

Unlocking the Potential: Going for Growth

Kent and Medway's Growth Plan:
Opportunities, challenges and solutions

Kent and Medway Economic Partnership

What do you think?

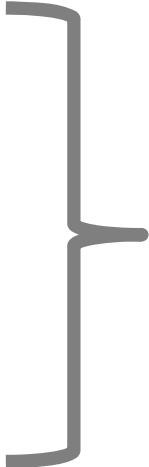
This Growth Plan is open for consultation and discussion – and we'd like to know what you think.

Comments are welcome – please email UnlockingThePotential@kent.gov.uk or visit www.kmep.org.uk

before 31 January 2013

Kent and Medway Economic Partnership
www.kmep.org.uk

Contents

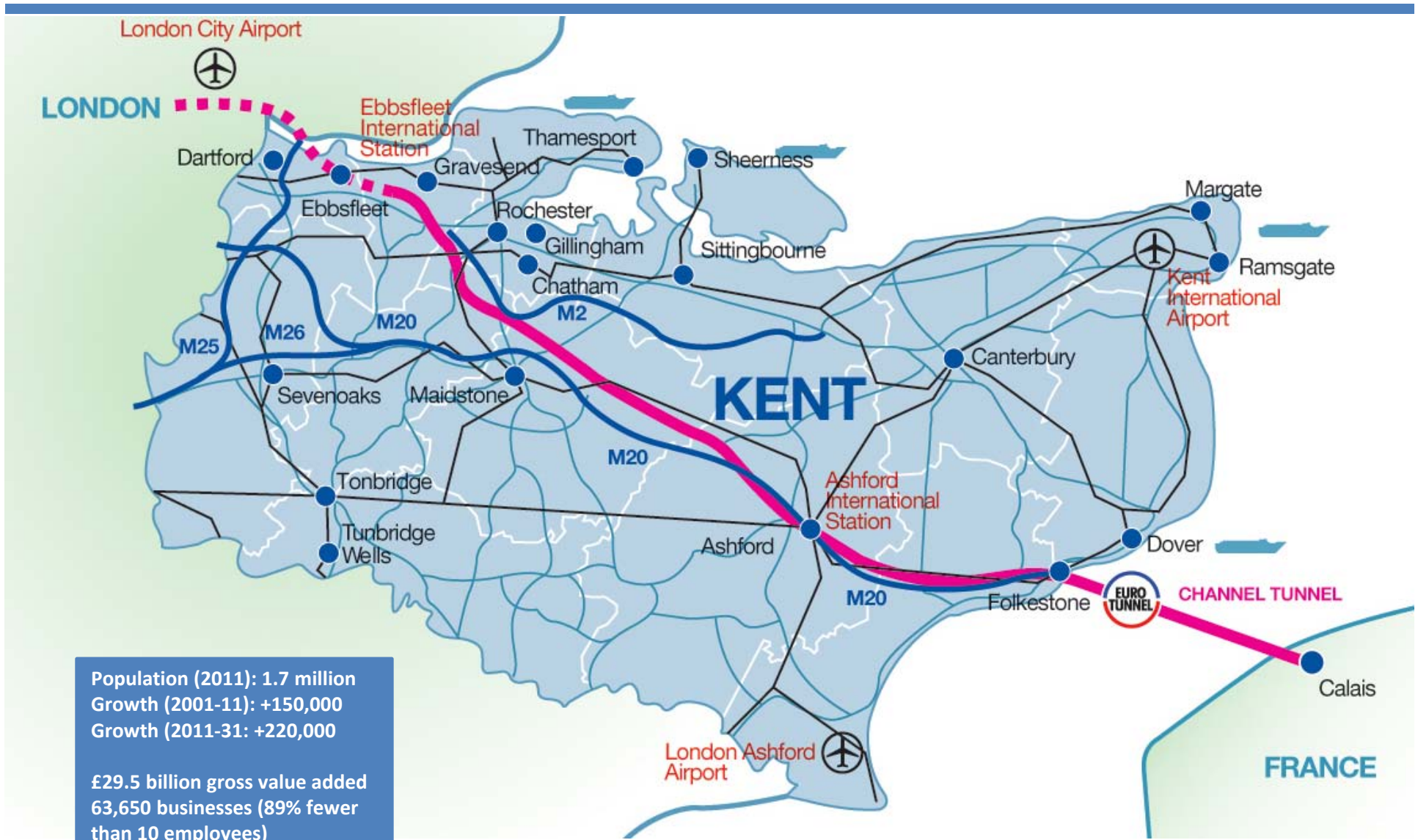
| | | |
|---|-----------|--|
| Foreword: Unlocking the Potential for Growth | 5 | |
| 1. Places for Growth | 11 |  |
| 2. Business for Growth | 24 | |
| 3. Skills for Growth | 44 | |
| 4. The Deal for Growth | 49 | |

Opportunities

Challenges

Solutions

Welcome / The Kent and Medway big picture



Population (2011): 1.7 million
 Growth (2001-11): +150,000
 Growth (2011-31): +220,000

£29.5 billion gross value added
 63,650 businesses (89% fewer than 10 employees)

Map courtesy of Locate in Kent

Foreword / Unlocking the Potential for Growth

Welcome to *Unlocking the Potential: Going for Growth*, Kent and Medway's seven year growth plan. In Britain's gateway county, we have great potential for growth – and with business reporting renewed confidence as the economy returns to growth, now is the time to invest.

So this plan sets out our big opportunities for business growth – and the challenges that we must overcome. It identifies our solutions to unlock growth and sets out proposals for intelligent, market-led investment for jobs, homes and added value.

In this plan, we have set out the **opportunities, challenges and solutions** to meet the following objectives:

1. Deliver the **housing growth** that our economy needs. We aim to increase delivery to meet planned requirements – meaning an **additional 3,300 homes per year** for seven years above 2012/13 delivery levels (23,100 homes in total)
2. Create sustainable **private sector employment**. We aim to enable the creation of an **additional 40,000 jobs**, primarily by making it easier for businesses to secure finance and support, unlocking new development and promoting the county's opportunities.
3. Increase **economic value**. We aim to increase Kent and Medway's levels of productivity and innovation, leading to an additional **7,500 knowledge economy jobs** over seven years.

Big opportunities

Kent and Medway is growing. Over the next twenty years, our population will increase by around 220,000 – equivalent to five towns the size of Tunbridge Wells.

With **London** on our doorstep, we are vital to the economic expansion of Britain's only world city and Europe's biggest city-region. The county offers some of the country's most important development sites. Our **strategic port, rail and road infrastructure** is vital in linking continental Europe with the rest of the UK. Recent investment in major transport infrastructure has brought Kent and Medway closer to markets and employment opportunities – with enormous opportunities presented to North and East Kent by **High Speed One**. With Kent and Medway an early adopter of national and local government investment in broadband, better connectivity is opening up new business opportunities, especially in rural parts of the county.

For much of the twentieth century, our economy was dominated by traditional industries such as paper making, shipbuilding, building materials, agriculture and domestic tourism – and historically it has lagged behind the rest of the South East.

But today, our economy is rapidly changing, with growing strengths in key sectors such as life sciences (for example at Discovery Park Enterprise Zone and Kent Science Park), creative and media industries (especially in West Kent, Folkestone and Margate), precision engineering and manufacturing (especially in Medway and Swale) increasingly R&D-intensive agricultural and horticultural activity and green technologies.

Foreword / Unlocking the Potential for Growth

With few large companies, our economy is dominated by small and medium enterprises – creating a diverse and resilient economic base, and one which is increasingly innovative.

We have had a strong relationship between business and local government for over a decade. We are building an environment conducive to private sector growth – with new infrastructure giving us capacity for expansion.

What we're already delivering

In Kent and Medway, we are making a strong commitment to growth – with local business and local councils working together with central Government.

Delivering England's most successful **Enterprise Zone** – with over 1,300 jobs at Discovery Park since EZ status was granted.

Delivering £65 million of the Government's **Regional Growth Fund** investment in North, East and West Kent. This will create over 8,000 jobs, with 2,090 already secured.

Delivering new solutions to **unlock housing growth** – such as the Kier Kent Initiative, using public sector land to bring forward institutional investment.

Sharing the risk with developers on major infrastructure costs to get development started in the Thames Gateway.

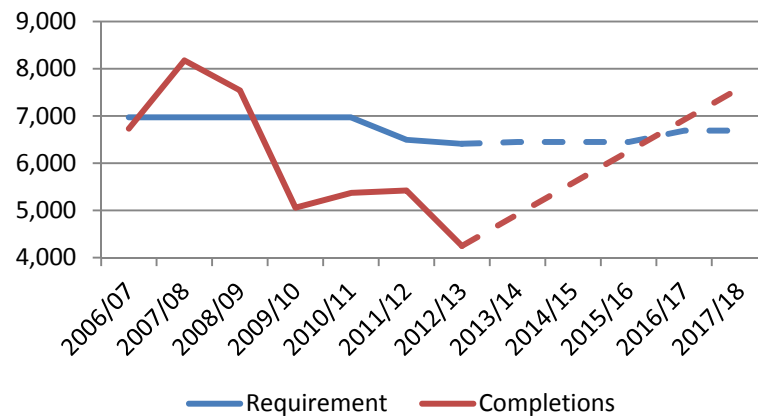
Delivering **integrated investment** in our coastal towns – linking housing market renewal and attracting new investment.

Challenges

The expansion of jobs and homes in Kent and Medway is essential to the growth of the national economy.

However, in recent years, housing delivery has fallen substantially short of requirement. To meet forecast demand, we need to deliver almost 7,000 homes a year across Kent and Medway. Yet although planning permissions are in place, the impact of recession on viability in many places means that last year, we only delivered half of our requirement:

Kent and Medway housing completions v. requirement



Returning to a sustainable level of growth – for housing and employment - is essential if we are to meet the county's future needs.

Foreword / Unlocking the Potential for Growth

From discussions with business, we have identified **four key factors** on which our return to growth depends:

- 1. Our ability to unlock major development sites.** In parts of the county – especially East Kent – the gap between the costs of the infrastructure to unlock growth and the receipts that these developments will yield is wide, even as the market returns. So we need solutions to reduce costs and bridge the viability gap.
- 2. The resilience of our strategic transport network.** We have benefited from significant investment in road and rail infrastructure. But as international traffic rises on major routes, our capacity will become increasingly limited. So we need to address bottlenecks on the strategic network. It is very welcome that the Government has now ruled out the least viable of the three options for a new motorway crossing of the Thames – and Government now must find new ways to finance delivery at the earliest opportunity.
- 3. Our skills potential.** Over the next twenty years, the Kent and Medway workforce will grow more slowly than the population as a whole – so we will need to increase productivity and drive forward our human resource potential – ensuring business has a real role in skills planning and getting more people into work.
- 4. The innovative capacity of our businesses.** In a competitive world, we need more businesses to invest in R&D, new products, goods and services. So we need to make it easier for businesses to unlock the finance and support that they need to expand.

Solutions: Unlocking the Potential

Taking into account our big opportunities and the challenges that we face, this growth plan focuses on solutions to unlock growth – and the actions that we must take together.

Within this document, we have identified **20 key solutions**, focused on our three key themes of:

Places for Growth

Solutions to unlock jobs and homes in places with the capacity and appetite for growth

Business for Growth

Solutions to harness the opportunities of key business sectors to drive forward innovation, investment and jobs

Skills for Growth

Solutions to maximise the potential of the Kent and Medway workforce, with employers at the heart of the system

Some of our proposals involve use of Government investment made available to us through the new Local Growth Fund. Some involve requests for changes to rules where we can reduce costs, cut bureaucracy and speed up delivery. **But all our proposed solutions are focused on achieving growth and delivering our three objectives of homes, jobs and business growth.**

Foreword / Unlocking the Potential for Growth

To unlock our potential, we will...

Invest in a **strategic transport programme for growth** focused on key employment and housing sites. We will seek devolution from Government to deliver some strategic schemes locally where it is cheaper to do so – and **we will ensure that all commitments to transport funding from the public sector are accompanied by developer commitments to build within a specified period.**

Bring forward sites for housing growth through a new **development fund** focused on opportunities for new forms of institutional investment in housing, and accompanied with a new role for Kent and Medway Economic Partnership in **commissioning the Homes and Communities Agency.**

Make it much easier for **SMEs in our key growth sectors to access loan finance and equity investment.** For every pound from the public sector we will secure £3 in private investment, linked with a better coordinated programme of support for firms with the potential for high growth and innovation and building on our successful RGF programmes.

Take bold steps to **tackle housing market failures and concentrations of deprivation** in parts of coastal Kent. We will act to remove poor quality housing at the same time as attracting new jobs and investment.

Invest in new, coordinated, innovative approach to **independent careers advice and guidance** accessible to all between the ages of 12 and 24 – with new incentives for training providers to meet local business needs.

Working together

In Kent and Medway, we have a strong partnership between business and local government and we have a strong track record of delivery.

As part of the South East Local Enterprise Partnership – the largest LEP in England outside London – there are also many challenges and solutions that we share with our neighbours in Essex and East Sussex. So this plan is an integral part of the South East LEP’s strategy. But crucially, it sets out our shared ambitions, and our shared strategy for the county.

We have the capacity and the appetite for growth.

We are vital to the growth of London, the South East and the UK.

We are focused on growth and we are committed to clear targets.

This is our strategy to unlock Kent and Medway’s potential.

Geoff Miles

Chairman, Kent and Medway Economic Partnership

Paul Carter

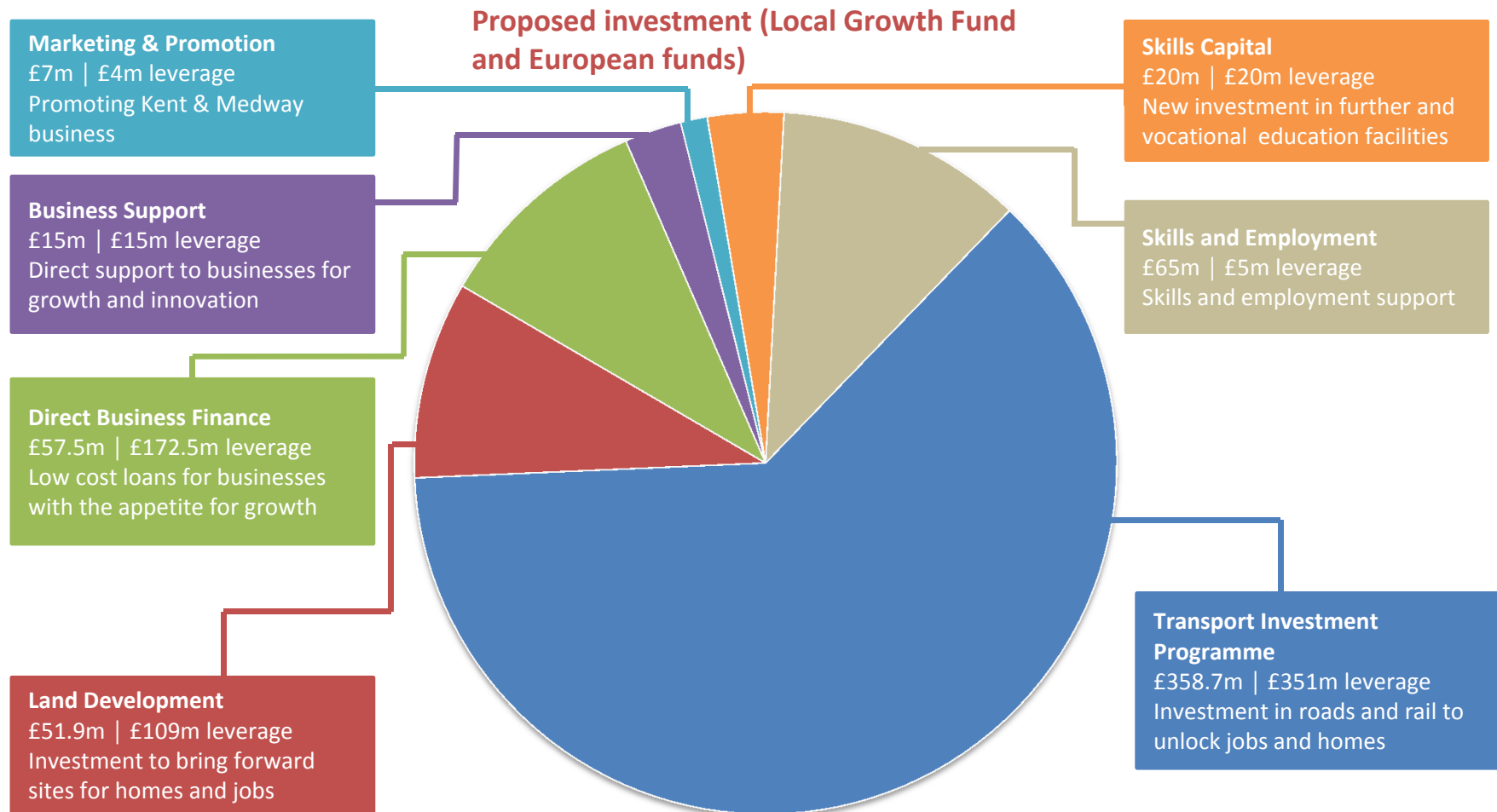
Leader, Kent County Council

Cllr Rodney Chambers, OBE

Leader, Medway Council

Summary / Investments

As part of the South East LEP's plans, our proposals for growth seek to use £575 million from the Local Growth Fund over six years from 2015/16 (including some funds managed directly by the LEP) and £70 million from the European Structural Funds over seven years from 2014/15. Our proposals will help to deliver 23,000 homes and 40,000 jobs and secure over £675 million in private finance:



Summary / Solutions

We have identified **twenty solutions** to unlock growth in Kent and Medway.

| Places for Growth | | | | |
|---|---|--|---|-------------------|
| <ol style="list-style-type: none"> 1. Transport Investment Programme – investing in transport to unlock jobs and homes 2. Selective devolution of Highways Agency responsibilities for cheaper, quicker delivery 3. Highways Agency flexibility to open up growth sites 4. New Kent & Medway Development Fund to unlock sites for housing and jobs 5. Consolidated public sector assets for economic growth 6. A joined-up approach to current and historic gap funding decisions 7. New role for Kent and Medway in commissioning the Homes and Communities Agency | <ol style="list-style-type: none"> 8. New incentives to attract institutional investment in housing 9. A Kent and Medway Growth Framework – signed up to by all main regulatory agencies to prevent blockages to planned growth 10. Local solutions to deliver and restore housing. 11. Maximising the benefit of High Speed One – improving links to East Kent and reducing the costs of travel 12. Tougher powers to deal with poor quality housing stock and landlords and tackle local concentrations of deprivation through ‘no go zones’ for the placement of vulnerable people | <ol style="list-style-type: none"> 14. Co-ordinated support to business through a Kent and Medway Business Hub 15. Programme of marketing and promotion for Kent and Medway and its sub-county areas | | |
| | <th data-bbox="817 1139 1411 1201">Business for Growth</th> <td data-bbox="1411 679 1993 1386"> <th data-bbox="1411 679 1993 742">Skills for Growth</th> <ol style="list-style-type: none"> 16. Employer-led approach to independent careers information, advice and guidance 17. Additional higher apprenticeships, supported through better information and financial incentives to business 18. Reduced travel for 16-19 year olds – improving access to learning and work 19. New Skills and Employment Responsiveness Fund to address barriers to training 20. Supported transition to work through Assisted Apprenticeships </td> | Business for Growth | <th data-bbox="1411 679 1993 742">Skills for Growth</th> <ol style="list-style-type: none"> 16. Employer-led approach to independent careers information, advice and guidance 17. Additional higher apprenticeships, supported through better information and financial incentives to business 18. Reduced travel for 16-19 year olds – improving access to learning and work 19. New Skills and Employment Responsiveness Fund to address barriers to training 20. Supported transition to work through Assisted Apprenticeships | Skills for Growth |

Places for Growth/ Introduction

There is great potential to bring forward new homes and new jobs across Kent and Medway, with major sites for development to support a growing population. We must address the viability constraints that hold back some of our key locations for growth.

Opportunities

Capacity and appetite for growth – especially in the Thames Gateway, Ashford, Maidstone and East Kent – with nationally significant **growth opportunities**
Investment in **infrastructure** – especially High Speed One – is starting to transform business opportunities and perceptions

Challenges

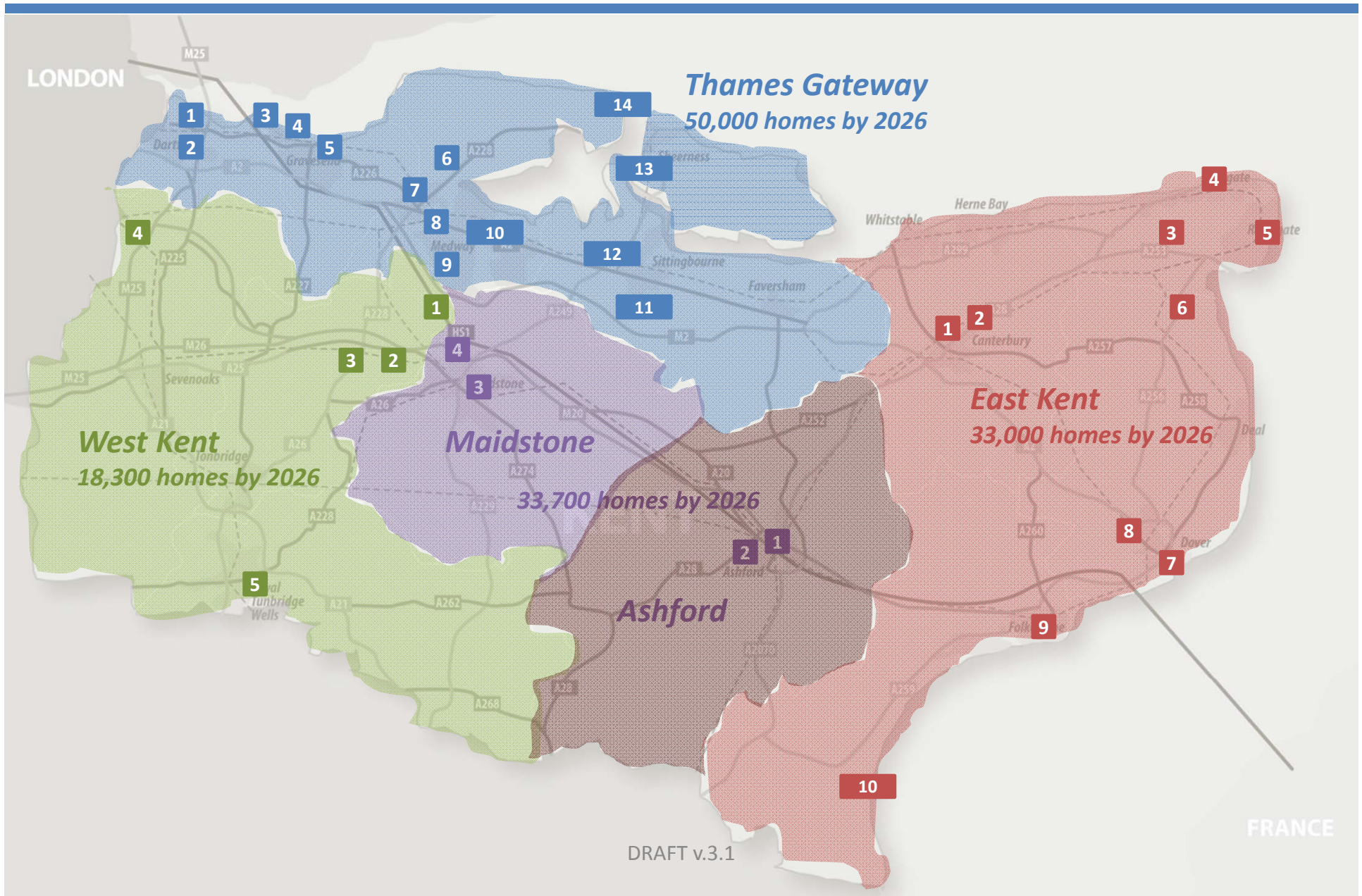
High **infrastructure costs** impacting on viability, especially as market has yet to fully return to growth
Imbalance between **high capacity but weak viability** in the east of the county and limited capacity and higher viability in the west
Constraints on **strategic transport network** impact on ability to bring forward key locations for growth
Risk aversion by major developers – emergence of a high profit/ slow delivery equilibrium

Solutions

Major investment in **transport infrastructure**
Early action to bring forward strategic (Highways Agency) schemes where they impede growth
Public sector-backed **Kent and Medway Development Fund** – providing investment
New solutions to open up **housing delivery** – building on pilot work already underway to attract new institutional investment into the housing market
Measures to tackle concentrations of deprivation and housing market failure in coastal Kent, including much stronger enforcement powers to **remove poor quality housing** and tackle benefit traps, ensuring that our investments in economic growth are reinforced with investments to tackle disadvantage

The following pages set out the opportunities and challenges that we face in each part of the county, and the solutions that we propose.

Places for Growth / The opportunity



DRAFT v.3.1

Places for Growth / The opportunity

| Thames Gateway |
|-----------------------------------|
| 1. Dartford Northern Gateway |
| 2. Ebbsfleet Valley |
| 3. Swanscombe Peninsula |
| 4. Northfleet Embankment |
| 5. Gravesend Riverside |
| 6. Lodge Hill |
| 7. Strood |
| 8. Rochester Riverside |
| 9. Rochester Airfield |
| 10. Chatham/ Chatham Maritime |
| 11. Kent Science Park |
| 12. Sittingbourne |
| 13. Queenborough and Rushenden |
| 14. Medway Superhub |
| Coastal East Kent |
| 1. Canterbury Knowledge City |
| 2. A28 Corridor |
| 3. Manston/ Thanet Central Island |

| 4. Margate |
|--|
| 5. Port of Ramsgate |
| 6. Discovery Park Enterprise Zone |
| 7. Dover Port and Waterfront |
| 8. Whitfield |
| 9. Folkestone Town Centre and Seafront |
| 10. Romney Marsh |
| Ashford and Maidstone |
| 1. Ashford Commercial Quarter |
| 2. Chilmington |
| 3. Maidstone Town Centre and Growth |
| 4. Maidstone Medical Campus/ M20 J7 |
| West Kent |
| 1. Peters Village |
| 2. East Malling Research |
| 3. Kings Hill |
| 4. Fort Halstead |
| 5. Tunbridge Wells |

Places for Growth / Thames Gateway Kent

50,000 homes; by 2026. Target housing delivery: 14,660 to 2017/18



Chatham Maritime

From a former dockyard to a flagship business, university and residential location

DRAGAGES

Places for Growth / Thames Gateway Kent

50,000 homes by 2026. Target housing delivery: 14,660 to 2017/18

| Opportunities | Challenges | Solutions |
|--|--|--|
| <p>The UK's leading economic growth zone From the City to Sheerness – rebalancing London's opportunities to the east with the biggest economic renewal area in Europe.</p> <p>Building on transformational investment With Ebbsfleet just 17 minutes from central London by High Speed One – and Medway transformed into a university city in less than two decades.</p> <p>Nationally-significant growth locations Ebbsfleet Valley – 10,000 homes and 20,000 jobs transforming a former chalk quarry into a new residential and commercial community next to Ebbsfleet International station.</p> <p>Swanscombe Peninsula – up to 27,000 jobs at a proposed international leisure park on a formerly contaminated brownfield site.</p> <p>Exceptional quality, shovel-ready waterfront development, including at Rochester and Chatham.</p> <p>Opportunities in high value sectors – for example at Kent Science Park.</p> | <p>Transport infrastructure High levels of growth and the number of sites in close proximity mean substantial extra transport investment – on the national network (A2 and M2) as well as on local roads.</p> <p>Viability constraints The pace of development is accelerating as the market improves – especially in Dartford. But further east, viability issues stall development places such as Queenborough and Rushenden, infrastructure costs (e.g. flood defence) are high, major developers are risk averse and credit constraints still impact on smaller developers</p> <p>Unfocused national agencies National regulatory agencies (such as Natural England) often take an excessively narrow view of development costs and benefits and fail to see the big picture.</p> <p>Perceptions and promotion The scale of transformation makes the Thames Gateway an ideal place to invest. But external perceptions have not yet caught up with the Thames Gateway's potential.</p> | <p>Strategic Transport Programme for Growth We will unlock development with a proposed programme worth £190 million for Thames Gateway Kent (of which £133 million will be sought from the Local Growth Fund).</p> <p>Deal for Growth with the Highways Agency and with developers We will use an additional £31 million of Local Growth Fund investment to bring forward HA schemes – with no public funds to be used without developer commitment.</p> <p>Multi-agency Growth Framework We will seek agreement with DEFRA, DCLG, BIS and DfT to ensure that regulatory agencies reflect growth objectives.</p> <p>Kent and Medway Development Fund We will create a new fund as part of the LEP, to bring forward development, with public sector assets including incorporating the HCA's Economic Assets Programme.</p> <p>Promoting investment We will develop a marketing campaign for the Thames Gateway aimed at attracting significant institutional investment in infrastructure and housing</p> |

Places for Growth / Coastal East Kent

33,000 homes by 2026. Target housing delivery: 8,500 to 2017/18

Margate

With over 1 million visitors attracted to Turner Contemporary since 2011



DRAFT V.3.1

Places for Growth / Coastal East Kent

33,000 homes by 2026. Target housing delivery: 8,500 to 2017/18

| Opportunities | Challenges | Solutions |
|---|---|--|
| <p>Closer to London than ever Journey times cut dramatically, with Canterbury and Folkestone now accessible to London via HS1 within an hour.</p> <p>Transformed cultural and tourism offer Building on better accessibility, cultural and creative industries in places such as Margate and Folkestone are growing rapidly – boosting the £1.4 billion visitor economy.</p> <p>Key sector opportunities for growth Discovery Park EZ is a centre for investment in pharmaceuticals and life science, with further strengths in the low carbon industries</p> <p>Large number of key sites, many with infrastructure and services provided.</p> <p>Major university cluster University of Kent and Canterbury Christ Church and UCA combined make a major contribution to the local economy, supporting the business base.</p> <p>Nationally vital infrastructure Europe’s busiest passenger port at Dover - 12.7m passengers and 7m road haulage vehicles a year – with major expansion plans.</p> | <p>Many sites difficult to bring forward Commercial and residential land supply exists, with consent, but many sites not viable in current market conditions. So public intervention is essential to bring forward development where there is demand.</p> <p>Insufficient infrastructure capacity The expansion of the Port of Dover and continued long term growth in traffic mean that strategic solutions are needed to increase capacity on the A2 corridor.</p> <p>Exploiting the benefit of HS1 In particular, journey times to Thanet remain lengthy and HS1 is costly – so it is important that we invest in the existing line to improve connections.</p> <p>Housing renewal is hampered by long-term structural problems The operation of the housing market – a legacy of the decline of traditional tourism and low values – reinforces concentrations of unemployment, impacting on the wider economy.</p> | <p>Transport infrastructure investment We will invest in improvements to the A2 and M2, linked with the delivery of a new Thames Crossing.</p> <p>Improved rail connections We will reduce journey times through targeted improvement of the existing network (linked with HS1) and a new parkway station in Thanet.</p> <p>Development funding to deliver key sites - We will deliver gap funding solutions through the Kent and Medway Development Fund to overcome significant viability issues.</p> <p>Breaking concentrated deprivation We will seek new draconian powers to close down poor quality housing stock that puts residents at risk – reducing the benefit trap by capping placements of vulnerable families in designated ‘no go’ areas, restricting housing benefit payments to sub-standard landlords, and investing in housing renewal.</p> <p>Promoting investment and tourism We will increase East Kent’s attractiveness as a place to live and invest, capitalising on HS1 and the area’s quality of life</p> |

Places for Growth / Ashford and Maidstone

33,700 homes by 2026. Target housing delivery: 11,400 to 2017/18



Ashford

Direct links to continental Europe and just 37 minutes to central London by high speed rail

DRAFT v.3.1

Places for Growth / Ashford and Maidstone

33,700 homes by 2026. Target housing delivery: 11,400 to 2017/18

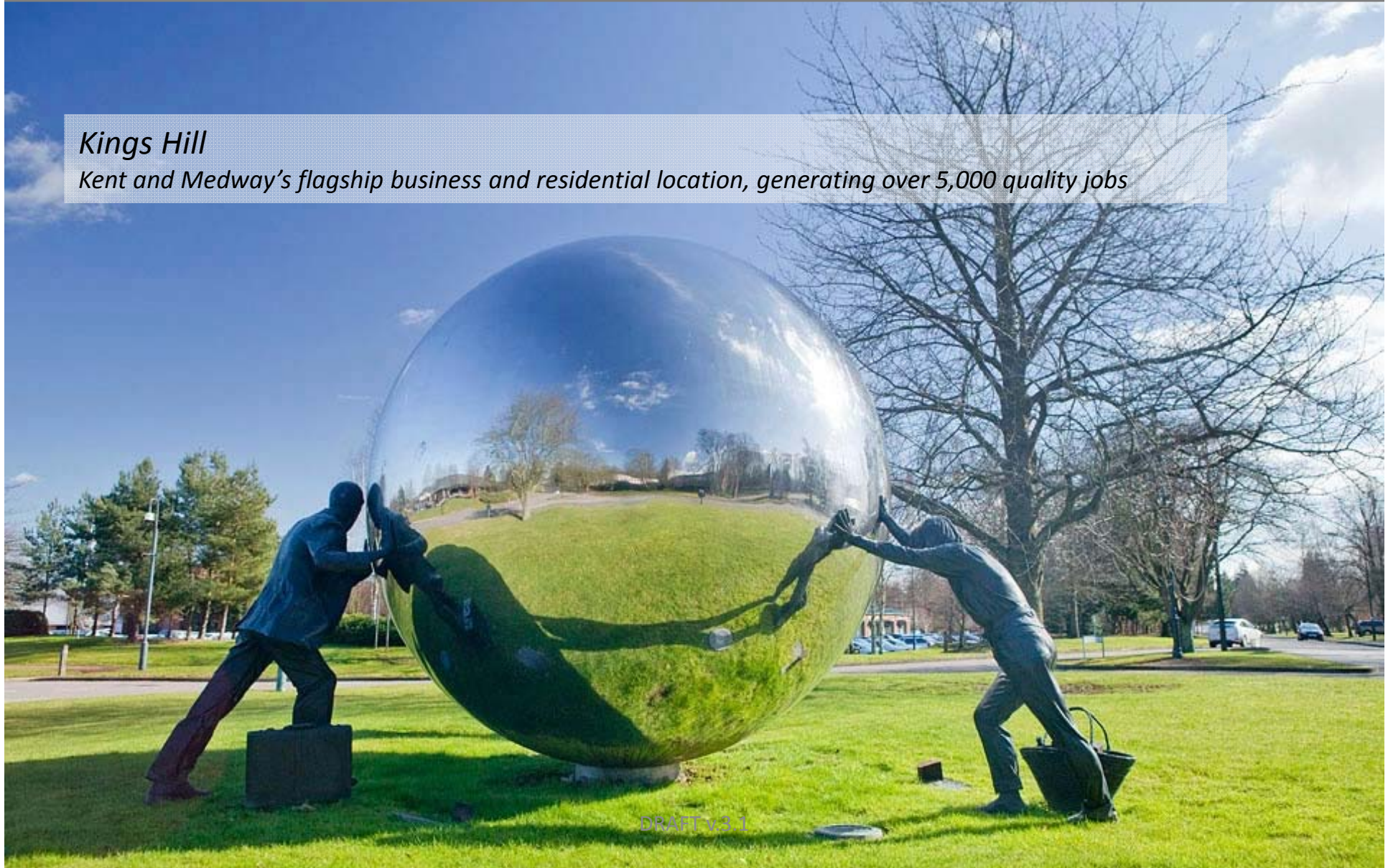
| Opportunities | Challenges | Solutions |
|--|---|--|
| <p>Capacity for growth Ambition for growth in both districts, with significant sites with capacity for expansion. These include Chilmington Green and the area around M20 Junction 10 at Ashford and substantial housing and commercial growth in Maidstone.</p> <p>Clear developer appetite for investment on major sites in both Maidstone and Ashford.</p> <p>Excellent connectivity to Ashford Ashford International only 37 minutes from central London by High Speed One, and good road connections via the M20.</p> <p>Key opportunities for employment growth Associated with the expansion of Ashford Commercial Quarter and Eureka Park, the development of Kent Institute of Medicine and Surgery at Maidstone and the growth of an increasingly dynamic creative economy.</p> <p>Strong links to wider economic area With both Ashford and (especially) Maidstone employment centres for East, North and West Kent.</p> | <p>Major strategic infrastructure constraints blocking growth in key locations – for example, Junction 10a on the M20, which could deliver around 5,000 jobs.</p> <p>Congestion threatening existing economic performance - especially in Maidstone, with significant pressure on existing transport infrastructure as a result of significant development having already taken place</p> <p>Unbalanced rail connectivity - excellent services via HS1 from Ashford, but poor connections from Maidstone - and infrastructure constraints on future international services from Ashford.</p> <p>Need to attract higher value private sector activity, with relatively high dependence on public sector employment in Maidstone and relatively low levels of non-public sector knowledge economy employment in both Maidstone and Ashford.</p> <p>Balancing rapid growth - maintaining investment in town centres and quality of life alongside major commercial and residential development.</p> | <p>Targeted transport investment We will open up Junction 10a (with funding now agreed through the Local Transport Board) and address congestion pressures – including investment in signalling at Ashford International to safeguard future Eurostar services.</p> <p>Funding for land development We will create the Kent and Medway Development Fund to assist in bringing forward schemes that are close to market through recyclable funding solutions.</p> <p>Support for innovation and growth We will increase the growth potential of Mid Kent’s SME base – linked with the opportunities, challenges and solutions set out in the Business for Growth section and including extended access to low-cost business finance.</p> <p>Promoting opportunities We will invest in the promotion of key development opportunities in Ashford and Maidstone.</p> |

Places for Growth / West Kent

18,300 homes by 2026. Target housing delivery: 3,750 to 2017/18

Kings Hill

Kent and Medway's flagship business and residential location, generating over 5,000 quality jobs



DRAFT v3.1

Places for Growth / West Kent

18,300 homes by 2026. Target housing delivery: 3,750 to 2017/18

| Opportunities | Challenges | Solutions |
|---|--|---|
| <p>Strong, high value business base Over 16,000 small and medium enterprises in a diverse range of sectors, with particular strengths in creative and media (especially in Tunbridge Wells) and financial and business services.</p> <p>This is linked with a strong workforce skills base and high levels of knowledge economy employment.</p> <p>Important locations for growth In particular, Kings Hill is Kent’s flagship mixed use development, with over 5,000 jobs and 10,000 residents. Other key growth locations include Peters Village in the Medway Valley, Fort Halstead near Sevenoaks and the major town centres at Tonbridge and Tunbridge Wells.</p> <p>Strong demand and land values Developer demand is high, with West Kent seen as a desirable place to live and invest.</p> <p>Relatively good connectivity Good access to M25 and London infrastructure (e.g. Gatwick Airport); good rail links to Sevenoaks and Tunbridge Wells.</p> | <p>Limited development opportunities Very constrained capacity due to metropolitan green belt and other environmental designations – so limited delivery despite high demand.</p> <p>High levels of congestion, especially in town centres, impacting on resilience of existing economy.</p> <p>Localised connectivity constraints, in particular the poor quality of London services on the Maidstone line via West Malling.</p> | <p>Unlocking development in West Kent is unlikely to require significant public sector intervention to free up access to finance or pay for substantial infrastructure works.</p> <p>However, with capacity for growth constrained in West Kent, it will be important to ensure delivery in those locations that can be brought forward:</p> <p>Investment in sustaining West Kent’s economic base We will invest in measures to overcome congestion pressure points at Tonbridge and Tunbridge Wells through the Transport Investment Programme, alongside targeted investments to open up key sites (e.g. at Peters Village in the Medway Valley).</p> <p>Backing innovation and growth Focusing in particular on opportunities at key growth locations such as Fort Halstead and East Malling.</p> <p>New solutions to unlock housing For example, we will build on the Kier Kent Initiative at Sevenoaks to develop housing with a mix of tenures on public sector land.</p> |

Places for Growth / Rural Kent



Lamberhurst

Kent and Medway's high-value land-based sector at the heart of an innovative rural economy

DRAFT v.3.1

Places for Growth / Rural Kent

| Opportunities | Challenges | Solutions |
|--|--|--|
| <p>High levels of economic activity Rural Kent accounts for over 36% of all businesses in the county (compared with 29% of its population). So the rural economy makes a disproportionately large contribution to Kent and Medway’s economic growth, providing jobs for urban as well as rural Kent.</p> <p>Diverse business base Overwhelmingly SME-dominated, with high levels of home-working in a range of sectors.</p> <p>Better digital connectivity With Kent and Medway among the first places in the country to deliver superfast broadband, rural business will be better able to respond to market demand – vitally important to the growing home-based sector.</p> <p>Quality of life A key reason why business wants to locate in rural Kent– with excellent quality of life underpinned by environmental designations alongside access to the South East’s infrastructure.</p> | <p>Housing affordability, with high market prices reinforced by strong environmental constraints on bringing forward new supply.</p> <p>Isolation and concentrations of deprivation in peripheral rural areas, such as Grain and the Isle of Sheppey, where distances from markets and jobs are significant.</p> <p>Constrained growth due to need to balance environmental and economic demands – and the reliance of much of the rural economy on protecting environmental quality – but demand for additional homes to support local need.</p> | <p>Solutions to growth focus on balancing the vitality of the rural economy with environmental protection, including:</p> <p>Supporting the growth of Kent’s land based sector We will invest in the development of the sector’s innovative capacity, focusing on key assets such as East Malling Research.</p> <p>Completing the rollout of superfast broadband We will deliver BDUK rollout in Kent and Medway by 2015/16. Alongside this, we will deliver a programme to promote demand for new technology among SMEs.</p> <p>Promoting rural investment We will promote investment opportunities in rural Kent, linked with tourism, land-based industry, environmental quality and small business strength, as part of a coordinated county-wide approach.</p> |

Business for Growth / Introduction

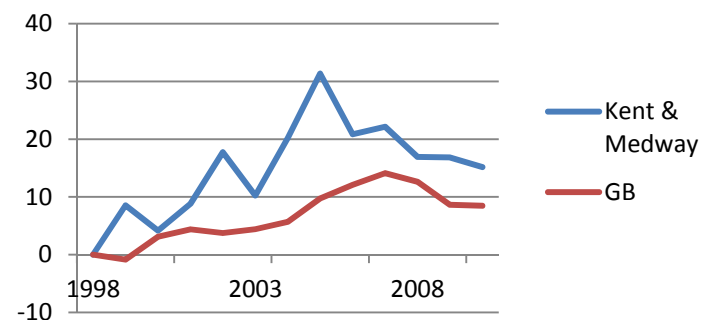
With a strong SME base and growing sector strengths, business in Kent and Medway will be leading the county's return to growth. So we must ensure that we have a positive environment for business expansion – where businesses with the appetite for growth can secure the finance, people and ideas to create jobs and prosperity.

We have an entrepreneurial economy, driven by thousands of small and medium-sized businesses. Of **63,650** businesses across the county, 89% employ fewer than ten people – and most of these employ fewer than five.

We have a growing knowledge economy. The number of people employed in the knowledge economy remains relatively small – reflecting Kent and Medway's traditional industrial legacy. But over the past 15 years, **it has grown at almost twice the national rate of growth**. If we can sustain and stabilise this rate of growth, we will increase our contribution to national growth and increase the number of higher-value jobs.

We are benefiting from improved infrastructure. As the previous chapter set out, High Speed One has transformed the travelling time between London and parts of Kent. Previously distant and peripheral, it is now quicker to reach Canary Wharf from Ebbsfleet than it is from Kensington – a huge opportunity for Kent business.

Knowledge economy growth (%) since 1998



We have key sector strengths in life sciences, creative and media industries, low carbon technology, land-based industry, manufacturing, construction, tourism, higher education and health and social care.

We have established a strong, long term relationship with our leading business sectors, through a continuing series of sector roundtables and a business survey. These have informed our analysis of opportunities, challenges and solutions set out on the following pages.

We have an innovative approach to business support. In a dynamic market, **most business finance and most innovation will be delivered by the market in open competition**.

We have used our sector knowledge to focus on targeted interventions where there are gaps in the market and a real role for the public and private sectors to work together, for example in delivering access to finance, business coaching for innovation and support for trade and investment.

Business for Growth / Introduction

Businesses have told us that to unlock the growth potential of Kent and Medway's businesses, we must tackle finance, skills and network constraints and focus on those sectors of the economy with the opportunity for long-term expansion.

Opportunities

Diverse and resilient business base, dominated by SMEs
Strengths in key sectors with long-term growth potential (and a strong understanding of our sector base)
Access to large and affluent markets in London and the South East
Return to growth reinforced by positive UK tax and regulatory environment

Challenges

Capacity for growth, especially within innovative SMEs – including ability to access finance for expansion
Workforce sustainability, with difficulties reinforced by outdated/inaccurate perceptions of sector opportunities
Networking and supply chain challenges, especially among SMEs across dispersed geography

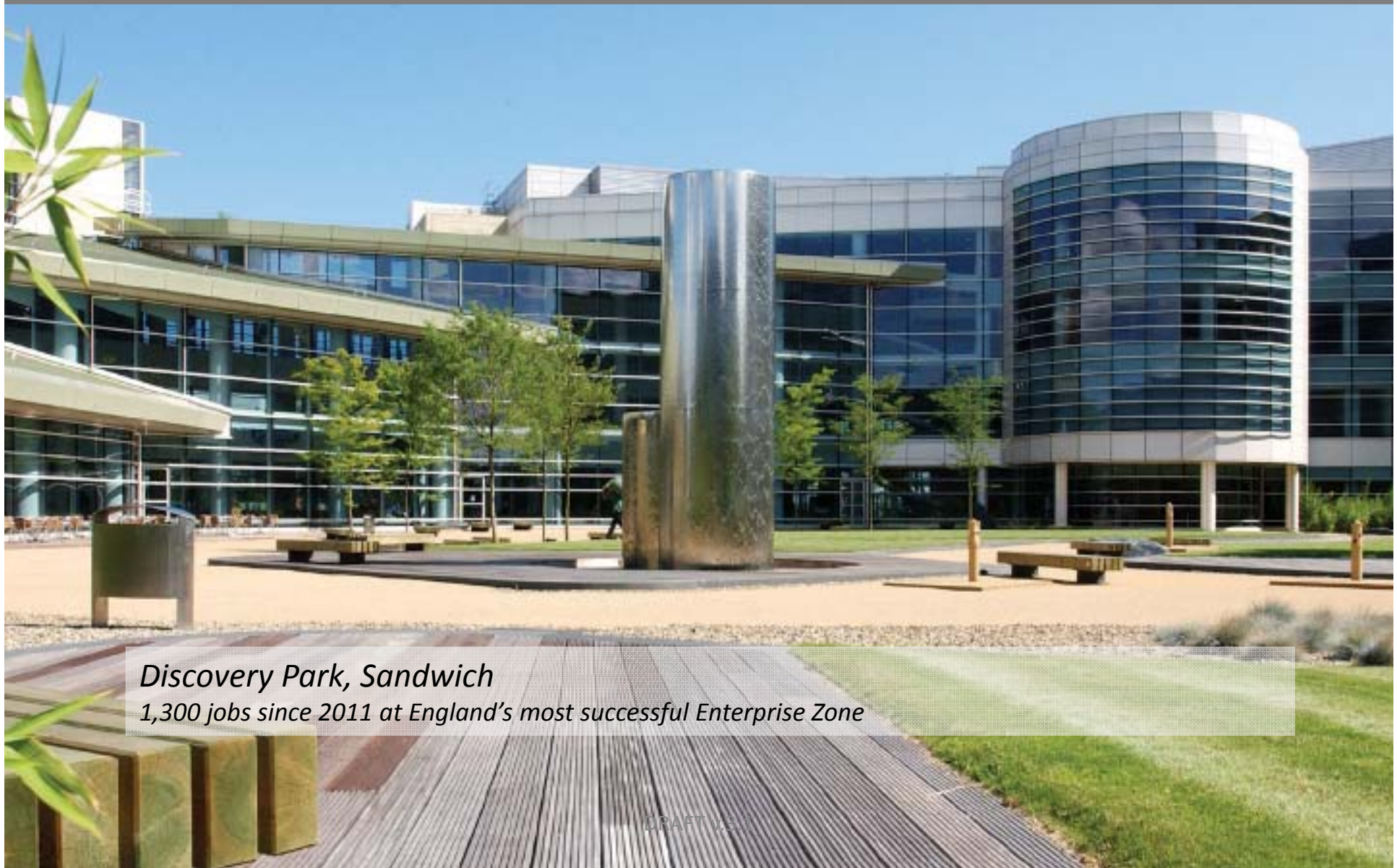
Solutions

Support for **equity and debt finance to support business expansion**, product development and commercialisation, where this will unlock private investment. Building on our existing Regional Growth Fund schemes, we will create a **£100 million recyclable fund** offering finance on viable terms to SMEs
Business coaching to support capacity for **growth and innovation** – with improved links between capacity and commercialisation support offered locally, nationally and by the university sector
Greater employer involvement – especially through sector networks – in identifying **workforce skills needs** and in promoting opportunities to prospective employees
Business-led network development to promote opportunities for commercial collaboration

The following pages set out the opportunities and challenges that faced by each of our key growth sectors, and the solutions that we propose to unlock our business potential.

Business for Growth / Life Sciences

Currently: 6,000 jobs; 126 businesses. Target: 20% job increase by 2018



Discovery Park, Sandwich

1,300 jobs since 2011 at England's most successful Enterprise Zone

DRAFT V2.0

Business for Growth/ Life Sciences

Currently: 6,000 jobs; 126 businesses. Target: 20% job increase by 2018

Opportunities

UK national advantage

Britain's pharmaceutical sector is the world's fourth largest, underpinned by a favourable regulatory and tax environment for R&D.

Changing global market

Multinationals such as Pfizer and GSK moving away from integrated R&D and production operations – leading to opportunities for smaller businesses.

Significant concentrations of activity,

including Sandwich (Discovery Park), Sittingbourne (Kent Science Park) and Dartford (Crossways), as well as in Medway and Ashford – and new opportunities with the development of the Maidstone Medical Campus.

Strong legacy from former major employers

Such as the former Pfizer site at Discovery Park, and a significant skills base from former multinational employees based in the county.

Proximity to research base

Bioscience and pharmacy presence at University of Kent, and easy access to London research institutions.

Challenges

Risks and costs of innovation

R&D outsourcing is a big opportunity for SMEs – but the costs and risks of life science R&D are high, and the equity gap for smaller innovative businesses is recognised as a national problem.

Perceived distance from the life science R&D core

The sector has significant concentrations in locations such as Cambridge and Oxford. With HS1, Kent and Medway is the same journey time from London – but we need to do more to change investor perceptions .

Retaining and growing the skills base

Part of our skills base is our legacy from major employers such as Pfizer. We need to retain this mobile workforce, while ensuring that the significant opportunities in the sector attract new entrants.

Linking with the knowledge base

There are relatively few life science spin-outs in Kent and Medway, and no university medical school (a key part of the life science innovation system in many places).

Solutions

Improving access to finance

We will use public sector financial support alongside private investment to bridge the equity gap.

Promoting Kent and Medway

We will take a sector-focused approach to investment opportunities – in particular in marketing Discovery Park Enterprise Zone and Kent Science Park as key life science clusters.

We will **increase support to innovative businesses**, both through the expansion of High Growth Kent and its links with Growth Accelerator and by developing much stronger connections with university business support (including with leading universities in London and beyond).

Developing a life science network

Kent and Medway's life science cluster is somewhat dispersed. We will support the establishment of a private sector-driven network to support collaboration between SMEs and the research base.

Business for Growth / Creative and Media

Currently: 14,000 jobs; 4,100 businesses. Target: 20% job increase by 2018

School for Creative Start-ups

The School for Creative Start-ups is an interactive support programme based in Folkestone and backing new start businesses. Starting this year, it currently supports 86 start-ups from across the county.

Francesca Rowan joined the programme with a theatre business, but quickly decided that she could make more of her current interior design business. Since she has made the transition, she has already secured an £80,000 contract with Goodnestone Park, a Stately Home in Kent.

Creative Quarter, Folkestone

Creativity and better connectivity leading to growth

Business for Growth/ Creative and Media

Currently: 14,000 jobs; 4,100 businesses. Target: 20% job increase by 2018

| Opportunities | Challenges | Solutions |
|--|---|---|
| <p>UK national sector strength Creative industries account for about 4.3% of national employment – but over 10% of UK exports, reflecting strengths in areas such as software and publishing.</p> <p>Very strong sector growth Creative industry employment increased 85% over past decade.</p> <p>Strong locations for growth Especially in West Kent (notably Tunbridge Wells), with strengths in Ashford, Canterbury and a growing presence in East Kent.</p> <p>Strong focus on fast-growing sub-sectors, through programmes such as Medway’s Recreate initiative, with software and digital media (accounting for 48% of the county’s total creative workforce).</p> <p>Relevant higher education base Especially through the University for the Creative Arts at Medway.</p> <p>Connectivity improvements Especially better digital connections following broadband rollout, supporting opportunities in rural Kent.</p> | <p>Dispersed and often isolated businesses Lack of connectivity and weak business networks identified by business as a barrier to growth – for example, inhibiting the ability of businesses to collaborate in seeking joint procurement opportunities.</p> <p>Capacity to manage growth Small and micro businesses are faced with the challenge of responding to very rapid staff and turnover growth.</p> <p>Sustaining young businesses Creative businesses are innovative and often high risk – with a challenge of survival and securing the right finance in their early years.</p> <p>Securing the right skills for the future A particular challenge for software and digital media businesses, with businesses reporting difficulties in securing new staff with the right level of specialist computing skills.</p> | <p>Supporting better networks We will support Creative Kent and other networks - bringing the creative sector together to compete for contracts and market and promote opportunities.</p> <p>Innovation and growth We will target business coaching and growth support to creative businesses, through the High Growth Kent network and through access to loan and equity finance.</p> <p>Informing the skills market We will provide a stronger business voice to further and higher education providers in articulating changing industry skill needs.</p> |

Business for Growth / Low Carbon

Currently: 21,000 jobs. Target: 20% jobs increase by 2017/18

London Array

The world's largest wind farm off the North Kent coast



DRAFT v.3.1

Business for Growth / Low Carbon

Currently: 21,000 jobs. Target: 20% jobs increase by 2017/18

Opportunities

Rapid sector growth

As energy and environmental costs rise, opportunities grow in energy efficiency and carbon reduction. Nationally, sector growing by 4-5% per year across renewable energy, retrofit, waste management and environmental technologies.

Comparative advantage

Relatively high low carbon and energy employment in Kent and Medway compared with other regions.

Offshore wind and CORE designation

Kent and Medway is designated as a Centre for Offshore Renewable Engineering (CORE), including the world's largest wind farm at London Array and the potential for manufacturing in Medway and Swale.

Government support

The UK low carbon market is one of the world's largest and Government make a significant range of incentives and support schemes available to promote growth.

Strong local supply chain opportunities

Especially in areas such as retrofit and low carbon construction.

Challenges

Attracting larger investments

Especially in offshore wind, where the sector is dominated by a limited number of large businesses with high initial investment costs.

Developing the supply chain

The sector is diverse and fragmented – and many potential suppliers unaware of the scale of the potential.

Raising demand

The sector will be stimulated by increased demand for new solutions from businesses and households. But potential consumers don't always understand product availability or potential cost savings.

Costs of innovation

Environmental technology SMEs face high costs and risks (as with other R&D-intensive businesses) and access to finance and support is often a barrier.

Securing the right skills

Specialist skills are in high demand – but changing industry demand not always articulated.

Solutions

Improving access to finance

We will use targeted public sector support to unlock private investment in SMEs in the low carbon sector.

Understanding the market

We will support the growth of the market by helping potential suppliers understand likely areas of growth and by incentivising residential and commercial demand for energy efficiency.

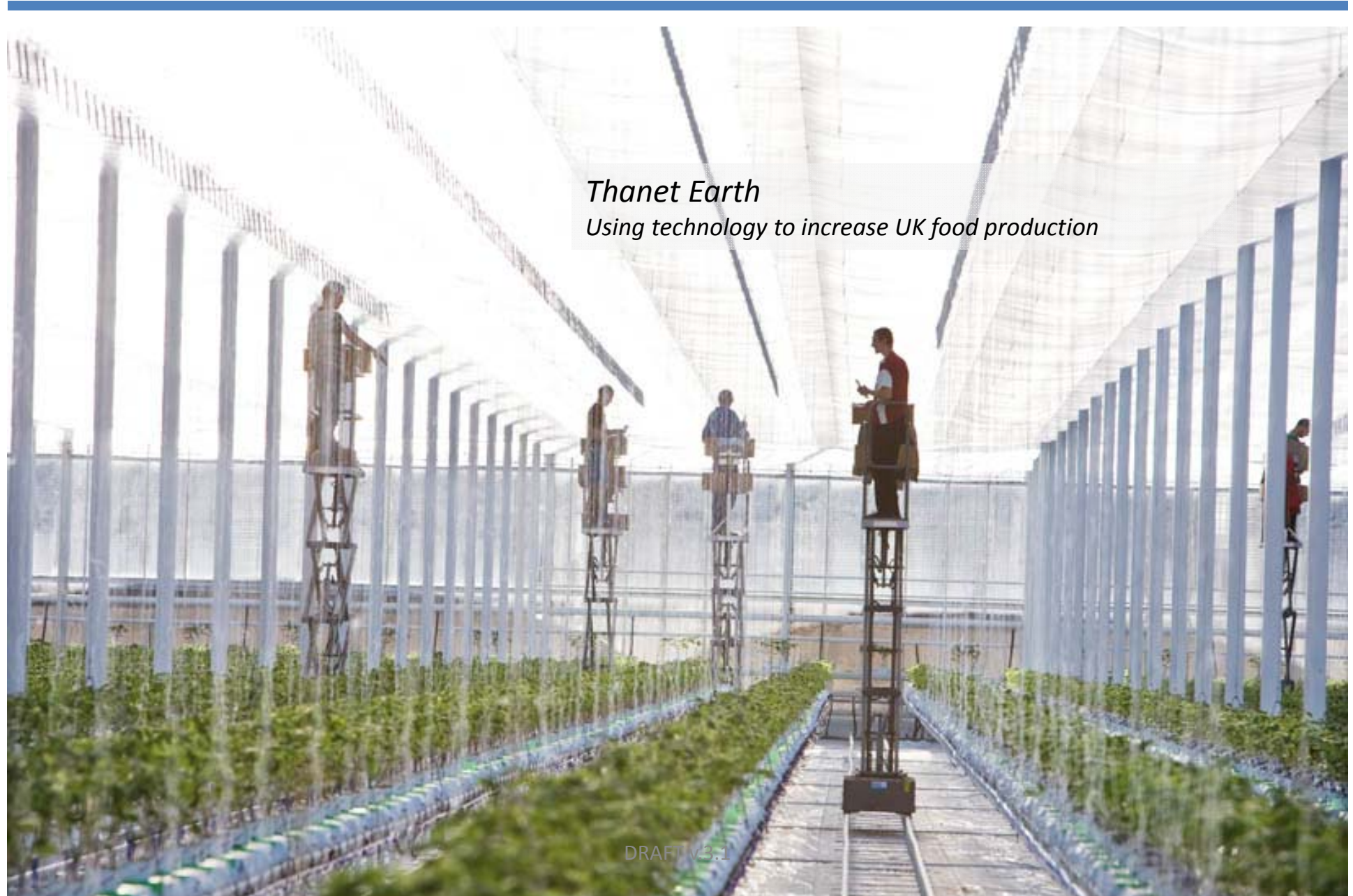
Building networks

We will support the growth of the Kent Wind Energy and Low Carbon Kent supply chain networks to enable Kent and Medway SMEs to access new business opportunities, linking them directly with business support.

Improving skills intelligence

We will increase employer involvement in making the Kent and Medway workforce – and potential workforce – aware of job opportunities in the sector.

Business for Growth / Land-based



Thanet Earth
Using technology to increase UK food production

DRAFT V3.1

Business for Growth / Land-based

| Opportunities | Challenges | Solutions |
|--|---|--|
| <p>Comparative advantage in horticulture Kent contains some of the UK’s most productive agricultural land, accounting for two-thirds of national top fruit production (apples, pears, etc) and about a third of strawberry production.</p> <p>Strong sector identity The Garden of England, with a long agricultural history and brand.</p> <p>Changing markets and crop production Rising transport costs and changing consumer preference mean demand for home production, at the same time as new export markets are developed.</p> <p>Research and skills base East Malling Research one of the country’s most important institutions for horticultural R&D; National Fruit Collection at Brogdale near Faversham and specialist land-based education offered through Hadlow College.</p> <p>Extensive supply chain links Strong impact of sector on wider business services and supply chain – total Kent food chain worth £2.6 billion.</p> | <p>Purchaser strength Strong pressure on costs and margins by small number of dominant retail purchasers in the market.</p> <p>Rising resource costs and constraints In particular, pressure on water resources is a key issue for Kent, given intensive use by horticulture sector and long-term supply pressures.</p> <p>Underexploited branding Despite the potential of the Kent brand, its value is not always levered to its full extent.</p> <p>R&D base undervalued Despite natural strengths, Kent’s agricultural research base has historically not been valued as highly.</p> <p>Outdated sector perceptions In particular, perceptions of the land-based sector as a career choice are often uninformed, with a lack of recognition of the sector’s technological and organisational sophistication.</p> | <p>Although public assistance to the land based sector is restricted by state aid rules, there is a strong partnership in place with the sector, including through Kent Rural Board.</p> <p>Improving perceptions We will improve access to sector skills and careers information.</p> <p>Supporting branding and marketing Building on Produced in Kent, we will support sector-led efforts to develop the Kent brand and local producer networks.</p> <p>Developing access to R&D We will support the expansion of Kent and Medway’s R&D base and focus efforts on enabling businesses to access and finance research. In particular, we will support efforts to address rising resource costs (especially water scarcity) where they impact on Kent’s horticulture sector.</p> |

Business for Growth / Manufacturing

Currently: 44,700 jobs; 3,535 businesses



*Manufacturing and Engineering Expo 2013, Chatham
Promoting opportunities and technology in Kent and Medway*

DRAFT v.3.1

Business for Growth / Manufacturing

Currently: 44,700 jobs; 3,535 businesses

Opportunities

Substantial existing sector presence

Manufacturing accounts for 10% of Kent and Medway’s GVA (£2.85 billion) – and is particularly important in Medway and Swale.

High and rising productivity

GVA contribution has remained high, although employment has fallen over time.

Some large employers...

For example, BAE Systems at Rochester, Delphi at Gillingham, Hitachi at Ashford, Cummins at Ramsgate, Knauf at Sittingbourne.

... But mostly a diverse SME base

With diversity and lack of reliance on any major anchor at the centre of the supply chain a source of resilience.

Higher education engineering strengths

Especially through School of Engineering at University of Greenwich at Medway.

Land capacity

Extensive availability of suitable premises for manufacturing, especially in North and East Kent.

Challenges

High levels of competition

Strong cost competition from overseas placing increasing pressure on UK sector to raise productivity and innovative capacity.

Sensitivity to input prices

In some parts of the sector, rising energy costs are likely to be a significant issue.

Relatively dispersed activity

Despite concentrations in North Kent, local supply chain links and export levels are quite weak, reflecting lack of dominant ‘anchor’ employers.

Ageing workforce

Specialist skills and knowledge hard to replace and difficulties in recruiting new staff with the right skills.

Costs of development and expansion

Access to finance a barrier to expanding production, especially for SMEs.

Outdated sector perceptions

Negative perceptions of mass manufacturing fail to take account of higher-value state of the modern industry.

Solutions

Developing R&D collaboration

We will promote the development of stronger sector-based networks, including facilities for collaboration in design and development.

Supporting innovation and productivity improvements

We will improve access to innovation and growth support, building on the work of High Growth Kent and national organisations.

Improving access to finance

We will extend access to finance where it will unlock private sector investment. We will make best use of Government’s proposed Assisted Area designations in Thanet /Dover and Medway/Swale.

Improving business ownership of skills

We will build on the experience of Swale Skills Centre at Sittingbourne and proposed University Technical College in Chatham to increase relevant skills supply.

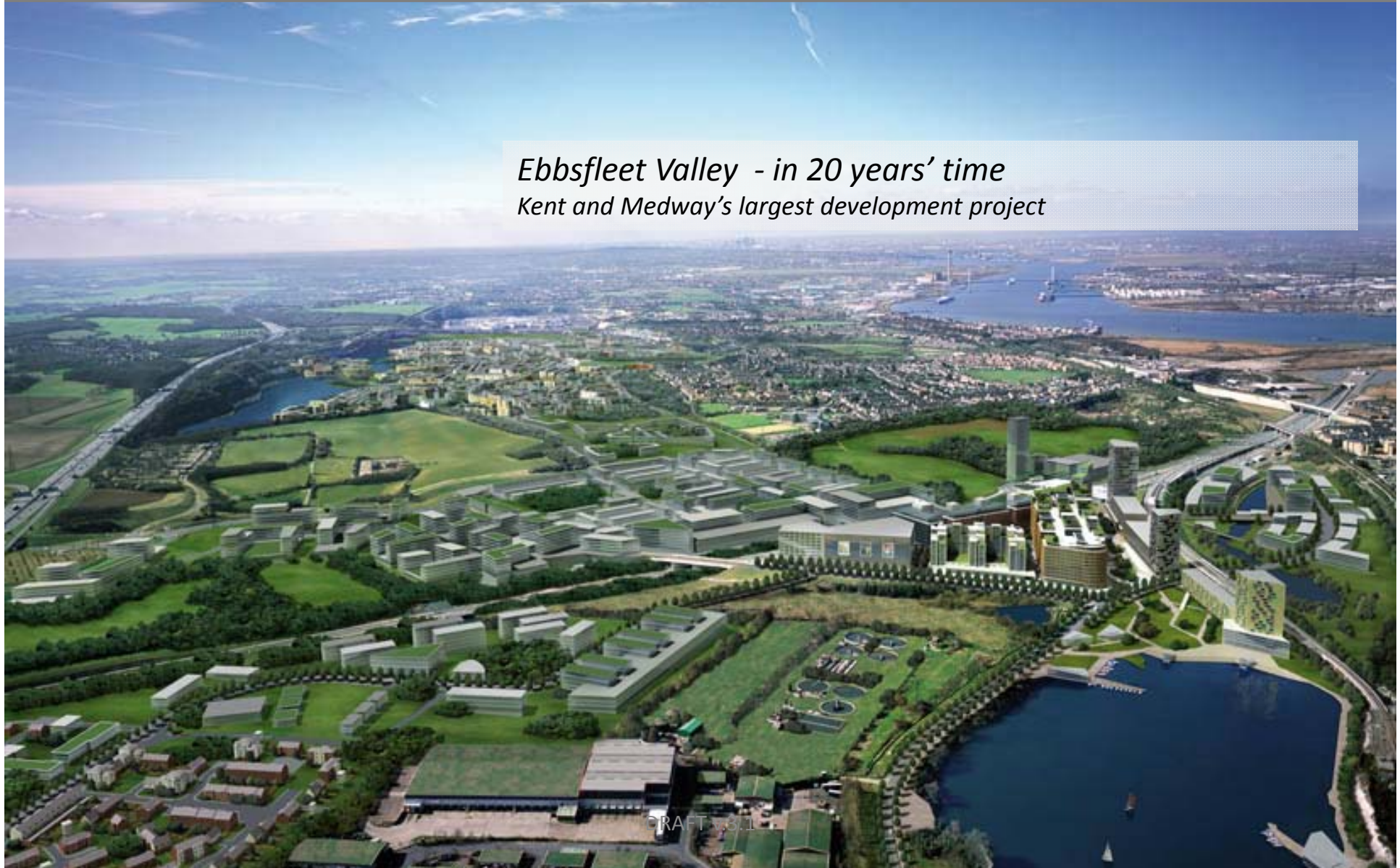
Changing perceptions

We will improve careers guidance to promote opportunities in manufacturing.

Business for Growth / Construction

Currently: 36,000; 8,200 businesses

Ebbsfleet Valley - in 20 years' time
Kent and Medway's largest development project



DRAFT v3.1

Business for Growth / Construction

Currently: 36,000 jobs; 8,200 businesses

Opportunities

Major new development opportunities

With the need to deliver around 7,000 homes a year to support anticipated demand, including very major commercial and residential schemes.

Return to growth in property market

Initiatives such as Help to Buy have stimulated market demand, and there is a greater appetite to develop (at least in places closer to M25).

Demand for retrofit

As energy costs rise and Government incentives are offered, demand for energy efficiency measures is rising, offering opportunities for the local construction sector.

Proximity to markets

Easy access to London and wider South East market – generally the most buoyant in the UK.

Extensive supply chain links

Industry tends to have extensive and local supply chains, meaning significant multiplier effect on local economy.

Challenges

Impact of recession

8,000 jobs were lost in the construction sector in Kent and Medway between 2009 and 2012 – 18% of the workforce. This is a considerable shrinkage – leading to capacity constraints as the market returns to growth.

Demand and price volatility

As demand returns, inflation in materials costs rise.

Difficulty in accessing finance

Especially for smaller developers, as demand volatility makes private investors risk-averse.

Skills supply

Difficulties in responding to rising demand due to earlier contraction – and shortage of new sustainable construction skills.

Regulatory and resource costs

Costs of regulation generally seen as higher in the UK than in parts of continental Europe. Water and energy costs rising.

Solutions

Access to finance for smaller developers

As part of the Kent and Medway Business Finance programme, we will make additional products available offering access to finance where this will help unlock private investment.

Public-private sector relationship

We will maintain and build on Kent Developers' Group as a forum for local authorities and developers.

Better skills opportunities

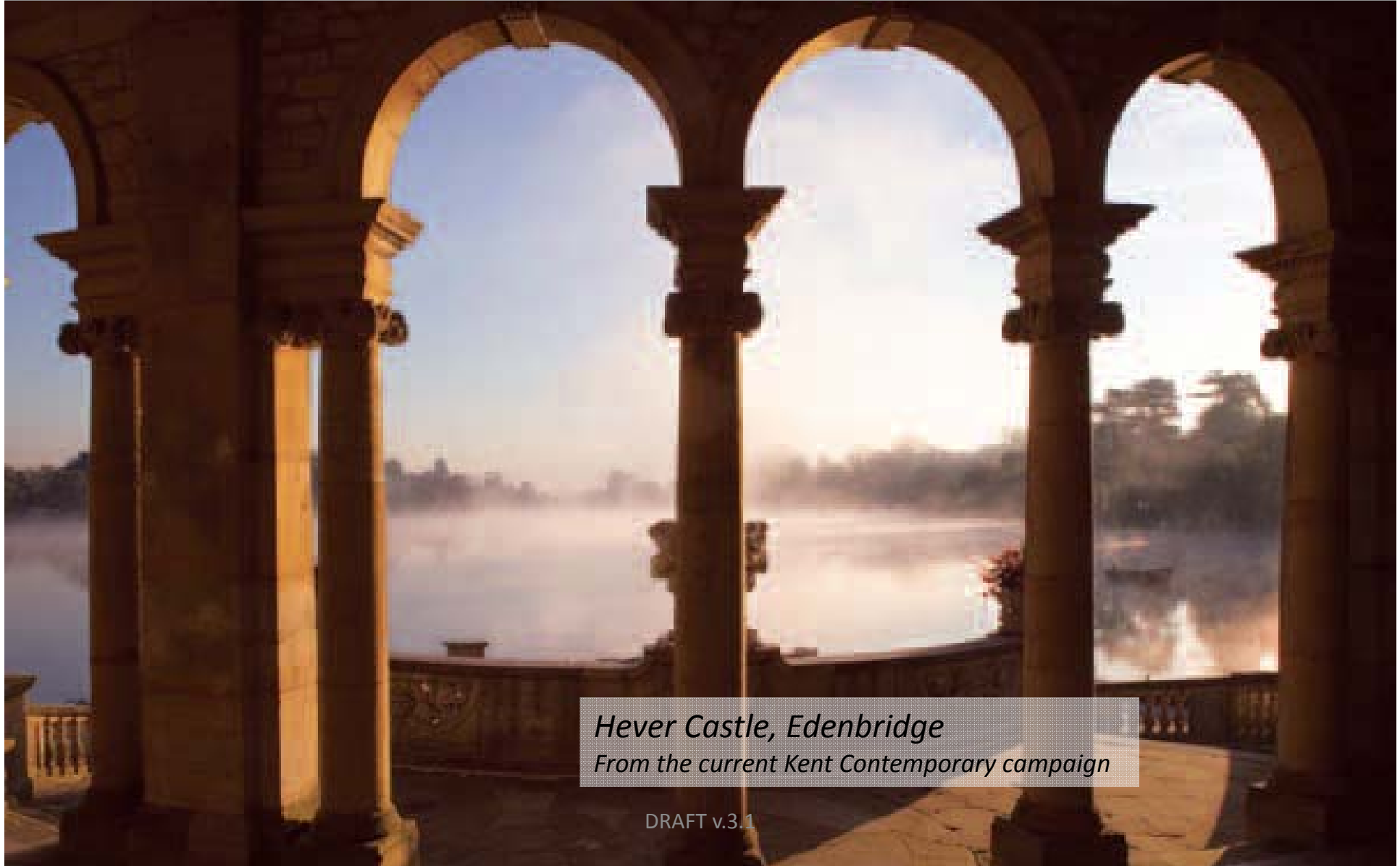
We will invest in facilities such as SusCon at Dartford and Swale Skills Centre at Sittingbourne, where they are developing new, higher-value skills. We will also aim to change perceptions of the opportunities in the sector among new entrants to the jobs market.

Kent and Medway Development Commitment

We will support project delivery through a new principle in the allocation of capital funding to infrastructure schemes – requiring developers to formally commit to delivery if infrastructure funds are allocated.

Business for Growth / Tourism

Currently: 40,000 jobs; 3,500 businesses



*Hever Castle, Edenbridge
From the current Kent Contemporary campaign*

DRAFT v.3.1

Business for Growth / Tourism

Currently: 40,000 jobs; 3,500 businesses

Opportunities

Strong tourism product offer

Including internationally-renowned historical assets (such as Canterbury Cathedral), coastal tourism and a strong rural offer underpinned by environmental and landscape quality. This is reinforced by investment in new attractions, environmental quality and effective marketing and development by Visit Kent.

Major future opportunities

For example, the proposed Paramount theme park development in North Kent.

Proximity to markets

Especially to London and Northern Europe – with accessibility greatly improved by High Speed One. Visitor trips account for some £2.7 billion of expenditure annually.

Resilience through recession

Overseas numbers continued to rise during the downturn and domestic demand also increased.

Significant supply chain opportunities

With close links between the tourism sector and the county’s key creative and land-based industries, as well as with retail.

Challenges

Fragmentation – but shared interests

There are many thousand micro tourism and hospitality businesses – but all depend on the quality of the wider offer. So there is a key challenge in maintaining the quality of the Kent brand.

Market competition

High competition between visitor destinations, placing a premium on quality and value for money.

Staff recruitment and retention

With employment in the sector historically seen as lower-value, there is a need to raise awareness of the range of opportunities in the sector.

Solutions

Marketing and promotion

We will continue our investment in Visit Kent to promote the county, ensuring a consistent, quality brand.

Supporting business growth

We will offer sector-specific support to tourism and hospitality businesses, including financial support, with the aim of supporting micro enterprises and raising product quality.

Improving employer direction of skills provision

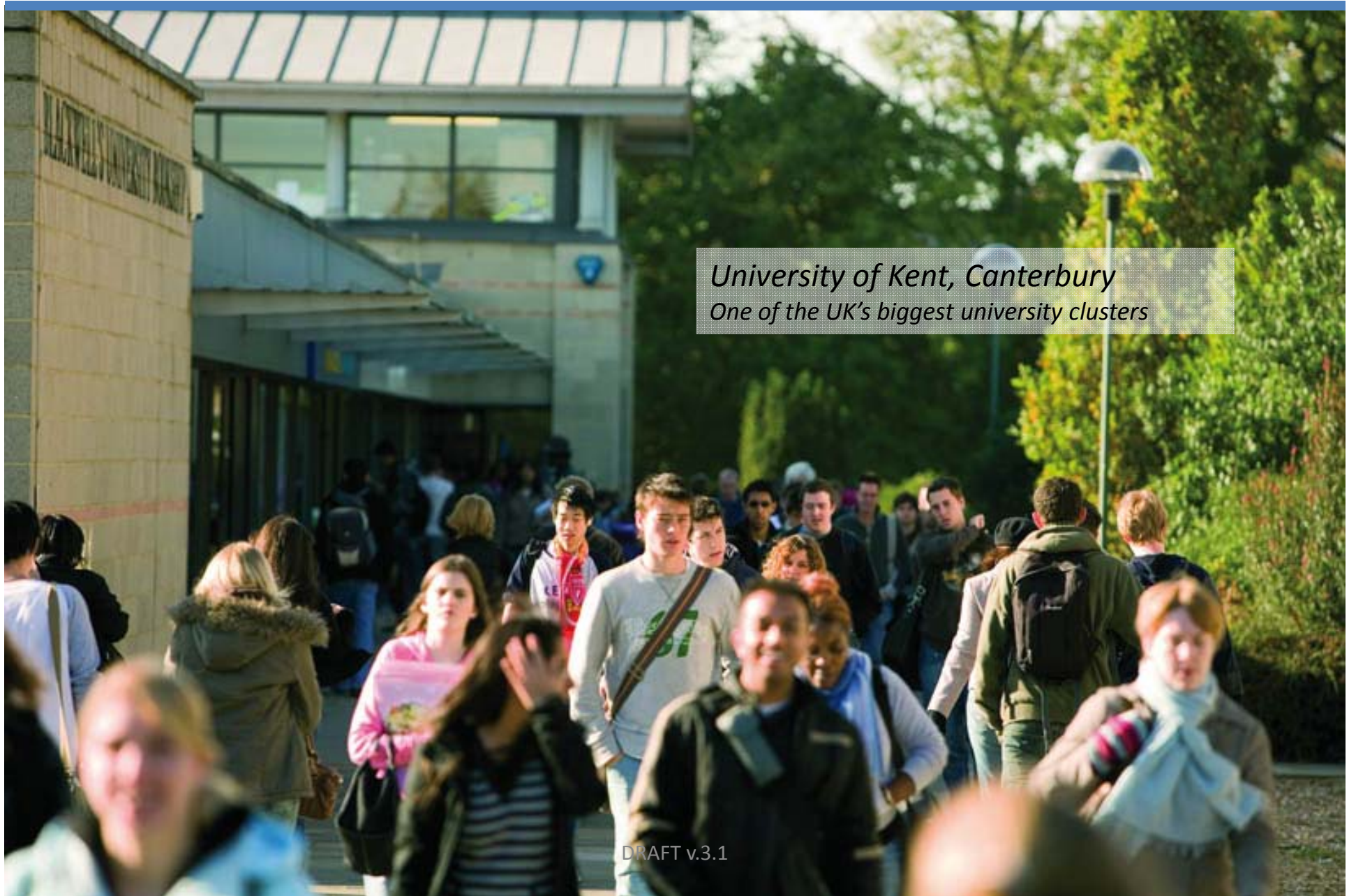
We will establish a Tourism and Hospitality Guild to help employers recruit and retain, which we will expand and roll out.

Developing quality



Before Nicola Liddiard decided to open Brook Farm B&B in Woodchurch, near Ashford, she had no experience in the hospitality sector. So before starting, she got in touch with Visit Kent’s Quality Programme, who supported her from planning her business start to the actual opening – securing a Visit Britain 5 star silver rating at the start and becoming part of Kent’s quality visitor offer.

Business for Growth / Higher Education



University of Kent, Canterbury
One of the UK's biggest university clusters

Business for Growth / Higher Education

| Opportunities | Challenges | Solutions |
|---|--|--|
| <p>Large university presence Four universities (University of Kent, Canterbury Christ Church University, University of Greenwich and University for the Creative Arts), with 45,000 students and recent expansion.</p> <p>Concentrations of activity Mainly at Canterbury (70% of the county's university student population) and Medway, with significant contribution to local economy.</p> <p>Linking university expertise with business Especially encouraged following the Witty Review of university links with local growth and building on universities' current innovation products.</p> <p>Commercial application of university research Within multiple areas of university activity, but especially in areas of key local sector strength (such as engineering/ University of Greenwich and biosciences/ University of Kent).</p> | <p>High and increasing competition Both for research funding and for students (including international students who bring substantial revenue).</p> <p>Innovation and business support offer not always joined up across universities, local authorities and providers and national programmes.</p> <p>Local growth contribution not always understood In particular, universities are often seen as suppliers of skills to the local economy, but they are also economic drivers in their own right.</p> <p>Physical capacity for business expansion With space for spin-outs and start-ups on campus at Canterbury and Medway limited.</p> | <p>Joining up business support activities We will link together university-based support programmes with other locally-available initiatives to give the best possible advantage to Kent and Medway-based university start-ups. This will be linked with a joint marketing programme.</p> <p>Linking access to finance We will use Kent and Medway's business loan products to support university start-ups and spin-outs, and will develop a joint equity investment product alongside the private sector for university-based start-ups, where businesses have strong growth potential.</p> <p>Developing facilities for growth We will consider the demand for additional incubator and innovation facilities linked with Kent and Medway universities on or off campus, ensuring that they have clear gateway and time-limit policies and support businesses with real growth and innovation potential.</p> |

Business for Growth / Other key sectors

| | Opportunities | Challenges | Solutions |
|---------------------------------|--|---|---|
| Health and Social Care | <p>Rising demand as population ages.</p> <p>Greater variety of provision.</p> <p>New application of telecare/ telehealth technology.</p> | <p>Future viability of funding models and pressures on cost.</p> <p>Recruitment and retention of quality staff.</p> | <p>Access to finance to support new social enterprises.</p> <p>'Futureproofing' housing in new developments to reduce future costs.</p> |
| Financial and business services | <p>Proximity to London jobs and business market.</p> <p>New technology-driven services</p> <p>Locations for future growth (e.g. Ebbsfleet)</p> | <p>Vulnerability to offshoring, especially back-office functions.</p> <p>Limited potential for local influence over sector development.</p> | <p>Access to finance and innovation support for SMEs at innovative end of sector (e.g. advanced data services)</p> |
| Transport and logistics | <p>Existing strengths in distribution</p> <p>Nationally-important operators (e.g. Port of Dover, Eurotunnel) with expansion plans.</p> <p>Rising trade and freight volumes</p> | <p>Rising energy and environmental costs.</p> <p>Ageing workforce.</p> | <p>Support for major expansion plans within Strategic Transport Programme.</p> |
| Retail | <p>Increasing link with wider leisure and tourism industry</p> <p>Key national retail destination at Bluewater</p> <p>Potential driver of local growth</p> | <p>Vulnerability of traditional model to internet shopping.</p> <p>Continued difficult conditions for town centres, especially in second-order locations.</p> | <p>Focused business support as part of wider town centre renewal strategies.</p> |

Business for Growth / Already investing

Kent and Medway businesses are taking advantage of growth opportunities...

Finance

Kent and Medway benefits from a range of access to finance products, to help companies with growth potential unlock private sector investment.

This includes over £60 million secured through the Government's **Regional Growth Fund** supporting the Expansion East Kent, TIGER and Escalate schemes, in addition to local investment in established programmes such as Medway's **Partners for Growth**



HV Wooding is a precision engineering company in Hythe. With clients including CERN and Rolls-Royce, the firm has strong growth potential– but needed additional finance to support expansion. A £1.1 million loan from **Expansion East Kent** is funding new production capacity, creating 16 jobs in the next 12 months.

Growth

High Growth Kent provides coaching to businesses with high growth potential.

This year, **East Kent Cartons** approached High Growth Kent, concerned about losing their competitive edge. Their machinery was inefficient with regular downtime.



They needed to invest in a new 6 colour printer for quicker production time but the new machine would not fit in their existing premises. Their HGK coach helped them raise the finance they needed and they have now identified new premises, purchased new machinery and introduced a new shift pattern. East Kent Cartons is now looking at 30% growth in turnover and a bright future.

DRAFT v.3.1

Trade

Exporting is a proven route to business growth. The **Two Seas Trade** programme helps Kent and Medway businesses enter new markets.

Blends for Friends is a West Kent firm making specialist tea blends for corporate clients and the catering sector.



Last year, Two Seas Trade helped Blends for Friends make new business contacts in Belgium. Following their success at the TAVOLA food and drink fair in Kortrijk, Blends for Friends secured new business in Belgium worth £40,000. This year, turnover is expected to rise by £100,000, and the firm is successfully doing business with a top-end Belgian catering firm.

Skills for Growth / Introduction

Growth in key sectors and increasing employment opportunities demand a skilled, motivated and creative workforce. So we must be innovative, flexible and responsive – engaging employers in designing approaches to skills and the information, advice and guidance that supports it.

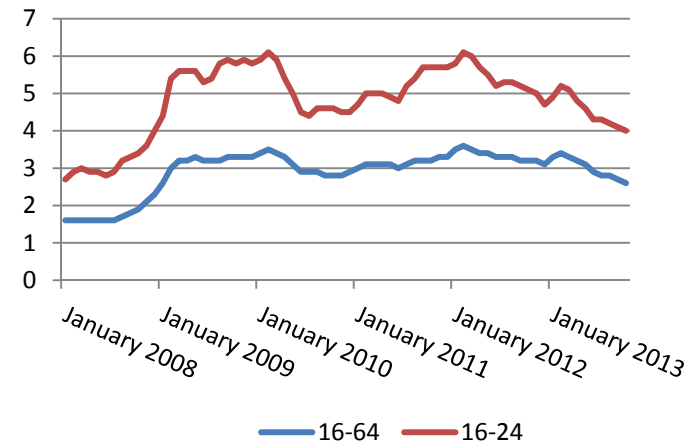
We have major opportunities for new employment. Growth is forecast in key sectors, major new developments offer prospects for large-scale job creation and opportunities in London – in commuting distance for much of the county – are set to increase. We also have an increasingly strong understanding of our sector skills needs.

Employment levels are rising. The recent recession saw a much smaller rise in unemployment than previous downturns, and unemployment is now falling – both among the workforce overall and among people aged 18-24. With greater flexibility, the labour market should be able to respond as employment opportunities develop. So we must create stimulating approaches to skills development in our growth sectors.

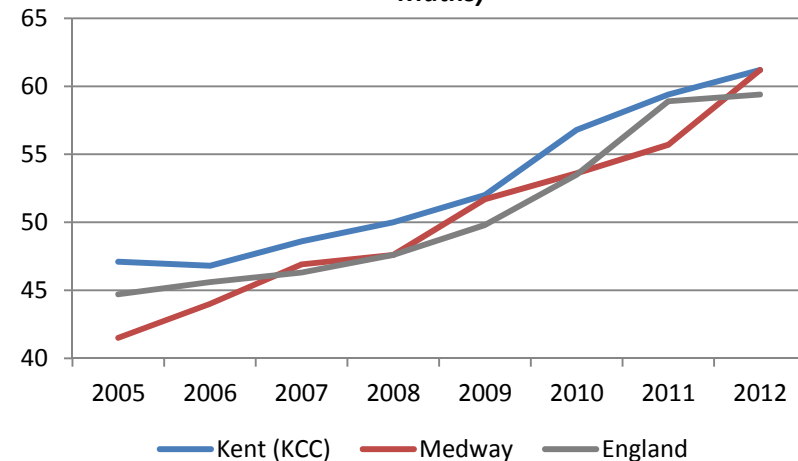
Our workforce is becoming better skilled. Workforce skills still lag behind the national average, but long term improvement is fairly consistent. This will be enhanced by developing creativity, entrepreneurship and innovation within the workforce.

School attainment levels are improving. GCSE results have improved consistently over the past decade, but **Kent and Medway now outperform England as a whole** – and although results have levelled off nationally, they have kept on rising in the county.

*Jobseekers' Allowance claimant count (%) since 2008
Kent and Medway*

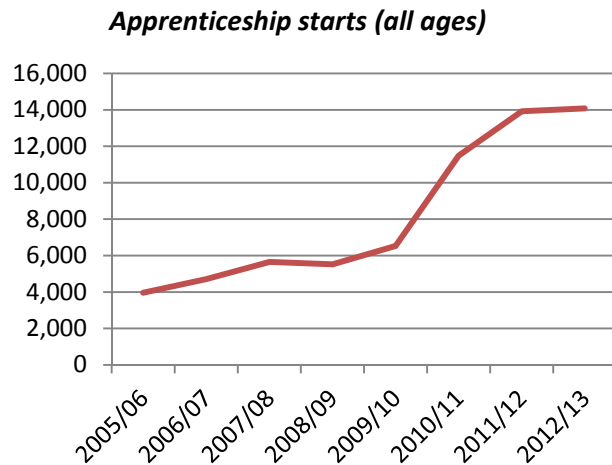


% gaining 5+ GCSEs as grades A-C (inc English and Maths)*



Skills for Growth / Introduction

Apprenticeships are increasing. There has been a consistent rise in the number of apprentices in Kent and Medway. Medway Council, KCC and the Kent Districts play an active role in promoting and brokering apprenticeship opportunities.



Increasing the number of apprentices means working to raise employer demand by promoting opportunities, reducing the costs to SMEs and focusing on the availability of opportunities in our growth sectors.

It also means raising the supply of potential apprentices, ensuring that young people are aware of the available opportunities, understand how they can take advantage of them and have the skills they need.

Some of the services we currently offer in Kent and Medway include:

GAPS

Medway Council’s flagship apprenticeship scheme, the GAPS project has helped over 200 people into apprenticeships since 2011 and helped Medway achieve a rate of apprenticeships almost 11 times higher than the national average. Working with over 140 SMEs in Medway, GAPS has set up and filled apprenticeships and helped businesses access training and financial support. Employers have praised the programme for ‘providing bright and willing to learn employees’

Kent Employment Programme

Following rising youth unemployment, the Kent Employment Programme was set up as a flexible grant fund to help local businesses take on young people who had been unemployed for three months or more as apprentices. Developing strong relationships with Jobcentre Plus and Work Programme providers, the Kent Employment Programme has helped business recruit 500 apprentices so far.

Assisted Apprenticeships

Assisted Apprenticeships help care leavers, young parents, those from troubled families and other vulnerable young people find sustainable employment. Each category has an identified champion working with the young people, while KCC provides support to the employer. This successful model has resulted in 106 young people accessing apprenticeships since 2011.

Skills for Growth / Challenges and solutions

| Opportunities | Challenges | Solutions |
|--|--|--|
| <p>Building on success With attainment levels rising steadily and successful initiatives underway to increase choice in vocational learning, increase apprenticeships and training in higher level technical skills and in growth sectors, with involvement employers.</p> <p>Policy clarity The Government is clear that the skills system should be market-led and demand-responsive. This provides a clear context for our local, demand side-focused response.</p> | <p>Tightening labour market over the long term There will be fewer working age people as a proportion of the population , leading to pressure to increase productivity and skills levels.</p> <p>Mismatch between opportunities and perceptions In a demand-led system, we must ensure that demand is well-informed. But frequently, perceptions of many sector opportunities are outdated and inaccurate.</p> <p>Reported skills shortages About 20% of employers in Kent and Medway report skills shortages, higher than the national average – and many continue to report concerns about work readiness and employability.</p> <p>There are more apprenticeship vacancies than there are young people to fill them, because many applicants do not have the vocational or work-ready skills to take up available opportunities.</p> | <p>Informing the market Working with key business sectors, we will develop a much stronger independent information, advice and guidance system, building on the successful Kent Choices4u platform and offering more accurate information on future employment opportunities. This will include a job matching service for those aged 16-24.</p> <p>We will link this with the development of a sector-based Guild model, giving businesses greater ownership of the delivery of information, advice and guidance to meet future sector needs.</p> <p>Increasing employer support Building on the successful Kent Employment Programme and Employ Medway, we will seek to offer financial assistance to employers recruiting higher apprentices in priority sectors.</p> <p>We will expand the KEP/ Employ Medway model to become a brokered service that supports SMEs, helps them to access their needs, provides support to enable sustained apprenticeship and job opportunities and supports the transition to work</p> |

Skills for Growth / Challenges and solutions

| Opportunities | Challenges | Solutions |
|--|--|--|
| <p>Economic recovery As youth unemployment starts to fall and employers become more willing to recruit, we need to ensure that there is an effective supply chain of young people with the right skills, capabilities and ambition.</p> <p>We also need an infrastructure that enables successful transition for adult workers moving from one career to another, especially in priority sectors.</p> <p>Strong partnerships The Kent and Medway Employment Learning and Skills Partnership Board brings together employers, providers and the KMEP – with the HE and FE sectors also represented directly on KMEP and with the Skills Funding Agency participating.</p> | <p>Concentrated worklessness Despite falling unemployment, access to the labour market is low in places, especially coastal and estuarial Kent and Medway and especially among 18-24 year olds.</p> <p>The requirement for English, maths and IT skills for most jobs means that vulnerable young people and adults risk becoming disenfranchised and struggle to access sustainable employment.</p> <p>Employer involvement and capacity Employer time to inform the market - and to benefit from apprentices – is often limited, especially in an economy dominated by SMEs.</p> | <p>Responding to employer demand We want to ensure that a system responsive to learner demand is also responsive to employer demand.</p> <p>So we will work with the Skills Funding Agency to examine the outcome of pilot projects which have offered incentives to providers meeting employer priorities, and we will consider how these can be applied in Kent and Medway, with potential pilots in the newly created Youth Employment Zone areas.</p> <p>Supporting access to learning and employment We will establish a Workforce Response Fund, financed by the European Social Fund, to be used flexibly to remove barriers for individuals, employers and providers in order to boost skills, employment and job creation. Building on Medway’s SUCCESS model, we will ensure that ‘soft skills are a key element of all training programmes</p> <p>We will seek to make it easier for young people to access work and learning by extending reduced-cost travel by public transport to 16-19 year olds.</p> |

Skills for Growth / Already investing

The Langton Star Centre

The Langton Star Centre, based within the Simon Langton Grammar School for Boys, provides a world class model for the promotion of research based science education within schools. Students are routinely involved in research activities in which they are the architects of the learning process and where they are able to work alongside academic and research scientists in pursuing authentic research projects.

In addition to research carried out in conjunction with CERN, work includes research into multiple sclerosis and genetic crop research on wheat.

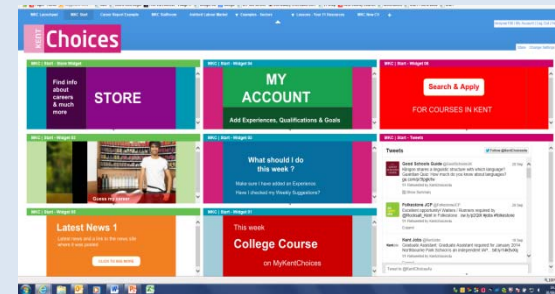


As a result, the school has more students taking A levels in maths, further maths, chemistry and physics than any other school in the UK and provides almost 1% of all the physics undergraduates in the UK.

Kent Choices4u

Kentchoices4u.com is Kent's online applications and careers portal. Year 11s use the system to apply for courses and it contains information about careers and post 16 options.

The site is increasingly popular, with over 170,000 visits to the site, and over 11,000 young people making an application between September 2012 and May 2013. The site is the largest and most used of its type in the country.



We are piloting a fully interactive system to bring together web and computer-based resources and target them at young people. This will also contain a CV builder, interactive skills development portfolios and employability skills support.

Using the system, we will bring students and companies together. Companies will be able to place their employment/training offer within the site alongside resources to help young people to develop the skills and experiences they need to progress into employment.

Deal for Growth / Our solutions

We have identified 20 solutions for growth – including asks of Government and investment proposals – which we will progress as part of our Growth Deal.

Places for Growth: Solutions

Business for Growth: Solutions

Skills for Growth: Solutions

Deal for Growth / Places for Growth: Transport

Solutions to deliver growth without gridlock

Solution 1: Strategic Transport Investment Programme

We have a clear plan for growth

In Kent and Medway, we are clear on what needs to be delivered **to accelerate growth**. Our bold and ambitious transport strategy, *Growth without Gridlock* sets out the infrastructure we need, linked with the key growth locations outlined in this Growth Plan. Our priorities include:

A third Thames crossing constructed by 2020 as part of a new strategic national route from Dover to the North, relieving the Channel Corridor. Improvements along the A2, A249 and delivery of a number of lorry parks are key features of this package.

Unlocking our major growth locations with improvements such as the M20 Junction 10a at Ashford, A2 off slips at Canterbury and A2 Bean and Ebbsfleet junctions in the Thames Gateway

Securing significant investment in East Kent through improving access options particularly by rail and relieving major bottlenecks such as Westwood Cross.

Improving connectivity and cutting congestion in West Kent through schemes such as the dualling of the A21 from Tonbridge to Pembury, the A228 Colts Hill Relief scheme and improved access to North Farm at Tunbridge Wells

... in addition to many more, shown on page 52

We will...

Invest in a **strategic transport investment programme for growth** to open up our key growth locations and address strategic transport constraints.

Our proposals are set out on the map overleaf. Combined, they will help to unlock over 40,000 homes over a twenty year period.

Many of the schemes identified already have developer and third party contributions : with a Local Growth Fund contribution of £358 million, we expect to secure £351 million in private funding.

However, we **will only invest public money in transport infrastructure where we have a solid commitment from the developer to build their commercial or residential development out in defined timescales**. We will agree a Kent and Medway Commitment with developers on schemes assisted by the Strategic Transport Programme to ensure clear growth outcomes for public investment

Deal for Growth / Places for Growth: Transport

Solutions to deliver growth without gridlock

Solution 1: Strategic Transport Investment Programme

Much of the investment that we require is on the national strategic network.

So we will also **commit £64 million of Local Growth Fund to strategic Highways Agency and Network Rail schemes**, where these are essential to the county's economic growth. These include:

Strategic improvements to the A2 and M2 corridors opening up investment around Ebbsfleet Valley and in Swale.

Relieving the pressure of international freight through the provision of dedicated lorry parks.

Improving access to East Kent by High Speed One through a new parkway station at Thanet, building on approved investment in faster line speeds.

Safeguarding international rail services at Ashford through signalling works to accommodate modern rolling stock.

We ask Government to...

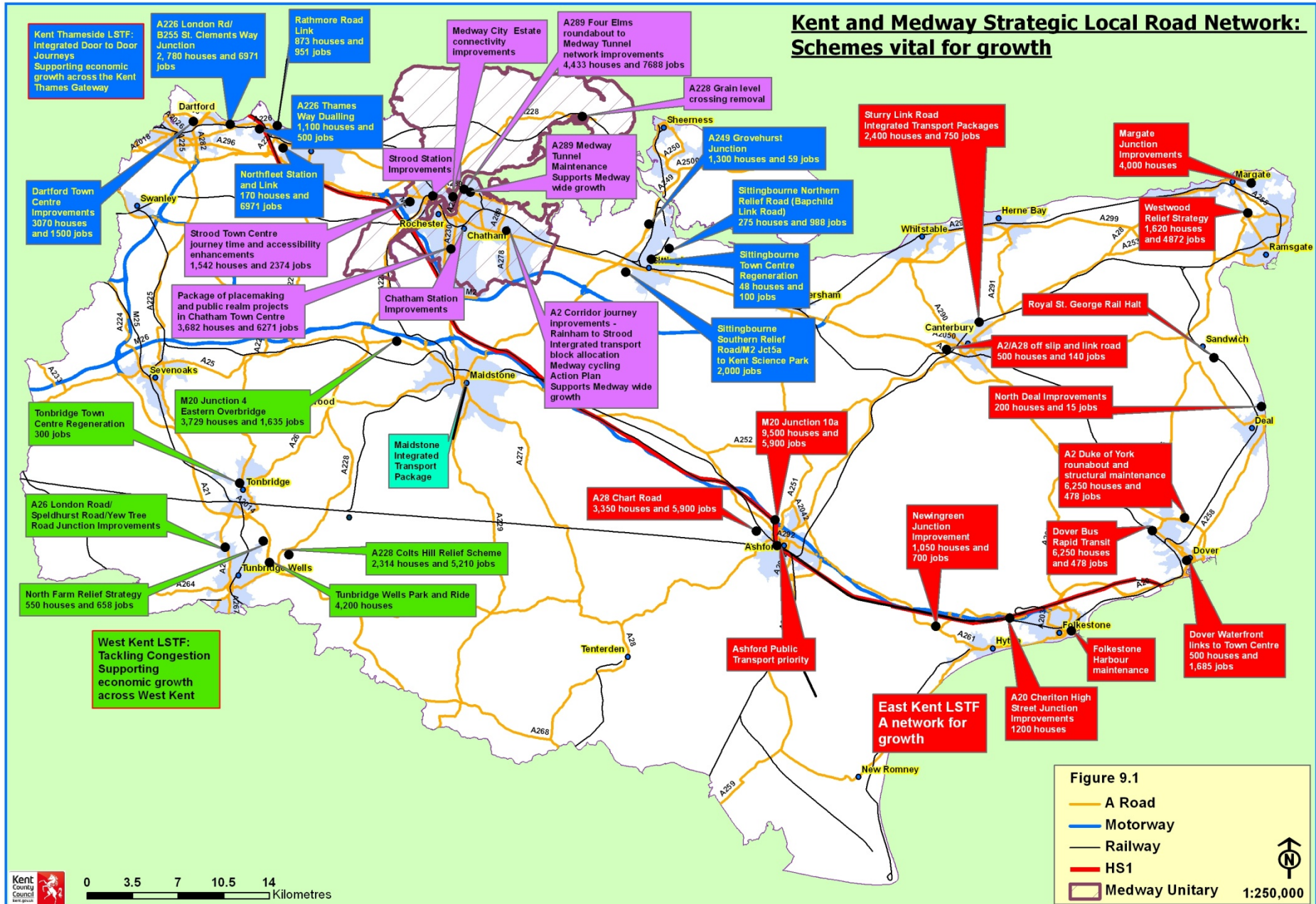
Work with us, via the Department for Transport, Network Rail and the Highways Agency, to deliver our strategic transport programme.

In exchange for our commitment of Local Growth Fund investment to support Highways Agency and Network Rail schemes, we **ask the Department for Transport to agree a timetable with the Kent and Medway Economic Partnership to bring these schemes forward within the Local Growth Fund investment period.**

While welcoming the Government's commitment to rule out the unviable Option B for the Lower Thames Crossing we also ask for an **early final decision on the preferred route for the Crossing**, and commit to working with Government to secure investment to deliver the scheme by 2020.

Outcomes: Total jobs unlocked: 40,000. Total homes unlocked: 50,000. Leverage: £725 million.

Kent and Medway Strategic Local Road Network: Schemes vital for growth



Deal for Growth / Places for Growth: Transport

Solutions to deliver growth without gridlock

Transport Investment Programme: Investment breakdown

| | Total investment (£m) | Local Growth Fund (£m) |
|--------------------------------|-----------------------|------------------------|
| Local strategic schemes | | |
| Thames Gateway | 190.84 | 133.96 |
| Coastal East Kent | 121.00 | 53.15 |
| Ashford and Maidstone | 47.00 | 28.69 |
| West Kent | 74.86 | 63.00 |
| Kent County-wide | 47.10 | 16.20 |
| Highways Agency schemes | 216.00 | 56.00 |
| Network Rail schemes | 13.50 | 7.75 |
| Total | 710.30 | 358.74 |

Deal for Growth / Places for Growth

Solutions to deliver growth without gridlock

Solution 2: Selective devolution

We will...

Investigate the potential for **selective devolution** of Highways Agency responsibilities where local management could result in cheaper and quicker delivery. We have already examined the opportunity for this in relation to the dualling of the A21 between Tonbridge and Pembury, where we estimate the cost of the scheme could be reduced from £130 million to £70 million.

We ask Government to...

Enter into a **dialogue with us through the Department of Transport during 2014/15 on the practicalities of a selective devolution scheme**, where this can result in cost savings to Treasury, faster scheme delivery and guaranteed delivery of homes and floorspace through the Kent and Medway Delivery Commitment.

Outcomes: To be confirmed subject to scheme

Solution 3: Highways Agency flexibility

We will...

Commit through our Strategic Transport Programme to fund access from the **M2 motorway to Kent Science Park**, in order to support the expansion of the Park as a major centre for high-value employment. This will result in a cost reduction of over £80 million compared with the more expensive option of providing a new strategic route into Sittingbourne – although the direct job outputs will be similar.

We ask Government to...

Work with us through the Highways Agency to examine the case for providing flexibility to access this strategic developments from the motorway network.

Outcomes: 2,000 jobs

Deal for Growth / Places for Growth

Solutions to unlock sites for jobs and homes

Solution 4: The Kent and Medway Development Fund

We will...

Create a **Kent and Medway Development Fund (KMDF)**, working together with our neighbours in the South East LEP.

Initially funded by the Local Growth Fund, the KMDF will respond to the need for patient finance to help deliver schemes to which the market is not yet fully ready to respond.

The KMDF will operate both a **fully recyclable** fund, focused on those schemes (mainly in Mid Kent and the Thames Gateway) that are close to market, and a **softer or gap funded** scheme focused on more marginal schemes. The KMDF will in every case be based on the Kent and Medway Delivery Commitment, with all public support dependent on a concrete developer commitment to build.

In the coming months, we will develop a comprehensive business case and investment strategy for the KMDF, with a pipeline of schemes based on the places for growth outlined in this plan, and including a full analysis of state aid implications.

We ask Government to...

Approve our request for **£51.9 million over six years from the Local Growth Fund** (of which we anticipate £22.5 million to be invested in the Fund in 2015/16).

At this stage, there are no operational freedoms or flexibilities that we believe we require to operate the KMDF. However, on the basis that we provide an initial business plan to the Department for Communities and Local Government no later than 1 March 2014, we ask that Government provides feedback on the principles of the Fund by the start of May, so that detailed work can proceed in developing the pipeline of schemes and the operation of the Fund.

Outcomes: Jobs: 2,375. Homes: 5,000. Private sector leverage: £110 million

Deal for Growth / Places for Growth

Solutions to unlock sites for jobs and homes

Solution 5: Consolidated public sector assets

We will...

Create a better coordinated approach to public sector support for property development and regeneration. As part of the development of the KMDF, we will **pool part of the proceeds of publicly owned assets** in Kent and Medway to de-risk and prepare sites for the delivery of future housing and employment.

Alongside the development of the business plan for the KMDF, we will consider the potential return to public sector investors and will review the local public sector asset base.

We ask Government to...

Consider **pooling part of Government assets in Kent and Medway** to the KMDF pool, including Homes and Communities Agency Economic Property Assets currently managed through the Stewardship Model, subject to agreement on the eventual target return to Treasury.

Outcomes: To be confirmed

Solution 6: Joined up gap funding

We will...

Consolidate our approach to capital investment within the Kent and Medway Development Fund. As part of this, we will seek to absorb historic grant and loan commitments from the former Thames Gateway Programme within the KMDF, subject to approval of its investment strategy.

We ask Government to...

Work with us to link outstanding commitments with the KMDF and ensure that historic funding constraints do not present barriers to investment in changed market conditions.

In particular, we ask for specific flexibility from DCLG regarding historic Thames Gateway investment in the strategic **Strood Riverside** site, where Government's first claim on eventual capital receipts currently make further local investment unviable. We ask DCLG to consider greater flexibility, allowing future capital receipts from the site to be shared between central Government, Medway Council and the KMDF, enabling additional investment to proceed.

Outcomes: To be confirmed

Deal for Growth / Places for Growth

Solutions to unlock sites for jobs and homes

Solution 7: HCA commissioning

We will...

Seek a **new role for the Kent and Medway Economic Partnership in commissioning the Homes and Communities Agency** through the development of a five year rolling programme and annual commissioning plan.

Building on our excellent relationship with the HCA, we will examine the advantages of such a commissioning relationship based on the cost savings and likely increase in housing delivery involved in pooling separate HCA funding schemes and in more direct links between the Agency, local planning and housing authorities and developers.

We ask Government to...

Work with us through the HCA to examine the practical and financial case for local commissioning

Outcomes: To be confirmed

Solution 8: New opportunities for investment

We will...

Seek to extend opportunities for private institutional investment in new models for housing development, creating a new mix between private rent, affordable housing and market ownership.

We will build on existing successful initiatives, such as the **Kier Kent** partnership, using investment from the Kent and Medway Development Fund to match private sector investment.

We ask Government to...

We do not require any specific freedoms or permissions from Government – and indeed, we are already getting on with delivery. However, through the work outlined in Solution 6 (HCA commissioning), we will seek to ensure that where new models of investment yield results, they are shared elsewhere in the South East LEP and beyond and supported by Government and the HCA.

Outcomes: To be confirmed

Deal for Growth / Places for Growth

Already investing in jobs and homes

Case study: No Use Empty

No Use Empty was established in 2005 to bring homes back into use, supporting the work of district housing authorities with advice to property owners and loan assistance.

The scheme operates across Kent and has so far returned over 3,000 homes to use. Some £25 million has so far been invested, with a third from Kent County Council and the remainder from the private sector.

No Use Empty offers interest free loans of up to £175,000. Earlier this year, NUE launched a partnership with social housing provider AmicusHorizon to create affordable homes available for rent at 80% of market value.



Prince of Wales House in Dover was vacant for several years. With a £175k loan from No Use Empty, it now contains 35 apartments (11 shared ownership) – and the loan was repaid 9 months early.

Case study: Kier Kent

In 2011, Medway Council, Kent County Council and the 12 Kent Districts adopted the **Kent and Medway Housing Strategy**, the first countywide housing strategy to be developed in England.

The Housing Strategy contained ambitious commitments to make better use of public sector land. So earlier this year, Kent County Council launched the **Kier Kent Initiative**.

This deal packages together KCC-owned sites in Sevenoaks, Canterbury and Swale, and brings in institutional investment to build homes for affordable, intermediate and private rent and open market sale, **enabling new affordable homes to be delivered without Government grant**.

We know that there are a growing number of institutions seeking investment opportunities in housing and there is the potential to expand mixed tenure schemes on public sector land and to raise interest in the potential of institutional investment in the private rented sector.

The first 172 homes completed under the Kier Kent Initiative will be completed by the end of 2015.

Deal for Growth / Places for Growth

Solutions to unlock sites for jobs and homes

Solution 9: Pro-growth regulation

We will...

Building on the good practice that has been developed through our excellent relationship with the Environment Agency, we will ensure that **all key Government agencies with a regulatory or delivery role in growth are invited as non-voting participants on the Kent and Medway Economic Partnership**. This will include the HCA, Environment Agency, Natural England, Highways Agency, JobcentrePlus and the Skills Funding Agency – ensuring that there is a coordinated approach to growth strategy for Kent and Medway

We ask Government to...

Agree with us a **Growth Framework for the Kent and Medway Economic Partnership**, linked with this strategy, to which Natural England, the Highways Agency and other bodies must sign up. This will ensure that all those involved in the county's growth have the full picture of our – and Government's – shared aspirations as well as their departmental focus.

Outcomes: Contributes to overall outcomes

Solution 10: Local housing solutions

We will...

Develop additional local authority housing. With government partially lifting the Housing Revenue Account debt cap, Ashford Borough has indicated that it will be able to develop 250 homes over the next five years, linked with market housing, with other local authorities also expressing interest.

We will also extend the successful **No Use Empty** programme in target locations, to offer support to owner occupiers where direct loan support can be matched by additional private funding.

We ask Government to...

We ask **DCLG and Treasury for a discussion on the practicality of further lifting the HRA debt cap**, linked with the success of delivery within existing powers and a commitment from participating local authorities to develop within a fixed timescale.

Outcomes: To be confirmed

Deal for Growth / Places for Growth

Solutions for coastal renewal

Kent's Coastal Challenge

The Kent and Medway coast has great potential. Much has been achieved in recent years, as new investment has helped Turner Contemporary and Folkestone Creative Quarter open up new opportunities in the cultural, creative and tourism sectors. Accessibility to most coastal towns has been transformed through HS1– with further improvement on the way.



Ramsgate Harbour.
We must build on coastal Kent's tourism and cultural assets at the same time as developing new solutions to reduce concentrations of deprivation.

Yet Kent's coastal and estuarial towns continue to face challenges that hold them back from reaching their full potential. Deep social problems in part of Thanet, Sheppey and elsewhere hamper growth and waste human potential and the full benefits of recent investment have yet to be realised. So we need to ensure that investment to reduce peripherality and promote business growth is accompanied by measures to break the cycle of deprivation and housing market failure.

Solution 11: Maximising the benefit of HS1

We will...

Seek to develop measures that help to attract wealth and prosperity to coastal Kent, building on the area's advantages and mitigating some of the continued disadvantages of distance and travel costs. As part of this, we will invest some of our Strategic Transport Investment Programme in improved access to the HS1 network (including a **Thanet Parkway** station). We will also discuss with Southeastern the viability of measures to **reduce the high costs of peak travel on High Speed One**, with the aim of promoting East Kent as a place to live and invest.

We ask Government to...

We ask **Department for Transport, Network Rail and Southeastern Railway to continue to work with us to build the business case for further rail improvements** in East Kent and to identify options for reducing the 'rail price penalty'

Outcomes: To be confirmed

Deal for Growth / Places for Growth

Solutions for coastal renewal

Solution 12: Reducing concentrated deprivation by dealing with poor quality housing

We will...

Seek to reduce demand for low quality, low cost housing by reducing the abnormal concentrations of deprivation within specific coastal towns. We have already **committed to capping the numbers of looked after children** placed into communities such as Cliftonville and Margate and we will commit to **overall limits on the volume of social housing** within designated zones.

We will also address the concentration of social challenges in Kent and Medway's coastal communities by tackling entrenched housing market failure.

We will **commit to using all methods in our power to combat poor quality housing stock**, including firm application of existing selective licensing regimes and the full use of housing market interventions such as the Live Margate renewal programme, while **seeking much stronger powers** to combat entrenched market and social failure.

Outcomes: To be confirmed

We ask Government to...

Much of the demand for low-cost, poor quality housing is generated outside Kent, and is a consequence of a lack of housing in London and elsewhere and extreme house price differentials at the lower end of the market.

So we **ask Government to work with us, together with other coastal areas in the South East and with the London Boroughs and the GLA to establish a strategic solution** to the negative consequences of benefit-driven migration.

We ask DCLG to make available **much tougher powers to deal with landlords of very poor quality housing stock**, including the ability of the local authority to **increase and retain the proceeds of fines** for non-compliance with selective licensing rules and **'no go zones'** for the continued placement of vulnerable families. We ask Government to enter into dialogue with us on the full menu of potential powers that may be made available.

Outcomes: To be confirmed

Deal for Growth / Business for Growth

Solutions for business expansion

Solution 13: Kent & Medway Business Finance

We will...

Continue and extend the business finance products that we currently offer, including Expansion East Kent, TIGER, Escalate and Partners for Growth, within an overall **Kent and Medway Business Finance (KMBF) programme** covering all parts of the county.

All KMBF products will be recyclable and targeted towards businesses with the appetite for growth, the ability to unlock private finance as a result of KMBF investment, overall job creation and value generation through the development of new, or higher-value products and services. We will continue to work with the major banks and with other investors to maximise private sector leverage into the programme.

Before expanding the KMBF portfolio, **we will undertake a market assessment to establish likely demand** – considering the potential for targeted equity investment where this is matched by willing and appropriate commercial investors.

We ask Government to...

Approve our request to invest **£23.5 million over six years from our Local Growth Fund allocation**, to be partially matched with funds from the European Regional Development Fund as well as from the private sector. £10 million of this investment will be required in 2015/16.

We also ask Government, via its delivery agencies, to work with us in offering a **coordinated approach to business access to finance**, so that nationally managed specialist funds (such as the offshore wind supply chain grant managed by Manufacturing Advisory Service) is linked with local products and businesses are advised accordingly.

Outcomes: Jobs: 2,000. Leverage: £70.5 million.

Deal for Growth / Business for Growth

Solutions for business expansion

Solution 14: Kent & Medway Business Hub

We will...

Establish the **Kent and Medway Business Hub**, bringing together investment by Kent County Council, Medway Council, the Kent Districts, national Government and future European funding sources – co-financing ERDF funds with the Local Growth Fund and local investment to ensure an integrated approach to business support and innovation.

We ask Government to...

Approve our allocation of £21 million over six years for the Kent and Medway Business Hub programme. We also seek to engage via BIS in a single coordinated discussion with us on **the integration of national programmes** with the Kent and Medway Business Hub, **including the proposed arrangements for opt-ins to national programmes** through European funding sources.

Outcomes: Jobs: 1,100. Leverage: £21 million

Solution 15: Promoting Kent and Medway

We will...

Develop a programme for the **marketing and promotion** of business opportunities across Kent and Medway. As part of this, **we will maintain our commitment to promoting the county** as an location for inward investment through Locate in Kent and Visit Kent. We will work with Kent and Medway’s business sector groups to promote career choices and change inaccurate perceptions (linked with Solution 17 below). Building on the successful **Grow for It** campaign in East Kent, we will also work with our partners in South Essex and London to more effectively market the investment opportunities in the Thames Gateway.

We ask Government to...

We ask BIS to work with us via UKTI to promote Kent and Medway’s big investment opportunities – building on the existing memorandum of understanding with Locate in Kent to develop a more comprehensive joint approach to marketing the county.

Outcomes: To be confirmed

Deal for Growth / Skills for Growth

Solutions for business-focused skills

Solution 16: Employer-led careers advice

We will...

Put in place a more **joined-up and creative approach to information, advice and guidance**. We will build on the Kent Choices4u platform and work with our key sectors to ensure that employers contribute towards the content, acting as business ambassadors and mentors so that information on careers options and routes is inspiring, practical and accessible through a variety of channels, linked with the National Careers Service.

We will give businesses greater ownership of the delivery of information, advice and guidance for their sectors. The sector-based **Guild model**, in which businesses establish employer-led bodies setting out skill needs, informing the curriculum and agreeing quality standards, provides a mechanism for this. We will build on the existing pilot in the hospitality sector to explore how it could be developed for other sectors.

We ask Government to...

We ask the **Skills Funding Agency** to work with us in developing our new approach, potentially as a national pilot.

Outcomes: To be confirmed

Solution 17: Higher Apprenticeships

We will...

Encourage more higher apprenticeships, enabling employers to influence and secure the skills they need and increasing higher-level qualifications within the workforce. We will provide comprehensive careers guidance on what **higher apprenticeships are, how they can be accessed and what opportunities can lead to**. This will be developed through the Guild model.

We will build on the successful Kent Employment Programme model, introducing a grant programme to incentivise employees to offer higher apprenticeships in our priority growth sectors. Kent and Medway will become a Trailblazer for higher apprenticeships in local government and we will seek to incentivise universities to develop the higher apprenticeship model.

We ask Government to...

We do not need any specific freedoms or flexibilities from Government at this stage. However, we ask Government, via the Skills Funding Agency and the National Apprenticeship Service, to work with us in co-designing with Kent and Medway businesses a pilot to increase higher apprenticeship delivery.

Outcomes: To be confirmed

Deal for Growth / Skills for Growth

Solutions for business-focused skills

Solution 18: Responding to employer demand

We will...

Encourage providers to respond to **local employer demand**, stimulating SME growth. Using existing information such as the Kent Post-16 District Datapacks, Labour Market Information tools, employer surveys and sector roundtables, the Kent and Medway Economic Partnership will maintain up-to-date analysis of the labour market, working with the SFA, and we will make this fully available to all schools, FE colleges and private providers, so that there is coordinated labour market information.

We ask Government to...

Help us ensure that this information is put to practical use to benefit business., especially SMEs. Pilots are currently taking place in Liverpool and Leeds to examine whether a system of financial incentives to providers for responding to locally expressed skills needs would be effective. **We ask to maintain a dialogue with the Government via the SFA during the pilot period to consider whether a future phase could be extended to Kent and Medway.**

Outcomes: To be confirmed

Solution 19: Skills & Employment Response Fund

We will...

Create a fund (supported by ESF) to deliver targeted interventions that either address immediate barriers to accessing training or employment, or which pump prime new provision, especially where this delivers 'soft skills' and work readiness.

We ask Government to...

Allow a proportion of ESF funds to be set aside without any strings or stipulations over and above the standard ESF regulations, so that it can be entirely responsive and flexible in order to lift barriers to accessibility (for the individual) and planning (for the employer or provider).

Outcomes: To be confirmed

Deal for Growth / Skills for Growth

Solutions for business expansion

Solution 20: Supported transition to work

We will...

Provide additional support for vulnerable young people and adults to ensure they acquire the necessary basic and 'soft' skills to access sustainable learning and employment opportunities.

This will build on Kent's **Assisted Apprenticeships** model, with activities targeting priority locations with high levels of unemployment.

Activities such as high quality work experience, internships, mentoring and coaching will be delivered with tailored support to the individual through accessible physical and virtual learning environments to ensure learners attain basic skills in English, maths, IT and employability skills to help them progress into further learning and employment opportunities.

We ask Government to...

Relax its rules regarding claiming benefits to allow unemployed young people and adults claiming Jobseekers' Allowance access learning and training opportunities, so that they are enabled to access sustainable employment.

This could include allowing claimants to access training of 16+ hours a week if this is an appropriate pathway to meaningful employment, or allowing unemployed 18-24 year olds to claim JSA while accessing a traineeship.

We ask Government, via DWP, to work with us in identifying the costs, benefits and practicalities of selective relaxations of JSA rules in order to design a **Kent and Medway pilot** scheme (in partnership with the rest of the South East LEP or other LEPs as appropriate).

To improve access to work and learning, we ask Government to consider the **extension of reduced-price travel** to 16-19 year olds.

Outcomes: To be determined

Deal for Growth / Investments

In total, our proposals seek £505 million from the Local Growth Fund over six years from 2015/16 and £70 million from European structural funds from 2014/15. These figures are indicative at this stage:

£ million

| | LGF | EU Funds | Match | Total |
|---------------------------------|--------------|-------------|--------------|----------------|
| Places for Growth | | | | |
| Transport Investment Programme | 358.7 | | 351.5 | 710.2 |
| Kent & Medway Development Fund | 51.9 | | 109.0 | 160.9 |
| <u>Total</u> | <u>410.6</u> | | <u>460.5</u> | <u>871.1</u> |
| Business for Growth | | | | |
| Kent & Medway Business Finance | 32.5 | 25.0 | 172.5 | 230.0 |
| Kent & Medway Business Hub | 5.0 | 10.0 | 15.0 | 30.0 |
| Marketing & Promotion Programme | 7.0 | | 4.0 | 11.0 |
| <u>Total</u> | <u>44.5</u> | <u>35.0</u> | <u>191.5</u> | <u>271.0</u> |
| Skills for Growth | | | | |
| Skills Capital Fund | 20.0 | | 20.0 | 40.0 |
| Workforce Development Fund | 30.0 | 35.0 | 5.0 | 70.0 |
| <u>Total</u> | <u>50.0</u> | <u>35.0</u> | <u>25.0</u> | <u>110.0</u> |
| Total | 505.1 | 70.0 | 676.5 | 1,252.1 |

We aim to increase housing delivery by 23,500 over the plan period, and to support delivery of around 40,000 jobs. We will set out our detailed outcomes in our full Growth Plan, to be prepared by the end of March 2014, with budget plans to be set out for each programme.

Deal for Growth / Making it happen

In Kent and Medway, we will deliver *Unlocking the Potential* through the Kent and Medway Economic Partnership. This page explains how this will work.

Governance

1. South East Local Enterprise Partnership

Kent and Medway is part of the **South East Local Enterprise Partnership**, and this Growth Plan is consistent with the Strategic Economic Plan that the LEP has prepared.

The South East LEP is unique. It is the only LEP in England covering several economic areas, and it includes almost all the major brownfield sites in the South East outside London, as well as virtually all the Greater South East's significant infrastructure schemes. It is therefore vital to forward opportunities in Kent and Medway and in Essex to ensure balanced growth – so it is common sense that we need to have a bold, joined-up strategic approach.

The LEP has a crucial role. Because of the scale and complexity of our development opportunities, the timing of specific infrastructure projects will depend on wider viability issues and market factors. So we will benefit from the ability to bring projects forward according to market conditions within a large programme, and the South East LEP Board and executive team will maintain high level oversight of this.

2. Kent and Medway Economic Partnership

Within the overall context of the LEP's Strategic Economic Plan, the Kent and Medway Economic Partnership will be responsible for the delivery of the objectives set out in this Growth Plan.

The KMEP Board, which consists of 11 business representatives, 8 local authority leaders, and 1 representative from each of higher and further education, will prepare a **Commissioning Plan** setting out in detail the programmes that will be delivered. The Commissioning Plan will cover Local Growth Fund, European Structural Fund and local funding sources.

We will prepare a draft Commissioning Plan in January/ February 2014 and will submit this to Government along with the final version of *Unlocking the Potential*. In the meantime, we will prepare and consult on an interim Commissioning Plan for the use of European structural funds, consistent with the LEP's European structural and investment funds strategy, so that we can begin to move projects forward as soon as funds become available.

3. Accountability

The KMEP is an informal partnership. To ensure full accountability for delivery, Kent County Council and Medway Council will share the accountable body role, depending on the programme or project.

Transparency

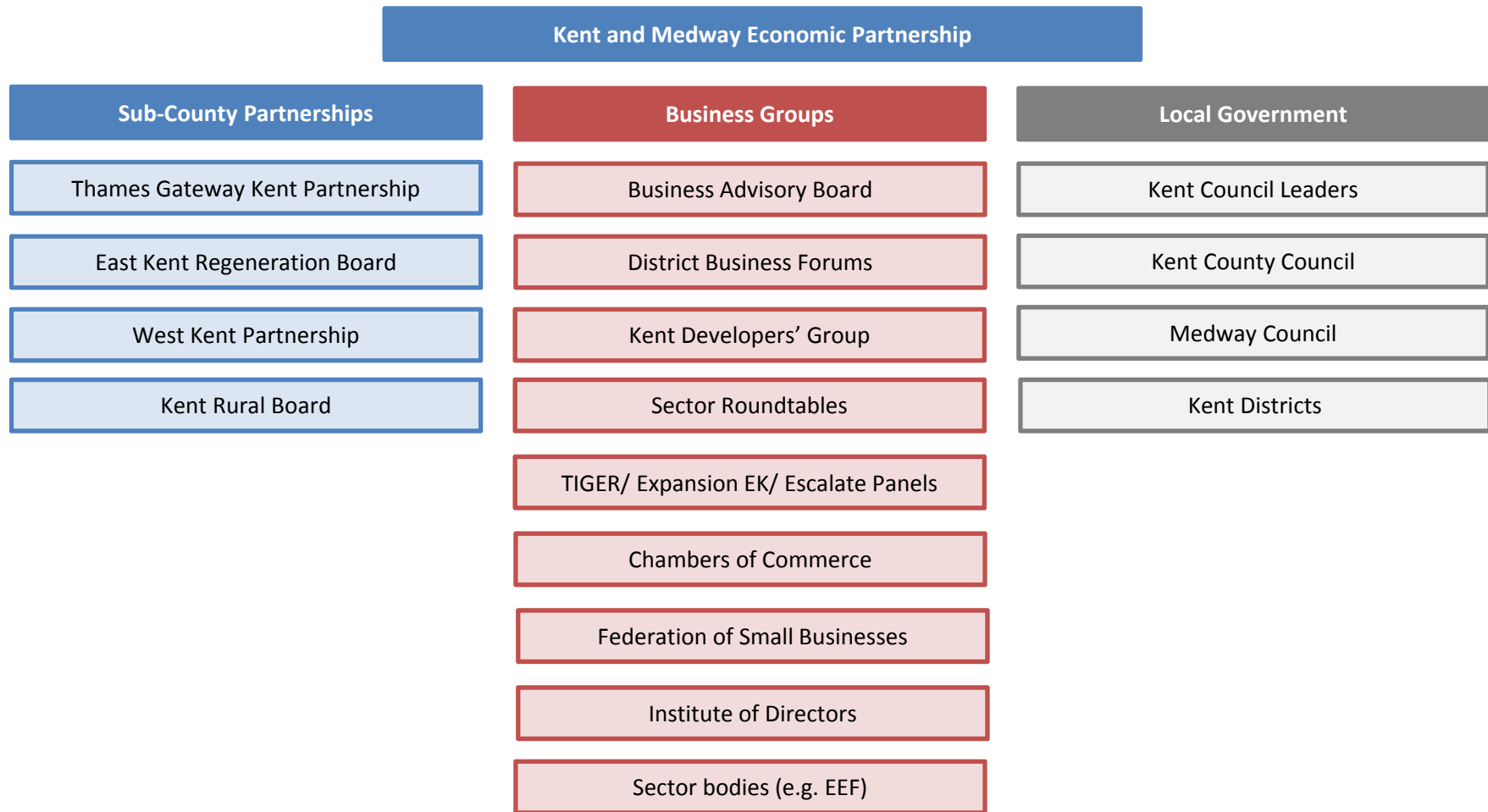
KMEP Board intends to adopt local authority standards of transparency, and will be subject to the procedures of Kent County Council and Medway Council.

Deal for Growth / Next steps

| | | |
|---------------|---|--|
| December 2013 | Draft <i>Unlocking the Potential</i> published | LEP publishes draft Strategic Economic Plan |
| January 2014 | Consultation on <i>Unlocking the Potential</i> Draft Commissioning Plan prepared | |
| February 2014 | | |
| March 2014 | Revised <i>Unlocking the Potential</i> published | LEP produces revised Strategic Economic Plan |
| April 2014 | Discussions with Government on Growth Deal | |
| May 2014 | | |
| June 2014 | European Funds available | |
| April 2015 | Local Growth Fund available | |

Deal for Growth / Working with partners

Kent and Medway’s business and local partnerships will also be crucial to the delivery of *Unlocking the Potential*. Across the county, we have strong partnerships with business and local government, including:



Kent and Medway Economic Partnership
www.kmep.org.uk