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To: Growth, Economic Development and Communities Cabinet Committee
– 5th September 2018

Subject: Thames Estuary Commission

Classification: Unrestricted

Past Pathway of Paper: N/A

Future Pathway of Paper: N/A

Electoral Division: All

Summary

The Commission chaired by Sir John Armitt published a report on 25 June setting out a “2050 vision” for growth in the Thames Estuary area. The report acknowledged that the area (which covers districts in East London, South Essex and North Kent as well as Canterbury and Thanet) has “vast potential and could catch up with other London corridors that have outpaced UK growth. To do this it needed a clear vision and a focus on delivery”.

The report lists fifteen priorities which could deliver 1.3 million new jobs and £190 billion extra gross value added by 2050. The report says this would require a coordinated delivery plan which would be dependent on “strong, streamlined governance”.

Responding to the Commission’s report the Secretary of State for Housing, Communities and Local Government invited local government to respond positively to the recommendations, within six months, saying that the status quo was not an option.

The Thames Estuary Strategic Group (whose members are drawn from the relevant local authorities and business representatives) will meet to discuss its response in November.

Recommendation

The Committee is invited to note the Thames Estuary Commission’s Report and comment on its recommendations.

1. Introduction

- 1.1 The purpose of this paper is to bring to the Committee's attention the report published on 25 June by the Thames Estuary 2050 Growth Commission, and to summarise how it is being followed up.

2. Background

- 2.1 In March 2016 the previous Chancellor of the Exchequer, George Osborne, appointed Lord Heseltine to chair a Commission to "develop an ambitious vision and delivery plan for North Kent, South Essex and East London up to 2050". Sir John Armitt took over the chairmanship from Lord Heseltine in October 2017: his report is reproduced as Annex A.

- 2.2 The report was welcomed by the Thames Gateway Strategic Partnership – the letter sent to the Secretary of State for Housing, Communities and Local Government on the day of its publication is reproduced as Annex B.

- 2.3 The membership of the Thames Gateway Strategic Partnership consists of:

- 2 Local Enterprise Partnerships
- 7 London boroughs
- 1 Greater London Authority
- 2 County Councils
- 3 Unitary Councils
- 9 District Councils
- 1 Development Corporation

Meetings of the Partnership are chaired on rotation by the Leaders of Kent County Council, and Essex County Council and a Deputy Mayor of the Greater London Authority.

- 2.4 The Partnership is planning a discussion of the Growth Commission's report later this year, before the Chancellor's Winter 2018 Budget.

3. The substance of the report

- 3.1 In its 34-page report, the Growth Commission identified the Thames Estuary as an area with great potential. "It has sizeable economic power, a strong feeling of collaboration and a 'can do attitude' from London right out to the sea. The Estuary has an important brand and status, which makes a significant contribution to the UK economy and UK plc".
- 3.2 But the report concludes "that the 'business as usual' approach is not working. Without concerted action, there is a risk that the Thames Estuary will fail to achieve its potential, at huge opportunity cost to local communities and the national economy. By way of example since 2008, the Thames Estuary (outside London) grew more slowly than any of the other London corridors

including, for example, the Thames Valley, London-Stansted-Cambridge corridor”

3.3 The report lists six objectives:

- (i) Productive places
- (ii) Connected places
- (iii) Thriving places
- (iv) Affordable places
- (v) Adaptable places
- (vi) Deliverable places.

3.4 It identifies five productive places:

- (i) The City Ribbon
- (ii) Inner Estuary
- (iii) South Essex Foreshore
- (iv) North Kent Foreshore
- (v) the River Thames.

3.5 Its vision for 2050 is 1.3 million new jobs, £190 billion additional Gross Value Added (“GVA”), and at least 1 million new homes.

3.6 Its full list of priorities for the Estuary area are:

<u>Quick (by 2020)</u>	<u>Short (by 2024)</u>	<u>Medium (by 2030)</u>	<u>Long (by 2050)</u>
3. An integrated skills strategy	1. Accelerated Delivery Pilot	2. Three new Thames Crossings	14. Thames East Line
5. Transport Innovation Zone	6. Medical Campus	4. Extension of Crossrail 1	
7. SE Foreshore Fund	8. SEC Relocation		
9. Institute for Resilient Infrastructure	12. Health Supercentre		
10. NK Foreshore Fund			
11. Education and Skills			
13. Great Thames Park			
15. Celebrate the Thames			

3.7 Its priorities for Kent and Medway are:

- the extension of Cross Rail from Abbey Wood to Ebbsfleet
- a new Medical Campus at Ebbsfleet
- new health and medical facilities at Canterbury
- a £20 million North Kent Foreshore Fund to provide finance for town centre regeneration and/or community development
- a targeted skills strategy
- a new Great Thames Park on both sides of the river
- a programme of festivals, events and promotional activities to celebrate the creative and cultural industries and attract inward investors and visitors.

3.8 The report concluded by saying: “Realising this ambition will require a coordinated delivery plan, which in turn will be dependent on strong, streamlined governance”.

3.9 It therefore recommended a “robust, locally-led review of governance arrangements to be undertaken, to be concluded within six months”. The Secretary of State asked for this review to be completed before the Chancellor’s Winter Budget Statement (expected in November 2018).

3.10 The Commission recommended that the optimal governance arrangements should include:

- (i) A single voice for the Thames Estuary through a strengthened and streamlined Thames Gateway Strategic Group.
- (ii) The development of statutory Joint Spatial Plans in Kent and Essex.
- (iii) Government should regard this ambition with substantial infrastructure investment and freedoms and flexibilities.
- (iv) A revision of the geographical boundaries of South East Local Enterprise Partnership.
- (v) Development corporation(s) with planning and compulsory purchase powers to drive the delivery of homes and jobs aligned to major infrastructure investment.
- (vi) Strengthened governance arrangements for the River Thames itself.
- (vii) Revenue raising powers and tax (or other) incentives granted to the Thames Estuary to drive the delivery of infrastructure, housing and jobs.

These points are expected to feature on the agenda of the next meeting of the Thames Estuary Strategic Group being arranged for early November.

3.11 The Government is currently consulting on the geographical boundaries of Local Enterprise Partnerships: this is considered in a separate Committee paper. Conclusions have not yet been reached but a Local Enterprise Partnership is unlikely to meet the criteria proposed by Sir John Armitt for

implementing the governance reform that his report says are needed to drive growth in the Thames Estuary.

- 3.12 The report sets a six-month deadline for responding to the governance issues (December 2018): the options range from new Development Corporations to setting up a new Estuary Infrastructure Commission.

4. Recommendation

- 4.1 The Committee is invited to note the Thames Estuary Commission's Report and comment on its recommendations.

5. Background Documents

Annex A: Thames Estuary 2020 Growth Commission

Annex B: TGSG Letter to Secretary of State

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