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To: Growth, Economic Development and Communities Cabinet Committee -16 September 2014

Subject: Kent and Medway Growth Strategy

Classification: Unrestricted

Past pathway of paper: None

Future pathway of paper: None

Electoral Division: All Divisions

Summary

The Cabinet Committee has previously considered the preparation of a new growth strategy to replace *Unlocking Kent's Potential*, the county's regeneration framework adopted in 2009.

Earlier this year, a new draft strategy – *Unlocking the Potential* – was prepared by Kent and Medway Economic Partnership and was submitted to Government as part of the South East LEP's bid to the Government's Local Growth Fund. However, it has not yet been finalised or taken through full public consultation.

This paper explains the process through which it is proposed that the Kent and Medway Growth Strategy will be revised and finalised in the light of recent funding decisions and the wider policy landscape. It also sets out how the Growth Strategy will relate to other county-wide strategies for transport, housing and the environment, which are also to be revised during 2014/15, as well as plans and strategies at District and sub-county level.

Recommendations:

The Growth, Economic Development and Communities Cabinet Committee is recommended to NOTE this report; and AGREE to receive a draft of the new Growth Strategy at its next meeting in December.

1. Background

- 1.1. In 2009, Kent County Council and the former Kent Partnership published *Unlocking Kent's Potential*, the county's regeneration framework. This set out a long-term vision for Kent's economic growth and was subsequently adopted as

County Council policy. *Unlocking Kent's Potential* also provided the basis for a series of county-wide strategies, including those focused on housing (*Better Homes*), transport (*Growth without Gridlock*) and the environment (*Growing the Garden of England*), all of which were subject to extensive consultation and have subsequently been monitored, refreshed and used to support delivery and secure additional investment in Kent.

- 1.2. *Unlocking Kent's Potential* has been successful in setting a direction for economic growth in Kent. In particular, it emphasised the importance of a much stronger relationship between KCC (and the Districts) and business, an approach which has successfully been delivered through the creation of Kent and Medway Economic Partnership and our programme of sector-focused business consultation. This improved relationship with business was positively recognised in KCC's recent Corporate Peer Review. In addition, *Unlocking the Potential* set the tone for a practical and pragmatic approach to economic growth, with a clear emphasis on direct support to business and measures to overcome the barriers to growth on major sites.
- 1.3. Since *Unlocking Kent's Potential* was adopted, the policy and economic context has clearly changed substantially. Notably, it was published a year before the last general election as the economy entered a deep recession. Five years on, economic conditions have improved, although we are again coming towards the end of a Parliament. Recognising that the county's growth strategy should be refreshed to reflect the changed landscape, Kent Leaders and Kent and Medway Economic Partnership decided last year to prepare a revised version of *Unlocking the Potential* for adoption in 2014. At the same time, the Government asked local partners (via Local Enterprise Partnerships) to prepare strategic economic plans setting out their priorities – essentially their bid – for a share of the £2.4 billion Local Growth Fund.
- 1.4. A draft of a new strategy, *Unlocking the Potential: Going for Growth*, was produced in January. This was discussed at the former Economic Development Cabinet Committee, was subject to limited consultation and subsequently became the Kent and Medway section of the South East LEP's bid to Government. Inevitably, the draft strategy was strongly focused on the case for investment from the Local Growth Fund, and it was recognised at the time that it would have to be revisited once the outcomes of the LGF allocation were known.
- 1.5. In July, the Government announced the LGF allocations (see Agenda Item C3), which resulted in Kent and Medway securing some £133.5 million for specific capital projects, mostly related to transport. Now that the results of the bid are clear, we are in a position to revise the growth strategy, focused on Kent's broader, longer-term priorities.

2. Revising the growth strategy: Outline principles and content

2.1. The new growth strategy will not be a statutory document. Its success will depend on the extent to which it has credibility with and support from business, local and central Government and other partners and on the extent to which it is used to secure investment and drive delivery. It is therefore important that there is wide consultation and engagement on its content.

2.2. Considerable discussion has already taken place with the Cabinet Committee, Kent Leaders, business organisations and the sub-county partnerships on the earlier draft. Based on this, it is proposed that the new draft will retain the core themes of:

- **Places for growth**, setting out the infrastructure priorities and their affordability and the funding solutions needed to bring forward key housing and employment locations;
- **Business for growth**, highlighting key sectors with growth potential and setting out how we can support business growth and innovation; and
- **Skills for growth**, focused on supporting the economy by investing the supply of skills to meet future business need.

2.3. However, within these core themes, it is envisaged that the new growth strategy will move on from being essentially a bid to a single Government funding stream and will consider in greater detail:

- Potential **policy priorities** for Kent and Medway to influence central Government (regardless of its complexion) after May 2015. This may have regard to the continuing emphasis on devolution to city and county regions set out in recent policy papers from both the Government and the Opposition;
- Links between economic growth, innovation and the **environment, housing and transport** strategies that will be refreshed over the course of 2014/15. This recognises explicitly the obvious link between economic growth and broader spatial strategy, taking into account District Local Plans and building upon bilateral work already underway between KCC and sub-county partnerships and the Kent Districts in planning for infrastructure and growth;
- A more clearly defined set of **spatial priorities of county-wide or national significance**, linked with the prioritisation work undertaken at sub-county level.

2.4. It is envisaged that the final version of the growth strategy will be adopted by both Kent and Medway Economic Partnership and by Kent County Council.

3. Timetable for development

3.1. Given that considerable work has already been done in preparing earlier drafts of the new growth strategy, it is anticipated that the following timetable will be followed:

- First draft strategy 1 November 2014
(for discussion with KMEP and Kent Leaders early November)
- Revised consultation draft 20 November 2015
- Consultation 24 November 2014 – 30 January 2015
(including consideration at Cabinet Committee, 2 December 2014)
- Final draft strategy 13 February 2015
- Adoption by KMEP and KCC Cabinet March 2015 (dates to be confirmed)

4. Impact assessments

4.1. The new growth strategy will be subject to an Equalities Impact Assessment and a high-level environmental impact assessment, to be completed prior to the start of consultation.

5. Recommendations

5.1 The Growth, Economic Development and Communities Cabinet Committee is recommended to NOTE this report and AGREE to receive a draft of the new Growth Strategy at its next meeting in December.

6. Contact details

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