

By: Kevin Lynes
Cabinet Member for Regeneration and Economic Development

David Cockburn, Corporate Director of Business & Solutions,
Business Strategy and Support

To: Regeneration and Economic Development Policy Overview and
Scrutiny Committee

19 January 2012

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"> Detailed transport modelling being undertaken to define offsite highway mitigation required for development of Chilmington urban extension. Range of employment scenarios being produced by consultants for Ashford BC, as precursor to review of LDF core strategy. 	<ul style="list-style-type: none"> Draft Chilmington Area Action Plan to be produced by ABC March 2012. Transport modelling to be finalised Jan 2012 as input to AAP. Review of Core Strategy to be developed from employment-led perspective during 2012.
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"> Further draft of KCC/DBC/GBC Partnership Agreement in progress. Extent of improvement package identified for Dartford Town Centre. Design of Rathmore Road Link progressing. Land issues identified and steps being taken to resolve them through discussion with relevant parties. Consultation for Gravesham BC Core Strategy in progress. Discussion regarding traffic modelling to support transport strategy. Initial review of Homes & Roads Programme carried out to identify potential cost savings, alternative sources of funding and risks to delivery. 	<ul style="list-style-type: none"> Partnership Agreement between KCC/DBC/GBC to be finalised. Governance structure to be drafted and discussed between KCC/DBC/GBC. Dartford Town Centre package of improvements to be agreed with Dartford BC. Detailed planning application to be submitted Jan/Feb 2012. On-going engagement with Gravesham BC. Response to Gravesham BC Core Strategy consultation. On-going work to define transport strategy. 2nd Annual Progress Report to be prepared including a review of the Forward Delivery Programme. Document to be discussed and agreed with partners.
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	<ul style="list-style-type: none"> Positive initial discussion with Land Securities regarding the provision of a new primary school at Springhead Park. Awaiting formal agreement by Land Securities to the proposed reconfiguration of the remaining S.106 terms for community 	<ul style="list-style-type: none"> Continue dialogue with Land Securities regarding the future provision of a primary school at Springhead Park and the overall implications for KCC infrastructure requirements.

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		development of Eastern Quarry.	<p>infrastructure.</p> <ul style="list-style-type: none"> Eastern Quarry transport assessment progressing with Base Models produced. 	<ul style="list-style-type: none"> Seek to reach agreement on the contribution for the Homes and Roads programme arising from the Eastern Quarry permission. On-going engagement with transport assessment work.
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"> The applicant, Phillip Jean Homes (PJH) has been involved with a planning appeal outside Kent, therefore we have not been able to progress negotiations relating to Phases 1 and 1A. 	<ul style="list-style-type: none"> Continue negotiations with PJH following their planning appeal hearing. 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 realm and landmark buildings in Folkestone Old Town	Extending the creative and cultural offer of the Old Town to attract more tourists and visitors to Folkestone.	Total project cost £1.6m. KCC match funding £400k from Reg Fund (subject to approval). HLF grant of £1.2m Additional funding (in kind and capital) will be sought from Creative Foundation and Shepway District	<ul style="list-style-type: none"> Bid submitted to HLF end of November 2011. This will be assessed in April 2012 and the outcome known in May 2012. Shepway District Council will produce a Conservation Area Management Plan prior to April 2012 as a requirement of the process. 	<ul style="list-style-type: none"> Outline designs for Tram Road and Tontine Street have been produced. Consultation deferred to January in order not to conflict with current Beachfront public consultation.

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		Council.		
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 with Swale BC to raise levels on first phase of development land • Rushenden Link Road completed and open • Hard landscaping and bulb planting completed on Queenborough Castle mound plus successful community engagement programme. • Assessment of community needs of area largely completed. • Support secured from HCA to keep Rushenden skills/community centre open. 	<ul style="list-style-type: none"> • Work to spread material to raise levels • Completion of local interpretation programme at Queenborough Mound • Support to develop business plan for Rushenden skills/community centre alongside developing skills agenda (eg for wind technology on Sheppey). • Reassess education and community infrastructure needs and liaise with Swale BC regarding potential provision.
Sittingbourne Northern Relief Road	Milton Creek Crossing. To join Eurolink and Kemsley Industrial Areas, relieving Town Centre.	Total cost £30.6m HCA £8m S106 £2.6 DfT £20m	<ul style="list-style-type: none"> • Road completed and open. 	<ul style="list-style-type: none"> • Contractors to complete on site. As part of their 'exit' to carry out various works eg primary path to facilitate movement on the adjoining country park (which has SBC and KCC involvement).
	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"> • Scheme reported to Swale JTB in December 2011. Agreed to include in Swale LDF Core Strategy as an Area Action Plan. Consultation to be Borough wide when scheme is brought forward. 	<ul style="list-style-type: none"> • Proposal to include AAP in Core Strategy will be debated through the LDF EiP process. Liaison with Swale BC required to bring scheme forward in appropriate timescale.
Sittingbourne Northern Relief Road /M2 Junction 5	M2/Junction 5 Completion of Transportation Strategy for Sittingbourne,	Total Cost estimated between £120m to £150m. (Preliminary costs	<ul style="list-style-type: none"> • Short-term scheme to provide extra capacity on A249 southbound being studied for local housing development site. 	<ul style="list-style-type: none"> • Report on progress and possible future options requested by Swale BC for presentation to March 2012 JTB.

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	including solution to congestion / safety problems at M2 Junction 5.	only at this stage).		
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"> • Planning applications for major supermarket developments approved by Swale BC Planning Committee (Morrisons and Tescos). • Decision awaited from Government on whether to call-in Morrisons application. • Tesco subject to outstanding Article 14 holding direction of refusal from Highways Agency. 	<ul style="list-style-type: none"> • Liaison with Spirit of Sittingbourne to bring forward wider Town Centre redevelopment proposals including potential transfer of KCC highways and other land. • Development Agreement between SoS and SBC to be signed early 2012. Transport Assessment of wider proposals to be developed during 2012. • Negotiations with Highways Agency under way to remove Article 14 for Tesco application.
Thanet		Lead Officer: Theresa Bruton - Contact 01622 221947		
East Kent Opportunities LLP	Limited liability 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.	KCC purchased Manston Park landholdings in June 2006 £5.35m. Now sits alongside TDC equivalent landholding at EuroKent in the LLP.	<ul style="list-style-type: none"> • Eurokent outline mixed use planning submission made on 31October 2011 and registered with the local planning authority on the 14 November. • Manston – Review and improvement of marketing and media material including Web site redesign and promotion in conjunction with Locate in Kent. 	<ul style="list-style-type: none"> • Eurokent - Preliminary promotion of site sales opportunities and exploration of housing and other land use interests from prospective parties. • All sales opportunities being pursued at Manston in difficult market conditions. Two current projects with good prospects. • 'Employ Thanet' Jobs Fair taking place in April 2012.

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Margate				
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"> Decision to restart activity to secure hotel/mixed use scheme on the Rendezvous site (owned by KCC). Draft planning brief for Rendezvous site available. Flood defence works around Margate harbour have commenced (Nov 2011). Discussion with Thanet DC on future use of Winter Gardens and other similar venues in Margate. Investigation of flood risk realities in determining parameters for future seaward development at the Winter Gardens. 	<ul style="list-style-type: none"> Approaches to potential hotel and other developers for future joint venture scheme on the Rendezvous site Agreement between KCC and TDC on planning brief Discussion and agreement with other users of the site (RNLI and Margate YC) Support to new users of the Winter Garden (eg national video gaming event Feb 2012) as part of achieving a more sustainable future for the WG Comparison of other seaside resorts in hosting live music events as key to future of Winter Gardens. Approach to HLF for future funding of the Winter Gardens.
Development on the Dreamland site	To deliver the Dreamland Entertainment Complex & Heritage Amusement Park on a 10 acre site around the listed cinema and scenic railway.	£12.4m (Phase 1) including: SeaChange £4m HLF £3m TDC £0.75m Developer £4m	<ul style="list-style-type: none"> TDC is in the process of compulsorily purchasing the Dreamland site (should be resolved April/May 2012). HLF have awarded £3m for phase 1 works at Dreamland. This will enable essential repairs to the cinema, restoration of the scenic railway and some landscaping in the park. Letter of support sent by KCC Leader to the Secretary of State to support the project and the CPO by TDC (Dec 2011). 	<ul style="list-style-type: none"> Establishing with TDC the use of the Dreamland cinema vis a vis Winter Gardens and other live venues in Margate.
No Use Empty				
No Use Empty	Initiative launched in 2005 as part of its PSA 2	£5m	<ul style="list-style-type: none"> Business Case submitted for MTP to extend NUE for 5 Years to 2016/17 (Loan fund will operate with £5m being 	<ul style="list-style-type: none"> Submit bid to HCA for funding to complement the NUE Affordable Homes Project (Jan).

Project	Summary of project outcome	Cost of Project KCC/Partners £	Latest progress	Next Steps
	commitments to examine better ways of delivering services and working more effectively with district councils by returning long term empty properties back into use.		<p>recycled).</p> <ul style="list-style-type: none"> • Successful bid to Regeneration Fund for £1.2M to establish NUE Affordable Homes Project (Dec). • £5.4m loans awarded since start of Initiative, pulling in £11m leverage to date (Dec). • £941k of loans repaid (Dec). • Further applications for loans with a value of £1m currently being considered / processed (Dec-Mar). • 1,921 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). • Approved first loan for Swale since joining Loan Fund. 	<ul style="list-style-type: none"> • NUE guest speaker at Annual Capita Conference London (Jan). • Continue to process loan applications including first loans for Tonbridge & Malling and Gravesham (Jan-Mar). • Meetings with districts and property owners who have been identified as having suitable properties for inclusion in the NUE Affordable Homes project (Jan/Feb). • Exploring potential to “franchise” NUE brand with legal services (Jan/Feb). • Follow up work on recovery of loans in relation to revised payment plans (further £100k due by March). • Follow up work with Eden Council who have expressed an interest in KCC administration their loan fund (subject to their funding being agreed). • Further discussion on raising awareness through Publicity/PR for 2012-13.
Kent Forum Housing Strategy		Lead Officer: Brian Horton - Contact 01622 221947		
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"> • Work is progressing on the development of the first draft of the refreshed Housing Strategy; this will be shared with Kent Joint Chief Executives in January 2012 and the Kent Forum in February 2012, with a view to issuing a consultation version of the document by the end March 2012. New content on the key 	<ul style="list-style-type: none"> • Since the launch of the Strategy, the Government has announced a raft of new housing-related measures, including the English Housing Strategy, which contains a number of new initiatives already under consideration for the refresh. These include: the

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			<p>strategic housing issues facing Kent will be provided.</p> <ul style="list-style-type: none"> • Further development work has been completed on the draft Heads of Terms and the identification of sites for a pilot project between KCC and a major constructor to develop new private sector housing using significant institutional investment. • Good progress has been made with partner Kent local authorities and lender representatives on the development of a Kent-wide Local Authority Mortgage Scheme to help first time buyers access the mortgage market. • KPOG have started an open dialogue with the Kent Developers Group, Kent Housing Group and HCA on the development of Housing and Planning Futures, the new methodology to help District and Boroughs to determine their future dwelling numbers and this will provide a bottom up housing growth ambition for the refresh of the Housing Strategy. 	<p>Mortgage Indemnity Scheme, releasing public sector land for housing development, reducing the burden of housing regulation, institutional investment in the private rented sector, Build to Rent and fiscal incentives to stimulate development.</p> <ul style="list-style-type: none"> • To continue to progress delivery of the 25 work streams based on the recommendations detailed in the Implementation Plan, including delivery of a Kent-wide Local Authority Mortgage Scheme and new private sector housing with significant institutional investment.
Sector Conversations		Lead Officer: Megan McKibbin – Contact 01622 221914		
Sector Conversations	Expanded network of business contacts with key business sectors – target no of new business contacts 800 Identify key actions	Total project cost £12K – 1.5K per event. Partner contributions in kind – include subsidised	Health and Social Care event took place in September. <ul style="list-style-type: none"> • 95 delegates attended. • Encourage more investment in telehealth and telecare technologies. • Identify and develop new delivery models to take full advantage of personalised budgets. 	<ul style="list-style-type: none"> • Next event for Creative, Media and Communications planned for 29 February 2012. • Future Sector Conversations to be planned as required.

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	<p>that will stimulate business growth</p> <p>Task & Finish activities to address issues that will make a tangible difference to business growth</p>	<p>venues, business champions time and speakers free of charge</p>	<ul style="list-style-type: none"> • Seek out capital funding to improve and develop existing environments to meet the demands of increasing numbers. • Develop a strategy to improve the image of the sector and its skills base. • Resolve the issues surrounding employing 16-18 year olds. • Develop a system to monitor quality of agency workers. • Ensure KCC procurement changes are widely understood by the care community. • Promote the 'Kent Card' and develop its capabilities. • Work is now underway to integrate these findings into appropriate directorate policies. 	
Kent and Medway Investment Fund		Lead Officer: Adele Harrison – Contact 01622 694835		
<p>Kent and Medway Investment Fund</p>	<p>Revolving Fund to provide investment for regeneration</p>	<p>Phase 2: Development £650k – contributions from Medway & Districts subject to further discussion. KCC contribution up to £500k, subject to Regen Fund bid.</p>	<ul style="list-style-type: none"> • Asset reviews completed. Identified a number of potential sites for a LABV / JV to unlock capital for investment in the Fund. Proposals for LABV / JV to be developed through phase 2. • Set up of shell partnership is progressing. Agreements to be signed by mid February. 	<ul style="list-style-type: none"> • Launch project governance early Q4. • Procure consultancy support for next development phase of KMIF.

Project	Summary of project outcome	Cost of Project KCC/Partners £	Latest progress	Next Steps
Pfizer/East Kent Recovery Package				
Lead Officer: Barbara Cooper – Contact 01622 221856				
Pfizer/East Kent Recovery Package	<p>Following the announcement that Pfizer will exit the Sandwich site by the end of 2012, this project focuses on:</p> <p>a) Establishing new options for the future of the Sandwich site;</p> <p>b) Supporting staff, contractors and suppliers affected by closure; and</p> <p>c) Developing the broader economic strategy for East Kent.</p>	<p>Sandwich Task Force, East Kent Leaders and CE's, Business and HE.</p>	<ul style="list-style-type: none"> • Task Force established in February and continuing to meet. Pfizer currently in commercially confidential negotiations with a single Preferred Bidder for the sale of the site. • Around 850 jobs now secure on site. • Enterprise Zone designation secured, giving a business rate discount for new occupiers and simplified planning procedures. Local Development Order currently being prepared by Dover District Council. • Funding package secured to deliver 1 in 200 flood risk protection for Sandwich site. • £40 million Regional Growth Fund allocation for Expansion East Kent programme to provide grants to business, unlock private finance and deliver improved infrastructure. Launch to businesses held in November. Contract with Government currently being negotiated; aim to launch in March. • Support package for business on Sandwich site assembled with High Growth Kent Team. • Package of financial support for new start-ups at Discovery Park being developed. 	<p><u>Regional Growth Fund</u></p> <ul style="list-style-type: none"> • Due diligence and contract negotiation with Government (Jan/Feb). • Detailed grant schemes developed (Jan). • Governance arrangements developed (Dec – Feb). • Launch for applications (March). <p><u>Enterprise Zone</u></p> <ul style="list-style-type: none"> • Continued site marketing associated with EZ incentives. • Board established (Jan). • Certificate of Lawful Development in place (April), followed by Local Development Order. <p><u>Business Support</u></p> <ul style="list-style-type: none"> • Enterprise package launched (January) funded by KCC and Jobcentre Plus. • Financial package for interim business support launched (Jan).
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"> • Mini-tenders being developed for wave one pilots. • Revised Kent and Medway Local Broadband Plan submitted to BDUK to access allocated funding. • On line demand registration tool developed for Kent and Medway. 	<ul style="list-style-type: none"> • Issuing of mini-tenders to procure wave one pilot solutions. • Commencing demand stimulation/registration work to underpin BDUK work.

Project	Summary of project outcome	Cost of Project KCC/Partners £	Latest progress	Next Steps
Developers Guide		Lead Officer: Nigel Smith – Contact 01622 221867		
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 informal consultation with key internal and external stakeholders, modify draft ready for formal public consultation in the New Year. • Consider appropriate amendments following public consultation and adoption by KCC.

2. Recommendation:

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

Lead Contact Officer:

Director of Economic Development
Barbara Cooper

Email Barbara.Cooper@kent.gov.uk

Tel: 01622 221856