

**Kent and Medway:**  
**Unlocking the Potential:**  
**Going for Growth**

**The Growth Deal**

# Contents

---

1. **Summary/** The Kent and Medway Growth Deal
2. **Introduction/** Opportunities, challenges, solutions
3. **The Growth Deal/** Places for Growth
4. **The Growth Deal/** Infrastructure for Growth
5. **The Growth Deal/** Sectors for Growth
6. **The Growth Deal/** Skills for Growth
7. **Making it happen/** Delivering the Growth Deal

# 1. Summary/ The Kent and Medway Growth Deal

---

Welcome to Kent and Medway's Growth Deal. This document explains how the public and private sectors will invest over £80 million each year for the next six years to unlock our potential through:

- **Increasing housing and commercial development;**
- **Delivering transport and broadband infrastructure to unlock growth;**
- **Backing business expansion through better access to finance and support; and**
- **Delivering the skills that the local economy needs.**

Alongside our investment proposals, our deal for growth sets out the actions that businesses and local authorities in Kent and Medway, together with the South East LEP and central Government will take to drive forward delivery. Together, we will deliver:

**Housing growth:** We will increase delivery by **3,300 homes per year** for seven years over 2012/13 levels (23,100 homes in total) to meet planned requirements.

**Private sector employment:** We will deliver an additional **40,000 jobs** by unlocking housing and commercial development sites and making it easier for businesses to secure finance and investment.

**Increased economic value:** We will increase Kent and Medway's levels of productivity and innovation, leading to an additional **7,500 knowledge economy jobs** and £xxx additional GVA over seven years.

We will achieve this through a capital investment programme focused on:

- the **key transport projects** which will unlock our priority sites;
- the **recyclable South East-wide SEFUND investment fund**, which will give confidence to the private sector to bring forward new housing and commercial schemes;
- **Investment in our skills infrastructure** linked with the needs of our key economic sectors; and
- **Direct access to business finance and support** to back those businesses with the appetite and capacity for growth.

The Growth Deal sets out our case for Local Growth Fund investment in Kent and Medway as part of an intelligent funding package, alongside the new European structural fund programme, existing Regional Growth Funds, developer contributions and local authority funds.

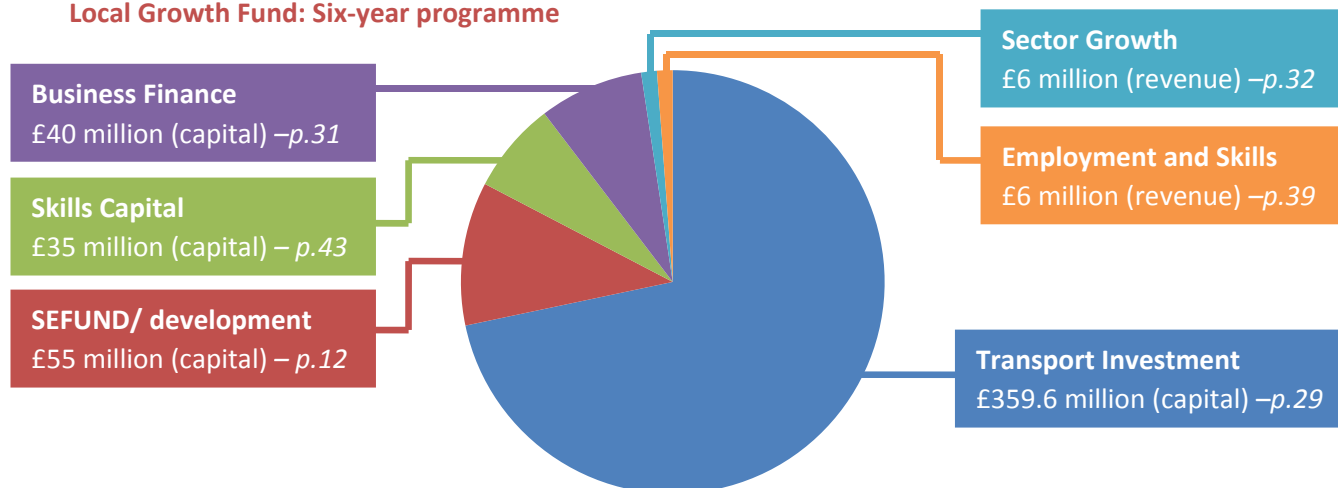
Alongside SEFUND, **Kent County Council will provide matching funding of at least £10 million per year** to accelerate the delivery of projects that are close to viability. **We will match our transport programme 1:1** in public and private investment. **We will ensure at least 50% upfront private sector match funding on all finance directed to business.** And we will back our capital programme with new revenue investment in sector-focused careers guidance, business support and job matching. In total, our proposals for the Local Growth Fund will secure over £xx in public and private leverage.

Together with our investment proposals, we have also identified where regulatory change will help – making the rules work most effectively in pursuit of growth.

# 1. Summary/ Proposed investment

Over the next six years, we seek to secure £501 million through the Local Growth Fund, matched with other sources:

## Local Growth Fund: Six-year programme



## Headline investment breakdown

Programme	Total value	Local Growth Fund contribution (£m)		Jobs and homes unlocked	
		2015-21	2015/16	Jobs	Homes
<b>Transport Investment</b> 6-year prioritised investment in key transport schemes to unlock commercial and housing growth and ensure the resilience of our transport network.	£707.8 million	£359.6 million	£24.2 million	To be added	
<b>SEFUND/ Land and Development</b> New recyclable fund for commercial and residential development through independently-managed loan, equity and grant support.	£220 million	£55 million	£20 million		
<b>Skills Capital</b> 6-year programme of investment in premises and equipment for further and vocational education – focused on growth and key business sectors	£50 million	£35 million	£15 million		
<b>Business Finance</b> Direct finance for businesses with the appetite and capacity for growth, focused on promoting innovation within our key business sectors.	£80 million	£40 million	£20 million		
<b>Sector Growth</b> A coordinated approach to helping businesses grow across Kent and Medway – linking local and national support.	£9 million	£6 million	£1 million		
<b>Employment and Skills</b> All-age careers sector-focused guidance, jobs matching and brokerage.	£9 million	£6 million	£1 million		
<b>Total</b>	<b>£1.076 billion</b>	<b>£501 million</b>	<b>83.2 million</b>		

## 1. Summary/ Asks and offers

---

This Growth Deal is about an agreement with Government. Linked with our six-year investment ask and commitment of matching funding, outlined above, Kent and Medway Economic Partnership and the South East LEP make the following commitments, linked with clear asks of Government:

<b>We will...</b>	<b>We ask Government to...</b>
<i>To be completed, including housing and skills asks.</i>	<i>e.g. additional powers to crack down on landlords, etc</i>

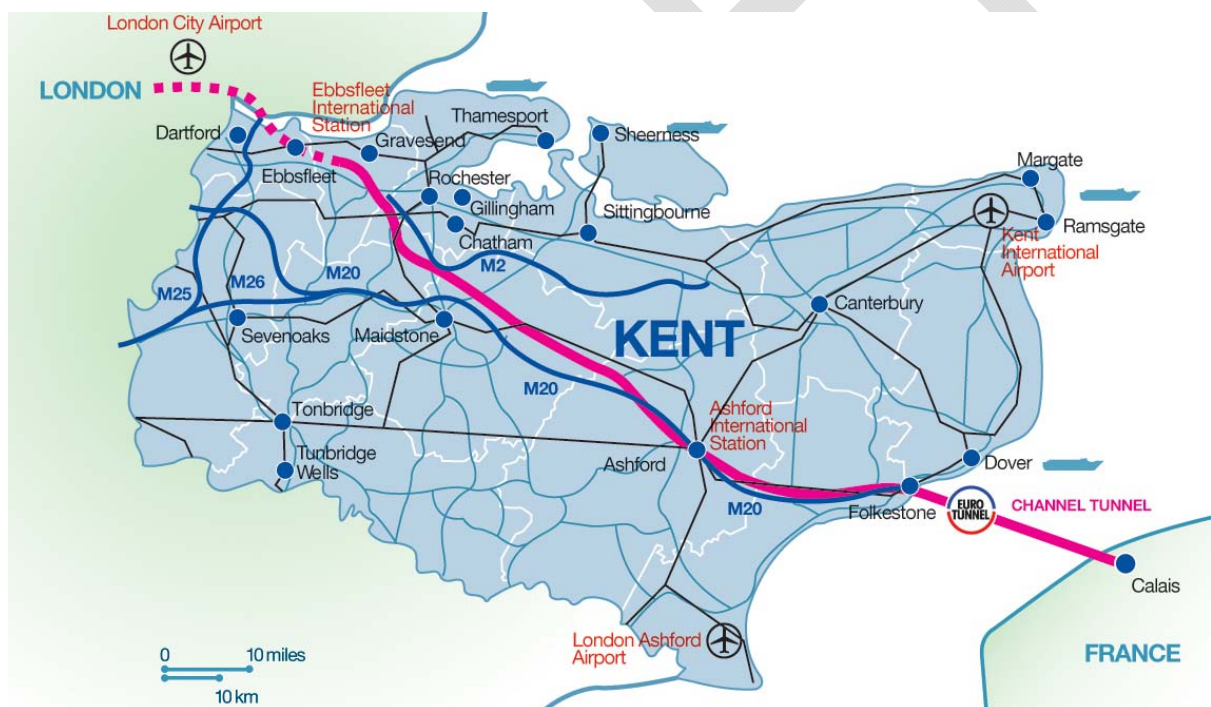
DRAFT

## 2. Context/ Opportunities, challenges, solutions

As the national economy returns to growth, Kent and Medway has major opportunities for expansion, building on two decades of infrastructure investment and an excellent partnership between local government and business. But if we are to fully unlock our potential, we must overcome the transport and infrastructure and financing constraints that impede growth – and we must support our key business sectors in accessing the skills and support they need. This section sets out our opportunities and challenges – and the big solutions we must progress through our Growth Deal.

### Big opportunities for growth

Kent and Medway is growing. Over the next twenty years, our population will increase by 13%, or around 220,000 – equivalent to five towns the size of Tunbridge Wells, with growth especially concentrated in the Thames Gateway and at Ashford. This growth will be supported by the county's strategic position between London and the Continent, growth in a series of key sectors and a strong and positive relationship between local business and local government.



### We have internationally important infrastructure

Kent and Medway is Britain's gateway county. Our **strategic port, rail and road infrastructure** is vital in linking continental Europe with London and the rest of the UK, and is becoming increasingly important as freight volumes through the Port of Dover and Eurotunnel rise and Eurostar passenger numbers continue to grow. Recent investment in major transport infrastructure has brought Kent and Medway closer to markets and employment opportunities, in particular through the dramatic reductions in journey times between North and East Kent and London as a result of **High Speed One**. With Kent and Medway an early adopter of national and local government investment in **high speed**

**broadband**, better connectivity is opening up new business opportunities, especially in rural parts of the county.

### **We have a transforming economic base with opportunities in key growth sectors**

For much of the twentieth century, the Kent and Medway economy was dominated by traditional industries. Proximity to the London construction market and the abundance of chalk gave rise to major building materials and quarrying industries, especially in North Kent. Naval shipyards supported extensive defence-related and engineering activities. The UK’s largest concentration of paper making industries developed along the Medway, while domestic tourism, largely geared to the London market, flourished in seaside towns such as Margate, Folkestone and Herne Bay. As the ‘Garden of England’, Kent’s high quality agricultural land and easy access to markets made the county the country’s centre for fruit production.

The past twenty years have seen the economy transformed. Global economic change has meant that much of the county’s traditional industrial base has been eroded, in many cases leaving a physical legacy of redundant sites and buildings and communities without their previous economic drivers – and historically, Kent and Medway has lagged behind the rest of the South East.

But today, the county’s economy is rapidly changing. Increasingly dominated by small and medium enterprises, Kent and Medway has a diverse and resilient economic base – with strengths in growing sectors:

<b>Kent and Medway’s key sector opportunities</b>	
<b>Sectors</b>	<b>Opportunities</b>
<b>Life sciences</b>	6,000 jobs. Concentrations of activity at Discovery Park Enterprise Zone and at Kent Science Park near Sittingbourne, with emerging opportunities at the new Maidstone Medical Campus.
<b>Creative and media</b>	14,000 jobs; 85% sector growth over the past decade. Strengths in software and digital media, especially in Tunbridge Wells, Maidstone, and coastal East Kent.
<b>Low carbon</b>	21,000 jobs in renewable energy, energy efficiency and carbon reduction technologies – and underpinned by the designation of the Kent coast as a Centre for Offshore Renewable Engineering.
<b>Land-based</b>	Comparative advantage in horticulture, accounting for over two thirds of national top fruit production. Research-intensive growth opportunities, such as at East Malling Research.
<b>Manufacturing</b>	44,000 jobs, accounting for over 10% of Kent and Medway’s GVA. Strong concentrations in Medway and Swale, with major businesses such as BAE Systems and Delphi supporting a strong SME base.
<b>Construction</b>	36,000 jobs. Proximity to the London and South East market and major developments in Kent and Medway support growth in the sector, with new opportunities in sustainable construction technologies.
<b>Tourism and leisure</b>	40,000 jobs. Strong tourism product offer in coastal, historic and rural Kent, which will be reinforced by major investment in new attractions, including the proposed Paramount development in North Kent.
<b>Higher education</b>	Kent has one of the UK’s largest university clusters at Canterbury, as well as a large and growing university presence at Medway, with increasingly strong links with local business.

### **We have an excellent partnership between business and local government**

To be viable, any plan for growth must have commitment from government and be shaped by business.

In Kent and Medway, we have benefited from a strong partnership over many years between local government and the private sector for well over a decade, underpinned by the sector-focused approach set out in *Unlocking the Potential*, our economic growth strategy. This has been recently reinforced by the establishment of the **Kent and Medway Economic Partnership**, our federated part of the South East LEP, chaired by the private sector and including leading businesses from all areas and sectors of the county's economy.

Business has debated our emerging plans via our key sector groups, the county's Business Advisory Board and through the Chambers of Commerce and our representative organisations, local business partnerships and organisations such as Locate in Kent and Visit Kent. So we are confident that our plans represent both credibility and commitment in pursuit of an environment to stimulate business growth.

### **We are already delivering**

In Kent and Medway, we are committed to growth. For example:

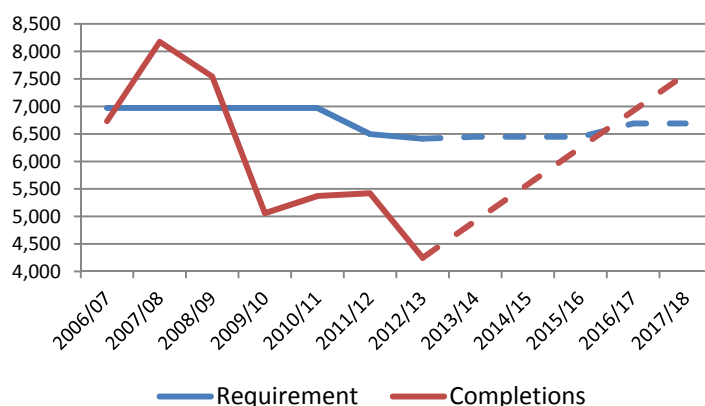
- **We are delivering England's most successful Enterprise Zone.** Three years on from Pfizer's decision to exit its R&D facility in Sandwich, over 1,300 jobs have now been secured on site – helped by over £6 million direct investment by Kent County Council in addition to national support.
- **We are unlocking finance for growing businesses.** With banks reluctant to lend to growing businesses, we have **established three new access to finance programmes**, securing over £55 million investment from the Regional Growth Fund. Already, we have issued £27 million of this initial investment in interest-free loans to businesses with growth potential, creating over 2,250 jobs. All funds will have been issued as loans by the end of 2014/15 and we will ultimately create over 8,000 jobs.
- **We are developing new solutions to unlock housing growth.** Through the Kier Kent Initiative, we have attracted private investment to build homes for affordable and market rent and market sale on publicly-owned land, at a time when build rates remain low.
- **We are taking an integrated approach to the economic challenges faced by our coastal towns.** In 2006, Kent County Council invested £5 million to return empty properties to use. So far, this has resulted in xxx refurbished homes, with the fund continuing to recycle – while our ambitious **Live Margate** housing market renewal programme has so far invested £xxx to break up the concentrations of deprivation and poor quality housing that undermine our economic potential.
- **We are sharing the risks of development to unlock growth.** At Eastern Quarry, the local authorities have already committed future New Homes Bonus receipts to bring forward essential highways works to unlock the first phase of housing delivery in this vitally important location



## Challenges

The expansion of jobs and homes in Kent and Medway is essential to the growth of the national economy. However, during recession, **housing delivery has fallen substantially short of requirement**. As we recover from the downturn, 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 parts of the county means that last year, we only delivered half of our requirement:

**Kent and Medway housing completions v. requirement**  
**(Annual Monitoring Return data v. SE Plan and adopted Local Plan trajectories)**



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

From discussions with businesses and our sector groups, 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 we 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

Taking into account our big opportunities and the challenges that we face, this Growth Deal in the pages that follow identifies the solutions that we need to unlock growth in Kent and Medway as part of our Strategic Economic Plan for the South East.

So together with Government, we will:

### **Invest in a strategic transport programme for growth.**

We will invest £xx from the Local Growth Fund in transport infrastructure, where it will open up key housing and employment sites. As part of this, **we will ensure that all commitments to transport funding from the public sector are accompanied by developer commitments to build within a specified period.**

### **Open up new solutions for housing and commercial growth.**

Through **SEFUND**, we will invest alongside the private sector in bringing forward key development sites which are close to viability, but where market confidence remains weak – in particular, making support available to smaller developers where bank finance remains challenging. In addition to SEFUND, we will also invest in measures to **revitalise the housing market and town centres** where they remain blighted by market failure and in non-transport infrastructure where it is essential to unlocking growth.

### **Unlock private investment in businesses with the appetite for growth.**

We will 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 – which will have invested all their original capital by 2015/16.

### **Take firm action to deliver coastal renewal.**

We will take bold steps to **tackle housing market failures and significant concentrations of deprivation** in many parts of coastal Kent. We will take draconian measures to remove landlords who put their residents at risk and we will limit the placement of vulnerable households in areas of housing market failure.

### **Deliver backing for business growth**

We will invest in a more **coordinated approach to business support**, focused on backing businesses with the capacity for innovation and expansion, and on those sectors with the greatest capacity for growth.

### 3. The Growth Deal/ Key themes

---

**Building on the opportunities, challenges and solutions that we have identified, our six year Growth Deal for Kent and Medway focuses on:**

- **Locations for growth - unlocking key commercial and residential sites;**
- **Sectors for growth –expanding access to finance, markets and support;**
- **Skills for growth - expanding the involvement of employers at the heart of the skills system, creating a skilled, motivated and creative workforce to respond to economic demand;**
- **Transport corridors for growth – investing in the infrastructure we need to support long-term economic expansion.**

For each theme, our proposed Growth Deal outlines specific priorities and projects, setting out:

- **The investment and actions that will be taken by KMEP, by local government and business, within existing resources;**
- **The investment that we seek from the Government’s Local Growth Fund;**
- **The investment that we will seek to secure through other external sources (such as European Regional Development Fund and European Social Fund, as described in the Structural and Investment Funds Strategy);**
- **Commitments that local and national government and the private sector will need to make to bring each project forward (including where relevant specific freedoms and flexibilities); and**
- **‘What good will look like’: the outcomes that we can expect in exchange for our collective commitment and investment.**

#### **Our capital investment strategy**

As part of our Growth Deal, we have proposed a capital investment programme part-funded by the Local Growth Fund, which consists of five elements:

##### **A six-year transport programme**

For each growth location, we have developed a transport package for growth. Within each package, every transport project has have been prioritised through a high-level appraisal process which is consistent across the South East LEP, based on their contribution to delivering homes and jobs and achieving value for money, and outline business cases have been developed for each scheme.

However, while we have carefully considered, appraised and prioritised each scheme, **it is important that we have local flexibility within the programme to allow us to respond pragmatically to market**

**conditions.** For example, if developer contributions come forward earlier than expected, it may mean that a scheme could be elevated within our programme.

### **SEFUND: A recyclable fund for the South East**

Through the overarching Strategic Economic Plan for the South East, the South East LEP will establish SEFUND – the South East Fund – as a shared, recyclable investment fund available throughout Kent and Medway, East Sussex, Essex, Thurrock and Southend.

SEFUND will be managed by an independent fund manager working to a clear mandate set by a SEFUND Board, ensuring that all prospective investments are made in line with an agreed strategy and are fully appraised. SEFUND will invest alongside other investors in the private and public sectors, typically making investments that are no greater than 20% of total project cost.

Kent County Council intends to co-invest alongside SEFUND in projects in Kent, subject to the Council's own independent decision-making process. Taking this likely investment into account and the value of prospective projects coming forward across the county, we estimate potentially around £170 million in new investment could be brought to Kent and Medway over the six year Growth Deal period.

As SEFUND will operate through open calls for projects, we do not know at this stage everything that will come forward. However, we have identified priority locations in which we anticipate SEFUND investment being made, and we have set these out in the chapters that follow.

### **A pipeline of investment proposals for SEFUND**

Within each growth location, we have identified those projects which will come forward with proposals for investment from SEFUND over the short term (i.e. in 2015/16 and 2016/17), as well as a longer term pipeline. These have all been subject to a high-level independent business case review.

We are committed to ensuring that SEFUND invests in those schemes which are in within our strategic growth locations and are close to viability, but where the current commercial appetite for risk makes them difficult to bring forward through the market alone. So we expect SEFUND to be a recyclable scheme, making a return over time.

We expect SEFUND to have a leverage ratio of between 5 and 10:1. As part of our commitment to the credibility of SEFUND, **Kent County Council and Medway Council will secure at least £10 million in 2015/16** to invest in projects alongside SEFUND and the private sector – unlocking growth and ensuring a positive return to the taxpayer.

### **A programme of investment to bring forward sites and renewal in locations further away from viability**

While SEFUND will be vital in bringing forward those schemes that are close to viability, **additional public sector support for infrastructure** will be essential in those parts of the county (especially east of Canterbury and Ashford) where values are lower.

For each growth location, we have therefore identified specific projects in which we will make public sector finance available (generally on a partially recyclable loan basis) to bring fund infrastructure where this will bring forward growth.

In addition, we will invest in specific programmes to support **housing market renewal and diversification in coastal Kent**, recycling loans for property renewal within designated locations, and linking financial support with regulatory actions to help rebalance coastal housing markets.

### **A programme of investment in skills capital**

We have considered our priorities for the investment of the skills capital contribution to the Local Growth Fund, focusing on locations with high levels of unmet demand for vocational and further education provision, and high levels of anticipated growth.

**In 2015/16, we have prioritised skills capital investment at Ashford and Sittingbourne**, subject to a full competitive process. We have also identified a prospective pipeline of schemes for the following five years, alongside our planned investments in transport infrastructure and site development.

### **New access to business finance**

Although the economy is growing, banks remain cautious, and the difficulties faced by SMEs in accessing debt and equity finance, especially for innovative – and therefore inherently more risky – products and services are well-known. Our existing Regional Growth Fund-backed programmes have been highly successful, but will exhaust their initial funds over the next year. We will use Local Growth Fund money to provide **recyclable finance to viable and innovative businesses with high growth potential** – focused on our key growth sectors and linked with sector-specific business support.

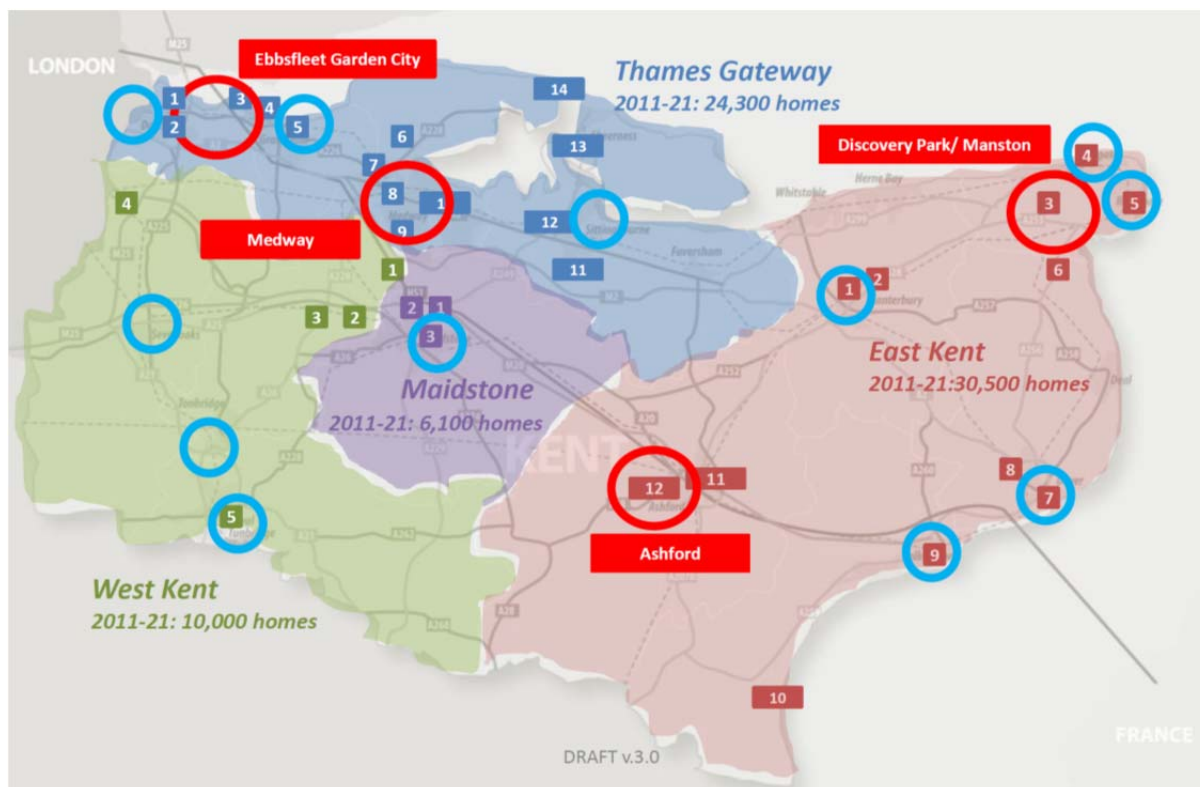
### **Supporting revenue investment**

Alongside our capital investment strategy, we have identified the revenue contribution that will be made to support growth, drawing on local, national and European-funded resources.

As part of this, **we seek a small amount of Local Growth Fund as revenue investment** to support the development of a strengthened employer voice in driving future skills provision, careers support and job matching, and in enabling businesses to access the full range of support services provided both nationally and locally.

## 4. The Growth Deal/ Places for Growth

The first part of our Growth Deal focuses on the measures we must take to unlock our key locations for growth. This chapter sets out the opportunities and challenges in Thames Gateway Kent, East Kent, Maidstone and West Kent – and the specific actions and investments required to address them.



Key locations for growth

<b>Thames Gateway Kent</b>	3. Manston/ Thanet Central Island
1. Dartford Northern Gateway	4. Margate
2. Ebbsfleet Valley	5. Port of Ramsgate
3. Swanscombe Peninsula	6. Discovery Park Enterprise Zone
4. Northfleet Embankment	7. Dover Port and Waterfront
5. Gravesend Riverside	8. Whitfield
6. Lodge Hill	9. Folkestone Seafront
7. Strood	10. Romney Marsh
8. Rochester Riverside	11. Ashford Commercial Quarter
9. Rochester Airport	12. Chilmington
10. Chatham/ Chatham Maritime	<b>Maidstone</b>
11. Kent Science Park	1. Maidstone Medical Campus/ M20 J7
12. Sittingbourne	2. Maidstone Town Centre
13. Queenborough and Rushenden	<b>West Kent</b>
14. Medway Estuary	1. Peters Village
<b>East Kent</b>	2. East Malling Research
1. Canterbury Knowledge City	3. Kings Hill
2. A28 Corridor	4. Fort Halstead
	5. Royal Tunbridge Wells



## 4. The Growth Deal/ Places for Growth: Thames Gateway

---

The Thames Gateway is a national priority for growth, which will deliver over 50,000 homes and xx,00 jobs by 2026. Over the next six years, we will focus on unlocking the potential of the new Garden City at Ebbsfleet, the university city at Medway and opportunities at Sittingbourne and Sheppey. Our proposals for growth anticipate £xx million investment in Thames Gateway Kent over the next six years, including £xx investment through the Local Growth Fund.

### Opportunities

**We have some of the UK's most important locations for growth**, including **Ebbsfleet** with the potential for 10,000 homes and 20,000 jobs and **Swanscombe Peninsula**, with the prospect of up to 27,000 jobs through a major leisure development.

**Recent announcements have given renewed confidence to Thames Gateway Kent.** In particular, we strongly welcome the Government's announcement that a new **Garden City** is to be created at Ebbsfleet and Swanscombe, with associated new investment – giving the Gateway new impetus as the national economy returns to growth and developer confidence improves.

**Major transport investments have transformational potential.** **High Speed One** means that Ebbsfleet International is just 17 minutes from central London and Rochester is just half an hour, while investment over the past decade in the A2/M2 has opened up some of North Kent's priority growth locations.

**North Kent's regeneration has been successful and profound**, building on long term investment in the area. Exceptional quality waterfront development in Medway, Gravesend and Dartford highlights the emphasis on quality, while the rapid growth of the Universities at Medway highlights the pace of economic transformation.

**North Kent has significant economic growth opportunities.** In particular, there are strengths in many of Kent and Medway's priority growth sectors, including manufacturing in Medway and Sittingbourne, life sciences at Kent Science Park, and a growing creative cluster at Medway.

### Challenges

Despite the potential of one of Europe's largest growth areas, there are barriers to growth in the Thames Gateway which we must overcome:

**The transport network is under pressure.** North Kent contains a large number of major sites in close proximity. This impacts on the strategic A2 and M2 as well as on local roads – compounding the pressure imposed by through traffic between the Channel ports and the rest of the UK. The effects of this are most significant in the western part of North Kent around Dartford, closest to the M25 and where the greatest volume of new development is located. **It is therefore vital to the future growth of North Kent that an early start is made in ensuring the delivery of Option C or C(variant) for a Lower Thames Crossing.** At the same time, Government must **rule out a Thames Estuary**

**airport at the earliest opportunity**, removing the uncertainty that this unviable proposal continues to create.

**Major sites remain stalled.** Although the pace of development is accelerating as the market improves, especially in Dartford, there are still significant constraints on delivery. **Major developers remain risk averse, credit constraints continue to impact smaller developers and infrastructure costs are high** on brownfield sites. Viability constraints continue to stall developments, especially in eastern parts of the Gateway, such as in Queenborough and Rushenden.

**Skills levels and economic output continue to lag.** Despite major improvements in recent years, North Kent's industrial legacy is reflected in comparatively low productivity and skills.

## Solutions: Unlocking growth

### Ebbsfleet Garden City

Ebbsfleet extends for 420 hectares between Ebbsfleet International in the east and Bluewater in the west. While the first phase of development has come forward, the economic downturn has largely stalled delivery. Despite flexibility from the local authorities in renegotiating developer contributions and sharing risks in bringing forward infrastructure, residential delivery has been extremely slow, and there has been no progress in bringing forward commercial development around Ebbsfleet International station. Meanwhile, the nearby 335 hectare Swanscombe Peninsula site has great potential for development as a major leisure destination.

We need a concerted approach to unlock Ebbsfleet and bring forward Swanscombe – so the Government's announcement that it is to create a new Garden City at Ebbsfleet, with the establishment of an Urban Development Corporation to drive it forward is entirely welcome. **As part of our Growth Deal, we will back the Government's commitment.** We will seek to bring Local Growth Fund and our own local resources to bear alongside the Government's £200 million pledge, in a comprehensive investment package, set out in the **Ebbsfleet Garden City Deal** opposite.

### Dartford and Gravesend

Surrounding Ebbsfleet Garden City, Dartford and Gravesham will be impacted by the scale of growth at Ebbsfleet and will benefit from the employment and investment associated with it. However, Kent Thameside contains major scope for additional growth beyond Ebbsfleet itself, and we seek Local Growth Fund investment in transport programmes to support growth in Dartford and Gravesend town centres, including the extension of the Fastrack urban transport system, which links both towns with Ebbsfleet.

While demand for commercial and residential property has risen in Dartford, given its location adjacent to the M25, the financing of a number of developments remains challenging, even where they are viable. Potentially, **loan or equity investment may be sought from SEFUND** to bring forward development in central Dartford and adjacent former manufacturing land (including the provision of additional business space), as well as at the brownfield St James's Lane Pit housing development and at Northfleet Embankment.



## The Ebbsfleet Garden City Deal



To help deliver Ebbsfleet Garden City, we will seek £xx million in **transport** investment for:

- Two crucial **junction improvements on the A2** at Bean and Ebbsfleet. These will improve access between Ebbsfleet, Eastern Quarry, Swanscombe and the A2, and are scheduled for delivery from 2017/18.

As both schemes are on the Highways Agency network, **we expect that they will be funded and delivered by the HA**, and will not require any separate local authority or Local Growth Fund investment.

- Improvements to the **junction of the A226 and B255**, which already experiences significant congestion at peak times and which must gain increased capacity for development at Ebbsfleet-Paramount and at a number of other sites in Dartford and Gravesham to proceed.
- **Better links between the existing communities** at Northfleet and Swanscombe to the north of Ebbsfleet and the new employment and residential development to the south.
- Additional investment in the **Fastrack** urban transport system – essential in linking new and existing communities with employment opportunities and Ebbsfleet International – and in the wider public transport network.

Alongside this investment and that in the Government's recent announcement, we will:

- **Prioritise future skills capital investment for Ebbsfleet Garden City**, linked with the development of an integrated skills strategy for Dartford and Gravesham, recognising the scale of potential employment to be generated by Ebbsfleet and Swanscombe Peninsula.
- **Prioritise SEFUND investment for Ebbsfleet Garden City**, supporting the future UDC in attracting high quality development to the area.
- **Work positively alongside Government** to create an open, democratic, 21<sup>st</sup> century Urban Development Corporation, closely working with both the local District and County Councils.

## Medway

Medway is the largest urban conurbation in the South East LEP area, with a current population of 264,000, rising to around 300,000 over the next twenty years.

Linked with this urban scale, we aim to create a city of culture, learning and enterprise, with a major retail and cultural centre and a strong university presence. Achievements over the past decade in delivering against this vision are considerable: while Medway had no higher education presence at the end of the 1990s, it is now home to four universities. Housing achievement has been similarly substantial, with total New Homes Bonus receipts in 2014/15 among the highest in the country.

Medway's **future growth** is focused on taking forward the development of:

**Chatham city centre**, including development at Chatham Waterfront), the redevelopment of the retail core and new investment in attracting visitors to Chatham's world class naval heritage.

**Rochester Riverside**, one of the Thames Gateway's flagship regeneration sites, occupying 32 hectares between the River Medway and the London-Dover railway line. With capacity for 1,400 homes, extensive public investment has helped to de-risk the site for development, which is now coming forward, including a new station due for completion in 2015.

**Strood Riverside**, with the potential for over 2,000 homes and 2,000 jobs on the opposite bank of the Medway from Rochester. The cost of flood defences present a significant barrier to the viability of Strood Riverside, and potentially infrastructure funding through SEFUND or the Kent and Medway development fund will be required to bring the scheme forward.

**Rochester Airport**, a key site for commercial development just off Junction 4 of the M2 and adjacent to BAE Systems and the flagship Medway Innovation Centre. Over 1,000 jobs could be created on the site through the development of managed workspace, advanced manufacturing research and prototyping workshops and industrial units.

Rochester Airport will seek investment from SEFUND from 2015, matched by a commitment from Medway Council to invest in road infrastructure to support access to the site.

**Lodge Hill**, a major location on former Ministry of Defence land with capacity for 5,000 homes. At present, our ability to bring forward development at Lodge Hill is currently blighted by a Natural England decision – despite over £34 million private investment so far. However, when it is brought forward, Lodge Hill will be the largest residential development site in North Kent outside Ebbsfleet Valley – and one of the largest in the South East LEP area – and is essential to accommodating Medway's future growth.

In addition, the **Isle of Grain** is a significant centre for port-related and energy generation activities. The expansion of development on land near Thamesport offers potential for around 6,000 new jobs, while the anticipated growth of the offshore wind industry offers additional manufacturing opportunities.

## The Medway City Deal

We seek £xx million in transport investment from the Local Growth Fund, including:

- Improved access to **Lodge Hill** and the **Isle of Grain**, including road improvements on the A289 and at the Medway Tunnel, and on the A228 to improve access to **Thamesport**.
- Improvements to connections in **Chatham** town centre, including better links to the rail station;
- Improvements to the road network in **Strood**, supporting housing delivery at Strood Riverside and including improvements at Strood rail station. The package of improvements in Strood also includes measures to improve access to **Medway City Estate**, a major employment location, currently accommodating x,000 jobs.

In addition, prospective priorities for SEFUND investment include **Rochester Airport** and **Strood Riverside**.

We will:

- **Invest local authority resources alongside SEFUND** in Rochester Airport and Strood Riverside, subject to full independent appraisal and decision by Medway Council;
- Develop a **joint strategy for innovation and enterprise support** between Medway Council and the four universities at Medway, linked with the expansion of facilities for innovation at Rochester Airport and Chatham city centre. This will build on the successful package of business support offered by University of Greenwich at Medway Innovation Centre;
- Together with our agreed joint university innovation strategy, our capital investment in Rochester Airport, Assisted Area designation and the availability of loans through the RGF-funded TIGER programme, we will give **Enterprise Zone status to Rochester Airport**, with the ability to offer reduced business rates to businesses locating on the site;
- Expand existing locally-based **employment brokerage services** to ensure that local residents (especially in disadvantaged communities) are able to access the employment opportunities that will be created by local and national investment in unlocking key sites.

Alongside this, **we ask Government** to:

- Remove the current blight on private investment at Thamesport and on the Isle of Grain (and throughout Medway), by conclusively **ruling out a Thames Estuary Airport**;
- Work with Natural England to permit development at **Lodge Hill**, and work with Medway Council and Land Securities to establish solutions to allow North Kent's second largest mixed-use development to proceed;
- Alongside our designation of Rochester Airport as an Enterprise Zone, **permit the local retention of 100% of business rate receipts on the site over and above the locally-determined discount rate**, ensuring that the Enterprise Zone incentive scheme can be locally funded and supporting the local contribution to essential road infrastructure;
- Provide flexibility 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 ploughed back into the Strood Riverside scheme via SEFUND.

## Sittingbourne and Sheppey

The A249 between the Port of Sheerness and the M2 contains one of the most significant concentrations of manufacturing employment in the South of England, with the sector set to benefit from Assisted Area designation from this year. It also contains, Kent Science Park, a major centre for life sciences and environmental technologies with plans to expand, although currently constrained by access to the strategic road network.

The area contains significant additional land for residential and commercial development, including in Sittingbourne itself and at Queenborough and Rushenden on the Isle of Sheppey.

Key investments to unlock growth in Sittingbourne and Sheppey include:

- Improvements to **Junction 5 of the M2**. At present, Junction 5 is extremely congested at peak hours and is the sole point of access to the M2 (and the southbound A249 towards Maidstone and the M20) from Sittingbourne and Sheppey. Future growth in western Swale therefore depends on significant capacity improvements.

M2 Junction 5 is part of the Highways Agency network. **We therefore anticipate that improvements will be delivered and funded by the HA, without recourse to the Local Growth Fund**

- The development of a **new Junction 5a** and a link road to Kent Science Park from the M2. This would facilitate the Science Park's expansion, with the potential creation of a further 1,800 jobs in a new phase of the successful campus. This is viewed as a first step towards providing a new link between the M2 and A2.
- Improved access to residential and commercial developments in northeast Sittingbourne. This includes two key schemes: the completion of the **Sittingbourne Northern Relief Road** to provide direct access from the A249 to the A2 and improvements to the **Grovehurst Junction** on the A249 in north Sittingbourne.

In addition, Sittingbourne is the largest town in Kent without further education provision. Within proposals for the regeneration of the town centre, there are plans to develop a FE facility, which may come forward for potentially £4-5 million skills capital funding from the Local Growth Fund over the coming years. In the shorter term, the existing **Swale Skills Centre** (which provides skills for the engineering and manufacturing sectors, including the offshore wind industry) has an opportunity to expand vocational provision in 2015/16 and will be an immediate priority for skills capital support.

## 4. The Growth Deal/ Places for Growth: East Kent

---

East Kent contains some of Britain's most iconic natural and built landmarks and offers an excellent quality of life. But it also has significant capacity for growth, with Ashford expanding more over the next decade than any other Kent district. This section sets out how we will support the delivery of over 30,000 homes and xxx jobs over the next six years.

### Opportunities

**East Kent is better connected.** While East Kent has always been a vital gateway between the UK and continental Europe, High Speed One services have reduced domestic journeys dramatically: bringing the journey from Ashford to London down to 37 minutes and putting Canterbury and Folkestone within an hour of the capital.

**Perceptions of East Kent are changing,** building on the greatly improved connectivity and the effectiveness of recent initiatives such as the Grow for It! campaign. Where East Kent was once peripheral and distant, we are now closer to London than Cambridge.

**Our cultural and tourism offer is improving.** East Kent is naturally a strong tourism proposition. But investment in facilities such as Turner Contemporary at Margate, the Marlowe at Canterbury and Folkestone Creative Quarter have expanded the tourism offer and – reinforced by High Speed One – are attracting new markets.

**There is significant capacity for growth.** East Kent retains a competitive advantage in land and wage costs, with extensive amounts of serviced employment land.

**There are strong sector opportunities,** for example in tourism and the cultural and creative industries, in life sciences associated with Discovery Park and in transport and logistics associated with East Kent's port-related activity. Canterbury's large higher education base – with over 30,000 students at three universities – also makes a major contribution to the local economy.

**Government support for growth is working.** The Regional Growth Fund-backed Expansion East Kent programme is highly successful, with over £18 million already channelled into local companies, unlocking private finance and creating jobs; while the Enterprise Zone at Discovery Park is among the most successful in the country.

### Challenges

**Major sites are often difficult to bring forward,** especially in the aftermath of recession. Although aspirations for growth are high in East Kent, values for housing and employment land are relatively low (and become lower east of Canterbury and Ashford) and local infrastructure constraints are often significant. In some cases, significant gap funding for infrastructure is likely to be required to enable development to proceed.

**Concentrations of deprivation are hard to overcome.** Particularly within coastal towns such as Margate and Dover, entrenched worklessness and disadvantage is reinforced by local housing market failures which require a concerted effort to tackle.

**Infrastructure bottlenecks are significant**, and could hold back growth. While there has been substantial investment in road infrastructure in recent years (for example with the completion of the East Kent Access scheme linking Ramsgate and Sandwich to the A299), pinch points on the A2 present challenges, especially given the expansion of the Port of Dover.

## Solutions: Unlocking growth

### Ashford

Kent County Council and Ashford Borough Council have a shared ambition to build 17,500 homes and create 20,350 jobs in Ashford by 2021, including the creation of a new Garden City – the most ambitious growth plans of any district in Kent and Medway over the next six years.

Growth will be focused around eight major programmes:

- **Ashford Commercial Quarter**, focused on land adjacent to Ashford International Station and offering major retail and office development;
- **Elwick Place**, a mixed use retail, office and residential development;
- **Ashford International College**, a new further education campus, which is a priority for skills capital investment in 2015/16
- The expansion of the **Ashford Designer Outlet Centre**, providing a higher quality retail offer adjacent to Ashford International Station;
- The development of the **Jasmin Vardimon International Dance Academy**;
- **M20 Junction 10a**, the development of which will directly unlock around 3,900 jobs as well as facilitate Ashford's wider commercial and residential development;
- Improvements to the A28 to facilitate access to **Chilmington Green**, a major urban extension to the south west of Ashford delivering nearly 6,000 homes; and
- The safeguarding of international rail services from Ashford through the upgrading of signalling at the International station.

The scale of growth at Ashford is substantial, and requires a coordinated package. As part of our Growth Deal, we will take forward an integrated Ashford City Deal, set out below.



## Ashford International City Deal

We ask Government to **consider the potential for Chilmington Green as a new Garden City** when the Government launches its consultation later this year.

We seek £xx million in Local Growth Fund transport investment to support projects including:

- A new partial motorway junction at **M20 Junction 10A**, opening up sites to the south east of Ashford and unlocking over 11,000 jobs and 9,000 homes. This scheme has already been approved by the South East Local Transport Board under earlier arrangements for the allocation of Local Growth Fund transport money;
- Improvements to the **A28 at Chart Road** to open up access to 5,750 homes at Chilmington Green;
- Delivery of new signalling to safeguard international services from Ashford.

In addition, we seek £15 million in Local Growth Fund Skills Capital funding for **Ashford International College** in 2015/16, matched with additional funding from xxx.

As part of our integrated approach to Ashford's development, **we will commit at least £35 million** in funding from Ashford Borough Council and Kent County Council to unlock the eight strategic projects identified as essential to the town's growth.

## Canterbury

Canterbury is East Kent's leading centre for high-value employment, centred around the city's university base. Proposals are being developed for potential SEFUND investment in additional incubator facilities, building on the success of Canterbury Innovation Centre.

Wider development in Canterbury is currently constrained by significant congestion, exacerbated by limited access from the city to the A2. Provision of a new slip road onto the A2 at Wincheap will directly support xx jobs and homes, as well as supporting the city's wider economic growth.

## Dover

Already Europe's largest passenger port, the Port of Dover is associated with a major integrated regeneration programme, including the **expansion of Dover Port**, including the development of Terminal 2 and associated infrastructure improvements; and mixed use developments at **Dover Waterfront and the town centre**.

Improvements to Dover's waterfront road infrastructure are essential in bringing the Port's expansion plans forward, and form part of our proposed Local Growth Fund transport requirement, with the potential for additional investment through SEFUND in the Port's wider expansion.

## Folkestone

Folkestone is developing as a major creative centre, backed by extensive private sector investment in the Creative Quarter.

Building on this, a major regeneration scheme at **Folkestone Seafont and Harbour** is being developed, bringing forward up to 1,000 new homes and up to 10,000 sqm of commercial floorspace, together with improvements to the beach and seafont facilities. Early work on the development of SEFUND indicates that this could be facilitated with a total upfront infrastructure investment of £5.1m to be split between Local Growth Fund and the local authorities. This investment would de-risk the first phase of this scheme, and would be repayable from early sales of completed developments. With the LGF investment, the scheme would be accelerated to start on site in 2015, and be fully completed by 2018.

### Discovery Park/ Manston

Discovery Park is already England's most successful Enterprise Zone, with over 1,300 jobs secured on the site since Enterprise Zone status was granted in 2011, a Local Development Order in place and proposals being brought forward for residential and commercial development on the site alongside its scientific research and development core.

However, the area around Discovery Park has been faced with a further challenge following the decision of the owners of Manston Airport to enter into consultation on the future of the facility. Yet the area around Manston and Discovery Park contains extensive land suitable for residential and employment use, and is well connected by new infrastructure.

Through this Growth Deal, we will take a concerted approach to bringing forward growth at Manston and Discovery Park:

#### The Discovery Park and Manston Growth Deal



We will take forward a coordinated approach to the development of Discovery Park and Manston. We will:

- **Consider extending Enterprise Zone** designation to Manston Business Park and Manston Airport. We ask Government to permit Thanet District Council to retain 100% of business rate receipts within the Zone with no impact on their baseline, in order that discounts can be fully funded by receipts above the discount level.
- Allocate £xxx in **Local Growth Fund finance** for commercial development at Manston and Discovery Park, to be managed alongside Expansion East Kent.
- Support **SEFUND** investment in commercial and residential development.

Alongside this, we seek Local Growth Fund transport investment in **Thanet Parkway** station as a priority to reinforce the success of Discovery Park and support investment at Manston.



## Margate and Cliftonville

The opening of Turner Contemporary in 2011 has already had a major impact on Margate, generating over a million visitors to date, and supporting the wider regeneration of the surrounding Old Town area. Emerging commercial interest in hotel and leisure developments in Margate point to strong potential to build on the town's unique location and recent positive publicity.

However, a number of key sites in central Margate remain vacant, and the town is challenged by an unbalanced local housing market which tends to reinforce a concentration of high benefit dependency. We must build on initiatives such as **No Use Empty** and **Live Margate** to intervene in the local housing market, returning HMOs to owner occupancy.

We will seek to **invest £10 million in Local Growth Fund in an extended No Use Empty programme**, offering loans to individuals to restore homes previously used for multiple occupancy to single home ownership.

At the same time, we will discuss with Government the potential for further 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.

## 4. The Growth Deal/ Places for Growth: Maidstone

---

**Maidstone is Kent's county town. Located in the heart of Kent, it has strong economic relationships with all its surrounding districts, and has an ambitious growth agenda**

### Opportunities

**Central location with good transport connections.** Maidstone's position at the centre of the county adjacent to the M20 means that developer interest and viability is high, and the town has a buoyant business base.

**Diverse sector base.** With strengths in business services (and with high levels of public sector employment, reflecting its county town role), Maidstone is increasingly developing a presence in media-related activity and health technology.

**Significant opportunities for growth,** especially at M20 Junction 7, which includes Eclipse Business Park and the Maidstone Medical Campus, and which is the town's key location for employment growth.

### Challenges

**Relatively weak rail connectivity.** Services on the Maidstone East to Victoria line remain slow, in comparison with the major improvements enjoyed in East and North Kent, and services accessing High Speed One are limited

**High levels of congestion,** especially in the town centre. While this presents an obstacle to future growth, it also impacts on existing businesses.

### Solutions: Unlocking growth

To address the significant congestion issues faced by Maidstone, we seek an **integrated transport package** for Maidstone via the Local Growth Fund to deliver a range of interventions to improve traffic flow, especially in the town centre.

In addition, the gateway to Maidstone at **Maidstone East station** has substantial potential for development and has been subject to several previous proposals. Potentially, the scheme could come forward for SEFUND investment and an early pipeline expression of interest has been prepared.

## 4. The Growth Deal/ Places for Growth: West Kent

---

Future housing growth will be lower in West Kent than in other parts of the county. However, it will still account for around 10,000 new homes over the next decade, and West Kent has a strong and vibrant economy, which we will seek to support through this Growth Deal.

### Opportunities

**West Kent has a strong and vibrant economy.** Knowledge economy employment is higher than in other parts of the county, and there is a diverse SME base of 16,000 businesses with high potential for innovation and growth.

**There are significant sector strengths.** In particular, the software and electronic publishing sector in Tunbridge Wells is among the largest in the South East.

**Demand for development is high and flagship developments are successful.** In particular, Kings Hill, built on a former airfield as a joint venture between Kent County Council and the private sector, has become Kent's leading business park with over 5,000 jobs, and residential and commercial sites can generally proceed without viability constraints.

**Connectivity is good,** with proximity to the M25 and planned improvements to the A21 between Tonbridge and Pembury. London rail links are also good from Sevenoaks, Tonbridge and Tunbridge Wells, with investment in rural broadband benefiting West Kent in particular

### Challenges

**Capacity for growth is limited.** With much of West Kent covered by metropolitan green belt and other designations, there is limited scope to expand.

**Congestion is often high,** especially in town centres such as Tonbridge. This is further exacerbated by localised connectivity constraints, in particular the poor quality of London services on the Maidstone line via West Malling.

**Localised pockets of deprivation** in places as Swanley and parts of Tunbridge Wells – often masked by impressions of general affluence

### Solutions: Unlocking growth

West Kent is unlikely to require major public investment to bring sites forward. However, there are a number of major transport projects which are critical for growth. In particular, improvements to the **A228 at Colts Hill** will be important in improving connectivity between Tunbridge Wells, Kings Hill and the major growth points at Maidstone, and Local Growth Fund investment is sought to secure this major scheme. In the longer term, access to the M25 from parts of West Kent is also constrained, requiring a potential assessment of the benefits and impacts of M25 junction changes.

### Tunbridge Wells

West Kent's largest town will see substantial housing growth within the town centre, with additional commercial development at North Farm. We will implement a package of local transport measures with Local Growth Fund monies to bring this forward.

### Tonbridge

High congestion levels impact on the sustainability of Tonbridge town centre and we seek funding for a coordinated congestion relief package. Outside of the proposed LGF transport funding, we will explore with the Environment Agency the potential for the partial funding of improvements to the Leigh Barrier flood defences, if a clear economic growth case can be made.

### Kings Hill and Medway Valley

In the eastern part of West Kent, there is significant growth at Peters Village at Wouldham, which will deliver around 1,000 new homes. This will require additional investment at Junction 4 of the M20, for which we seek partial LGF funding.

### Supporting research and growth

West Kent has a leading facility at **East Malling Research**, specialising in crop and horticultural research and with aspirations to develop additional businesses premises. At **Fort Halstead** near Sevenoaks, there is also the opportunity to develop business space for research-focused businesses alongside a retained presence by QinetiQ, the defence technology company. Potentially, projects at EMR or Fort Halstead could come forward for support via SEFUND.

## Rural Kent

The rural economy makes a disproportionately large contribution to Kent and Medway's economic growth, with around 36% of all jobs in Kent located in rural areas. A recognised key sector for Kent and Medway Kent's farming sector is increasingly knowledge and technology intensive, and Kent has a key centre of research excellence at East Malling Research. However, the rural business base involves a wide range of sectors, with relatively high levels of home-working.

The emerging Kent Rural Delivery Framework highlights the priorities for the growth of rural Kent as:

- Ensuring access to business critical infrastructure, including appropriate workspace and extending the reach of superfast broadband and mobile connectivity. This may include the use of Local Growth Fund to support the extension of superfast broadband to the 'final 9%', matching investment from BDUK;
- Optimising the take-up of new technologies by rural businesses;
- Fostering a resilient and profitable land-based sector, including through continued diversification and the growth of agri-tech; and
- Supporting a culture of entrepreneurship

The recent allocation of £xx million in funding from the European Agriculture Fund for Rural Development (EAFRD) provides an opportunity to Kent and Medway to build on our success in the two existing LEADER programmes to make more funding directly available to business and we will explore the potential for this over the coming weeks.

## 5. The Growth Deal/ Infrastructure for Growth

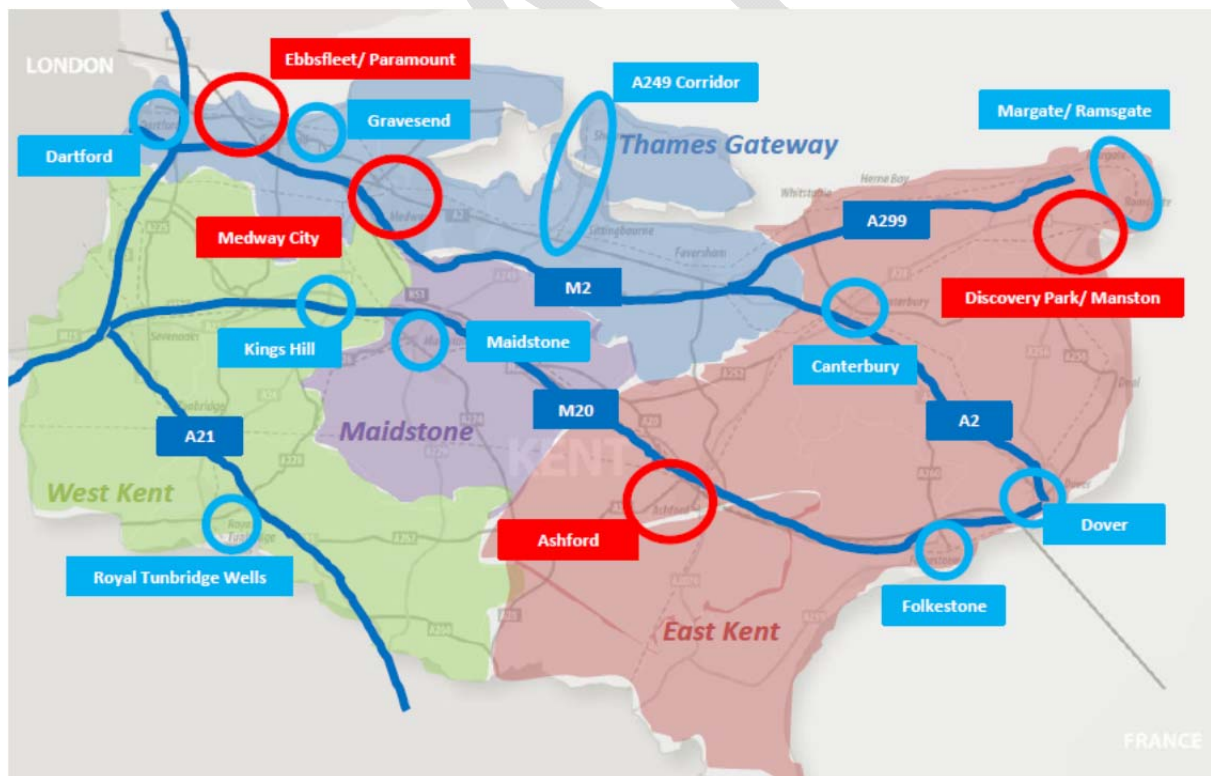
For our key growth locations in North Kent, East Kent, West Kent and Maidstone, we have identified the transport interventions are needed to unlock growth. Combined, our transport programme will facilitate delivery of 175,000 jobs and 125,000 homes across Kent and Medway.

However, our proposed transport investments will have strategic benefits as well as helping to unlock specific growth locations.

### Growth without Gridlock

*Growth without Gridlock in Kent and Medway*, the county's transport strategy sets out our priorities for future transport investment, focused on the need for transformational change of national significance (such as a Lower Thames Crossing) and local schemes needed to unlock growth. Within our Growth Deal, we have focused primarily on securing additional 'local' investment, but it is essential that we also secure the resilience of our strategic network.

### Our national corridors



It is vital our national corridors of the M2/A2, M20 and High Speed 1 perform well. If they are congested the detrimental impact to not only the national economy but to Kent and Medway is huge. Basically investment goes elsewhere. Significant improvement to these national corridors is therefore the cornerstone to our plan. **We fully expect Government to fund these improvements.**

A number of these schemes however are so strategically important to our economy we are willing to put in an element of funding to ensure they are brought forward as early as possible.

Scheme Location, Name and Detail	Start Date	End Date	Full cost (£m)	LGF funding requirement	Match Funding	Jobs Created	Homes Created
A2 Bean Junction	2017/18	2019/20	50.00	10.00	40.00	58,000	21,900
A2 Ebbsfleet Junction	2017/18	2019/20	30.00	6.00	24.00		
M2 Junction 5	2019/20	2020/21	100.00	15.00	85.00	19,000	25,000
M2 Junction 7							
A2 Lydden dualling							
M25 Junction 5 re-assessment							
Operation Stack Lorry park	2015/16	2017/18	20.0	10.0	10.0	1,928	2,720
<b>Total</b>							

## National corridors investment supporting our growth areas

While major improvements to the strategic road and rail networks are our priority, we know there is much we need to do at the local level to make sure that our growth areas are delivered. Key to this are connections from the strategic road network that will allow us to “piggy-back” off the investment in the strategic network to unlock our full growth potential. **These schemes connecting the national network to the local, will deliver 13,500 jobs and 10,000 homes.**

Scheme Location, Name and Detail	Start Date	End Date	Full cost (£m)	LGF funding requirement	Match Funding	Jobs Created	Homes Created
<b>Transport programme</b>							
M2 Junction 5a and link road	2017/18	2019/20	20.0	12.0	8.0	1,800	
M20 Junction 10a	2015/16	2017/18	35.9	19.7	16.2	11,000	9,500
A2/A28 off slip and link road, Canterbury	2017/18	2018/19	12.0	2.0	10.0	760	500

## Local corridor investment supporting our growth areas

Within our growth areas our transport package for growth identifies our top priority schemes that will deliver the most bang for our bucks, i.e. the most houses and jobs. We have therefore focused our investment in the areas that will deliver most growth. These areas are

- Thames Gateway Kent where transport interventions will help bring about xx,xxx jobs and xx, homes;
- East Kent supporting delivery of xx,xxx jobs and xx,xxx homes;
- West Kent bringing forward xx,xxx jobs and xx,xxx homes; and,
- Maidstone where transport will support xx,xxx jobs and xx,xxx homes.

Overall, the LGF funding we will allow us to bring an additional 100% (*need to check but it's just about this figure*) funding to our investment programme.

Scheme Location, Name and Detail	Start Date	End Date	Full cost (£m)	LGF funding requirement	Match Funding	Jobs Created	Homes Created
Transport programme							
Thames Gateway Kent	2015/16	2020/21					
East Kent	2015/16	2020/21	147.01	72.37	73.83	20216	24659
West Kent	2015/16	2020/21					
Maidstone	2015/16	2020/21					

This investment is a mix of roads based interventions, for example road widening and junction improvements on the A28 in Ashford which will directly support over 3,000 homes in the East Kent growth area, and public transport initiatives such as station improvements at Chatham supporting over 6,000 jobs and 3,500 homes within the Thames Gateway. We fully recognise that investment in intelligent, user-friendly and affordable public transport in our growth areas is vital if we are to ensure they continue to be well connected, accessible and attractive places for new jobs and homes.

The full details of our package are included in Appendix x.



## 6. The Growth Deal/ Sectors for growth

---

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, the land, the people and the ideas to create jobs and prosperity. This chapter sets out the opportunities and challenges for business growth across Kent and Medway – and the solutions that our Growth Deal will deliver.

### Opportunities

**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 of these, most 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 the national economy and increase the number of high 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.

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

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

**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.



Sectors	Opportunities	Challenges	Solutions
<b>Life sciences</b> <i>6,000 jobs</i> <i>20% target increase by 2021</i>	<ul style="list-style-type: none"> <li>UK national sector strength</li> <li>New opportunity for SMEs building on strong legacy from former major employers (e.g. Pfizer)</li> <li>Clusters of activity, esp. at Discovery Park and Kent Science Park</li> </ul>	<ul style="list-style-type: none"> <li>Risks and costs of innovation</li> <li>Retaining and growing the skills base</li> <li>Kent's perceived distance from the UK's life science core in Cambridge and Oxford</li> </ul>	<ul style="list-style-type: none"> <li>Improving access to finance – bridging the equity gap</li> <li>Promoting Kent and Medway</li> <li>Increasing support to new and innovative businesses</li> </ul>
<b>Creative and media</b> <i>14,000 jobs.</i> <i>20% target increase by 2021</i>	<ul style="list-style-type: none"> <li>UK national sector strength</li> <li>Very strong sector growth – 85% jobs increase over past decade</li> <li>Higher education base (e.g. University for the Creative Arts)</li> <li>Improving digital connectivity</li> <li>Sub-sector strengths (e.g. software, gaming and digital media)</li> </ul>	<ul style="list-style-type: none"> <li>Dispersed and often isolated businesses and weak business networks</li> <li>Capacity to manage growth in small and micro businesses</li> <li>Sustaining young businesses</li> <li>Securing the right skills for the future</li> </ul>	<ul style="list-style-type: none"> <li>Supporting better networks to bring businesses together</li> <li>Business coaching and growth support</li> <li>Better informing the skills market</li> <li>Providing co-working and flexible business space</li> </ul>
<b>Low carbon</b> <i>21,000 jobs</i> <i>20% target increase by 2021</i>	<ul style="list-style-type: none"> <li>Rapid sector growth of 4-5% per year</li> <li>Strong Government support</li> <li>Strengths in offshore wind, underpinned by CORE designation</li> <li>Local supply chain opportunities</li> </ul>	<ul style="list-style-type: none"> <li>Difficulty in attracting larger investments, especially in offshore wind</li> <li>Developing the supply chain</li> <li>Costs and risk of innovation</li> <li>Raising consumer and business demand</li> </ul>	<ul style="list-style-type: none"> <li>Improving access to finance</li> <li>Better understanding the market – helping suppliers understand likely areas of growth</li> <li>Building supply chain networks</li> <li>Improving skills intelligence</li> </ul>
<b>Land-based</b>	<ul style="list-style-type: none"> <li>Comparative advantage in horticulture</li> <li>Strong sector identity</li> <li>Changing markets and crop production</li> <li>Research and skills base (e.g. East Malling Research)</li> <li>Extensive supply chain links</li> </ul>	<ul style="list-style-type: none"> <li>Rising resource costs and constraints (especially water resources)</li> <li>R&amp;D base undervalued</li> <li>Inaccurate/ outdated perceptions of the sector</li> <li>Strong pressure on producers from small number of retail purchasers</li> </ul>	<ul style="list-style-type: none"> <li>Improving perceptions of the sector (especially in informing skills and career choices)</li> <li>Better branding and marketing</li> <li>Developing access to R&amp;D</li> <li>Supporting efforts to address rising resource costs</li> </ul>

Sectors	Opportunities	Challenges	Solutions
<b>Manufacturing</b> <i>44,700 jobs</i>	<ul style="list-style-type: none"> <li>• Scale: over 10% of Kent and Medway's GVA</li> <li>• High and rising productivity</li> <li>• Some large employers (e.g. BAE, Delphi, Hitachi) with diverse SME base</li> <li>• Higher education strengths (e.g. University of Greenwich at Medway)</li> </ul>	<ul style="list-style-type: none"> <li>• High levels of competition</li> <li>• Sensitivity to input prices</li> <li>• Relatively dispersed activity</li> <li>• Ageing workforce</li> <li>• High costs of R&amp;D and capital expansion</li> <li>• Outdated perceptions</li> <li>• Skills deficit in new technologies</li> </ul>	<ul style="list-style-type: none"> <li>• Developing R&amp;D collaboration</li> <li>• Supporting innovation and productivity improvements</li> <li>• Better access to finance</li> <li>• Better business ownership and direction of skills provision</li> <li>• Providing local offers alongside core MAS service via opt-ins</li> </ul>
<b>Construction</b> <i>36,000 jobs</i>	<ul style="list-style-type: none"> <li>• Major new development opportunities</li> <li>• Return to growth in the property market</li> <li>• Rising demand for retrofit</li> <li>• Proximity to markets</li> <li>• Extensive industry supply chain links</li> </ul>	<ul style="list-style-type: none"> <li>• Severe impact of recession – 18% fall in workforce 2009-12</li> <li>• Demand and price volatility</li> <li>• Difficulty in accessing finance for smaller developers</li> <li>• Regulatory and resource costs</li> <li>• Access to skills</li> </ul>	<ul style="list-style-type: none"> <li>• Better access to finance for smaller developers</li> <li>• Better skills opportunities, building on facilities such as SusCon at Dartford</li> <li>• Strong public-private sector relationship</li> </ul>
<b>Tourism and leisure</b> <i>40,000 jobs</i>	<ul style="list-style-type: none"> <li>• Strong tourism product offer underpinned by environmental quality</li> <li>• Major future opportunities (e.g. at Swanscombe)</li> <li>• Proximity to London and continental markets</li> <li>• Significant supply chain opportunities</li> </ul>	<ul style="list-style-type: none"> <li>• Fragmented SME base – but all dependent on the quality of the Kent brand</li> <li>• Strong market competition between visitor destinations</li> <li>• Staff recruitment and retention</li> </ul>	<ul style="list-style-type: none"> <li>• Strong marketing and promotion</li> <li>• Supporting business growth</li> <li>• Improving employer direction of skills provision (e.g. via tourism and hospitality guild)</li> </ul>
<b>Higher education</b>	<ul style="list-style-type: none"> <li>• Large university presence, with strong concentrations of activity at Canterbury and Medway</li> <li>• Commercial application of university research</li> </ul>	<ul style="list-style-type: none"> <li>• High and increasing competition</li> <li>• Innovation and business support offer not always joined up</li> <li>• Local growth contribution not always understood</li> </ul>	<ul style="list-style-type: none"> <li>• Joining up business support activities</li> <li>• Linking access to finance</li> <li>• Developing better facilities for spin-outs and growth.</li> <li>• Close relationship with growth sectors</li> </ul>

## Challenges

Our discussions with business have highlighted four key challenges that businesses – across all sectors – face in growing:

**Access to finance continues to be a constraint.** Bank lending is still lower than it was before the credit crunch, although there are recent signs of improvement. There are also well-evidenced gaps in the availability of equity finance on viable terms, especially for start-ups and younger micro businesses with innovative – but therefore risky – propositions. This is a national challenge, but it is a greater challenge beyond the venture capital heartland around London, Oxford and Cambridge – so we need to attract more capital out to Kent and Medway.

**The business environment is becoming increasingly competitive.** As emerging markets become increasingly sophisticated, the local – and UK – economy will need to become increasingly productive, generating more output with fewer human resource inputs. This means increasing our ability to create new products, processes and services, making it more important that those companies with the ability to grow and create jobs and wealth are able to access the finance and market intelligence that they need.

**The impact of regulation can be significant.** Some regulatory costs are driven by unnecessary process and complexity, and can be reversed. But we know that some parts of the county's economy (especially parts of the manufacturing and land-based sectors) will be affected longer term by rising environmental legislation and resource costs which will need to be managed and mitigated if Kent and Medway is to remain competitive.

**Employers often have challenges in accessing the skills they need.** In particular, difficulties in securing staff with the right science, technology and engineering skills are often highlighted – and this is likely to become an increasingly significant challenge as the labour market tightens. Recent feedback from business shows that this is an issue across all sectors.

## Solutions

To respond to the opportunities and challenges faced by business, we will put in place **four major solutions** as part of our Growth Deal. We will:

- Unlock private finance and bridge the innovation funding gap through by delivering a new £40 million **Finance for Innovation** programme, linked with an integrated approach to support for innovation and growth;
- Simplify and streamline the business support offer – creating a new **Kent and Medway Growth Hub** at the heart of a better coordinated network;
- Support increased growth through **trade and investment**; and
- Support the growth of our **key sectors** through more sector-focused, business-led programmes.

### Finance for Innovation

Kent and Medway's existing access to finance programmes have been highly successful in supporting businesses with the capacity and the appetite to grow. So far, TIGER and Expansion East Kent – both of which are funded through the Regional Growth Fund – have created 2,250 jobs, and will create over 8,000 by the time all the initial investment has been utilised. With an average cost per job of around £12,000, they are delivering amongst the best value for money of any RGF-funded programmes in England.

However, all Kent and Medway's existing access to finance support will be exhausted by 2015/16, and although TIGER and Expansion East Kent money is recyclable, repayments will be limited until about 2017/18. So there will be a gap when there will be no funds available to lend.

Yet there is a weight of evidence that SMEs still have difficulty in securing finance for expansion, and the pipeline for Kent and Medway's existing schemes remains strong.

We therefore propose to build on the experience of our existing schemes by creating a new programme, **Finance for Innovation**, focused on providing loan and equity finance to SMEs that are seeking to invest in new products, services and processes and which have the ability grow and create sustainable employment.

#### Already working: Expansion East Kent



With £35 million secured from the Government's Regional Growth Fund, Expansion East Kent is already making a major difference to the East Kent economy.

**Creabilis SA** is a clinical stage European biotechnology company developing novel treatments for dermatological and inflammatory diseases. With funding of £840,000 approved from Expansion East Kent, it will create 50 new jobs in East Kent in research and product development.

Finance for Innovation will operate across Kent and Medway, with a particular focus on investment in our priority growth sectors. In particular, Finance for Innovation aims to make a long term difference to the Kent and Medway economy by investing in those activities that are most likely to deliver added value and contribute to increased knowledge economy employment, bridging the gap between knowledge-based employment in Kent and Medway and in the rest of the country.

While Finance for Innovation will respond to the clear need for access to finance where this will unlock additional private investment, it will only be successful if it is at the heart of a wider **innovation support system**. There is much already available – so we will not be duplicating the programmes of the Technology Strategy Board or initiatives such as Growth Accelerator. However,

Growth Accelerator, locally-funded programmes such as High Growth Kent, the support to business offered by Kent and Medway's universities and our network of innovation centres will be critical in developing the pipeline of applications to Finance for Innovation and in ensuring that the businesses we back also receive a wide range of additional support. So we will develop a **Kent and Medway Innovation Concordat** alongside Finance for Innovation, signed by all innovation support organisations setting out how we will work together and how we will add substantial local value to national programmes and initiatives.

To make Finance for Innovation work, we seek **£40 million capital investment from the Local Growth Fund** over six years, to be recycled locally. All Finance for Innovation investments will be made either as loans of up to 50% of project cost, or as equity investment on equal terms with a private investor. We will therefore secure private sector leverage of at least £40 million.

The Finance for Innovation Business Plan envisages that the investment from the Local Growth Fund will create at least 3,000 jobs from the first round of investment, with further outputs as the funding is reinvested.

### **The Kent and Medway Growth Hub**

Finance for Innovation and the Kent and Medway Innovation Concordat will help to focus the support available for those businesses with innovative capacity and in our priority growth sectors. But the wider business support landscape is often complicated and confusing – and businesses have said that they want it to be simplified.

In Kent and Medway, we believe in competition and openness to new ideas. So we are not going to attempt to coordinate everything. Instead, we will establish a **Kent and Medway Growth Hub**, competitively tendered by Kent and Medway Economic Partnership and providing a central, up-to-date web-based portal to business support and financial assistance offered at local, county and national level, supplemented with start-up and generic business advice. The Growth Hub will also act as the key point for accessing Finance for Innovation and the county's existing access to finance programmes.

We seek **£6 million over six years** from the Local Growth Fund in revenue grant to support the delivery of the Kent and Medway Growth Hub, which we will match in direct investment in business support products, including the High Growth Kent service for businesses with growth potential and local start-up services. We will also expand this activity through the use of the ERDF opt-in to Growth Accelerator support.

### **Trade and investment**

Next to the markets of continental Europe and the rest of the UK, Kent and Medway is well-placed to benefit from **international trade**. However, we know that Kent companies are less likely to export than firms elsewhere in the South East.

Through **Kent International Business**, Kent County Council, local business support providers and UK Trade and Investment (UKTI) are helping Kent and Medway firms to access new markets. We will expand this activity, linked with the development of the county's key growth sectors, through the use of our European Regional Development Fund 'opt-in' to UKTI support.



Building on the success of Locate in Kent, the county's inward investment agency - the largest inward investment body in the south of England outside London, funded by KCC, Medway and the private sector – we must also increase our promotion of Kent and Medway, recognising the scale of the opportunities at Ebbsfleet, Discovery Park and elsewhere. As part of our Growth Deal, we seek the designation of Kent as a **UK inward investment gateway**, with a joint commitment from UKTI to match local support for inward investment activity where it is focused around those sectors in which the county has national strengths. As part of this commitment, we will offer a coordinated approach, linked with Finance for Innovation and the Kent and Medway Growth Hub, to provide an offer to investors that goes beyond marketing and promotion.

### Developing a sector-led programme

In Kent and Medway, we already invest substantially in support of our key growth sectors. For example, **Visit Kent** supports x,000 tourism firms each year in developing their businesses (in addition to their role in marketing Kent and Medway). In the land-based sector, **Produced in Kent** and **Kent Rural plc** are promoting opportunities in food production. In the creative and media sector, regular events such as **GEEK** (Gaming Expo East Kent) in Margate and Digital Kent are raising the sector's profile, while the **School for Creative Start-ups** in Folkestone is providing intensive coaching to young creative businesses with the appetite to grow. **Low Carbon Kent** provides a range of advice and support to businesses in the low carbon and environmental goods and services sector, as well driving demand for innovation by helping businesses become more resilient to rising environmental costs and regulations.

#### Already working: School for Creative Start-ups, Folkestone

The School for Creative Start-ups is an interactive support programme based in Folkestone and backing new start businesses. Starting in 2014, 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.*

#### **Folkestone Creative Quarter**



We are committed to the further expansion of our sector-focused approach. Without recourse to the Local Growth Fund, we will continue to invest £xx per year in specific programmes where they bring innovation and respond to practical business demand. The development of sector-focused workspace could also access potential SEFUND investment – and we will ensure that they are fully linked to the Kent and Medway Growth Hub and our range of access to finance products.

## 7. The Growth Deal/ Skills for growth

Growth in key sectors and increasing employment opportunities demand a motivated, skilled 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. This chapter sets out what we will do to deliver the skills that the economy needs. It also sets out our priorities for future capital investment in further and vocational education, linked with our priority locations for growth.

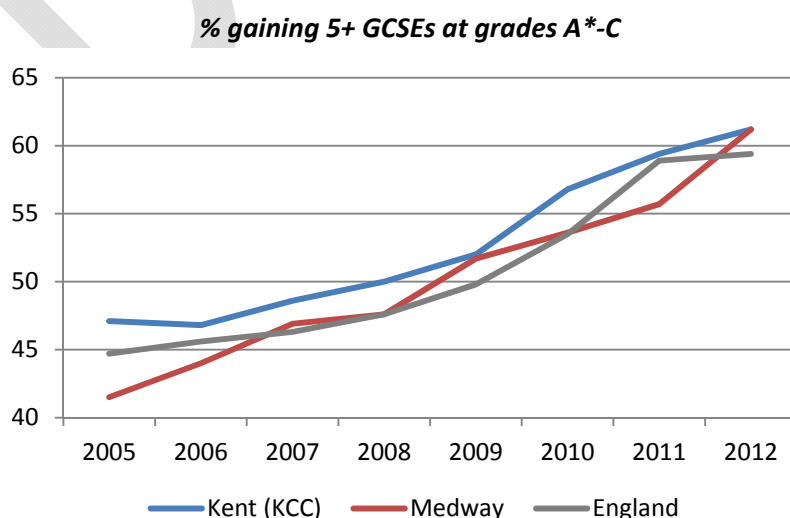
### Opportunities

**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 the needs of our key sectors, based on the approach set out in the previous chapter.

**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.

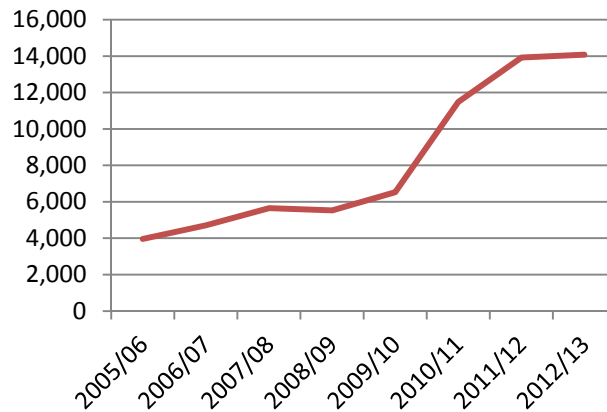
**Our workforce is becoming better skilled.** Workforce skills still lag behind the national average, but long term improvement is fairly consistent. This will be enhanced by developing creativity, entrepreneurship and innovation within the workforce.

**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:



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

**Apprenticeship starts (all ages), Kent and Medway**



## Challenges

**Employers report skills shortages.** As highlighted in the previous chapter, employers consistently say that they face difficulties in recruiting people with the right skills. About 20% of employers in Kent and Medway say that they have specific skills shortages, higher than the national average – and many continue to report concerns about work readiness and employability.

Linked with this, 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.

**This will get worse as the labour market tightens.** Over time, there will be fewer working age people as a proportion of the population, leading to pressure to increase productivity and skills levels. As the economy recovers, this pressure will become increasingly apparent – and businesses are already reporting signs of labour market bottlenecks.

**Parts of Kent and Medway still experience concentrated worklessness.** Despite falling unemployment, access to the labour market is low in places, especially in coastal and Thames Gateway Kent and especially among 18-24 year olds. The requirement for English, maths and IT skills for most jobs also means that vulnerable young people and adults risk becoming disenfranchised and struggle to access sustainable employment.

**There is a mismatch between employment 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.

**Employers do not always have the time to engage.** We need to strengthen the employer voice in the skills system. But in a local economy dominated by small and micro businesses, there is a limit to the amount of time employers can give to informing the skills system.



## Already working: Kent and Medway's apprenticeship initiatives

### **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 almost 485 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 82 young people accessing apprenticeships since 2011.

## **Solutions**

As part of our Growth Deal, we will put in place measures to create a better-informed skills market by:

- Enabling employers to better participate in informing skills provision;
- Delivering improved information, advice and guidance;
- Developing brokerage services to help jobseekers and employers access work;
- Making it easier for young people to access work and training

### **The Guild Model: Helping employers to participate in informing skills provision**

We will create an infrastructure that enables employers to ensure that provision meets their needs – helping them to shape the content of courses in partnership with colleges and other providers.

We will achieve this by developing a '**Guild**' model, following our sector-led approach. For each priority sector, we will establish a Guild. Employers and providers within the Guild would work together to give employers greater ownership of planning and delivery of information, advice and guidance for their sector by:

- Identifying curriculum pathways for people wishing to enter the sector
- Helping employers to come together to aggregate demand for courses, enabling them to become viable
- Promoting and improving the perception (where appropriate) of the sector
- Articulating the needs of local business in the sector to plan and develop appropriate training and provision
- Defining new standards for apprenticeship frameworks – especially developing Level 4 apprenticeships and expanding their take-up

- Enabling the aggregation of provision demand from input of SMEs to allow courses to become financially viable.

We have already established a Guild for the hospitality and tourism sector, and we will seek to develop the model for our other priority sectors.

The Guild model is an innovative - and low cost - way of delivering better employer engagement with the skills system. As it proves its value in demonstrating how local employers can articulate their skills demands and translate them into provision, we believe that it could have value as a national pilot. **We therefore ask the Government to work with us in evaluating the early success of the Guild model**, with the potential for the **devolution of a small element of the national adult skills budget** to address Guild-determined priorities.

### Improved information, advice and guidance

Linked with the Guilds, we will implement a comprehensive programme to enhance the information, advice and guidance (IAG) activities of schools, colleges, training providers and the National Careers Service whilst bringing together young people and employers more effectively. This will include a significant expansion of the **Kent Choices4u** online portal, providing:

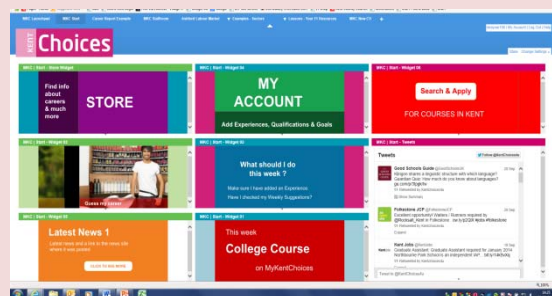
- High quality IAG and employability resources to support education and training;
- Provide features such as portfolios and online CVs to help young people market themselves more effectively;
- Provide accessible and relevant Labour Market Information to support career decision based on local economy activity;
- Provide access to eLearning resources to support employability, literacy and numeracy skills;
- Enable employers to present their skills needs.

### Already working: 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.

### Stronger brokerage services

We will expand the existing **Kent Employment Programme and Employ Medway** into brokerage models, which will include a job matching service. This service will create tailored development plans and progression routes for young people, matching them to jobs based on their capabilities and skills. These job opportunities would be provided by businesses who have articulated their needs to the service. The recruitment/matching service will be able to target priority growth sectors.

Linked with improved brokerage, we will explore **new models of engagement** that bring young people and employers together. This could include short, sharp intervention programmes for 16-24 year olds that can last from a one week residential to 20 weeks, getting young people ready for the job market and enabling them to secure a job with training, which may then progress to higher level apprenticeship.

### Making it easier for young people to access work and training

Within the European Structural and Investment Funds Strategy, we have set out in conjunction with our partners in the South East LEP our priorities for the use of European Social Fund investment in access to training, skills and employment. In particular, we will seek to establish a **Workforce Response Fund**, to be used flexibly to remove barriers for individuals, employers and providers to boost skills, employment and job creation. Building on Medway's SUCCESS programme, we will aim to ensure that soft skills are a key priority for the Fund.

Employers, providers and students have also told us that high travel costs remain a barrier to work and learning. In parts of Kent and Medway, distances to college or the workplace can be long, and the cost of bus or rail travel – especially at peak hours – can be prohibitive. As part of our Growth Deal, we ask Government to consider the **extension of the reduced cost travel by public transport that is currently available to young people under the age of 16 to those aged between 16 and 19**. If the Government is willing to consider a pilot scheme in part of Kent and Medway, we commit to carrying out a full cost-benefit analysis in partnership with Government.

### Local Growth Fund investment

To support the solutions outlined above, we seek **£1 million in 2015/16 from the Local Growth Fund** in revenue support, partially matched by European Social Fund and local resources. This will primarily be used to support the development of the Guild model and a new approach to IAG, with initial costings set out in the Investment Schedule on page xx.

### Skills Capital investment

The Local Growth Fund includes an allocation of £330 million in 2015/16 for capital investment in the further and vocational education estate, with potentially similar levels of investment in future years. As part of our Growth Deal, we have considered our priorities for this investment in Kent and Medway.

We aim to link future skills capital investment with our **growth locations** and our **priorities for sector growth**, as well as taking into consideration those places in Kent and Medway that currently lack satisfactory provision.

In 2015/16, Kent and Medway Economic Partnership will prioritise:

- As part of the **Ashford Growth Package**, the development of the new **Ashford International College**. This will provide a new further education college at the heart of Ashford, with a requirement of £15 million
- Expansion of existing facilities at **Mid Kent College** in Medway and **Swale skills Centre** in Sittingbourne, with a combined requirement of £1 million
- Investment in **East Kent College** at Folkestone, with a requirement of £x.

Over the next six years, we will ensure that funding is also prioritised for **Ebbsfleet Garden City** as part of the integrated growth package for Ebbsfleet-Swanscombe – focusing on the wide range of skills that will be required as a result of the proposed Paramount development. At this stage, the potential requirement is unclear, but it will be important to address skills provision at an early stage.

The need for further education provision in **Sittingbourne** – the largest town in Kent without FE provision – will also need to be addressed, with a potential requirement for £4-5 million in Local Growth Fund support over the next six years.

DRAFT

## 8. 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

#### 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.

#### 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 consists of 11 business representatives, 8 local authority leaders, and 1 representative from each of higher and further education.

#### 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 or Medway Council as appropriate.