

**Monday 21 May 2018, 5.00-7.00pm**

**Village Hotel, Forstal Road, Maidstone, ME14 3AQ**

**AGENDA**

	<b>Approx time</b>	<b>Page</b>
1. Welcome, introductions and apologies for absence	5.00	-
2. Declaration of Interests	5.02	-
3. Minutes of previous meeting, matters arising & action tracker	5.05	2 & 13
4. The Turner Prize 2019: <i>Presentation by Karen Eslea, Head of Learning and Visitor Experience at the Turner Contemporary</i>	5.10	-
5. The Tri-LEP Energy Strategy & the Greater South East Energy Hub: <i>Presentation by Jo Simmons, Energy lead at SELEP, Simon Burgess, Senior Consultant at Siemens plc, &amp; Carolyn McKenzie, Head of Sustainable Business and Communities at Kent County Council</i>	5.40	-
6. The LEP Review	6.15	17
7. Local Growth Fund 1, 2 & 3: Delivery Progress Report	6.30	22
8. AOB, including LEP governance update	6.50	57
For information items:		
A. KMEP and SELEP future meeting dates		60

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### ITEM 3A

**Date:** 21 May 2018

**Subject:** DRAFT MINUTES of a meeting of the Kent & Medway Economic Partnership (KMEP) held at the Hilton Hotel, Maidstone on 26 March 2018.

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#### **Attendees:**

##### **KMEP Board Members**

Geoff Miles (Chair | The Maidstone Studios)  
Paul Barrett (C4B Business & Barretts Motors)  
Bob Bayford (Thanet District Council)  
James Beatton (Cripps LLP)  
Paul Carter (Kent County Council)  
Gerry Clarkson (Ashford Borough Council)  
Simon Cook (Mid Kent College)  
Miranda Chapman (Pillory Barn Design Ltd)  
Simon Cook (Canterbury City Council)  
Andrew Bowles (Swale Borough Council)  
Sarah Dance (Sarah Dance Associates)  
Peter Fleming (Sevenoaks District Council)  
Iain Hawthorn (HSBC Bank Plc)  
Douglas Horner (BAB Business Representative)

Alan Jarrett (Medway Council)  
Jeremy Kite (Dartford Borough Council)  
Andrew Metcalf (Maxim PR)  
Keith Morris (Dover District Council)  
Tracy Moore (Tunbridge Wells Borough Council)  
Jane Ollis (IOD)  
Nick Sandford (Business alternate)  
Paul Thomas (Dev. Land Services Ltd)  
David Turner (Gravesham Borough Council)  
Prof. Mike Weed (Canterbury Christ Church University alternate)  
Fran Wilson (Maidstone Borough Council)  
Paul Winter (Wire Belt Company Limited)

##### **Observers & Presenters in attendance**

Allan Baillie (KCC), Kevin Burbidge (GBC), Lee Burchill (KCC), Gerogina Button (SELEP), Nicholas Churchill (CCC), Barbara Cooper (KCC), Mark Dance (KCC), John Foster (MBC), Graham Hammond (SDC), Johanna Howarth (KCC), Dave Hughes (KCC), Tim Ingleton (DDC), Tracey Kerly (ABC), Tomasz Kozlowski (MC), Matthew Norwell (TGKP), Sarah Nurden (KMEP), Andrew Osborne (ABC), Mark Raymond (TMBC), Hilary Smith (TWBC), Andrew Stirling (SDC), Emma Wiggins (SBC), Sarah Wren (KCC).

#### **Apologies:**

##### **KMEP Board Members**

Sarah Dance (Sarah Dance associates), Nick Fenton (Kent Developers Group), Jo James (Kent Invicta Chamber of Commerce), David Monk (Shepway District Council), Jon Regan (Hugh Lowe Farms Ltd & Weald Granary Ltd) & Prof. Rama Thirunamachandran (CCCU).

## **Item 1 – Welcome, introduction and apologies.**

- 1.1 Mr Geoff Miles (the KMEP Chairman) welcomed attendees to the meeting, and accepted the apologies as listed above.
- 1.2 The Chairman advised attendees that the Kent and Medway Business Advisory Board had voted on 8 March 2018 to elect Geoff Miles as its Chairman, and Jo James and Douglas Horner as its two Vice-Chairmen, for the next two-year term.

## **Item 2 – Declarations of interest**

- 2.1 No declarations of interest were received.

## **Item 3 – Minutes of previous meeting, matters arising and action tracker**

- 3.1 A correction was made by Douglas Horner to the draft minutes of 29 January 2018. 'Project Director for the Lower Thames Crossing' should replace 'HE Director' in paragraph 3.3.
- 3.2 Apart from this correction, the minutes of the previous meeting were agreed as a correct record and signed by the Chairman accordingly.
- 3.3 Sarah Nurden (the KMEP Strategic Programme Manager) advised board members that two events had taken place since the action tracker was circulated:
  - Highways England held a A282 stakeholder event on Friday 23 March; and
  - Network Rail held a Kent Route Study stakeholder event on Friday 23 March.An email had been sent to board members with feedback on these two sessions.

## **Item 4 – East Kent Growth Framework: Presentation by Simon Cook**

- 4.1 Simon Cook (Leader of Canterbury City Council) delivered a presentation on the East Kent Growth Framework; his key messages included:
  - East Kent is important to the regional economy: 40% of Kent's workforce are employed in East Kent and the area provides England's largest single access point with 40% of trade going through the Port of Dover, the Port of Ramsgate, and the Channel Tunnel.
  - To date, East Kent has been allocated Local Growth Fund investment of circa:
    - £6m for the Kent & Medway Engineering, Design, Growth & Enterprise (EDGE) Hub
    - £6m for the A28 Sturry Link Road
    - £5m for Dover Western Docks
    - £5m for Folkestone Seafront
    - £20m for the M20 Junction 10a
    - £10m for Ashford Spurs project, and
    - £10m for Thanet Parkway railway station.
  - Brexit will be especially challenging for East Kent if customs checks introduce a time delay to vehicles and freight passing through border points. A one-minute delay at the border would result in a 30-mile queue. A two-minute delay would result in a queue from Dover to the west of Maidstone on the M20.
  - The objectives in East Kent are to:
    - Invest in infrastructure to unlock growth

- Encourage the delivery of new additional business space, with the latest data showing significant demand for office space.
- Increase East Kent productivity, which is currently lower than the Kent and South-East averages.
- Make best use of the Higher and Further Education establishments.
- To support and deliver the placemaking agenda.
- The five critical and nationally significant investment priorities for East Kent are:
  - **A2/M2 strategic network improvements** – While the Lower Thames Crossing is not in East Kent, it is critical that improvements are made across Kent & Medway to support new travel patterns and to enable free-flowing access to the Ports/Eurotunnel. This includes widening the M2/A2, which is single or dual carriageway for much of its length.
  - **M20/A20 improvements** – which includes the delivery of the new M20 junction 10a, a solution to Operation Stack, HGV overnight parking and access to the Port of Dover.
  - **Rail capacity, speeds, frequency and associated infrastructure improvements** – including the delivery of Ashford Spurs, Westenhanger Station enhancement, and Thanet Parkway.
  - **A28 corridor artery improvements** – The A28 is the major road linking Thanet to Ashford via Canterbury. The A28 corridor requires eight separate but connected transport infrastructure projects to be delivered to improve road links, address bottlenecks and ease problems of congestion.
  - **Investment in Higher/Further Education, Innovation and Productivity** - in order to enhance further our capacity to drive forward growth.
- East Kent members asked to work together with KMEP to lobby the government and local MPs to deliver the objectives and investment priorities listed above.
- East Kent members wish to see their priorities reflected in the South East LEP's Strategic Economic Plan, and other local strategies.
- The SELEP Strategic Board decided at its last meeting that all LGF projects should come forward for the award of funding by February 2019. If this does not occur, the LGF could be reallocated to another new project. Simon Cook requested KMEP/SELEP prioritises projects delivering much-needed commercial/office space to receive any reallocated LGF funds.

#### 4.2 In response to the presentation, the following comments were made:

- Geoff Miles referred to the HS4Air proposal that has recently been advertised in the local press. The proposal, developed by Expedition Engineering, requests a high-speed connection that links the existing HS1 line (at Ashford) with the planned HS2 line, passing via both Gatwick and Heathrow Airports. Geoff Miles is eager to find out more details about this proposal, as it could produce substantial economic benefit. Douglas Horner seconded this. He felt a link to Heathrow from East Kent would help drive demand for high-quality business space in East Kent.
- Jane Ollis is a non-executive Director of East Kent Hospitals University NHS Foundation Trust. This Trust performs the second highest quantity of research across the country.
- This NHS Trust has been involved with the two local universities in developing the Kent and Medway Medical School proposal, which has recently been endorsed by central government. The ambition is to develop a medical school that will become a beacon for first-class medical education and research.
- Simon Cook spoke of the great strengths of the Discovery Park and Kent Science Park in life-science research.

- Prof. Mike Weed endorsed the Kent and Medway Medical School and EDGE Hub. The Medical School will operate on a distributed model, rather than being centralised. In 2025, the first medical students will graduate. Work is required to secure the entirety of the funding package, and to ensure buy-in from the health economy and wider stakeholders.
- Tracy Moore welcomed the East Kent Growth Framework, and suggested a similar document could be useful to make the case for investment in West Kent, where there is an acute shortage of business space. 200,000sq.ft. of office space has been lost to the residential market. She commented on the need to drive forward the skills agenda across the county, and commented that West Kent has no university presence, apart from CCCU's Salomons Centre for Applied Psychology.
- Nick Sandford referenced the importance of rolling-out new digital technologies and broadband, particularly for rural areas and SME businesses. He would welcome the inclusion of this in the East Kent Growth Framework.
- Peter Fleming emphasised the importance of the rail infrastructure to Kent, and particularly to Sevenoaks, from where four million journeys are made per annum – one of the highest usage levels in the county. To increase train capacity from Sevenoaks, investment is required to upgrade the power supply, to modernise the signalling, and to widen the tunnels. At a recent Network Rail event, no investment was identified for West Kent. A decision has also been made to remove the Sevenoaks stop from the Hastings to London train service; consequently, a significant number of school children now need to change at Tonbridge and take a second train. He requested that future investment includes improving rail connectivity in West Kent.
- Fran Wilson spoke about new infrastructure investment being predicated on the delivery of new houses. There is a need for KMEP to send a strong message to government that the local authorities are delivering and will continue to deliver homes, but the new investment is needed now for the existing and future communities. A fresh approach to conversing with the government may be required.
- Douglas Horner emphasised the need for extensive new infrastructure; incremental changes to the Victorian infrastructure will not suffice.
- Paul Thomas highlighted the importance of the infrastructure priorities being included in the Kent and Medway Growth and Infrastructure Framework. He said the creative industries are being particularly affected by the permitted development rights (PDR) legislation; a collective SELEP voice on PDR would be helpful. He also referred to the need for the government to consider peak traffic flow, not only average traffic flow when deciding on road investment. Tourism events (such as the Open in Sandwich) and high-profile disruption (such as Operation Stack) show the importance of road investment in Kent.
- Jeremy Kite emphasised the need to deliver the housing required by central government, and for the infrastructure to be concurrently built out. He stressed the need for the Lower Thames Crossing and road improvements in North Kent, as well as East Kent. A vast number of the lorries passing through the Port of Dover travel across the Dartford Crossing. The difference in districts' sector strengths was emphasised, with construction being a prominent sector in Dartford.
- Miranda Chapman felt all districts telling one big story for East Kent was helpful.
- Simon Cook, in response to Miranda Chapman's questions, spoke of the sector strengths in East Kent, which are:
  - Life Science
  - Tourism
  - Education

- Logistics, and
- Creative.
- Simon Cook spoke of the need to retain more university graduates to help boost productivity. Statistics show further education students tend to remain in Kent, whereas higher education students do not stay in Kent following graduation.
- Paul Carter said the East Kent Growth Framework compliments the Kent and Medway Growth and Infrastructure Framework, and Growth without Gridlock. Kent has been successful in securing funding from Government (e.g. High Speed 1, the Lower Thames Crossing, etc), however further investment is required to finish the job (new Brenley Corner, dualling at Lydden, etc). A top rail priority for Kent County Council is to secure the extension of Crossrail from Abbey Wood to Ebbsfleet. A journey from Dartford station to London Charing Cross currently takes 54 minutes to travel fewer than 20 miles. The Crossrail extension has a significantly lower cost compared to the other High-Speed schemes proposed (i.e. HS2, HS4Air).
- Andrew Metcalf asked about the progress of Otterpool Park. Graham Hammond explained that Homes England, the government's new national housing agency, has completed the purchase of 60 hectares of land in the area earmarked by Folkestone & Hythe District Council for Otterpool Park. The land that Homes England has bought from Somerston Capital lies near junction 11 of the M20, between Lympe and the Lympe Industrial Estate.
- Andrew Bowles stressed the need to deliver a redesigned Brenley Corner.

4.3 The KMEP Chairman thanked Simon Cook for the presentation. The full Framework is available to view at: <http://kmep.org.uk/news/info-page/east-kent-growth-framework-march-2018>

## **Item 5 – SELEP Strategic Economic Plan**

5.1 The KMEP Chairman welcomed Georgina Button (SELEP Strategy Manager) to the meeting. She referred to the engagement undertaken since December in developing the Strategic Economic Plan (SEP):

- Continued SEP discussions have been carried out with the SELEP sector working groups, which includes representatives from the local federated areas.
- The comments captured at the December SELEP Strategic Board have been reviewed and SELEP has acted on the recommendation of informally convening various LEP partners and stakeholders to help progress the development of the SEP.
- It was stated at the December SELEP Strategic Board that the SEP is a visionary document and not a bidding document. Subsequently Georgina Button commissioned Thinking Place to facilitate the development of the vision narrative. A two-day writing session has been arranged with Thinking Place. Attendees on day one from Kent and Medway included Matthew Norwell, Tim Waggott, Alistair Upton, Sunny Ee and Sarah Nurden. The day-two session is still to occur.
- The question has been posed to central government on how local industrial strategies will align to Strategic Economic Plans and which organisation will be responsible for their production. An answer is yet to be given.

5.2 With regard to next steps, Georgina Button explained:

- Thinking Place is to run the day-two session with stakeholders;
- Thinking Place is to present results of the facilitated vision shaping and action setting activities to SELEP secretariat, which will then be shared more widely;

- Specific economic data to support the challenges and opportunities for each draft ambition and action will be extracted from SELEP’s phase 1 consultation responses and evidence base, and via direct requests throughout April;
  - Engagement with businesses, federated boards and SELEP working groups will continue between now and June;
  - A meeting will be arranged for Kent and Medway businesses in the month of May;
  - An additional single agenda item meeting will be arranged for KMEP to consider the messages it wishes to include in the SEP;
  - The draft SEP will be presented to the SELEP Strategic Board in June for endorsement; and
  - A launch event, and stakeholder and media engagement will continue from June onwards.
- 5.2 In response to the presentation, KMEP noted the work underway, and said meaningful and timely engagement with the full remit of stakeholders, and especially the federated boards, was required for the SEP to reflect the local federated economies across the SELEP geography. Requests were made for more extensive and frequent engagement with the federated boards and particularly with the local authority leaders and officers, and for there to be ample time to review and influence the draft plan. The consensus view was that engagement to date had been insufficient. KMEP members felt the SEP ought to reflect local, democratically-chosen priorities, and a request was made to Georgina Button for additional engagement, above the level she outlined in her next steps, with the local authority leaders. A further request was made for an evidence-based assessment of the growth sectors in the South East.
- 5.3 The Chairman thanked Georgina Button for attending, and asked Board Members to look out for the additional meeting date(s) that will be circulated in due course.

## **Item 6 – Creative Open Workspaces Masterplan**

- 6.1 The KMEP Chairman welcomed Sarah Wren (Kent County Council’s Arts and Regeneration Officer), who was presenting on behalf of Sarah Dance (co-Chair of the South East LEP Creative Economy Network (SECEN)).
- 6.2 The SECEN working group has been developing a draft Creative Open Workspaces Plan, as evidence (especially from East London) shows that co-location of SMEs in affordable and appropriate workspaces helps the creative sector to flourish and supports regeneration of the area (including land-value uplift). Sarah Wren explained that SECEN would welcome KMEP’s views on the proposal before the draft plan is taken to the SELEP Strategic Board in summer.
- 6.3 Comments made by Sarah Wren during her presentation included:
- The Government has acknowledged the creative industries as a strategically important sector in its Industrial Strategy white paper.
  - Creative industries are now the fastest growing sector in the UK economy, growing twice as fast as any other sector, according to Nesta’s report ‘Creative Nation’.
  - Sarah Wren gave a few statistics to evidence the impact locally:
    - In Gravesham, there has been 150% growth in creative industry businesses in the last 5 years.
    - In Tunbridge Wells, creative businesses represent 11% of all businesses.

- In Folkestone and Hythe, the number of creative businesses rose from 244 to 438.
- The work of SECEN covers multiple strands:
  - Strand 1: SECEN is working with the Greater London Authority (GLA) on the concept of a **Thames Estuary Production Corridor** to facilitate complementary creative business clusters and facilities, and to contribute to on-going creative business growth. More detail on TEPC will be brought back to a future KMEP meeting.
  - Strand 2: The **South East Creative Cultural and Digital Support** programme (SECCADS) will see a bespoke package of business support delivered locally within creative industry clusters, (but with links into the SELEP Growth Hub). This is funded via the European Regional Development Fund.
  - Strand 3: The **Cultural Tourism** and the **Culture Coasting projects**, which encourage cultural initiatives that will increase tourism to the region and coastline.
  - Strand 4: SECEN is working with Creative and Cultural Skills (the National Academy for Skills and Training for the UK's Creative and Cultural industries) to develop a work programme called **Talent Accelerator**, which will support the talent pipeline for creative industries, address the need for a STEAM education, match training to skills gaps in the industry and develop clearer training pathways.
  - Strand 5: The **Creative Open Workspace Masterplan**.
- The actions within the draft Creative Open Workspace Masterplan include:
  - Explore options and business strategy for accessing existing and new finance; and setting up governance models;
  - Create a pipeline of projects, that are investment ready, based in exciting clusters and opportunity areas;
  - Develop cultural planning policy that supports the inclusion of creative workspace;
  - Identify a minimum of three Creative Enterprise Zones; and
  - Create a SELEP-wide workspace 'property portfolio'
- At a future SELEP Strategic Board meeting, a request may be made by SECEN for a small amount of sector support funding to act as seed money to help SECEN further populate and develop the action plan.

#### 6.4 In response to the presentation, the following comments were received:

- Sarah Wren clarified for Simon Cook that SELEP will not be the owner of properties in the 'SELEP-wide workspace property portfolio'.
- Jeremy Kite spoke of the need to capture the civilising element of the creative industries, which is not always economically sustainable. This is the element that inspires communities, helps people to reflect, and improves wellbeing. Creative businesses can have lower sustainability, and few of the best cultural industries exist without a subsidy, however that does not make their contribution to society less worthy. He asked Sarah Wren to clarify if the masterplan included this point. In response, Sarah Wren said the masterplan considers this issue, however the onus is on the creative industries to be financially sustainable.
- Jeremy Kite spoke of the ability of other sectors to outbid creative industries for commercial workspace. Sarah Wren agreed this was a concern, and a reason why a cultural planning policy was required. Permitted Development Rights legislation, which causes the loss of commercial space, is hampering the creative industries.

- Gerry Clarkson echoed Jeremy Kite’s point on making investment decisions based on the worth of the creative sector, and not solely on a profit/loss statement. Ashford Borough Council supports Jasmin Vardimon Company (an international dance company, which is a ‘National Portfolio Organisation’) which contributes cultural benefits to society.
- Tracy Moore said Tunbridge Wells Borough Council, with Kent County Council, has committed to investing over £90m investment in a new cultural hub and civic development. The hub will bring together the museum, art gallery, library, adult education and tourist information in one building, and will see a new 1,200 seat theatre and new office space brought to the town. This frees up the old Town Hall, which could potentially be a site for some employment space for the creative sector. TWBC and KCC are refreshing the town planning creative consultancy report presently. Tunbridge Wells has a significant number of creative businesses, but it is difficult for successful firms looking to expand to find grow-on space. It is therefore an opportune time for the Masterplan work to be undertaken.
- Nick Sandford lets units to artists. In his experience, artists prefer low business rates and need flexible low-cost accommodation. He commented on how art and culture can act as the vanguard, and regenerate an area to allow other sectors and development to move in. Nick Sandford suggested establishing a rolling programme providing creative individuals with opportunities to move around the county, helping to regenerate areas.
- Sarah Wren commented that SECEN is looking to create a cohort of creative entrepreneurs that can support other creative businesses going forward.
- Simon Cook of Mid-Kent College is keen to enter into dialogue with SECEN, and consider the synergies between the guild work and SECEN’s work. Contact details were exchanged.

6.5 The KMEP Board agreed to approve the draft report and actions, and agreed that SECEN should submit the plan to SELEP for LEP-wide endorsement. The Chairman thanked Sarah Wren for attending.

## **Item 7 – Local Growth Fund Delivery Monitoring Report**

- 7.1 Lee Burchill (Kent County Council’s Local Growth Fund Manager) presented the LGF Delivery Monitoring Report. He made the following clarifications:
- The total Thanet Parkway LGF allocation is £10m, and
  - The Sturry bus lane scheme is amber RAG-rated.
- 7.2 Lee Burchill notified board members of the following principles, which were all approved by SELEP’s Strategic Board at its last meeting in March:

**Principle 1** - All projects identified in the LGF programme which have not been approved by the SELEP Accountability Board to date must come forward with a business case which can demonstrate deliverability, for a funding decision by the SELEP Accountability Board by no later than 15 February 2019.

**Principle 2** - If projects are unable to come forward for the award of funding by the SELEP Accountability Board meeting by the 15 February 2019, then recommendations will be made to the next meeting of the Strategic Board for the re-allocation of funding.

**Principle 3** - The SELEP Strategic Board will be asked to endorse the prioritisation of the LGF underspend following the approach to be agreed by the Strategic Board at its meeting on the 29 June 2018. The promoting authority will have the opportunity to make the case to the SELEP Board for the re-allocation of funding to alternative project(s) prioritised by the Federated Boards which can demonstrate delivery by the end of the Growth Deal period.

- 7.3 The Independent Technical Evaluator (ITE) has to assess every business case prior to its presentation at a SELEP Accountability Board meeting. The ITE's deadline to receive business cases, prior to SELEP's February 2019 Accountability Board, is November 2018.
- 7.4 For the schemes listed in Appendix B of the 26 March report, Lee Burchill will be looking for approval before February 2019.
- 7.5 The following comments were made in response to the presentation:
- Paul Carter recalled a senior MHCLG representative was recently asked how SELEP compares to other LEPs in terms of LGF spend to date. The civil servant said one LEP has spent only 8% of its LGF allocation which shows the complexity of delivery.
  - In response to a question from Paul Thomas, Barbara Cooper updated KMEP on the A28 Chart Road project. She said:
    - Kent County Council (KCC) and Ashford Borough Council (ABC) have worked closely together to progress the A28 Chart Road scheme, which is linked to the Chilmington Green development (for 5,750 homes). The two schemes must progress together. This is stated in ABC's local plan.
    - KCC and ABC have completed the CPOs, acquired the land, secured business case approval from the SELEP Accountability Board, worked with Network Rail and the utility companies, given outline planning permission, and KCC is ready to go on site.
    - An issue has arisen however. The agreed funding arrangement with the Chilmington Green developer is that KCC forward fund their contribution to the project which is paid back over a ten-year period.
    - To safeguard KCC against any risk of non-payment and to recover interest charges, the agreement included a provision for the developer to provide a security bond prior to awarding the construction contract.
    - The 6-week security bond notice was issued to the developer on 14 December 2017, requiring the bond to be provided by 26 January 2018. The bond is still outstanding, and KCC is unable to progress the project until this is provided.
    - KCC and ABC have met with the Secretary of State and Homes England to seek a solution to this issue. Homes England is involved with this development and have first charge on the land. However, Home England have not come forward with a solution so far. KCC and ABC continue to explore every option, but without having the first charge on the land, ABC cannot underwrite the sum.
  - Gerry Clarkson confirmed that the developer can only build 400 homes at Chilmington until the dualling of the A28 is complete. The lack of the bond means that the project will have to be delayed. The delay is likely to increase project costs and will mean that the pace of housing delivery will be decelerated. This is contrary to central government's housing ambitions.
  - Peter Fleming commented on the Fort Halsted project. The Defence Science & Technology Laboratory (DSTL) has reprogrammed its relocation from Fort Halstead to Porton Down to December 2020; this is several years behind the original schedule. As LGF funding must be spent by March 2021, and the current tenants may not leave the site until 2020, the delivery of a scheme and spend of the LGF allocation before March

2021 is unlikely. This would mean that 450 new homes would not be built, and this is a significant number for Sevenoaks.

- Frustration was expressed on the lack of urgency shown by some national agencies and government departments to deliver on time and on budget, and to deliver the Government's housing objectives.
- Gerry Clarkson commented on the need for a forward funding mechanism, which would support projects like the A28 Chart Road and the M20 Junction 10a (which has faced similar issues).
- Jeremy Kite commented on the various rounds of business case development that must be completed before LGF funding is awarded. Lee Burchill explained that this multi-phase approach is a central government requirement placed upon all local enterprise partnerships.
- With respect to the Dartford Town Centre project, the business case will be presented to the SELEP Accountability Board for approval on 27 April 2018. The ITE has issued a few comments following the gate 2 review; action is being taken to resolve any issues, and officers expect that the business case should be approved.

7.6 The KMEP Board expressed a wish to write to the Prime Minister about the A28 Chart Road project, and the Chairman asked KCC and ABC to formulate a draft letter. The Chairman thanked Lee Burchill for his presentation.

## **Item 8 – Governance & Transparency of LEPs**

8.1 Sarah Nurden (KMEP Strategic Programme Manager) presented the report on governance and transparency of LEPs. Her comments were:

- There is increasing national scrutiny of LEPs as the report sets out.
- The Parliamentary Public Accounts Committee (PPAC) is particularly looking at how LEPs operate because there was a question over whether there had been misappropriation of public funds by the Chairman of the Greater Cambridge Greater Peterborough (GCGP) LEP. The DCLG review did not find evidence of the misuse of public funds, however it concluded that GCGP LEP's assurance framework did not comply with the national standard. The PPAC has asked government to consider the effectiveness of its oversight mechanism of LEPs.
- The Government has issued a new National LEP Assurance Framework and undertaken an audit of all 38 LEPs.
- SELEP was informed that it was rated inadequate following the initial audit. The SELEP Managing Director understands that this assessment was predominantly based on a desk-based binary analysis of whether information was available on the SELEP website. The precise process undertaken remains unclear.
- This assessment triggered a deep dive audit, led by the Government Internal Audit Agency. A letter written following the deep dive shows SELEP is no longer deemed inadequate but as requiring improvement. The letter sets out some key actions that the Government wants SELEP and its federated boards to undertake.
- This has led to some changes being needed to KMEP's Terms of Reference, which were highlighted in the report.
- Sarah Nurden alerted board members that a £50 gift and hospitality limit should be included in the draft terms of reference.
- The importance of board members declaring their interest(s), via completing the form and announcing any conflict at the start of the meeting, was stressed.

8.2 The following comments were made in response to the presentation:

- Guidance was given that membership of political parties and shareholdings in the SELEP area must be declared.
- Comments were made that the form is not user-friendly, and that the government is asking for commercially sensitive personal data to be placed online. This appears to conflict with the new GDPR regulations.
- Local authority board members commented how the form differs from the declaration of interest form for council members. They felt one form to cover both activities would reduce duplication.

8.3 The KMEP board endorsed the revised terms of reference and requested that strong representations are made to government about their concerns on the sharing of personal data.

### **Item 9 – Any Other Business**

9.1 The KMEP Strategic Programme Manager explained that she would be emailing board members to request suggested agenda items for the next KMEP summit with the local MPs. The KMEP Chairman expressed his desire to broaden the business attendance at this summit, by inviting the Kent Ambassadors and other businesses to attend.

**ITEM 3B**

**Date:** 21 May 2018

**Subject:** Action Tracker and Progress Update

The table below provides a brief update on matters previously discussed by the Board, central government policy and consultation announcements, and give notices about forthcoming events.

Topic	Progress update
South East LEP's Strategic Economic Plan	<p>Businesses and educators are invited to a SEP engagement event on Friday 25 May being held from 10.30am to 12.30pm at the Kent Invicta Chamber of Commerce. To attend, please click on the following link:  <a href="https://www.kentinvictachamber.co.uk/events/sep-engagement/">https://www.kentinvictachamber.co.uk/events/sep-engagement/</a></p> <p>A separate meeting for the Local Authority Leaders has been arranged for 5 June.</p>
Governance & Transparency	<p>In accordance with the national requirements, induction meetings have been held with the following individuals that are joining the KMEP board:</p> <ul style="list-style-type: none"> <li>• Gavin Cleary (business member)</li> <li>• Richard Finn (business member)</li> <li>• Bob Bayford (local authority leader)</li> </ul> <p>An induction meeting will be offered to the new Maidstone Borough Council Leader, once they have been appointed.</p>
SELEP Skills Strategy update	<p>On 23 November 2017, the SELEP Skills Lead attended the KMEP to seek board members' views on a skills strategy for SELEP. (Full details of your comments can be found in the minutes at <a href="http://kmep.org.uk/documents/KMEP_Board_Papers_-_29_January_2018.pdf">http://kmep.org.uk/documents/KMEP Board Papers - 29 January 2018.pdf</a>).</p> <p>In response to your feedback at this meeting, she has:</p> <ul style="list-style-type: none"> <li>• Produced district tables to show the variations at local level</li> <li>• Engaged with the Creative sector group on a report to describe the sector more fully (in development)</li> <li>• Written to the Skills Minister outlining some of the current challenges with the apprenticeship levy which has resulted in a decline in starts</li> <li>• Worked with the Construction and Industry Training Board to finalise the in-depth analysis of Kent, Medway and East Sussex (to be added to the SELEP website this month)</li> <li>• Started responding to the suggestions for action including putting forward a proposal to DCMS to become one of the first Digital Skills Partnership areas nationally and with DWP to become a pilot area for</li> </ul>

	<p>inclusive employment</p> <ul style="list-style-type: none"> <li>• Shaped our remaining ESF to respond to areas of need such as tutor shortages, leadership and management, sector skills and assisting people in entry level jobs to progress</li> <li>• Had an engagement session with our Growth Hubs, National Apprenticeship Service, Careers Enterprise Company and DWP to share the vision for skills and explore joint working.</li> </ul>
SELEP meetings	<p>The South East LEP's Accountability Board met on 27 April 2018. The following KMEP business cases were approved:</p> <ul style="list-style-type: none"> <li>• Dartford Town Centre Transformation (LGF project)</li> <li>• The Fitted Rigging House (GPF project)</li> </ul> <p>The Rochester Airport report was deferred to the next board meeting on 15 June 2018.</p>
London Resort	<p>London Resort Company Holdings Ltd has recently issued a press notice, that it is formally confirming its intention to submit The London Resort Development Consent Order application in 2019. This is later than KMEP was previously advised.</p> <p>The KMEP Chairman is therefore writing to LRCH to request that a KMEP business delegation meet the team from London Resort and the Peninsula team separately to get a better understanding of the issues facing both sides at the earliest opportunity.</p>
KMEP summit with MPs	<ul style="list-style-type: none"> <li>• A date of the afternoon of Friday 20<sup>th</sup> July has been offered by Helen Whately's office.</li> <li>• A request has been sent to KMEP and BAB board members requesting their views on potential agenda items. In summary, the suggestions received so far include: <ul style="list-style-type: none"> <li>○ Unlocking the delivery of <b>quality commercial floorspace</b> and serviced offices in Kent.</li> <li>○ The impact of <b>Brexit</b> – on labour market supply, import costs, business confidence, custom controls, port logistics and the <b>movement of freight</b>.</li> <li>○ <b>Forward funding</b> mechanisms</li> <li>○ <b>Placemaking</b> &amp; planning</li> <li>○ Local views of how to <b>scale up business activity</b> – for example, making greater use of university incubation hubs.</li> <li>○ Initiatives that could support recruiting individuals with the <b>correct skill set</b>.</li> <li>○ How government could help fight against <b>the increasing risks of internet fraud</b> and cybercrime.</li> <li>○ <b>Growing food</b> in the Garden of England, and the infrastructure required.</li> </ul> </li> </ul>
Recent government announcements that could be of interest to KMEP include:	<ul style="list-style-type: none"> <li>• £20m boost for business innovators powering the UK's hydrogen economy (11 May) - <a href="https://www.gov.uk/government/news/20-million-boost-for-business-innovators-powering-the-uks-hydrogen-economy">https://www.gov.uk/government/news/20-million-boost-for-business-innovators-powering-the-uks-hydrogen-economy</a></li> <li>• New environmental law to deliver a Green Brexit (10 May) - <a href="https://www.gov.uk/government/news/new-environment-law-to-deliver-a-green-brexit">https://www.gov.uk/government/news/new-environment-law-to-deliver-a-green-brexit</a></li> <li>• Digital rail revolution will reduce overcrowding and cut delays (10 May) -</li> </ul>

<https://www.gov.uk/government/news/digital-rail-revolution-will-reduce-overcrowding-and-cut-delays>

- Government calls on technology firms to help tackle the UK's biggest challenges (10 May) - <https://www.gov.uk/government/news/government-calls-on-technology-firms-to-help-tackle-the-uks-biggest-challenges>
- PM announces £3m to support creative projects in the Northern Powerhouse (8 May) - <https://www.gov.uk/government/news/pm-announces-3-million-to-support-creative-projects-in-the-northern-powerhouse>
- Farm inspection review announced (3 May) - <https://www.gov.uk/government/news/farm-inspection-review-announced>
- Developing cutting-edge commercial ideas: apply for funding (26 April) (£20m available) - <https://www.gov.uk/government/news/developing-cutting-edge-commercial-ideas-apply-for-funding>
- Employment rate reaches another record high (17 April) - <https://www.gov.uk/government/news/employment-rate-reaches-another-new-record-high>
- Home England investment accelerates development of more than 5,000 homes at Ebbsfleet Garden City (12 April) - <https://www.gov.uk/government/news/homes-england-investment-accelerates-development-of-more-than-5000-homes-at-ebbsfleet-garden-city>
- Sajid Javid announces details of review of local government finance governance and processes (11 April) - <https://www.gov.uk/government/news/sajid-javid-announces-details-of-review-of-local-government-finance-governance-and-processes>
- Smart energy systems: new funding and events (11 April) - <https://www.gov.uk/government/news/smart-energy-systems-new-funding-and-events>
- MPs to debate new legislation to bring long term empty homes back into use (23 April) - <https://www.gov.uk/government/news/mps-to-debate-new-legislation-to-bring-long-term-empty-homes-back-into-use>
- New government initiative to reduce rough sleeping (30 March) - <https://www.gov.uk/government/news/new-government-initiative-to-reduce-rough-sleeping>
- UK energy statistics: statistical press release (29 March) - <https://www.gov.uk/government/news/uk-energy-statistics-statistical-press-release-march-2018>
- New measures to ensure lower emission lorries will pay less (28 March) - <https://www.gov.uk/government/speeches/new-measures-to-ensure-lower-emission-lorries-will-pay-less-to-use-uk-roads>
- Countdown to high speed broadband (28 March) - <https://www.gov.uk/government/news/countdown-to-high-speed->

[broadband-for-all-begins--2](#)

- Creative Industries Sector Deal Launched (28 March) - <https://www.gov.uk/government/publications/creative-industries-sector-deal>

## ITEM 6

**Date:** 21 May 2018

**Subject:** LEP Review

**Report author:** Sarah Nurden, KMEP Strategic Programme Manager

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### Summary

This report provides information on the current review of Local Enterprise Partnerships being undertaken by Government.

The KMEP Board is asked to:

- Note the national LEP Review underway
  - Reflect on the LEP Review's terms of reference and provide their thoughts on:
    - The LEP's role in driving growth and productivity
    - Business leadership and corporate governance structures
    - Accountability through financial reporting and enforcement of transparency
    - Geography and boundary overlaps
    - Organisation capacity and reporting consistency
  - Consider if it wishes to send a letter to Rt. Hon. James Brokenshire MP and Jake Berry MP detailing its views.
- 

## 1. Introduction

1.1 On 11 August 2017, Jake Berry MP and Margot James MP wrote to the Chairmen of the 38 Local Enterprise Partnerships to inform them that central government would be leading a review into the future role of LEPs. The letter can be found in Appendix A. The South East LEP Secretariat has advised that no subsequent correspondence has been received on this topic.

1.2 Information in the public domain implies the LEP Review's terms of reference could be:

- a) **Defining LEPs' role in driving growth and productivity** by bringing greater strategic responsibility for business, people, ideas, infrastructure, and place alongside new organisational structures.
- b) **Business leadership and corporate governance** to ensure that LEPs remain diverse private sector-led organisations that can shape and challenge economic decision making.
- c) **Accountability through rigorous financial reporting** and enforcement of transparency in decision-making
- d) **Geography and boundary overlaps** to ensure clarity, transparency and representation of function economic areas.

- e) **Organisation capacity and reporting consistency** to support LEPs in non-combined authority areas through the options for a common incorporation model, and the standardisation of organisational structures and reporting.

1.3 In terms of timelines, the informal view from a central government officer is that the review may conclude and publish its findings before this year's summer recess.

## 2. New Secretary of State

2.1 Rt. Hon. James Brokenshire MP was appointed as the new Secretary of State for Housing, Communities and Local Government on 30 April 2018. Given this new appointment, it may be timely for KMEP to write to the Secretary of State and Jake Berry MP (who is leading the review) to communicate their views on each of the issues identified in paragraph 1.2 above.

## 3 Views expressed by outside bodies and organisations on the LEP review

### Neighbouring LEP

3.1 Coast to Capital LEP has overlapping LEP boundaries with both the London LEP (at Croydon) and the South East LEP (at Newhaven). Coast to Capital's CEO believes the Government does not intend to reform boundaries unnecessarily, however, the Government will consider the shared boundaries of LEPs, as concerns have been expressed that it causes confusion with businesses and the public, and that it undermines accountability. Coast to Capital has written a letter to Government saying "both Coast to Capital and the South East LEP work very well together and the current [boundary] arrangements do not create any issues for our partners or businesses". A similar letter has been written to the Government saying Coast to Capital wish to retain the shared boundary with the London LEP.

### Feedback given to a University of Kent representative

3.2 In Industrial Strategy discussions, the Director of Innovation and Enterprise at the University of Kent has been told by civil servants that the Government is hoping to receive 38 or fewer local industrial strategies, implying that LEP boundaries may expand in size or remain the same, rather than decrease.

### The County Council Network (CCN) and Grant Thornton UK LLLP

3.3 The CCN, in collaboration with Grant Thornton, published a report on 28 March 2018 called 'Capitalising on the Industry Strategy'. This is available at: <https://www.countycouncilsnetwork.org.uk/re-shape-local-enterprise-partnership-boundaries-to-reduce-complexity-and-drive-local-growth-county-leaders-argue/>

3.4 On pages 19-23, the report displays findings from a recent CCN survey of its member authorities. The survey findings include:

- 85% of counties have a 'good' or 'very good' relationship with their LEP
- 84% believe LEP boundaries should be re-shaped to be co-terminous with counties
- 50% agreed LEPs are 'democratically unaccountable'; 26% answered 'neutral'
- 58% believe that LEPs duplicate the role of the county council, and
- 7% believe that the remit of LEPs in economic growth should be strengthened.

- 3.5 In conclusion, the CCN calls for LEP boundaries to be reviewed and re-shaped so they align with county council boundaries if areas are to make a success of 'localised' industrial strategies.

#### **4 KMEP's Compelling Case**

- 4.1 In 2015, KMEP published the Compelling Case, which is available at:  
<https://democracy.kent.gov.uk/documents/s53547/The%20Compelling%20Case%20for%20Change%20-%20The%20new%20Kent%20Medway%20LEP%20FINAL%2008.07.15.pdf>

- 4.2 The key principles – relating to LEP reform - within this document are:
- The LEP ought to be highly relevant to business, build on a cohesive economic geography, and a deep understanding of our economic challenges and opportunities.
  - Kent & Medway have a coherent economic geography. It is coterminous with the boundaries for a range of public services and has a strong historic identity.
  - Kent and Medway have an excellent business-led partnership in place (formed prior to the establishment of LEPs) and mature governance arrangements.
  - Having a Kent and Medway LEP would increase the pace of delivery of our ambitions.
  - Kent and Medway are vital to the UK's growth, with strategic port, rail and road infrastructure, and contain some of Britain's most important growth locations (e.g. Ebbsfleet).
  - Kent and Medway have the size and scale to deliver effectively.
  - Kent and Medway have a strong business base and opportunities for growth in key sectors.
  - Kent and Medway have a strong track record of success.
  - Due to the scale of the South East LEP, businesses and local government leaders in each county have limited understanding of the detailed priorities of their neighbours, making meaningful decision-making impossible.

#### **5. Partnership approach**

- 5.1 It is unknown currently which LEP model will be central government's preference, however, the KMEP Chairman wishes to state that KMEP is committed to working constructively and positively with partners as part of the model chosen by the Government to achieve the maximum potential economic growth and best outcomes for local businesses and residents.

#### **6. Recommendations**

- 6.1 The KMEP Board is asked to:
- Note the national LEP Review underway
  - Reflect on the LEP Review's terms of reference and provide their thoughts on:
    - The LEP's role in driving growth and productivity
    - Business leadership and corporate governance structures
    - Accountability through financial reporting and enforcement of transparency
    - Geography and boundary overlaps
    - Organisation capacity and reporting consistency
  - Consider if it wishes to send a letter to Rt. Hon. James Brokenshire MP and Jake Berry MP detailing its views.



## Department for Communities and Local Government

### **Jake Berry MP**

*Minister for the Northern Powerhouse and  
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Christian Brodie  
South East LEP



## Department for Business, Energy & Industrial Strategy

### **Margot James MP**

*Under-Secretary of State for Small  
Business,  
Consumers and Corporate Responsibility*

### **Department for Business Energy and Industrial Strategy**

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11 August 2017

Dear Christian,

Thank you for the on-going work and commitment of your LEP. The work you have done in recent years demonstrates how business and civic leaders, working in partnership with universities and colleges, can help business to prosper.

LEPs are an essential part of Government's plan for driving local growth and the Industrial Strategy. They will continue to be critical to our future economic success.

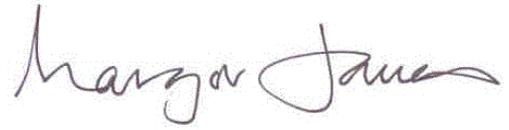
As announced at the LEP Network Management Board, we will be leading a review into the future role of LEPs. As set out in our manifesto we want to explore ways of putting LEPs on a more consistent footing legally, whilst still giving you the freedom and flexibility to attract private sector talent to your boards.

This review reflects our ambition to strengthen the role of LEPs during this Parliament. It is testament to our belief in your institutions and the tangible difference that you have been making on the ground since 2011. The institutional landscape has changed greatly since LEPs were first formed. In many parts of the country, LEPs have now taken on an additional role in voicing the interests of the private sector at mayoral combined authority level.

We want to work jointly with you. This will ensure we arrive at conclusions that will support all local economies, whether urban or rural, and are able to fully capitalise on different strengths and opportunities across the country.

Officials in the Cities and Local Growth Unit will follow up over the summer to set out more detail. In the autumn, we will meet with you and will attend a future LEP Network Management Board to discuss this further. We also intend to convene a wider advisory board of business voices and we will invite a LEP Chair to join this panel.

We look forward to working with you over the coming months, and thank you again for continuing to drive forward the local growth agenda.

Handwritten signature of Jake Berry in black ink.Handwritten signature of Margot James in black ink.

**JAKE BERRY MP AND MARGOT JAMES MP**

## ITEM 7

**Date:** 21 May 2018

**Subject:** Local Growth Fund Rounds 1, 2 and 3: Delivery Progress Report

**Report authors:** Lee Burchill, LGF Programme Manager, Kent County Council  
Helen Dyer, Project Officer (LGF projects), Medway Council

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### Summary

This report provides an update on the progress in delivering Kent and Medway's Local Growth Fund (LGF) programme, including those schemes that were allocated funding as part the most recent round of Growth Deal funding (Round 3).

The Board is recommended to:

1. Note the update on LGF project scheme delivery
  2. Comment on the information contained in the accompanying exempt report relating to the transport improvements to Sandwich Station in advance of the 2020 Open Championship<sup>1</sup>
- 

### 1. Introduction

1.1 £187 million has been allocated from the Local Growth Fund (LGF) round 1, 2 and 3 to capital projects – primarily transport schemes - in Kent and Medway.

### 2 Kent and Medway's forecast LGF spend in 2017/18

2.1 The 2017/18 grant offer letter from central government confirms the grant amount to be paid and the provisional LGF allocation for the current financial year (2017/18). The 2018/19 grant offer letter is likely to be received in June 2018.

2.2 The spend forecast for 2017/18 as reported and agreed by the South East LEP (SELEP) Accountability Board in April 2017, has been set at £31.785m for Kent and £12.296m for Medway. This is the benchmark for which delivery and spend has been monitored against for the 2017/18 financial year and which was adjusted based on reporting to the quarterly SELEP Programme Consideration meetings.

### 3 Spend Profile for 2017/18

3.1 Total Kent LGF Budget for 2017/18 = £31.785m (Agreed at SELEP Accountability Board on 26 May 2017).

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<sup>1</sup> Exempt by virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

- 3.2 New total Kent LGF Budget for 2017/18 = £20.91m (Reported to SELEP Acc. Board on 16 March 2018).
- 3.3 Total Kent LGF Spend for 2017/18 = £19.59m (based on the initial end of year costs, but not confirmed with SELEP).
- 2017/18 Q1 Actual Spend = £3.54m
  - 2017/18 Q2 Actual Spend = £2.68m
  - 2017/18 Q3 Actual Spend = £3.65m
  - 2017/18 Q4 Predicted Spend = £9.72m
- 3.4 Total Medway LGF Budget for 2017/18 = £12.296m (Agreed at SELEP Accountability Board on 26 May 2017)
- 3.5 New total Medway LGF Budget for 2017/18 = £4.749m (Reported to SELEP Acc. Board on 16 March 2018).
- 3.6 The current variance (£12.195m) in the predicted spend for 2017/18 across the Kent programme when compared to the SELEP profile from May 2017 is largely down to the re-profiling of funds into later years for schemes that have been unable to obtain approval of a business case from SELEP Accountability Board in this financial year. This is because of the requirement for LGF schemes to obtain business case approval from the SELEP Accountability Board before funds can be released and spent by the Local Authority or third parties who are delivering the schemes.
- 3.7 The 2017/18 allocations for the following schemes has now been reallocated into future years to align with revised programmes:
- Fort Halstead (£1.53m)
  - Thanet Parkway (£10m)
  - Dartford Town Centre Transformation (£0.2m)
    - A2 off-slip at Wincheap, Canterbury (£0.354m)
  - Leigh Flood Storage Area & East Peckham (£0.091m)
- 3.8 A proportion of the 2017/18 allocation for the following existing schemes has also been re-profiled into later years, following delays in delivery (with the exception of Ashford Spurs). The variance by each scheme is broken down in the table below:

Scheme	Original Forecast £m (April 2017)	Final Spend £m (April 2018)	Variance £m
Thanet Parkway	4.0	0	4.0
Ashford Spurs	8.617	4.173	4.444
Fort Halstead	1.530	0	1.530
Maidstone Integrated Transport	2.148	1.114	1.034
Coastal Communities – Thanet	0.666	0.063	0.603
Tunbridge Wells Jct Improvements (Phase 2)	0.632	0.049	0.583
West Kent LSTF	0.799	0.333	0.466

A226 London Road/B255 St Clements Way	1.302	0.846	0.456
A2/A28 Coastbound off-slip, Wincheap	0.354	0	0.354
A28 Sturry Integrated Transport	0.273	0.056	0.217
Dartford Town Centre	0.200	0	0.200
Kent Rights of Way Improvements	0.297	0.137	0.160
Kent Strategic Congestion Management programme	0.742	0.604	0.138
Sturry Link Road	0.517	0.385	0.132
Kent Sustainable Interventions programme	0.620	0.529	0.091
Leigh Flood Storage Area	0.091	0	0.091
A2500 Lower Road	0.387	0.299	0.088

4.8 KCC will produce an evidence statement for the end of year figures which will be submitted to SELEP in June 2018. This will outline what approval is required from Government to re-profile underspend from 17/18 into future financial years. SELEP have outlined 5 options that are available to the federated areas to deal with underspend for 2017/18.

- Option 1 - Bringing forward of planned future year LGF spend on schemes in the 2017/18 LGF Programme
- Option 2 - Bringing forward of 2018/19 LGF schemes to spend in 2017/18
- Option 3 - Transfer of LGF spend on schemes between partner authorities
- Option 4 - Re-profiling of spend between LGF projects and Wider Capital Programme projects within the Local Authority
- Option 5 - Hold of LGF by SELEP between 2017/18 and 2018/19

4.9 As with previous years, the preferred option for both KCC will be to identify schemes that can be accelerated to help with wider programme underspend (Option 1 and 2). The following schemes will be accelerated to reduce the overall programme underspend:

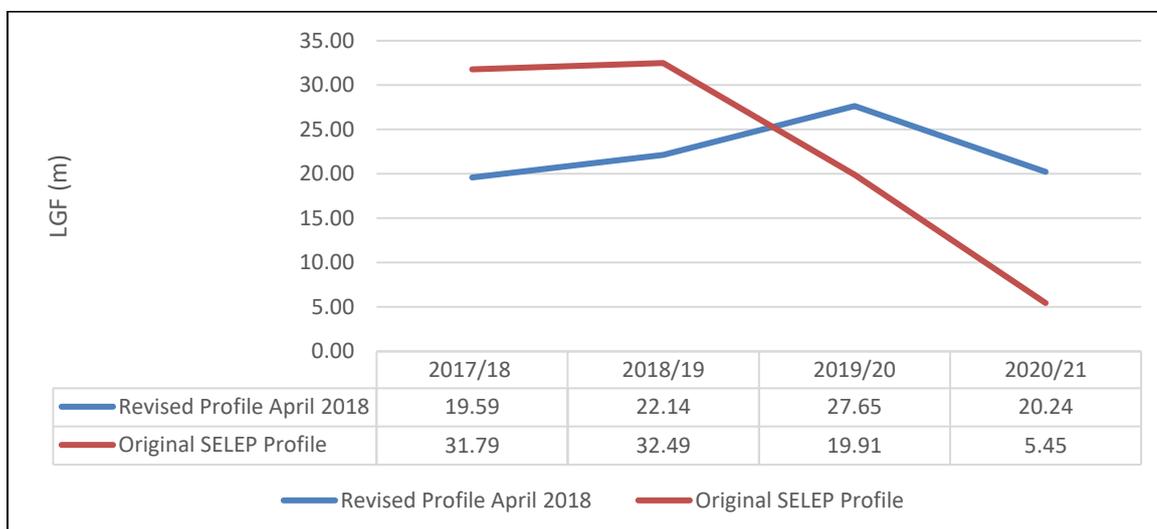
- Kent and Medway EDGE Hub (£0.833m);
- A28 Chart Road \* (£0.954m);
- Innovation Investment Fund - I3 (£0.337m);
- Kent Thameside LSTF (£0.249m)

\* This figure may change depending on approval from KCC Capital finance - Further spend currently on hold while scheme options considered.

4.10 For the remaining underspend, to reduce the need to carry out a larger wider capital programme swap (Option 4), the March Accountability Board meeting agreed for the outstanding funds not requested by KCC to be held by SELEP and carried forward to the next financial year (Option 5). The current estimate for the Option 4 KCC capital swap is £2.4m.

4.11 The chart below highlights a revised profile of spend for the remaining years of the Kent programme which will also be presented to SELEP at the next Accountability Board

meeting on 15 June 2018. The original profile of spend was high in 2017/18 and 2018/19 and lower in the last two years of the programme, with only £5.45m in 2020/21. In the most recent profile, there is a far more balanced profile of spend in the last 3 years of the programme and although there is an additional risk of a higher spend in the final year, there is less pressure in the next year (2018/19) even with the rollover of underspend from 2017/18.



#### 4 Updated SELEP LGF Spend Forecast by Upper Tier Authority in 2017/18 (£m)

4.1 The table below illustrates the updated spend forecasts by upper tier authority and takes account of the forecast slippage and acceleration of LGF projects in 2017/18 as presented to the SELEP Accountability Board meeting on 16 March 2018. There was no overall LGF Programme update provided at the Accountability Board meeting on 27 April 2018.

LGF (£m)	Planned spend in 2017/18 (as restated in September 2017)	Total forecast spend in 2017/18 (as reported in January 2018)	Variance*	Variance* (%)	Variance approved to date	Variance to be considered on the 16th March 2018
East Sussex	25.999	22.983	-3.036	-11.68%	0.405	-3.441
Essex	17.867	19.299	1.432	8.01%	-4.268	5.700
Kent	32.236	20.913	-11.323	-35.13%	-4.767	-6.556
Medway	12.299	4.749	-7.550	-61.39%	-3.464	-4.086
Southend	13.508	3.658	-9.850	-72.92%	0.000	-9.850
Thurrock	12.293	8.905	-3.387	-27.55%	-3.387	0.000
Skills	0.096	0.071	-0.025	-26.42%	0.000	-0.025
M20 Junction 10a	8.300	8.300	0.000	0.00%	0.000	0.000
LGF Sub-Total	122.597	88.857	-33.739	-27.52%		
Retained	31.126	15.211	-15.915	-51.13%		
Total Spend Forecast	153.723	104.069	-49.654	-32.30%		

#### 5 Business case development

5.1 Project funding is only secured following the completion of a full project Business Case, its appraisal by the Local Enterprise Partnership's (LEP) Independent Technical Evaluator (ITE) (currently Steer Davies Gleave) and approval by the SELEP Accountability Board.

5.2 Across Kent and Medway, approval of a business case is required for a number of schemes programmed to spend LGF allocation in 2017/18 and 2018/19. Appendix B presents the likely forward plan of business case submissions and approval by the SELEP Accountability Board.

5.3 SELEP have introduced a deadline of 16 November 2018 for those LGF projects where there is an indicative LGF allocation to a project, but a business case has not yet come forward for funding award and there is a risk to the spend of the LGF allocation within the Growth Deal period (to 31 March 2021).

5.4 The following Kent and Medway projects are subject to this deadline and will therefore require a business case to be submitted before 16 November 2018, to allow a decision at the SELEP Accountability Board on 15 February 2019:

- Fort Halstead (£1.53m)
- Thanet Parkway (£4m)
- Leigh Flood Storage Area (£4.636m)
- A2 Off-Slip at Wincheap (£4.4m)
- Maidstone Integrated Transport Package (£4.9m)\*
- A289 Four Elms Roundabout (£7.6m)\*\*
- Rochester Airport (phase 2) (£3.7m)

\* It should be noted that previous business case submissions have been put forward to SELEP for this project to the value of £4m. However, a decision will be needed on how the remaining £4.9m will come forward for approval to SELEP.

\*\*At its meeting in February 2018, the SELEP Acc. Board approved the change of project scope from a road bypass scheme to junction improvements; approved the spend of £3.5m (of the total £11.1m LGF budget) on the development of the project in advance of the full business case being approved by the SELEP Acc. Board; and noted the intention to develop a full project business case to be considered by the SELEP Acc. Board for the remaining £7.6m LGF allocation to the project.

5.5 The following schemes are currently exempt from this deadline based on the fact that previous business cases have already been approved annually since 2015/16:

- Kent Sustainable Interventions Programme
- Kent Strategic Congestion Management Programme

## 6 Scheme delivery

6.1 A Red, Amber, Green (RAG) spreadsheet (shown in Appendix D and E) provides an overview of progress in delivering all the LGF capital projects in Kent and Medway.

For the **Kent programme**:

- 12 are Green (business case approved, funding fully secured and delivery on target).
- 9 are Amber (funding not yet secured; or scheme delay or funding issue which can be mitigated);
- 6 are Red (funding not yet secured and significant cost or delivery issues).
- 1 is not profiled to spend until later in the programme.
- 6 are completed
- 1 has been removed

For the **Medway programme**:

- 6 are Green (business case approved, funding fully secured and delivery on target)
- 0 are Amber (funding not yet secured; or scheme delay or funding issue which can be mitigated)
- 1 is Red (funding not yet secured and significant cost or delivery issues).
- 1 is not profiled to spend until later in the programme.

## **7 Recommendations**

7.1 The Board is recommended to:

- Note the update on LGF project scheme delivery
- Comment on the information contained in the accompanying exempt report relating to the transport improvements to Sandwich Station in advance of the 2020 Open Championship<sup>2</sup>

## **8 Appendices:**

Appendix A: Business Case Update from last SELEP Accountability Board (April 18)

Appendix B: Forward Plan of Business Case submissions

Appendix C: Details of projects highlighted red in the RAG rating

Appendix D: RAG spreadsheet (Kent County Council schemes)

Appendix E: RAG spreadsheet (Medway Council schemes)

Appendix F: RAG summary

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<sup>2</sup> Exempt by virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

**Business Case Update from last SELEP Accountability Board meeting in April 2018**

Outline business case submission dates	SELEP Accountability Board meeting date	Scheme	Description	Decision
8 February 2018	<b>27 April 2018</b>	Dartford Town Centre Transformation	Programme of work aimed at improving the economic performance of Dartford town centre	<p>The Board were asked to agree one of the following two options:</p> <p>Option 1: Approve the award of £4.3m LGF to support the delivery of the Project identified in the Business Case and which has been assessed as presenting high value for money with low certainty of achieving this.</p> <p>Option 2: Defer the funding decision for the Project until further evidence is provided to increase the certainty of the value for money assessment.</p> <p>The Board agreed to Option 1 and gave approval for the award of the £4.3m LGF allocation.</p>

## SELEP Accountability Board Forward Plan

Outline business case submission dates	SELEP Accountability Board meeting date	Scheme	Description	SELEP ask
30 March 2018	<b>15 June 2018</b>	Maidstone Integrated Transport (Phase 2)	Package of transport improvements (Coldharbour/M20 Junction 5 scheme)	Approval for further funding from the £8.9m LGF allocation
29 July 2018	<b>14 September 2018</b>	Leigh Flood Storage	Scheme to reduce the risk of flooding to vulnerable communities in the catchment	Approval for £4.636m LGF allocation
7 September 2018	<b>16 November 2018</b>	A2 Off-Slip at Wincheap	Scheme to deliver an off-slip in the coastbound direction of the A2, to improve accessibility to Canterbury Town Centre, retail + residential area.	Approval for £4.4m LGF allocation
16 November 2018	<b>15 February 2019</b>	Thanet Parkway	New Railway Station	Approval for £10m LGF allocation
		Fort Halstead	Mixed use development of houses, business park, hotel and village centre.	Approval for £1.53m LGF allocation
2019 (Date TBC)	2019 (Date TBC)	Kent Sustainable Interventions Programme (19/20)	Programme of smaller sustainable transport intervention schemes to compliment larger Local Growth Fund schemes.	Approval for further funding from the £3m LGF allocation
		Kent Strategic Congestion Management Programme (19/20)	Programme to identify and deliver congestion improvement schemes on the road network in Kent.	Approval for further funding from the £4.8m LGF allocation
		Maidstone Integrated Transport (Phase 3)	Package of transport improvements in Maidstone	Approval for further funding from the £8.9m LGF allocation

## Details of projects highlighted red in the RAG rating

Scheme	Description	Budget	RAG Rating
A28 Sturry Road Integrated Transport Package, Canterbury	Extension of in-bound bus lane.	£0.7m (£0.3m LGF & £0.4m match funding)	
<p><u>Progress:</u></p> <ul style="list-style-type: none"> <li>- In November 2017, SELEP Accountability Board approved £0.7m of LGF Funding to deliver a bus lane on the A28 Sturry Road in Canterbury.</li> <li>- The new section of bus lane would permit shared use by cyclists and would complete a coherent package of inbound bus priority mechanisms along the A28 between Sturry Road / Vauxhall Road and Tourtel Road / Military Road junctions.</li> <li>- The project has encountered a number of variations from the initial concept including a reduced length of bus lane due to the narrowness of the road and the lack of support to remove on street parking and the need to provide loading and unloading within the bus lane for residents fronting the bus lane.</li> </ul> <p><u>Issue:</u></p> <ul style="list-style-type: none"> <li>- The Joint Transportation Board supported the recommendation to progress with these alterations in December 2017. It should be noted that the final agreed scheme which has increased in costs will dilute the scheme benefits and will reduce the overall BCR that was approved by the SELEP Accountability Board.</li> <li>- There are also a number of Utility company services that are required to be diverted which have added to the complexity of the scheme and added to the programme duration.</li> <li>- The significant concerns with the duration and consequences of using the diversion route were raised on a number of occasions by local politicians, local action groups and some residents. This led to the recommendation to delay the start of construction until further investigations took place to assess if there were any suitable alternatives.</li> <li>- The design and construction team met at the start of April 2018 and suggested that keeping 2-way operation would be possible but that this would add significant additional cost and duration to the project.</li> <li>- The potential alternative is estimated at £1,350,000 with an estimated duration of 28 weeks. These figures, whilst robust, are still an estimate as no detailed planning has been undertaken on this to date with no additional funding identified to make up the shortfall.</li> </ul> <p><u>Mitigation:</u></p> <ul style="list-style-type: none"> <li>- It is recommended that the scheme is placed on hold while further investigations are carried out. Further work and liaison with Canterbury CC should also be carried out to establish whether the existing LGF allocation and S106 funding could be diverted to a Bus Lane scheme at Kinsgmead in Canterbury.</li> </ul>			

Scheme	Description	Budget	RAG Rating
Fort Halstead	Mixed use development of houses, business park, hotel and village centre.	£32.03m (£1.53m LGF, £30.05m match funding)	

Progress:

- In February 2017, the Local Growth Fund allocated provisional funding of £1.53m to the delivery of the Fort Halstead project, a mixed-use development of houses, business park, hotel and village centre.
- The aim is to enable the allocated funding to be used innovatively to enable additional jobs and growth through new business space and supporting infrastructure. The allocation of these funds is subject to confirmation of the full business case.
- SDC and KCC held a Gate 0 review meeting with the SELEP ITE in May 2017 to gauge what further work was required to update the existing Outline Business case into a Full business case for submission.
- The original bid submission as part of the Growth deal profiled a spend of £1.53m in the 2017/18 financial year.

Issue:

- There has been a change in ownership earlier in 2017 of the long leasehold interest in the site from Deutsche Bank to the Merseyside Pension Fund (MPF).
- There has been a reprogramming of the Defence Science & Technology Laboratory (DSTL) relocation from Fort Halstead to Porton Down to December 2020.
- MPF are continuing to review their future strategy for this key employment led redevelopment site and, as part of that work, Sevenoaks District Council are continuing discussions with them.
- Given the current tenants may not leave the site until 2020, the delivery of a scheme and spend of the LGF allocation before March 2021 is unlikely.

Mitigation:

- The planned expenditure of funding for the acquisition of employment land at Fort Halstead for 2017/18 is proposed to be deferred into later years of the LGF Programme.
- Further dialogue is therefore required between SDC and MPF to identify whether a scheme can come forward in a later financial year.
- If a scheme at Fort Halstead is unlikely to be progressed, then SDC will investigate other alternatives for the LGF allocation including whether elements of the Swanley Town Centre scheme that was unsuccessful but ranked high in the LGF round 3 priority list could be delivered with this funding allocation.
- Approval from KMEP and SELEP to re-allocate this funding to another scheme will be required and a business case will need to be submitted before 16<sup>th</sup> November 2018 to demonstrate deliverability.

Scheme	Description	Budget	RAG Rating
Thanet Parkway	New railway station to the west of the Cliffsend village, Thanet	£21.48m (£10m LGF, £2.65m KCC, £8.77m funding required)	

Progress:

- Network Rail gave Approval in Principle (AiP) of the scheme in August 2017, completing GRIP Stage 3.
- Substantial work carried out to date on TA, EIA and planning documents with planning application reviewed in draft and targeted submission in Summer 2018. KCC are also progressing the project to GRIP stage 4 in order to achieve better cost certainty for the scheme.
- Business case submitted to ITE and Gate 2 review carried out.
- Discussions with Network Rail ongoing and an alternative delivery model for Grip 4 is being considered.

Issue:

- The Project currently has a total estimated cost of £21.4m. Alongside the £10m LGF allocation, there is a Kent County Council (KCC) capital contribution of £2.65m,
- This scheme originally profiled to spend £4m from the LGF allocation in 2017/18 and £6m in 2018/19.
- The project is not yet in a position to draw down this LGF allocation owing to a funding gap of £8.8m and need to identify a solution to overcome this.
- KCC made a bid to the New Stations Fund 2 (run by Network Rail and the Department for Transport (DfT)) in November 2016 for the remainder of the funding but it was announced in July 2017 that the bid had been unsuccessful.

Mitigation:

- DfT are supportive of the Project and noting that the financially positive business case has suggested that KCC should attract commercial, private sector, investment.
- Alongside discussions with the franchise bidders, KCC is considering alternative methods of funding the remaining cost of project. This includes investment in the car park at the new station (with its income servicing a loan).
- Network Rail has an interest in securing private sector investment in the railway as one of DfT's priorities for the network. Consequently, it is also looking at potential third parties who would be interested in investment in the railway network. The use of developer contributions is also under consideration.
- Another possibility is to utilise underspend from other LGF schemes, recognising that the Project is a priority not only for KCC but is shown in the Strategic Economic Plan (SEP) as a priority in the area to support investment and remove congestion from the roads. Insufficient underspend has been identified by the Kent and Medway Economic Partnership to date to bridge the funding gap, but this position is being kept under review.

Scheme	Description	Budget	RAG Rating
Maidstone Integrated Transport	Package of junction improvements to reduce congestion and support Local Housing Growth, Maidstone	£11.85m (£8.9m LGF, £2.95m S106 match funding)	

Progress:

- KCC have approval to spend up to £1.3m of the £8.9m total LGF allocation (Phase 1) following business case approval to progress two schemes at either end of Willington Street in Maidstone.
- A public engagement event was held on 1<sup>st</sup> December 2017.
- Design work has been carried out on an enlarged scheme at the junction of Willington Street and Sutton Road which was presented to Maidstone JTB on 17<sup>th</sup> January 2018.

Issue:

- This scheme has a £8.9m LGF allocation (originally profiled to spend £1.3m in 2017/18 and £3m in 2018/19).
- The project is not yet in a position to draw down additional LGF allocation until a further phase 2 business case is presented and approved by the SELEP Accountability Board.
- The Willington Street/Sutton Road Junction improvements scheme has been put on hold and there is a high risk that it may not proceed to implementation following the Joint Transport Board Meeting on 17<sup>th</sup> January 2018 and therefore limited spend was possible in the 2017/18 financial year.
- There is also a risk that if the scheme is not taken forward that the costs to date will be abortive and will therefore become a revenue cost that cannot be claimed from the SELEP allocation.

Mitigation:

- An alternative design is currently being safety audited.
- A business case for Phase 2 of the Maidstone Integrated Package (including a scheme at A20 Coldharbour and forward design for future years) was submitted to SELEPs Independent Technical Evaluator on 9<sup>th</sup> February 2018 and it is currently being reviewed with a funding decision likely at the SELEP Accountability Board Meeting on 15<sup>th</sup> June 2018.

Scheme	Description	Budget	RAG Rating
A28 Chart Road	Carriageway dualling, junction improvements & NR bridge widening.	£32.77m (£10.2m LGF, £22.57m S106 match funding)	
<p><u>Progress:</u></p> <ul style="list-style-type: none"> <li>- On the 12th February 2016 SELEP Accountability Board approved the award of £10.2m Local Growth Fund (LGF) to the A28 Chart Road project.</li> <li>- The scheme is linked to the Chilmington Green development and the two must progress together. This is stated in the Ashford BC local plan.</li> <li>- KCC has reported Project spend of £0.885m LGF in 2015/16 and £0.984m LGF in 2016/17 (which was accelerated to help with wider programme underspend).</li> <li>- The SELEP Accountability Board has approved a budget of £1.131m in 2017/18 and SELEP holds a provisional further allocation to the Project of £7.200m subject to Government funds.</li> <li>- All objections to the CPO were removed prior to the Public Inquiry, which resulted in the Inspector cancelling the Public Inquiry the day before it was due to commence.</li> <li>- Land agreements are now in place with all land owners.</li> <li>- The contractor is continuing with completion of the outstanding design information and KCC are currently on hold to award the Stage 2 construction contract.</li> </ul> <p><u>Issue:</u></p> <ul style="list-style-type: none"> <li>- The agreed funding arrangement with the Chilmington Green developer is that KCC forward fund their contribution to the project which is paid back over a ten-year period.</li> <li>- To safeguard KCC of any risk of non-payment and to recover interest charges, the agreement included a provision for the developer to provide a security bond prior to awarding the construction contract.</li> <li>- The 6-week security bond notice was issued to Hodson on 14 December 2017, requiring the bond to be provided by 26 January 2018. Although a bond hadn't been provided, positive discussions were ongoing with Hodson, Ashford Borough Council and Homes England at the time leading to a decision to start the vegetation clearance works on 15th February 2018. This was required at the time to keep the project on programme and complete the clearance works before the start of the bird nesting season. When it was clear there were issues with the provision of the bond the vegetation clearance was suspended and finally stopped when the decision was made to defer the scheme from 2018.</li> <li>- KCC is unable to progress the project and award the construction contract until the security bond is provided, which is delaying the project.</li> <li>- There is also a risk that if the scheme is not taken forward that the costs to date will be abortive and therefore become a revenue cost that cannot be claimed from the SELEP allocation. This will also add to the wider programme LGF underspend in later financial years.</li> </ul> <p><u>Mitigation:</u></p> <ul style="list-style-type: none"> <li>- Discussions are ongoing with the developer as to the funding package and Homes England is looking at the structure of Hodson's funding agreement with HE to try and find a solution to guaranteeing KCC's £20m liability on the scheme, although this will need to be taken to the Treasury for approval. There are currently two delivery options:</li> <li>- Option 1 – delay the start of the project to January 2019. Confirmation of the funding/bond will be needed by July 2018 to allow for mobilisation and possible re-procurement of a contractor. This would allow delivery in two phases, otherwise agreement with Network Rail on the sidings would be required, which could prolong the delivery and indeed may not be possible.</li> <li>- Option 2 – delay the scheme until Hodson provide the bond at the build out rate of 400</li> </ul>			

homes, but this is likely to be outside the timescales of the LGF spend requirement (March 2021). It will also require the re-procurement of the contractor and therefore the cost of the scheme will increase.

Scheme	Description	Budget	Rag Rating
Rochester Airport - phase 1	Introduction of Innovation Park Medway. Phase 1 of the project involves improvements to airport infrastructure and removal of the second runway - works which are required to facilitate the development of Innovation Park Medway.	Phase 1 budget - £4.4m (LGF)	

Progress:

- On the 10<sup>th</sup> June 2016 SELEP Accountability Board approved the award of £4.4m Local Growth Fund (LGF) to the Rochester Airport phase 1 project.
- This scheme enables the Rochester Airport phase 2 LGF3 project by delivering the infrastructure required to facilitate the closure of one of the two existing runways, releasing land for commercial development (Innovation Park Medway). Phase 2 of the project will provide the enabling infrastructure to bring forward development on the Innovation Park Medway site.
- In March 2017 Rochester Airport Ltd. obtained planning consent for ‘erection of two hangars, erection of new hangar for Medway Aircraft Preservation Society, erection of fencing and gates, formation of associated car parking areas, fuel tank enclosure, ancillary works and a memorial garden’.
- In September 2017 Rochester Airport Ltd. submitted a further planning application which covered the construction of the paved runway, a new control tower and hub building and associated infrastructure. This planning application was accompanied by an Environmental Impact Assessment.

Issue:

- The Environmental Impact Assessment submitted by Rochester Airport Ltd. in September 2017 did not fully fulfil the requirements of the previously agreed scoping decision. Completion of this work is expected to take between three and four months. This will compound the delays already encountered during the planning process, as a result of sustained opposition to the project from a small sector of the local population.
- Officers from Rochester Airport Ltd. have indicated that costs have risen significantly since the original phase 1 Business Case was prepared and submitted to SELEP for consideration, with inflation being a key factor given the unforeseen delays and issues encountered with the project.
- Medway Council appointed an independent Quantity Surveyor to review the construction costs provided by Rochester Airport Ltd. to determine if there were any areas where the projected costs could be reduced. The results of the review indicated that it will not be possible for Rochester Airport Ltd. to deliver all the outputs stated within the Business Case without exceeding the £4.4m budget, 30% of the cost overrun was due to inflation caused by the unforeseen delays with the planning process.

Mitigation:

- Rochester Airport Ltd. has indicated that provision of the new and refurbished buildings (as referenced in the Business Case) is essential for their long-term survival. Provision of new buildings will ensure that businesses operating from the site do not lose any more employees as a direct result of the poor working conditions and will offer Rochester Airport Ltd. options for expansion of their current business operations.
- Taking into account the above a report was submitted to SELEP Accountability Board for their consideration on 27<sup>th</sup> April 2018. The report set out a proposed change to project outputs – removing the paved runway and one of the new hangars. It is proposed that the project will now focus on delivering the buildings which Rochester Airport Ltd. require to thrive in the long-term.

- SELEP Accountability Board requested further information on both phases of the project and deferred the decision until their June meeting to allow Medway Council time to provide this information.
- If SELEP Accountability Board decide to approve the change in project outputs, it is anticipated that this will reduce the timescale for planning submission as the requirement for information will be reduced.

Kent Schemes

Scheme	Description (Delivered by KCC unless stated)	Scheme delivery by	Budget	LGF Spend (millions) (to 2 decimal places)	Status	RAG Status	Comments	Key Events for Next Period	Target outcome
<b>Local Growth Fund Round 1 Schemes</b>									
A28 Chart Road, Ashford	Carriageway dualling, junction improvements & NR bridge widening.	19/20 (on hold)	£32.77m Made up of: £10.2m LGF £22.57m match	15/16 LGF spend = £0.89 16/17 LGF spend = £0.98 17/18 LGF spend = £2.09*  Profiled to spend in 2018/19 = £0 (Scheme Delay)  * This figure may change depending on approval from KCC Capital finance - Further spend currently on hold while scheme options considered.	<b>DETAILED DESIGN</b> (Business Case Approved)	→	Hodson have failed to provide the required bond or agree to the alternative solution proposed by ABC/KCC consequently a decision has been made that the scheme will be deferred until such time that Hodson can provide the funding security KCC require. A joint press release was issued by KCC/ABC prior to the Easter weekend. Vegetation clearance was stopped before all trees were removed. Land agreements are now in place will all landowners and further work is being carried out on the outstanding design information.	Issue an update newsletter to residents and businesses and continue to complete all land acquisitions. KCC to arrange with Jacksons to carry out works to relocate the East Lodge boundary wall this summer to enable KCC to dispose of the property at the earliest opportunity so that it doesn't become a maintenance liability. Continue to explore potential delivery scenarios for the scheme.	Jobs = 250 Homes = 600
Sturry Link Road, Canterbury	New link road connecting A28 Sturry Road to A291 Sturry Hill - requires a crossing of both railway & river. Start of works planned for Spring 2019.	20/21	£29.60m Made up of: £5.90m LGF £23.70m match	15/16 LGF spend = £0 16/17 LGF spend = £0.40 17/18 LGF spend = £0.39  Profiled to spend in 2018/19 = £0.55	<b>DETAILED DESIGN</b> (Business Case Approved)	→	Limited progress on design due to awaiting confirmation of local plan details and traffic modelling data to complete the EIA. The Level Crossing Risk Assessment has now been sent to NR.	KCC to receive traffic modelling updates and confirm strategy for delivery of EIA and Planning application following the end of the Term Contract with Amey.	Jobs = 250 Homes = 720

<p>A28 Sturry Road Integrated Transport Package, Canterbury</p>	<p>Extension of in-bound bus lane.</p>	<p>18/19 (on hold)</p>	<p>£0.7m Made up of: £0.3m LGF £0.4m match</p>	<p>15/16 LGF spend = £0.02 16/17 LGF spend = £0.01 17/18 LGF spend = £0.07  Profiled to spend in 2018/19 = £0.22</p>	<p><b>DETAILED DESIGN</b> (Business Case Approved)</p>	<p>↓</p>	<p>No progress this period as scheme has been placed on hold pending further investigations into build period and diversion routes.</p>	<p>Investigate alternative build period and ways to reduce additional congestion.</p>	<p>Jobs = 50 Homes = 100</p>
<p>Middle Deal transport improvements, Dover</p>	<p>New road between Albert Road &amp; Church Lane, Deal. Scheme being prepared &amp; delivered by developer. <b>(Delivery by Quinn Estates)</b></p>	<p>17/18</p>	<p>£1.55m Made up of: £0.8m LGF £0.75m match</p>	<p>15/16 LGF spend = £0 16/17 LGF spend = £0.8 17/18 LGF spend = Match funding only  Profiled to spend in 2018/19 = Match funding only</p>	<p><b>CONSTRUCTION</b> (Business Case Approved)</p>	<p>→</p>	<p>KCC have ongoing discussions with Quinn Estates and a progress meeting will be held in May 2018 where progress with the three main issues will be discussed.</p> <p>1) Telecommunications mast - A temporary mast was installed on 2nd February 2018 and EE have decommissioned the old mast. 2) Environmental / flood consent – This was due to be resolved by the end of January 2018 but has slipped further due to a change in contact at EA. Quinn are aiming for the issue of the permit by the end of May 2018. 3) Planning consent - Revision to the planning consent (to allow for a slightly tweaked road layout) was submitted before Christmas and Quinn are liaising with Dover DC on the anticipated decision date. The signing of the S38 agreement will then follow this with an anticipated scheme delivery date of Summer /Autumn 2018.</p>	<p>Quinn to secure flood consent and Planning approval in May 2018</p>	<p>Jobs = 150 Homes = 150</p>
<p>Maidstone Integrated Transport</p>	<p>Package of transport improvements. Works to start in 2016/17.</p>	<p>16/17 to 19/20</p>	<p>£11.85m Made up of: £8.9m LGF £2.95m match</p>	<p>15/16 LGF spend = £0 16/17 LGF spend = £0.27 17/18 LGF spend = £1.11  Profiled to spend in 2018/19 = £2.37</p>	<p><b>VARIOUS STAGES OF DELIVERY</b> (Business Case approved for phase 1, further approvals required for</p>	<p>→</p>	<p><b>1) M20 J5/Coldharbour R/bout</b> - Business Case not yet approved - further work to be carried out for June decision. Commission to be raised to undertake outline design work and provide additional support for the business case submission.</p>	<p>Approval of Phase 2 Business Case in June 2018 by SELEP Accountability Board with ongoing work to be carried out on the Phase 3 package of schemes.</p>	<p>Jobs = 1820 Homes = 1725</p>

					remaining allocation)		<p><b>2) A274 Sutton Road j/w Willington Street</b> – Scheme on hold - redesign being undertaken following a meeting with the Cabinet Member which is now being Safety Audited.</p> <p><b>3) A20 London Road j/w Willington Street</b> – Work has begun on feasibility design.</p> <p><b>4) M20 Junction 5</b> – Scheme on hold.</p> <p><b>5) Hermitage Lane j/w St Andrews Road</b> - Commission raised with works to commence shortly on outline design.</p> <p><b>6) Wheatsheaf/Cripple Street/Boughton Lane</b> - Commission raised with works to commence on outline design works.</p> <p><b>7) Armstrong Road/Sheals Crescent</b> – As above.</p>		
Sittingbourne Town Centre Regeneration (developer delivered), Swale	Re-alignment of St. Michaels' Rd & public realm improvements adjacent to rail station. <b>(Delivery by Spirit of Sittingbourne)</b>	17/18	£4.7m Made up of: £2.5m LGF £2.2m match	15/16 LGF spend = £0.34 16/17 LGF spend = £2.16 17/18 LGF spend = £0.00  Profiled to spend in 2018/19 = Match funding only	<b>CONSTRUCTION</b> (Business Case Approved)	→	The first phase of the S278 works are complete except for the final surfacing, lining and completion of lighting columns in West Street. It is envisaged that these elements will be completed as part of phase 3 following completion of the diversion to enable phase 2. Phase 2 highway works are now planned for the end of May 2018 subject to agreement from KCC Street Works team. The Swale BC and NR land swap completions are still ongoing and scheduled for completion at the end of May 2018 at the same time as the finalised S278 agreement with KCC. The remaining phases are scheduled for completion by September 2018. Once complete, the works will release the multi-storey car park and leisure areas, taking the Spirit of Sittingbourne regeneration project forward significantly.	Complete the land swap with SBC and NR, move onto Phase 2 works	Jobs = 560 Homes = 214 & training facilities

<p>Tunbridge Wells Junction Improvements (Phase 2 - A26 Cycle Route)</p>	<p>Junction improvement &amp; A264 junction changes. Phase 1 works complete. Phase 2 construction planned for 2018</p>	<p>15/16 to 18/19</p>	<p>£1.8m LGF</p>	<p>15/16 LGF spend = £0.60 16/17 LGF spend = £0.19 17/18 LGF spend profile = £0.05  Profiled to spend in 2018/19 = £0.76</p>	<p><b>DELIVERED - PHASE 1 DETAILED DESIGN- PHASE 2</b> (Business Case Approved for full allocation)</p>	<p>→</p>	<p>Following consideration of the consultation responses on the A26 Cycle Route, feedback from Tunbridge Wells Joint Transport Board and further engagement with key stakeholders, the decision has been taken to proceed with phases one and three only at this stage as the road widths are too narrow for a cycle lane through phase 2.</p>	<p>Continue to progress works with delivery of Phase 1 potentially programmed to start in Q3 of 2018/19 and Phase 3 by Q4 of 2018/19. Investigate alternative options for Phase 2.</p>	<p>Jobs = 105 Homes = 85</p>
<p>West Kent LSTF</p>	<p>A package of measures to support travel by sustainable means. Start of works planned for 2015/16.</p>	<p>15/16 to 20/21</p>	<p>Total across 6 years - £9.06m  Made up of: £4.9m LGF £4.16m match</p>	<p>15/16 LGF spend = £0.8 16/17 LGF spend = £1.31 17/18 LGF spend = £0.33  Profiled to spend in 2018/19 = £1.16</p>	<p><b>VARIOUS STAGES OF DELIVERY</b> (Business Case Approved)</p>	<p>→</p>	<p><b>Tunbridge Wells Public Realm phase 2</b> - Scheme will be delivered by KCC Scheme Delivery team and Amey TMC. An outline design has been agreed by TWBC and which is being reviewed so that a revised delivery programme and final scheme costs can be calculated. TWBC will retain the LGF contribution and will be responsible for the consultation and engagement before delivery.</p> <p><b>Maidstone East station</b> – works progressing. With weekly updates provided to project team. Issues with structural integrity of the pub building has resulted in a revised demolition plan being required. This is not expected to delay the programme which is scheduled to start in July 2018.</p> <p><b>Tonbridge Station Interchange</b> – Detailed design work underway with regular team meetings to achieve targeted sign off by end of June 2018 and construction to start in early August 2018. Material choices taking place and awaiting updated quote for construction.</p> <p><b>Swanley Station</b> – Meeting on 8<sup>th</sup> May regarding the CIL bid recommended</p>	<p><b>Tunbridge Wells Public Realm phase 2</b> Detailed design and ECI to begin.</p> <p><b>Maidstone East station</b> Begin programme of design works.</p> <p><b>Tonbridge Station Interchange</b> Updated quotes for construction.</p> <p><b>Swanley Station</b> Await confirmation of CIL</p>	<p>Jobs = 345 Homes = 393</p>

							support with a caveat that additional consultation with District members and Swanley Town Council be carried out and full details on the disabled access provided to support the decision by Cabinet on 7 <sup>th</sup> June to allocate the match funding for this scheme.	funding decision.	
Kent Thameside LSTF	A package of measures to support travel by sustainable means. Start of works planned for 2015/16.	15/16 to 20/21	Total across 6 years - £7.65m Made up of: £4.5m LGF £3.15m match	15/16 LGF spend = £2.05 16/17 LGF spend = £0.48 17/18 LGF spend = £0.72 Profiled to spend in 2018/19 = £0.35	<b>VARIOUS STAGES OF DELIVERY</b> (Business Case Approved)	↑	<p><b>Barrack Row Bus Hub</b> - Land Purchase completed on 29th March 2018 with meetings being held with the current tenants. Consultation documents are being prepared for a full consultation to take place in Autumn 2018.</p> <p><b>Princes Rd cycle route</b> - Consultation will take place from 30th April - 10th June and all documents are complete apart from the updated plan. Construction is now planned for late summer/autumn 2018.</p> <p><b>Burnham Rd Toucan</b> - The consultation has now closed, and a meeting was held with DBC to review comments. DBC have investigated alternative solutions to improve the link between NCR1 and will look for funding to implement. Construction is programmed for August 2018. A consultation report has been approved by DBC and KCC's consultation team with the proposal also agreed by the JTB. This approval was given on the basis that KCC confirm the number of responses received through the public consultation process which supported the proposed Toucan/Puffin works and those that opposed it.</p> <p><b>Gravesend Station to Cyclopark cycle route</b> – The consultation has now closed, and a draft report has been produced. A large number of</p>	<p><b>Barrack Row Bus Hub</b> – Preparation of Consultation Documents and EQIA for consultation in Sept/Oct 2018.</p> <p><b>Princes Rd cycle route</b> - Consultation to take place from 30th April - 10 June. A report will follow.</p> <p><b>Burnham Rd Toucan</b> - KCC to advise on the current permitted access for residents to the rear of their properties in Burnham Road, and how the proposed siting of the amended Puffin Crossing scheme would impact on that access.</p> <p><b>Gravesend Station to Cyclopark cycle route</b> – Alternative options for the revised route will be worked</p>	Jobs = 843 Homes = 657

							comments were received on the original route and therefore a further feasibility study will be carried out to explore alternatives. A further low-key consultation may be required should a new route be agreed.	up.	
Kent Strategic Congestion Management Programme	Package of congestion management initiatives. Start of works planned for 2015/16.	15/16 to 20/21	Total across 6 years - £4.8m LGF	15/16 LGF spend = £0.86 16/17 LGF spend = £0.69 17/18 LGF spend = £0.60 Profiled to spend in 2018/19 = £0.78	<b>VARIOUS STAGES OF DELIVERY</b> (Annual supplementary Business Cases are required to secure future years' funding)	→	<p><b>2015/16 schemes completed</b> (HMC Technology Refresh - Database/CCTV &amp; VMS)</p> <p><b>2016/17 schemes completed</b> (A292 Mace Lane/ Wellesley Road, &amp; Somerset Road/ Canterbury Road junction improvements in Ashford).</p> <p><b>2017/18 schemes completed</b> (Barton Hill Drive temporary improvement and Dartford Network Improvements)</p> <p><b>2017/18 schemes in progress</b></p> <p><b>A229 Bluebell Hill CITS Scheme</b> Under tender for technology element. WSP (HE consultants) in communications with our technology teams for conformity of systems.</p> <p><b>Forward Design 2018/19</b> <b>Wateringbury Crossroads</b> - outline design complete, ready for detailed design to begin.</p> <p><b>Tunbridge Wells link assessment</b> - under way with consultant.</p> <p><b>Dover TAP/ ITS assessment</b> - in discussion with HE regarding a Task Order for works to be commissioned in a consistent way on KCC network.</p>	KCC to progress those schemes identified from forward design through to delivery in 2018/19.	Jobs = 1903 Homes = 2230
Kent Sustainable Interventions Programme	Package of smaller transport interventions. Start of works planned for 2015/16.	15/16 to 20/21	Total across 6 years - £3m LGF (£0.5m annually)	15/16 LGF spend = £0.14 16/17 LGF spend = £0.41 17/18 LGF spend = £0.53 Profiled to spend in 2018/19 = £0.56	<b>VARIOUS STAGES OF DELIVERY</b> (Annual supplementary Business Cases are required to secure future years' funding)	→	<p><b>2015/16 schemes completed</b> (Sittingbourne TC &amp; Dartford cycle routes, South Street &amp; Deal).</p> <p><b>2016/17 schemes completed</b> (Folkestone Town Centre - Schools to Harbour Cycle links, Thames Greenway Cycle path Folkestone to Dymchurch</p>	The 2018/19 business case approved in February 2018 at SELEP Accountability Board includes the following schemes:	Jobs = 1335 Homes = 1440

							<p>Cycle improvements, Highfield Lane/Kingsford Street, Mersham, Ashford &amp; A21 NMU via Pembury Road, Tunbridge Wells, Tonbridge Angels to Rail Station cycle improvements).</p> <p><b>2017/18 schemes completed</b> Morants Court Roundabout -Polhill, Sevenoaks &amp; Kent Spa, Castle Ride cycle &amp; Folkestone to Hythe Cycle Improvements. Morehall to Folkestone Central Station Cycle Route</p>	<p>Proposed Puffin Crossing</p> <ul style="list-style-type: none"> <li>A2070 Barrey Road – Junction Improvements</li> </ul>	
Kent Rights of Way improvement plan	Package of ROWIP measures. Start of works planned for 2015/16.	15/16 to 20/21	Total across 6 years - £0.3m LGF	<p>15/16 LGF spend = £0.19</p> <p>16/17 LGF spend = £0.06</p> <p>17/18 LGF spend = £0.14</p> <p>Profiled to spend in 2018/19 = £0.21</p>	<b>VARIOUS STAGES OF DELIVERY</b> (Business Case Approved)	→	<p><b>2015/16 schemes completed</b> (Loose Greenway)</p> <p><b>2016/17 schemes in progress</b> <b>Powder Mills scheme (Leigh to Tonbridge).</b> Construction work has been delayed due to wet ground conditions. Local Residents have been updated on the planned improvement works and informed that the existing footpath will need to be temporarily closed for the duration of the works. Concerns have been raised by residents that the temporary path closure will cause local disruption, though it is understood that efforts will be made to enable access as soon as possible.</p> <p><b>Finberry to Ashford scheme</b> - Path improvement scheme completed on 12th March 2018 in line with expected completion date.</p>	<b>Powder Mills</b> - Keep local stakeholders updated on the plans and start groundworks as soon as possible.	Jobs = 140 Homes = N/A
Innovation Investment Fund (Growth Hub Capital	Loan support programme.	15/16 to 20/21	Total £6m (£1m annually)	<p>15/16 LGF spend = £0</p> <p>16/17 LGF spend = £0.39</p> <p>17/18 LGF spend = £2.95</p> <p>Profiled to spend in 2018/19 = £0.66</p>	<b>PHASE 6 APPLICATIONS TO BE LAUNCHED AT THE END OF NOVEMBER 2017</b> (Business Case approved)	→	<ul style="list-style-type: none"> <li>Phase 1 agreed at I3 Approval Board and accepted by applicants to a value of £388,500 with private leverage of £418,500</li> <li>Phase 2 complete with £700,000 of loans agreed and defrayed in full.</li> <li>Phase 3 complete with £400,000 of loans agreed and defrayed in full.</li> <li>Phase 4 complete, with 2 companies</li> </ul>		

							<p>completing a full application and 1 company (Betteshanger Sustainable Parks Limited - £902,500) being approved and loan defrayed in full.</p> <ul style="list-style-type: none"> <li>Phase 5 complete with 2 of the submissions proving successful (£200k HEM Clinical Ultrasound and £375k West Design). The loan for West design has been agreed and defrayed in full</li> <li>Phase 6 has now closed to applicants with three companies being taken forward with a total loan value of £0.95m. Jupiter Diagnostics cannot complete until they have concluded their funding round (which will be in May 2018). Task Masters (£0.1m) and Bulgaro (£0.35m) have both had loans agreed and defrayed in full.</li> </ul>		
A226 London Rd/B255 St Clements Way, Dartford	Junction improvements. Start of works planned for Spring 2019 for 12 months.	19/20	<p>£6.9m</p> <p>Made up of: £4.2m LGF £2.7m match</p>	<p>15/16 LGF spend = £0 16/17 LGF spend = £0.73 17/18 LGF spend = £0.85</p> <p>Profiled to spend in 2018/19 = £2.64</p>	<b>CONSTRUCTION</b> (Business Case approved)	→	<p>Construction works are progressing to programme. Utility diversion works are continuing, and Jackson have advanced the Ivy Villas retaining wall construction ahead of programme. The detailed landscape design is now complete.</p>	<p>Construction works continuing. Newsletter due to be issued in May 2018 to provide project update and share the completed landscape plans.</p>	<p>Jobs = 2395 Homes = 890</p>
Thanet Parkway, Thanet	New rail station.	19/20	<p>Project cost under review (£10m LGF)</p>	<p>Allocation for 2017/18 onwards</p> <p>17/18 LGF spend profile = £0.00</p> <p>Awaiting Business Case Approval</p>	<b>GRIP STAGE 3</b> (Business Case submitted to ITE for review)	→	<p>Planning application reviewed in draft. A few amendments yet to be made given constantly changing situation with the former Manston Airport site. GRIP 4 discussions have been ongoing with Network Rail and an alternative delivery model for GRIP 4 is being considered. Discussion with further 3rd party investors have not been successful. Planning application should be ready for submission in late May.</p>	<p>GRIP 4 commission route decided and commenced. Planning application submitted. Archaeological works being procured.</p>	<p>Jobs = 2100 Homes = 800</p>
SELEP Coastal Communities	Housing-led economic regeneration in Cliftonville West/Margate Central	20/21	<p>£1.529m</p> <p>Made up of: £0.666m LGF £0.863m match</p>	<p>Allocation for 2017/18 onwards</p> <p>17/18 LGF spend profile = £0.155</p>	<b>DETAILED DESIGN</b> (Business Case approved)	→	<p>A final draft of the funding agreement is being worked on by Invicta Law with a view to it being signed by both parties in May 2018. Thanet DC have supplies evidence of spend in 2017/18 which was set up as a creditor to allow</p>	<p>Start construction on Ethelbert Crescent and planning decision on Warwick Road. Finalise legal agreement to allow first drawdown.</p>	<p>Jobs = TBC Homes = TBC</p>

	<b>(Delivery by Thanet DC)</b>			Profiled to spend in 2018/19 = £0.51 (estimate from third party - not transferred from KCC)			an invoice to be paid in 2018/19.		
<b>Local Growth Fund Round 2 Schemes</b>									
Dover Western Dock Revival	Package of highway improvements. <b>(Delivery by Dover Harbour Board)</b>	15/16 to 19/20	£5m LGF	15/16 LGF spend = £0 16/17 LGF spend = £4.73 17/18 LGF spend = £0.09  Profiled to spend in 2018/19 = match funding only	<b>CONSTRUCTION</b> (Business Case approved)	→	A20 works are complete and work continues on the marina pier. KCC have received from DHB a breakdown of the overall A20 scheme costs and the final invoice for the remaining LGF allocation was set up as a creditor for 2017/18 and will be paid in early 2018.	Finalise works on Marina Pier	Jobs = 1685 Homes = 500 & Enables broader Western Docks Revival scheme
Ashford International Rail Connectivity (Ashford Spurs)	Signalling upgrade to maintain international rail services at Ashford <b>(Delivery by Network Rail)</b>	16/17 to 18/19	£10.5m  Made up of: £0.7m partner funding; £5m LGF2 £4.8m LGF3	15/16 LGF spend = £0 16/17 LGF spend = £0.17 17/18 LGF spend = £4.17 - not transferred from KCC)  Profiled to spend in 2018/19 = Final costs and available underspend currently being calculated	<b>GRIP STAGE 6</b> (Business Case approved)	↑	Main works complete (April 2018) Scheme Opening Ceremony held at Ashford International on Tuesday 3rd April 2018 and attended by Chris Grayling (S of S) and Damien Green MP amongst other VIPs to see new E320 train pass through.	Following the launch, technical problems have arisen which have caused Eurostar to temporarily suspend the operation of their new e320 trains at Ashford International. Eurostar and NR are working together to diagnose the problem and determine its resolution.	Jobs = 1000 Homes = 350 & Retain International Rail Services
Folkestone Seafront (developer delivered)	Construction of platform & sea defences to facilitate development of Folkestone Seafront. <b>(Delivery by Folkestone Harbour Board)</b>	17/18	£22.11m  Made up of: £5m LGF £17.11m match	15/16 LGF spend = £0 16/17 LGF spend = £1.97 17/18 LGF spend = £3.03  Profiled to spend in 2018/19 = match funding only	<b>CONSTRUCTION</b> (Business Case approved)	→	<i>Main works complete (April 2018).</i>	Further liaison with Folkestone Harbour to see delivery of the planned housing.	Jobs = 450 Homes = 1000 & Regenerates seafront & town centre

M20 Junction 10A (now a full junction to be delivered by Highways England)	New Motorway Junction in Ashford (Delivery by Highways England)	19/20	£104.4m Made up of: £19.7m LGF £16m match £68.7m Highways England	Allocation for 2017/18 onwards (Direct from SELEP)  17/18 LGF profiled spend = £8.30  Profiled to spend in 2018/19 = £11.40	<b>CONSTRUCTION</b> (Business Case approved)	→	Works have commenced on site	Confirmation of Barrey Road status - Highfield lane turning loop to be constructed	Jobs = 900 Homes = 1700
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**Local Growth Fund Round 3 Schemes**

Dartford Town Centre Transformation	Part of a wider programme of work aimed at improving the economic performance of Dartford town centre through public sector funding of transport/public realm improvements. (Delivery by Dartford BC)	21/22	£12m Made up of: £4.3m LGF £7.7m match	Allocation for 2017/18 onwards  17/18 LGF spend = £0.00 (re-profiled)  Profiled to spend in 18/19 = £1.93	<b>FEASIBILITY</b> (Business Case being prepared)	→	DBC commissioned Project Centre to work up the design, costs and provide information to support the Business Case. The business case was originally submitted on 9th February 2018 and was reviewed by the ITE as part of the Gate process and a decision was taken by the SELEP Accountability Board on 27th April 2018.	The Business Case has been assessed by the ITS as offering high value for money but low certainty. DBC will carry out further transport modelling and to scrutinise the financial and construction programmes which have been submitted and were questioned by the ITE.	Jobs = 1811 Homes = 2341
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Fort Halstead, Sevenoaks	Mixed use development of houses, business park, hotel & village centre. (Delivery by Sevenoaks BC)	21/22	£32.03m Made up of: £1.530m LGF £30.5m match	Allocation for 2017/18 onwards  17/18 LGF spend = £0.00 (re-profiled)  Awaiting Business Case Approval	<b>FEASIBILITY</b> (Business Case being prepared)	→	SDC have confirmed that the MoD will not be relocating from the site until December 2020, which make a scheme at Fort Halstead unfeasible in the LGF timescales. SDC would be willing to support the reallocation of funding from Fort Halstead to one of the projects highlighted below: <ul style="list-style-type: none"> <li>• Swanley Town Centre (Previously submitted as an LGF3 bid through the Growth Deal)</li> <li>• Additional Bridge at Swanley Station to support the existing planned improvements to the station and access being funded as part of the</li> </ul>	SDC to investigate the deliverability of both potential projects and the likely value for money/certainty.	Jobs = 1100 Homes = 450
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							West Kent LSTF project. Approval from KMEP and SELEP to re-allocate this funding to another scheme will be required and a business case will need to be submitted before 16th November 2018 to demonstrate deliverability.		
A2500 Lower Road Improvements, Isle of Sheppey	Scheme to realign & improve the capacity of A2500 Lower Road/ Barton Hill Junction.	18/19	£1.805m Made up of: £1.265m LGF £0.54m match	Allocation for 2017/18 onwards 17/18 LGF spend = £0.30  Profiled to spend in 2018/19 = £0.87	<b>DETAILED DESIGN</b> (Business Case Approved)	→	The detailed design for the phase 2 element is progressing and the tender documents for the Barton Hill Junction and the A2500 Lower Road widening (NPIF) have been returned and assessed. The land agreements and s106 agreements for match funding are also progressing.	Detailed design for phase 2 progressing. Confirm status of match funding from s106 agreements.	Jobs = 1500 Homes = 892
Kent & Medway Engineering, Design, Growth & Enterprise (EDGE) Hub	Scheme to construct & equip the Kent & Medway EDGE Hub. <b>(Delivery by Canterbury Christ Church University)</b>	19/20	£21m Made up of: £6.12m LGF £14.88m match	Allocation for 2017/18 onwards 17/18 LGF spend = £1.95  Profiled to spend in 2018/19 = £1.67	<b>CONSTRUCTION</b> (Business Case Approved)	→	The LGF funding agreement has now been sealed by both KCC and CCCU which enabled the accelerated drawdown of the project allocation in 2017/18. In addition, the building 2 detailed design phase is now in progress, curriculum development is proceeding, and employer engagement work has started in earnest. The University is also refining the approach to project governance through a number of Steering Group sub-groups accountable for delivering specific outputs and milestones. This includes the Building 2 Board.	Complete building 2 detailed design.	Jobs = 398 Homes = 0 Learners = 1250

<p>Leigh Flood Storage Area &amp; East Peckham - unlocking growth</p>	<p>Scheme to reduce the risk of flooding in the catchment. <b>(Delivery by Environment Agency)</b></p>	<p>22/23</p>	<p>£24.691m Made up of: £4.636m LGF £20.055m match</p>	<p>Allocation for 2017/18 onwards 17/18 LGF spend = £0.00  Awaiting Business Case Approval</p>	<p><b>FEASIBILITY</b> (Business Case being prepared)</p>	<p>→</p>	<p>Funding Agreement between KCC, EA and Tonbridge &amp; Malling progressed and the business case (Based on the EA Outline BC) has been drafted for the Leigh Flood Storage scheme. The timescales for delivery and spend are a risk given that the EA have suggested that construction is likely to be in 2020/21. The East Peckham element is currently being revisited and a new timetable will follow, because of the most recent funding gap that has been identified.</p>	<p>Submit business case to SELEP/ITE before the end of July 2018 for a decision at the SELEP Accountability Board on 14<sup>th</sup> September 2018.</p>	<p>Jobs = 70 Homes = 850</p>
<p>A2 off-slip at Wincheap, Canterbury</p>	<p>Scheme to deliver an A2 off-slip in the coastbound direction, creating a full movements junction to improve accessibility to Canterbury. <b>(Delivery by Pentland Homes)</b></p>	<p>20/21</p>	<p>£10.055m Made up of: £4.4m LGF £5.655m match</p>	<p>Allocation for 2017/18 onwards 17/18 LGF spend = £0.00  Profiled to spend in 2018/19 = £0.35</p>	<p><b>FEASIBILITY</b> (Business Case being prepared)</p>	<p>→</p>	<p>Highways England has accepted the revised modelling, but there are several departures from standards in the design which will require approval from Highways England. The Growth and Housing bid has moved forward to the value management stage and a workshop was held on Thursday 22nd February in Canterbury with Highways England. If successful, this scheme will be awarded £4.4m GHF and therefore the £4.4m LEP funding will be surplus and can be used on another scheme e.g. the adjacent Wincheap Gyrotory, subject to KMPE and SELEP approval. The LEP business case is currently being worked up to mirror the GHF bid in case it is not successful, but the strategic case also describes the wider scheme and Wincheap Relief Strategy.</p>	<p>Decision on GHF bid - confirmation of scheme delivery and programme.</p>	<p>Jobs = 1685 Homes = 1150</p>
<p><b>ADDITIONAL SCHEMES</b></p>									
<p>Open Golf Champions hip 2020</p>	<p>Transport Improvements at Sandwich Station <b>(Delivery by Network Rail)</b></p>	<p>18/19</p>	<p>£4.299m Made up of: £1.026m LGF £0.250m KCC £0.100m East Kent DC 1.419m R&amp;A £1.505 DfT</p>	<p>Profiled to spend in 2018/2019 = 1.02</p>	<p><b>Grip Stage 2</b> (Business Case Approved)</p>	<p>→</p>	<p>SELEP Accountability Board approved the LGF contribution on 17th November. NR have supplied the delivery options and power upgrade report, including revised estimated costs. SELEP have stated that they will not release the LGF allocation until the overall funding is committed from DfT</p>	<p>Meet with SoS and finalise funding solution. KCC to receive all written funding agreements in June to enable contract with Network Rail in June.</p>	<p>Jobs = TBC Homes = TBC</p>

(to be presented to SELEP AB on 22/09/17)

and R&A, so KCC cannot enter into the Implementation Agreement (IA) for Grip 3b to 8 (Grip 3a is the enabling work currently being progressed). A discussion with the R&A on funding was held on 10/05/2018 and a further meeting is planned with the SoS in May 2018.

**SCHEMES COMPLETED OR REMOVED**

Folkestone Seafront Resurfacing Phase 1, Shepway	Resurfacing Phase 1		£0.29 LGF	Scheme Delivered	
Folkestone Seafront Resurfacing Phase 2	Resurfacing of Tontine Street (in conjunction with S106 works).		£0.36m Made up of: £0.21m LGF £0.15m S106	Scheme Delivered – 2015/16	
Maidstone Gyratory Bypass, Maidstone	A229 Gyratory Bypass, Fairmeadow.		£5.74m Made up of: £4.6m LGF £1.14m match	Scheme Delivered – December 2016	Jobs = 1250 Homes = 2000
M20 Junction 4 Eastern Overbridge	Widening of existing motorway overbridge.		£5.69m Made up of: £2.2m LGF £3.49m match	Scheme Delivered – February 2017	Jobs = 745 Homes = 1695
Tonbridge Town Centre Regeneration	Tonbridge High Street and adjacent transport improvements.		£2.65m Made up of: £2.4m LGF £0.25m match	Scheme Delivered (Phase 1 completed - High Street improvements June 2016 Phase 2 completed - River Walk improvements April 2017 / Hadlow Road/Cannon Lane jct improvements completed September 2016)	Jobs = 366 Homes = 1000
Maidstone sustainable access to employment areas	New River Medway Pathway between Aylesford & Allington Lock.		£3m Made up of: £2m LGF £1m match	Scheme Delivered (Main works complete - May 2017).	Jobs = 350 Homes = 475

Rathmore Road Link, Gravesend	New 2-way link road between Stone Street & Darnley Road		£9.5m Made up of: £4.2m LGF £5.3m match	Scheme Delivered in January 2018 (Opening ceremony held on Friday 19 <sup>th</sup> January 2018)	Jobs = 215 Homes = 390
Westenhanger Lorry Park	<b>Removed from programme following approval by KMEP &amp; AB</b>				

## Medway Schemes

Scheme	Description	Scheme Delivery By	Budget	Status	RAG Status	Comments	Key Events for Next Period	Target outcomes
A289 Four Elms roundabout to Medway Tunnel	Highway capacity improvements to provide journey time savings and reduced congestion.	End of 2020/21	<p><u>BUDGET:</u> Revised budget = £11.564m</p> <p>Made up of: - £11.1m LGF - £0.464m match funding</p> <p><u>LGF SPEND:</u> 15/16 LGF spend = £0.298m 16/17 LGF spend = £0.402m 17/18 LGF spend = £0.347m Profiled to spend in 2018/19 = £2.059*</p> <p>* As agreed at SELEP Acc. Board on 16 March 2018</p>	<b>OUTLINE DESIGN</b> (Outline Business Case Approved)	➔	<p>A revised Business Case was developed as a result of the reduced S106 contributions impacting on the original budget, as a result of revised timescales for development at Lodge Hill. The revised Business Case was considered by SELEP Accountability Board on 23rd February 2018 and approval was given for the release of the initial £3.5m of the LGF allocation. A Full Business Case will be brought forward for consideration, in early 2019/20, once there is greater certainty on the construction costs of the revised scheme option.</p> <p>An inception meeting has been held with the design contractor and work has commenced on the RIBA stage 3 design.</p>	<p>Work will continue on the RIBA stage 3 design. A red line plan will be produced which illustrates the scale of land-take required. This will inform the land acquisition negotiations.</p> <p>Work will begin on amending the planning application as required to address the changes to the scheme proposals.</p>	<p>Jobs = 7688</p> <p>Homes = 4433</p>
Strood town centre	Journey time and accessibility enhancements to the town centre including changes to the highway and improved public realm.	End of 2018/19	<p><u>BUDGET:</u> Total budget = £10.27m</p> <p>Made up of: - £9.0m LGF - £1.27m match funding</p> <p><u>LGF SPEND:</u> 15/16 LGF spend = £0.2m 16/17 LGF spend = £1.772m 17/18 LGF spend = £0.944m Profiled to spend in 2018/19 = £6.236m*</p> <p>* As agreed at SELEP Acc. Board on 16 March 2018</p>	<b>CONSTRUCTION</b> (Business Case Approved)	➔	<p>Work commenced on-site on 19th February. Phase 1 of the works which focusses on public realm improvements at the Commercial Road car park are nearing completion.</p> <p>The new Strood train station building opened to the public in December 2017.</p>	<p>Work will continue to finalise the technical design (RIBA stage 4) for the last phases of the project. Construction of phase 2 of the works will begin.</p>	<p>Jobs = 360-450</p> <p>Homes = 600-815</p>

<p>Chatham town centre placemaking and public realm package</p>	<p>Improving the link between Chatham railway station and Chatham town centre and waterfront area and provision of a new civic space.</p>	<p>Mid 2018/19</p>	<p><b>BUDGET:</b> Total budget = £4.9m</p> <p>Made up of: - £4.0m LGF - £0.9m match funding</p> <p><b>LGF SPEND:</b> 15/16 LGF spend = £0.870m 16/17 LGF spend = £0.945m 17/18 LGF spend = £0.881m Profiled to spend in 2018/19 = £1.270m*</p> <p>* As agreed at SELEP Acc. Board on 16 March 2018</p>	<p><b>CONSTRUCTION</b> (Business Case Approved)</p>		<p>Work is progressing well on the route improvements between the train station and the town centre.</p> <p>Network Rail has been granted planning consent for the proposed forecourt improvement works at Chatham train station. Network Rail is currently reviewing procurement and delivery options for these works, including the possibility of using the contractor that Medway Council appointed to deliver the route improvement works.</p>	<p>Construction work on the route improvements will continue.</p> <p>Engagement with Network Rail regarding the forecourt improvement works at Chatham train station will continue. It is hoped that work will commence onsite at Chatham station in Q2 2018/19 (subject to appointment of a contractor).</p>	<p>Jobs = 6271</p> <p>Homes = 3682</p>
<p>Medway Cycling Action Plan</p>	<p>A range of measures designed to improve access to cycling in the Medway area and improve upon and expand existing cycle facilities.</p>	<p>1st phase in 2015/16, then annually until mid 2018/19.</p>	<p><b>BUDGET:</b> Total budget = £2.8m</p> <p>Made up of: - £2.5m LGF - £0.3m match funding</p> <p><b>LGF SPEND:</b> 15/16 LGF spend = £0.228m 16/17 LGF spend = £1.15m 17/18 LGF spend = £0.919m Profiled to spend in 2018/19 = £0.137m*</p> <p>* As agreed at SELEP Acc. Board on 16 March 2018</p>	<p><b>CONSTRUCTION</b> (Business Case Approved)</p>		<p>Work has continued on site to deliver the majority of the proposed cycle route improvements, including Gillingham Business Park, Riverside Country Park, Lordswood Lane, A289 between The Strand and Owens Way and Beechings Way phase 2.</p> <p>The project programme has been extended with work now expected to be complete in mid 2018/19. Completion of the project has been delayed due to a combination of an extended consultation period being required for the final route due to be constructed and temporary unavailability of the traffic signal contractor due to the need for them to repair the damage caused to traffic signals during the recent snow.</p>	<p>Work will continue on site to deliver the remaining cycle route improvements.</p>	<p>Jobs = 390</p> <p>Homes = 261</p>

<p>Medway City Estate connectivity improvement measures</p>	<p>An integrated package of infrastructure measures aimed at addressing the existing barriers to movement to and from and within the Medway City Estate.</p>	<p>Early interventions starting in 2015/16 with second part of the project by end of 2019/20.</p>	<p><b>BUDGET:</b> Total budget = £2.094m</p> <p>Made up of: - £2m LGF - £0.094m match funding</p> <p><b>LGF SPEND:</b> 15/16 LGF spend = £0.3m 16/17 LGF spend = £0.181m 17/18 LGF spend = £0.035m Profiled to spend in 2018/19 = £0.463m*</p> <p>* As agreed at SELEP Acc. Board on 16 March 2018</p>	<p><b>PHASE 1 - COMPLETE</b> <b>PHASE 2 - DEVELOPMENT OF SUSTAINABLE TRANSPORT INTERVENTIONS</b> (Business Case Approved)</p>		<p>Phase 1 works, which focus on improving egress from Medway City Estate are now complete. The new traffic signals are operational and indications are that there has been an improvement in journey times for vehicles leaving Medway City Estate during the evening peak.</p> <p>Discussions have continued regarding the content of phase 2 of the project, with input being sought from businesses on the estate.</p>	<p>The impact the phase 1 works have had on the flow of traffic leaving Medway City Estate will continue to be monitored.</p> <p>Proposals for phase 2 of the project, which will focus on improving connectivity to the site for sustainable modes of travel, will be investigated and developed during Q1 and Q2 of 2018/19.</p>	<p>Jobs = 390</p>
<p>Rochester Airport - phase 1</p>	<p>Introduction of Medway Innovation Park. Phase 1 of the project involves improvements to airport infrastructure and removal of the second runway - works which are required to facilitate the development of the Innovation Park.</p>	<p>2019/20</p>	<p><b>BUDGET:</b> Total budget = £4.4m</p> <p>Made up of: - £4.4m LGF - £0.0m match funding (phase 1 only)</p> <p><b>LGF SPEND:</b> 15/16 LGF spend = £0.0m 16/17 LGF spend = £0.179m 17/18 LGF spend = £0.182m Profiled to spend in 2018/19 = £3.588m*</p> <p>* As agreed at SELEP Acc. Board on 16 March 2018</p>	<p><b>OUTLINE DESIGN</b> (Business Case approved)</p>		<p>An independent review of construction costs highlighted that it is no longer possible to deliver all the outputs as stated in the original Business Case. As a result an update report was submitted to SELEP outlining a proposed change to project outputs, whilst ensuring that the project outcomes were still met. This report was considered at the Accountability Board meeting on 27th April.</p> <p>The report proposed removing the paved runway and associated infrastructure and one new hangar from the list of outputs. Under the proposal the other project outputs would still be delivered. All project outcomes, including safeguarding existing jobs, creating new jobs, releasing the land required for Innovation Park Medway and safeguarding the future of Rochester Airport would be met.</p> <p>Accountability Board requested further</p>	<p>The update report outlining a proposed change to project outputs will be re-submitted for consideration at the June Accountability Board meeting.</p>	<p>Jobs = 37</p>

						information on the two phases of the project, and deferred the decision until their June meeting to allow Medway Council time to provide this information.		
Rochester Airport - phase 2	Introduction of an Innovation Park at Rochester Airport. Phase 2 of the project involves infrastructure works to enable the development of the Innovation Park.	2020/21	<p><b>BUDGET:</b> Total budget = £48.67m</p> <p>Made up of: - £3.7m LGF - £44.97m match funding</p> <p><b>LGF SPEND:</b> 15/16 LGF spend = £0.0m 16/17 LGF spend = £0.0m 17/18 LGF spend = £0.0m Profiled to spend in 2018/19 = £0.520m*</p> <p>* As agreed at SELEP Acc. Board on 16 March 2018</p>	<b>BUSINESS CASE NOT YET APPROVED</b>		It is anticipated that work will commence on this project in 2018/19, following receipt of Accountability Board approval of the Business Case. Submission of the Business Case is dependent upon phase 1 of the project progressing.		Jobs = 1544
Civic Centre site, Strood - flood mitigation measures	Improvements to flood defences at the former Civic Centre site to enable the development of the site. The former Civic Centre is a prime development site offering views across the river to Rochester Castle and Cathedral.	2018/19	<p><b>BUDGET:</b> Total budget = £92m</p> <p>Made up of: - £3.5m LGF - £88.5m match funding</p> <p><b>LGF SPEND:</b> 15/16 LGF spend = £0.0m 16/17 LGF spend = £0.0m 17/18 LGF spend = £1.122m Profiled to spend in 2018/19 = £2.162m*</p> <p>* As agreed at SELEP Acc. Board on 16 March 2018</p>	<b>CONSTRUCTION</b> (Business Case approved)		The Business Case was approved at the Accountability Board meeting on 16th March 2018 and work has begun to set up the site compound.	Bat surveys will be carried out, along with additional archaeological survey work.	Jobs = 610 Homes = 325

**Summary of Kent RAG rating**

May 17	July 17	Sept 17	Nov 17	Jan 18	March 18	May 18
0 red	0 red	2 red	2 red	3 red	4 red	6 red
20 amber	18 amber	16 amber	14 amber	10 amber	10 amber	9 amber
11 green	9 green	9 green	11 green	13 green	12 green	12 green
1 is not required to spend until later in the programme; 1 removed and 1 complete	1 is not required to spend until later in the programme; 1 removed and 5 complete	1 is not required to spend until later in the programme; 1 removed and 5 complete	1 is not required to spend until later in the programme; 1 removed and 5 complete	1 is not required to spend until later in the programme; 1 removed and 6 complete	1 is not required to spend until later in the programme; 1 removed and 6 complete	1 is not required to spend until later in the programme; 1 removed and 6 complete

**Summary of Medway RAG rating**

May 17	July 17	Sept 17	Nov 17	Jan 18	March 18	May 18
0 red	1 red					
1 amber	2 amber	2 amber	2 amber	2 amber	1 amber	0 amber
5 green	4 green	4 green	4 green	4 green	6 green	6 green
2 not required to spend until later	1 not required to spend until later	1 not required to spend until later				

**Methodology**

Green (business case approved, funding fully secured and delivery on target).

Amber (funding not yet secured; or scheme delay or funding issue which can be mitigated);

Red (funding not yet secured and significant cost or delivery issues).

**Key for Kent spreadsheet: The arrows denote the direction of travel.**

↑ denotes significant improvement/progress in scheme delivery     
 → denotes a similar position as reported at the last KMEP meeting     
 ↓ denotes scheme delivery experiencing a delay

## ITEM AOB

**Date:** 21 May 2018

**Subject:** LEP Governance Update

**Report author:** Sarah Nurden, KMEP Strategic Programme Manager

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### Summary

This report provides the promised update on the LEP governance discussion.

The KMEP Board is asked to:

- Approve that the term of office for a private sector representative is set at 2 years in KMEP's terms of reference, with the ability to reappoint for a successive term.
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## 1. Introduction

- 1.1 On 26 March 2018, KMEP received a paper on 'Governance and Transparency of LEPs' and chose to approve the revised terms of reference for the Partnership.
- 1.2 Paragraph 7.4 of that report explained that *"The Government has asked SELEP to ensure that its four federated boards (including KMEP) have a more consistent approach to board member recruitment, and the open calls on funding opportunities. Contact has been made with officers and the Vice-Chairman of the other three federated boards to initiate a discussion on this. A further update on governance will therefore come back to the next KMEP meeting providing feedback on the progress made with the other federated boards."*
- 1.3 This discussion with the SELEP Managing Director, the federated board officers, and the Accountable Body's legal officer has now taken place. The KMEP Strategic Programme Manager was advised that one change would be required to KMEP's terms of reference.
- 1.4 In KMEP's terms of reference agreed on 26 March 2018, it states that the term of office for private sector board members would be 3 years, following which they may be reappointed by the Business Advisory Board. There is no maximum number of terms that a business representative can serve.
- 1.5 The Accountable Body's legal officer has advised the KMEP Strategic Programme Manager that Government guidance encourages LEPs to set a 2-year term for private sector board members.

## **2. Recommendation**

2.1 In light of this new information, the Board is recommended to:

- Approve that the term of office for a private sector representative is set at 2 years in KMEP's terms of reference, with the ability to reappoint for a successive term.

# FOR INFORMATION ONLY PAPERS

## **FOR INFORMATION ITEM A**

**Subject:** Future Meeting Dates for KMEP and SELEP

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### **KMEP Board Meeting Dates**

The future Kent & Medway Economic Partnership meeting dates are:

- Mon 16 July 2018
- Mon 24 September 2018
- Mon 26 November 2018

All meetings will be held at the Village Hotel, Maidstone, and start at 5pm and finish at 7pm.

### **SELEP Strategic Board Meeting Dates**

The SELEP Strategic Board meeting dates are:

- Friday 29 June 2018
- Friday 28 September 2018
- Friday 7 December 2018
- Friday 22 March 2019

All meetings will be held at High House Production Park and start at 10am.

### **SELEP Accountability Board Meeting Dates**

The future SELEP Accountable Board meeting dates are:

- Friday 15 June 2018
- Friday 14 September 2018
- Friday 16 November 2018
- Friday 15 February 2019

All meetings will be held at High House Production Park and start at 10am.