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To: Growth, Economic Development & Communities Cabinet Committee – 9 May 2019

Subject The Government’s response to the Thames Estuary 2050 Commission and generating “good growth” in the Thames Gateway

Classification Unrestricted

Electoral Division: Dartford, Gravesham, Swale Canterbury and Thanet

Summary

The Government’s response to the Thames Estuary 2050 Commission provides a new and highly important opportunity to deliver “good growth”¹ in the Thames Estuary, supporting new homes, jobs and communities.

This paper updates members on the response which was published on 25th March 2019, including the very successful campaigning undertaken with local partners to support the Crossrail to Ebbsfleet extension and to invest in a strategic communications campaign to promote opportunities within the Estuary. It outlines next steps in our drive to generate good growth in the Thames Estuary, working closely with local partners.

Recommendation

The Committee is asked to note the paper and opportunities including plans for a major launch with partners to promote and further unlock the potential of the Thames Estuary.

1. Introduction

- 1.1 The Thames Estuary 2050 Commission chaired by Sir John Armit identified the Thames Estuary as having a potential rate of growth greater than that of the Northern Powerhouse and Midlands Engine. In response to the Commission’s report, Secretary of State James Brokenshire re-confirmed the Estuary as a national geographical priority with “the potential to deliver growth to support the success of the whole of the UK economy” concluding that “the case for investment and collaborative working in the Estuary is clear”.

¹ See para 3.1.1 – Growth must be balanced and sustainable to support new jobs, homes, communities and high-quality living

- 1.2 The Government's much-anticipated response to the Armit Commission was published on 25th March, 2019 to provide an "ambitious vision for North Kent, South Essex and East London". It is supported by a series of commitments and investment to promote transport, environment and economic growth schemes running from the capital through to the Kent coast. The report also proposes cross-Whitehall structures to ensure that the Estuary's voice is heard across Government.
- 1.3 As Kent County Council, we strongly welcome the report and the Government's reinvigorated commitment to the Thames Estuary. The response follows significant local campaigning to raise the opportunities presented by the Commission both for improved transport infrastructure and for public and private investment to accelerate good growth.
- 1.4 It is our job with local partners now to capitalise on the Government's commitment and shape the type of growth we wish to see. This includes enhanced transport links through the Crossrail to Ebbsfleet extension, a strategic communications campaign to champion the area for inward investment and new local governance arrangements to embed the Government's support.
- 1.5 This short report details major commitments by Government, particularly those areas of specific interest to KCC and our partners in North and East Kent which we have campaigned for. It then outlines our next steps in generating good growth in the Estuary.
- 1.6 We remain extremely grateful to our local partners, particularly Bexley Council, Dartford, Gravesham and Swale Borough Councils and Medway Council in North Kent and Canterbury City and Thanet District Council in the East, together with the Thames Gateway Kent Partnership for highly effective joint working and campaigning.

2. Government Response to Thames Estuary Commission

- 2.1 In June 2018, Sir John Armit reported the findings of the Thames Estuary 2050 Growth Commission which envisaged the Estuary potentially creating 1.3 million new jobs, with a 213% increase in growth (GVA²) generating an additional £190 billion GVA for the national economy. Sir John considered the area able to accommodate at least 1 million new homes, defining it geographically as all those council areas along the River Thames from central London to the Kent and Essex coasts.
- 2.2 Reflecting our local campaigning for "good growth" and for investment into the Crossrail to Ebbsfleet rail link, the Government's response sets

² The measure of the value of goods and services produced in an area.

out its approach, supporting “*sustainable and inclusive growth*” in the Estuary with a strong focus on placemaking “*to make the Estuary a truly desirable place to work, live and do business*”.

2.3 The Government has committed to a series of actions and investments including:

- £1million to establish a new economic growth board
- A Cabinet-level Minister champion
- £4.85million to support local partners develop low cost transport proposals between Abbey Wood and Ebbsfleet
- Exploring the potential for at least two locally-led development corporations
- Launching a strategic communications campaign to promote the Estuary
- Funding for the creative sector in the Thames Estuary Production Corridor
- Collaboration on a Thames Estuary 2100 Plan to ensure growth is sustainable and resilient
- Development of options for a Great Thames Park (as signaled by the Chancellor in Budget 2018)

2.4 Supporting Sir John’s recommendations – and mirroring to a large extent our local priorities - the report includes sections on governance and delivery, sector growth and skills, place-making and the environment and housing and transport and housing.

3. Local action to “generate good growth” in the Thames Estuary

3.1 Projected growth to 2031 in North Kent is for 78,600 new homes with 186,800 more people and up to 80,000 new jobs³. But our argument locally has been that growth has got to be “good growth”. It can’t just be housing – a valid criticism of Sir John’s original Thames Estuary 2050 Commission report. Housing growth needs to be balanced with an increase in “good” jobs and significant infrastructure investment

3.2 Highlighted below are key commitments from Government made in the report supporting local programmes and initiatives.

3.1 Promoting the Estuary

3.1.1 Generating “good growth” has been at the heart of work spearheaded by KCC Leader Paul Carter, Leader of Bexley Teresa O’Neill and local leaders to promote the Thames Estuary as area ideally placed for new investment, jobs and high-quality living. Housing growth needs to be balanced with an increase in good jobs and significant infrastructure investment.

³ 2018, Kent & Medway Growth and Infrastructure Framework, KCC, Maidstone, https://www.kent.gov.uk/__data/assets/pdf_file/0018/80145/GIF-Framework-full-document.pdf

- 3.1.2 To elevate the case for the Estuary, KCC commissioned with Bexley Council a targeted piece of work to look at how we might promote and market the Estuary and make our case for inward investment, both public and private.
- 3.1.3 Positioned above individual projects and initiatives but encompassing all, it gained broad support from local leaders, with its emerging messages of international relevance, business opportunity, location and the quality of life and living within such close-proximity to London.
- 3.1.4 **The Government response commits to Promoting the Thames Estuary:** *We will launch a strategic communications campaign to promote the Thames Estuary as a great place to live, work and do business, supported by a “Year of the Thames” cultural programme. We are working with local partners to promote inward investment opportunities in the Estuary.*
- 3.1.5 It is now for local partners to shape the next steps for this work and to articulate the support needed from Government.

3.2 Linking Crossrail to Ebbsfleet (C2E)

- 3.2.1 Central to our work to promote the Thames Estuary for good growth is the stepping up our longstanding campaign with Bexley, Dartford and Gravesham to link Crossrail (which is currently to end at Abbey Wood) to Ebbsfleet and into HS1 and the wider Kent rail network. As well as supporting growth, improving this link would bring new train capacity, system resilience and destinations across London for long-suffering Kent commuters, together with new connections to support a shift from road to rail and to support growth in Ebbsfleet and new communities across the county.
- 3.2.2 By completing this missing link between Crossrail and HS1, vital new connections between Kent’s rail network and key London hubs like Canary Wharf will be established and, with the construction of HS2, destinations across the country.
- 3.2.3 When operational in the 2020s, C2E will strengthen transport and economic links into North and East Kent stretching from Kent’s coastal towns to the capital, Heathrow and beyond.
- 3.2.4 Working closely with Bexley Council, North Kent Districts and Medway we have continued to champion the link while undertaking technical work leading to the production of a strategic outline business case - the first step in the infrastructure planning process.
- 3.2.5 Reflecting this progress, C2E featured specifically in the draft London Plan and, subsequently, in Network Rail’s own long-term study for Kent. Partners are now developing detailed plans for the next stage of

this work and we continue to engage directly with officials across Whitehall to promote the scheme.

3.2.6 The Government response commits to funding further work on proposals for transport services from Abbey Wood to Ebbsfleet: *We are pleased to announce that we are supporting local partners to develop a business case for enhancing transport services between Abbey Wood and Ebbsfleet and MHCLG will provide £4.85m to support development of low-cost proposals, subject to suitable housing ambition.*

3.3 Devolving governance

3.3.1 Local partners have made the case strongly that a decentralised and localised approach to growth in the Thames Estuary does not need heavy handed governance. The existing partnerships are in many ways a defining feature of the political landscape within the Estuary.

3.3.2 The federated approach we have collectively presented to Sir John Armitt in response to his call aimed to put new delivery mechanisms in place where they are needed and to accelerate our delivery with enhanced Government support.

3.3.3 A new body to replace the Thames Gateway Strategic Group (TGSG)⁴ including with an independent and high-profile chair remains welcome, but as a body championing the merits of the Estuary both domestically and internationally. It must not fall into the trap so correctly identified by Lord Adonis of becoming “consumed by attempting to coordinate a bureaucratic delivery apparatus for the entire area”⁵.

3.3.4 Estuary partners are working to ensure that the proposed “Estuary Envoy” is a joint appointment between local and central Government. The Thames Gateway Strategic Group agreed the fundamental principle for any Estuary-wide governance structure should be that common challenges are tackled collectively, in a way that does not confuse the role of existing, more local, structures.

3.3.5 The Government response commits to strengthening governance: *Creating a £1m strategic board, chaired by an independent Thames Estuary Envoy, which will support delivery of the vision and champion the Thames Estuary with key stakeholder, including local and central government.*

⁴ The Thames Gateway Strategic Group brings together representatives of the 18 local authorities in the area, the LEPs and private sector representatives.

⁵ Adonis, A et al., 2014, Go East, Centre for London, London, https://www.centreforlondon.org/wp-content/uploads/2016/08/CFL_GO-EAST-REPORT-optimised.pdf

3.4 Support for ongoing programmes

3.4.1 In addition, major ongoing programmes and initiatives are supported in the Government's response including the following commitments:

- *Government to award £4.3m from the Cultural Development Fund to support the Thames Estuary Production Corridor, recognising the significant economic impact of this work which could potentially bring an additional 55,000 jobs and £3.4b for the Estuary*
- *Government has made an additional 1,500 medical student places (nationally) available through the nation's largest ever medical training expansion, enabling Canterbury through Christ Church University and the University of Kent to open a new Kent and Medway Medical School.*

3.4.2 Reflecting strong partnership working to support critical infrastructure investment, we also welcome the Government's commitment for "a more strategic approach to decision-making on housing and infrastructure" and that they are "encouraged by early discussions with authorities in Kent and Medway on how Government can support this ambitious plan".

3.4.3 While it is recognised there would be local concern about the potential of new, centrally-imposed Development Corporations in the Thames Estuary, the reference to any proposals being "locally-led" indicates it is for local partners to shape what any such bodies may look like. Our response to the package of proposals therefore remains very positive and we look forward to working with Government to explore these ideas further.

4. Unlocking the potential of the Thames Estuary: next steps

4.1 Recognising the opportunity of the Government's response, KCC has committed to a major launch of the Thames Estuary programme with partners to promote and unlock the potential of the Estuary following the local elections in May. The Secretary of State has indicated his intention to participate.

4.2 This launch will outline our proposed programme with partners to generate good growth in the Thames Estuary by:

- **Refreshing local governance:** Establishing local governance arrangements in North Kent, South Essex and London that will drive local growth with local partners, building on existing successful partnerships and working closely with a light touch Thames Estuary Growth Board. We will continue to work closely with Thames Gateway Strategic Group partners to achieve this, enhancing governance across the Estuary.

- **Launching a Thames Estuary investment campaign:** Putting the Government's announcement into action, we will build on existing work to develop and implement a strategic communications campaign to promote private and public investment into the Thames Estuary.
- **Championing the Crossrail to Ebbsfleet link:** We will continue the development of the Crossrail to Ebbsfleet rail link with local MPs and partners, making the case for this critical infrastructure building further our evidence base and technical feasibility studies to demonstrate value for money, ambition and delivery.
- **Accelerating delivery of major projects:** Recognising the creative industries and healthcare as high priority sectors in the Thames Estuary, we will work with Government and partners to capitalise in particular on the support and investment given to the Thames Estuary Production Corridor and World Class Health Corridor from London to Canterbury to accelerate jobs, high quality health services and opportunities for local people.

4.3 In achieving the above, we note the strengthened working between Local London, Association of South Essex Local Authorities and the Thames Gateway Kent Partnership. We will continue to work closely with these partnerships and directly with Government and local partners to shape governance, define appropriate local development vehicles and build on existing strengths to deliver balanced and good growth in the Thames Estuary.

5. Legal Implications

5.1 None.

6. Financial Implications

6.1 Kent County Council is committed to continuing its support for the development of the Crossrail to Ebbsfleet (C2E) link and the Thames Estuary Production Corridor.

6.2 It is unclear at present how additional funding agreed in the Government response will flow.

6.3 Staff time linked to these initiatives should be considered an in-kind contribution.

7. Equalities Implications

7.1 EQIAs will be prepared for each individual project.

8. Data Protection Implications

8.1 None.

9. Conclusion

9.1 The Government's response to the Thames Estuary Commission provides a significant opportunity to shape growth and to attract new private and public investment into Kent. It is important that we work together with partners to unlock the huge potential of the Thames Estuary, shaping growth and investment to deliver our local ambitions.

Recommendation

The Committee is asked to note the paper and the opportunities for "good growth" including plans for a major launch with partners to promote and further unlock the potential of the Thames Estuary.

10. Contact details

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Appendices

1. HMG (2019): Government response to the Thames Estuary 2050 Growth Commission: <https://www.gov.uk/government/publications/thames-estuary-2050-growth-government-response-to-commission>