THE KENT AND MEDWAY GROWTH DEAL

Kent and Medway’s Growth Deal is set out in full in *Unlocking the Potential: Going for Growth*, our six-year growth strategy consistent with the Strategic Economic Plan.

This chapter summarises *Unlocking the Potential* and sets out our Growth Deal proposals.

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Summary: The Kent and Medway Growth Deal

Through the Kent and Medway Growth Deal as part of the Strategic Economic Plan, the public and private sectors intend to invest over £80 million each year for the next six years to unlock our potential through:

- Substantially increasing the delivery of housing and commercial developments;
- 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 deliver 49,000 homes over the next six years – meeting the needs of our growing population and economy.

**Private sector employment:** We will help to create 60,000 new jobs by unlocking housing and commercial development sites and creating sector growth through better access to finance.

**Increased economic value:** We will increase Kent and Medway’s levels of productivity and innovation, leading to an additional 11,000 knowledge economy jobs over six 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 invite bids from housebuilders and developers to bring forward new housing, commercial and energy infrastructure 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 businesses in key sectors 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 housing and commercial developments – investing in those that are close to the tipping point of viability as well as supporting the delivery of those that are further away from the market. 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 £2.25 billion in public and private leverage.
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

<table>
<thead>
<tr>
<th>Programme</th>
<th>Total value (£m)</th>
<th>Local Growth Fund contribution (£m)</th>
<th>Jobs and homes unlocked (all years)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Transport Investment</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6-year prioritised investment in key transport schemes to unlock commercial and housing growth and ensure the resilience of our transport network.</td>
<td>701.5</td>
<td>359.6 67.8</td>
<td>140,500 114,584</td>
</tr>
<tr>
<td><strong>SEFUND/ Land and Development</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New recyclable fund for commercial and residential development through independently-managed loan, equity and grant support.</td>
<td>1,871.0</td>
<td>74.2 23.0</td>
<td>15,720 13,800</td>
</tr>
<tr>
<td><strong>Skills Capital</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6-year programme of investment in premises and equipment for further and vocational education – focused on growth and key business sectors</td>
<td>79.0</td>
<td>29.3 10.25</td>
<td>- -</td>
</tr>
<tr>
<td><strong>Business Finance</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct finance for businesses with the appetite and capacity for growth, focused on promoting innovation within our key business sectors.</td>
<td>80.0</td>
<td>28.0 8.0</td>
<td>8,250 -</td>
</tr>
<tr>
<td><strong>Sector Growth</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A coordinated approach to helping businesses grow across Kent and Medway – linking local and national support.</td>
<td>9.0</td>
<td>6.0 1.0</td>
<td>1,000 -</td>
</tr>
<tr>
<td><strong>Employment and Skills</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All-age careers sector-focused guidance, jobs matching and brokerage.</td>
<td>8.0</td>
<td>4.5 0.75</td>
<td>- -</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,576.5</td>
<td>501.5 110.8</td>
<td>165,390 128,380</td>
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</tbody>
</table>
Asks and offers

This Growth Deal is about an agreement with Government. Linked with our six-year investment plan, Kent and Medway Economic Partnership makes ten commitments and asks:

1. Across Kent and Medway, we will invest £60 million in direct local authority contributions to our proposed six-year transport programme, alongside a further £350 million in private and other contributions to match proposed Local Growth Fund investment.

2. As part of this, in 2014/15, we will start delivery of transport schemes worth a combined £72 million and which will seek Local Growth Fund support in 2015/16.

3. We will prioritise an element of Local Growth Fund investment in national Highways Agency schemes, to unlock growth on the A2-M2 Corridor, where this is accompanied by a firm Highways Agency commitment to bring forward early delivery. In exchange, we ask for greater flexibility in HA policy to allow us to deliver a new M2 junction unlocking significant high-value employment, and to devolve delivery where local partners can deliver cheaper and quicker.

4. In addition, we will invest at least £10 million per year for six years in local authority capital in specific projects in Kent and Medway alongside proposed SEFUND investments – unlocking new development as well as making a return to the taxpayer.

5. We will match our proposals for housing market renewal in coastal Kent with £20 million future local authority investment to bring empty and poor quality homes back into family use. We ask for greater powers to crack down on rogue landlords and reduce the flow of vulnerable families into areas with concentrated deprivation.

6. Building on our existing commitment to underwrite £40 million in infrastructure investment at Eastern Quarry and our flexibility in renegotiating developer contributions, we fully back the Government’s proposals for Ebbsfleet Garden City, including the creation of an Urban Development Corporation. We will work with Government to create an effective, 21st century UDC for Ebbsfleet.

7. We will promote a further Garden City at Chilmington as part of the growth of Ashford and we ask Government to work with us and Natural England to unblock the stalled development of the major new community at Lodge Hill.

8. We will focus new further education on our priority growth areas – with Ashford International College shovel-ready for 2015 and partly match funded by Ashford Borough Council.

9. For all our proposed access to finance, business support and employment and skills proposals, we will fund 100% of development, start-up and management costs from local resources in 2014/15 – so that we hit the ground running and start delivery no later than 1 April 2015.

10. As part of our agreement to manage Local Growth Fund capital investments in transport and development, we will ensure that no funds are allocated without clear commitments from private sector developers to accelerate build-out. In exchange, we ask for freedom to determine scheme prioritisation and programme management so that we can respond to the market and to those developers with the appetite and capacity to accelerate delivery.
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 and with GVA growth significantly above the national average over the past decade. 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.

We have an excellent partnership between business and local government
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. Our established sector-focused business networks include Kent Developers’ Group, the county-wide Business Advisory Board and powerful district business consortiums. These relationships have been recently reinforced by the establishment of the Kent and Medway Economic Partnership, 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 Chambers of Commerce and our representative organisations, local business partnerships and organisations such as Locate in Kent, Visit Kent and Produced in Kent. So we are confident that our plans represent both credibility and commitment in pursuit of an environment to stimulate business growth.

We have a strong track record of success
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.

- **Our Regional Growth Fund programmes are highly successful in unlocking business finance.** With banks reluctant to lend to growing businesses, we have established three new access to finance programmes, securing over £55 million RGF investment so far. 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 3,000 refurbished homes, with the fund continuing to recycle, supporting our ambitious Live Margate housing market renewal programme delivered as a partnership between Kent County Council and Thanet District - breaking 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 which could unlock the first 1,500 homes 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.

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 partnerships such as Kent Developers’ Group, we have identified **four key factors** on which our return to growth depends:

- **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 on identified sites.

- **The resilience of our strategic transport network.** Kent and Medway has 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, especially in the Thames Gateway. 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.

- **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.

- **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. We will:

Invest in a strategic transport programme for growth.
We will invest £359 million from the Local Growth Fund in transport infrastructure to open up key housing and employment sites. 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. We will also invest in measures to revivitise 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 build on the success of TIGER and Expansion East Kent in creating over 8,000 jobs to 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 support for firms with the potential for high growth and innovation, 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, while promoting the opportunities presented by coastal renewal. 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. We will also invest in renewal projects in partnership between the public and private sectors.

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 and added value. This will include developing the Kent Growth Hub as a central point of information and access to support for business.

Places for growth

We will focus our investment on:

- **Thames Gateway Kent** – the A2/M2 Corridor
- **East Kent** (including Ashford) – the High Speed One Growth Corridor
- **Maidstone** – the M20 Corridor
- **West Kent** – the A21 Corridor and Medway Valley
Thames Gateway Kent

The Thames Gateway is a national priority for growth. 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 over £1.8 billion investment in Thames Gateway Kent over the next six years, including almost £200 million investment through the Local Growth Fund.

Opportunities

- **We have some of the UK’s most important locations for growth**, including Ebbsfleet, identified as a new Garden City with potential for up to 15,000 homes and Swanscombe Peninsula, with the prospect of up to 27,000 jobs through a major leisure development. We strongly welcome the Government’s announcement of support for Ebbsfleet, with the associated promise of £200 million additional investment.
- **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.
- **North Kent’s regeneration has been successful and profound.** 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.** 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

- **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 from the Channel.
- **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.
- **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:

**The Ebbsfleet Garden City Deal**

Ebbsfleet Garden City will deliver over 15,000 homes and up to 20,000 jobs. We seek £30 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. However, as both schemes are on the Highways Agency network, we expect that they will be funded and delivered by the HA.
- **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, 21st century Urban Development Corporation, closely working with both the local District and County Councils.

**Dartford and Gravesend**

Dartford and Gravesend will be impacted by the scale of growth at Ebbsfleet and will benefit from the employment and investment associated with it. However, the area 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.

Major developments include the expansion of Dartford and Gravesend town centres and the large brownfield housing and commercial developments at St James’s Lane Pit and Northfleet Embankment.
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.

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 now houses four universities. 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 (including the redevelopment of the existing Pentagon Centre car park and Tesco site) 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. This will include a new station due for completion in 2015 and the development of 3,000 sq metres of managed workspace.
- **Strood**: three key regeneration sites together providing 1,600 new homes and 20,000 sq m of commercial, retail and office space. These include:
  - **Strood Riverside**, with 600 residential units and approximately 1,000 sq metres of commercial space. Medway Council is investing £3m via a Treasury loan in the construction of flood defences to unlock the second phase of this key waterfront development;
  - **Redevelopment of Civic Centre**: Mixed use development on 6.94ha site, comprising approximately 400 residential units, 2,000 sq m of retail and leisure uses and 2,000 sq m of office accommodation. Significant investment in flood defences is required to prepare the site for development.
  - **Temple Waterfront**: Mixed use redevelopment scheme, regenerating the site of a former cement works, industrial timber yard, landfill area and green open space. It will comprise 620 residential units and 15,000 sq m of commercial floorspace. Lack of enabling infrastructure is making the site unattractive to the private sector.
- **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. Greenwich University with Medway Council will seek investment from SEFUND from 2015.
- **Lodge Hill**, 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 brought forward, Lodge Hill will be the largest residential development in North Kent outside Ebbsfleet Valley.

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 £58 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.

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. It also contains, Kent Science Park, a major centre for life sciences and environmental technologies with plans to expand. 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 from Sittingbourne and Sheppey. Future growth in western Swale therefore depends on significant capacity improvements.
- 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.
- 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.

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.

**The Kent CORE**
Swale and the Medway Estuary form the heart of the Kent Centre for Offshore Renewable Engineering (CORE), and is one of the most promising locations in the UK for the development of renewable energy, especially offshore wind. The strong local manufacturing base provides opportunities for supply chain development, which will be underpinned by proposed **Assisted Area** designation for part of Medway, Sittingbourne and Sheppey.

**Key investments in the Thames Gateway**

**Transport**

<table>
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<th>End Date</th>
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### Sittingbourne Town Centre Regen
- 2015/16: 4.50
- 2017/18: 2.50
- 2018/19: 2.00
- Full cost (£m): 950
- LGF funding requirement: 500

### Kent Thameside LSTF
- 2015/16: 7.54
- 2020/21: 4.51
- 2018/19: 3.03
- Full cost (£m): 963
- LGF funding requirement: 657

### A289 Four Elms Rbt to Medway Tunnel
- 2015/16: 16.30
- 2017/18: 11.10
- 2018/19: 5.20
- Full cost (£m): 7688
- LGF funding requirement: 4433

### A228 Grain Crossing removal
- 2015/16: 15.00
- 2020/21: 15.00
- 2018/19: 0.00
- Full cost (£m): 5445
- LGF funding requirement: 0

### Chatham town ctr
- 2015/16: 6.90
- 2020/21: 4.00
- 2018/19: 2.90
- Full cost (£m): 6000
- LGF funding requirement: 3000

### Chatham station
- 2016/17: 1.40
- 2018/19: 0.70
- 2018/19: 0.70
- Full cost (£m): 271
- LGF funding requirement: 682

### Strood town centre
- 2015/16: 10.00
- 2018/19: 9.00
- 2018/19: 1.00
- Full cost (£m): 1000
- LGF funding requirement: 1000

### Strood station
- 2015/16: 2.50
- 2018/19: 1.25
- 2018/19: 1.25
- Full cost (£m): 520
- LGF funding requirement: 542

### Medway City Estate connectivity
- 2015/16: 2.00
- 2017/18: 2.00
- 2018/19: 0.00
- Full cost (£m): 851
- LGF funding requirement: 0

### A289 Medway Tunnel maintenance
- 2015/16: 9.20
- 2020/21: 5.00
- 2018/19: 4.20
- Full cost (£m): 5000
- LGF funding requirement: 0

### Medway cycling action plan
- 2015/16: 3.00
- 2020/21: 2.50
- 2018/19: 0.50
- Full cost (£m): 129
- LGF funding requirement: 87

### Total
- Full cost (£m): 368.24
- LGF funding requirement: 153.16
- Match funding: 215.08
- Jobs: 91,495
- Homes: 50,225

### SEFUND/ land and property

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<th>Full cost (£m)</th>
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<th>Match funding</th>
<th>Jobs</th>
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### Skills Capital

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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, building on greatly improved connectivity, with Ashford expanding more over the next decade than any other Kent district.

**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.
- **Perceptions of East Kent are changing.** 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.
- **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.
- **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.

**Challenges**

- **Major sites are often difficult to bring forward.** 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.
- **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, pinch points on the A2 present challenges, especially given the expansion of the Port of Dover.

**Solutions: Unlocking growth**

**Ashford**

Between 2001 and 2011, population growth in Ashford was the third fastest in the South East – with 7,500 jobs created over the same period. Ashford is ambitious to continue this rapid rate of growth, underpinned by the creation of a new Garden City.

Growth in Ashford is central to the economic expansion of East Kent, and 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 4,000 jobs as well as facilitating growth throughout Ashford and East Kent;
- Improvements to the A28 to facilitate access to **Chilmington Green**, a major urban extension to the south west of Ashford delivering 5,750 homes and 1,000 jobs; and
- The safeguarding of **international rail services** from East Kent through the upgrading of signalling at Ashford 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. With a planning application already submitted and our proposed programme of investment to unlock it, Chilmington can be an early success for the Garden Cities programme.

We seek £33.7 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 £10 million in Local Growth Fund Skills Capital funding for **Ashford International College** in 2015/16, matched with additional funding from Ashford Borough Council.

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 four universities. Proposals are being developed for potential SEFUND investment in additional incubator facilities, building on the success of the **Canterbury Innovation Centre** which has over 60 science and technology businesses already in place.

Wider development in Canterbury district is severely constrained by significant traffic congestion particularly along the A28 corridor, which is exacerbated by limited access from the city to the A2 road and several railway level crossings.
Development of a **new relief road on the A28 at Sturry** would enable almost 4,800 new homes to be built and 1,800 jobs to be created in new business space north of Canterbury in so doing also improving journey times along East Kent’s A28 corridor from Thanet through Canterbury to Ashford. In addition provision of a **new slip road onto the A2 at Wincheap** would support the delivery of 50,000 m² of new retail and leisure floorspace generating 1,400 new jobs thereby supporting the city’s wider economic growth and underlining its status as an important regional retail hub.

**Dover**

The **Port of Dover** is of national significance. Already the largest passenger port in Europe, Dover is associated with a major integrated regeneration programme, including the development of Terminal 2 and associated infrastructure improvements, linked with new marina and leisure facilities and mixed use developments at **Dover Waterfront and the town centre**. As well as road infrastructure improvements funded through our proposed transport programme, there is potential for recyclable SEFUND investment to bring forward development.

To the north of Dover, the development of **Whitfield** will bring forward 5,750 new homes. However, development is constrained by high infrastructure costs. The redevelopment of the **Duke of York roundabout** and improvements to the A256 will help to accelerate delivery, as well as supporting an additional 500 homes at the Connaught Barracks development.

All development at Dover – including the expansion of the Port – will also be supported by investment in the strategic road network through the **bifurcation of the A2/M2 and A20/A20 transport corridors**, which early investments in key junctions on the M2 and A2 in Thames Gateway Kent will be important in facilitating.

**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 Seafront** and Harbour will bring forward up to 1,000 new homes and up to 10,000 sqm of commercial floorspace, together with improvements to the beach and seafront facilities – unlocking around 300 jobs. Early work on the development of SEFUND indicates that this could be facilitated with a total upfront infrastructure investment of £5.1m. This investment would de-risk the first phase of this scheme, and would accelerate the start of the development onsite to 2015.

**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, Manston Airport and the Richborough Corridor. 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 £3.5 million in **Local Growth Fund finance** to support commercial development at Manston and Discovery Park.
- 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 as well as in the **Westwood Relief Strategy**, eliminating a major bottleneck impacting on employment and commercial growth in Thanet Central Island.

Margate, Ramsgate and Broadstairs

The opening of Turner Contemporary in 2011 has had a major impact on Margate, generating over a million visitors. This has driven the regeneration of the Old Town and establishing Margate as a major cultural and leisure destination, with a growing cluster of creative businesses supported by the Regional Growth Fund-supported Success programme. New commercial interest in hotel and leisure developments in Margate are building on the town’s unique location and heritage, and our proposed **transport investments**, including a series key junction improvements in central Margate, will help to relieve congestion as well as supporting new housing growth.

However, a number of key sites in Thanet remain vacant, due to an unbalanced local housing market which tends to reinforce a concentration of high benefit dependency. We must build on partnership initiatives such as **Live Margate** and **No Use Empty** to intervene in the local housing market, alongside the **coastal housing investment programme** highlighted elsewhere in this Plan.

We will **invest £7.5 million in Local Growth Fund in to extend the Live Margate and No Use Empty programmes**, 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.

### Investment: Transport

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<th>Scheme</th>
<th>Start Date</th>
<th>End Date</th>
<th>Full cost (£m)</th>
<th>LGF funding requirement</th>
<th>Match funding</th>
<th>Jobs</th>
<th>Homes</th>
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## Investment: Skills Capital

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<td>Folkestone FE</td>
<td>2016/17</td>
<td>2017/18</td>
<td>15.00</td>
<td>5.00</td>
<td>10.00</td>
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<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>54.00</strong></td>
<td><strong>20.50</strong></td>
<td><strong>33.50</strong></td>
<td><strong>0</strong></td>
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</tbody>
</table>
Places for Growth: Maidstone

Maidstone is Kent’s county town, a major economic centre for North, East and West Kent located at the heart of the M20 corridor. With a buoyant economy, Maidstone has strong ambitions for growth, with 9,400 new homes planned between 2011 and 2021.

Opportunities

- **Central location with good road transport connections.** Maidstone’s position at the centre of the county adjacent to the M20 means that developer interest and viability is high.
- **Diverse sector base.** With established strengths in business services, 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, as well as in the town centre.

Challenges

- **Relatively weak rail connectivity.** Services on the Maidstone East to Victoria line remain slow 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

**A transport infrastructure package for growth**

Maidstone’s future growth will require significant investment in **transport infrastructure,** which is also vital to sustain the town’s current role as a major retail and employment centre. In particular, all the major arterial routes into Maidstone converge at the **Maidstone Gyratory Junction** crossing the River Medway, imposing significant congestion and delay. A gyratory relief scheme will help to overcome these severe constraints and is a priority for support through the Local Growth Fund from 2015/16.

In addition, to support Maidstone’s wider growth (including significant growth anticipated in the smaller rural towns within Maidstone’s hinterland), we propose a major **integrated transport package,** including key junction and road capacity improvements and enhanced public transport.

**Bringing forward economic opportunity**

Junction 7 of the M20 is already seeing major commercial expansion, with new finance and business services employment at **Eclipse Park** and concentration of media and creative industries at **Maidstone Television Studios.** This will be accompanied by the establishment of **Maidstone Medical Campus.** Work on the Kent Institute of Medicine and Surgery, at the heart of the Medical Campus, is nearing completion and the Institute will open in April 2014. Potential investment via **SEFUND** could help to bring forward the next phase of development, supporting initial infrastructure costs.
In **Maidstone Town Centre**, there is a key opportunity for growth in the redevelopment of the area surrounding **Maidstone East Station**. Currently providing a poor gateway to the town, there is developer interest in replacing outdated office blocks and car parking with a new mixed-use extension of the town centre, which early public investment could help to unlock. Elsewhere in the town centre, opportunities to redevelop the retail core could bring forward further housing growth.

### Investment: Transport

<table>
<thead>
<tr>
<th>Scheme</th>
<th>Start Date</th>
<th>End Date</th>
<th>Full cost (£m)</th>
<th>LGF funding requirement</th>
<th>Match funding</th>
<th>Jobs</th>
<th>Homes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maidstone Gyratory Bypass</td>
<td>2015/16</td>
<td>2016/17</td>
<td>5.70</td>
<td>4.56</td>
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<td>5049</td>
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<td>Maidstone sust. transport</td>
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<td>2016/17</td>
<td>3.00</td>
<td>2.00</td>
<td>1.00</td>
<td>350</td>
<td>475</td>
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<tr>
<td>Maidstone Integrated Transport</td>
<td>2015/16</td>
<td>2017/18</td>
<td>15.00</td>
<td>8.90</td>
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<td>4455</td>
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<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>23.70</strong></td>
<td><strong>15.46</strong></td>
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<td><strong>7,350</strong></td>
<td><strong>9,979</strong></td>
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### Investment: SEFUND

<table>
<thead>
<tr>
<th>Scheme</th>
<th>Start Date</th>
<th>End Date</th>
<th>Full cost (£m)</th>
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<th>Match funding</th>
<th>Jobs</th>
<th>Homes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maidstone Medical Campus</td>
<td>2016/17</td>
<td>2020/21</td>
<td>100.00</td>
<td>2.00</td>
<td>98.00</td>
<td>600</td>
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<tr>
<td>Maidstone East</td>
<td>2016/17</td>
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<td>80.00</td>
<td>1.00</td>
<td>79.00</td>
<td>320</td>
<td>300</td>
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<tr>
<td>Wrens Cross/ Mall</td>
<td>2016/17</td>
<td>2018/19</td>
<td>80.00</td>
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<tr>
<td><strong>Total</strong></td>
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<td></td>
<td><strong>260.00</strong></td>
<td><strong>5.00</strong></td>
<td><strong>255.00</strong></td>
<td><strong>920</strong></td>
<td><strong>600</strong></td>
</tr>
</tbody>
</table>

### 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 over £15 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.
Places for Growth: West Kent

West Kent has a strong and resilient economy, with a dynamic SME base, good connectivity and an excellent quality of life making it one of the best places in the South East in which to start and grow a business. It is essential that we maintain West Kent’s success as a driving force in the South East economy.

Opportunities

- **Growth in West Kent supports the wider South East 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. Business start-up numbers are high and businesses survive longer and grow faster here.
- **There are significant sector strengths.** The software and electronic publishing sector in Tunbridge Wells is among the largest in the South East, underpinning strengths in creative and media industries. Leisure and tourism is strong and growing.
- **Demand for development is high and flagship developments are successful.** In particular, Kings Hill, built on a former airfield and now Kent’s leading business park with over 5,000 jobs, and there is further scope for growth at North Farm and Fort Halstead.
- **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, and investment in rural broadband has important benefits for West Kent businesses.

Challenges

- **Locations for growth need careful selection.** With much of West Kent covered by metropolitan green belt, new sites must be carefully planned and supported by appropriate investment in transport infrastructure. There is scope to intensify and improve a number of key sites
- **Congestion is often high,** especially in town centres such as Tonbridge, Tunbridge Wells and Sevenoaks. Improvements in the road network have not kept pace with the rate of economic growth, particularly in relation to access to the motorway network and the lack of capacity on rail services to London (especially on the Maidstone line via West Malling).
- **Localised pockets of deprivation** – often masked by impressions of general affluence where targeted investment is needed.

Solutions: Unlocking growth

With a robust economy, relatively small amounts of public investment can unlock substantial private sector leverage. In West Kent, our focus for growth is on our major town centres and business locations, with public investment helping to rationalise and intensify existing sites and bring forward new sites for development.

**Tunbridge Wells**

The thriving town centre of Royal Tunbridge Wells will see substantial housing growth and cultural-led investment which will drive forward growth in tourism, media and the creative industries. To support this growth, we will implement a comprehensive package of transport measures to tackle congestion hotspots, including improvements to the **A26 and A264 approaches to Tunbridge Wells** and measures to improve public transport.
At the key **North Farm** development, a major scheme to widen the existing railway bridge will also help to unlock the potential of a major location for employment growth, linked with additional investment in vocational further education.

**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**, given the need to protect identified areas for growth at Tonbridge and Maidstone from future flooding incidents.

**Swanley**

Adjacent to the M25, just 26 minutes by rail to London and close to the employment opportunities coming forward in North Kent, a package of measures to improve Swanley would enable new homes and employment space. There is emerging private sector interest in bringing forward **growth in the town centre and southeast Swanley**, including a new business and enterprise hub. Investment through SEFUND could help to unlock this growth, creating a long term change in the town’s prospects.

**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. Improvements to Junction 4 will also support the continued development of one of the South East’s most successful business park and residential developments at **Kings Hill** near West Malling.

**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.

**Improving connections for the longer term**

Linking all of West Kent’s key growth locations – and maintaining the area’s long-term resilience – requires targeted transport connections. West Kent will benefit from the planned dualling of the **A21 between Tonbridge and Pembury**, supporting growth throughout the A21 corridor between London and Hastings: it is vital that the Highways Agency progresses these improvements at the earliest opportunity.

In addition, 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.
## Investment: Transport

<table>
<thead>
<tr>
<th>Scheme</th>
<th>Start Date</th>
<th>End Date</th>
<th>Full cost (£m)</th>
<th>LGF funding requirement</th>
<th>Match funding</th>
<th>Jobs</th>
<th>Homes</th>
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<tbody>
<tr>
<td>M20 Junction 4 Eastern Overbridge</td>
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<td>2015/16</td>
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<td>North Farm Relief Strategy, Tunbridge Wells</td>
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<td>2021/22</td>
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<td>Tunbridge Wells P&amp;R</td>
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<td>35.00</td>
<td>0.00</td>
<td>2000</td>
<td>1500</td>
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<td>A26 London Rd/Speldhurst Rd/Yew Tree Rd Junction Improvement, Tunbridge Wells</td>
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<td>2016/17</td>
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## Investment: SEFUND

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<th>End Date</th>
<th>Full cost (£m)</th>
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<th>Match funding</th>
<th>Jobs</th>
<th>Homes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Swanley Town Centre</td>
<td>2015/16</td>
<td>2018/19</td>
<td>50.00</td>
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<td>49.00</td>
<td>500</td>
<td>60</td>
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<tr>
<td>Eas Malling Research</td>
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<td>2017/18</td>
<td>5.00</td>
<td>0.50</td>
<td>4.50</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Peter’s Village</td>
<td>2016/17</td>
<td>2018/19</td>
<td>100.00</td>
<td>1.00</td>
<td>99.00</td>
<td>1000</td>
<td></td>
</tr>
<tr>
<td>Tunbridge Wells town centre</td>
<td>2016/17</td>
<td>2018/19</td>
<td>20.00</td>
<td>1.00</td>
<td>19.00</td>
<td>500</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
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<td></td>
<td>175.00</td>
<td>3.50</td>
<td>171.50</td>
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## Investment: Skills Capital

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<th>Scheme</th>
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<th>End Date</th>
<th>Full cost (£m)</th>
<th>LGF funding requirement</th>
<th>Match funding</th>
<th>Jobs</th>
<th>Homes</th>
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<tbody>
<tr>
<td>Tunbridge Wells vocational provision</td>
<td>2015/16</td>
<td>2017/18</td>
<td>4.00</td>
<td>1.00</td>
<td>3.00</td>
<td>0</td>
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<tr>
<td><strong>Total</strong></td>
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<td></td>
<td>4.00</td>
<td>1.00</td>
<td>3.00</td>
<td>0</td>
<td>0</td>
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</table>
Infrastructure for Growth

For our key growth locations and corridors, we have identified the transport interventions needed to unlock growth. Combined, our transport programme will facilitate delivery of 141,000 jobs and 114,000 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, set out in the previous area and corridor sections, 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.** However, 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. Key investments required are:

- A2 Bean Junction (with a Local Growth Fund requirement of £10 million)
- A2 Ebbsfleet Junction (with a LGF requirement of £6 million)
- M2 Junction 5 (with a LGF requirement of £15 million)
- Operation Stack Lorry Park (with a LGF requirement of £10 million)

In addition, further Highways Agency investment will be required at M2 Junction 7, in the dualling of the A2 at Lydden, near Dover and improvements to M2 Junction 3 to support the development of Rochester Airport.

**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:

- M2 Junction 5a and Link Road, supporting Kent Science Park (with a LGF requirement of £12 million)
- M2 Junction 10a at Ashford (with a LGF requirement of £19.7 million)
- A2/A28 off-slip and link road at Canterbury (with a LGF requirement of £2 million).

**County-wide priorities for Local Growth Fund**

Throughout this chapter, we have highlighted the key transport interventions for which we require Local Growth Fund investment to unlock sites for employment and housing. However, a number of schemes and programmes have impacts across Kent and Medway:

**Kent and Medway-wide Local Growth Fund transport investments**

<table>
<thead>
<tr>
<th>Scheme</th>
<th>Start Date</th>
<th>End Date</th>
<th>Full cost (£m)</th>
<th>LGF funding requirement</th>
<th>Match funding</th>
<th>Jobs</th>
<th>Homes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sustainable access to education and employment</td>
<td>2015/16</td>
<td>2020/21</td>
<td>1.20</td>
<td>0.90</td>
<td>0.30</td>
<td>140</td>
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<tr>
<td>Strategic congestion management</td>
<td>2015/16</td>
<td>2020/21</td>
<td>4.80</td>
<td>4.80</td>
<td>0.00</td>
<td>2003</td>
<td>2292</td>
</tr>
<tr>
<td>Kent sustainable interventions supporting growth</td>
<td>2015/16</td>
<td>2020/21</td>
<td>3.00</td>
<td>3.00</td>
<td>0.00</td>
<td>1335</td>
<td>1528</td>
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<tr>
<td>Operation Stack and overnight lorry park</td>
<td>2015/16</td>
<td>2017/18</td>
<td>20.00</td>
<td>10.00</td>
<td>10.00</td>
<td>1000</td>
<td>1500</td>
</tr>
<tr>
<td>Additional Op Stack and overnight lorry park</td>
<td>2019/20</td>
<td>2020/21</td>
<td>18.00</td>
<td>15.00</td>
<td>3.00</td>
<td>928</td>
<td>1220</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td>47.00</td>
<td>33.70</td>
<td>13.30</td>
<td>5,406</td>
<td>6,540</td>
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</table>
Sectors for growth

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 and our key sectors have strong prospects for growth

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.
- **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.
- **We are benefiting from improved infrastructure.** 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.

We have established a strong, long-term partnership with our leading business sectors, through a continuing series of sector roundtables. We have used our sector knowledge to focus on targeted interventions where there are gaps in the market.

<table>
<thead>
<tr>
<th>Kent and Medway’s key sector opportunities</th>
<th>Opportunities</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sectors</strong></td>
<td></td>
</tr>
<tr>
<td>Life sciences</td>
<td>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.</td>
</tr>
<tr>
<td>Creative and media</td>
<td>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.</td>
</tr>
<tr>
<td>Low carbon</td>
<td>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.</td>
</tr>
<tr>
<td>Land-based</td>
<td>Comparative advantage in horticulture, accounting for over two thirds of national top fruit production. Research-intensive growth opportunities, such as at East Malling Research.</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>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.</td>
</tr>
<tr>
<td>Construction</td>
<td>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.</td>
</tr>
<tr>
<td>Tourism and leisure</td>
<td>64,000 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.</td>
</tr>
<tr>
<td>Higher education</td>
<td>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 in all sectors.</td>
</tr>
</tbody>
</table>
Challenges

- **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.

- **The business environment is becoming increasingly competitive.** We must become increasingly productive, generating more output with fewer human resource inputs - 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 they need.

- **Environmental resilience is an increasingly significant issue.** Some parts of the economy (especially in the manufacturing and land-based sectors) will be affected longer term by rising environmental and resource costs which will need to be managed and mitigated if Kent and Medway is to remain competitive, resource efficient and a place for green businesses to invest.

- **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.

Solutions

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

- Unlock private finance and bridge the innovation funding gap by delivering a £28 million Finance for Innovation programme, linked with an integrated approach to 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

Finance for Innovation

Kent and Medway’s existing access to finance programmes are highly successful in supporting businesses with 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.

We will create a new programme, Finance for Innovation, focused on providing loan and equity finance to SMEs seeking to invest in new products, services and processes with the ability grow and create sustainable employment. It will operate across Kent and Medway, with a focus on investment in our priority growth sectors. In particular, it will make a long term difference by investing in activities most likely to deliver added value and increase knowledge economy employment.

While Finance for Innovation will respond to the clear need for access to finance where this will unlock private investment, it must be at the heart of a wider innovation support system. There is
much already available – so we will not duplicate 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 our universities and our network of innovation centres will be critical in developing applications to Finance for Innovation and ensuring that the businesses we back receive a wide range of additional support. So we will develop a Kent and Medway Innovation Concordat, signed by all innovation support organisations setting out how we will work together and add substantial local value to national programmes and initiatives.

To make Finance for Innovation work, we seek £28 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 £30 million.

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.

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 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 and the Low Carbon Kent programme. We will also expand this activity through the ERDF opt-ins to Growth Accelerator and Manufacturing Advisory Service 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 ERDF ‘opt-in’ to UKTI support.

Building on the success of Locate in Kent we will increase our promotion of Kent and Medway, recognising the opportunities at Ebbsfleet, Discovery Park and elsewhere. We seek designation of Kent as a UK inward investment gateway, with a commitment from UKTI to match local support for inward investment where it is focused around sectors in which the county has national strengths.

**Investment: Business growth and productivity**

<table>
<thead>
<tr>
<th>Scheme</th>
<th>Start Date</th>
<th>End Date</th>
<th>Full cost (£m)</th>
<th>LGF funding requirement</th>
<th>Match funding</th>
<th>Jobs</th>
<th>Homes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance for Innovation</td>
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<td><strong>Total</strong></td>
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<td></td>
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<td><strong>55.00</strong></td>
<td><strong>9,254</strong></td>
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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.

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.
- **Employment levels are rising.** With greater flexibility, the labour market should be able to respond as employment opportunities develop.
- **Our workforce is becoming better skilled.** Workforce skills still lag behind the national average, but long term improvement is fairly consistent.
- **School attainment levels are improving.** GCSE results have improved consistently over the past decade, but Kent and Medway now outperform England as a whole

Challenges

- **Employers report skills shortages.** Employers say that they face difficulties in recruiting people with the right skills. 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.
- **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.
- **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.

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 and recruitment 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 develop 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. 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.

Improved information, advice and guidance
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 labour market information.

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, using the Kent Choices4u platform and linked with our priority growth sectors.

We will explore new models of engagement that bring young people and employers together. Building on the work of Youth Employment Zones, this could include short, sharp intervention programmes for 16-24 year olds, getting young people ready for the job market and enabling them to secure a job with training.

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

Employers, providers and students have also told us that high travel costs remain a barrier to work and learning. 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.

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. As part of our Growth Deal, we have considered our priorities for this investment in Kent and Medway.
As set out in the area sections above, 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 £9.5 million
- Expansion of existing facilities at **Swale Skills Centre** in Sittingbourne, with a combined requirement of £1 million

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.

The need for further education provision in **Sittingbourne** – the largest town in Kent without FE provision – will also need to be addressed, as will requirements at Folkestone, Dover and Tunbridge Wells.

**Investment: Skills and employment revenue**

<table>
<thead>
<tr>
<th>Scheme</th>
<th>Start Date</th>
<th>End Date</th>
<th>Full cost (£m)</th>
<th>LGF funding requirement</th>
<th>Match funding</th>
<th>Jobs</th>
<th>Homes</th>
</tr>
</thead>
<tbody>
<tr>
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<td>4.50</td>
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</table>
Making it happen

In Kent and Medway, we have a strong track record of practical delivery, underpinned by a long track record of excellent partnership working between business and local government.

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.

The KMEP is an informal partnership. To ensure full accountability for delivery, Kent County Council and Medway Council share the accountable body role, depending on the programme or project. Both authorities have long experience of maintaining accountability for Government-funded, partnership-managed programmes.

Business voice
Kent and Medway Economic Partnership builds on an excellent track record of partnership between the business and local government. Kent and Medway’s Business Advisory Board provides a business-led forum, with membership drawn from all key sectors of the economy, with links into local partnerships. This is supported by our sector-focused partnerships and bodies, such as Kent Developers’ Group, Visit Kent and Kent Rural Board.

Democratic accountability
Alongside Kent and Medway Economic Partnership, Kent Council Leaders provides a forum for full democratic partnership accountability, bringing together the leaders of all 14 local authorities across Kent and Medway.

Project delivery
Kent County Council and Medway Council have extensive experience and an excellent track record in delivering major transport schemes. Most recently, examples include the £87 million East Kent Access road scheme, completed in 2012 and opening up access to Discovery Park, Manston Business Park and wider opportunities in Thanet and Dover. Both highways authorities have wide experience in managing complex and substantial projects in conjunction with developers and other key government agencies – delivering on budget and on time. Kent and Medway Economic Partnership also contains several business members with practical and senior experience in the transport industry, providing strong commercial input alongside democratic accountability.

We also have extensive experience in and capacity to deliver business growth. We are currently managing £55 million in Regional Growth Fund investment – delivering among the country’s most successful RGF programmes, on track to help create over 10,000 jobs. We are managing the £40 million Broadband Delivery UK programme for Kent and Medway, one of the first in the UK to begin rolling out delivery.