. KCC will continue to support the Locality Board and partners in pursuing an employment-led growth agenda for the town.
Kent Thameside		Lead Officer: Mike Bodkin - Contact 01622 221960		
Homes and Roads	To deliver 11 major transport schemes to support growth of 20,000 homes and 50,000 jobs.	Total cost - £200m (at 2009). (Price base varies for funding commitments) Regional Transport Programme (DfT) £46m (at 2008) HCA £23m (at 2008) DfT £26m (at 2007) Eastern Quarry £40m (at 2007) Developer Contributions £63m (at 2009).	<ul style="list-style-type: none"> • Meeting on 2nd Sept 2011 with DBC/GBC to move forward Partnership Agreement. • Agreement reached with developers of Lowfield Street and GSK East & Millpond sites in Dartford regarding transport improvements to be provided as "In-Kind" contributions. • Work progressing on design of Rathmore Road Link, Gravesend with land referencing and surveys completed. • Methodology agreed for Eastern Quarry transport assessment after resolving concerns raised by Highways Agency. • Gravesham BC has produced Core Strategy for consultation. 	<ul style="list-style-type: none"> • Partnership Agreement between KCC/DBC/GBC to be finalised. • Package of mitigation measures to support development in Dartford Town Centre to be finalised. • Detailed planning application for Rathmore Road Link to be submitted in Jan/Feb 2012. • On-going engagement with Land securities regarding S.106 Deed of Variation and transport assessment for Eastern Quarry. • On-going work with GBC regarding input for Core Strategy on transport element for inclusion of policies that will secure collection of funds for Homes and Roads. • Governance structure to be drafted and discussed with partners. • On-going discussions with CLG/DfT regarding further public sector funding

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				<p>and investigation of alternative sources of funding for the programme.</p> <ul style="list-style-type: none"> • 2nd Annual Progress Report and review of Forward Delivery Programme to be prepared for Homes and Roads Steering Group. Report will also be presented to funding partners; HCA, KCC, DBC, GBC and DfT
Ebbsfleet Valley (including Eastern Quarry)	To deliver 11,000 homes and new community adjacent to Ebbsfleet station.	An estimated £100m worth of infrastructure secured by KCC and DBC to support the development of Eastern Quarry.	<ul style="list-style-type: none"> • Awaiting formal agreement by Land Securities to the proposed reconfiguration of the remaining S.106 terms for community infrastructure. • Land Securities have shortlisted 4 developers for joint venture on residential development of EQ. Decision expected shortly on preferred bidder. 	<ul style="list-style-type: none"> • Continue dialogue with Land Securities regarding future development and implications for KCC infrastructure requirements.
Dover		Lead Officer: David Hughes - Contact 01622 221942		
Whitfield	Development of Whitfield of up to 5,700 new homes and associated community infrastructure.	Significant private sector investment in build out of site and the provision of infrastructure. KCC Officer time in R&E/KHS regarding masterplanning and infrastructure provision.	<ul style="list-style-type: none"> • S.106 negotiations relating to Phases 1 and 1a ongoing. • Highways Agency Article 14 directions dealt with – Grampian planning conditions agreed on development. 	<ul style="list-style-type: none"> • Assist DDC with developing their approach to S.106 and CIL requirements.
Folkestone		Lead Officer: Theresa Trussell – Contact 01622 221362		
HLF (Townscape Heritage Initiative) bid for £1.6m to enhance public	Extending the creative and cultural offer of the Old Town to attract more tourists and visitors to	Total project cost £1.6m. KCC match funding £400k from Reg Fund (subject to	<ul style="list-style-type: none"> • HLF application being prepared for submission in November 2011. Project team comprising of KCC, Shepway District Council and Creative Foundation now formed and operational. Other partners to be 	<ul style="list-style-type: none"> • Submit HLF bid in November 2011. • Complete survey work, consultation and design for highways element of the scheme. • Carry out consultation and finalise the scheme details.

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realm and landmark buildings in Folkestone Old Town	Folkestone.	approval). HLF grant of £1.2m Additional funding (in kind and capital) will be sought from Creative Foundation and Shepway District Council.	included as project progresses. <ul style="list-style-type: none"> • Consultation underway with local heritage and community groups and letters of support being received. • Background work to bring forward the highways element of the project underway. • Regen Fund bid of £500K submitted - £100k agreed by Regen Fund sub Group for improvements to Tontine Street and Tram Road. £400K to be decided later on the outcome of the HLF Bid. 	<ul style="list-style-type: none"> • Tram Road outline design to go out to consultation in December • Meetings in November to take forward Tontine Street improvements
Swale		Lead Officer: Mike Bodkin – Contact 01622 221960		
Queenborough/ Rushenden Regeneration	Overall scheme to deliver 2000 new homes and related community/road infrastructure over 10 years.	Estimated cost of £26.4m of community infrastructure to be secured from S.106 CLG funding of £390k; KCC £15k to carry out environmental works.	<ul style="list-style-type: none"> • Planning application submitted for works to raise levels, due to flood risk, for first phase of development • Rushenden Link Road on schedule with completion early November. • Works on site at Queenborough mound to improve open space; successful community days held on site with children and adults. • Some progress on new community /skills centre however one of the primary users may be withdrawing. KCC is assisting in trying to find other users as the withdrawal will impact on revenue streams. • Initial KCC/SBC S.106 discussions held highlighting KCC's main requirements. 	<ul style="list-style-type: none"> • Preparation of first phase site. • Completion of Rushenden Link Road • Completion of planting and hard landscaping at Queenborough Mound. • Development of business plan and options for future of community /skills centre at Rushenden.
Sittingbourne Northern Relief Road	<ul style="list-style-type: none"> • Milton Creek Crossing. To join Eurolink and Kemsley 	Total cost £30.6m HCA £8m S106 £2.6 DfT £20m	<ul style="list-style-type: none"> • Work proceeding well – to target and below budget. 	<ul style="list-style-type: none"> • Road due to be completed by December 2011.

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	Industrial Areas, relieving Town Centre.			
	<ul style="list-style-type: none"> Bapchild Link. Completion of relief road from existing route to A2 at Bapchild route. 	Total cost estimated between £15m to £45m, dependant on final route option selected,	<ul style="list-style-type: none"> Initial work on SNRR submitted to Swale BC for inclusion in LDF Core Strategy. Decisions being taken mid-November. 	<ul style="list-style-type: none"> Development of scheme to satisfy Highways Agency and develop funding approach so scheme can progress through LEP.
Sittingbourne Northern Relief Road /M2 Junction 5	<ul style="list-style-type: none"> M2/Junction 5 Completion of Transportation Strategy for Sittingbourne, including solution to congestion / safety problems at M2 Junction 5. 	Total Cost estimated between £120m to £150m. (Preliminary costs only at this stage).	<ul style="list-style-type: none"> Work pursued as identified by Swale JTB Members above. 	<ul style="list-style-type: none"> See note above.
Sittingbourne Town Centre	Remodelling / regeneration of Town Centre Retail Core and local road network.	Costs being borne by developers (Tesco / Spenhill).	<ul style="list-style-type: none"> Swale BC negotiating development agreement with Spirit of Sittingbourne for redevelopment of SBC owned sites in town centre. Joint meeting held between Swale BC and KCC October 2011 on potential transfer of KCC assets in Sittingbourne Town Centre, as part of SBC Joint venture. Planning Applications for Morrisons and Tesco, Spenhill being assessed. Joint approach on transport work progressing well. 	<ul style="list-style-type: none"> Discussions with SBC over possible involvement of KCC owned sites and / or services in conjunction with Spirit of Sittingbourne partnership. Proposal to be reported to Cabinet on 5 December. Development agreement (DA) to be signed by SBC and Spirit of Sittingbourne end December. Transport Mitigation strategy agreed Morrisons and Tesco, Spenhill planning applications to be reported to Swale BC on 24 November 2011.
Thanet		Lead Officer: Theresa Bruton - Contact 01622 221947		
East Kent	Limited liability	KCC purchased	<ul style="list-style-type: none"> Review of planning application 	<ul style="list-style-type: none"> All sales opportunities to be pursued at

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Opportunities LLP	partnership created by KCC and Thanet DC to develop land holdings at Manston Business Park and Euro Kent adjacent to Westwood Cross. EuroKent spine Road opened November 2008.	Manston Park landholdings in June 2006 £5.35m. Now sits alongside TDC equivalent landholding at EuroKent in the LLP.	<p>proposals for Eurokent and completion of supporting documentation.</p> <ul style="list-style-type: none"> Review of sales opportunities and exploration of prospective interests. Eurokent planning submission was submitted on 31 October 2011 informed by consultation. 	<p>Manston in difficult market conditions.</p> <ul style="list-style-type: none"> Employ Thanet Jobs Fair now taking place in April 2012.
Margate				
		Lead Officer: Theresa Bruton - Contact 01622 221947		
Rendezvous site development	A quality mixed-use development at the eastern end of the Rendezvous site that is sympathetic to the Turner gallery and provides strong and effective linkages to the Old Town and the Winter Gardens. R&E are working with Thanet District Council (TDC), to transform the Grade 2 listed, Winter Gardens into a successful, modern operation.	Total cost will be determined by the eventual direction of the project.	<ul style="list-style-type: none"> Watching brief on property market in Margate maintained. Margate has shown substantial uplift in visitors after opening of Turner Contemporary (TC) with local cafes reporting 3 fold increase in takings. Major developers still cautious and awaiting evidence of continued uplift after winter 2011/12. Completion of most landscaping works in and around TC – some works near slipway need to await flood defence works to be carried out in 2012. Agreement with TDC that they will continue to maintain the Winter Gardens as live music venue and await uplift in market before re-considering more ambitious plans. Work to secure wider use of the Winter Gardens especially during winter to increase numbers of visitors in town. 	<ul style="list-style-type: none"> Objective still for KCC/private sector scheme to develop eastern end of KCC owned Rendezvous site for hotel/apartments to provide appropriate high grade development and provide income to TC. Re-evaluation of market in 2012. Agreed planning brief for Rendezvous with Thanet DC and take forward with users of site e.g. RNLI and Margate Yacht Club. Work with other partners to secure wider use of Winter Gardens during Winter
Development on the Dreamland site	To deliver the Dreamland Entertainment Complex & Heritage	£12.4m (Phase 1) including: SeaChange £4m HLF £3m	<ul style="list-style-type: none"> TDC is in the process of compulsorily purchasing site. Plans exist for the refurbishment of the site and currently include a Heritage 	<ul style="list-style-type: none"> CPO of site likely to take 1 year to 18 months to resolve.

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	Amusement Park on a 10 acre site around the listed cinema and scenic railway.	TDC £0.75m Developer £4m	Theme Park (which will be subject to HLF bid and other public funding sources), refurbishment of 1930's listed art deco theatre and public park	
No Use Empty		Lead Officer: Steve Grimshaw - Contact 01622 221906		
No Use Empty	Initiative launched in 2005 as part of its PSA 2 commitments to examine better ways of delivering services and working more effectively with district councils by returning long term empty properties back into use.	£5m	<ul style="list-style-type: none"> • NUE - Winner of Partnership Working Award – Regeneration & Renewal (Sep). • Gravesham Borough Council joined the Loan Scheme (Sep). • Held 1st NUE Surgery for Empty Property Owners in West Kent (Oct) • £5.1m loans awarded since start of Initiative, pulling in £10.9m leverage to date (Oct). • £935k of loans repaid (Oct). • Further applications for loans with a value of £1m currently being considered / processed. • 1,912 units returned to date since start of the Initiative. (Sep) • Annual Target to return 200 units has been exceed by 35 (235 achieved by Q2). • HCA have acknowledged bid for funds of £1.5m to pilot NUE Affordable Homes Project but have delayed announcing successful bids and mechanisms to access funds until April 2012. 	<ul style="list-style-type: none"> • Continue to process loan applications. • Progress bid to Regeneration Fund to complement NUE Affordable Homes Project (Dec). • Submit Business Case for a request to extend NUE for 5 years to 2017/18. • Follow up work on recovery of loans in relation to revised payment plans (further £100k due by Dec). • NUE to explore further “surgeries” at Landlord Forums in other parts of Kent to offer advice, guidance and potential loan assistance. • Further discussion on raising awareness through Publicity/PR for 2012-13.
Kent Forum Housing Strategy		Lead Officer: Brian Horton - Contact 01622 221947		

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Kent Forum Housing Strategy	To develop and implement an integrated Housing Strategy for Kent and Medway.	£255k (rev) funding from the KCC Regeneration Fund. £200K (capital)	<ul style="list-style-type: none"> • The Joint Kent Chiefs and the Kent Forum received and endorsed an update on progress on delivery of the implementation plan and the proposal for refresh of the Housing Strategy in September. • The Kent Forum in September received a report from the KPOG chair on the development of Housing and Planning Futures, the new methodology to help District and Boroughs to determine their future dwelling numbers and demonstrate a Kent managed housing growth ambition. • Draft Heads of Terms have been set out for a potential pilot project between KCC and a major constructor into institutional investment on publicly-owned land to fund the delivery of new private sector housing. • A Kent Housing Group Task and Finish Group have been established to progress a pilot with Sector Treasury Services and Local Authorities around the development of a Kent-wide Local Authority Mortgage Scheme to help first time buyers access the mortgage market. • The Rural Housing protocol has been presented to the Kent Rural Board, Kent Planning Officers Group and a promotional event for members delivered by KHG and Ashford BC. • KHG research on older people's housing provision has been 	<ul style="list-style-type: none"> • To continue to progress delivery of the 25 work streams based on the recommendations detailed in the endorsed Implementation Plan. • It is intended that a first draft of the refreshed Strategy will be shared with Kent Joint Chief Executives and the Kent Forum in early 2012, with a view to issuing a consultation version of the document by end March 2012. • Areas of focus for the refreshed Strategy include: <ul style="list-style-type: none"> • Localism Bill • Neighbourhood Planning & the National Planning Policy Framework • Housing and Planning Futures • Stimulating development (inc regulatory reform, using public assets, Kent & Medway Investment Fund) • Welfare and benefit reforms • Homelessness • Affordable Rent Framework • Tenancy strategies • Under-occupation • Over-crowding • Tenure reform • Green Deal and retrofit • HRA reforms • Working with the private rented sector and institutional private rented investment • Local FTB mortgage scheme • Housing-based Regeneration – i.e.

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			<p>completed with DTZ and Silk, the recommendations from which is being taken forward by a KHG sponsored multi-agency public private sector Task and Finish Group.</p> <ul style="list-style-type: none"> JPPB research with Silk has been completed into the role of housing in the re-settlement of ex-prisoners; this is now being used by the Integrated Offender Management Strategy Board as the basis for the housing strand of their reducing re-offending pathway. 	<p>Margate, Sherwood estate in Tunbridge Wells</p> <ul style="list-style-type: none"> Housing for older people Wheelchair accessible housing – allocations and mobility Design and quality Housing for service personnel
Sector Conversations		Lead Officer: Megan McKibbin – Contact 01622 221914		
Sector Conversations	<p>Expanded network of business contacts with key business sectors – target no of new business contacts 800 Identify key actions that will stimulate business growth</p> <p>Task & Finish activities to address issues that will make a tangible difference to business growth</p>	<p>Total project cost £12K – 1.5K per event.</p> <p>Partner contributions in kind – include subsidised venues, business champions time and speakers free of charge</p>	<ul style="list-style-type: none"> Four conversations undertaken to date: - Food Production with Horticulture & Agriculture, Construction & Development, Low Carbon, and Health & Social Care. Common themes emerging as priorities to support Business Growth:- <ul style="list-style-type: none"> Enhanced Broadband capacity. Address delays and inconsistencies in the Planning System. Promotion of Kent’s key sector brands i.e. Kent Rural PLC, Low Carbon Kent, Creative Kent etc. Access to finance. Smooth and simplify public procurement. Respond to the demand for Higher Level Skills Support for Open Innovation and improve access to HEI R&D capacity. Report to Regeneration Board 2 	<p>Events planned for 2012:</p> <ul style="list-style-type: none"> A Creative Media and Communication sector conversation to focus on Kent’s growing community of creative companies involved in advertising, design, communications, PR, marketing, film and video production A Digital event – to involve business from a range of sectors to explore the business opportunities to be captured from enhanced digital capacity A sector conversation for Manufacturing and Engineering

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			November details follow-up from Sector Conversations to date.	
Kent and Medway Investment Fund		Lead Officer: Adele Harrison – Contact 01622 694835		
Kent and Medway Investment Fund	Revolving Fund to provide investment for regeneration	Phase 2: Development £650k – contributions from Medway & Districts subject to further discussion. KCC contribution up to £500k, subject to Regen Fund bid.	<ul style="list-style-type: none"> Asset review started in a number of districts and boroughs and due to complete early November. Successful Regen Fund bid for KCC contribution of up to £500k 	<ul style="list-style-type: none"> Establish project governance arrangements for development phase. Set up shell partnership structure to pre-empt Localism Bill. Procure consultancy support for next development phase of KMIF.
Pfizer/East Kent Recovery Package		Lead Officer: Barbara Cooper – Contact 01622 221856		
Pfizer/East Kent Recovery Package	Following the announcement that Pfizer will exit the Sandwich site by the end of 2012, this project focuses on: <ul style="list-style-type: none"> a) Establishing new options for the future of the Sandwich site; b) Supporting staff, contractors and suppliers affected by closure; and c) Developing the broader economic strategy for East 	Sandwich Task Force, East Kent Leaders and CE's, Business and HE.	<ul style="list-style-type: none"> Task Force established in February and continuing to meet. Pfizer currently in negotiations with investors for sale of site. Enterprise Zone designation for site secured, giving a business rate discount for new occupiers and simplified planning procedures. Funding package secured to deliver 1 in 200 flood risk protection for site. £40 million Regional Growth Fund allocation secured for Expansion East Kent programme to provide grants to businesses and unlock private finance. Funding secured from Jobcentre Plus to support ex-employees and contractors in establishing own businesses. 	<ul style="list-style-type: none"> Site marketing continuing, to incorporate marketing of incentives associated with Enterprise Zone. Implementation Plan for Enterprise Zone being developed. Local Development Order (offering simplified planning) being developed by Dover DC. Due diligence on RGF funded Expansion East Kent programme to take place in November, prior to launch. Governance arrangements for Enterprise Zone and Expansion East Kent to be put in place.

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	Kent.			
Rural Superfast Broadband Project		Lead Officer: Elizabeth Harrison – Contact 01622 694835		
Unlocking Kent's Potential: Rural Superfast Broadband Project	To pilot innovative solutions to providing high speed access in areas of market failure for next generation broadband access.	£1.6m funding from KCC Regeneration Fund and £10 million funding from KCC Capital programme	<ul style="list-style-type: none"> • Procurement framework finalised. • Mini-tenders being developed for wave one pilots. • £9.87 million allocated by Government (BDUK) towards wider upgrade of Kent's broadband infrastructure. 	<ul style="list-style-type: none"> • Issuing of mini-tenders to procure wave one pilot solutions. • Finalising the BDUK plan to unlock Government funding. • Reviewing plans for wave 2 and wave 3 solutions to ensure strategic alignment with wider BDUK plan. • Commencing demand stimulation/registration work
Integrated Infrastructure Finance Model & Developers Guide		Lead Officer: Nigel Smith – Contact 01622 221867		
Integrated Infrastructure and Finance Model	Model developed jointly with Finance and external consultants	£125k revenue funding from the KCC Regeneration Fund.	<ul style="list-style-type: none"> • Finance to complete corporate section of model. • Using model as the single source of information for ELS, FSC and C&C in connection with Planning Applications, Local Development Frameworks (LDF's), Infrastructure Delivery Plans (IDP's), Community Infrastructure Levy (CIL) and KCC Developers Guide. 	<ul style="list-style-type: none"> • Consider potential refinements to model. • Develop protocol for ongoing maintenance of model.
Developers Guide	A revision of the current Guide to reflect new innovative service delivery methods for ELS, C&C and FSC and KCC's approach delivering services in the current economic climate. The Guide will be informed by the IIFM above.	£25k for public consultation	<ul style="list-style-type: none"> • Draft Guide undergoing internal consultation 	<ul style="list-style-type: none"> • Following internal consultation, modify draft if required and obtain Cabinet approval ready for public consultation. • Consideration of appropriate amendments following public consultation and adoption by KCC.

2. Recommendation:

2.1 Members are asked to note progress against each of the projects.

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