

**Monday 16 July 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 Thames Estuary 2050 Growth Commission	5.10	17
5. The Kent & Medway Medical School: <i>Presentation led by Debra Teasdale - CCCU Pro Vice-Chancellor (Medical Education Development). In attendance will be Prof. Karen Cox (Vice-Chancellor of UoK) &amp; Prof. Rama Thirunamachandran (Vice Chancellor of CCCU).</i>	5.25	-
6. Developing a SELEP pipeline of Local Growth Funding (LGF) projects	5.55	58
7. Local Growth Fund 1, 2 & 3: Delivery Progress Report	6.10	89
8. Business Advisory Board: Anonymised Feedback	6.25	123
9. AOB and for information items:	6.35	
A. Sector Support Fund Bid		128
B. Energy & Air Quality		130
C. Developing a Kent and Medway Enterprise & Productivity Strategy		137
D. KMEP and SELEP future meeting dates		140

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### ITEM 3A

**Date:** 16 July 20128

**Subject:** DRAFT MINUTES of a meeting of the Kent & Medway Economic Partnership (KMEP) held at the Hilton Hotel, Maidstone on 21 May 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)  
Andrew Bowles (Swale Borough Council)  
Miranda Chapman (Pillory Barn Design Ltd)  
Gavin Cleary (Locate in Kent)  
Simon Cook (Canterbury City Council)  
Simon Cook (Mid Kent College)  
Mark Dance (Kent County Council alternate)  
Nick Fenton (Hodson Developments & Kent Developers' Group)  
Peter Fleming (Sevenoaks District Council)  
Jenny Hollingsbee (Folkestone & Hythe District Council alternate)

Alan Jarrett (Medway Council)  
Jeremy Kite (Dartford Borough Council)  
Andrew Metcalf (Maxim PR)  
Keith Morris (Dover District Council)  
Tracy Moore (Tunbridge Wells Borough Council alternate)  
Jane Ollis (IOD)  
Jon Reagan (Hugh Lowe Farms Ltd & Weald Granary Ltd)  
Paul Thomas (Dev. Land Services Ltd)  
Prof. Rama Thirunamachandran (Canterbury Christ Church University)  
Fay Gooch (Maidstone Borough Council alternate)  
Paul Winter (Wire Belt Company Limited)

##### Observers & Presenters in attendance

Allan Baillie (KCC), Lee Burchill (KCC), Simon Burgess (Siemens), Stephanie Holt-Castle (KCC), Nicholas Churchill (CCC), Nigel Collor (DDC), Barbara Cooper (KCC), William Cornall (MBC), Helen Dyer (MC), Karen Eslea (Turner Contemporary), John Foster (MBC), Stephen Gasche (KCC), Graham Hammond (FHDC), Richard Hicks (MC), Madeline Homer (TDC), Simon Hookway (GBC), Dave Hughes (KCC), Carolyn McKenzie (KCC), Matthew Norwell (TGKP), Sarah Nurden (KMEP), Andrew Osborne (ABC), Ian Piper (EDC), Jo Simmons (SELEP), Jeremy Whittaker (TMBC).

#### Apologies:

##### KMEP Board Members

Paul Carter (Kent County Council), Gerry Clarkson (Ashford Borough Council), Martin Cox (Maidstone Borough Council), Sarah Dance (Sarah Dance Associates), Nicolas Heslop (Tonbridge & Malling Borough Council), Douglas Horner (Kent Ambassador), Richard Finn (Richard Finn Ltd), Jo James (Kent Invicta Chamber of Commerce), David Jukes (Tunbridge Wells Borough Council), David Monk (Folkestone & Hythe District Council), and David Turner (Gravesham Borough Council).

## **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.

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

- 2.1 Andrew Metcalf declared an interest in item 6 (LEP Review). His company provides PR support for SELEP.
- 2.2 Nick Fenton declared an interest in item 7 (Local Growth Fund 1, 2 & 3: Delivery Progress Report). His company is involved with the Chilmington Green project.
- 2.3 No other declaration of interests were received.

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

- 3.1 The minutes of the previous meeting were agreed as a correct record and signed by the Chairman accordingly.
- 3.2 Sarah Nurden (the KMEP Strategic Programme Manager) advised board members that:
  - The South East LEP is convening a series of meetings regarding the Strategic Economic Plan: A workshop for businesses will take place on 25<sup>th</sup> May; a meeting with Kent and Medway local authority leaders on 5<sup>th</sup> June; and a meeting on 29<sup>th</sup> June for members of the SELEP Accountability Board plus a district and business representative per federated board.
  - Helen Whately MP is supporting KMEP to arrange a summit with the local MPs. She has identified the afternoon of 20<sup>th</sup> July as the most suitable date for the MPs. The KMEP Strategic Programme Manager requested Board Members advise her by email which topics they wish to discuss at the event.
  - The House of Commons Transport Select Committee has launched an inquiry into Freight and Brexit:  
<https://www.parliament.uk/business/committees/committees-a-z/commons-select/transport-committee/inquiries/parliament-2017/freight-and-brexit-17-19/> The Committee primarily asks for the views of the freight industry but also asks for comments on the Government's preparedness and transport infrastructure, including additional funding, to support the needs of freight. The closing date is 8 June. Kent County Council's Transport Strategy Manager is co-ordinating a response that he will send to KMEP for information.

## **Item 4 – Turner Contemporary and the Turner Prize 2019**

- 4.1 Karen Eslea (Head of Learning and Visitor Experience at the Turner Contemporary) delivered a presentation on Turner Contemporary and the Turner Prize 2019; her key messages on Turner Contemporary included:

- Turner Contemporary is a world-class visual arts organisation. The gallery was designed by the architect David Chipperfield and opened in 2011. Margate is renowned amongst artists for its unique quality of light that made J. M. W. Turner a regular visitor.
- Turner Contemporary has helped lead regeneration and change perceptions of Margate. Over 2.7 million people have visited the gallery, and over 150 new businesses have opened since 2011. The gallery has generated over £70 million for the Kent economy, and worked with over 100,000 children and young people. On average, 7% of Turner Contemporary's visitors are from overseas.
- Margate and Kent are now developing their brand as cultural destinations, and SECEN is rolling out the Cultural Coasting project; Turner Contemporary is working in partnership with others to deliver these.
- Karen Eslea is part of a parliamentary group reporting to MPs and the National Children's Commissioner on the groundbreaking work being undertaken in Kent on children's leadership through the arts.
- Turner Contemporary is one, if not the first, UK gallery to invest in social value research. Visitors report the gallery's work has enabled them to be more open-minded and confident, and has given them a will to be more active members of the community.
- The research shows for every £1 invested in the gallery, it creates:
  - £2.88 of net social value for the visitor,
  - £4.09 of net social value for participants in Turner Contemporary's life-long learning programme, and
  - £5.19 of net social value for participants in Turner Contemporary's formal learning programme.

#### 4.2 Karen Eslea's key messages on the Turner Prize 2019 included:

- The Turner Prize is one of the best known prizes for the visual arts in the world, and aims to promote public debate around new developments in contemporary British art.
- Every other year, the prize leaves Tate Britain and is presented at a venue outside London.
- In 2019 it will be presented at Turner Contemporary.
- Established in 1984, the Turner Prize is awarded to a British artist for an outstanding exhibition or other presentation of their work in the previous twelve months.
- The Turner Prize award is £25,000 for the winner, and £5,000 each for the other three shortlisted artists. The Turner Prize no longer has an age limit.
- The selection panel includes gallery directors, curators, critics, and is chaired by the Director of Tate Britain. This year, Turner Contemporary's Director will be on the selection panel.
- The prize is awarded to an artist primarily working in Britain, or to an artist born in Britain working anywhere in the world.
- The Turner Prize has previously been shown in Gateshead in 2011, Derry in 2013, Glasgow in 2015, and in Hull in 2017 as part of Hull's UK City of Culture celebrations.

- Gateshead experienced an increase of 100% in their visitor figures during the exhibition's three-month period; Derry reported a significant change in perception of the city as a result of the Prize; and in Hull, the gallery reported a 309% increase in visitor numbers in 2017 (519,000 visits) compared with 2016. In Hull, the combination of the Turner Prize and the City of Culture, generated £17m in value to the local economy.
- Turner Contemporary has set itself these targets and objectives to achieve:
  - 250,000 visits during the Turner Prize exhibition;
  - National media coverage, include coverage on BBC News at Ten;
  - Increase in overnight stays;
  - Increase in civic pride through a volunteer scheme;
  - Contribute to positive perceptions of Margate and Kent;
  - Create further connections with schools and colleges, and increase outreach
  - 15,000 student to visit Turner Contemporary in 2019;
  - Run a Portfolio Art Competition for schools in Kent and Medway in 2019, linked to the Turner Prize. The gallery hopes to receive 2,000 submissions; and
  - Give significant opportunities to artists and creative professionals to develop their work and profile.
- The Turner Prize award ceremony will be hosted in Margate in December 2019, and broadcast on BBC2.
- Turner Contemporary is working with Kent County Council to prepare for the Turner Prize, and a Kent Readiness Group has been established, chaired by David Smith.
- The Kent Cultural Transformation Board (made up of professionals from the creative industries) has agreed to establish a Turner Prize sub-group. This group is currently discussing having a Kent-wide year for the arts and ideas in 2019.
- Turner Contemporary is also hosting an event for teachers in July this year, so they can learn how this event can benefit their pupils.
- The gallery is looking to generate investment to support the prize and surrounding activity, and they are in discussions with companies about sponsorship packages.

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

- In response to Fay Gooch's question on the challenges faced, Karen Eslea explained Turner Contemporary had to raise the prize money, so seeking investment is a priority. In total, it costs roughly £0.5million to bring the Turner Prize to Kent, and there is circa £220k of funding still to be raised. Also Turner Contemporary want the Turner Prize 2019 to feel special and unique, as Margate is closely linked to J. M. W. Turner, after whom the Prize is named. Turner Contemporary will only be told which artists will be in the exhibition six months prior to the opening. Finally, there is a logistical challenge: the gallery must be open 7 days a week, and 2,300 visits a day are expected.
- Bob Bayford echoed Karen Eslea's comments about the transformative power of the gallery for Margate, and that this event should have a positive impact across the county.
- In response to Tracy Moore's question about who is organisational lead for the Kent-wide year of arts and ideas initiative, Karen Eslea explained that Sarah Dance

would be the best contact, as this idea arose from the Kent Cultural Transformation Board, which she chairs.

- Paul Thomas asked how we could learn lessons from cities which previously hosted the prize to maximise the impact. Karen Eslea welcomed support from all partners in maximising the impact, as a partnership approach is key. To learn lessons, Turner Contemporary staff and members of the Kent Readiness Board visited Hull during the Turner Prize 2017. Hull has published an extensive evaluation report and this is being studied. Every other year, the event is held in London, where the Turner Prize receives 600,000 visits on average. In Hull, due to its distance from London, there were fewer visitors from London, and only 1% of Hull's visitors were from overseas, 50% of Hull's visits came from the local area. As Margate is close to London, Turner Contemporary wants to capitalise on opportunities to draw London and overseas visitors.
- Jeremy Kite referred to how art is at the core of Dartford's regeneration approach, and the value in Turner Contemporary contacting the district/borough councils directly to seek their involvement. Karen Eslea said Turner Contemporary has some outreach funding to target schools that are not yet involved with arts and culture in every Kent district.
- In response to Paul Winter's question asking how Turner Contemporary intends to increase international visitors, Karen Eslea said the gallery is in conversation with the University of the Arts to host a satellite exhibition at Kings Cross, which could then promote using the High Speed train to reach the Margate exhibition. The gallery is also working with Visit Kent to consider how best to market the event to overseas visitors.
- Simon Cook (Mid-Kent College) encouraged the gallery to look at the correlation of how art is helping young people with mental health issues.

4.4 The KMEP Chairman thanked Karen Eslea for her presentation.

## **Item 5 – Tri-LEP Energy Strategy**

5.1 The KMEP Chairman welcomed Simon Burgess (Siemens), Jo Simmons (SELEP) and Carolyn McKenzie (Kent County Council) to the meeting. Simon Burgess and Jo Simmons explained:

- BEIS has asked every LEP to produce an energy strategy covering the next 10-15 years, and has given SELEP a grant to do this.
- The South East LEP, Coast to Capital LEP, and Enterprise M3 LEP have chosen to produce a Tri-LEP Energy Strategy, and have commissioned Siemens to lead this work. The intention is to launch this energy strategy in July 2018 (in accordance with the terms of BEIS' grant to SELEP).
- There is a national focus on delivering sustainable, affordable and clean energy, as evidenced by clean growth's inclusion as one of the four grand challenges in the Industrial Strategy.
- The government's energy policy is changing. Recently published documentation includes:
  - Climate Change Act 2008 - Legally binding target to reduce emissions by 80% by 2050

- Industrial Strategy 2017
- Clean Growth strategy 2017
- Smart Power Report (NIC report for the UK future energy system)
- Cost of Energy Report (2017) - Prof Dieter Helm's analysis of how and why we pay too much for energy.
- To achieve the Government's ambition for clean, low-carbon growth, BEIS established 5 energy hubs across England in April 2018 to support the capacity of LEPs and local authorities to deliver energy projects. A hub is being set up in each of the following regions: the North West, North East, Midlands, South West and the South East.
- SELEP will be part of the 'Greater South East Energy Hub'.
- Each hub will be given in the region of £1.3million over two calendar years to set up a new team of people that will look across the LEPs' Energy Strategies and will seek to:
  - (a) Increase the number, quality and scale of local energy projects being delivered;
  - (b) Raise local awareness of the opportunity for and benefits of local energy investment;
  - (c) Enable local areas to attract private and/or public finance for energy projects;
  - (d) Identify working model for the local energy hub to be financially self-sustaining after the first two years of operation.
- BEIS' proposed tasks for the local energy hubs include:
  - Identify and prioritise local energy projects;
  - Undertake the initial stages of development for priority projects and programmes (e.g. feasibility studies and business cases), up to a point where investment can be secured;
  - Take a collaborative and coordinated approach across multiple LEP areas; and
  - Regional leadership and liaison with BEIS.
- SELEP is eager for the Tri-LEP strategy to align to local authority objectives.
- BEIS wants the LEP Energy Strategies to:
  - Provide a strategic framework that informs the actions which LEPs and their partners take on energy;
  - Reflects the energy-related aspects of the Industrial Strategy;
  - Respond to the national trajectory for decarbonisation and clean growth;
  - Make reference to other national and local energy and low carbon policy; and
  - Provide a valuable evidence base for use by central government.
- The scope of each energy strategy will be:
  - A clear analysis of the energy opportunities and challenges across the whole LEP area, for power, heat and transport;
  - Estimates of energy demand and carbon emissions over time, and consideration in relation to relevant carbon targets;
  - Pipeline of potential energy and low carbon investment projects;
  - Energy and low carbon priorities for the LEP;
  - Arrangements for governance and delivery of the strategy;
  - Funding options to deliver low carbon energy projects;
  - Action plan, with responsibilities and timescales identified; and
  - Any conclusions or recommendations for central government policymakers.

- All of the strategies will be reviewed by BEIS and used to inform their understanding of:
  - The range of energy opportunities and challenges across England, and how they relate to Industrial Strategy and clean growth;
  - The pipeline of energy projects which could come forwards across the country and the scale of the investment opportunity;
  - The role which LEPs and their partners across England are taking in relation to energy and why;
  - The capacity and capability of LEPs and their partners to deliver energy projects; and
  - If and where support is needed from central government, and how this might be delivered.
- The key tasks that Siemens are undertaking include:
  - Conduct engagement process with key stakeholders, and Simon Burgess stressed the need for this to be a bottom-up process with some analysis at the top. Siemens has spoken to local authority officers, community groups, energy distributors to gain a clear understanding of the area's energy needs and supply. Carolyn McKenzie from KCC, and Andrew Bull from Medway Council have been involved with this work;
  - Complete data analysis and identify regional characteristics;
  - Identify long-list of project interventions; refine with internal and external stakeholders; and
  - Build energy strategy and action plan
- As part of the strategy, Siemens is developing software, which will be owned by the LEP, called the 'intelligence tool'. This tool will look to quantify the impact of energy project interventions, and will assess the financial and environmental benefits of each project.

5.2 Simon Burgess then showed a series of graphs, which showed the:

- Total emissions in 2015 by local authorities in the SELEP area.
- The emissions per capita in 2015 by local authorities in the SELEP area (*The national average is 5.9*).
- The EIR (Emissions Intensity Ratio) in 2015 by local authorities in the SELEP area. (*The EIR looks at how much energy is required to generate £1m of GVA. A low figure is desirable*).
- The sectorial emissions in 2015 by local authorities in the SELEP area.

Swale was used as an example: The four graphs identified Swale as an area suitable for industrial energy efficiencies interventions, and interventions that could convert high heat loads into energy.

5.3 A sun-diagram showed the different types of potential project interventions that may be suitable from now to 2050.

5.4 Simon Burgess spoke about 'demand response'. Twenty years ago, the margin between total capacity and total energy demand was 15% in the UK; now it is only 1%. Demand response looks at reducing the demand for energy during periods when electricity demand threatens to outpace the electricity supply - rather than



increasing energy generation. It uses technology to encourage machines (e.g. a fridge) to conserve energy in high-demand peak times, and draw energy in off-peak periods. The National Infrastructure Committee's Smart Power Report said there is over £1billion that could be generated in revenue for UK businesses through demand response alone, by reducing demand at critical times. This could be helpful as renewable energy sources can generate throughout a 24 hour cycle. Tesco is currently trialling demand response in its stores with regard to refrigeration.

- 5.5 Carolyn McKenzie (KCC) explained her role in feeding in local knowledge and information to the SELEP/Siemens Team. Documents, such as the Kent Environment Strategy and the Kent and Medway Growth and Infrastructure Framework show that the energy grid is constrained, and the situation will be exacerbated with further population growth.
- 5.6 Carolyn McKenzie presented a slide which showed some of the challenges Kent and Medway face:
- 10% of Kent and Medway residents are in fuel poverty,
  - 220,000+ new homes by 2031, and
  - Poor air quality contributes to approximately 5% of deaths per year in the UK.
- She emphasised the need to generate our own energy locally.
- 5.7 Kent and Medway are seeing an increase in energy demand as more electric vehicles (EVs) are sold. A graph was shared showing the upward trajectory in EVs.
- 5.8 Carolyn McKenzie described the work that is being taken with districts and community groups to explore increasing the use of renewable energy. She concluded by saying that the LOCASE project that is across the SELEP area is likely to receive an additional £6m over the next year. This can be used to invest in businesses in the low carbon sector.
- 5.9 Simon Burgess concluded the presentation by outlining the next steps which were:
- Stakeholder engagement and insight,
  - Data analysis,
  - Intelligence tool development,
  - Define and refine interventions,
  - Produce energy strategy, and
  - Implementation.
- 5.10 In response to the presentation, the following comments were made:
- Allan Jarrett asked about the team's connection with the different government agencies and bodies, given the broad range of the Government's ambitions – For example, housing growth being balanced against the environmental impact, roll-out on onshore renewable energy being balanced against the need for agricultural land, etc. Simon Burgess responded that he and colleagues having spoken to the various Government Departments and organisations to which Allan Jarrett had referred.

- Peter Fleming said district councils may be interested in district heating project interventions if the returns on investment were acceptable. Storage solutions were also an option that could be explored. Simon Burgess expressed some reservations about storage solutions, as the payback period was 8 years, but the lifetime of the storage solution could be only 10 years, although he recognised other manufacturers may be able to provide a longer guarantee.
- Jane Ollis expressed her gratitude that this item was on the agenda given the significant importance of energy to both businesses and local authorities. She felt KMEP was the right forum for this debate, as the key stakeholders that could make things happen were sat around the table. She felt that all attendees would like to see carbon emissions reduce, and to consider renewables, and for there to be ambitious targets set. She requested that the energy strategy comes back to a KMEP meeting at an appropriate time.
- Paul Winter said the grid can be a major barrier. Wire Belt Ltd generates as much electricity in a year as they use. However, Wire Belt is restricted in how much energy it can feed back into the grid.

5.11 The Chairman thanked the presenters for attending, and Simon Burgess said he would be happy to accept Jane Ollis' request for him to return during the energy strategy's formation.

## **Item 6 – LEP Review**

- 6.1 The KMEP Chairman introduced the item, and explained that the item is on the agenda to make everyone aware that the Government is reviewing LEPs. It is important to be on the front foot. The paper sets out the Government's terms of reference for the review, and the Chairman asked Board Members for their views on what is right for Kent and Medway with regard to these points, so KMEP is the prepared should the Government make a decision to change the current operation.
- 6.2 Allan Jarrett said that the federated model appears to work as well as it possibly can. Central Government chose to impose a large LEP on this area, and thus it has taken time to develop SELEP's governance, however, the federated model provides the greatest reach in terms of engagement with local businesses and leaders. Medway Council does not wish to see the federated model change. Where SELEP may be missing a trick is in terms of interaction with MPs; doing more self-promotion and promotion of the South East; and while local authorities are working together to promote successful delivery of capital projects, SELEP could undertake further activity.
- 6.3 The KMEP Chairman requested the support of the KMEP Board Members in engaging the MPs about the KMEP and SELEP agenda.
- 6.4 Jeremy Kite requested the KMEP summit includes topics that provide a call to action for the Partnership and MPs. He accepted that indications from Government suggest the LEP may stay the same size or even increase in size, as Government has been suggesting there should be 38 LEPs or fewer. Jeremy Kite recommended that the

KMEP summit issued one plea to the MPs, which shows that KMEP is Team Kent and if you work jointly with us, delivery of actions will follow.

- 6.5 The Chairman thanked Jeremy Kite for his comments and tasked the KMEP Board Members with coming back to the Strategic Programme Manager with the call to action they want to discuss at the KMEP summit.
- 6.6 On the LEP review, Jeremy Kite felt there is a risk that, given the large size of the LEP, the SELEP officers can feel removed from local areas, and some activity can feel officer-driven. The accountability and formal reporting of SELEP officers to the federated areas may be something to consider if government were to choose to review SELEP. Jeremy Kite felt that partners should be celebrating KMEP, and that the local federated board of KMEP ought to be retained. Local informed decision-making at a federated board level is critical.
- 6.7 The KMEP Strategic Programme Manager asked Board Members if they would wish to send an introductory note to the new Secretary of State, James Brokenshire, to emphasise the importance of the federated model, given that the Government are looking at new corporate governance structures for LEPs. A new governance structure could be imposed which could potentially restrict the use of a federated model.
- 6.8 Peter Fleming said KMEP's geography is larger than some other LEPs. KMEP contains areas whose priorities can substantially vary – for example, West Kent residents often look to London for job opportunities, but this is not necessarily the case in East Kent. The size of SELEP makes the model difficult, and there may be few topics that affect the entire KMEP geography for discussion at the KMEP summit with MPs.
- 6.9 Tracy Moore echoed the comments about the federated model providing the greatest reach in terms of engagement with local businesses and leaders, and the need to retain the local board of KMEP. She suggested that the three areas of Kent each put forward one call for action for the KMEP summit with MPs. She also asked businesses for their views.
- 6.10 Andrew Metcalf encouraged greater engagement by SELEP and KMEP with businesses to raise awareness of the organisations. He felt there were several similarities across the SELEP geography (e.g. ports and coastal regeneration), so he would like to see no change to the status quo.
- 6.11 Paul Winter said Wire Belt Ltd has two factories situated in the Black Country. The Black Country LEP only covers four boroughs, so this helps facilitate a cohesive approach to economic development. However, the small scale limits its influence on a national scale. SELEP should use its larger size to maximise its influence and to lobby.
- 6.12 The Chairman thanked board members for their views.

## **Item 8 - Any Other Business (Brought forward due to Exempt Item)**

- 8.1 At the KMEP Board Meeting on 26 March 2018, KMEP had approved its revised terms of reference. The accompanying paper had explained that SELEP would be convening a meeting of the federated boards' support officers with the Accountable Body's legal officer to ensure that all federated boards' terms of reference met with the government's points expressed during the recent deep dive.
- 8.2 Sarah Nurden (the KMEP Strategic Programme Manager) explained that this meeting had now taken place. The only comment provided to her at that time was that private sector business members ought to have a two-year, not three-year, tenure on the board. The private sector individuals can be re-selected to sit on the board.
- 8.3 The KMEP Board voted to approve the amendment to the terms of reference that private sector business members have a two-year tenure on the board, with reselection possible.

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

- 7.1 Lee Burchill (Kent County Council's LGF Manager) & Helen Dyer (Medway Council's LGF Manager) presented the LGF Delivery Monitoring Report. Their comments were:
  - The final spend figures for 2017/18 will be submitted in June to SELEP, for the SELEP Accountability Board to see at its meeting in September.
  - The Dartford Town Centre LGF project's business case was approved at the last SELEP Accountability Board.
  - SELEP has introduced the deadline of 16 November 2018 for all remaining LGF schemes (that are not allocated funding on an annual basis) to submit a business case to the ITE.

## **Exempt Item - Transport improvements to Sandwich Station in advance of the 2020 Open Championship**

- 7.2 The motion to exclude was passed. It was resolved that, under Section 100A of the Local Government Act 1972, the press and public be excluded from the meeting for the following business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act.
- 7.3 The exempt report on transport improvements to Sandwich Station was presented by Lee Burchill, Stephen Gasche and Stephanie Holt-Castle (all from KCC).
- 7.4 At the conclusion of the discussion, the Board resolved to:
  - Note the update report on Open Golf 2020 – Sandwich Station Enhancement
  - Note and endorse the intention to provide the additional funding for Option 4 from Kent LGF programme underspend (previously identified from the Ashford Spurs enhancement project).
  - Delegate authority for signing off final option to the KMEP Chairman.

**ITEM 3B**

**Date:** 16 July 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
Governance & Transparency	In accordance with the national requirements, an induction meeting has been held with the following individual that is joining the KMEP board: <ul style="list-style-type: none"> <li>• Martin Cox (Board Member)</li> </ul>
KMEP summit with MPs	<p>The purpose of the summit is to enter into meaningful dialogue with our local MPs to help maximise the economic growth in the area. Over the past few days, the KMEP Chairman has been notified that several MPs are no longer able to attend the summit because of a memorial service on 20<sup>th</sup> July.</p> <p>Recognising the desire of MPs to contribute to the event, and to enable the business community and local stakeholders to gain the greatest benefit from the summit, the KMEP Chairman feels it would be prudent to postpone the event from 20<sup>th</sup> July to a later date when more MPs would be available.</p> <p>We are liaising with Helen Whately’s office and have asked her to set a new date that would suit the local MPs. We will circulate these details once they are available.</p>
Strength in Places Fund	<p>Led by UK Research and Innovation, the Strength in Places Fund (SIPF) is a new competitive funding scheme that takes a place-based approach to research and innovation funding, to support significant regional growth.</p> <p>There is an open call for expressions of interest. The details are available here <a href="https://www.ukri.org/funding/funding-opportunities/strength-in-places-fund/">https://www.ukri.org/funding/funding-opportunities/strength-in-places-fund/</a></p> <p>We understand that a local stakeholder may be submitting a bid. Details will be distributed to KMEP Board Members once available, with a view to KMEP being asked to write a letter of support.</p>
Solutions to Operation Stack: managing freight traffic in	Highway England’s public information exercise is now open. HE wants to hear views on their proposed approach to develop one or more lorry holding areas to reduce the congestion in Kent caused by cross-Channel disruption. These could be located:

Kent	<ul style="list-style-type: none"> <li>• On-road: within or alongside existing motorway boundaries</li> <li>• Off-road: on sites close to motorways or major roads</li> <li>• a combination of the above</li> </ul> <p>The Business Advisory Board will be submitting a consultation response. The closing date for any submissions is 11.59pm on Sunday 22 July 2018.</p>
'Root and Branch Reform of Rail Fares'	<p>The Rail Delivery Group (RDG), the trade body representing the firms that run Britain's railways, has launched a UK-wide consultation alongside the watchdog Transport Focus on fares prices and regulation. The consultation closes on 10 September 2018. A draft response will be sent electronically to KMEP Board Members to approve.</p>
Cabinet Reshuffle – July 2018	<p>Theresa May has reshuffled her cabinet following the resignation of David Davis and Boris Johnson. Her Cabinet is now as follows:</p> <ul style="list-style-type: none"> <li>• Theresa May – Prime Minister</li> <li>• David Lidington – Minister for Cabinet Office</li> <li>• Philip Hammond – Chancellor</li> <li>• Jeremy Hunt – Foreign Secretary</li> <li>• Sajid Javid – Home Secretary</li> <li>• Dominic Raab – Brexit Secretary</li> <li>• Gavin Williamson – Defence Secretary</li> <li>• Matthew Hancock – Health &amp; Social Care Secretary</li> <li>• David Gauke – Justice Secretary</li> <li>• Damian Hinds – Education Secretary</li> <li>• Liam Fox – International Trade Secretary</li> <li>• Greg Clark – Business Secretary</li> <li>• Michael Gove – Environment Secretary</li> <li>• Chris Grayling – Transport Secretary</li> <li>• James Brokenshire – Housing &amp; Communities Secretary</li> <li>• Baroness Evans – Leader of the Lords</li> <li>• David Mundell – Scottish Secretary</li> <li>• Alun Cairns – Welsh Secretary</li> <li>• Karen Bradley – Northern Ireland Secretary</li> <li>• Penny Mordaunt – International Development Secretary</li> <li>• Jeremy Wright – Culture Secretary</li> <li>• Esther McVey – Work &amp; Pensions Secretary</li> <li>• Brandon Lewis – Party Chairman</li> </ul>
Recent government announcements that could be of interest to KMEP include:	<ul style="list-style-type: none"> <li>• A new £7 million fund to support trailblazing approaches to building more integrated communities in England has been launched (9 July) - <a href="https://www.gov.uk/government/news/new-funding-for-innovative-projects-to-build-stronger-communities">https://www.gov.uk/government/news/new-funding-for-innovative-projects-to-build-stronger-communities</a></li> <li>• LEPs in the North of England will form an influential new body to support the government's ambitions for the Northern Powerhouse. The Chairs of the 11 LEPs will sit on a newly formed, government-funded board called the 'NP11'. According to the government, the board will act as one voice representing each of their regions as a modern day 'Council for the North' to work with and advise the government on issues such as how to increase productivity, overcome regional disparities in economic growth and tackle the historic north-south divide. (6 July)</li> </ul>

<https://www.gov.uk/government/news/government-announces-new-northern-powerhouse-body>

- UK publishes latest results in tackling global climate change (6 July) - <https://www.gov.uk/government/news/uk-publishes-latest-results-in-tackling-global-climate-change>
- £40 million of funding is available for businesses to collaborate with an academic or research organisation and a graduate on a Knowledge Transfer Partnership. Funding can help UK businesses to bring in a graduate, who will work on an innovation project. <https://www.gov.uk/government/news/business-and-academic-partnerships-apply-for-funding>
- Government has launched a new, simplified Public Sector Contract designed to make it easier for businesses to apply for Government contracts (5 July) <https://www.gov.uk/government/news/simplified-public-sector-contract-cuts-red-tape-for-small-businesses>
- Construction Sector Deal launched to transform construction through innovative technologies to increase productivity (5 July) <https://www.gov.uk/government/news/bytes-and-mortar-construction-revolution-to-build-50-quicker>
- £163 million fund is available to community-led groups across England to support delivery of new affordable homes up to 31st March 2020 (3 July) <https://www.gov.uk/government/news/new-fund-launched-to-increase-community-led-affordable-housing>
- £15million fund to help drive up standards across further education has been launched (28 June) <https://www.gov.uk/government/news/multi-million-pound-fund-launched-to-help-colleges-improve>
- Employers given green light to transfer up to 10% of apprenticeship levy funds to multiple businesses (26 June) <https://www.gov.uk/government/news/greater-flexibility-for-apprenticeship-levy-as-transfers-extended>
- Government launches new fund to support small business growth (26 June) <https://www.gov.uk/government/news/government-launches-new-fund-to-support-small-business-growth>
- Analysis from independent review into building homes published (25 June) <https://www.gov.uk/government/news/analysis-from-independent-review-into-building-homes-published>
- Communities Secretary has appointed Bridget Rosewell to chair the Independent Review into Planning Appeal Inquiries. The review has been set up with the aim of reducing the time it takes to determine inquiries established to resolve disputed planning proposals, whilst ensuring quality decision-making (22 June) <https://www.gov.uk/government/news/chair-appointed-to-lead-independent-review-into-planning-appeal-inquiries>
- £20 million fund launched for culture, heritage and the creative industries to benefit towns and cities across England (21 June) <https://www.gov.uk/government/news/20-million-government-boost-for-culture-and-creative-industries-in-england>
- £900 million UK Research and Innovation (UKRI) Future Leaders

	<p>Fellowship Scheme launched - open to best researchers from around the world (21 June) <a href="https://www.gov.uk/government/news/major-new-funding-to-attract-worlds-best-in-science-and-innovation">https://www.gov.uk/government/news/major-new-funding-to-attract-worlds-best-in-science-and-innovation</a></p> <ul style="list-style-type: none"> <li>• Prime Minister Theresa May hosted the first Local Enterprise Partnerships Council at Downing Street. (19 June) <a href="https://www.gov.uk/government/news/pm-hosts-local-enterprise-partnerships-council">https://www.gov.uk/government/news/pm-hosts-local-enterprise-partnerships-council</a></li> <li>• Businesses can apply for a share of £4 million to support innovative ideas that reduce persistent plastic waste in the environment through new alternatives. (18 June) <a href="https://www.gov.uk/government/news/reducing-plastic-waste-in-the-environment-apply-for-funding">https://www.gov.uk/government/news/reducing-plastic-waste-in-the-environment-apply-for-funding</a></li> <li>• Organisations can apply for a share of £12 million to transform accountancy, insurance and legal services, under the Industrial Strategy Challenge Fund (7 June) <a href="https://www.gov.uk/government/news/developing-the-next-generation-of-services-apply-for-funding">https://www.gov.uk/government/news/developing-the-next-generation-of-services-apply-for-funding</a></li> <li>• Under proposed regulations, councils will be able to seek government's approval to launch a New Town Development Corporation, which will be responsible for delivering new towns and garden communities in their area (4 June 2018) <a href="https://www.gov.uk/government/news/new-powers-for-councils-to-deliver-homes-for-local-families">https://www.gov.uk/government/news/new-powers-for-councils-to-deliver-homes-for-local-families</a></li> <li>• £102 million investment programme in new local energy approaches &amp; a new research consortium launched (23 May) <a href="https://www.gov.uk/government/news/102-million-to-make-uk-prosper-from-the-energy-revolution">https://www.gov.uk/government/news/102-million-to-make-uk-prosper-from-the-energy-revolution</a></li> <li>• Business Productivity Review launched, that will focus on how UK firms can take advantage of leading technologies, management practices and business support services (23 May) <a href="https://www.gov.uk/government/news/government-review-to-help-business-embrace-new-technology-and-boost-wages-and-profits">https://www.gov.uk/government/news/government-review-to-help-business-embrace-new-technology-and-boost-wages-and-profits</a></li> </ul>
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## ITEM 4

**Date:** 16 July 2018

**Subject:** Thames Estuary 2050 Growth Commission

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

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### Summary

The Thames Estuary 2050 Growth Commission has published its report, which includes fifteen priorities that the Commission believe will capitalise upon the significant strengths in the area to make sure that economic growth is not reserved for some; rather it can have a lasting impact for existing and new businesses and residents across the area.

The KMEP Board is asked to consider and note the recommendations of the Thames Estuary 2050 Growth Commission.

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### 1. Introduction

- 1.1 The Government established the Thames Estuary 2050 Growth Commission in March 2016. The Commission was tasked with developing an ambitious vision and delivery plan for north Kent, south Essex and east London up to 2050.
- 1.2 The Commission ran a call for ideas from July to September 2016, and also met with some local stakeholders on visits to the Estuary.
- 1.3 Sir John Armitage replaced the former Government Advisor on Local Growth, Lord Heseltine, as Chair of the Commission in October 2017. His appointment and that of Deputy Chair, Professor Sadie Morgan, were announced at Budget 2017. The Commission announced its priorities, which included equipping people with the right skills and providing high quality housing, in December 2017.
- 1.4 The Commission has now produced its final report: a 2050 vision document, which is shown in Appendix A. The Commission's final report is supported by a technical report and appendix, available to view at:  
<https://www.gov.uk/government/publications/thames-estuary-2050-growth-commission-report>

## 2. The Commission’s Approach and Priorities

2.1 The Commission has concluded that the Thames Estuary is a tapestry of five ‘productive places’, which are:

‘Productive Place’	The geographical area included in the productive place
City Ribbon	Tower Hamlets, Newham, Barking, Dagenham, Havering, Lewisham, Bexley, and Greenwich.
Inner Estuary	Thurrock, Dartford, Ebbsfleet, and Gravesham
South Essex Foreshore	Basildon, Castle Point, Southend-on-Sea and Rochford
North Kent Foreshore	Medway, Swale, Canterbury and Thanet
The River Thames	The River Thames

2.2 The Commission has identified fifteen priorities that they believe are critical to achieving its vision for the Thames Estuary by 2050. These priorities are shown below:

‘Prod. Place’	Priority
City Ribbon	<p><b><u>Accelerated Delivery Pilot (by 2024)</u></b>  <i>Trial new delivery models to accelerate the scale and pace of delivery of homes and jobs in the Opportunity Areas within City Ribbon to bring forward the development stated in the London Plan by 2035. This could be done through housing delivery companies and the public sector acting as master developers.</i></p> <p><b><u>Three New Thames Crossings (by 2030)</u></b>  <i>Prioritise the planning and funding of river crossings. The Silvertown Tunnel and the DLR extension to Thamesmead should be operational by 2030. A third river crossing should be considered to facilitate homes and jobs.</i></p> <p><b><u>An Integrated Skills Strategy (by 2020)</u></b>  <i>Implement a more targeted skills strategy that provides clear pathways to employment. It should support the area’s existing and emerging economic sectors including the Production Corridor and the growing interest in the cultural and creative industries.</i></p>
Inner Estuary	<p><b><u>Extension of Crossrail 1 (by 2030)</u></b>  <i>Deliver an extension to Crossrail 1 from Abbey Wood to Ebbsfleet.</i></p> <p><b><u>Transport Innovation Zone (by 2020)</u></b>  <i>Create a Transport Innovation Zone which promotes clean technology in transportation, logistics and data systems and unlocks housing opportunities with new means of public transport.</i></p> <p><b><u>Medical Campus (by 2024)</u></b>  <i>Expedite the delivery of the Medical Campus at Ebbsfleet.</i></p>
South Essex Foreshore	<p><b><u>SE Foreshore Fund (by 2020)</u></b>  <i>Create a fund which local authorities and local communities can bid for. Projects should support town centre regeneration and/or community development.</i></p> <p><b><u>SEC Relocation (by 2024)</u></b></p>

	<p><i>Expedite the relocation of the South Essex College’s Nethermayne campus to Basildon town centre.</i></p> <p><b><u>Institute for Resilient Infrastructure (by 2020)</u></b>  <i>Establish a centre for the research, design and funding and financing of integrated infrastructure to address contemporary and future city challenges.</i></p>
North Kent Foreshore	<p><b><u>NK Foreshore Fund (by 2020)</u></b>  <i>Create a fund which local authorities and local communities can bid for. Projects should support town centre regeneration and/or community development.</i></p> <p><b><u>Education and Skills (by 2020)</u></b>  <i>Implement a more targeted skills strategy with employers and educational institutions that provides clear pathways to employment that support the area’s existing and growing economic sectors.</i></p> <p><b><u>Health Supercentre (By 2024)</u></b>  <i>Develop the new health and medical facilities at Canterbury to provide the eastern anchor to the supercentre.</i></p>
The River Thames	<p><b><u>Great Thames Park (By 2020)</u></b>  <i>Establish the Great Thames Park to celebrate and maximise the value of the area’s natural assets. This should include improving access to and use of the River Thames for pedestrians and cyclists</i></p> <p><b><u>Thames East Line (By 2050)</u></b>  <i>Delivery of new multi-modal (including rail) crossing east of the Lower Thames Crossing combined with the second Thames Barrier. Potential interchange points could be Basildon and the Medway Towns.</i></p> <p><b><u>Celebrate the Thames (By 2020)</u></b>  <i>Build on the success of the existing Thames Festival and the Port of London Authority’s Thames Vision to create a programme of festivals, events and promotional activities.</i></p>

2.3 The Commission’s final report also includes a chapter on governance and delivery. Notable comments in this chapter are:

- The Commission has an ambitious vision for the Thames Estuary, which it believes has the potential to deliver 1.3 million new jobs and £190 billion additional GVA by 2050. At least 1 million new homes will need to be delivered to support this growth, but the Commission believes there is scope for the Thames Estuary to be even more ambitious in responding to London’s ever growing housing need.
- The Commission believes that a ‘business as usual’ approach will not deliver growth at scale and pace.
- The Commission recommends that a robust, locally-led review of governance arrangements be undertaken, to be concluded within six months. This review should bring forward proposals for strong, streamlined governance arrangements to drive growth.
- The Commission believes that the optimal governance arrangements should include the following:

- A single voice for the Thames Estuary through a strengthened and streamlined Thames Gateway Strategic Group (TGSG)
- The development of statutory Joint Spatial Plans in Kent and Essex. If these Plans demonstrate sufficient growth ambition, the Government should reward this ambition with substantial infrastructure investment and freedoms and flexibilities.
- A revision of the geographical boundaries of South East Local Enterprise Partnership (LEP). The Commission suggests that local partners consider the formation of two new LEPs within the Thames Estuary, one for Essex, Southend-on-Sea and Thurrock, and another for Kent and Medway. Aside from geography, the Government review into strengthening LEPs should consider the best organisational structure for LEPs, and whether they are adequately resourced to drive growth.
- Development corporation(s) with planning, and compulsory purchase powers to drive the delivery of homes and jobs aligned to major infrastructure investment: Whether these are locally-led should be dependent on the scale of the development.
- Strengthened governance arrangements for the River Thames itself: The creation of a co-ordination office or lead organisation could be more effective in maximising the potential of the River Thames
- In return for strengthened and streamlined governance arrangements, the Commission would like to see revenue raising powers and tax (or other) incentives granted to the Thames Estuary to drive delivery of infrastructure, housing and jobs.

### **3. The South East LEP's response to the Commission's report**

3.1 The South East LEP Strategic Board met on 29<sup>th</sup> June 2018 and discussed the Commission's proposal to revise its geographical boundaries. Sentiments expressed were that SELEP board members want to:

- continue to focus on delivery, action and impact. Discussions regarding governance revisions consume valuable time and resources.
- focus on delivering the key infrastructure required in the region, such as the Lower Thames Crossing, which is not progressing at pace.
- continue SELEP's approach of focusing on subsidiary wherever possible, and respecting the federated model.

A comment was also made that integrating and pooling resources can achieve more than separating them.

3.2 The South East LEP board members from Team East Sussex noted the omission of East Sussex from the report. This federated board had met on 25<sup>th</sup> June 2018, and had voted in support of retaining the current governance arrangements of SELEP.

3.3 The South East LEP Strategic Board requested that the SELEP Chairman and Vice-Chairmen write to the Secretaries of State to express their dissatisfaction with the recommendation.

#### **4. Next steps**

- 4.1 The Government will respond in full to the Commission's report, including any formal endorsement of its recommendations, within the next 6 months.
- 4.2 The publication of the response may coincide with the publication of the national LEP Review findings; Civil Servants have recently intimated that the LEP Review may now be published after, not before, the summer recess.

#### **5. Recommendations**

- 5.1 The KMEP Board is asked to consider and note the recommendations of the Thames Estuary 2050 Growth Commission.

# Thames Estuary 2050 Growth Commission

## 2050 Vision

June 2018



## **Thames Estuary 2050 Growth Commission**

**Sir John Armit** (Chair), Chairman, City & Guilds Group and National Express

**Prof. Sadie Morgan** (Deputy Chair), Director, dRMM Architects

**Lord Norman Foster**, Chairman and Founder, Foster + Partners

**Prof. Alice Gast**, President, Imperial College

**Gregory Hodkinson**, Chairman, Arup

**Sir George Iacobescu**, Chairman and Chief Executive, Canary Wharf Group

**Sir Stuart Lipton**, Partner, Lipton Rogers Developments LLP

**Sir Edward Lister**, Chairman, Homes England

**Tony Pidgley**, Group Chairman, Berkeley Group

**Nick Roberts**, President, Atkins

**Geoffrey Spence**, Infrastructure Finance Expert

**Note: All figures quoted in this document are referenced in the accompanying Technical Document.**

# Foreword



The Thames Estuary flows from one of the world's greatest cities and passes through areas of extraordinary natural beauty. It stretches from the global financial centre at Canary Wharf past the country's busiest river crossing to world-class coastal wetlands.

The Thames Estuary area faces some real challenges, including significant pockets of deprivation. But we believe it has the potential to support growth across the country. Our vision reflects both the interconnectedness and the distinctiveness of the places that make up the Thames Estuary; a tapestry of productive places along a global river, generating an additional £190 billion GVA and 1.3 million new jobs by 2050. At least 1 million new homes will need to be delivered to support this growth.



The Thames Estuary 2050 Growth Commission was established in March 2016 to develop an ambitious vision and delivery plan for north Kent, south Essex and east London. We are honoured to have been given the opportunity to lead this vital piece of work, which began under Lord Heseltine's chairmanship.

We have carried out the work in close collaboration with our fellow Commissioners and in consultation with local partners. We ran a Call for Ideas from July to September 2016 and were overwhelmed by the response: there were over 100 respondents, including public, private and third sector organisations, and members of the public, all brimming with great ideas and ambitions for the Thames Estuary. We worked with our fellow Commissioners over the next few months to review these responses alongside supporting analysis on the area's key challenges and opportunities. From this, we began to crystallise our thinking on a 2050 Vision for the Thames Estuary, announcing our priorities in December 2017. The conclusions of this work are presented within this 2050 Vision.

Throughout this exciting journey, we took part in numerous visits to the Thames Estuary, including along the river itself, and met with a wide range of stakeholders. We would like to thank all those who have provided input and hosted visits. Your contributions have helped to bring our vision for this exciting area to life.



Sir John Armit  
Chair, Thames Estuary 2050  
Growth Commission



Sadie Morgan  
Deputy Chair, Thames Estuary  
2050 Growth Commission



# The Case for Investment

The Thames Estuary is an area with great potential. It has sizeable economic power, a strong feeling of collaboration and a 'can do attitude' from London right out to the sea. The Estuary has an important brand and status, which makes a significant contribution to the UK economy and UK plc.

However, over the past few decades it has consistently been unable to deliver the same levels of economic growth as other parts of the UK. Whilst there are recent success stories, including Canary Wharf and the Thames Estuary's ports, the benefits of these pockets of growth have not necessarily been felt across the area. This has resulted in a large disparity in wealth and opportunity. The Thames Estuary partners want to work together to ensure that this is not an enduring problem.

The Thames Estuary has significant strengths: its proximity to London; international trade via its ports, strong universities, further education and research institutions; and availability of land to deliver high-quality homes. Yet, given its underperformance across a range of social and economic measures (see opposite), identifying what is needed to spread opportunity and growth is a complex task.

In order to answer this question, the Commission has interrogated what has not worked, and why. It has also sought to understand how the significant strengths in the area can be capitalised upon to make sure that economic growth is not reserved for some; rather it can have a lasting impact for existing and new businesses and residents across the area. It has done this through a detailed review of the existing context, engagement with stakeholders over the last two years and a review of existing and proposed projects.

The evidence gathered reaffirms the Commission's view that the 'business as usual' approach is not working. Without concerted action, there is a risk that the Thames Estuary will fail to achieve its potential, at huge opportunity cost to local communities and the national economy. By way of example since 2008, the Thames Estuary (outside London) grew more slowly than any of the other London corridors including, for example, the Thames Valley, London-Stansted-Cambridge corridor.

The Commission acknowledges that the area needs strong delivery and investment to make sure that, as other high growth corridors around London expand, the Thames Estuary is not left behind. The Thames Estuary has vast potential and could catch up with other London corridors that have outpaced UK growth. To do this it needs a clear vision and a focus on delivery.

This 2050 Vision sets out the key challenges and opportunities of the area, alongside future trends. It then presents a vision for the Thames Estuary and resulting recommendations and priorities which will be central to its delivery. This was informed by a review and prioritisation of existing and proposed projects. It concludes with a focus on the governance reforms and delivery models needed to realise the Commission's aspirations.

# The Challenges

**Scale of the area:** The Thames Estuary is home to many boroughs, cities, towns and villages, which have their own distinctive characteristics. The diversity of the area, the natural barrier provided by the River Thames and the different functional economic areas mean that developing a singular 'vision' is challenging; it makes more sense to 'read' the area as a series of interconnected places.

**Stimulating economic growth:** The Kent and Essex parts of the area have struggled to keep pace with the scale of employment growth in east London. Between 2009 and 2016 east London employment grew by 27%, in comparison to the Thames Estuary average of 19% and the London average of 21%.

**Low skills and education levels:** There is a higher proportion of adults with no formal qualifications compared with the regional average across the Thames Estuary although this challenge is particularly acute in Essex. Relative to the London, South East and East regions, residents in the Thames Estuary are more likely to work in trade, sales or machine activities, which have historically been less highly skilled. This makes the area a less attractive location for employers seeking skilled and agile workers.

**Entrenched deprivation:** The area is characterised by a 'low wage' economy with limited connectivity to employment centres and a shortage of jobs and skills. The average weekly household income in the area is £800 before housing costs, which is below the combined average for London, South East and East of England at £885. Most settlements in the Thames Estuary therefore contain neighbourhoods with high levels of deprivation (in the top two deciles of the Index of Multiple Deprivation). The area also has higher levels of unemployment (5.3%) compared with the average for England (4.5%).

**Delivering homes:** The area needs to cater for population growth and demographic change. Whilst an increased number of planning permissions are being granted, this is not being reflected in delivery rates. Between 2012/2013 and 2014/2015, on average, fewer than 10,000 homes were built per annum against Local Plan targets of 19,495 per annum. Low land values, challenging site conditions and a limited number of house builders are all contributing to the delivery gap.

**Limited mobility:** Outside of London, the high speed railway network has been the focus of historic transport investment. Beyond this, access to affordable, high-quality public transport or active transport links is more limited between and within cities and towns. This is affecting access to jobs.

**Environmental constraints:** The Environment Agency estimates that the sea level will rise between 20cm and 90cm by 2100. Without intervention, this could affect up to 1.25 million people who live in the Thames tidal floodplain and 1,200 hectares of internally designated habitats. The Thames Estuary 2100 Plan is the Government's current strategy to adapt to the challenges of future sea level rise. The area also suffers from poor air quality, particularly near congested river crossing points.

**Fragmented governance:** There are 18 local authorities alongside the Greater London Authority, Kent and Essex County Councils and two development corporations in the area. The lack of coordinated governance structures makes strategic planning and prioritisation of interventions more difficult. This is in the context of significant funding gaps, particularly for infrastructure delivery.

# The Future

**Jobs:** The Commission believes that up to 1.3 million new jobs could be created in the Thames Estuary by 2050. The Industrial Strategy identifies the pillars and priorities for national focus. The Thames Estuary, given its assets, is well placed to deliver against these priorities including boosting economic growth, increasing employment, skills and earning potential and delivering infrastructure to support jobs and homes. This supports the National Infrastructure Assessment which seeks to reduce congestion and carbon whilst increasing the capacity of the country's infrastructure.

**Homes:** A minimum of 1 million homes will be required to support economic growth in the Thames Estuary by 2050. This equates to 31,250 homes per annum. The Commission believes that the scale and pace of delivery will need to increase to meet this demand. In terms of the distribution of these homes, based on the Ministry of Housing, Communities and Local Government's standardised methodology for calculating housing need, around two thirds of these homes should be delivered in east London. The Commission believes that solely focusing on homes in London is unsustainable and that more of these homes should be provided in Kent and Essex.

**Technology and innovation:** Sectors and jobs could take a variety of forms in the future. The Commission believes that a skilled and agile workforce will be most able to respond to this uncertainty. Traditional sectors in the Thames Estuary, including ports, logistics and construction, must respond to automation and technical innovation by changing operating practices and the number and types of jobs required.

**Economic resilience:** The impacts of Brexit on economies are still uncertain and may require changes to the ports, logistics and aviation sectors. The Commission believes that the Thames Estuary can capitalise on the challenges and opportunities presented by Brexit, transforming the area and reducing pressure and reliance on London. This is reflected in the planned and on-going investment, for example, at the Port of Tilbury and London Gateway Port.

**Environmental change:** The Government's 25 Year Environment Plan sets out action to help the natural world regain and retain good health. It includes a number of policy areas which are relevant to the future of the Thames Estuary: using and managing land sustainably; recovering nature and enhancing landscapes; connecting people with the wider environment; and increasing resource efficiency and reducing pollution. The Commission believes the long view of the 2050 Vision provides an opportunity to embed these principles in the future of the area.

*The River Thames is an iconic driver of economic activity. It has led to the rich tapestry of places, communities, landscapes and economies, which characterise the Estuary today. They contribute to the breadth of challenge and opportunity in the area.*



# The Opportunities

**Strengthen existing sectors:** The Commission believes that the area should continue to grow ‘traditional’ industries of freight, logistics and construction, capitalising on the five major ports and growing logistics and manufacturing sectors around them as well as the planned modular homes factories. The creative and cultural industries (spearheaded through the Thames Estuary Production Corridor) and medical sectors (e.g. medical instruments manufacturing at Southend-on-Sea) should also be supported.

**Diversify sectoral mix:** Locally distinctive sectors which capitalise on the area’s assets should continue to be supported, whether they are existing or emerging sectors. The Commission believes this includes health, tourism, creative and cultural industries, agriculture and renewable energy and green technologies.

**Utilise higher education institutions:** The Commission believes that links between the South East Local Enterprise Partnership, institutions, employers and schools should be strengthened to maximise economic growth and provide pathways from school to employment. This includes building on the skills legacy from large infrastructure schemes in the area such as High Speed 1.

**Prioritise infrastructure investment:** There are over 327 infrastructure projects identified by local authorities to address existing constraints and/or support future growth in the area. The Commission believes that delivery of infrastructure will support delivery of homes and jobs. For example, the extension of Crossrail to Ebbsfleet could support up to 50,000 jobs and 55,000 new homes. Investment in and delivery of green infrastructure will also be key to securing good growth.

**Improve intra-town connectivity:** The Commission believes this should be achieved by making better use of existing capacity, and delivering currently planned road and rail infrastructure. Providing additional capacity within the transport network will reduce congestion and journey times. The delivery of transport hubs will provide opportunities for agglomeration and regeneration.

**Integrate environmental assets:** The Commission believes that the Thames Estuary area provides the long term solution to managing the impacts of sea level rise on London. If appropriately planned, opportunities including maximising flood attenuation and improving air quality should be pursued alongside provision of replacement habitats and improved access for recreation and leisure (as promoted by the Thames Estuary 2100 Plan).

**Realise planned development:** There is an opportunity to deliver the homes (including affordable homes) and employment space that are needed to support demographic change and new jobs in the area. Homes and jobs should be delivered across the Thames Estuary to support the tapestry of places.



# The Vision

## From an underperforming river region to a tapestry of ‘productive places’ along a global river.

A lot of good work is already taking place in the Thames Estuary. Examples include public and private investment in the economy (e.g. Port of Tilbury and London Gateway Port), homes (e.g. through Ebbsfleet Development Corporation) and infrastructure (e.g. Lower Thames Crossing). The foundations to build on are strong.

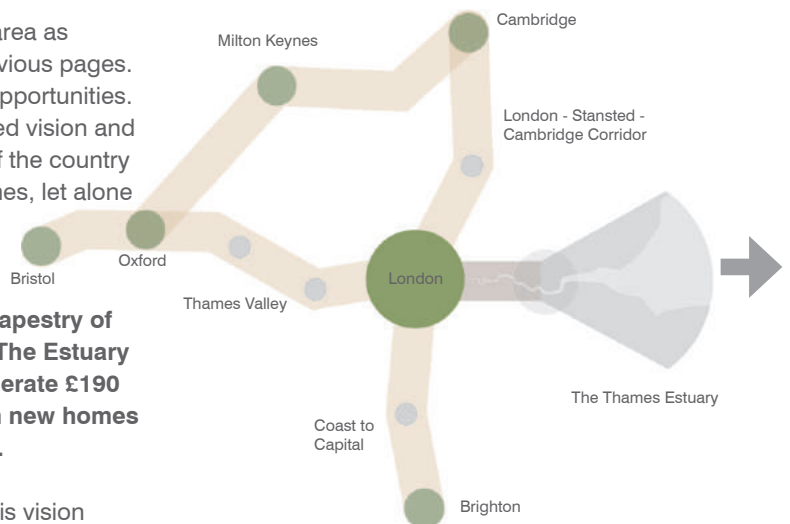
There is significant latent potential in the area as illustrated through the analysis on the previous pages. There are also common challenges and opportunities. However, without a coherent and integrated vision and associated priorities, this important part of the country will not deliver ‘business as usual’ outcomes, let alone more ambitious ones.

**By 2050, the Thames Estuary will be a tapestry of productive places along a global river. The Estuary will create 1.3 million new jobs and generate £190 billion additional GVA. At least 1 million new homes will be delivered to support this growth.**

The Commission believes that realising this vision requires a change in thinking. The evidence shows that the Thames Estuary will not be successful when considered as a single functional economic area, single place or single community. It is a tapestry of interconnected but different economies, places and people, performing well in parts, but underperforming in others.

The Commission therefore recommends a different structure: a structure of five ‘productive places’, which are based on existing areas and their assets; with a clear vision for each area, a tight focus on priorities and stronger, streamlined governance.

In 2050, this tapestry of ‘productive places’ in the Thames Estuary will form part of the series of productive and connected places that ‘orbit’ London. Like Cambridge and Oxford, the ‘productive places’ of the Thames Estuary will be higher performing places, retaining their own distinct character and economic function.



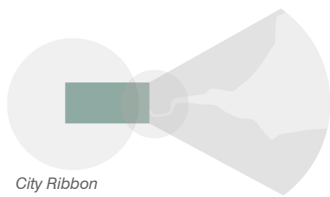
## Thames Estuary Today

There is significant potential as an economic area, but there is not a clear economic or spatial framework to realise this potential in comparison to other successful corridors and cities around London like Cambridge, Oxford and Brighton. The current context is:

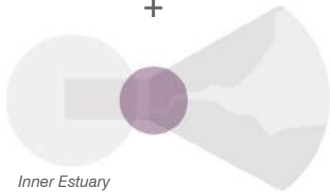
1.3 million jobs

£89 billion GVA

1.4 million homes



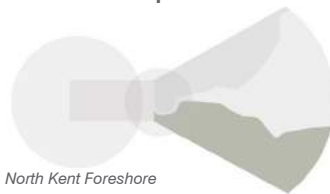
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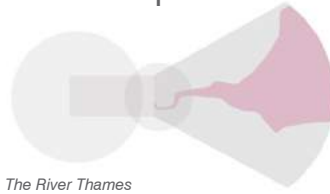
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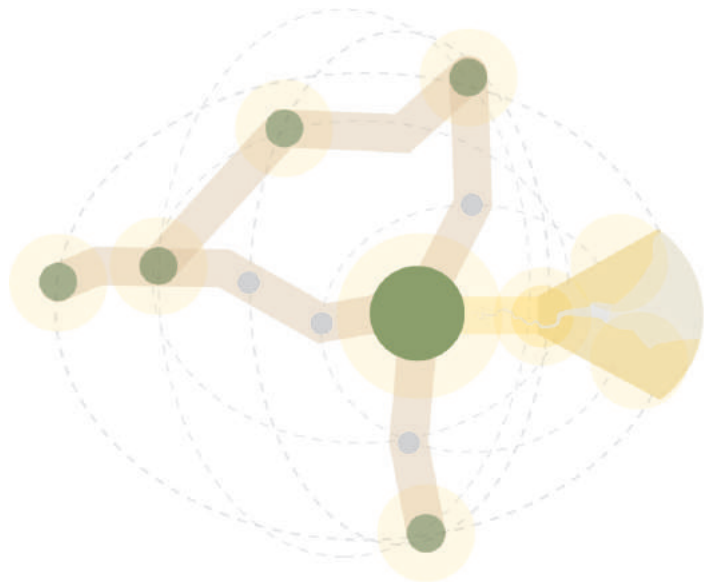
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## Five Productive Places

The different areas and characters of the Thames Estuary form into the proposition for five 'productive places'. Individually these places will be more productive and set up to deliver. Places will deliver the Commission's key priorities of:

Sectors

Connectivity and Communities

Delivery

## Vision for Thames Estuary 2050

Each of the five places focuses on: developing strong and specific sectors, increasing skills, delivering homes and jobs at scale and pace, addressing the 'low wage economy', connecting to and enhancing natural assets and green infrastructure, and planning for long term and resilient development. This vision aims to deliver:

1.3 million new jobs

£190 billion\* additional GVA

At least 1 million new homes

\* assuming an annual average growth rate of 1.25% at current GVA per job

# The Objectives

The Vision is underpinned by six objectives. They provide further direction on how the Thames Estuary can boost productivity, make a greater contribution to the UK economy and deliver a series of positive outcomes by 2050.

## Productive Places

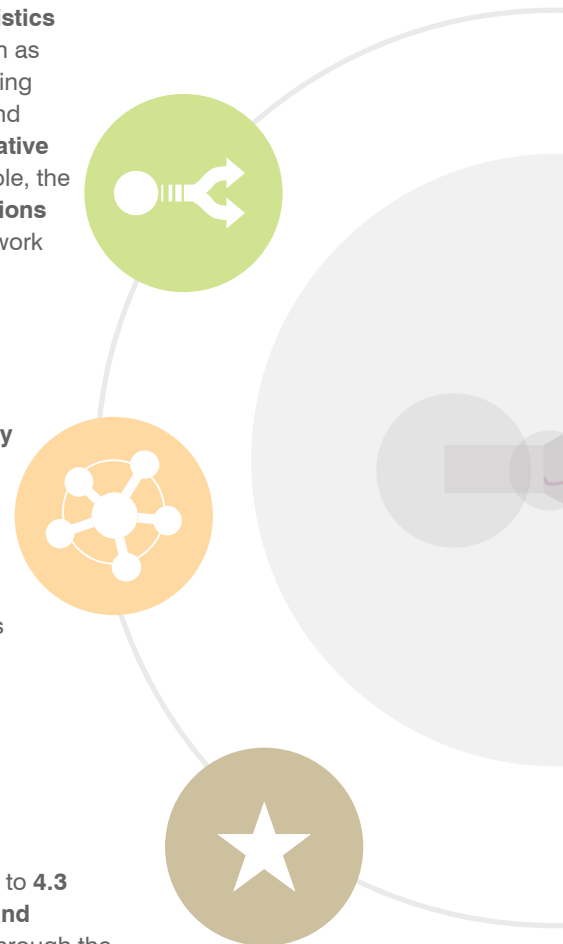
The places of the Thames Estuary will support the sustained growth of its high value, healthy wage sectors achieving up to **1.3 million new jobs by 2050**. Existing sectors will be strengthened including **freight and logistics** and **construction**, maximising opportunities from existing assets such as the **ports**. Emerging sectors will be nurtured including: **health**, reflecting the supercentre in Kent; niche heritage and wildlife **tourism** in Kent and Essex; and the Thames Estuary Production Corridor - a ribbon of **creative and cultural industries** along the River Thames. In part and as a whole, the places will harness entrepreneurial spirit, **strong educational institutions** and **unique natural assets** to create a distinctive and productive network of economies.

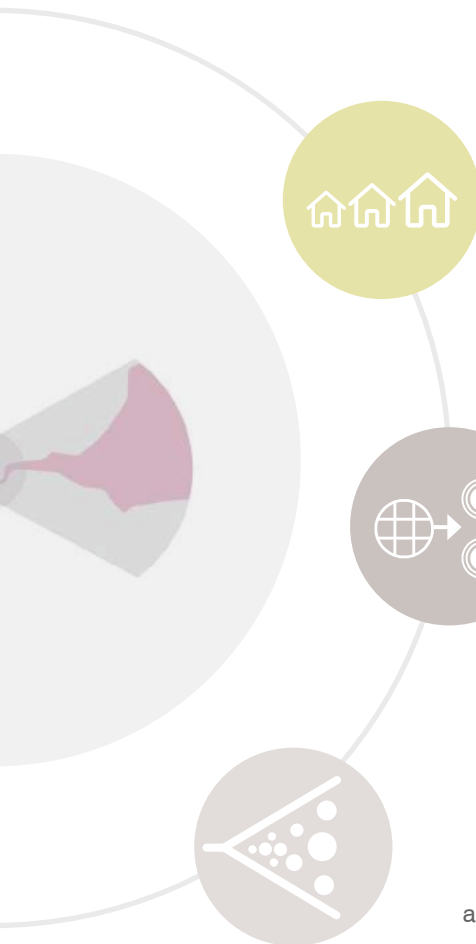
## Connected Places

There will be **improved connections** between and within cities, towns, villages and industries be it for people or goods. This will support **improved productivity** through increased access to jobs and services. New and improved rail, bus, cycle and pedestrian links will reduce car dependency and increase the use of the area's **integrated public transport** systems. Completing the Thames Path will also improve connections for recreation for cyclists and pedestrians. The area will benefit from the highest level of **digital connectivity**, adopting the latest technological innovation. New **river crossings** such as the Lower Thames Crossing and Silvertown Tunnel will strengthen local and national links. New railway infrastructure including the extension of **Crossrail 1 to Ebbsfleet** and the **Thames East Line** will connect into the country's high speed network and complete the orbital railway around the Capital.

## Thriving Places

The growing communities of the Thames Estuary, which will be home to **4.3 million people by 2035**, will pride themselves on their **rich cultural and economic activity**. Through **people-led projects** - in part delivered through the Thames Estuary Fund - each distinctive city, town and village will be the well-loved **heart of the community**. They will demonstrate the importance of good design and creating attractive places that work for the community. Improved **educational attainment** and **local skills** will **increase aspiration** and show that new job opportunities are for them. These thriving places will be **attractive to investors** and will celebrate their **individual sense of place** by offering bespoke opportunities to live, work, visit and play within the Thames Estuary setting.





## Affordable Places

A further **1 million high-quality homes**, balanced to suit the affordable needs of the community, will be provided by 2050. They will offer a diversity of choice to all parts of the community, including **ageing populations**, and ensure that **supply keeps pace with demand**. The production of **statutory Joint Spatial Plans** will set out where these homes will be located and include tools, such as design review panels, to ensure high-quality development is delivered. **Healthy lifestyles** will be supported by the provision of new social places alongside integration with existing places and community networks. This will support **resilient communities** that respond to the needs of residents throughout their lives.

## Adaptable Places

The many places and spaces in the Thames Estuary will adapt to the changing environment ensuring the people, economies and ecology of the area **thrive**. Infrastructure investment will be **integrated and multi-functional**, maximising the benefits to people, places, and ecology. This will assist in the creation of nearly **900 hectares of new habitat by 2100** to replace the 1,200 hectares lost to tidal flooding. Projects such as the completion of the Thames Path will provide **improved access to the natural environment**. The use of natural assets for recreation and economic activity will be balanced with their **protection and enhancement**.

## Deliverable Places

The Thames Estuary will complete what it has started; delivering the homes and the balanced jobs it has planned, at the required **scale and pace**, in order to create thriving and affordable places. This will be achieved through robust, **locally-led governance** structures, which **build on existing** partnerships and bring together, as needed, the **18 local authorities**, plus the three upper tier authorities. The area will also be a space to try something - a place that **supports innovative models of delivery** be that through capitalising on Modern Methods of Construction (such as modular homes) or innovative models of public sector housing delivery. Across the many places of the Thames Estuary this will enable the **significant aspirations to become meaningful realities**.



# City Ribbon

The area 'City Ribbon' includes the east London boroughs of Tower Hamlets, Newham, Barking and Dagenham, Havering, Lewisham, Bexley and Greenwich and the London Legacy Development Corporation.

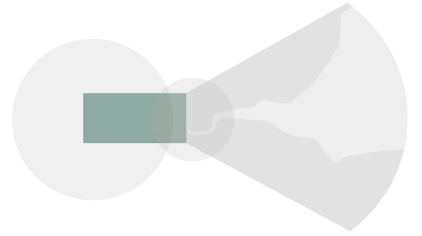
The core strengths of this place include the **growing cultural and creative industries sector**, supported by the Mayor's Production Corridor, and significant projected **population growth**, which is collectively one of the **youngest on average in London**. This is allied to major regeneration programmes in areas including Barking Riverside and Thamesmead.

The challenges of the area include integrating and delivering **future connectivity** projects, including river crossings and the Crossrail 1 extension to Ebbsfleet, and ensuring this unlocks the delivery of **affordable housing**. The area suffers from some of the **highest levels of deprivation** in London with **high levels of unemployment** and **low skills**.

Within this context the Commission's vision for City Ribbon is:



**City Ribbon will be a hub for production. Space will be created for start-ups and grow-on spaces for small and medium sized businesses. Communities will be connected by multiple public transport links and served by culturally rich town centres. Through the implementation of a multi-generational skills strategy, the area will connect the creative and cultural industries to a highly skilled workforce.**



*“Both banks of the Thames were rejuvenated. There are now large blocks of apartments where there were once derelict wharves. Shopping areas, apartments, public houses and walkways . . . The neighbourhood of the river is recovering its ancient exuberance and energy, and is reverting to its existence before the residents and houses were displaced by the building of the docks in the 19th century.”*

**Peter Ackroyd, Sacred River**

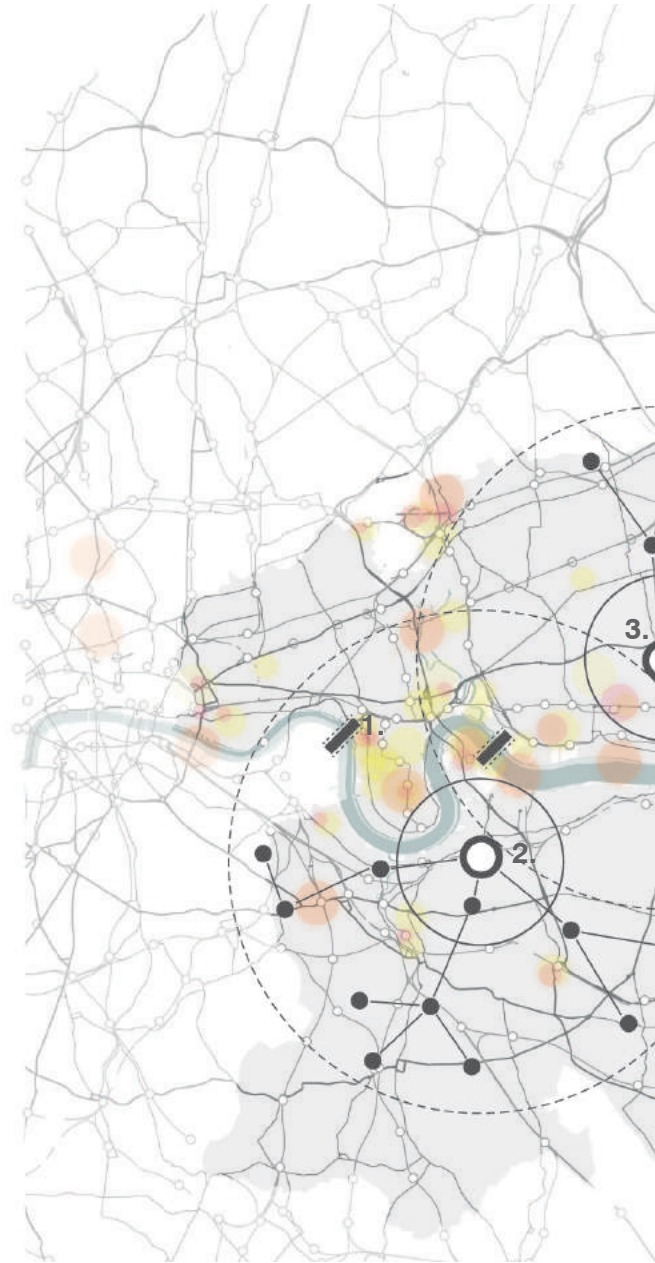
# City Ribbon

Within City Ribbon, 196 infrastructure, skills and employment projects were subject to the prioritisation review. Some 139 projects were sifted out where they were either: a duplicate entry; there was insufficient information available on the project to meaningfully assess it; or because it represented 'business as usual' where it was considered that the project would not make a significant contribution to meeting the Commission's vision for the area. Of the remaining 57 projects, 88% contributed to connected places, 82% towards adaptable places and 70% to productive places. Half contributed to affordable places.

In addition, 209 large scale known and proposed employment and residential developments were identified. All the developments were categorised as 'business as usual'.

There is much already happening in City Ribbon, with existing delivery structures in place. However, the Commission believes there are opportunities to make more of what is planned to realise the aspirations for the area. The Commission's priorities are set out opposite.

Beyond these three priorities, there are other projects which the Commission supports and considers are central to its vision for City Ribbon being achieved. These include the expansion of City Airport, the continued growth of Canary Wharf, the delivery of Thamesmead which could provide up to 20,000 new homes - the largest regeneration project in Europe - and the extension of Crossrail 1 to Ebbsfleet. This project is discussed further in the Inner Estuary; within City Ribbon the project could help to accelerate delivery of 30,000 new homes in Bexley, directly unlocking 16,000 of these and support Canary Wharf's ambitious expansion, which is set to create up to 80,000 new jobs.



## Accelerated Delivery Pilot



**What:** Trial new delivery models to accelerate the scale and pace of delivery of homes and jobs in the Opportunity Areas within City Ribbon to bring forward the development stated in the London Plan by 2035. This could be done through housing delivery companies and the public sector acting as master developers.

**Why:** East London is a major focus for home and job growth. It should showcase how Government is delivering against the Industrial Strategy and need for new homes.

**How:** The Mayor of London, London boroughs and Homes England should work together to expedite delivery of jobs and homes. These organisations should make best use of existing powers, find solutions to current constraints such as borrowing caps and develop the skills and expertise to enable delivery.

**When:** Short term to bring forward stated delivery in 50% less time.

## Commission's Priorities



**Commission's Priorities and Areas of Change: City Ribbon**

1. Canary Wharf
2. Greenwich
3. Royal Docks
4. Rainham Marshes
5. Barking Riverside

- Employment Sites**
- 10+ ha
  - 5 - 10ha
  - 1 - 5ha
  - Other

- Housing Sites**
- 2,000+ homes
  - 1,000 - 1,999 homes
  - 500 - 999 homes
  - Other

- Call for Ideas**
- Transport
  - Skills
  - Other infrastructure

**New Thames Crossings**



**What:** Prioritise the planning and funding of river crossings. The Silvertown Tunnel and the DLR extension to Thamesmead should be operational by 2030. A third river crossing should be considered to facilitate homes and jobs.

**Why:** Poor accessibility limits the ability of the area to realise its full potential. New public transport and active travel crossings will unlock homes and jobs and contribute to place making.

**How:** The Mayor of London should deliver Silvertown Tunnel as quickly as possible. He should prioritise and bring forward the planning for public transport and active travel crossings.

**When:** Medium term delivery of the three crossings; short term priority planning.

**An Integrated Skills Strategy**



**What:** Implement a more targeted skills strategy that provides clear pathways to employment. It should support the area's existing and emerging economic sectors including the Production Corridor and the growing interest in the cultural and creative industries.

**Why:** Build on the success of the London Schools programme and be thought leaders for the Thames Estuary. The strategy should showcase how education and skills training can be used to address generational skills shortfalls and reduce levels of unemployment.

**How:** The Mayor of London should work with the boroughs, the Local Enterprise Partnership, employers and/or educational institutions to translate his Skills for Londoners strategy into a targeted plan for the area to ensure it meets current and future employer needs.

**When:** Quick win building off existing skills strategies including the Skills for Londoners Strategy and Place Making Institute.



# Inner Estuary

*High performing dock infrastructure which creates opportunities for a wide range of sectors based in the surrounding community*

The area 'Inner Estuary' includes Thurrock, Dartford and Gravesham Councils, and Ebbsfleet Development Corporation. The area has approximately **22km of Thames waterfront**.

The core strengths of this place are its **connectivity** (which supports a growing higher value logistics and freight sector, including the **£1 billion investment in the Port of Tilbury** and further investment in the London Gateway Port) and the planned growth of **new town centres** at Ebbsfleet, Bluewater and Lakeside. The place is also promoting innovation in construction through **Modern Methods of Construction** with a particular focus on modular housing construction.

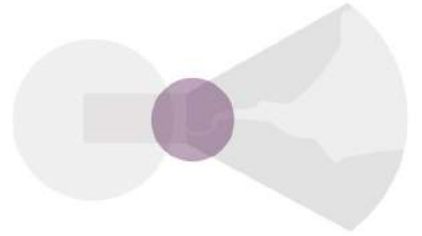
The challenges for the area include the unresolved **approach to the Swanscombe Peninsula**, **air quality** issues as a result of congested **river crossings**, the **slow pace of delivery** at Ebbsfleet Garden City (where delivery of 15,000 planned homes has slowed and there is a lack of job creation), **poor education and skills attainment**, and the need to maximise the homes and jobs that could be unlocked through **infrastructure investment** including the Lower Thames Crossing and Crossrail 1 extension to Ebbsfleet.

Within this context the Commission's vision for the Inner Estuary is:

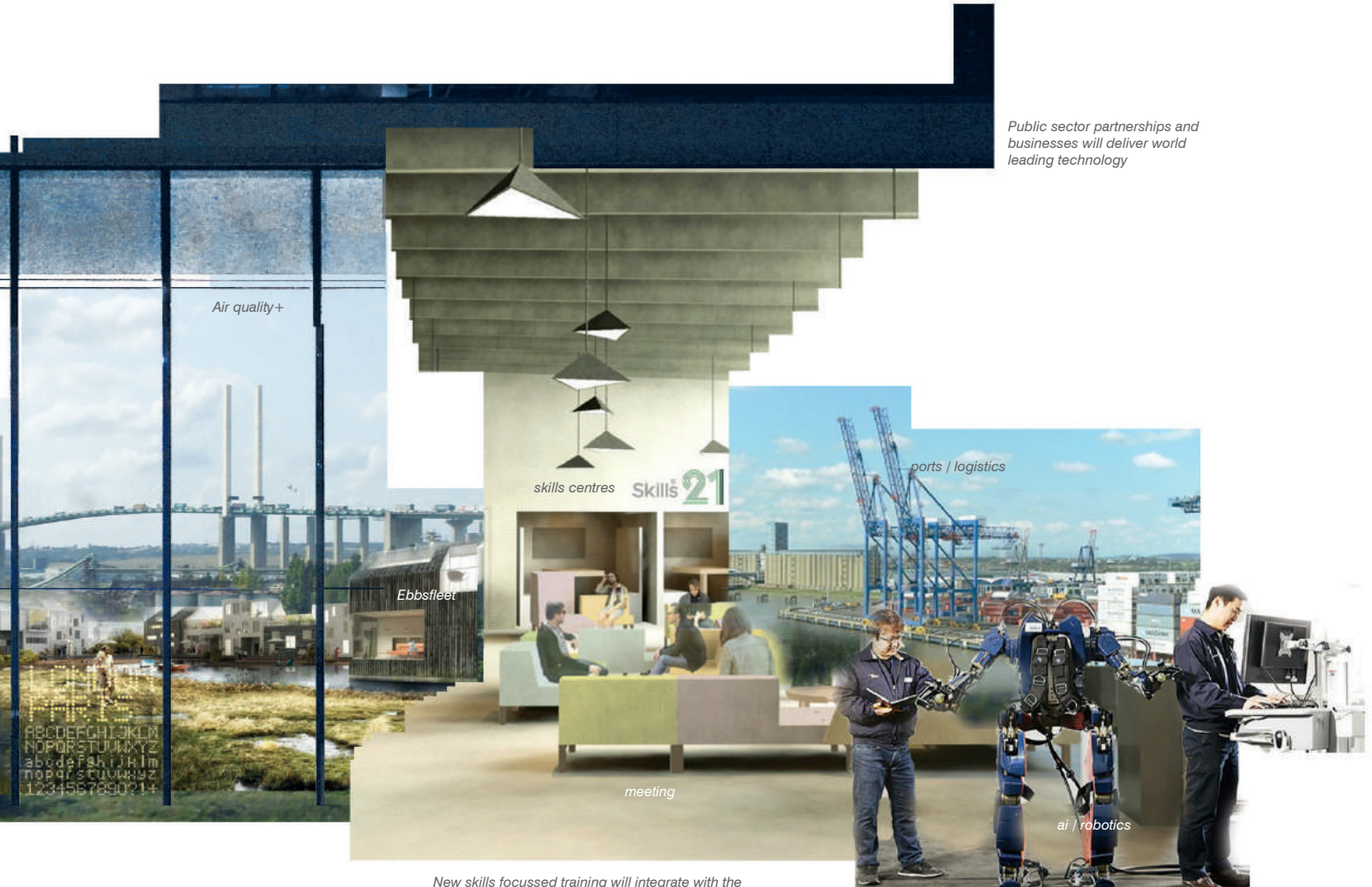


*Innovations in mobility and public transport will connect communities to the adjacent landscapes and diverse employment opportunities*

**A thriving and higher value Port of Tilbury and London Gateway Port will create opportunities for an upskilled and aspirational population. Healthy town centres will be home to creative businesses and high achieving schools. The delivery of Ebbsfleet Garden City, including a new Medical Campus and integrated sustainable transport systems, will bring new homes and jobs to a unique river landscape.**



Public sector partnerships and businesses will deliver world leading technology



New skills focussed training will integrate with the work spaces to create thriving centres of medical excellence connected to open spaces that support healthy lifestyles

***“A great future lies before Tilbury Docks... free of the trammels of the tide, easy of access, magnificent and desolate, they are already there, prepared to take and keep the biggest ships that float right upon the sea. They are worthy of the oldest river port in the world.”***

**Joseph Conrad, The Mirror and the Sea**

# Inner Estuary

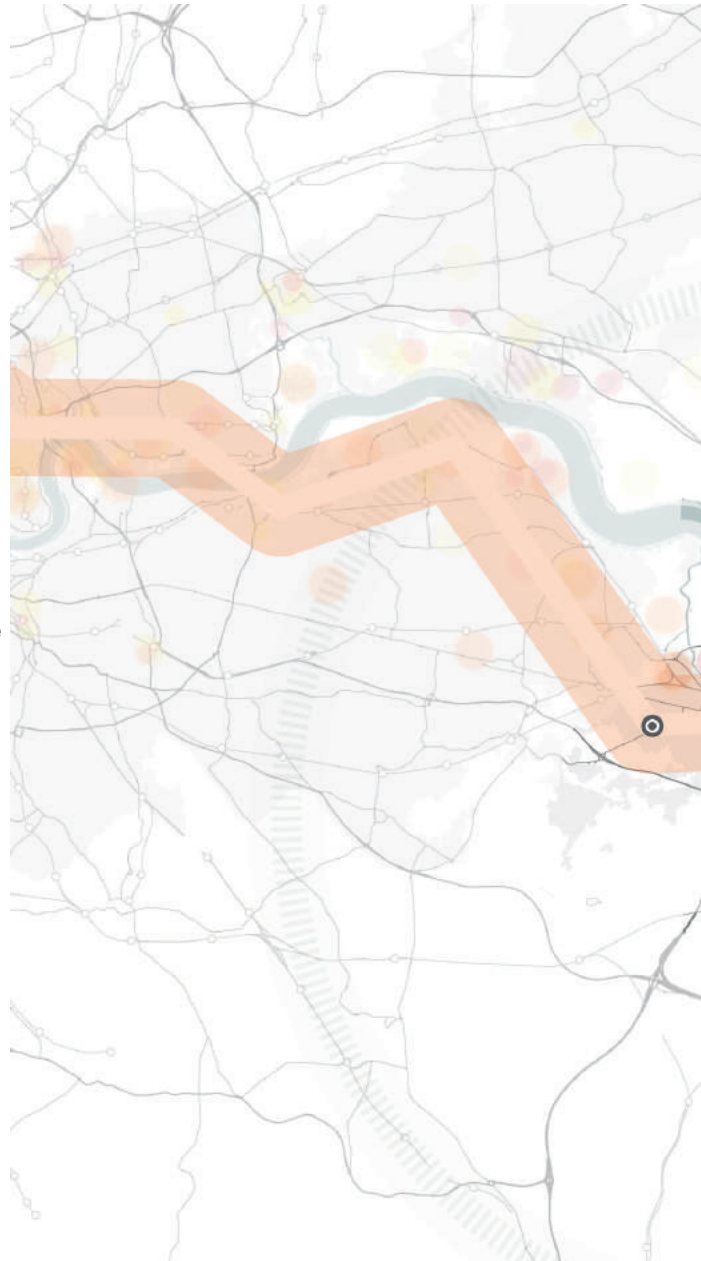
Within Inner Estuary, 109 infrastructure, skills and employment projects were subject to the prioritisation review. Some 73 projects were sifted out where they were either: a duplicate entry; there was insufficient information available on the project to meaningfully assess it; or because it represented 'business as usual' where it was considered that the project would not make a significant contribution to meeting the Commission's vision for the area. Of the remaining 369 projects, almost 64% contributed to productive places and 58% to connected places. Around a third of the projects contributed to each of the affordable, thriving and adaptable places.

In addition, 58 large scale known and proposed employment and residential developments were identified. All of the developments were categorised as 'business as usual'.

The Commission believes there is the potential to increase the scale and pace of delivery through some transformative projects; these priorities are set out opposite.

Beyond the three priorities, there are other projects which the Commission considers central to achieving its aspirations for the Inner Estuary. This includes resolving the proposals for the Swanscombe Peninsula. The Commission encourages the promoters of the London Resort to submit a Development Consent Order application for the proposal as soon as possible. Should an application not be submitted by the end of 2018, the Government should consider all the options for resolving the uncertainty this scheme is creating for the delivery of the wider Ebbsfleet Garden City.

The Commission is supportive of the proposals for the Lower Thames Crossing. However, in order to future-proof the proposed crossing, the Commission believes that the design should, as a minimum, not preclude the future delivery of infrastructure to support rail transport links and/or autonomous vehicles. Highways England should also work with the relevant local authorities to ensure that the design and location of the crossing and connector roads minimise impact on traffic flows, unlock jobs and homes growth in the surrounding area.



## Extension of Crossrail 1



Crossrail ©

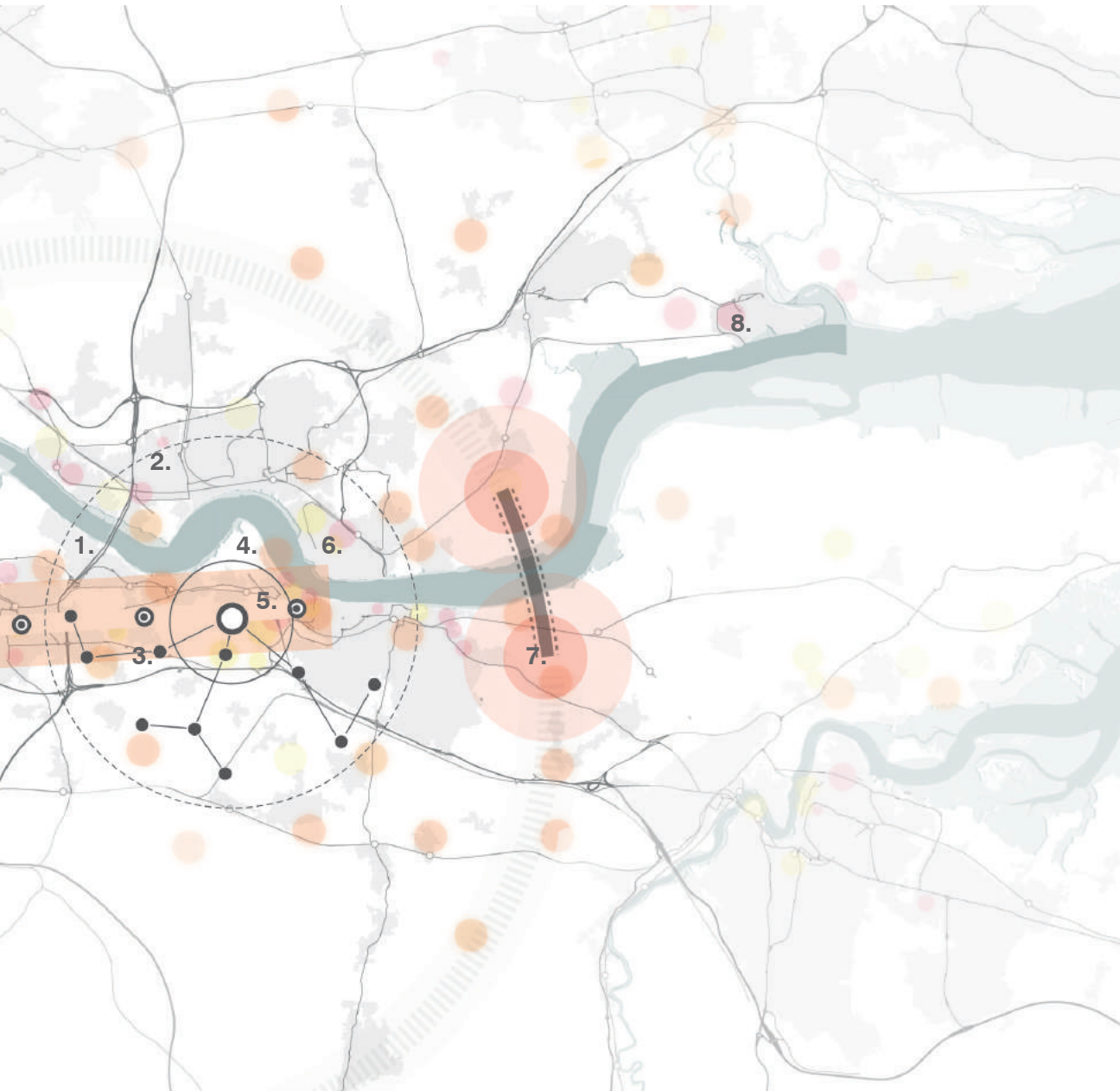
**What:** Deliver an extension to Crossrail 1 from Abbey Wood to Ebbsfleet.

**Why:** The project could help to unlock 55,000 new homes, up to 50,000 new jobs and uplift skills and education by increasing rail capacity and creating new connections between economic hubs. This would need to go ahead in conjunction with upgrading supporting junctions. Key growth areas include Dartford town centre, Ebbsfleet Garden City and Swanscombe Peninsula.

**How:** Government should provide funding for the expected £20m cost of the next phase of project development. This would enable the detailed engineering, design, land and financial modelling and legal framework to be progressed.

**When:** Medium term delivery of the railway (by 2029); quick win to provide funding for the next phase of project development.

## Commission's Priorities



**Commission's Priorities and Areas of Change: Inner Estuary**

1. Dartford Crossing
2. Lakeside
3. Bluewater
4. Swanscombe Peninsula
5. Ebbsfleet Garden City
6. Port of Tilbury
7. Lower Thames Crossing
8. London Gateway Port

**Employment Sites**

- 10+ ha
- 5 - 10ha
- 1 - 5ha
- Other

**Housing Sites**

- 2,000+ homes
- 1,000 - 1,999 homes
- 500 - 999 homes
- Other

**Call for Ideas**

- Transport
- Skills
- Other infrastructure

**Transport Innovation Zone**



**What:** Create a Transport Innovation Zone which promotes clean technology in transportation, logistics and data systems and unlocks housing opportunities with new means of public transport.

**Why:** The area forms part of the national road network for freight movements, and has a high density of tech and digital logistic usage. Also, due to the volume of traffic using its crossings and associated congestion, it suffers from significant air quality issues.

**How:** Government should incentivise research and development into sustainable travel and related digital technologies where it supports 'clean' movement.

**When:** Quick win to establish the governance arrangements and associated incentives for the Zone.

**Medical Campus**

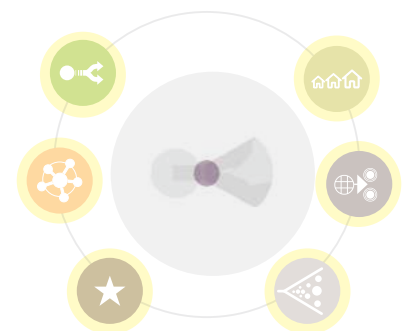


**What:** Expedite the delivery of the Medical Campus at Ebbsfleet.

**Why:** Delivery of jobs at Ebbsfleet Garden City has been slower than planned. To make the area more attractive to the market, the delivery of the Medical Campus will provide an anchor employment institution.

**How:** Government should work with Kings College London to deliver the Medical Campus.

**When:** Short term (delivery by 2022).





# South Essex Foreshore

The area 'South Essex Foreshore' includes Basildon, Castle Point, Southend-on-Sea and Rochford Councils. Southend-on-Sea and Basildon are the major centres of a string of towns to the north of Canvey Island and the marshes around Hadleigh Ray and Holehaven Creek.

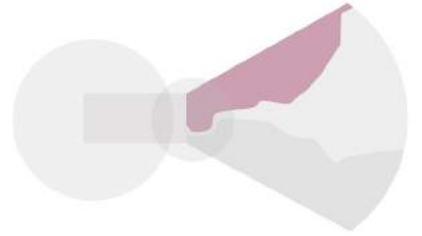
The core strengths of this place include the established and coordinated voice of **Opportunity South Essex**, the **unique wetland habitats** of the river edge and the emerging **cultural sectors** and medical and aviation related **advanced manufacturing in Southend-on-Sea**. The challenges of the area include **poorly performing town centres**, **slow speeds of delivery** linked to limited clarity on priorities across the area, and a **skills and jobs mismatch** between the primary employers and the majority of the workforce. In the future, the threat from **sea level rise** will require major investment in integrated flood defences.

Within this context the Commission's vision for South Essex Foreshore is:

*Local Investment in the public realm of High Streets including child friendly spaces*



**The rich patchwork of places which form the South Essex Foreshore will be celebrated. Empowered by a statutory Joint Spatial Plan the area will go beyond 'business as usual'. Locally driven town centre transformation will help create lively places that people choose to work, live, learn and play in. These policies and local initiatives will see development unlocked, post-industrial landscapes restored, and the filling of empty business spaces to create a thriving and creative economy.**



*Innovative delivery models for affordable housing and workspace in town centre environments*

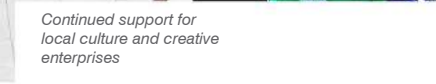


*Continued support for distinctive 'Essex' architecture in housing design*



*Strong connections to Southend Airport to add value / skills to local centres*

*Protection of, and increased access to, unique foreshore landscapes through partnership*



*Continued support for local culture and creative enterprises*

***“What we’ve seen over the past 10 years is this huge burgeoning of the artistic scene in Southend...You’ve got a lot of creative people coming out of London and looking for new, affordable spots. Southend has such an opportunity to be a thriving place for the creative industries, but you need that underlying structure to support it. This is only the starting point.”***

**Joe Hill, Focal Point Gallery**

# South Essex Foreshore

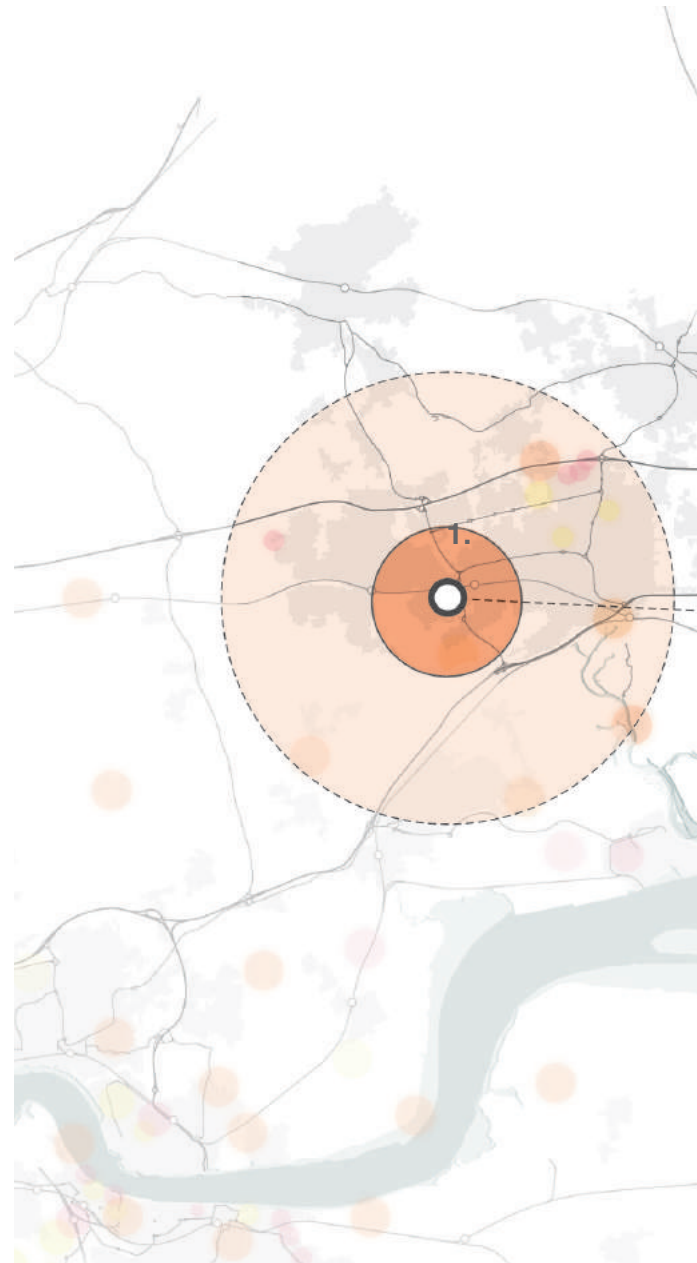
Within the South Essex Foreshore area, 119 infrastructure, skills and employment projects were subject to the prioritisation review. Some 56 projects were sifted out where they were either: a duplicate entry; there was insufficient information available on the project to meaningfully assess it; or because it represented 'business as usual' where it was considered that the project would not make a significant contribution to meeting the Commission's vision for the area. Of the remaining 63 projects, around 71% contributed to productive places, with 49% contributing to connected places and 46% contributing to affordable places.

In addition, 35 large scale known and proposed employment and residential developments were identified. All of the developments were categorised as 'business as usual'.

There is a large number of identified local and strategic projects throughout South Essex Foreshore. The Commission believes that these projects can be better coordinated and prioritised to maximise their impact. The Commission therefore supports the work already being undertaken by local authorities on a Joint Spatial Plan and believes it should have a statutory footing. In completing the Plan, the local authorities should continue to work with other authorities within the Housing Market Area/neighbouring areas, Essex County Council and Opportunity South Essex to produce an integrated strategy for delivering and funding high-quality homes, employment, transport and other infrastructure. The Plan should also be ambitious - going above the minimum housing numbers set by Government - to attract substantial infrastructure investment from Government.

The Commission also supports a number of related initiatives, which are central to achieving its vision for the area. Firstly, local authorities should explore what support can be provided to SMEs, financial or otherwise, to help bring forward needed new employment space. Secondly, planned railway improvements, particularly around Southend-on-Sea and London Southend Airport, should be delivered to increase capacity. Lastly, road, rail and relevant local authorities should work together to minimise conflict between goods and people on the transport network, with the aim of increasing road capacity/number of services on existing railway lines.

Beyond these projects, the Commission has identified three other priorities.



## SE Foreshore Fund



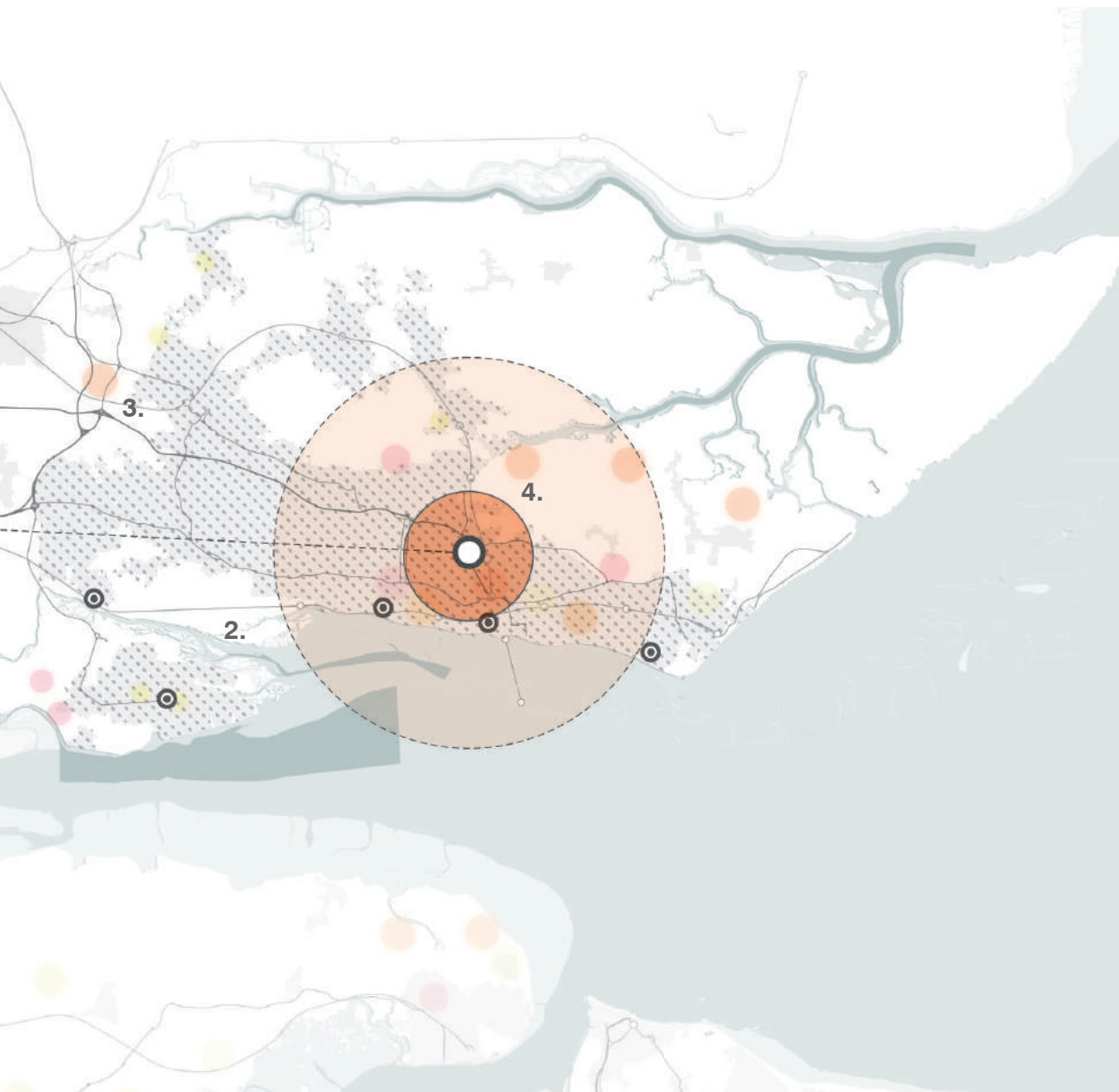
### Commission's Priorities

**What:** Create a fund which local authorities and local communities can bid for. Projects should support town centre regeneration and/or community development.

**Why:** Give local communities and organisations the opportunity to direct investment where it is most needed to support local aspirations and town centre regeneration.

**How:** Government to make available a £20 million fund and provide support to the four local authorities and local communities in their funding bids.



**When:** Quick win for first raft of funding in 2019.







**Commission's Priorities and Areas of Change: South Essex Foreshore**

1. Basildon
2. Canvey Island
3. Rayleigh
4. Southend-on-sea




**Employment Sites**

-  10+ ha
-  5 - 10ha
-  1 - 5ha
-  Other

**Housing Sites**

-  2,000+ homes
-  1,000 - 1,999 homes
-  500 - 999 homes
-  Other

**Call for Ideas**

-  Transport
-  Skills
-  Other infrastructure

**SEC Relocation**



**What:** Expedite the relocation of the South Essex College's Nethermayne campus to Basildon town centre.

**Why:** This site is central to the Council's aspirations for redevelopment of Basildon town centre. It provides the opportunity to introduce new courses which align with the needs of local employers and sectors and address lower education and skills levels in the area across multiple generations.

**How:** Basildon Council and Essex County Council should work with South Essex College to deliver the re-location.

**When:** Short term (delivery by 2022).

**Institute for Resilient Infrastructure**

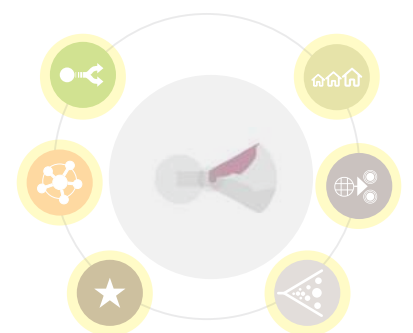


**What:** Establish a centre for the research, design and funding and financing of integrated infrastructure to address contemporary and future city challenges.

**Why:** The Institute needs to be up and running to ensure the Thames Estuary has the skills and knowledge needed to design and deliver key infrastructure such as the second Thames Barrier. It will also identify delivery and governance models that can enable strategic infrastructure to be funded by the private sector.

**How:** Government to approach existing institutions to identify interest. If possible, Government should explore the potential for collaboration with private sector education and technology leaders to provide teaching and skills development training space.

**When:** Short term delivery (by 2024); Quick win to approach existing institutions.



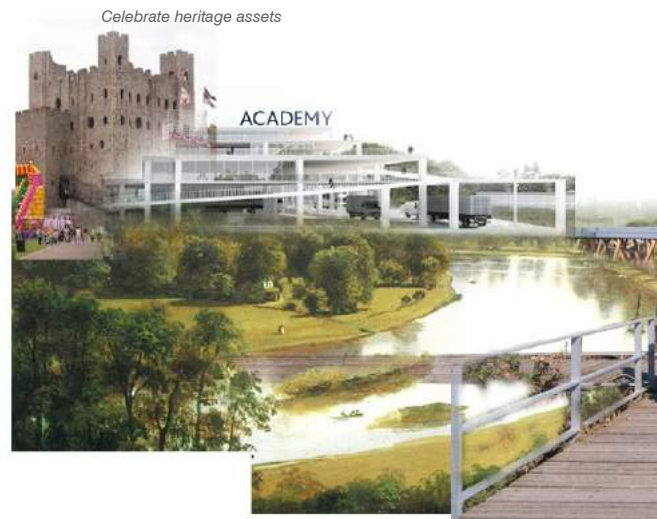
# North Kent Foreshore

The area 'North Kent Foreshore' includes Medway, Swale, Canterbury and Thanet Councils. It is a rich and diverse area formed by the **ancient Medway Towns**, and the settlements that stretch along the Roman **'Watling Way'** between Sittingbourne, Canterbury and the arc of distinctive coastal places between Whitstable and Ramsgate.

The strengths of this place include its **universities** which together form an emerging **medical research corridor** connecting the Francis Crick Institute through Chatham to Canterbury. The historic assets of the area's cities are matched by **productive agricultural landscapes** which spread out between them, both of which provide opportunities for continued growth of niche tourism.

The challenges of the area include the connection between the **skills** needs of employers and the education and skills training available to the community. The area also has a high level of **'digital deprivation'** which is seen to stymie start-up and SME growth in the digital industries.

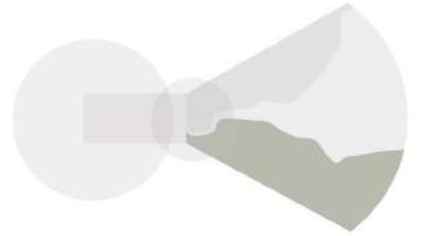
Within this context the Commission's vision for North Kent Foreshore is:



*Celebrate heritage assets*

*Improved and managed access to unique wetland landscapes*

**At the heart of a new medical research corridor, North Kent Foreshore will be home to a supercentre of health and wellbeing. Through a statutory Joint Spatial Plan, and strong connections between local government and business, the area will balance delivering growth in the health sector with new jobs, new homes, a renewed focus on skills, and high-quality town centres set around world-class heritage and natural assets.**



*New skill centres that connect industry back to communities*

*Centres of excellence for medical sectors*

*Intensified Agri-tech*

*Increased access to landscape as part of strong links between nature, agriculture, health innovation and wellbeing*

***“The Thames Estuary is an edgeland - not quite river, not quite the open sea. It is an in-between place, a place of transition, a welcoming gateway, a corridor of trade, the front line for the defence of the realm and a gradual opening into the rest of the world.”***

**Colette Bailey, Artist Director of Metal**

# North Kent Foreshore

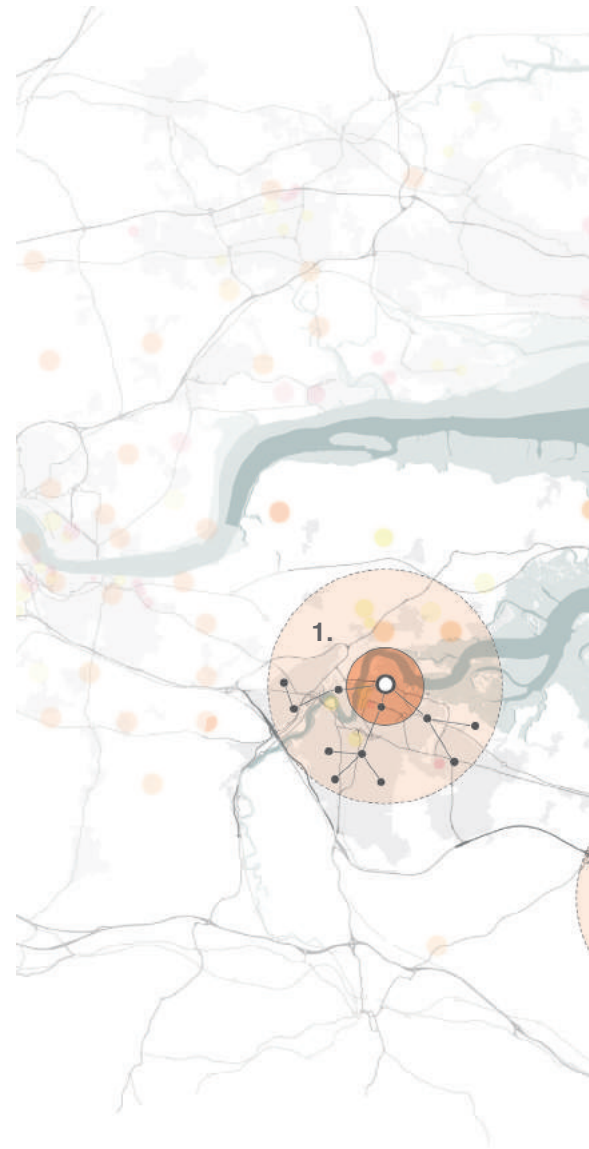
Within the North Kent Foreshore area, 152 infrastructure, skills and employment projects were subject to the prioritisation review. Some 67 projects were sifted out where they were either: a duplicate entry; there was insufficient information available on the project to meaningfully assess it; or because it represented 'business as usual' where it was considered that the project would not make a significant contribution to meeting the Commission's vision for the area. Of the remaining 85 projects around 80% contributed to productive places, 75% to connected places and 42% to affordable places.

In addition, 54 large scale known and proposed employment and residential developments were identified. All of the developments were categorised 'business as usual'.

There are significant opportunities for growth and development in North Kent Foreshore. The Commission believes that further work is needed to coordinate initiatives already underway and to propose new initiatives to optimise the potential outcomes. This should be achieved through a statutory Joint Spatial Plan led by the local authorities, with the participation of other authorities within the Housing Market Area/ neighbouring areas, Kent County Council and Thames Gateway Kent Partnership to produce an integrated strategy for delivering and funding high-quality homes, employment, transport and other infrastructure. The Plan should also be ambitious - going above the minimum housing numbers set by Government - to attract substantial infrastructure investment from Government.

The Commission also supports the following related initiatives, which are central to achieving its vision for the area: local authorities should explore what financial and other support can be provided to SMEs to help them bring forward needed employment floorspace; planned railway improvements particularly around Canterbury should be delivered to increase capacity; and road and rail authorities should work together (with local authorities where relevant) to minimise conflict between goods and people with the aim of increasing road capacity/number of services on existing railway lines.

Beyond these projects, the Commission has identified three other priorities. These are set out opposite.



## NK Foreshore Fund



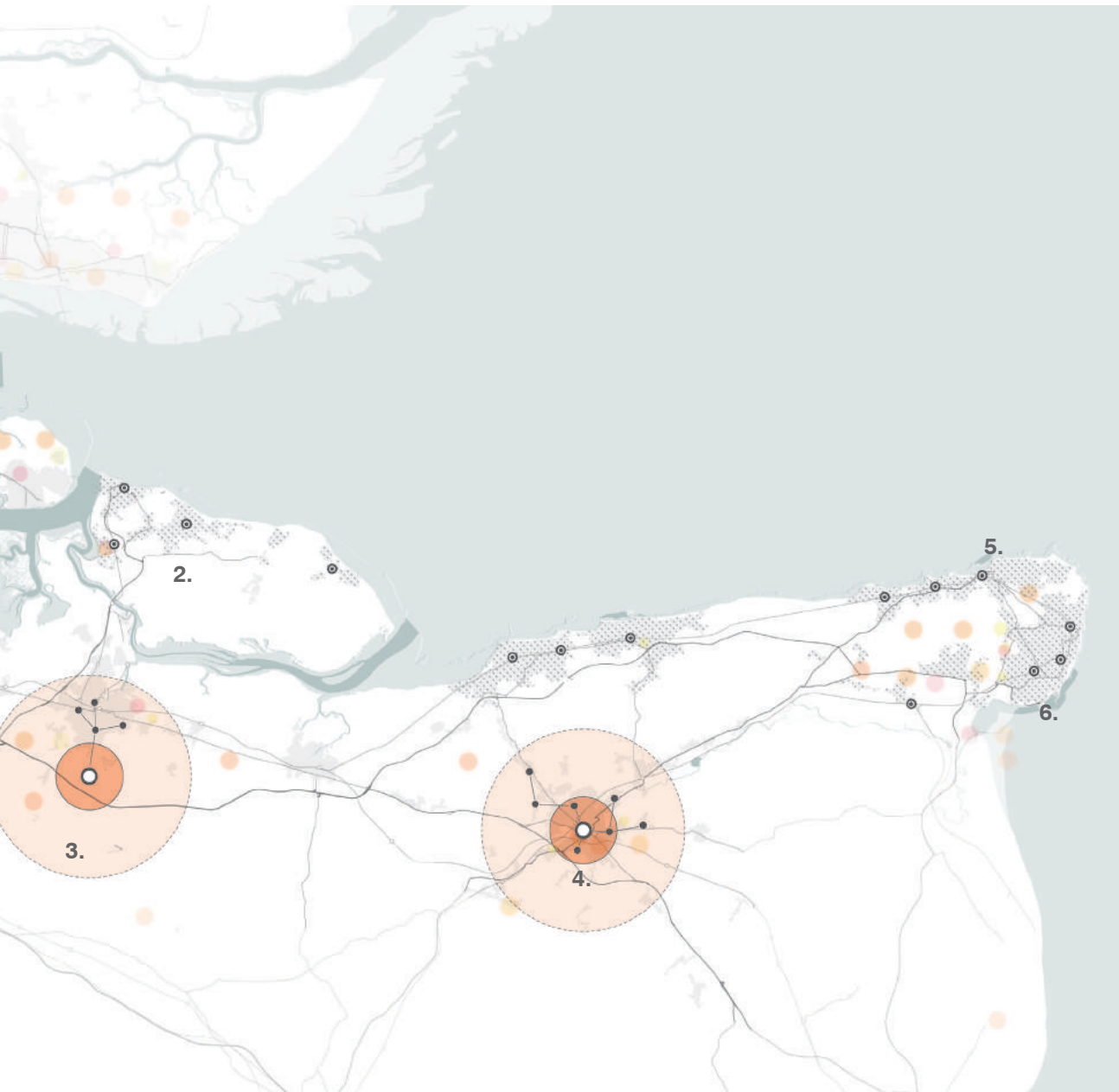
**What:** Create a fund which local authorities and local communities can bid for. Projects should support town centre regeneration and/or community development.

**Why:** Give local communities and organisations the opportunity to direct investment where it is most needed to support local aspirations and town centre regeneration.

**How:** Government to make available a £20 million fund and provide support to the four local authorities and local communities in their funding bids.

**When:** Quick win for first raft of funding in 2019.

## Commission's Priorities







**Commission's Priorities and Areas of Change: North Kent Foreshore**

1. Rochester
2. The Hoo Peninsula
3. Sittingbourne
4. Canterbury
5. Margate
6. Ramsgate




**Employment Sites**

-  10+ ha
-  5 - 10ha
-  1 - 5ha
-  Other

**Housing Sites**

-  2,000+ homes
-  1,000 - 1,999 homes
-  500 - 999 homes
-  Other

**Call for Ideas**

-  Transport
-  Skills
-  Other infrastructure

**Education and Skills**



Ensinger Plastics ©

**What:** Implement a more targeted skills strategy with employers and educational institutions that provides clear pathways to employment that support the area's existing and growing economic sectors.

**Why:** The 30 year vision allows this project to address generational skills shortfalls. It will improve educational attainment and skills in the area, across multiple age groups, therefore reducing levels of unemployment.

**How:** Kent County Council should work with the local authorities, the Local Enterprise Partnership, employers and/or educational institutions to develop a targeted plan for the area, which meets current and future employer needs.

**When:** Quick win building off existing skills strategies in place.

**Health Supercentre**



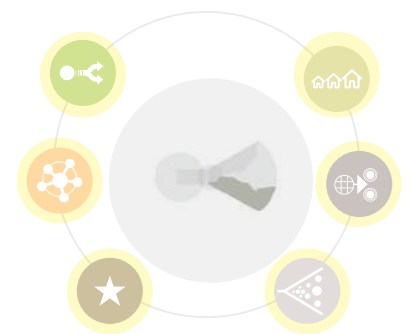
Herzog and de Meuron ©

**What:** Develop the new health and medical facilities at Canterbury to provide the eastern anchor to the supercentre.

**Why:** This project will act as a catalyst to the health supercentre building on the emerging health sector, cluster of academic institutions and transport connections in the area to increase productivity and jobs in the area.

**How:** Universities should be supported by Government and work closely with local communities to deliver promised facilities, to boost medical research and services while supporting workforce retention.

**When:** Short term delivery of facilities (by 2023).





# The River Thames

The River Thames is the **ancient heart** of the places of the Thames Estuary. It is a **global river** - connecting the Capital and five of the UK's largest ports to the rest of the world.

The strengths of the river remain its **strategic role** as a gateway to UK trade and industry and a vital and **flexible** component of the national infrastructure strategy. This is **balanced** by its **unique natural qualities** of ecology, habitat and landscape, which have long inspired the area's cultural and creative industries. The River Thames defines the quality of place of the cities, settlements and deep 'foreshores' which line it.

One of the challenges to the River Thames supporting the growth of the area is its **fragmented governance**. The multiple agencies (including the Environment Agency, Natural England, Port of London Authority, Marine Management Organisation) and private agendas prevent integrated solutions to some of the river's key challenges. **New crossings** will require careful integration, and the mitigation of sea level rise with **multi-functional defences**, which protect people and infrastructure from flooding will require new and innovative ways of working. Improving **water quality** and increased use of the river for **aquaculture** and **leisure** will enable the river to play a key role in the area's sustained growth.

Within this context the Commission's vision for the River Thames is:

**The river's ebb and flow will continue to connect the Foreshores, Inner Estuary and City Ribbon. Its multi-functionality will continue to evolve, from freight to fishing and from beach to boardroom - constantly emphasising the value of the river to its surrounding places and ensuring that the current level of flood protection is maintained. Its vital contribution to economic and social prosperity will place it at the heart of Thames Estuary 2050.**



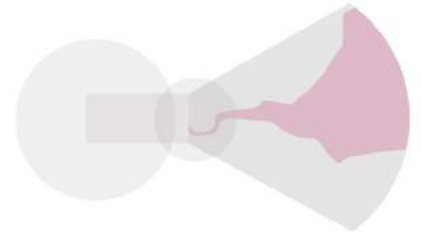
Accessible banks / Thames Path



Innovative agriculture



A continuous Thames Path - celebrating the diversity of the River along its length



***“The River Thames is ancient; older than England, older than humanity, even older than the British Isles themselves. Its life cycle operates on a geological timescale. The river is almost a living being, writhing sinuously across its flood plain, eroding its banks and altering its channel, constantly changing.”***

**Andrew Sargent, The Story of the Thames**

# The River Thames

Within the River Thames, 25 infrastructure, skills and employment projects were subject to the prioritisation review. Some 15 projects were sifted out where they were either: a duplicate entry; there was insufficient information available on the project to meaningfully assess it; or because it represented 'business as usual' where it was considered that the project would not make a significant contribution to meeting the Commission's vision for the area. Of the remaining 10 projects, 80% contributed to adaptable places and 70% contributed to connected places. This reflects that the projects largely focus on environmental improvements associated with flood defences and increasing access to the river.

No large scale known and proposed employment and residential developments were identified.

The Commission believes the River Thames can be a catalyst for growth and change in the four other 'productive places'. In order to do so it must be well used and well-loved. Three priorities have been identified to achieve this.



## Great Thames Park



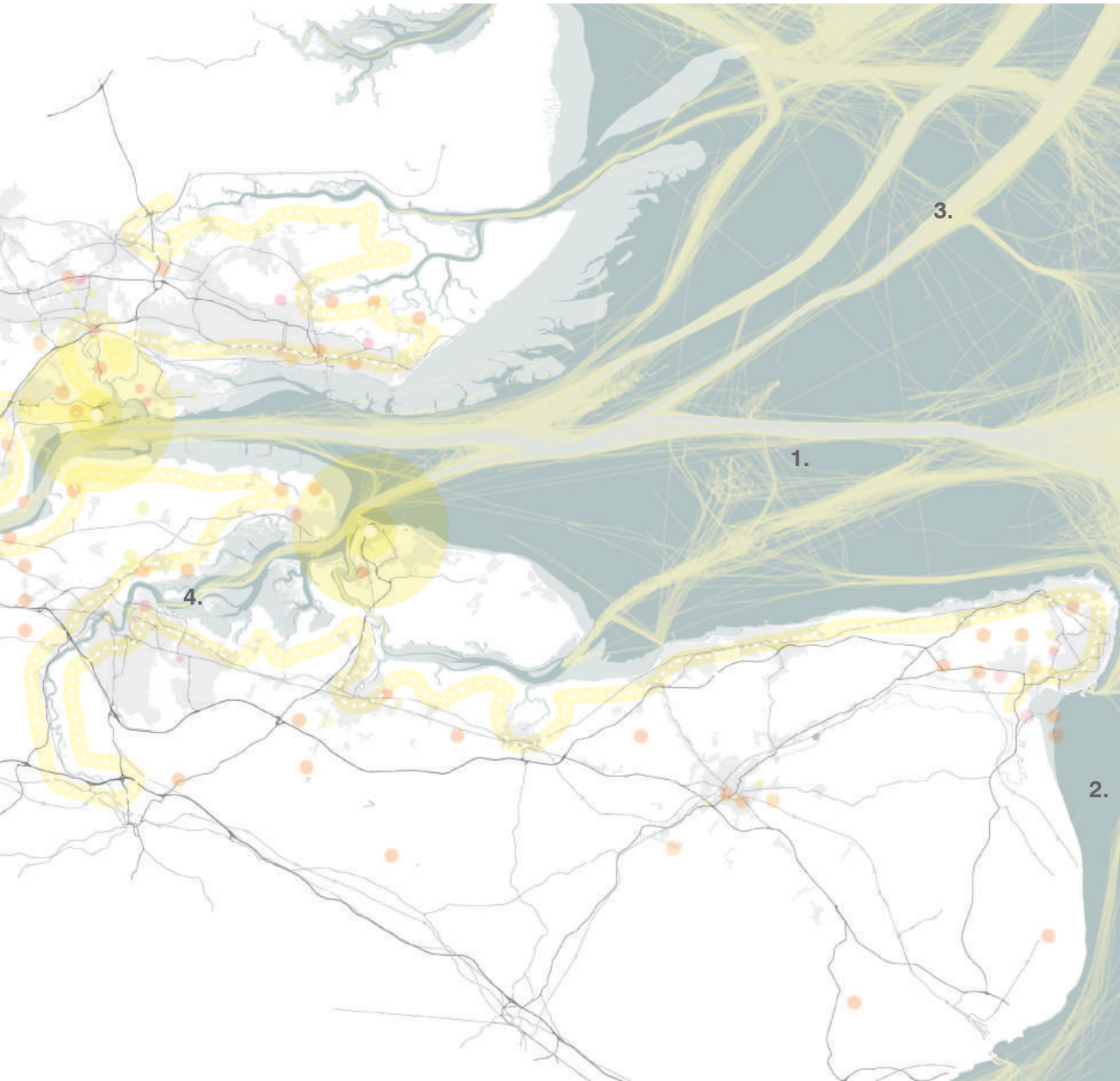
### Commission's Priorities

**What:** Establish the Great Thames Park to celebrate and maximise the value of the area's natural assets. This should include improving access to and use of the River Thames for pedestrians and cyclists.

**Why:** It will create a 'brand' which attracts inward investment as well as residents and visitors to the area and improves connections between places.

**How:** Local authorities, environmental bodies and river regulators should prioritise investment in the Thames Path and associated projects. Government to consider the governance arrangements required to support the Great Thames Park.

**When:** Medium term with measures in the short term to put governance strategies in place. Quick win to deliver first new section of the Thames Path by 2020.







**Commission's Priorities and Areas of Change: The River Thames**

1. River Thames
2. English Channel
3. North Sea
4. River Medway




**Employment Sites**

-  10+ ha
-  5 - 10ha
-  1 - 5ha
-  Other

**Housing Sites**

-  2,000+ homes
-  1,000 - 1,999 homes
-  500 - 999 homes
-  Other

**Call for Ideas**

-  Transport
-  Skills
-  Other infrastructure

**Thames East Line**



**What:** Delivery of new multi-modal (including rail) crossing east of the Lower Thames Crossing combined with the second Thames Barrier. Potential interchange points could be Basildon and the Medway Towns.

**Why:** To maximise the benefits arising from a second Thames Barrier (which will provide a world-class standard of flood protection) including improved north-south connectivity, enhanced linkages with other high productivity corridors around London, agglomeration opportunities at interchanges and improved access to England's high speed railway network.

**How:** Government should consider a multi-modal crossing as part of its planning for the next Thames Barrier. This includes the financing models which could be used to deliver the project by 2050.

**When:** Long term delivery with measures in the short and medium term to commence project planning.

**Celebrate the Thames**

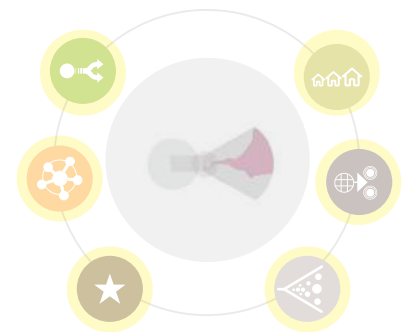


**What:** Build on the success of the existing Thames Festival and the Port of London Authority's Thames Vision to create a programme of festivals, events and promotional activities.

**Why:** To celebrate the River Thames, its creative and cultural industries and to attract inward investment and visitors to the area.

**How:** A programme of events should be developed and led by the Thames Gateway Strategic Group working with local businesses and community groups.

**When:** Quick win to ensure additional funding and support for Estuary Festival 2019.



# Governance and Delivery

**The Commission has an ambitious vision for the Thames Estuary, which it believes has the potential to deliver 1.3 million new jobs and £190 billion additional GVA by 2050. At least 1 million new homes will need to be delivered to support this growth, but the Commission believes there is scope for the Thames Estuary to be even more ambitious in responding to London’s ever growing housing need. Realising this ambition will require a coordinated delivery plan, which will in turn be dependent on strong, streamlined governance.**

The resounding message from the consultation that the Commission has undertaken is that there is ambition in the Thames Estuary to deliver high-quality development and the best economic outcomes for people. However, the Commission believes that a ‘business as usual’ approach will not deliver growth at scale and pace; governance reform and new delivery models are needed.

The Commission believes that Government should work closely with local partners to determine the governance reform required to drive growth in the Thames Estuary. In the first instance, the Commission recommends that a **robust, locally-led review of governance arrangements be undertaken, to be concluded within six months**. This review should bring forward proposals for strong, streamlined governance arrangements to drive growth - particularly in Kent and Essex - but encompassing the whole area. In undertaking the review, local partners should draw on lessons learned from places that have secured City, Devolution and Growth Deals, attracted major private sector investment, and delivered significant change.

It is right that local partners should, in the first instance, define the governance reform needed to drive growth in the Thames Estuary. However, if robust proposals to reform governance and drive delivery are not forthcoming from local partners within six months, a more top-down approach will be required.

The Commission has undertaken extensive engagement over the past two years and carefully considered the case for the role of governance reform in driving growth in the area. The Commission believes that the optimal governance arrangements should include the following:

**A single voice for the Thames Estuary through a strengthened and streamlined Thames Gateway Strategic Group (TGSG):**

The TGSG as presently constituted is ill-equipped to articulate a shared vision and strategy for the area. Local authorities should strengthen it by providing capacity funding and streamlining membership, so that it may speak to Government with a single voice on key strategic, Estuary-wide issues. Government should endorse the Chair of the TGSG, who would act as a single ‘champion’ for the Thames Estuary to spearhead collaboration and help make the case for inward investment.

**The development of statutory Joint Spatial Plans in Kent and Essex:**

The Commission believes that, to enable the continued prioritisation of investment, statutory Joint Spatial Plans should be produced in Kent and Essex. The precise geography should be defined by local partners in the first instance as part of the locally-led governance review, building on existing collaborations and administrative boundaries. On this basis, there is a clear case for focusing a Joint Spatial Plan on south Essex, where work is already underway. The optimal geography for a Joint Spatial Plan in north Kent is less clear, and local authorities should work

toward agreeing a preferred geography within the next six months. The Plans should build consensus around areas of focus, continue to strengthen the growth narrative for the area, and package and prioritise key projects. This will enable more effective delivery and provide a stronger focus for attracting private sector investment. If these Plans demonstrate sufficient growth ambition - going above the minimum threshold set out by Government for local housing need; and being given statutory status - **Government should reward this ambition with substantial infrastructure investment and freedoms and flexibilities**. This could take the form of a 'roof tax', or other incentive to accelerate housing delivery and support growth.

**A revision of the geographical boundaries of South East Local Enterprise Partnership (LEP):** Analysis undertaken by the Commission suggests that the Thames Estuary is a tapestry of productive places, requiring tailored growth strategies. Through the locally-led governance review, local partners should bring forward proposals to revise the geographical boundaries of South East LEP. South East LEP is one of the biggest LEPs in the country, second only to London in terms of population and number of local authorities. The Commission suggests that local partners consider the formation of two new LEPs within the Thames Estuary, one for Essex, Southend-on-Sea and Thurrock, and another for Kent and Medway. Aside from geography, the Government review into strengthening LEPs should consider the best organisational structure for LEPs, and whether they are adequately resourced to drive growth.

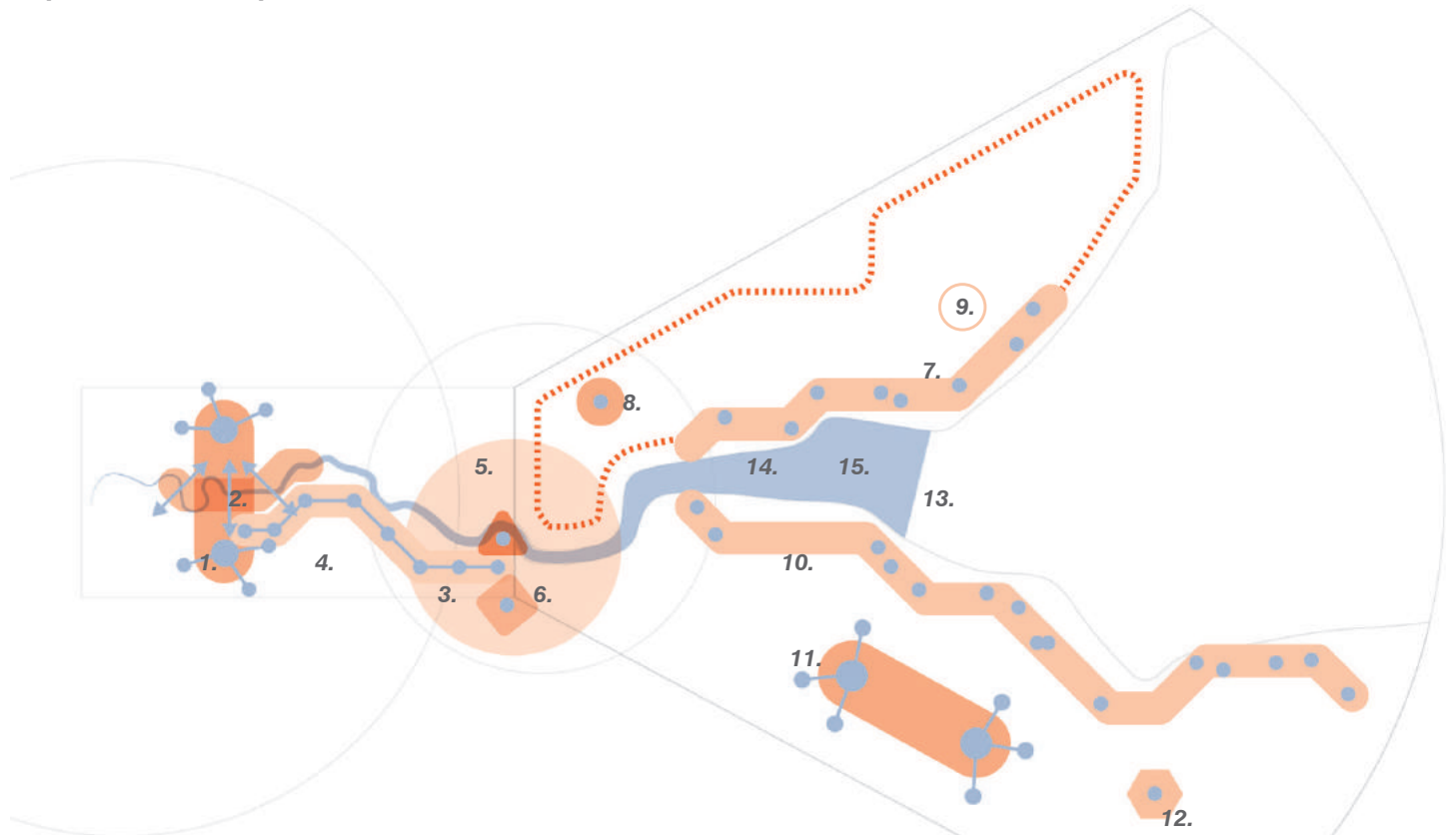
**Development corporation(s) with planning, and compulsory purchase powers to drive the delivery of homes and jobs aligned to major infrastructure investment:** Whether these are locally-led should be dependent on the scale of the development. In addition, local partners should consider whether Homes England's full resources and powers, including plan-making and development control powers, should be deployed to maximise the local growth benefits of major infrastructure investments like the Lower Thames Crossing. The Commission believes that development corporations, backed by substantial investment, planning powers and freedoms and flexibilities from Government, and coordinated by a strengthened and streamlined TGSG would be an effective way to drive growth in the Thames Estuary in key opportunity areas across the Thames Estuary.

**Strengthened governance arrangements for the River Thames itself:** The creation of a co-ordination office or lead organisation could be more effective in maximising the potential of the River Thames.

In return for strengthened and streamlined governance arrangements, the Commission would like to see **revenue raising powers and tax (or other) incentives granted to the Thames Estuary** to drive delivery of infrastructure, housing and jobs.

# The Commission's Priorities

The Commission believes that the fifteen priorities identified in this document are critical to achieving its vision for the Thames Estuary by 2050. The priorities for each 'productive place' should be pursued simultaneously so that their impact is maximised and they work together to provide 'whole place' solutions.



## QUICK (BY 2020)

- 3. *An Integrated Skills Strategy*
- 5. *Transport Innovation Zone*
- 7. *SE Foreshore Fund*
- 9. *Institute for Resilient Infrastructure*
- 10. *NK Foreshore Fund*
- 11. *Education and Skills*
- 13. *Great Thames Park*
- 15. *Celebrate the Thames*

## SHORT (BY 2024)

- 1. *Accelerated Delivery Pilot*
- 6. *Medical Campus*
- 8. *SEC Relocation*
- 12. *Health Supercentre*

## MEDIUM (BY 2030)

- 2. *Three New Thames Crossings*
- 4. *Extension of Crossrail 1*

## LONG (BY 2050)

- 14. *Thames East Line*



1. Accelerated Delivery Pilot



2. Three New Thames Crossings



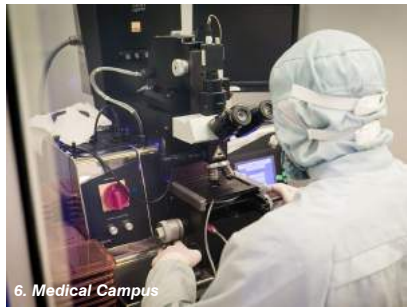
3. An Integrated Skills Strategy



4. Extension of Crossrail 1



5. Innovation Zone



6. Medical Campus



7. SE Foreshore Fund



8. SEC Relocation



9. Institute for Resilient Infrastructure



10. NK Foreshore Fund



11. Education and Skills



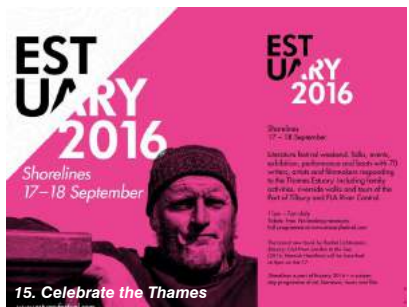
12. Health Supercentre



13. Access to the River



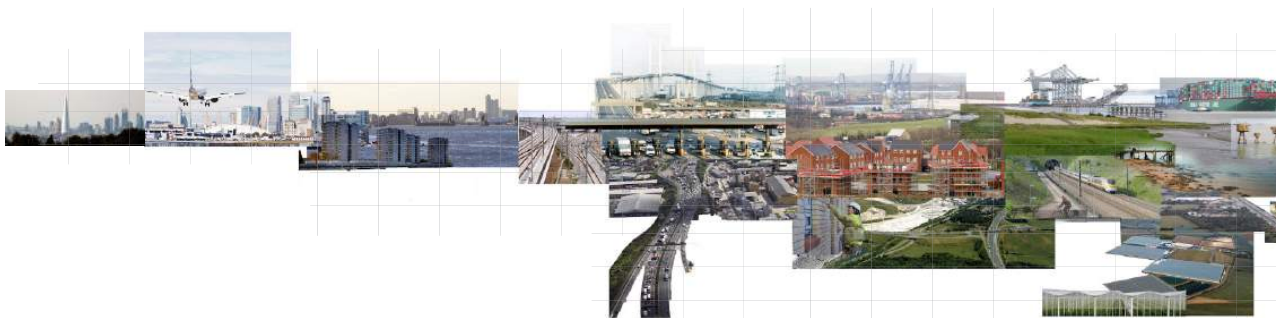
14. Thames East Line



15. Celebrate the Thames



ARUP



## ITEM 6

**Date:** 16 July 2018

**Subject:** Developing a SELEP pipeline of Local Growth Funding (LGF) projects

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

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### Summary

This note explains that SELEP has issued a new open call for projects that are seeking capital grant funding.

The KMEP Board is asked to advertise the new call for expressions of interest in the public domain, and for local stakeholders to consider submitting expressions of interest before 31<sup>st</sup> August 2018.

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## 1. Introduction

- 1.1 On 29 June 2018, the South East LEP Strategic Board discussed 'Developing a SELEP pipeline of Local Growth Funding (LGF) projects'. The full SELEP board paper can be found in Appendix A.
- 1.2 The consequence of the Board endorsing the paper is that SELEP has issued a **new open call for projects** that are seeking capital grant funding.
- 1.3 This KMEP cover note provides a short high-level summary of the key information within the SELEP Board Paper. It sets out details about this new call for projects.

## 2. Funding Opportunity

- 2.1 The exact size of the funding opportunity for applicants to bid for is not yet known. However, it is known that there are three sources of funding:
  - **Source A:** There is £8.33m of LGF available for investment in 2020/21, which has not yet been allocated to a specific project. This funding is therefore available for applicants to bid for.
  - **Source B:** Any underspend which may arise from existing LGF projects being delivered under budget.

- **Source C<sup>1</sup>:** The reallocation of any LGF from projects that are unable to bring a business case to the SELEP Accountability Board for a funding decision by no later than 15<sup>th</sup> February 2019. The exact amount is not yet known but will range between £0m and a maximum of £38.9m.

### **3. Timeframe: From Expressions of Interest to Funding Decision**

- 3.1 Applicants wishing to bid for capital grant funding are asked to complete the expression of interest template found in Appendix B.
- 3.2 Applicants can bid for an amount between **£250k** and **£8million** per project.
- 3.3 The completed expression of interest forms should be sent to the KMEP Strategic Programme Manager ([sarah.nurden@kent.gov.uk](mailto:sarah.nurden@kent.gov.uk)) by no later than 5.30 pm on Friday **31<sup>st</sup> August 2018**.
- 3.4 The federated board (KMEP) will be asked to sift the projects at its board meeting on Monday **24<sup>th</sup> September 2018**. The total combined value of the projects that KMEP can put forward to SELEP for consideration cannot be greater than £47.2m.
- 3.5 The Independent Technical Evaluator (Steer Davies Gleave) has been asked by SELEP to undertake their own assessment of the expressions of interest, to assist and inform a discussion with each Federated Area regarding the relative merits of each potential project.
- 3.6 For projects endorsed by KMEP, applicants will then be asked to complete a Strategic Outline Business Case by **26<sup>th</sup> October 2018**. This business case will then be sent to SELEP for assessment by its independent technical experts (ITE).
- 3.7 The SELEP Investment Panel will then meet on **7<sup>th</sup> December 2018** to receive the ITE's feedback and to then create the ranked pipeline of projects. The SELEP Strategic Board has agreed that the SELEP Investment Panel membership will consist of the following 13 representatives:
- SELEP Chairman (1)
  - The 3 SELEP Vice-Chairmen (3)
  - The 6 Upper-tier/Unitary Council Leaders (6)
  - A private sector member from Team East Sussex (1)
  - A private sector member from KMEP (1)
  - A private sector member from either Essex's federated board or Opportunity South Essex's federated board. (1)
- 3.8 The SELEP Accountability Board will then be asked to assess each business case (as per the standard procedure) before funding can be drawn down by the applicant.

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<sup>1</sup> Promoters of these LGF projects can submit an expression of interest to change the scope of their project to make it deliverable by March 2021.

#### 4. Eligibility & Assessment Criteria

4.1 The criteria to assess the applications have been set by SELEP. The criteria are:

	<b>Criteria</b>	<b>Evidence sought</b>
A)	Alignment with SELEP's objectives to support economic growth	Evidence provided that the scheme contributes to SELEP's economic growth objectives.
B)	Requires Capital Investment	LGF can only be used for capital investment and cannot be used as revenue
C)	The project can be delivered in line with legal requirements about the use of public funds	This includes consideration for the requirement to follow public procurement regulations to the extent which is applicable and demonstrate that the investment does not constitute as State Aid.
D)	The project will spend the LGF by <b><u>31<sup>st</sup> March 2021</u></b> .	The LGF will predominately be available in 2020/21. However, there may be the potential to accelerate the LGF spend in 2018/19 and 2019/20. Evidence is to be provided to demonstrate that LGF will be spent by 31st March 2021
E)	Support from relevant Federated Board	The Project must be supported by the relevant Federated Board. This should be evidenced through Federated Board meeting minutes.
F)	Support from the relevant Upper Tier Authority	Each funding bid must secure sign off from the S151 officer of the relevant Upper Tier Authority.
G)	Strategic fit	Evidence of a strategic fit with SELEP objectives to deliver economic growth, and evidence that the benefits will be delivered within the SELEP area.
H)	Option generation and sifting	Evidence that a broad option generation and sifting has been undertaken
I)	Evidence of stakeholder support	Evidence of stakeholder involvement and/or wider public consultation/support.  Please note SELEP expect engagement will take place at a local level with the following stakeholders as a minimum in developing a local list of Federated Board priorities: <ul style="list-style-type: none"> <li>• Business Advisory Board</li> <li>• Network Rail</li> <li>• Train Operating Company</li> <li>• Highways England</li> <li>• Skills Advisory Group and</li> <li>• SELEP working groups</li> </ul>
J)	Rationale for funding request	Clear articulation of the rationale for requesting LGF funding including evidence that funding through the LGF is the most suitable available alternative.
K)	Deliverability and benefit realisation	Evidence regarding the projects deliverability and its readiness to move to delivery and benefit realisation stage within the timescales of the funding

		stream (including consideration of project design stage, planning consents, land acquisitions, relevant powers).
L)	Value for money	Evidence of the value for money potential and project benefits relative to the amount of LGF sought.
M)	Additional funding sources	Evidence of secured/committed additional funding from outside sources preferably from private contributions rather than public.
N)	Programme and risk management	Clear delivery schedule including evidence there is a comprehensive risk register and risk management plan in place.
O)	Monitoring & Evaluation	Provide a commitment that sufficient revenue resource will be made available to support project delivery and the ongoing monitoring and evaluation of the project.

## 5. Open Call

5.1 Central Government, in its deep dive audit recommendations, stipulated calls for projects must be advertised widely in the public domain so any interested parties may apply (This approach has been used by KMEP since early 2017). This open call is thus advertised on the KMEP website, and KMEP Board Members are asked to promote the opportunity through their own networks and websites.

## 6. Recommendations

6.1 The KMEP Board is asked to:

- Advertise the new call for expressions of interest in the public domain.
- Consider local stakeholders submitting expressions of interest before 31<sup>st</sup> August 2018.

## Developing a SELEP pipeline of LGF projects

### 1. Purpose

- 1.1 The purpose of this report is to set out a proposed approach to the development of a SELEP single pipeline of LGF projects.

### 2. Recommendations

#### 3. The Strategic Board (the Board) is asked to:

- 3.1 **Agree** to the development of a short-term pipeline of projects for Local Growth Fund (LGF) investment to 31<sup>st</sup> March 2021 should funding be made available through one of the three sources set out in section 6 of this report.
- 3.2 **Agree** the proposed approach to the investment of LGF, including the project eligibility criteria, set out in Table 3 and the Assessment Criteria, set out in Table 4.
- 3.3 **Agree** one of the three timescale options, set out in Table 6, for developing the project pipeline:
  - 3.3.1 Option 1 – Shorter Timescale – Pipeline to be agreed on the 16<sup>th</sup> November 2018
  - 3.3.2 Option 2 – Recommended Timescale – Pipeline to be agreed on the 7<sup>th</sup> December 2018
  - 3.3.3 Option 3 – Longer Timescale – Pipeline to be agreed on the 22<sup>nd</sup> March 2019

### 4. Context

- 4.1 The South East Local Enterprise Partnership (SELEP) has secured a total of £570m LGF from Central Government through the three rounds of LGF to date. This funding was allocated to SELEP through a six year Growth Deal with Government (from 1<sup>st</sup> April 2015 to the 31<sup>st</sup> March 2021).
- 4.2 Through the delivery of the programme to date SELEP has secured flexibilities and ‘programme privileges’ from Government to make changes to LGF projects and the allocations received by individual LGF projects through the Growth Deal, without requiring further approval from Government. This has seen the introduction of additional projects into the LGF programme where these have been supported by the relevant Federated Board and the project has been awarded funding by the SELEP Accountability Board.
- 4.3 Central Government has, however, made clear through its latest review of LEP Governance and Transparency, their expectation that each LEP should maintain a strong single pipeline of projects which require investment across each LEP area. Whilst SELEP has previously achieved a single list of priorities for specific calls for projects, such as LGF Round 3, this list is now outdated and a process has not been established for new priorities to be added to this list. As such, the Strategic Board agreed at its meeting on the 16<sup>th</sup> March 2018 to “*establish and maintain a single pipeline of priority projects which will be used to identify the projects which utilise underspends in the event that it becomes available*”.
- 4.4 This report sets out an intended approach to review our investment priorities, to ensure they remain up to date, are aligned with work which is underway in developing the new SELEP Strategic Economic Plan and aligned with SELEP’s strategic objectives to ensure we are able to maximise investment opportunities through the current Growth Deal programme to 31<sup>st</sup> March 2021.
- 4.5 In the first instance, the development of a new SELEP pipeline is intended to identify short-term priorities for any unallocated LGF or LGF underspends which may become available – by



considering SELEPs short term priorities to 31<sup>st</sup> March 2021. This call for projects will be referred to as LGF 3B.

- 4.6** The longer term aspiration will be to apply the prioritisation approach to develop a medium- long term pipeline of projects which will serve as a basis to inform priorities for future funding sources. The development of this medium to longer term pipeline will follow the development of the SELEP Strategic Economic Plan (SEP).

**5. Investment to date**

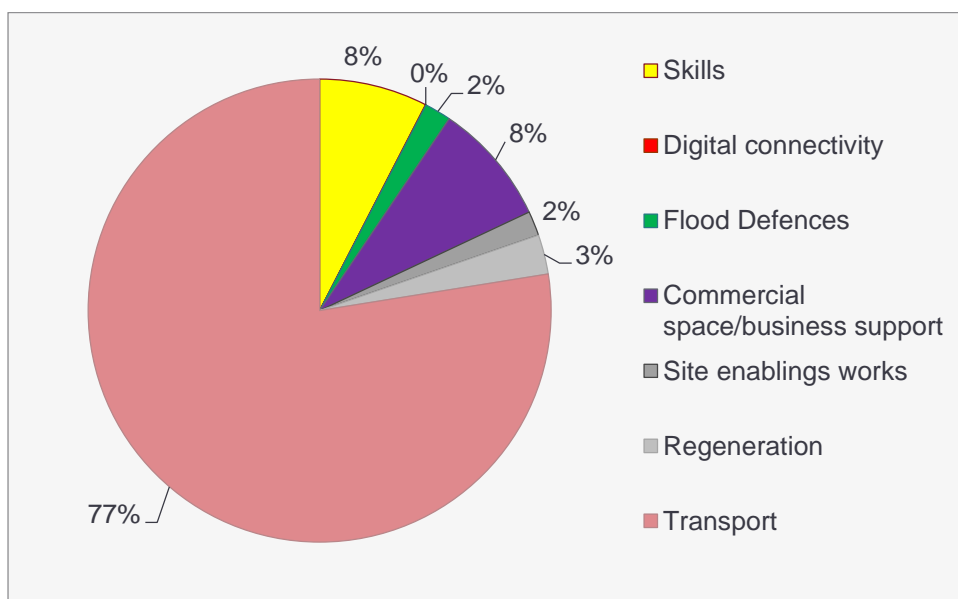
- 5.1** The first three years of the programme has seen spend of £228.733m LGF, including retained and non-retained schemes (*subject to confirmation through end of year 2017/18 reporting*).
- 5.2** The total amount of funding provisionally allocated to SELEP by Central Government totals £570m. Of this amount £561.6m has been allocated to a total of 97 LGF projects, with **£8.3m LGF remaining unallocated**.
- 5.3** LGF investment to date has focused predominantly on transport interventions, with the LGF programme currently including the allocation/award of £435.2m LGF to transport projects across SELEP; representing 77% of the LGF programme.

**Table 1 LGF investment by theme (£m)**

Theme	Skills	Digital connectivity	Flood Defence	Commercial space/business support	Site enabling works	Regeneration*	Transport	Total
LGF (£m)	42.6	0.2	10.4	48.1	9.6	15.5	435.2	561.6

\*Eg. Coastal community and visitor economy projects

**Figure 1 LGF Investment by theme (proportion of £561.6m allocated LGF)**



## 6. LGF available

- 6.1 There are three potential sources of LGF available to support the delivery of projects identified through this short term pipeline development:
- 6.1.1 Source 1: £8.3m unallocated LGF
  - 6.1.2 Source 2: LGF which is currently allocated to projects, but which are unable to come forward within the timescales of LGF owing to project issues/delays; and
  - 6.1.3 Source 3: LGF underspends which are identified from projects which have been delivered to date.

### Source 1

- 6.2 The LGF allocation for the 97 projects identified in the LGF programme totals £561.662m, whilst the allocation from the Ministry for Housing Communities and Local Government (MHCLG) and Department for Transport (DfT) currently totals £569.992m. As such, there is £8.330m LGF available for investment in 2020/21, as set out in Table 2 below. The difference is due to changes in projects since the original outline submission of projects in 2014.
- 6.3 There is currently forecast to be a slippage of £24.284m from 2018/19 to 2019/20, this is required to help mitigate the difference between the LGF available in 2019/20 and the forecast LGF spend in 2019/20. Should additional slippage be identified from 2019/20 to 2020/21 then there may be some flexibility to accelerate projects identified through LGF Round 3B. However, at this stage **projects are sought which are able to spend the LGF allocation in 2020/21.**

**Table 2 LGF allocation relative to LGF actual/forecast spend (£m)**

Current Forecast Position - Forecast spend v LGF available							
£m	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Total
Actual spend or current forecast	55.562	69.730	80.732	105.272	90.808	57.900	460.005
LGF Allocation as per CLG	69.450	82.270	92.088	91.739	54.915	77.873	468.335
LGF Allocation b/fwd from earlier years		13.888	26.428	37.784	24.250	-11.642	
Total grant funding in year	69.450	96.158	118.516	129.523	79.165	66.231	
Over/ (under) allocation		26.428	37.784	24.250	-11.642	8.330	

### Source 2

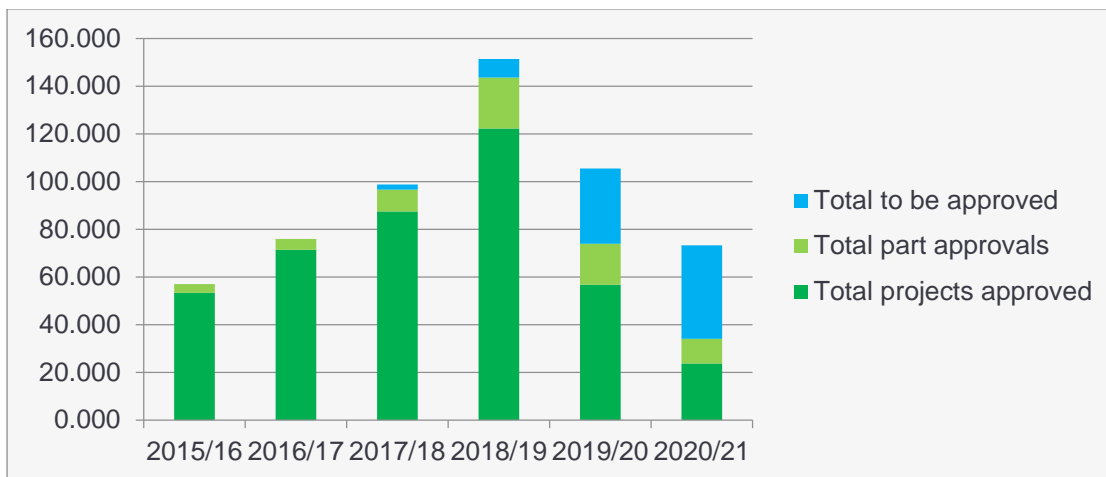
- 6.4 SELEP's Growth Deal programme comprises 97 projects, which have either been allocated for funding by the Strategic Board or have now received a full funding award by the SELEP Accountability Board. A list of these projects is provided in Appendix 6b. These have been divided into projects in green, which have received a funding award by SELEP Accountability Board, light green are those projects with part approval and those in blue which have not yet come forward to the Accountability Board for funding.
- 6.5 Whilst it is expected that a majority of the projects listed in blue will come forward for a funding award from the SELEP Accountability Board in 2018/19, some projects may be unable to demonstrate an ability to spend the LGF contribution by 31<sup>st</sup> March 2021 due to project funding gaps or other causes of project delays.





- 6.6 At the last Board meeting, the Board agreed the Principles set out in Appendix 1, for the management of LGF underspend. This may result in LGF being identified for reinvestment. The amount of LGF which is currently allocated to projects which have not yet come forward for a final funding award by the SELEP Accountability Board currently totals £64.4m, as shown in Figure 2 below. However, funding which is allocated to Department for Transport retained projects, such as A127 The Bell and A127 Fairglen Interchanges junction improvements and link road<sup>1</sup>, is unlikely to be made available to SELEP for investment elsewhere in its capital programme. As such, **the maximum value of LGF which could be made available through Source 2 totals £38.9m.**
- 6.7 The £38.9m does not include projects which have received part funding to date or those more complex projects which have received a funding award by the Accountability Board in part, but where a full Business Case is being developed to secure the remaining funding allocation.

**Figure 2 LGF spend approved to date**



**Source 3**

- 6.8 To date, project underspends have been identified through project costs being lower than expected and efficiency measures being achieved through project delivery. It is Governments recommendation following the SELEP deep dive that *“SELEP should take steps to satisfy themselves that any underspend at a federated level is reallocated to the most promising and best value for money projects”*.
- 6.9 As such, it is expected that the pipeline of projects will be used as a basis to inform prioritisation by the Investment Panel about the use of any underspends which become available through LGF programme delivery.
- 6.10 Going forward, it is expected that LGF underspends will be reallocated to projects which are included within the SELEP LGF pipeline. Other emerging priorities may still be considered by the Accountability Board but local partners will need to justify why recommendations are being made to direct funding towards any project which is not included on SELEPs pipeline.

<sup>1</sup> Fairglen Interchange Link Road is not technically a Department for Transport (DfT) retained projects, but the intervention will be considered by the DfT as one overall Business Case for the Fairglen Interchange Junction Improvements and Link Road Project.



## **7. Development of SELEPs Pipeline - Call for projects**

- 7.1** The development of a new SELEP pipeline of high quality and deliverable projects which will have a tangible impact on our economy is a sizable challenge. As such, it is recommended to the Board that the call for projects should first focus on short term priorities for capital grant funding which are deliverable by 31<sup>st</sup> March 2021.
- 7.2** A further call for projects will take place to identify medium – long term investment priorities, aligned with the new Strategic Economic Plan and any funding criteria identified by Government. The proposed approach in this report will act as a pilot for the development of a medium – long term pipeline of projects during 2019/20.
- 7.3** It is proposed that a three stage process should be implemented, following a similar approach to the recent Growing Places Fund (GPF) prioritisation exercise, as follows:

Stage 1 – Expressions of Interest

Stage 2 – Scheme prioritisation

Stage 3 – SELEP Accountability Board funding decision

## **8. Stage 1 – Expressions of Interest**

- 8.1** The first proposed stage in the process will be to identify potential projects through an open call for projects publicised by SELEP, local authority and Federated Board. The opportunity will be publicised on the SELEP website, social media and through media releases with any bids received by SELEP directly being shared with to the relevant Federated Area. Likewise, the funding opportunity will also be publicised by Local Authorities and Federated Boards.
- 8.2** For all projects identified, the scheme promoter is required to complete an LGF Expression of Interest (EoI) template which will be made available on the SELEP website. The Federated Areas will then sift EoIs using the eligibility criteria set out in Table 3 below, to consider the projects suitability for LGF funding. Projects which fail to meet the key criteria should be discarded by Federated Boards.
- 8.3** Those projects which pass the initial sift against the eligibility criteria should then be considered and assessed based on the criteria set out in Table 4 below.
- 8.4** It should be noted that there is some overlap between the eligibility criteria set out in Table 3 and the assessment criteria set out in Table 4. This is to reflect the fact that eligibility criteria are binary (yes/no) but, for eligible schemes, there may be variation in their performance against these criteria. For example, while two schemes may both be able to spend LGF prior to 31<sup>st</sup> March 2021 (eligibility criteria), one scheme may have a greater certainty of doing so in advance of this date (assessment criteria).
- 8.5** In order to assist with Stage 1, the Independent Technical Evaluator (Steer Davies Gleave) will prepare a flexible assessment template based upon the criteria in Table 3 and Table 4 that Federated Areas must use to inform their own sifting exercise. In parallel, the ITE will undertake their own assessment using the same template, to inform a discussion with each Federated Area regarding the relative merits of each potential project, ahead of submission of their sifted proposals (and assessment by the Federated Area) to be taken forward into Stage 2.
- 8.6** At the stage of completing an EoI it is not expected that a quantified Value for Money assessment will have been completed. However, a Value for Money assessment will be required as part of Stage 3. Any available evidence regarding the potential Value for Money of proposals may also be used to inform the Stage 2 prioritisation exercise.



- 8.7 LGF 3B will operate as an Open Call for Projects. Federated Boards may wish to review previously unsuccessful LGF Round 3 bids and unsuccessful GPF bids. However, there is no intention for greater weight to be placed on previously submitted bids through the prioritisation process.
- 8.8 It is expected that funding requests per project should be between £250,000 and £8,000,000 in value. However, smaller or larger scale projects may be considered if there is an overwhelming strategic case and no substantial delivery risks.
- 8.9 To ensure a proportionate approach to the scale of funding available, no Federated Area should put forward projects to SELEP for Stage 2 which, in total, exceed the maximum potential amount of LGF available (**£47.2m**). For projects to progress to Stage 2 they must be nominated by a Federated Board and have support from the relevant Upper Tier Authority.

**Table 3 Project eligibility criteria**

Criteria	Evidence Sought	Scoring Guide
Align with SELEP’s objectives to support economic growth	Evidence provided that the scheme contributes to SELEP’s economic growth objectives.	Pass/fail
Requires capital investment	LGF can only be used for capital investment and cannot be used as revenue	Pass/fail
Demonstrate an ability to deliver the project following the legal requirements for investment of public funds	This includes consideration for the requirement to follow public procurement regulations to the extent which is applicable and demonstrate that the investment does not constitute as State Aid.	Pass/fail
Must be able to spend the LGF by 31 <sup>st</sup> March 2021	The LGF will predominately be available in 2020/21. However, there may be the potential to accelerate the LGF spend in 2018/19 and 2019/20. Evidence is to be provided to demonstrate that LGF will be spent by 31 <sup>st</sup> March 2021	Pass/fail

**9. PAN LEP projects**

- 9.1 For Pan LEP projects to be brought forward, they should seek endorsement from a Federated Board and County Council/ Unitary Authority, to act as the promoting authority. For Pan LEP projects, the promoting County Council/ Unitary Authority will be required to provide officer sign off to the Expression of Interest and provided S151 officer sign-off of the Strategic Outline Business Case (SOBC) to be submitted to SELEP.
- 9.2 Endorsement for the project by the Federated Boards of the other areas of SELEP involved in the Pan LEP project is also strongly encouraged, to ensure support as the project progresses to



consideration by the Investment Panel. As a minimum, the lead officer from the other Federated Areas should be made aware of the bid proposal.

## **10. Projects with existing LGF allocations**

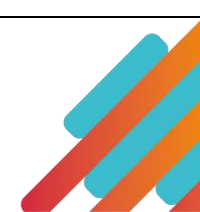
- 10.1** Projects with an existing LGF allocation, but with a funding gap which is currently preventing the delivery of the project may be put forward for an additional LGF allocation through LGF Round 3b. These projects will be assessed alongside the emerging priorities for investment and will require Federated Board endorsement, as set out in Stage 1.
- 10.2** Where a Business Case has already been submitted for such a project, then the Business Case should be submitted alongside the EoI.

## **11. Stage 2 projects**

- 11.1** For projects which are identified as meeting the eligibility criteria, listed in Table 3 above, and which are endorsed by the relevant Federated Board, scheme promoters will be asked to prepare Strategic Outline Business Cases (SOBCs) that will be prioritised by SELEP Investment Panel.
- 11.2** An ITE assessment of the SOBC's will be completed for all projects promoted by the Federated Boards, to help inform decision making by Investment Panel. This assessment will be completed based on the proposed assessment approach, as set out in section 11.4, 11.5 and Table 4 below.
- 11.3** Once SOBCs have been submitted the SELEP ITE will undertake an initial sifting exercise to check that each promoter has submitted all evidence required to demonstrate compliance with the eligibility criteria. Following this, the SELEP ITE will proceed to assess the remaining applications for the technical quality of the SOBC.
- 11.4** The quality of the evidence provided under each section of the SOBC will be assessed on a three-point scale as follows:
  - 11.4.1** Red = unsatisfactory/poor quality evidence provided;
  - 11.4.2** Amber = somewhat satisfactory/moderate quality evidence provided; and
  - 11.4.3** Green = satisfactory/high quality evidence provided.
- 11.5** Table 5 sets out how the RAG rating will be applied against each of the assessment criteria.
- 11.6** Following the evaluation of each submission, the SELEP ITE will develop an initial prioritised list. Schemes will be ranked by their performance under sections:
  - 11.6.1** Strategic fit;
  - 11.6.2** Deliverability and benefit realisation;
  - 11.6.3** Evidence of stakeholder support; and
  - 11.6.4** Potential value for money.
- 11.7** Consideration will also be given to the remaining sections of the SOBC, listed in Table 4, especially where there are a large number of projects which score well based on the four criteria listed above.

**Table 4 – Assessment Criteria**

Assessment Criteria	Evidence Sought	Scoring Guide
Support from relevant Federated Board	The Project must be supported be supported by the relevant Federated Board. This should be evidenced through Federated Board meeting minutes.	Pass/fail
Support from the relevant Upper Tier Authority	Each funding bid must secure sign off from the S151 officer of the relevant Upper Tier Authority.	Pass/fail
Strategic fit	Evidence of a strategic fit with SELEP objectives to deliver economic growth, and evidence that the benefits will be delivered within the SELEP area.	Red/Amber/Green
Option generation and sifting (including evidence of stakeholder support)	Evidence that a broad option generation and sifting has been undertaken with evidence of stakeholder involvement and/or wider public consultation/support	Red/Amber/Green
Rationale for funding request	Clear articulation of the rationale for requesting LGF funding including evidence that funding through the LGF is the most suitable available alternative.	Red/Amber Green
Deliverability and benefit realisation	Evidence regarding the projects deliverability and its readiness to move to delivery and benefit realisation stage within the timescales of the funding stream (including consideration of project design stage, planning consents, land acquisitions, relevant powers).	Red/Amber /Green
Value for money	Evidence of the value for money potential and project benefits relative to the amount of LGF sought.	Red/Amber/Green
Additional funding sources	Evidence of secured/committed additional funding from outside sources preferably from private contributions rather than public.	Red/Amber/Green



Assessment Criteria	Evidence Sought	Scoring Guide
Programme and risk management	Clear delivery schedule including evidence there is a comprehensive risk register and risk management plan in place.	Red/Amber /Green



**Table 5 – Assessment Criteria**

Section	RAG Rating	Scoring Guide
Strategic Fit	Green	Awarded to business cases which: <ul style="list-style-type: none"> <li>clearly demonstrate the need for intervention; and</li> <li>demonstrate a close fit with SELEP objectives.</li> </ul>
	Amber	Awarded to business cases which: <ul style="list-style-type: none"> <li>clearly demonstrate the need for intervention; and</li> <li>demonstrate some alignment with SELEP objectives</li> </ul>
	Red	Awarded to business cases which: <ul style="list-style-type: none"> <li>do not clearly demonstrate the need for intervention</li> <li>do not fit with SELEP objectives</li> </ul>
Deliverability and benefit realisation	Green	Awarded to business cases which: <ul style="list-style-type: none"> <li>provide evidence that the planning status of the intervention is well advanced;</li> <li>describe the timescales associated with securing any additional approvals required;</li> <li>confirm that all land and property required to proceed has been acquired;</li> <li>provide a detailed programme for delivery; and</li> <li>describe any legal requirements that might delay the programme of delivery/development.</li> </ul>
	Amber	Awarded to business cases which: <ul style="list-style-type: none"> <li>provide evidence that the planning status of the intervention is well advanced;</li> <li>describe the timescales associated with securing any additional approvals required; but</li> <li>omit considerations regarding land ownership or any additional legal requirements that might have an impact on deliverability or which do not provide a detailed programme for delivery.</li> </ul>
	Red	Awarded to business cases which: <ul style="list-style-type: none"> <li>provide evidence that the planning status of the intervention is well advanced; but</li> <li>omit evidence regarding the additional approvals required, considerations regarding land ownership or any additional legal requirements that might have an impact on deliverability, or do not provide a detailed programme for delivery.</li> </ul>
Evidence of public	Green	Awarded to business cases which: <ul style="list-style-type: none"> <li>Demonstrate that a broad option generation and sifting has been</li> </ul>

support		<p>undertaken; and</p> <ul style="list-style-type: none"> <li>• Provide detailed evidence of stakeholder involvement and/or wider public consultation/support.</li> </ul>
	Amber	<p>Awarded to business cases which:</p> <ul style="list-style-type: none"> <li>• Demonstrate that a broad option generation and sifting has been undertaken; and</li> <li>• Provide some evidence of stakeholder involvement and/or wider public consultation/support.</li> </ul>
	Red	<p>Awarded to business cases which:</p> <ul style="list-style-type: none"> <li>• Cannot demonstrate that a broad option generation and sifting has been undertaken; or</li> <li>• <b>Do not provide evidence of</b> stakeholder involvement and/or wider public consultation/support.</li> </ul>
Potential value for money	Green	<p>Awarded to business cases which:</p> <ul style="list-style-type: none"> <li>• provide robust, well-evidenced analysis of the outputs, outcomes and impacts of the intervention; and</li> <li>• can demonstrate benefit to cost ratio greater than 2:1.</li> </ul>
	Amber	<p>Awarded to business cases which:</p> <ul style="list-style-type: none"> <li>• provide some evidence of the outputs, outcomes and impacts of the intervention; and</li> <li>• can demonstrate benefit to cost ratio greater than 2:1.</li> </ul>
	Red	<p>Awarded to business cases which:</p> <ul style="list-style-type: none"> <li>• do not provide sufficient evidence of the outputs, outcomes and impacts of the intervention; or</li> <li>• cannot demonstrate benefit to cost ratio greater than 2:1.</li> </ul>

## 12. Investment Panel

**12.1** The prioritisation of projects for investment is currently a responsibility of the SELEP Strategic Board. However, as stated in the Annual Conversation letter and re-iterated in the recommendations following the SELEP Deep Dive, Government has voiced support for the establishment of a SELEP Investment Panel (the Panel). The Panel will operate as a subcommittee of the Strategic Board.

**12.2** The proposed Terms of Reference are set out under Agenda Item 9.

## 13. Engagement

**13.1** It is expected that engagement will take place at a local level with the following stakeholders as a minimum in developing a local list of Federated Board priorities. These organisations should be contacted through the open call for projects process to understand their priorities for investment and to consider any emerging project proposals. These organisations include:



- Business Advisory Board
- Network Rail
- Train Operating Company
- Highways England
- Skills Advisory Group and SELEP working groups
- Business Advisory Board

#### **14. Federated Area submission tick list**

- 14.1** At the point of Business Case submission to SELEP (Stage 2) each Federated Area must confirm that the following processes have been followed.
- 14.2** Each individual project bid must:
- 14.2.1** receive S151 officer sign off from the upper tier authority; and
  - 14.2.2** have a letter of support from the relevant district authority, where applicable
- 14.3** Each overall Federated Area submission must:
- 14.3.1** Have endorsement for the relevant Federated Board, with the report and meeting minutes of the meeting being publically available;
  - 14.3.2** Have engaged with a range of stakeholders, including those relevant stakeholders mentioned in section 11 as a minimum;
  - 14.3.3** Have held an Open Call for Projects as promoted through the SELEP and Federated Area websites and ;
  - 14.3.4** Provide a commitment that sufficient revenue resource will be made available to support project delivery and the ongoing monitoring and evaluation of the project.

#### **15. Timescales**

- 15.1** The proposed timescales for developing the LGF pipeline have been considered to take account of the need for a process to enable the development of a pipeline, whilst allowing sufficient time for the appropriate project development work to be undertaken to demonstrate to Government and local stakeholders that a robust process has been applied to identifying investment priorities.
- 15.2** The option for a longer timescale has been identified as the preferred option, as it enables the pipeline to be developed once there is a greater of certainty as to the amount of LGF underspend which will be made available.
- 15.3** Shorter timescale – Whilst the shorter timescale will enable SELEP to develop a pipeline at a faster pace, to meet the requirements from Government; however, this will involve the sifting

of projects by Federated Boards in advance of the new SEP having been agreed by the Strategic Board. It may also involve additional Federated Board meetings being scheduled.

- 15.4 Recommended Option – The preferred option will allow more time for Federated Boards to complete the sifting of projects, within Federated Boards agreed schedule of meetings and will enable additional time for the development of projects. However under this option the sifting will also take place by Federated Boards prior to the new SEP having been agreed.
- 15.5 Longer Timescale – This option provides additional time for projects to be developed and prioritised following the new SEP having been considered by the Board in September. In addition, the prioritisation of projects in March will take place once there is greater certainty as to the amount of LGF which will be available. However, the longer timescale will mean that the single pipeline will not be placed until the end of the financial year and may delay the delivery of emerging funding priorities.

**Table 6 – Proposed Timescales**

Milestones	Options		
	1) Shorter timescale	2) Recommended	3) Longer timescale
Approach agreed by the Strategic Board	29 <sup>th</sup> June 2018	29 <sup>th</sup> June 2018	29 <sup>th</sup> June 2018
Open Call for Projects (Completion of EoI)*	10 <sup>th</sup> August 2018	31 <sup>st</sup> August 2018	End of October 2018
Assessment and consideration of EoI by Federated Board*	7 <sup>th</sup> September 2018	End of September 2018	End of December 2018
Submission of SOBC to SELEP	5 <sup>th</sup> October 2018	26 <sup>th</sup> October 2018	1 <sup>st</sup> February 2019
ITE assessment of SOBC complete	26 <sup>th</sup> October 2018	16 <sup>th</sup> November 2018	1 <sup>st</sup> March 2019
Investment Panel	16 <sup>th</sup> November 2018  (Same day as Accountability Board)	7 <sup>th</sup> December 2018 (Same day as Strategic Board).	22 <sup>nd</sup> March 2019  (Same day as Strategic Board)

\*Exact timescales to be agreed locally



## 16. Accountable Body Comments

- 16.1 It is noted that the current proposal is to develop a short term pipeline for the allocation of the unallocated LGF to projects to meet the requirements of the SEP; the expectation from Government however, is that a pipeline for investment is maintained to reflect the requirements of the SEP.
- 16.2 As such, it is advised that work to establish a process for developing a longer term pipeline of investment is developed as soon as is practicable as this development doesn't need to wait for funding stream specific advice. The pipeline can then be aligned to the relevant funding streams as they become available.
- 16.3 This approach will also enable the identification of funding need to support future lobbying strategies and other bids for funding.

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Date: 18<sup>th</sup> June 2018

## **Appendix 6a - Principles agreed by the SELEP Strategic Board for the management of LGF underspend**

At the Board meeting on the 16<sup>th</sup> March 2018 the Board agreed the following three principles.

**Principle 1** - All projects identified in the LGF programme which have not been approved by the Accountability Board to date must come forward with a business case which can demonstrate deliverability, for a funding decision by the Accountability Board by the end of 2018/19 financial year. The final meeting for these projects to be considered is the Accountability Board meeting on the 15<sup>th</sup> February 2019.

Exemption to Principle 1 should only be made where:

- A project comprises of a package of measures which have been bought forward to the Accountability Board to date on a phased basis; or
- The project is a Department for Transport (DfT) funded project or where the business case will be considered by the DfT directly; or
- Where an outline business case has been developed and the Accountability Board have approved an initial funding award to the project, but a full business case is due to be submitted for the remaining funding allocation.

**Principle 2** - If projects are unable to come forward for the award of funding by the end of 2019/20, then recommendations will be made to the Strategic Board for the re-allocation of funding.

**Principle 3** - The Board will be asked to endorse the prioritisation of the LGF underspend following the approach to be agreed by the Board at its meeting on the 29th June 2018. The promoting authority will have the opportunity to make the case to the Board (or the Investment Panel, 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.

## **Appendix 6b – Existing LGF projects, circulated separately**

Appendix 6b List of LGF projects												
SELEP number	Project Title	Promoter	LGF allocation (£m)	Accountability Board Decision (Business Case)	Project Update	Expected project completion date	Project Risk					
							Financial	Comment	Delivery	Comment	Reputation	Comment
East Sussex												
LGFO0002	Newhaven Flood Defences	East Sussex	1.500	Approval for spend of full LGF allocation	Construction started Nov 2016 and is scheduled to be completed by autumn 2019. Construction constraints in the port area have required the EA to review the final design proposals and they are consulting with ESCC on flood risk. ESCC financial contributions are now finished but monitoring of the project continues. Construction in areas 3 and 4 on the western bank are now substantively complete, with work looking to progress onto the eastern bank and the port area.	Feb-20	1	Being implemented	1	On track	1	
LGFO0023	Hailsham/Polegate/Eastbourne Movement and Access Transport scheme	East Sussex	2.100	Approval for spend of full LGF allocation	Business case to unlock LGF allocation approved by SELEP Accountability Board in 16/17 Q4. Consultation on Phase 1 proposals in September 17. 17/18 allocation of £2.1m; anticipated spend in the 17/18 capital programme of local transport improvements is £0.140m. Anticipated slippage of spend as whilst all schemes to be funded were assumed to have some level of construction during 2017-18, due to design complexities on all schemes construction is now not envisaged until 2018-19 at the earliest.	Mar-19	5	To be implemented 17/18	2	To be implemented 17/18	1	
LGFO0024	Eastbourne and South Wealden Walking and Cycling LSTF package	East Sussex	6.600	Approval for £2m allocation. Approval to be sought from the Board for the remaining allocation	The programme has now been agreed for the 2017/18 year and there is strong confidence in the spend ability for this scheme including slippage from previous years. Potential for acceleration of spend in this financial year up to the approved value. Construction of the Horsey Cycle Path phase 3 is now well under way and spend in this financial year is secure.	Mar-21	1	Technical delivery issues from previous years have been overcome.	1	Project on course for delivery following delays in previous years. Looking to accelerate delivery this financial year	1	
LGFO0036	Queensway Gateway Road	East Sussex	10.000	Approval for spend of full LGF allocation	Construction of the embankment has slowed due to adverse weather conditions however the overall delivery programme remains unaffected as additional works will now be incorporated into future phases. Agreement reached on the relocation of Bartlets SEAT and remaining construction phase contracts agreed with Breheny Civil Engineering. Additional funding sought through reallocation of other LGF monies	Jan-19	4	Higher than expected tender returns for phase 2 of the construction as well as issues surrounding connection to the A21 have created the need for a redesign which could have significant planning implications	4	LGF spend in this financial year is secure but project overspend is likely with more funding required in 2018/19	5	
LGFO0066	Swallow Business Park, Hailsham (A22/A27 Growth Corridor)	East Sussex	1.400	Approval for spend of full LGF allocation	The LGF portion of the project is now complete and the site is already home to a single occupancy unit of 3000sqm. Development of the phase 2 starter units has now begun with land clearance taking place and piling plans being drawn up.	Mar-17	1	Project Complete	1	Project Complete	1	
LGFO0067	Sovereign Harbour (aka Site Infrastructure Investment)	East Sussex	1.700	Approval for spend of full LGF allocation	This project is now complete with all three sites fully access enabled with substial improvements to the utility provision. There have been a number of enquiries about development on the sites with Heads of terms agreed for 1 company and planning permission in progress.	Mar-17	1	Project Complete	1	Project Complete	1	
LGFO0085	North Bexhill Access Road and Bexhill Enterprise Park	East Sussex	18.600	Approval for spend of full LGF allocation	Phase 1 of the development now complete (with the exception of the crossing over the Combe Haven which was granted planning permission in Aug 2017). Installation of the Combe Haven culvert complete. Piling under the northern embankment complete. Construction of the northern embankment underway. Progress in construction has slowed due to prolonged poor weather in December meaning that completion is now expected in April/May rather than March. Additional funding sought through reallocation of other LGF monies. This will be confirmed by the SE LEP Accountability Board in Feb 2018	May-18	3	Amended planning application is required and increase in the total cost of the Project	4	Delayed LGF spend in 2016/17 resulting in substantial project spend in 2017/18.	3	
LGFO0042	Hastings and Bexhill Movement and Access Package	East Sussex	9.000	Approval for spend of full LGF allocation	£12m package which now combines the former Walking and Cycling package and Junction Improvement package. Business case to unlock £12m LGF allocation submitted to SELEP ITE and will be considered by Accountability Board in 17/18 Q4. £1.5m allocated for 17/18. Forecast spend at Q3 is 0.6m. Anticipated slippage in spend as a result of design work in a number of areas has not yet commenced and construction delayed.	Mar-21	1		1		1	
LGFO0043	Hastings and Bexhill LSTF walking and cycling package (combined with above scheme)	East Sussex	0.000		Merged with LGFO0042 and removed from the programme	Mar-21						
LGFO0044	Eastbourne town centre LSTF access & improvement package	East Sussex	8.000	Approval for Phase 1. Approval to be sought from the Board for the remaining LGF allocation.	The project has experienced delays due to an extended consultation process regarding the placement and access to bus stops - informal consultation on bus stop locations undertaken Spring 2017 and TROs to be advertised late 2017. Detailed design completed with tenders to go out Oct 2017 and works now programmed to start March 2018 (but will need to tie into the timescales which Arndale are working to regarding the extension to the shopping centre) therefore anticipated slippage in spend compared to budget.	Mar-21	4	Delay to scheme and increase in total project cost.	4	Delayed LGF spend in 2016/17 and 2017/18.	5	
LGFO0073	A22/A27 junction improvement package	East Sussex	1.000	Approval to be sought at a future meeting of the Board	LGF funding reduced from £4 to £1m. The funding will be used towards the A22 GJW/A27 roundabout and A22 GJW/Dittons Road roundabout improvements as identified in the Wealden Local Plan IDP and Wealden Local Plan Transport Study. Design work to commence in 2018/19. Other junction improvements at A2270/Wannock Road/Polegate HS to be funded through HPE MAC LGF allocation and A27/A2270 signals through HE's A27 smaller scale intervention package. Scheme at Cophall dependent on outcome of A27 East of Lewes study considering more comprehensive solutions between Lewes and Polegate.	Mar-21	1	Project currently at feasibility stage	1	No LGF spend until future years of the programme.	1	
LGFO0068	Coastal Communities Housing Intervention Hastings	East Sussex	0.667	Approval for spend of full LGF allocation	Grant agreement between ESCC and HBC has been signed. Property has been identified and purchased. All LGF funds have been defrayed to project partner. The housing association Optivo who have taken possession of the property are now developing a plan for full refurbishment of the property to create 16 social housing units as part of the Coastal Space programme.	Apr-19	2	Property approved and purchased however	2		1	

Appendix 6b List of LGF projects												
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LGf00097	East Sussex Strategic Growth Project	East Sussex	8.200	Approval for spend of full LGF allocation	Reserved matters application for High Weald House in Bexhill has been approved. Groundworks at the site have been substantively completed and negotiations with a preferred contractor for the completion of the project are now underway. Delays in the planning process and the appointment of a main contractor have meant that there is likely to be substantial slippage of spend from this financial year in to the early months of 2018/19.	Mar-21	5	Due to delays in the appointment of a main contractor this project has been delayed by approximately 4 months.	1		1	
LGf00099	Devonshire Park	East Sussex	5.000	Approval for spend of full LGF allocation	The grant agreement between ESCC and EBD has been signed and the first claim of £3.4m for works undertaken in this financial year has been settled. Accelerated spend for this project has been agreed by the SE LEP and an additional claim for £1.6m will be expected in Q4. Ground works and piling for the welcome building have now been completed. The building is scheduled for completion Dec 2018.	Dec-19	1		1		1	
Essex												
LGf00004	Colchester Broadband Infrastructure	Essex	0.200	Approval for spend of full LGF allocation	Completed in 15/16.	Mar-16	1	Complete	1	Complete	1	
LGf00025	Colchester LSTF	Essex	2.400	Approval for spend of full LGF allocation	Completed	Dec-16	1	Complete	1	Complete	1	
LGf00026	Colchester Integrated Transport Package	Essex	5.000	Approval for spend of full LGF allocation	Mainly design for future packages	Mar-21	4	Being implemented some procurement issues on one package.	2	One package has seen increased costs.	1	No current reputational risk.
LGf00027	Colchester Town Centre	Essex	4.600	Approval for spend of full LGF allocation	Lexden Rd remaining	Jan-18	2	Delay to programme due to revise design for Lexton Bus Lane.	2	Slippage of LGF spend to 2017/18	2	Elements of the scheme have proved unpopular.
LGf00028	TGSE LSTF - Essex	Essex	3.000	Approval for spend of full LGF allocation	Completed.	Mar-17	1	Complete	1	Complete	1	
LGf00031	A414 Pinch Point Package: A414 First Avenue & Cambridge Rd junction	Essex	10.487	Approval for spend of full LGF allocation	Final packages in design/ on site	Mar-19	3	Some large variances from original programmes.	3	Slippage of LGF spend to 2017/18	1	Unlikely to be a reputational issue given the high level of outputs associated with the programme.
LGf00032	A414 Maldon to Chelmsford RBS	Essex	2.000	Approval for spend of full LGF allocation	Completed Dec 16.	Dec-16	1	Complete	1	Complete	1	
LGf00033	Chelmsford Station / Station Square / Mill Yard	Essex	3.000	Approval for spend of full LGF allocation	On Site	Mar-18	1	Complex project and project delays previously experienced	1		1	
LGf00034	Basildon Integrated Transport Package	Essex	9.000	Approval for phases 1 and 2. Approval for Phase 3 to be sought from a future Board meeting.	Design work for tranche 2 progressing.	Mar-21	3	Major issues with land owner threaten to undermine the business case.	2	Issues with landowner has the potential to add cost.	2	Potential for escalation to formal legal proceedings.
LGf00037	Colchester Park and Ride and Bus Priority measures	Essex	5.800	Approval for spend of full LGF allocation	Completed.	Apr-15	1	Complete	1	Complete	1	
LGf00079	A127 Fairglen Junction Improvements	Essex	15.000	Approval to be sought at a future meeting of the Board	In PCF Stage 1	Apr-22	3	Risk of delivery extending beyond Growth Deal period and DfT / HE processes and planning (tbc) present programme risks.	2	Cost plan being worked up.	1	
LGf00080	A127 Capacity Enhancements Road Safety and Network Resilience (ECC)	Essex	4.000	Approval for spend of full LGF allocation	Mixture of site works and design activity.	Mar-20	1	Being implemented	1	LGF fully spent	1	
LGf00048	A131 Chelmsford to Braintree	Essex	3.660	Approval for spend of full LGF allocation	Initial packages now on site	Mar-20	1		1		1	
LGf00049	A414 Harlow to Chelmsford	Essex	2.173	Approval for spend of full LGF allocation	All packages in detailed design	Mar-20	1		1	No LGF spend forecast until 18/19	1	
LGf00050	A133 Colchester to Clacton	Essex	2.740	Approval for spend of full LGF allocation	All packages in detailed design	Mar-20	1		1	No LGF spend forecast until 18/19	1	
LGf00051	A131 Braintree to Sudbury	Essex	1.800	Approval for spend of full LGF allocation	Yet to develop full programme.	Mar-21	2		2	No LGF spend forecast until 19/20	1	
LGf00063	Chelmsford City Growth Area Scheme	Essex	10.000	Approval for spend of full LGF allocation	Business case due to go to Feb 18 Board	Mar-21	2		1	No LGF spend forecast until 17/18. Consultation > possible delay risk	2	
LGf00064	Chelmsford Flood Alleviation Scheme	Essex	0.800	Approval to be sought at a future meeting of the Board	Stalled due to legal issues.	TBC	1	Risk with Environment Agency	1	Risk with Environment Agency	1	Risk with Environment Agency
LGf00070	Beaulieu Park Railway Station	Essex	12.000	Approval to be sought at a future meeting of the Board	About to enter GRIP Stage 3.	TBC	4	Complex. Delay could also mean implementation post-LGF programme period.	5	Complex rail project and total project cost is currently uncertain	4	
LGf00068	Coastal Communities Housing Intervention (Jaywick)	Essex	0.667	Approval for spend of full LGF allocation	Discussing with legal transfer of capital to districts.	Jun-19	1		1		1	
LGf00095	Gilden Way Upgrading, Harlow	Essex	5.000	Approval for spend of full LGF allocation	In design stages.	Q4 2021	2	Links in with junction 7a construction..	1		1	
LGf00098	Technical and Professional Skills Centre at Stansted Airport	Essex	3.500	Approval for spend of full LGF allocation	Contractor Procurement	Sep-18	1		1		1	
LGf00100	Innovation Centre - University of Essex Knowledge Gateway	Essex	2.000	Approval for spend of full LGF allocation	Developing business case	Jan-19	1		1		1	
LGf00101	STEM Innovation Centre - Colchester Institute	Essex	5.000	Approval for spend of full LGF allocation	Two campus sites being progressed.	Jan-19	1		1		1	
LGf00102	A127/A130 Fairglen Interchange new link road	Essex	6.235	Approval to be sought at a future meeting of the Board	Initial design stages.	Apr-22	3	Risk of delivery extending beyond Growth Deal period and DfT / HE processes and planning (tbc) present programme risks.	2	Cost plan being worked up.	1	

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LGFO0103	M11 Junction 8 Improvements	Essex	2.734	Approval for spend of full LGF allocation	Currently trying to plug funding gap.	Mar-21	1		3	Concern on £1m	2	
LGFO0105	Mercury Rising Theatre	Essex	1.000	Approval for spend of full LGF allocation	Match funding all now in place.	Mar-20	1		1		1	
Kent												
LGFO0003	Kent and Medway Growth Hub	Kent	6.000	Approval for spend of full LGF allocation	Phses 1 - 5 complete. 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.	Mar-21	2	Alternative Security and the requirement to return to panel has delayed the drawdown of some loans by applicants.	1	Large underspend in 2016/17, however this has been recovered in 2017/18 with a realistic profile of spend now in place for later years.	1	Annual Project of Loans available to SMEs. Strict criteria means that companies are not always successful in their applications.
LGFO0006	Tonbridge Town Centre Regeneration	Kent	2.631	Approval for spend of full LGF allocation	Main works complete (June 2016) - Main Works completed on High Street (Phase 1), River Walk improvements and Hadlow Road/Cannon lane junction improvements (Phase 2) but some supplementary High Street footway improvements are planned with £50K 3rd party funding.	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)	1	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.	1	Complete	1	
LGFO0007	Sittingbourne Town Centre Regeneration	Kent	2.500	Approval for spend of full LGF allocation	The first phase of the S278 works are complete (including West Street, St Michaels Road) 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 Milton Road crossing point to connect Morrisons with the Big Box Retail is also now complete, but the high friction surfacing needs to be applied to the road surface. 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.	Sep-18	4	Delivery of outputs (cinema and retail still on target) but delayed significantly	1	LGF allocation spent in full in 2016/17 and is underwritten by Swale BC, further breakdown of match fund requested from 3rd party	3	Public perception of scheme may be poor due to long term nature of project and signing about upcoming scheme. Works now on site so need to progress to revised schedule
LGFO0008	M20 Junction 4 Eastern Overbridge	Kent	2.200	Approval for spend of full LGF allocation	Main works complete (Feb 2017)	Feb-17		Main works complete (Feb 2017)				
LGFO0009	Tunbridge Wells Jct Improvement Package (formerly - A26 London Rd/ Speldhurst Rd/ Yew Tree Rd, Tun Wells)	Kent	1.800	Approval for spend of full LGF allocation	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.	Scheme Delivered (Phase 1 - May 2016) Phase 2 - 31/03/2019	4	Business case approved in Sept 17 but overall works delayed while decision on final scheme is taken.	4	Amended spend profile for 2018/19 to reflect updated project programme and current scheme.	2	Phase 1 delivered on time, current delivery still on programme with consultation material and Tunbridge Wells and T&M being kept updated with final scheme options
LGFO0010	Kent Thameside LSTF	Kent	4.500	Approval for spend of full LGF allocation	Barrack Row Bus Hub - 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. Princes Rd cycle route - 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. Burnham Rd Toucan - The consultation has now closed, and a meeting was held with DBC to review comments. Gravesend Station to Cyclopark cycle route - the consultation has now closed, and a draft report has been produced. A large number of 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.	Mar-21	5	Barrack Row scheme has been delayed by more than 12 months due to long term nature of land purchase from NR	2	Reprofiling of allocation into 2018/19, as Land purchase was not achieved before end of March 2017. A realistic profile of spend is now in place for later years.	1	On target with programme set out in consultation of Princes Road and Burnham Road schemes.
LGFO0011	Maidstone Gyrotary Bypass	Kent	4.600	Approval for spend of full LGF allocation	Main works complete (Dec 2016)	Dec-16		Main works complete (Dec 2016)				
LGFO0012	Kent Strategic Congestion Management programme	Kent	4.800	Approval for spend of part LGF allocation (£3.4m approved to date)	Update report provided - Agenda Item 8	Mar-21	2	Annual programme of works which are difficult to deliver in timescales - EU Connected Corridor scheme reliant on other partners	3	Re-profiling into 2018/19 as per most recent business case	2	Some issues with Barton Hill Drive scheme over delivery not timescales, schemes are normally complimentary to larger works packages.
LGFO0013	Middle Deal transport improvements	Kent	0.800	Approval for spend of full LGF allocation	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.	Target Autumn 2018	5	Works on site have paused as require further agreements with Southern Water and EA.	1	LGF Allocation spent and evidenced, clawback to be enforced by KCC if S38 and remaining issues are not dealt with.	3	Works have been on site for some time with limited visible progress
LGFO0014	Kent Rights of Way improvement plan	Kent	1.000	Approval for spend of full LGF allocation	2015/16 schemes completed (Loose Greenway) 2016/17 schemes in progress Finberry to Ashford scheme - Path improvement scheme completed on 12th March 2018 in line with expected completion date.	Finberry to Ashford Completed on 12th March 2018 Powder Mills likely to be completed in Summer 2018	3	Being implemented, but delay to project delivery in 2016/17 (Power Mills 17/18 scheme accelerated to help with spend)	3	Recorded a reduced spend in 2017/18, which is now included in profile for later years.	1	Small packages of work, which are tied into the timescales of local developments.

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LG00015	Kent Sustainable Interventions Programme	Kent	2.728	Approval for 2015/16 - 2018/19. Approval required for 2019/20 - 2020/21 allocations (€2M Approved to date)	Update report provided - Agenda Item 7	Mar-21	3	Being implemented	1	Small reprofiling of allocation into later years, given short delays to individual scheme and requirement for 18/19 scheme approval through SELEP BC.	1	Small packages of work, which are tied into the timescales of larger schemes.
LG00016	West Kent LSTF	Kent	4.900	Approval for spend of full LGF allocation	Tunbridge Wells Public Realm Phase 2. 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. Maidstone East Station and Swanley Station - progressing.	Mar-21	4	Maidstone East and Tunbridge Wells likely to be 12 months behind original programme, issues with NR acceptance and funding and DC over scheme to deliver.	3	Requirement to confirm programme for Tunbridge Wells Public Realm Phase 2 and associated spend profile.	3	Public perception of Maidstone East Scheme may be poor because hoardings have been up for some time with limited work to date.
LG00017	Folkestone Seafront : onsite infrastructure and engineering works	Kent	0.541	Approval for spend of full LGF allocation	Main works complete (2015/16)	2015/16	1	Complete	1	Complete	1	
LG00038	A28 Chart Road	Kent	10.200	Approval for spend of full LGF allocation	Developers 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 Developers can provide the funding security KCC require.	01/12/2019 (TBC)	5	Originally being implemented and accelerated against original programme, however failure of Hodsons to obtain bond has caused scheme to be put on hold.	5	Accelerated LEP spend to help with underspend on programme, however all costs currently on hold.	3	Public perception of scheme is now poor given negative press regarding the scheme not progressing, particularly given the vegetation clearance works that were carried out being the scheme was put on hold.
LG00039	Maidstone Integrated Transport	Kent	8.900	Approval for Phase 1 only. Approval for Phase 2 to be sought during the meeting.	1) M20 J5/Coldharbour R/bout - 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. 2) A274 Sutton Road j/w Willington Street – Scheme on hold - redesign being undertaken following a meeting with the Cabinet Member which is now being Safety Audited. 3) A20 London Road j/w Willington Street – Work has begun on feasibility design. 4) M20 Junction 5 – Scheme on hold. 5) Hermitage Lane j/w St Andrews Road - Commission raised with works to commence shortly on outline design. 6) Wheatsheaf/Cripple Street/Boughton Lane - Commission raised with works to commence on outline design works. 7) Armstrong Road/Sheals Crescent – As above.	Mar-21	5	Amendment to project scope and project programme is required.	4	Slippage of LGF spend from 2016/17 to 2017/18 and then to 2018/19.	4	The public has not seen any scheme start to be constructed as part of this package due to agreements required over final scheme delivery.
LG00040	A28 Sturry Link Road	Kent	5.900	Approval for spend of full LGF allocation	Limited progress has been completed on the design due to resource issues following the end of TESC. KCC awaiting confirmation of local plan details and traffic modelling data to complete the EIA. Level Crossing Risk Assessment has now been sent to NR.	Oct-20	5	Complex project with local funding from 3 developers.	4	Slippage of LGF spend against original business case	1	Project is in very early stages and work is ongoing, public engagement only recently undertaken
LG00053	Rathmore Road	Kent	4.200	Approval for spend of full LGF allocation	Main works complete (December 2017) with official opening held on 19th January 2018.	Oct-17	1	Main works complete (Dec 2016)	1	Complete	1	
LG00054	A28 Sturry Rd Integrated Transport Package	Kent	0.300	Approval for spend of full LGF allocation	No progress this period as scheme placed on hold pending further investigations into build period and diversion routes	Spring/Summer 2018	5	Scheme delayed by 12 months to 2017/18	3	LGF spend delayed to 18/19.	3	Public consultation only recently undertaken and locally the scheme is not popular with businesses and residents affected by works.
LG00055	Maidstone Sustainable Access to Employment	Kent	2.000	Approval for spend of full LGF allocation	Main works complete (May 2017) with official opening held on 6th October 2017 and attended by Tracey Crouch and Mike Hill.	Jun-17	1	Main works complete (May 2017)	1	Complete	1	
LG00059	Ashford Spurs	Kent	8.774	Approval for spend of full LGF allocation	Main works complete (April 2018) with official opening held on 3rd April 2018. 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.	Mar-18	1	Main works complete (March 2018)	1	Most recent cost estimate has predicted a possible overall underspend once delivered. Large underspend will be re-profiled into later years to be used elsewhere in the programme	2	Main works completed on target to meet new timetable of 1st April 2018, however, technical issues may affect future service in short term
LG00041	Thanet Parkway	Kent	10.000	Approval to be sought from the Board at a future meeting	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.	TBC	5	Current funding gap leading to delayed project delivery.	5	Project funding gap is impacting project delivery.	5	Consultation carried out but project is in early stages
LG00058	Dover Western Dock Revival	Kent	5.000	Approval for spend of full LGF allocation	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.	Apr-17	1	Main works complete (April 2017)	1	Complete	1	
LG00060	Westenhanger Lorry Park (removed from Programme)		0.000		N/A			Removed from programme. Approval given to reallocate funds to Ashford Spurs		Removed from programme. Approval given to reallocate funds to Ashford Spurs		
LG00062	Folkestone Seafront (non-transport)	Kent	5.000	Approval for spend of full LGF allocation	Main works complete (April 2018).	Mar-18	1	Main works complete (April 2018)	1		1	





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LGFO0018	A289 Four Elms Roundabout to Medway Tunnel journey time and network improvements	Medway	11.100	Approval in part.	Following the review of estimated costs, which identified a significant budget shortfall based on the original proposal, a number of alternative options which can be delivered to budget have been considered. Following an options appraisal process a preferred option has been identified. This option forms the basis of the revised Outline Business Case which was approved at February 2018 Accountability Board.  A consultant has been appointed to progress the design for this scheme and work commenced on the outline design during Q1 of 2018/19.	Dec-20	2	Revised Outline Business Case now approved by Accountability Board and work has commenced on the outline design	5	Uncertainty regarding spend on the project until the revised designs have been fully designed and costed.	2	Concern regarding negative public response to scheme proposals due to reduction in scope.
LGFO0019	Strood town centre journey time and accessibility enhancements	Medway	9.000	Approval for spend of full LGF allocation	Work has commenced onsite and phase 1 of the works is nearing completion. The detailed design for later phases of the project is being finalised.	Mar-19	1	Work is continuing onsite and completion is still expected by end of March 2019	1	Spend accelerated in 2017/18 to offset slippage on other projects	1	Positive response received to public consultation exercise. No significant changes made to scheme following this process.
LGFO0020	Chatham Town Centre Place-making and Public Realm Package	Medway	4.000	Approval for spend of full LGF allocation	Work is progressing well onsite, with completion of the LGF works expected by mid 2018/19.  Network Rail has been granted planning permission for the proposed train station forecourt improvement works and are in the process of procuring a contractor to deliver the works.	Council led town centre works: September 2018.  Network Rail led station improvements: December 2018	2	Work is in progress with completion still expected at the end of quarter 2 2018/19 (in terms of LGF spend)	2	Sight slippage from 2017/18 into 2018/19	1	Positive response received to public consultation exercise. No significant changes made to scheme following this process.
LGFO0021	Medway Cycling Action Plan	Medway	2.500	Approval for spend of full LGF allocation	Work has continued to construct new cycle routes as per the Cycling Action Plan document. Completion of the project has been delayed due to a combination of an extended consultation period being required for the final route to be constructed and unavailability of the traffic signal contractor due to the volume of signal repair work required following the recent snow.	Cycle route improvements: September 2018 (all LGF funds will be spent).  Pump track: October 2018.	2	In progress- slight delay to construction of the final route.	2	Slight slippage from 2017/18 into 2018/19.	1	Some local concern regarding funding being spent on cycle improvements.
LGFO0022	Medway City Estate Connectivity Improvement Measures	Medway	2.000	Approval for spend of full LGF allocation	Phase 1 of the project is complete. The new traffic signals (at the entrance to the westbound tunnel bore) are now operational and testing has identified the most effective signal timing to offer the most benefit to users of Medway City Estate whilst causing minimal disruption on the remainder of the road network.  Options for the use of the funding assigned to the phase 2 works are currently being assessed.	Mar-20	4	Phase 1 implementation complete. Delivery of phase 2 delayed, although options for phase 2 are currently being considered.	2	Slight acceleration of spend in 2017/18.	1	
LGFO0061	Rochester Airport - phase 1	Medway	4.400	Approval for spend of full LGF allocation	Rochester Airport Ltd have split the planning application into two parts. An amendment to the original planning application (which now only covers the hangars, car parking and fuel tank enclosure) was submitted in December 2016. The application was determined in March 2017, with planning consent being granted.  Rochester Airport Ltd have now submitted their planning application and the EIA required for the paved runway and the control tower/hub. Determination of this planning application is pending.  Due to increasing construction costs a proposal has been submitted to change the outputs delivered by the project. This request will be considered by Accountability Board on 15th June. If the change is agreed Rochester Airport Ltd. will need to amend their planning application to remove the paved runway.	Mar-20	5	Issues with the planning application and increasing project costs have caused delays to project delivery.	5	Substantial LGF slippage from 2016/17 to 2017/18 and 2017/18 to 2018/19	3	Opposition to the proposals from a small number of local objectors.
LGFO0089	Rochester Airport - phase 2	Medway	3.700	Approval to be sought from the Board at a future meeting	Business Case approval required.	Mar-21	5	Risk of delay to project delivery, as per and as a result of delays to phase 1	5	Significant risk of LGF slippage.	2	It is possible that there will be opposition to the project from a number of local residents.
LGFO0091	Strood Civic Centre - flood mitigation	Medway	3.500	Approval for spend of full LGF allocation	Business Case approved at Accountability Board in February 2018.  Planning consent has been granted, detailed design completed and a contractor appointed to deliver the works.	Mar-19	1	Mobilisation works are due to start in April with completion expected within the stated project programme.	2	Slight slippage from 2017/18 into 2018/19	1	
Southend												
LGFO0005	Southend Growth Hub	Southend	0.720	Approval for spend of full LGF allocation	Completed March 2017.	Mar-17	1	Phase 1 complete. BC for Phase 2 to be brought forward.	1	Phase 1 complete.	1	
LGFO0107	Southend Forum 2	Southend	6.000	Approval for spend of full LGF allocation	The LGF investment in the Phase 2 Project will deliver a 3,535m2 Net Internal Area (NIA) College-focused teaching and learning space to include a commercial/public restaurant, community gallery/exhibition space and commercial creative/digital enterprise space. Project is currently expected to be delivered as planned and we are aware that slippage is not possible as 20/21 is last year for LGF.	Sep-21	1		1		1	
LGFO0029	TGSE LSTF - Southend	Southend	1.000	Approval for spend of full LGF allocation	On track. Project due to complete by March 2017.	Mar-17	1	Being implemented	1	LGF spend in full	1	

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							Financial	Comment	Delivery	Comment	Reputation	Comment
LGf00081	A127 Kent Elms Corner	Southend	4.300	Approval for spend of full LGF allocation	Some delay to scheme due to gas works which has had a knock-on effect to other utility diversions. 85% of highways works complete with East bound works complete. Utility diversions still on going. BT Openreach have incurred delays and completion of their works expected end February 2018. New westbound lane will be constructed once all utility works are complete. It is now expected this will be June 2018. Footbridge is programmed to be installed June 18.	Highway summer 18 autum 18	3	Being implemented Completion works programmed for Autum 2018. Project will still deliver outputs	3	£1.4m LGF reprofiled from 2016/17 to 2017/18.	1	Public Liason Officer used for the works and kept residents informed. All member briefings held and Ward Cllrs advised of the reason for the delays.
LGf00082	A127 The Bell	Southend	4.300	Approval to be sought from the Board at a future meeting	Junction Improvement Options being considered including minimum impact on utilites and impact on airquality. Some Options include for a replacement footbridge	Mar-21	1	Extensive number of Options being considered and will be subject to public consultation. Following the outcome of the consultation the option to be constructed will be selected.	2	programmed for substantial completion at March 2021	1	Kent Elms works have been delayed. Reputation would be poor if we had both the Kent Elms works and nearby Bell works under construction at the same time. There have been no outcry from public for works to be completed sooner.
LGf00083	A127 Essential Bridge and Highway Maintenance - Southend	Southend	8.000	Approval for the first two phases. Approval to be sought from the Board for future phases of the project.	Business Case was approved at the last Accountability Board meeting. Spend in 2016/17 to support A127 Kent Elms Corner.	Mar-21	2		2	scheme programmed for completion 20/21.	1	
LGf00045	Southend Central Area Action Plan (SCAAP) - Transport Package	Southend	7.000	Approval for the first two phases. Approval to be sought from the Board for future phases of the project. £3m approved to date.	Improvements to Carnarvon Road / Victoria Avenue junction, Great Eastern Avenue / Victoria Avenue junction, East Street/ Victoria Avenue junction and part of the decluttering along Victoria Avenue completed March 2017. £150,000 carried over to complete improvements to public realm and cycling facilities along Victoria Avenue service road in 2017/18. Business case for Phase 2 submitted 2017 and include improvements to layout and public realm along London Road between London Road/ Queensway roundabout and London Road/Collegeway roundabout , Phase 2 also includes streetscape works on the College Way / Queens Road / Elmer Avenue route between London Road and The Forum / South Essex College	Phase 1 March 2017 ( Service Road carried over to Novemebr )Phase 2 Civil works July 2018 , Completion of works March 2020	3	Delay in start of works on site due to political reasons, drainage issues: unchattered pipes found on site that couldn't be identified through GPR surveys, consultation with main stakeholder extended and resulted in changes to original proposed layout.	3	No overall change in budget but needs to be redistributed over upcoming quarters.	2	
LGf00057	London Southend Airport Business Park (Phase 1 & 2)	Southend	23.090	Approval in part (approval for spend of £8.515m)	Roads and Rugby Club house under construction. The new pitches have been completed. Next steps include procuring and completing works to install utilities in the Phase 1 area. The new clubhouse and pitches will be handed over to WRFC and they will relocate.	Marhc 2020	4		4	Substantial LGF slippage has been agreed by the Board	2	
Thurrock												
LGf00030	TGSE LSTF - Thurrock	Thurrock	1.000	Approval for spend of full LGF allocation	Phase 1 complete, amendments required from S3 safety audit	Mar-18	4	Stage 2 being designed	2	Ongoing	3	Traffic modelling requested to provide reassurance about traffic impacts
LGf00046	Thurrock Cycle Network	Thurrock	5.000	Approval for spend of full LGF allocation	Construction of Tranche 1a schemes started on 31 May. Currently procuring designs for Tranches 1b and 2. Cycle schemes to be constructed by the new highways Term Maintenance contractor, Henderson & Taylor.	Mar-19	3	Some schemes at design stage and others under construction. Start of construction of schemes due to start in April was delayed by the local elections.	3	LGF slippage 2016/17 to 2017/18	3	Adverse comments received about proposed schemes at Stonehouse Road and Daiglen Drive
LGf00047	London Gateway/Stanford le Hope	Thurrock	7.500	Approval for spend of full LGF allocation	Preparing a collaboration agreement and Asset protection agreement. Morgan Sindall's target price submission exceeds the available budget. Looking at ways of reducing the target price. If agreement cannot be reached, we will have to consider re-tendering Stage 2.	Mar-19	4	Legal agreement with c2c has now been sealed	5	LGF slippage from 2016/17 to 2017/18 and 2017/18 to 2018/19	3	Met residents of Chantry Crescent to mitigate objections to planning application
LGf00052	A13 Widening - development	Thurrock	5.000	Approval for spend of full LGF allocation	DfT announced funding for the scheme on 12 April 2017. Land procured using powers embodied in the London Gateway Port Harbour Empowerment Order	Mar-20	3	Advance works started 18/12/2017	4	Further advance payments for Statutory Undertakers' diversions to be made in Q4	3	Compulsory purchase of plot 113a referred to Lands Tribunal
LGf00056	Purfleet Centre	Thurrock	5.000	Approval for spend of full LGF allocation	Land acquisition continues. The Council is aiming to purchase via negotiation wherever possible so timescales are hard to define. In Feb 2018 Cabinet approved in principle resolution to support a CPO if required. Outline planning application was submitted in December 2017 and reserved matters application for Phase 1a submitted in Feb 2018.	2027	2	Planning application submitted in accordance with the Development Agreement. Outputs expected to be achieved as presented in the business case. Slight delay to the programme but minimal given the overall timeframe for the scheme.	4	Substantial re-profiling of LGF required between into 2018/19 due to ongoing negotiations with freeholders. A number of sites are in advanced negotiations which we expect to complete in 2018/19. It is intended that CPO powers will be used if land cannot be acquired by private treaty.	1	Whilst the project is slightly delayed this is a long term scheme and progress is being made.
LGf00104	Grays South	Thurrock	10.840	Approval to be sought from the Board at a future meeting	Two interlinked elements - (i) Underpass [design and build ~ Network Rail] and (ii) Public Realm Works [design and build ~ designer and contractor TBA]. (i) NR GRIP Stage 2 (Feasibility) complete. GRIP Stage 3 (Option Selection) underway. Currently editing a suite of NR documents re-affirming Project requirements. Potential conflict on funding for GRIP stage 3 and a joined up approach on a LX closure date. (ii) ITT docs procuring external consultants for public realm aspects is being finalised and due to be issued w/c 23rd October 2017. Land acquisition process has begun with Monatgue Evans.	May-22	4	Timeframe largely determined by Network Rail processes	1		3	

Appendix 6b List of LGF projects												
SELEP number	Project Title	Promoter	LGF allocation (£m)	Accountability Board Decision (Business Case)	Project Update	Expected project completion date	Project Risk					
							Financial	Comment	Delivery	Comment	Reputation	Comment
LGf00084	A13 Widening	Thurrock	66.058	Approval for spend of full LGF allocation	Awarded two separate contracts for detailed design and construction. Entered into a licence with DP World to access the land for construction. Issued licences to occupiers of adjacent land to enable them to continue using it for operations and events until needed by the contractor.	Mar-20	3	Advance works started 18/12/2017	4	Further advance payments for Statutory Undertakers' diversions to be made in Q4	3	Compulsory purchase of plot 113a referred to Lands Tribunal
LGf00001	Skills	Pan LEP	21.974561	Approval for spend of full LGF allocation	LGF invested and monitoring of project benefits is now underway	Jun-17	1		1		1	
LGf00071	M20 Junction 10a	Kent	19.7	Approval for spend of full LGF allocation	On 28 March 2018, Highways England issued the Notice to Proceed to our contractor, Vinci JV. This has allowed them to begin the main construction of the scheme.	May-20	1		1		1	

## Expression of Interest Local Growth Fund

This Expression of Interest (EoI) template should be completed for all projects looking to secure a LGF funding allocation (or an additional LGF allocation) through LGF 3B.

The EoI will be used to inform the initial sifting of projects by Federated Areas (Stage 1). For projects which are successful in progressing to Stage 2, for prioritisation by SELEP, a Business Case will be required.

For further information on the assessment approach, please see the guidance note on the prioritisation of projects for LGF R3B.

Please note that the information included within this template will be shared with SELEP Independent Technical Evaluator, Steer Davies Gleave, who will be providing independent advice and supporting the prioritisation of projects.

### Summary Information

#### Project Title

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#### Project Location

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#### Lead contact for the Project

Name	
Organisation	
Job Title	
Contact number	
Email Address	

#### Lead contact for County Council/Unitary Authority (if different from above)

Name	
Organisation	
Job Title	
Contact number	
Email Address	

### Project Information

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**Brief Description** (No more than 300 words)

*Please state explicitly what the LGF investment would be used to pay for and a succinct summary of the project.*

**Project Objectives**

*Please set out the project objectives and how these objectives will support SELEP's objectives to support economic growth.*

**Policy Context**

*Specify how the intervention aligns with national/regional/local planning policies and the SELEP SEP*

**Options sifting**

*Please provide details of any alternative options for the project scope which have been considered in developing the project and explain why the option detailed above has been identified as the preferred option. This should include consideration of impact of non-intervention (do nothing).*

**Total amount of LGF sought**

*Please state the amount of LGF sought, identify any flexibility to reduce the amount of funding sought or to adjust the LGF spend profile to fit with LGF available.*

*If an additional LGF allocation is being sought for an existing LGF project, please provide an explanation in this section.*

**Funding breakdown**

*The funding profile should include all project costs including risk contingency and consideration for project inflation costs.*

Source	Prior to 2018/19	2018/19	2019/20	2020/21	2021/22 onwards	Total
LGF 3B						

<i>Other sources of funding (please list below)</i>						
Total						

### **Certainty of local funding contributions**

*Provide comment on the status and risk of funding contributions to the project, e.g. received, committed, identified but not secured, unsecure. Will the local funding sources be available to spend in the timescales required to meet the project spend forecast?*

## **Value for Money**

### **Expected outputs**

*Provide a description of the outputs which will be achieved through LGF investment*

### **Expected outcomes/benefits**

*Provide information about the benefits which are expected to be achieved through LGF investment. This should include details of the timescales over which the benefits will be achieved.*

*If any quantitative value for money analysis is available, please provide here.*

## **Delivery and Risk**

### **Stakeholder Support for the Project**

*Please provide details of any public consultation or stakeholder engagement which has been undertaken in relation to the project and the main findings of this engagement work*

### **State Aid Implications**

*Please indicate how your project complies with State Aid Regulations.*

*NB. A declaration of compliance with EU State Aid regulations will be required prior any funding award to the project. If your project is awarded LGF it will be subject to a condition requiring the repayment of funding in the event that the European Commission determines that the funding constitutes unlawful State Aid.*

**Key Milestones** (including expected project completion date)

Key Milestones	Description	Indicative Date

**Project dependencies, risks and delivery constraints**

*Provide a description of any scheme dependencies, risks and delivery constraints which may impact on the delivery of the project or the benefits achieved through LGF investment in the project.*

**Risk Analysis**

This should consider the risks in delivering the projects and the project benefits being delivered.

\*Likelihood and impact scores:

1: Very High, 4: High, 3:Medium, 2:Low, 1:Very Low

Risk	Likelihood Score*	Impact Score*	Mitigation



## ITEM 7

**Date:** 16 July 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, Senior LGF Programme Co-ordinator, 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
- 

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

- 2.1 The table overleaf 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 Strategic Board meeting on 29th June 2018.

LGF (£m)					
	Planned spend in 2017/18 (as restated in September 2017)	Total forecast spend in 2017/18 (as reported in January 2018)	Total spend in 2017/18 (actuals - as reported in May 2018)	Variance*	Spend relative to planned spend in 2017/18 (%)
East Sussex	26.219	22.963	22.680	-3.538	86.51%
Essex	17.867	19.299	17.345	-0.522	97.08%
Kent	32.236	20.913	19.594	-12.642	60.78%
Medway	12.299	4.749	4.429	-7.870	36.01%
Southend	13.508	3.658	3.372	-10.136	24.96%
Thurrock	12.293	8.905	4.941	-7.352	40.20%
Skills	0.096	0.071	0.071	-0.025	73.58%
M20 Junction 10a	8.300	8.300	8.300	0.000	100.00%
<b>LGF Sub-Total</b>	<b>122.817</b>	<b>88.857</b>	<b>80.732</b>	<b>-42.084</b>	
Retained	31.126	15.211	15.130	-15.996	
<b>Total Spend Forecast</b>	<b>153.943</b>	<b>104.069</b>	<b>95.863</b>	<b>-58.080</b>	

2.2 The current variance (£12.642m) in the predicted spend for 2017/18 across the KCC 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.

2.3 KCC and Medway have subsequently prepared a final statement of account for 2017/18 and provided SELEP with a S151 signed declaration of spend. This will enable SELEP to provide a final Statement of Grant Usage to Government in accordance with the Growth Deal conditions. Following a summer audit, the final LGF spend position for 2017/18 will be reported to the SELEP Accountability Board on 14th September 2018.

2.4 The final reported spend for KCC of £18.39m was lower than the original SELEP Profile of £32.236m and the revised forecast from May 2018 of £19.594m. Under the conditions of the Service Level Agreement, KCC has therefore reported a reprofile of £13.846 into future years, which has been agreed by SELEP.

### 3 Kent and Medway's forecast LGF spend in 2018/19

3.1 The 2018/19 grant offer letter from Central government confirms the grant amount to be paid and the provisional LGF allocation for the current financial year (2018/19).

3.2 The letter confirms the overall grant allocation for SELEP in 2018/19 as £91,738,956, as expected, and the future indicative LGF allocations, as set out in the table below.

Confirmed allocation LGF	Future Indicative LGF allocation	
2018/19	2019/20	2020/21
£91,738,956	£54,914,715	£77,873,075

- 3.3 The spend forecast for 2018/19, as reported and agreed by the South East LEP (SELEP) Accountability Board in March 2018, has been set at £23.764m for Kent and £16.436m for Medway. This is the benchmark for which delivery and spend will be monitored against for the 2018/19 financial year and which will be adjusted based on reporting to the quarterly SELEP Programme Consideration meetings.

#### **4 Spend Profile for 2018/19**

- 4.1 Total KCC LGF Budget for 2018/19 = £23.764m (Agreed at SELEP Accountability Board on 16th March 2018).
- 4.2 Current KCC LGF Forecast spend for 2018/19 = £22.144m (based on costs up to the end of May 2018, but not confirmed with SELEP).
- 2018/19 Q1 Predicted Spend = £3.999m
  - 2018/19 Q2 Predicted Spend = £6.324m
  - 2018/19 Q3 Predicted Spend = £6.517m
  - 2018/19 Q4 Predicted Spend = £5.304m
- 4.3 Total Medway LGF Budget for 2017/18 = £16.436m (Agreed at SELEP Accountability Board on 26th May 2017)

#### **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 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 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 16th 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 31st 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<sup>th</sup> November 2018, to allow a decision at the SELEP Accountability Board on 15<sup>th</sup> February 2019:
- Fort Halstead (£1.53m)
  - Thanet Parkway (£4m)
  - A2 Off-Slip at Wincheap (£4.4m)

- Leigh Flood Storage Area (£4.636m) \*
- Maidstone Integrated Transport Package (£4.9m) \*
- Rochester Airport phase 2 (£3.7m)

\* It should be noted that previous business case submissions have been put forward to SELEP for these projects to the value of £6.3m. However, a decision will be needed on how the remaining allocations will come forward for approval to SELEP.

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 **KCC 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);
- 5 are Red (funding not yet secured and significant cost or delivery issues).
- 7 are completed
- 1 has been removed

For the **Medway programme**:

- 5 are Green (business case approved, funding fully secured and delivery on target)
- 3 are Amber (funding not yet secured; or scheme delay or funding issue which can be mitigated)

## 7 Recommendations

7.1 The Board is recommended to:

- Note the update on LGF project scheme delivery

## 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: Summary of the RAG ratings

**Business Case Update from last SELEP Accountability Board meeting in June 2018 – Appendix A**

Outline business case submission dates	SELEP Accountability Board meeting date	Scheme	Description	Decision
30 <sup>th</sup> March 2018	<b>15<sup>th</sup> June 2018</b>	Maidstone Integrated Transport (Phase 2)	Package of transport improvements (Coldharbour/M20 Junction 5 scheme)	<p>The Board were asked to agree one of the following two options:</p> <p>Option 1: Approve the award of £2.7m LGF to support the delivery of the Phase 2 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 Phase 2 Project until further evidence is provided to demonstrate high certainty of high value for money being achieved. (the papers noted that this decision may have a negative impact in delaying the delivery of the project and the spend of the LGF contribution).</p> <p>The Board agreed to Option 1 and gave approval for the award of the £2.7m LGF allocation.</p>

**SELEP Accountability Board Forward Plan – Appendix B**

Outline business case submission dates	SELEP Accountability Board meeting date	Scheme	Description	SELEP ask
29 <sup>th</sup> June 2018	<b>14<sup>th</sup> September 2018</b>	Leigh Flood Storage Area and East Peckham - unlocking growth (NB This is a Part 1 Business Case covering the Leigh Flood Storage Area and Hildenborough only)	Scheme to reduce the risk of flooding to vulnerable communities in the catchment	Approval for £2.3485m of the overall £4.636m LGF allocation
7 <sup>th</sup> September 2018	<b>16<sup>th</sup> 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 <sup>th</sup> November 2018	<b>15<sup>th</sup> 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
		Rochester Airport – phase 2	Enabling infrastructure for development of Innovation Park Medway	Approval for £3.7m LGF allocation
2019 (Date TBC)	<b>2019 (Date TBC)</b>	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
		Leigh Flood Storage Area and East Peckham -	Scheme to reduce the risk of flooding to vulnerable communities in the catchment	Approval for further funding from the £4.636m LGF allocation

		unlocking growth (Part 2)		
		A289 Four Elms roundabout to Medway Tunnel	Highway capacity improvements to provide journey time savings and reduced congestion.	Approval for remaining £7.6m LGF allocation

## Appendix C

### 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>- The scheme is on permanent hold and further work and liaison with Canterbury CC is to be carried out to establish whether the existing LGF allocation and S106 funding could be diverted to a Bus Lane scheme at Kingsmead 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:

- Further dialogue is required between SDC and MPF to identify whether a scheme can come forward in a later financial year.
- As the scheme at Fort Halstead is unlikely to be progressed within the timescales set by SELEP, SDC and KCC are currently investigating other alternatives for the £1.53m LGF allocation including improvements identified from the Swanley Transport Study (likely to come forward end of July 2018) and additional works to Swanley Station to complement the existing scheme being delivered as part of the West Kent LSTF LGF 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 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	£24.2m to £27.5m (£10m LGF, £2.65m KCC, further funding required)	

Progress:

- Network Rail gave Approval in Principle (AiP) of the scheme in August 2017, completing GRIP Stage 3.
- Thanet Parkway was accepted as a Network Rail project at the June panel but further work is required before signing of the Development Services Agreement which is likely in August 2018.
- Network Rail have begun planning the GRIP 4 work, with time on track booked in for September/October 2018 to carry out surveys. Disruptive possessions have also been requested for the construction period and will be subject to negotiation with the train operator.
- Substantial work carried out to date on TA, EIA and planning documents with planning application likely to be validated in July. An archaeological contractor has also been commissioned to carry out trial trenching evaluation and KCC are waiting on land owner access to be secured, but this work is expected to commence in July 2018.
- Business case submitted to ITE and Gate 2 review carried out.

Issue:

- The Project currently has a revised working estimate which ranges between £24.2 and £27.5m. Alongside the £10m LGF allocation, there is a Kent County Council (KCC) capital contribution of £2.65m,
- The project is not yet in a position to draw down this LGF allocation owing to a funding gap and need to identify a solution to overcome this.
- KCC made a previous bid to the New Stations Fund 2 (run by Network Rail and the Department for Transport (DfT)) in November 2016 but it was announced in July 2017 that the bid had been unsuccessful.

Mitigation:

- KCC has explored a number of options to fund the remaining cost of project, which included investment from the new operator of the South Eastern Rail Franchise and/or the private sector.
- Further work has also carried out to establish whether investment in the car park at the new station (with its income servicing a loan) would be viable. The use of developer contributions was also considered, although the uncertainty surrounding the Thanet Local Plan and the former Manston Airport site mean that confirmation of any significant contributions would be beyond the timescales required by SELEP to achieve business case sign off.
- 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 has approval to spend up to £4m of the £8.9m total LGF allocation following business case approval to progress Phase 1 (two schemes at either end of Willington Street in Maidstone) and more recently Phase 2 (Coldharbour Roundabout).
- Work is progressing on the A20 London Road/Willington Street Scheme (Phase 1) and a revised feasibility design is due to be completed by October 2018. The revised proposal, which was requested by local Members may require the relocation of the existing electricity substation on Willington Street and the rebuilding of a listed flint wall which will require a planning application.
- An initial feasibility design has been completed for the A20 Coldharbour scheme (Phase 2) which proposes to enlarge the existing signalised roundabout, remove the traffic signals and increase the free flow of traffic. A commission has been issued to develop the feasibility design through to outline design and will be completed in November 2018. This will allow the detailed design to be completed by May 2019 with a summer/autumn 2019 construction commencement, subject to land acquisition.

Issue:

- A public engagement event for the Willington Street/ Sutton Road scheme (Phase 1) was held on 1<sup>st</sup> December 2017.
- Design work has been carried out on an enlarged scheme at this junction which was presented to Maidstone Joint Transport Board (JTB) on 17<sup>th</sup> January 2018 and has subsequently been put on hold.
- There is a high risk that the scheme may not proceed to implementation and therefore limited spend on this element has been possible to date.
- 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 Options Report for the Maidstone Integrated Transport Package has been produced outlining all options and implications as well as the do-nothing scenario. This is due to be presented to JTB and E&T Cabinet Committee in September 2018.
- KCC will look to present a new delivery programme to the SELEP Accountability Board on 16<sup>th</sup> November 2018.
- Further feasibility work is currently being carried out on schemes to come forward as Phase 3, which will be submitted as a further business case for approval by SELEP.

Scheme	Description	Budget	RAG Rating
A28 Chart Road	Carriageway dualling, junction improvements & NR bridge widening.	£32.77m (£10.2m LGF, £22.57m S106)	
<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 up to the end of March 2018 of £2.76m LGF alongside developer contributions which have been banked.</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> </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. 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. 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 KCCs £20m liability on the scheme, although this will need to be taken to the Treasury for approval.</li> <li>- Further work has been carried by KCC and the contractor to assess whether the scheme could be delivered in two phases. However, this would result in an increase to the overall construction cost and delivery programme. It would also lead to greater disruption to the local community, business and travelling public.</li> <li>- KCC will look to present a new delivery programme to the next SELEP Accountability Board on 14<sup>th</sup> September 2018.</li> <li>- It is recommended that assurances are sought from Hodson, Homes England and Ashford BC regarding the proposed build-out trajectory.</li> </ul>			

## Appendix D – 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 = £0.89  Profiled to spend in 2018/19 = £2.28 (Scheme Delay)  18/19 LGF spend (up to end of May 2018) = £0.22	<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. Discussions are still ongoing with Homes England and Ashford BC about a possible solution to the security bond issue. Amey are continuing with completion of the outstanding design information and are programmed to issue the complete design package by the end of June. Legal teams are continuing to progress land deals.	Continue to completion with all land acquisitions. Explore the likely delivery scenarios for the scheme. Discuss and agree with contractor about closing the current ECI contract.	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 = £1.0  18/19 LGF spend (up to end of May 2018) = £0.01	<b>DETAILED DESIGN</b> (Business Case Approved)	→	The traffic modelling is now available and has been issued to Amey to complete the Noise and Air Quality assessments. Further work required on the planning application which is scheduled to be submitted on 31st July 2018.	Complete EIA and planning application documentation. Commence PQQ tender process	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 = £0.06  Profiled to spend in 2018/19 = £0.00  18/19 LGF spend (up to end of May 2018) = £0.00</p>	<p><b>DETAILED DESIGN</b> (Business Case Approved)</p>	<p>→</p>	<p>No progress this period as scheme has been placed on hold.</p>	<p>Replanting of trees that were cut down prior to the project being placed on hold will need to take place, ideally during the winter months.</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 July 2018 where progress with the two main issues will be discussed. 1) 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 resubmitted the information to the EA and were due to meet with the EA on 19th June but that was cancelled and has now been escalated within the EA. 2) 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 Planning Officer has requested that the changes to the alignment of the road be wrapped up with reserved matters submission. 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 Summer 2018</p>	<p>Jobs = 150 Homes = 150</p>

Maidstone Integrated Transport	Package of transport improvements. Works to start in 2016/17.	16/17 to 19/20	<p>£11.85m</p> <p>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</p> <p>Profiled to spend in 2018/19 = £2.48</p> <p>18/19 LGF spend (up to end of May 2018) = £0.04</p>	<p><b>VARIOUS STAGES OF DELIVERY</b> (Business Cases approved for phase 1 and 2, further approvals required for remaining £4m allocation)</p>	→	<p><b>Phase 1</b></p> <p><b>1) A274 Sutton Road j/w Willington Street</b> - Works have been put on hold due to lack of Political support.</p> <p><b>2) A20 London Road j/w Willington Street</b> - A commission has been raised for a feasibility design to be undertaken that satisfies the requirements of local members to address the congestion on all approaches. This commission will be completed by October 2018.</p> <p><b>Phase 2</b></p> <p><b>3) M20 J5/Coldharbour R/bout</b> – A commission has been issued to develop the feasibility design through to outline design following the approval of the business case. This will allow the detailed design to be completed by May 2019 with a summer/autumn 2019 construction commencement, subject to land acquisition.</p> <p><b>Further phases:</b></p> <p><b>4) Wheatsheaf/Cripple Street/Boughton Lane/Armstrong Road/Sheals Crescent</b> - A commission has been raised for outline design on the A229 Loose Road corridor. This includes the proposal for the 'Wheatsheaf' junction. The commission is due to be completed in</p>	<p>Ongoing work to be carried out on the Phase 3 package of schemes that need to be presented to SELEP for approval.</p>	<p>Jobs = 1820 Homes = 1725</p>
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							October 2018.		
							<b>5) Hermitage Lane j/w St Andrews Road</b> - A commission has been raised to develop the concept design to outline design. Design work has commenced and is due to be completed in September 2018.		
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 second phase of the S278 works are underway and will be carried out until the end of 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.	Continue with Phase 2 works	Jobs = 560 Homes = 214 & training facilities
Tunbridge Wells Junction Improvements (Phase 2 - A26 Cycle Route)	Junction improvement & A264 junction changes. Phase 1 works complete. Phase 2 construction planned for 2018	15/16 to 18/19	£1.8m LGF	15/16 LGF spend = £0.60 16/17 LGF spend = £0.19 17/18 LGF spend = £0.05  Profiled to spend in 2018/19 = £0.96  18/19 LGF spend (up to end of May 2018) = £0.00	<b>DELIVERED - PHASE 1 DETAILED DESIGN/CONSTRUCTION- PHASE 2</b> (Business Case Approved for full allocation)	→	<b>Phase 1 - Grosvenor Road to Speldhurst Road</b> - scheme to be progressed during the summer holidays alongside the planned major resurfacing of A26.  <b>Phase 2 – Yew Tree Road to Bidborough Ridge</b> - Investigation into the overall benefits and costings of the scheme without Phase 2 is ongoing.  <b>Phase 3 - Bidborough Ridge to Brook Street</b> – the design and consultation are to be taken forward during Quarter 2 and Quarter 3 of 2018/19.	Phase 1 - Contractor to programme work for July/August. Phase 2 – further investigation to be carried out. Phase 3 - Designs to be progressed.	Jobs = 105 Homes = 85
West Kent LSTF	A package of measures to support travel by sustainable means. Start of	15/16 to 20/21	Total across 6 years - £9.06m  Made up of:	15/16 LGF spend = £0.8 16/17 LGF spend = £1.31 17/18 LGF spend = £0.33  Profiled to spend in	<b>VARIOUS STAGES OF DELIVERY</b> (Business Case Approved)	→	<b>Tunbridge Wells Public Realm phase 2</b> - Decision taken for the scheme to be delivered by KCC Scheme Delivery team and Amey TMC. An outline	<b>Tunbridge Wells Public Realm phase 2</b> - Progress detailed design.	Jobs = 345 Homes = 393



	works planned for 2015/16.		£4.9m LGF £4.16m match	2018/19 = £0.7  18/19 LGF spend (up to end of May 2018) = £0.00		<p>design has been agreed by TWBC which is being looked at by Amey 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> – KCC is waiting on a revised design of the new station forecourt following feedback from the project team. Comments from KCC agreements team are due before NR apply for planning in mid-July. NR have indicated (but not yet confirmed) that the demolition of the Vic PH will now be funded from their commercial team given the increased risk. KCC are awaiting confirmation of whether the £162k originally included in the overall budget for the demolition will come back to the project.</p> <p><b>Tonbridge Station Interchange</b> – Construction of the scheme, which will include Barden Road, is due to start at the end of July 2018 and run through until November 2018. JTB members were consulted on the likely requirements for anti-terrorism bollards outside the station, as KCC is following the official advice to install them. Southeastern are to seek official advice to see if numbers of bollards can be reduced.</p> <p><b>Swanley Station</b> - CIL funding was approved in May 2018 subject to further investigation of the disabled access on the north entrance and</p>	<p><b>Maidstone East station</b> - Begin programme of design works and start demolition</p> <p><b>Tonbridge Station Interchange</b> - Preliminary works to start on site, following agreement on bollards.</p> <p><b>Swanley Station</b> - Confirmation of CIL funding decision. Obtain estimates for Grip Stage 1-4.</p>	
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							consultation with stakeholders. Southeastern have indicated that disabled access on the north entrance could cost up to £1.5m due to the difficult nature of the site. KCC is awaiting confirmation from Sevenoaks DC Cabinet that they will fund the £750k match funding. In the meantime, Southeastern are planning a consultation exercise with both County and District members.		
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 = £0.49  18/19 LGF spend (up to end of May 2018) = £0.00	<b>VARIOUS STAGES OF DELIVERY</b> (Business Case Approved)	→	<p><b>Barrack Row Bus Hub</b> – Land Purchase completed on 29th March 2018. KCC has now met with both tenants (Hertz &amp; Saturn taxis). Following discussions with KCC's communications team it was agreed that a full consultation isn't required. An engagement event is therefore planned for September 2018 together with a newsletter to residents. Scheme may be handed over and progressed by KCC's Schemes Planning and Delivery Team.</p> <p><b>Princes Rd cycle route</b> – KCC are taking legal advice on the land issues and will be dealing with the parking through a revised TRO. Consultation closed on 10<sup>th</sup> June 2018 and KCC will be analysing the responses received. Construction is now planned for late summer/autumn 2018.</p> <p><b>Burnham Rd Toucan</b> - A consultation report was 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</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 report to be produced.</p> <p><b>Burnham Rd Toucan</b> - Further response to the JTB comments to be supplied.</p>	Jobs = 843 Homes = 657

							<p>the proposed Toucan/Puffin works and those that opposed it. In addition, KCC are 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. KCC are liaising with DBC over supplying this information.</p> <p><b>Gravesend Station to Cyclopark cycle route.</b> A further low-key consultation will now be carried out in early July on an alternative route which has been agreed with GBC.</p>	<p><b>Gravesend Station to Cyclopark cycle route –</b> Consultation to run early July, date to be agreed.</p>	
<p>Kent Strategic Congestion Management programme</p>	<p>Package of congestion management initiatives. Start of works planned for 2015/16.</p>	<p>15/16 to 20/21</p>	<p>Total across 6 years - £4.8m LGF</p>	<p>15/16 LGF spend = £0.86 16/17 LGF spend = £0.69 17/18 LGF spend = £0.60</p> <p>Profiled to spend in 2018/19 = £0.85</p> <p>18/19 LGF spend (up to end of May 2018) = £0.00</p>	<p><b>VARIOUS STAGES OF DELIVERY</b> (Annual supplementary Business Cases are required to secure future years' funding)</p>	<p>→</p>	<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:</b> <b>A229 Bluebell Hill CITS Scheme</b> - The technology contract for works on the A2/M2 has been awarded to Costain. Atkins are working on behalf of KCC and liaising with WSP to ensure conformity of systems. Physical works likely to start Autumn 2018, however, risk remains around the timescales for delivery.</p>	<p>A change request was approved by the SELEP Accountability Board on 15th June 2018 to highlight the previously submitted schemes that will no longer be delivered as part of this programme or will be amended, including improvements on the Taddington/Lord Lees Blue Bell Hill Junctions (M2 Junction 3).</p> <p>KCC to progress those schemes identified from forward design through to delivery in 2018/19.</p>	<p>Jobs = 1903 Homes = 2230</p>

							<p><b>2018/19 schemes:</b>  <b>Wateringbury Crossroads</b> – outline design now complete, detailed design needs to start immediately so programme of delivery can be confirmed.</p> <p><b>Tunbridge Wells link assessment</b> – Commission raised to take forward scheme.</p> <p><b>Dover TAP/ ITS assessment</b> - KCC in discussion with HE/Atkins regarding a task order for works to be commissioned in a consistent way on the KCC network.</p>		
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)	<p>15/16 LGF spend = £0.14  16/17 LGF spend = £0.41  17/18 LGF spend = £0.53</p> <p>Profiled to spend in 2018/19 = £0.61</p> <p>18/19 LGF spend (up to end of May 2018) = £0.02</p>	<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 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><b>2018/19 schemes:</b></p>	<p>A change request was approved by the SELEP Accountability Board on 15<sup>th</sup> June 2018 to highlight the previously submitted schemes that will no longer be delivered as part of this programme, including those that will be delivered by Highways England.</p> <p>KCC to progress those schemes identified from forward design through to delivery in 2018/19.</p>	Jobs = 1335 Homes = 1440

							<p><b>Sloe Lane, Thanet</b> – Cyclepath Upgrade – Scheme on hold due to increasing costs and substantial land issues.</p> <p><b>A228 Holborough, T&amp;M</b> – Proposed Puffin Crossing - Initial designs being reviewed and early discussions held with KCC Member and Parish Council. Traffic surveys undertaken and design progressing.</p> <p><b>A2070 Barrey Road, Ashford</b> – Junction Improvements - £150,000 contribution (although now fully funded by HE so alternative scheme will be required)</p> <p><b>Forward Scheme Identification and Design (2018/19)</b> - Meeting has been held with MBC regarding a scheme to install a puffin crossing on Forstal Road, Aylesford.</p>		
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 16/17 LGF spend = £0.06 17/18 LGF spend = £0.14</p> <p>Profiled to spend in 2018/19 = £0.20</p> <p>18/19 LGF spend (up to end of May 2018) = £0.00</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 completed</b> (Finberry to Ashford scheme - Path improvement scheme completed on 12th March 2018 in line with expected completion date)</p> <p><b>2017/18 schemes in progress - Powder Mills scheme (Leigh to Tonbridge)</b>. KCC has submitted application for EA permit to enable works to proceed within the flood plain. This has been acknowledged by the EA and is currently being processed. A site meeting was also</p>	<b>Powder Mills</b> - Keep local stakeholders updated on the plans and start groundworks as soon as possible.	Jobs = 140 Homes = N/A

						<p>held with the landowner and the contractor to check the ground conditions, review the works specification, mark out the access track and clarify on site working arrangements. It is hoped that ground conditions will improve during the summer whilst the EA permit application is being processed</p> <p><b><u>2018/19 feasibility schemes - St Peter's Village scheme (extension from Aylesford to Burham).</u></b> Route has been inspected and initial meeting with landowner has been held.</p>		
<p>Innovation Investment Fund (Growth Hub Capital</p>	<p>Loan support programme.</p>	<p>15/16 to 20/21</p>	<p>Total £6m (£1m annually)</p>	<p>15/16 LGF spend = £0 16/17 LGF spend = £0.39 17/18 LGF spend = £2.95</p> <p>Profiled to spend in 2018/19 = £1.88</p> <p>18/19 LGF spend (up to end of May 2018) = £0.00</p>	<p><b>PHASE 7 APPLICATIONS TO LAUNCHED IN JUNE 2018</b> (Business Case approved)</p>	<p>↑</p> <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 completing a full application and 1 company (Betteshanger Sustainable Parks Limited - £902,500) being approved and loan defrayed in full.</li> <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 complete with three</li> </ul>	<p>Review of Phase 7 applications</p>	

							companies being taken forward with a total loan value of £0.95m. Jupiter Diagnostics have not completed but Task Masters (£0.1m) and Bulgaro (£0.35m) have both had loans agreed and defrayed in full.		
							<ul style="list-style-type: none"> <li>Phase 7 opened to pre-applications in June 2018 and will close in August 2018 to allow presentation to the I3 Approval Board in September 2018.</li> </ul>		
A226 London Rd/B255 St Clements Way, Dartford	Junction improvements.	19/20	£6.9m Made up of: £4.2m LGF £2.7m match	15/16 LGF spend = £0 16/17 LGF spend = £0.73 17/18 LGF spend = £0.85  Profiled to spend in 2018/19 = £1.95  18/19 LGF spend (up to end of May 2018) = £0.284	<b>CONSTRUCTION</b> (Business Case approved)	→	Works are progressing to programme, with SGN diversions now complete and UKPN diversionary works continuing to plan. Ivy Villas retaining wall has been carried out, while drainage works are also continuing, and kerbing works are due to commence this period. Landscape design has been reviewed by KCC landscape team and Member update meeting was held on 14th June.	Construction works continuing. Contractor arranging STEM visits/sessions with local schools and guide/scout groups.	Jobs = 2395 Homes = 890
Thanet Parkway, Thanet	New rail station.	19/20	Project cost under review (£10m LGF)	Awaiting Business Case Approval  18/19 LGF spend (up to end of May 2018) = £ n/a	<b>GRIP STAGE 3</b> (Business Case submitted to ITE for review)	→	Grip Stage 3/4 – Planning application was submitted to KCC Planning Applications Group on 31st May 2018. Network Rail have been asked to complete GRIP stage 4 and Archaeological works are out to tender on the KCC portal.	GRIP 4 Development Services Agreement reviewed and sent back to Network Rail. Planning application documents to be sent to Network Rail to reduce scope of GRIP 4 (ecological services). Archaeological works contract to be awarded.	Jobs = 2100 Homes = 800
SELEP Coastal Communities	Housing-led economic regeneration in Cliftonville West/Margate Central <b>(Delivery by Thanet DC)</b>	20/21	£1.529m Made up of: £0.666m LGF £0.863m match	17/18 LGF spend = £0.06  Profiled to spend in 2018/19 = £0.51 (estimate from third party - not transferred from KCC)  18/19 LGF spend (up to	<b>DETAILED DESIGN</b> (Business Case approved)	→	1. Ethelbert Crescent – This project has planning consent & Thanet DC have signed contracts with the contractor (WM Martins) with pre-work meetings arranged for the end of June 2018. WW Martins are a local company who are also currently completing a new build project for Thanet DC.	TDC to seal the legal agreement and send back to Invicta Law. AJ to send LB Signs with SELEP logos.	Jobs = TBC Homes = TBC

				end of May 2018) = £0.03			2. Warwick Road – Thanet DC are progressing this project and are looking to appoint a contractor in August 2018 with a construction period between September 2018 and August 2019.		
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**Local Growth Fund Round 2 Schemes**

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.	Continue work with Marina Pier and begin post scheme monitoring (12 months)	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	£8.6m  Made up of: £0.7m partner funding; £7.9m LGF	15/16 LGF spend = £0 16/17 LGF spend = £0.17 17/18 LGF spend = £4.17  Profiled to spend in 2018/19 = £1.92 Final costs and available underspend currently being calculated  18/19 LGF spend (up to end of May 2018) = £0.586	<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.	Work is continuing by Eurostar and Network Rail to resolve technical issues which are currently preventing new Class e320 Eurostar trains calling at Ashford International.	Jobs = 1000 Homes = 350 & Retain International Rail Services



M20 Junction 10A (now a full junction to be delivered by Highways England)	New Motorway Junction in Ashford ( <b>Delivery by Highways England</b> )	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 started on site and HE have ongoing liaison with KCC. The Church Road footbridge is being demolished to enable the realignment of the A2070, requiring a full closure of the A2070 from Barrey Road to M20 Junction 10.	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. ( <b>Delivery by Dartford BC</b> )	21/22	£12m Made up of: £4.3m LGF £7.7m match	Profiled to spend in 18/19 = £2.25  18/19 LGF spend (up to end of May 2018) = £0	<b>FEASIBILITY</b> (Business Case approved)	→	Following the approval of the Business Case by SELEP in April 2018, DBC have provided revised costings and the structure of the Vissim model for comment by KCC. The traffic monitoring surveys were completed as planned and Project Centre are ready to start loading the model once the structure is approved. DBC have held discussions with Balfour Beatty and the feasibility stage of the SCAPE Procurement process has been completed. Further consideration about the appropriateness for delivery of the whole project via SCAPE is taking place and other options are being investigated.	Employment of PM at DBC, revised programme, QRA, EqIA, revised cost estimates, signing of funding agreement.	Jobs = 1811 Homes = 2341
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Fort Halstead, Sevenoaks	Mixed use development of houses, business park, hotel & village centre. <b>(Delivery by Sevenoaks BC)</b>	21/22	£32.03m Made up of: £1.530m LGF £30.5m match	Awaiting Business Case Approval 18/19 LGF spend (up to end of May 2018) = £ n/a	<b>FEASIBILITY</b> (Business Case being prepared)	→	SDC have confirmed that the MoD will not be relocating from the site until December 2020, which makes a scheme at Fort Halstead unfeasible in the LGF timescales. 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.	Identify what works could be delivered in Swanley and present to KMEP for a decision in September 2017.	Jobs = 1100 Homes = 450
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	17/18 LGF spend = £0.30 Profiled to spend in 2018/19 = £0.58 18/19 LGF spend (up to end of May 2018) = £0.080	<b>CONSTRUCTION</b> (Business Case Approved)	→	The contract for the construction works has been awarded to Breheny Civil Engineering and works commenced on site on 25th June 2018 and a sod cutting ceremony held on 29th June 2018.	Confirm status of match funding from s106 agreements. Continue with works on site.	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	17/18 LGF spend = £1.95 Profiled to spend in 2018/19 = £.2.5 18/19 LGF spend (up to end of May 2018) = £0.200	<b>CONSTRUCTION</b> (Business Case Approved)	→	Work is ongoing on the delivery of Building 2, with the detailed design phase now concluded. Similar detailed planning and implementation work has continued on the curriculum development; marketing, communications and schools/ employer engagement. The new Project Plan is being refined following the Project Planning workshop held on 2nd May 2018.	On the new building, the demolition and archaeology work is to begin as planned.	Jobs = 398 Homes = 0 Learners = 1250
Leigh Flood Storage Area & East Peckham - unlocking growth	Scheme to reduce the risk of flooding in the catchment. <b>(Delivery by Environment Agency)</b>	22/23	£24.691m Made up of: £4.636m LGF £20.055m match	Awaiting Business Case Approval 18/19 LGF spend (up to end of May 2018) = £n/a	<b>FEASIBILITY</b> (Business Case being prepared)	→	The business case (Based on the EA Outline BC) has been submitted for the Leigh Flood Storage scheme (Part 1). 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,	Revise business case in line with Gate 1 and 2 process for a decision at the SELEP Accountability Board on 14th September 2018.	Jobs = 70 Homes = 850

							because of the most recent funding gap that has been identified.		
A2 off-slip at Wincheap, Canterbury	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>	20/21	£10.055m Made up of: £4.4m LGF £5.655m match	Awaiting Business Case Approval 18/19 LGF spend (up to end of May 2018) = £ n/a	<b>FEASIBILITY</b> (Business Case being prepared)	→	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.	Confirmation of GHF bid.	Jobs = 1685 Homes = 1150

**ADDITIONAL SCHEMES**

Open Golf Champions hip 2020	Transport Improvements at Sandwich Station <b>(Delivery by Network Rail)</b>	18/19	£3.898m Made up of: £1.09m LGF	Profiled to spend in 2018/2019 = 1.01 18/19 LGF spend (up to end of May 2018) = £ n/a	<b>Grip Stage 3</b> (Business Case Approved)	↑	Network Rail produced the delivery options and power upgrade report at the start of May 2018, including revised estimated costs. This has reduced the final cost and funding gap for the project, which has been met by the original funders, including the DfT who have requested that NR carry out the power upgrade from an internal budget. On 15 <sup>th</sup> June 2018 the SELEP Board approved an additional re-allocation from Ashford Spurs of £877,425 which now means the Open Golf project is fully funded. KCC can now enter into the Implementation Agreement (IA) for Grip 3b to 8 (Grip 3a is the enabling work currently being progressed). Risks remain over the likely planning and heritage approval required for the improvement works.	KCC and NR to enter implementation Agreement for Grip 4 to Grip 8 (project design and delivery) in July 2018, with outline design in Sept 18, mobilisation and delivery from July 2019 and project completion in Feb 2020 before the Open Championship (12th - 19th July 2020).	Jobs = TBC Homes = TBC
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SCHEMES COMPLETED OR REMOVED					
Folkestone Seafront Resurfacing Shepway	Resurfacing of Tontine Street (in conjunction with S106 works).		£0.65m Made up of: £0.5m LGF £0.15m S106	Scheme Delivered – 2015/16	N/A
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
Folkestone Seafront (developer delivered)	Construction of platform & sea defences to facilitate development of Seafront.		£22.11m Made up of: £5m LGF £17.11m match	Scheme Delivered (Main works complete – April 2018)	Jobs = 450 Homes = 1000
Westenhanger Lorry Park	Removed from programme following approval by KMEP & AB				

## Appendix E – Medway Schemes

Scheme	Description	Scheme delivery by	Budget and LGF spend	Status	RAG Status	Comments	Key Events for Next Period	Target out-comes
<b>Local Growth Fund round 1 schemes</b>								
A289 Four Elms roundabout to Medway Tunnel	Highway capacity improvements to provide journey time savings and reduced congestion.	End of 20/21	<p><b><u>BUDGET</u></b></p> <p>Revised budget = £11.564m*            Made up of:            - £11.1m LGF            - £0.464m match funding</p> <p>* see comments</p> <p><b><u>LGF SPEND</u></b></p> <p>15/16 LGF spend = £0.298m            16/17 LGF spend = £0.402m            17/18 LGF spend = £0.347m</p> <p>Profiled to spend in 2018/19 = £1.88m*</p> <p>* As agreed at the SELEP Accountability Board meeting on 15th June 2018</p>	<p><b>OUTLINE DESIGN</b>            (Business Case Approved)</p>	↓	<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, during 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>Medway Council submitted a HIF bid which, if successful, will provide the infrastructure required to support the emerging Local Plan. The HIF bid was successful at the first stage of the assessment process and is therefore currently undergoing further development. The proposals which form part of the HIF bid will interact with the LGF works and as a result discussions are ongoing to identify how best to optimise the benefits offered by both projects.</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>

<p>Strood town centre</p>	<p>Journey time and accessibility enhancements to the town centre including changes to the highway, improved public realm</p>	<p>End of 18/19</p>	<p><b>BUDGET</b> Total budget = £10.27m</p> <p>Made up of: - £9.0m LGF - £1.27m match funding</p> <p><b>LGF SPEND</b> 15/16 LGF spend = £0.2m 16/17 LGF spend = £1.772m 17/18 LGF spend = £0.944m</p> <p>Profiled to spend in 2018/19 = £6.085m*</p> <p>* As agreed at the SELEP Accountability Board meeting on 15th June 2018</p>	<p><b>CONSTRUCTION</b> (Business Case Approved)</p>	<p>→</p>	<p>Work commenced on-site on 19th February. Phases 1 (public realm improvements at the Commercial Road car park and Tolgate Lane) and 2 (improvements to Gun Lane) are substantially complete. Work has commenced on phase 3 (Station Road j/w Commercial Road).</p> <p>The new Strood train station building opened to the public in December 2017</p>	<p>Work will continue on-site to deliver the remainder of the project.</p>	<p>Jobs = 360-450 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 18/19</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</p> <p>Profiled to spend in 2018/19 = £1.303m*</p> <p>* As agreed at the SELEP Accountability Board meeting on 15th June 2018</p>	<p><b>CONSTRUCTION</b> (Business Case Approved)</p>	<p>→</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 to ensure delivery by the end of 2018/19 in line with the agreed funding profile.</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.</p>	<p>Jobs = 6271 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 15/16, then annually until mid-18/19.</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</p> <p>Profiled to spend in 2018/19 = £0.203m*</p> <p>* As agreed at the SELEP Accountability Board meeting on 15th June 2018</p>	<p><b>CONSTRUCTION</b> (Business Case Approved)</p>	<p>→</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 other work pressures.</p>	<p>Work will continue on-site to deliver the remaining cycle route improvements.</p>	<p>Jobs = 390 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 15/16 with second part of the project by end of 19/20.</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</p> <p>Profiled to spend in 2018/19 = £0.462m*</p> <p>* As agreed at the SELEP Accountability Board meeting on 15th June 2018</p>	<p><b>PHASE 1 – COMPLETE PHASE 2 - DEVELOPMENT OF SUSTAINABLE TRANSPORT INTERVENTIONS -</b> (Business Case Approved)</p>	<p>→</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>

**Non-transport schemes - LGF rounds 2 and 3**

<p>Rochester Airport - phase 1</p>	<p>Introduction of Medway Innovation Park. Phase 1 of the project involves improvements to airport infrastructure - works which are required to facilitate the development of the Innovation Park.</p>	<p>19/20</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</p> <p>Profiled to spend in 2018/19 = £0.745m*</p> <p>* As agreed at the SELEP Accountability Board meeting on 15th June 2018</p>	<p><b>OUTLINE DESIGN</b> (Business Case approved)</p>	<p>↑</p>	<p>An independent review of construction costs highlighted that it was no longer possible to deliver all the outputs as stated in the original Business Case. As a result a report proposing a change to project outputs, whilst still delivering project outcomes, was submitted to SELEP.</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>The Accountability Board considered the report at their meeting on 15th June 2018 and approved the proposed change in project outputs.</p>	<p>Rochester Airport Ltd. will submit their planning application for the agreed scope of works. Work will begin on preparing the procurement documents needed to appoint a contractor to deliver the airport infrastructure improvements.</p>	<p>Jobs = 37</p>
<p>Rochester Airport - phase 2</p>	<p>Introduction of an Innovation Park at Rochester Airport. Phase 2 of the project involves infrastructure works to enable the development of the Innovation Park.</p>	<p>20/21</p>	<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</p> <p>Profiled to spend in 2018/19 = £0.210m*</p> <p>* As agreed at the SELEP Accountability Board meeting on 15th June 2018</p>	<p><b>BUSINESS CASE NOT YET APPROVED</b></p>	<p>→</p>	<p>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, however, submission is expected in November 2018.</p>		<p>Jobs = 1544</p>



<p>Civic Centre site, Strood - flood mitigation measures</p>	<p>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.</p>	<p>18/19</p>	<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</p> <p>Profiled to spend in 2018/19 = £2.378m*</p> <p>* As agreed at the SELEP Accountability Board meeting on 15th June 2018</p>	<p><b>CONSTRUCTION (Business Case approved)</b></p>	<p>→</p> <p>The Business Case was approved at the Accountability Board meeting on 16th March 2018 and work is continuing to set up the site compound.</p>	<p>Additional archaeology surveys will be undertaken on the site.</p>	<p>Jobs = 610 Homes = 325</p>
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**Summary of Kent RAG rating**

July 17	Sept 17	Nov 17	Jan 18	March 18	May 18	July 18
0 red	2 red	2 red	3 red	4 red	6 red	5 red
18 amber	16 amber	14 amber	10 amber	10 amber	8 amber	9 amber
9 green	9 green	11 green	13 green	12 green	12 green	12 green
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	1 is not required to spend until later in the programme, and 7 complete

**Summary of Medway RAG rating**

July 17	Sept 17	Nov 17	Jan 18	March 18	May 18	July 18
0 red	0 red	0 red	0 red	0 red	1 red	0 red
2 amber	2 amber	2 amber	2 amber	1 amber	0 amber	3 amber
4 green	4 green	4 green	4 green	6 green	6 green	5 green
2 not required to spend until later	2 not required to spend until later	2 not required to spend until later	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 8

**Date:** 16 July 2018

**Subject:** Business Advisory Board: Anonymised Feedback

**Report author:** Information taken from the Business Advisory Board meeting on 5<sup>th</sup> July 2018; collated by Sarah Nurden, KMEP Strategic Programme Manager.

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### Summary

The Business Advisory Board (BAB) is a forum made up of circa 50 business leaders from key sectors of the local economy. BAB provides a 'sounding board' for the business community to reflect on economic strategy, and to provide insights on current trading conditions, on a sector by sector basis.

At a recent BAB meeting, the question was raised about sharing these insights on current trading conditions with local authority and education partners, via KMEP. It is proposed this becomes a standing item on the agenda.

The KMEP Board is asked to consider and note the BAB feedback.

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## 1. BAB Feedback on Current Trading Conditions

1.1 On 5<sup>th</sup> July 2018, the Business Advisory Board met to share anecdotal feedback on the state of the economy experienced by their business. Please find below the anonymised feedback provided at that meeting:

### Aviation Sector

- The Aviation sector is enthused by the Heathrow third runway announcement.
- Caution is exercised however due to the many legal challenges that must be heard. The legal challenges could be heard sequentially rather than taken in a group, so this may make the timeframe for delivery of the third runway ambitious.

### Banking Sector

- Kent Banks reported steady growth, with recruitment exercises underway for more staff.

- While current economic data is difficult to interpret due to much one-off activity ('Beast from the East' weather, the Royal Wedding, the current spell of warm weather, the FIFA World Cup), it is thought that there may need to be two or three very small, incremental, interest rate rises over the next 18 months.
- There is a feeling that near-term CPI inflation may rise (following the introduction of the sugar tax and as energy companies respond to higher oil prices), before hopefully falling back to 2%. As always, these predications are subject to change.

#### Construction Sector (& related sectors)

- Strong pipelines of activity were reported by all the construction companies, and by an architecture firm.
- Opportunities are available following Carillion's collapse.
- However, the housebuilder share prices are down, and there is a fragility in the housing market.
- Affordability is an issue in the housing market, especially affordable rents. This is compounded by escalating the Estate Management Charges for maintaining public open spaces, landscaped areas, and unadopted roads.
- As the news recently showed, 27% of estates agents are in 'financial distress'.
- Material price increases and a shortage of skilled staff are causing concern in the construction sector.
- On recruitment, one civil engineering company reported no EU applicant submitted their CV this year; this is in stark contrast to previous years.
- Landlords are reporting strong demand for office/commercial space.
- Companies from the other sectors echoed the need for more office/commercial space. One company wishes to expand its offices following strong growth, but it cannot find suitable premises in its current town.
- Longer-term planning (beyond the 5-year land supply) continues to be requested by the businesses. The speed and consistency of processing planning applications were raised as concerns.
- Concern was expressed that the construction industry may be overcommitting itself on tender prices, and pricing jobs at too low a level.
- Obtaining implementable planning consents and adequate service provisions are still causing delays in site starts, for some companies.
- The push for offsite construction is being hampered by procurement rules.

#### Creative Sector

- Creative companies and freelancers are working together to maximise the opportunities that may be available to them because the Turner Prize 2019 is coming to Kent.
- The UK's creative sector continues to excel. The three highest grossing films across the world were filmed in the UK.

#### Education Sector

- One College Group in Kent is reporting a 30% increase in the take-up of apprenticeships this year, compared with last year, bucking the pronounced national trend.

### Insurance Sector

- Changes being made by the Financial Conduct Authority is helping to contribute towards a lack of insurance brokers. This shortage, in turn, is posing difficulties to SMEs.

### IT and technology Sector

- A Data Centre in Kent is reporting strong performance. Senior IT professionals based at the data centre are meeting to allow the 'cross-fertilisation' of ideas and consider the innovation in the sector. Demand to be part of this group is rising.

### Legal Sector

- All legal companies reported strong growth in the last two months (seeing profitability and turnover rise).
- There has been a marked increase in the number of tribunal claims since fees were removed, generating much more work for the legal sector.
- A challenge reported by several law firms was recruiting skilled staff. The companies are seeing talented applicants being attracted to work in London. This applies to all levels in the company from the highest to the lowest paid members of staff.

### Manufacturing Sector

- One manufacturer reported strong demand from Ireland for its product.

### PR, Media and Television Sector

- A PR firm in this sector reported solid performance over the last two months, and a strong pipeline of activity.
- The TV sector reported similar performance levels to previous quarters.

### Retail Sector

- The retail sector continues to face challenging times, as do other business-to-consumer companies that rely on a high level of discretionary spend.

### Social Enterprise Sector

- The Zeitgeist appears to be to support social enterprises.
- The funding raising campaign for one local social enterprise continues to attract funding.

### Transport Sector:

- A public transport operator reported good trading results, which may in part be due to an increase in staycations .
- The London ultra-low emission zone means only Euro 6 standard buses will be allowed to enter the capital. Transport operators usually have a 10-year investment cycle. Euro 4 and 5 buses cannot be retrofitted to meet the new requirements. Hence, the zone may threaten the smaller coach operators that take commuters and tourists to the capital from Kent and Medway.

#### General Comments received (not sector specific)

- Recent surveys of small businesses show confidence in the economy at its highest level over the last year.
- GDPR Regulation is creating a barrier to economic growth, and is particularly affecting small businesses adversely. More than one business made this comment.
- Inward investment into the county appears to be stable, however the type of enquiry has changed, with smaller companies making enquiries about smaller projects.
- The lack of clarity and piecemeal approach to Brexit continues to frustrate local businesses.
- A campaign is being run to draw attention to the 'not spots', areas of no mobile coverage by any operator.
- Brenley Corner (near Faversham/Canterbury) was identified by multiple businesses from various sectors as being a pinch point, that was hindering business growth. Also, the lack of capacity on the M2 was identified as a constraint, with staff being delayed in traffic congestion.

#### Notable developments

- Cygnet (Mental Health) Hospital Maidstone is now all but complete. It will open to patients by end of September 2018.

# FOR INFORMATION PAPERS

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## ITEM 9A

**Date:** 16 July 2018

**Subject:** Sector Support Fund

**Report authors:** Laurence Tricker & Abi Lewis, Programme and Projects Manager,  
Maidstone Borough Council

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### Summary & Background

Each year, the South East LEP invites SELEP working groups and enterprise zones to submit bids for a share of the SELEP Sector Support Fund (SSF). The SELEP Sector Support Fund totals £500k of revenue funding per year.

The SELEP Strategic Board will be asked which bids it wants to endorse in its September 2018 meeting.

A criterion for the SELEP Strategic Board endorsing any SSF bids is that the proposal has previously been endorsed by one of SELEP's federated boards. This paper describes a bid that is seeking KMEP's endorsement.

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## 1. Introduction

- 1.1 This item has been submitted to the Kent & Medway Economic Partnership by Maidstone Borough Council for endorsement in advance of SELEP's Strategic Board Meeting on 28<sup>th</sup> September 2018 at which applications for the Sector Support Fund will be assessed and determined.
- 1.2 The Council is requesting £156,000 of Sector Support Fund grant to support the development of designs for an Innovation Centre at Kent Medical Campus, part of the North Kent Enterprise Zone.

## 2. Background

- 2.1 In line with the governance arrangements for the North Kent Enterprise Zone agreed with Central Government, Maidstone Borough Council is seeking to utilise retained business rates from Kent Medical Campus to invest in the construction of an innovation centre on the site.



- 2.2 The 30,000 sqft. Innovation Centre will offer Small and Medium-sized Enterprises focused on life science, healthcare and medical technology activities access to a combination of high-grade office accommodation and workshop space to facilitate the development of new products and services, in doing so addressing a significant under provision by the private sector in the SELEP area. The centre will also provide conferencing and meeting space to assist in the formation of a “research hotel” where businesses, academics and medical professionals can collaborate to enable new ideas to be developed and introduce new products to the market.
- 2.3 The Council has applied for European Regional Development Fund grant to help finance the construction of the facility in tandem with the provision of an extensive business support programme across the SELEP area; however, the design element of the project cannot be funded through this means and MBC is therefore anticipated to incur these initial costs totalling £260,000. This is in addition to the circa £5.3m construction costs that the Council will be liable for should the ERDF application be successful. The grant secured from the Sector Support Fund will be used to develop the design of the innovation centre so as to enable a construction start date of Spring 2019.
- 2.4 The Innovation Centre will contribute to delivering the objectives of the Kent & Medway Growth Deal and the existing SELEP Strategic Economic Plan, accelerating the delivery of new employment space and providing support for the emerging life sciences sector. It also responds to the UK’s Industrial Strategy which emphasises the need to invest in science, research and innovation to ensure the UK become a more innovative economy.

### **3. Funding Requested**

- 3.1 Maidstone Borough Council is requesting £156,000 Sector Support Fund grant to contribute towards covering the cost of anticipated total design stage costs of £260,000. The total cost of the construction of the Innovation Centre is anticipated to be £10.6 million, which it is hoped will in part be funded by the European Regional Development Fund alongside the Council’s borrowing.

### **4. Pan-SELEP nature**

- 4.1 The Innovation Centre project involves a number of delivery partners from across the SELEP area – Anglia Ruskin University, University of Kent, Canterbury Christchurch University, Kent County Council – and enhances existing support available via the Growth Hubs in each of the federated areas to ensure that the benefits of investment in the project are maximised.

### **5. Recommendation**

- 5.1 The KMEP Board is asked to consider and endorse this bid to SELEP for Sector Support Fund monies and to recommend that SELEP award the grant.

## ITEM 9B

**Date:** 16 July 2018

**Subject:** Energy and Air Quality

**Report author:** Carolyn McKenzie, Head of Sustainable Business and Communities,  
Kent County Council

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### Summary

This report provides an update on substantive actions coming out of the Tri-LEP Energy Strategy and the development of an Energy and Low Emissions Strategy (ELES) for Kent and Medway to ensure delivery of the Tri-LEP actions and realization of the opportunities across Kent and Medway.

### Recommendations:

1. KMEP are asked to comment on and endorse the approach taken by local partners to tackle energy and air quality issues in Kent and Medway and the actions in the Tri-LEP Energy Strategy.
  2. KMEP are asked to suggest KMEP Members who would be prepared to sit on a virtual steering group to guide our response to the Tri-LEP Strategy and the ELES.
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## 1. Introduction

1.1 This paper is an update on the development of the Tri-LEP Energy Strategy and the emerging Kent and Medway Energy and Low Emissions Strategy (ELES) for Kent and Medway, led by Kent County Council and Public Health in partnership with district authorities and other relevant stakeholders.

1.2 KMEP had a presentation on the Tri-LEP Energy Strategy in May 2018 and it is hoped will formally agree the strategy in the Autumn.

1.3 The Tri-LEP Energy Strategy is being led by SELEP, in partnership with Coast to Capital and the M3 Corridor LEPs. BEIS are currently driving the development of energy strategies across LEPs providing funding of circa £40k per LEP. The Tri-LEP has appointed Siemens to do this at a cost of £80k to the Tri-LEP. Kent is represented by Carolyn McKenzie on the Tri-LEP Energy Strategy Steering Group.

- 1.4 The emerging Kent and Medway ELES will tackle: the 'Energy Trilemma' – defined as ensuring the provision of affordable, secure and low carbon energy as well as focus on the control and improvement of air quality across Kent and Medway. The two issues are interlinked.
- 1.5 The ELES will come under the Framework of the Kent Environment Strategy (KES) and it is proposed will form the Kent and Medway Federated LEP's detailed local strategy to the emerging Tri-LEP Energy Strategy.
- 1.6 There is a cross Kent and Medway Officer Working Group for the ELES and local authority Directors from each district have been identified to provide a virtual steer for the ELES and it is proposed the Tri-LEP Strategy.
- 1.7 The draft timetable for approval for public consultation of the ELES is end of 2018.
- 1.8 In addition, BEIS are now funding five Energy Hubs across England, made up of collections of LEPs. SELEP is in the Greater South East LEP stretching from Norfolk to Hampshire and including Greater London, eleven LEPs in total. BEIS have intimated that future energy funding may well be directed through the LEP Hubs and be linked directly to the LEP Energy Strategies and the Strategic Economic Plans. Currently SELEP are represented by the SELEP Accountable body on the Greater South East Hub Board. A request has been made for further seats for SELEP Federated Members.
- 1.9 The Kent and Medway ELES will seek to ensure that Kent and Medway have a strong voice in the Tri-LEP Energy Strategy and the Energy Hubs and is in a good position to attract investment.

## **2. Relevant history, background and context**

- 2.1 Energy and carbon emissions have long been a priority for Kent and Medway, mainly through the Kent and Medway Warm Homes Programme and the cross LEP LOCASE project, as well as through individual authority initiatives.
- 2.2 However, future energy supply is a major issue in the Growth and Infrastructure Framework (GIF) and KCC is working with partners and stakeholders to continue to identify future energy needs, as well as growth constraints related to energy and the energy grid. KCC will be leading a piece of work on energy utilities in the very near future working with UKPN, SGN, National Grid and OFGEM.
- 2.3 Poor air quality is the largest environmental risk to public health in the UK and there is strong evidence associating air pollution with increased early mortality and ill health. Older people, children and those with pre-existing illness are more vulnerable to the adverse health effects of air pollution. Studies have also suggested that the most deprived areas of Britain are more likely to experience poor air quality, which is supported by the Kent picture. Consequently, improving air quality will support reduction in health inequalities.

2.4 In addition, air quality is increasingly an area of concern for the public and public authorities with over 1,000 early deaths across Kent and Medway attributed to poor air quality in 2013. A Kent-wide approach is needed if future growth is not to have unacceptable impacts on air quality and health.

2.5 Further information with regards to the local air quality picture can be found in papers presented to both the Kent County Council Environment and Transport and Public Health Cabinet Committee's this year. Both papers are available on request.

### **3. The role of local authorities, KMEP and the LEP in driving energy investment**

3.1 Similar to transport and housing infrastructure, local authorities and LEPs can help unlock energy infrastructure and investment, overcoming strategic barriers to growth that provides wider public good and benefits well beyond the initial investment and enabling scaling up across wider geographic areas.

3.2 Public sector involvement can de-risk to some extent innovative new approaches particularly at transition points in new technology and/or at times of critical supply issues such as national grid constraint issues. The energy industry is in flux, and whilst there have been moves by central government to create regulatory incentives to stimulate demand for new more sustainable energy infrastructure, these have not been of a significant enough scale to be effective in bringing about the kind of demand that would enable the private sector to make a return on investment in the short term.

3.3 Therefore, there is a need for the public sector – local planning authorities, upper tier authorities and LEPs to work with business to pump prime the market for such infrastructure and provide additional appropriate support. If there is to be a systematic step change in approach, that will unlock greater amounts of private sector investment and scale up the pace of delivery, the role of LA's and the LEP to facilitate this step change approach will be crucial.

3.4 In addition, it has been intimated that any future Government funding for energy investment will come via 'Energy Hubs' which are collections of LEPS and it is essential that KMEP and SELEP have a strong voice and are well positioned to take advantage of that funding in coming years.




### **4. TRI-LEP Energy Strategy – Emerging Project Initiatives**

4.1 The Tri-LEP Energy Strategy is still in early stages of production. However, there are some emerging project for consideration and comment by KMEP. High level details of project initiatives with some case study detail have been given below, more details are available on request.

## Smart Green Gas Grids – New Developments and Garden Cities

- 4.2 Working alongside utilities such as SGN to develop ‘green gas’ networks within new housing or commercial developments. Establishing the south east as a centre for this new technology.

**Heat Intervention: Hydrogen gas network for new development**



**Estate 1, Kent**

- Build polyethylene gas grid on new housing estate for hydrogen (H2) network demonstration project
- Based on H100 project in Scotland
- Will create first H2 network in South East England and use it to develop supply chain and low carbon economy

**1st**  
At scale H2 project in South East

**0%**  
emissions if using renewable sources to generate the hydrogen

## Smart Electric Micro-Grids – New Developments and Garden Cities

- 4.3 Building smart micro-grids on new developments that enable greater penetration of renewables and new, long-term and secure revenue streams for local authorities or other investors.

**Smart Energy Intervention: Micro grid on new build estate**



**Estate B, Essex**

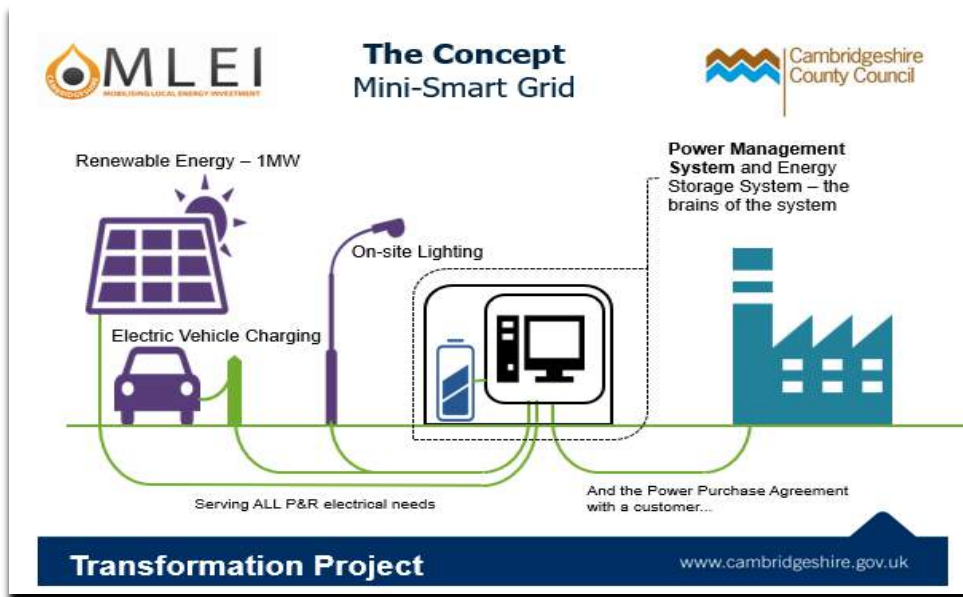
- Smart micro grid with advanced software that monitors and manages generation and demand
- Flexible generation of electricity, heat and cold
- Long-term revenue for council (or housing developer or community ownership)
- Model for future new garden communities

**100%**  
Energy value retained locally

**Higher**  
Penetration of renewable energy sources

## Smart Grids – Other Assets e.g. car parks, land fill sites, waste depots

- 4.4 Roll-out of renewable generation assets on car parks – for example solar canopy co-located with storage. Linked to smart infrastructure that enables EV charging for public transport routes/private cars and selling excess energy to nearby industrial/housing. Large scale up potential with 400+ potential sites across the region.



- 4.5 Taking under-utilized assets like ex-landfill sites to build solar farms that can generate £m's for the local authority (or private sector investor), contribute towards decarbonisation targets and help create new jobs in the emerging low-carbon economy in K&M.
- 4.6 Partnering with private sector investors to build ultra-low carbon fuelling stations on public sector land – for example refuse depots. Hastening rollout of EVs and enabling councils to convert their refuse fleet, buses etc. to compressed natural gas.

**Transport Intervention: CNG for Refuse Collection Vehicles**

**SOUTH EAST LOCAL ENTERPRISE PARTNERSHIP** **SIEMENS**  
*Ingenuity for life*



**Multiple locations, South East**

- Convert council refuse fleet to CNG and build fuelling stations at council refuse depots
- Cost: £200k per depot. £150k per vehicle.
- Technology already proven and used in places like Sheffield, Madrid, .

**30%**  
Saving in cost per mile travelled

**95%**  
CO2e saving compared to diesel when using Bio-Methane

**Off Grid Solutions – Tackling rural areas of fuel poverty**

- 4.7 Identification of large scale, innovative off-gas grid solutions to enable communities that are off gas and oil dependent (and also often fuel poor,

deprived rural areas) to benefit from low-carbon, more affordable and secure sources of heat. Also linking closely to energy efficiency in poorly insulated homes. For example heat pumps powering groups of houses.

### **Supporting New Innovative Business Solutions**

- 4.8 Facilitating co-location of innovative carbon capture and storage energy technologies to extract emissions from exhaust flues at industrial installations or waste processing facilities e.g. anaerobic digestion plants
- 4.9 Supporting fledgling low carbon businesses in Kent and Medway to establish at-scale demonstrator plants in novel areas like bio-ethanol production; utilising waste food products to provide clean fuels that could support public transport and help grow the clean sector in Kent and Medway.

## **5. Next Steps and Timeline**

- Tri-LEP Energy Strategy – Autumn 2018
- ELES - Workshops and further stakeholder engagement – July-Sept 2018
- ELES Draft for partner comment Sept/October 2018
- ELES Consultation Spring/Summer 2019
- Adoption by key partners by Autumn 2019

## **6. Conclusion**

- 6.1 The growth agenda presents many challenges and opportunities with regards to energy and air quality. The Tri-LEP Energy Strategy and the ELES seeks to ensure Kent and Medway are proactively tackling challenges and working to ensure realisation of the opportunities being presented by the future energy agenda in delivering the 'Energy Trilemma' affordable, secure and low carbon energy.

## **7. Recommendation**

- a) KMEP are asked to comment on and endorse the approach taken by local partners to tackle energy and air quality issues in Kent and Medway and the actions in the Tri-LEP Energy Strategy
- b) KMEP are asked to suggest KMEP Members who would be prepared to sit on a virtual steering group to guide our response to the Tri-LEP Strategy and the ELES

### **Background Documents**

Environment and Transport Cabinet Committee report: Kent Environment Strategy progress, Energy and Air Quality.

<https://democracy.kent.gov.uk/documents/g7548/Public%20reports%20pack%2031st-Jan-2018%2010.00%20Environment%20Transport%20Cabinet%20Committee.pdf?T=10>

Health Reform and Public Health Cabinet Committee – 1<sup>st</sup> May

<https://democracy.kent.gov.uk/documents/s83960/Item%207%20-%20Air%20Quality.pdf>



## ITEM 9C

**Date:** 16 July 2018

**Subject:** Developing a Kent and Medway Enterprise and Productivity Strategy

**Report author:** Johanna Howarth, Deputy Director of Economic Development, Kent County Council

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### 1. Summary

- 1.1 There is currently no agreed strategy for improving Kent's overall standard of living which specifically aims to improve enterprise and productivity and to put in place measures that over the long term can significantly enhance the standard of living across Kent. This paper sets out for the board's information, a plan of work to develop an Enterprise and Productivity Strategy for Kent and Medway so that partners can work together across the County to improve the standard of living of Kent's communities.
- 1.2 We propose holding a substantive conversation at KMEP in the autumn (24 September) to review the outputs of a call for evidence held over the summer, and to consider how we start to respond to the issues raised in it.

### 2. Purpose and Context

- 2.1 Kent County Council, Kent's district and borough councils and Medway Council have adopted a range of policies and strategies but there is no agreed long-term vision of how we can achieve significant improvements in Kent's standard of living over the next thirty years. In developing the strategy, we will look at how local authorities across Kent and Medway, working with other public and private organisations, might help businesses to grow, move, and thrive here. We shall also look at how to raise the productivity of the county's economy within a fast-changing technological environment as far ahead as 2050, and a challenging post Brexit context.
- 2.2 The strategy will be complementary to the Government's Industrial Strategy (published on 27 November 2017) which considers ways to boost the UK's productivity and maintain high employment. The Industrial Strategy is a framework for engaging with civic leaders in places, universities, and industry - (for example through the grand challenges, local industrial strategies and sector deals). Through our work on Kent's strategy we would look to capitalise on what is on offer nationally.

### 3. Approach, Engagement and Timings

- 3.1 Kent County Council has committed some resource to support the development of a Kent strategy, but the policy and financial levers to realise the opportunities and address the challenges we prioritise will reside in a wide range of national and local public organisations. The success of the strategy will depend on our ability to develop an ambition that business, civic and public leaders and Government collectively support. The approach set out below reflects the need to build this strategy from the bottom up, developing a strong evidence base from which we can confidently identify our priorities. That evidence base will be essential for our dialogue with Government Departments and Agencies. That is why this will be a year long project.
- 3.2 We are starting by gathering the evidence. We are now calling for evidence from local business, the local authorities and key local service providers. That call for evidence will draw together our views on what the data tells us about how well people live, how productive and enterprising our business are, and where the strategy needs to focus. We will also be inviting Kent and Medway's young people, in their schools, colleges and universities to develop ideas for the strategy. The centrepiece will be an essay competition for 18-26-year olds telling us what they think Kent should look like at the peak of their careers.
- 3.3 We intend to reach out to local and national academics, especially those with particular policy expertise and who know Kent well who can act as a critical friend, providing us with validation about the way in which we are gathering and applying evidence.
- 3.4 Over the autumn and early in the New Year we will hold a series of workshops with business, local authorities and other service providers to think hard about:
- what good looks like in different places;
  - what works best for different sectors;
  - how we respond to the priorities that the evidence points us to; and
  - the actions that different parties can take to support those priorities over the short, medium and long term.
- 3.5 Within these workshops we shall push ourselves to think about how we might do things differently, engaging Government in a conversation about piloting new approaches as other places like Manchester have done successfully.
- 3.6 During spring next year, we shall start to write the strategy itself, consulting widely to ensure business and civic leaders really own this piece of work. Our aim is to finalise and publish the strategy by July next year.

#### **4 Next Steps with KMEP**

- 4.1 The call for evidence is going out over the summer, and we propose to have a substantive discussion at KMEP (24 September) on the outputs of that call for evidence and how we should respond to those.

## **FOR INFORMATION ITEM D**

**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 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 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 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.