

**Monday 24 September 2018, 5.00-7.00pm**

**Hilton Hotel, Bearsted Road, Maidstone, ME14 5AA**

**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 & 9
4. The Local Enterprise Partnership (LEP) Review	5.10	13
5. Developing a SELEP pipeline of projects: Stage 1 of the LGF 3b Process	5.30	<i>Presentation &amp; separate paper</i>
6. Crossrail to Ebbsfleet: Strategic Outline Business Case update	6.30	25
7. Local Growth Fund 1, 2 & 3: Delivery Progress	6.40	30
8. Changes to LGF project allocations within Medway's LGF Programme	6.45	62
9. A289 Four Elms roundabout to Medway Tunnel – Project update	6.50	64
10. Sector Support Fund: Good Food Growth Campaign	6.55	67
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## ITEM 3A

**Date:** 24 September 2018

**Subject:** DRAFT MINUTES of a meeting of the Kent & Medway Economic Partnership (KMEP) held at the Village Hotel, Maidstone on 16 July 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)  
Rodney Chambers (Medway Council)  
Miranda Chapman (Pillory Barn Design Ltd)  
Gerry Clarkson (Ashford Borough Council)  
Gavin Cleary (Locate in Kent)  
Simon Cook (Mid Kent College)  
Michael Conolly (Dover District Council alternate)  
Martin Cox (Maidstone Borough Council)

Sarah Dance (Sarah Dance Associates)  
Peter Fleming (Sevenoaks District Council)  
Nicolas Heslop (Tonbridge & Malling Borough Council)  
Jo James (Kent Invicta Chamber of Commerce)  
Andrew Metcalf (Maxim PR)  
David Monk (Folkestone & Hythe District Council)  
Paul Thomas (Dev. Land Services Ltd)  
Prof. Rama Thirunamachandran (Canterbury Christ Church University)  
Mike Whiting (Kent County Council alternate)  
Paul Winter (Wire Belt Company Limited)

#### Observers & Presenters in attendance

Amelia Aitkens (Work Experience Student), Kevin Burbridge (GBC), Lee Burchill (KCC), Prof. Mario Caccamo (NIAB EMR), Nicholas Churchill (CCC), Barbara Cooper (KCC), William Cornall (MBC), Prof. Karen Cox (UoK), John Foster (MBC), Graham Galphin (ABC), Richard Hicks (MC), **Madeline Homer (TDC)**, Johanna Howarth (KCC), Dave Hughes (KCC), Tim Ingleton (DDC), Tracey Kerly (ABC), Richard Kidd (KCC), Carolyn McKenzie (KCC), Rhiannon Mort (**SELEP**), Matthew Norwell (TGKP), Sarah Nurden (KMEP), Karla Phillips (KCC), David Smith (KCC), Andrew Stirling (SDC), Prof. Debra Teasdale (CCCU), Jeremy Whittaker (TMBC), Emma Wiggins (SBC).

### Apologies:

#### KMEP Board Members

Paul Carter (Kent County Council), Simon Cook (Canterbury City Council), Nick Fenton (Hodson Developments & Kent Developers' Group), Richard Finn (Richard Finn Ltd), Douglas Horner (Kent Ambassador), David Jukes (Tunbridge Wells Borough Council), Jeremy Kite (Dartford Borough Council), Jane Ollis (IOD), Keith Morris (Dover District Council), Jon Reagan (Hugh Lowe Farms Ltd & Weald Granary Ltd), 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 Prof. Rama Thirunamachandran declared an interest in the Kent and Medway Medical School.
- 2.2 Andrew Metcalf declared an interest in the Strength in Places item described in the action tracker. His company provides PR support for NIAB EMR's Strength in Places Fund bid.
- 2.3 No other declaration of interest was 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 Jo James drew board members' attention to the LOCASE (Low Carbon Across the South East) programme referred to in the minutes. The LEP will receive additional funding for LOCASE over the next year, and so grants of up to £20,000 are now available to small and medium businesses in the South East to apply for. Jo James asked Board Members to promote the scheme to potential applicants. Further information is available at: <https://www.kentandmedwaygrowthhub.org.uk/learn-about-grants-and-finance/> or <http://locase.co.uk/>
- 3.3 Sarah Nurden (the KMEP Strategic Programme Manager) advised board members under matters arising that the KMEP Business Summit with local MPs had been postponed from 20<sup>th</sup> July, as a memorial service had been called resulting in several MPs giving apologies.
- 3.4 Prof. Mario Caccamo (Managing Director of NIAB EMR) gave a presentation on the company's Strength in Places Fund bid. He made the following comments:
  - 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.
  - The high level aims of the Strength in Places Fund are:
    - To support innovation-led relative regional growth by identifying and supporting areas of R&D strengths that are driving clusters of businesses across a range of sizes that have potential to innovate, or to adopt new technologies - in order that those clusters will become nationally and internationally competitive.
    - To enhance local collaborations involving research and innovation.
  - Applicants are asked to submit a SIPF expression of interest by 25 July 2018.
  - NIAB EMR is working with the University of Greenwich and University of Kent on an expression of interest, and they would welcome the support of KMEP and local stakeholders in supporting the bid.

- The vision of the NIAB EMR bid is to create an innovation platform for the development of high-value food and high-value plant-based production and processing sector in Kent and Medway.
- The bid builds upon the key regional strengths, which includes SELEP's unique geographical location as home to the vast majority of UK high-value horticulture sector and as the gateway to the European market.
- The innovation platform will look at how robotics, AI & machine learning, breeding, nanotechnology and waste minimisation can support horticultural production.
- This research will help upskill and train those in the knowledge bio-economy in the region.
- The current UK horticultural production of fresh fruit and vegetables (excluding potatoes, mushrooms, exotic and citrus fruits) is estimated to be worth £2.2bn. In contrast, the fresh fruit and vegetables imported to the UK (excluding potatoes, mushrooms, exotic and citrus fruits) are valued at £3.5bn.
- If the bid were successful, the increased production could potentially achieve a 30% import substitution of fresh fruit & veg (equivalent to £1bn in value).
- Further outcomes were shared with KMEP, which included the bid helping to grow the 'value-added' food sector by £0.7bn, and grow Agri-tech services, nationally and globally, by £0.6bn.

3.5 The Chairman thanked Prof. Mario Caccamo for his presentation. The Board Members voted and agreed to endorse the submission. A letter of support will be provided to NIAB EMR for submission with the full business case.

#### **Item 4 – The Thames Estuary 2050 Growth Commission**

4.1 Sarah Nurden (KMEP Strategic Programme Manager) alerted the board members to the Thames Estuary 2050 Growth Commission's report, and provided a short summary of its main headlines:

4.2 The Commission has identified fifteen priorities that the Commission believes are critical to achieving its vision for the Thames Estuary by 2050. Of these, the priorities that relate to the Kent and Medway's geographical region are:

- Delivering an extension to Crossrail 1 from Abbey Wood to Ebbsfleet.
- Creating a Transport Innovation Zone in the 'Inner Estuary' which promotes clean technology in transportation, logistics and data systems and unlocks housing opportunities.
- Expediting the delivery of the Medical Campus at Ebbsfleet.
- Creating a North Kent Foreshore fund which local authorities and local communities in Medway, Swale, Canterbury and Thanet can bid for. Projects should support town centre regeneration and/or community development.
- Implementing a more targeted education and skills strategy with employers and educational institutions in Medway, Swale, Canterbury and Thanet that provides clear pathways to employment that support the area's existing and growing economic sectors.
- Developing the new health and medical facilities at Canterbury to provide the eastern anchor to the supercentre.

- 4.3 In addition to these priorities, the Thames Estuary Growth Commission recommends that a robust, locally-led review of governance arrangements be undertaken. This locally-led review should bring forward proposals for strong, streamlined governance arrangements to drive growth.
- 4.4 The Government will respond in full to the Commission's report, including any formal endorsement of its recommendations, within the next six months
- 4.5 In response to the presentation, the following comments were made:
- The Thames Estuary 2050 Growth Commission report refers to the opportunity to strengthen the existing sectors. This includes strengthening the creative and cultural industries and this will be spearheaded through the Thames Estuary Production Corridor. The South East Creative Economy Network (SECEN) is working on the case for investment in the Production Corridor.
  - Jo James asked if the Kent Medical Campus being developed at Maidstone was connected to the delivery of the Medical Campus at Ebbsfleet. John Foster of Maidstone Borough Council said as far as he is aware, these are complimentary, but distinctive initiatives. Online searches for the Kent Medical Campus show the development at Maidstone, so conversations could be useful regarding naming conventions to prevent any confusion for businesses.
  - Michael Conolly asked about the recommendation to review the South East LEP. The Chairman clarified that it had been agreed at previous SELEP and KMEP meetings that the local preference was to retain the current geography, coupled with the existing governance arrangements that are based on the principle of subsidiarity.

## **Item 5 – Kent and Medway Medical School**

- 5.1 The KMEP Chairman welcomed Prof. Rama Thirunamachandran (Canterbury Christ Church University), Prof. Karen Cox (University of Kent) and Prof. Debra Teasdale (CCCU) to the meeting. The presentation was particularly timely, given the Thames Estuary 2050 Growth Commission's recommendation to develop new health and medical facilities in Canterbury.
- 5.2 Prof. Debra Teasdale opened her presentation, reflecting on the value the two universities (Kent and Canterbury Christ Church) make to the local economy. In total, the universities contribute £1.3bn to the South East economy and their staff and students contribute 9,900 jobs to the Kent and Medway economy. Further points made in the presentation included:
- Medical student numbers are controlled by central government. In the Autumn 2017, there was an opportunity for universities to submit a HEFCE funding bid to share the 1,500 new medical school places that are to be made available between 2018 and 2020.
  - The University of Kent and Canterbury Christ Church University decided to submit a joint bid for a Kent and Medway Medical School.
  - The two universities are committed to working together to maximise the benefit gained from using their complimentary resources.
  - The HEFEC bid prioritised the specialisms of general practice and psychiatry, because of the shortage of these professionals operating in Kent and Medway.
  - The bid demonstrated the plans to develop high-quality training placements.

- The universities thanked the KMEP Board Members that wrote letters of support for the HEFEC bid. All local MPs have also supported the initiative.
- In March 2018, the universities were informed that the bid was successful.
- Consequently, the Kent and Medway Medical School (KMMS) will welcome student applications in 19/20, with the new school opening in September 2020.
- There will be 100 students in each cohort per annum (including 7 international students).
- The course will last at least 5 years and could be 6 years if students choose to take an intercollegiate degree.
- Students will gain a dual qualification (Bachelor of Medicine and Bachelor of Surgery), that is jointly awarded by the two universities.
- On branding and communications, there is a webpage [www.kmms.ac.uk](http://www.kmms.ac.uk), a separate email addresses and a distinct identity but it is fundamentally held by both universities.
- Brighton and Sussex Medical School is the 'parent' medical school, providing guidance on the General Medical Council (GMC)-approved curriculum. It is also a GMC requirement to have a 'parent' medical school.
- There is much collaboration with local partners – with every acute trust and primary care provider across Kent and Medway engaged.
- The KMMS team want to engage local students – across all education levels – in considering a career in healthcare/medicine.
- KMMS should help redress the London impact, and help local medical graduates settle in South East.
- There are already medical school students in placements in Kent and Medway arranged by Kings College, however these are not adversely impacted by KMMS. The KMMS leadership are working closely with Kings College Medical School, particularly Professor Tim Lancaster (the Dean of Medical Education), to ensure there is no duplication and competition. Even with the addition of the additional students, there is still a shortage in medics.
- KMMS has established its governance procedures. On recruitment, interviews for the founding dean are taking place imminently. The Founding Dean will be jointly line managed by the two institutions.
- In terms of income and expenditure, the revenue break even point should come in year 7 of programme delivery.
- This was the first time there has been a call for medical school student numbers in UK without any underpinning capital investment being offered. The universities will be seeking capital funding support from any appropriate funding streams to help deliver KMMS, given the significant capital cost of establishing the facilities to deliver the courses. (Anticipated costs are circa £24m).

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

- Peter Fleming commented on the need to encourage graduate retention. Prof. Debra Teasdale explained this is a priority for KMMS and for the universities. Prof. Debra Teasdale is the Dean of the Faculty of Health and Social Care. This faculty currently recruits 70% of its students from the local population and over 65% stay in the local area after graduation. Prof. Rama Thirunamachandran was Deputy Vice-Chancellor and Provost of Keele University when it established a medical school; When the Professor left Keele in 2013, over 50% of the Keele medical students stayed in Staffordshire.
- Jo James complimented the two universities on working together.

- Andrew Metcalfe referred to the Government's decision to change its support for medical schools, so that capital funding is no longer provided. This appears to be a retrograde step. Prof. Debra Teasdale explained that the opportunity to bid for medical school numbers does not occur frequently, so when the opportunity arose, the universities grasped it, and decided they would work together to explore options to gain the capital funding required in parallel.

5.2 The Chairman thanked the presenters for attending. The KMEP Board were asked if they supported the initiative, and they voted to show this was the case.

### **Item 6 – Developing a SELEP pipeline of Local Growth Funding (LGF) projects**

6.1 Sarah Nurden (KMEP Strategic Programme Manager) advised the board members that SELEP had issued a new open call for projects that are seeking capital grant funding.

6.2 She drew board members' attention to the potential scale of the funding pot, and to the eligibility and assessment criteria. She advised on the timetable for receiving any applications and assessing them, which is as follows:

- Applicants wishing to bid for capital grant funding are asked to complete the expression of interest template, and send it to KMEP by Friday **31<sup>st</sup> August 2018**.
- The federated board (KMEP) will be asked to sift the projects at its board meeting on Monday **24<sup>th</sup> September 2018**.
- 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).
- 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.

6.3 No questions or comments were received. The Chairman thanked the KMEP Strategic Programme Manager for the presentation.

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

7.1 Lee Burchill (Kent County Council's LGF Manager) presented the LGF Delivery Monitoring Report. No questions or comments were received.

### **Item 8 - Business Advisory Board: Anonymised Feedback**

8.1 At its board meeting on 26 March 2018, KMEP had approved its revised terms of reference. Since then, the SELEP secretariat has convened 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 requirements expressed during the recent deep dive.

8.2 The only comment provided to the KMEP Strategic Programme Manager by SELEP 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 9A - Sector Support Fund Bid**

- 9.1 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.
- 9.2 Cllr Martin Cox explained that Maidstone Borough Council is requesting £156,000 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.
- 9.3 The KMEP Board voted to endorse this bid to SELEP for Sector Support Fund monies and to recommend that SELEP award the grant.

#### **Item 9B - Energy & Air Quality**

- 9.4 Carolyn McKenzie drew KMEP board members' attention to the 'for information' paper, which provided 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.

#### **Item 9C - Developing a Kent and Medway Enterprise & Productivity Strategy**

- 9.5 Johanna Howarth (Deputy Director of Economic Development at Kent County Council) explained that 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. It has therefore been agreed 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. KMEP will be an important stakeholder for this piece of work, and Johanna Howarth will return to a future KMEP meeting to engage and update board members.



**ITEM 3B**

**Date:** 24 September 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
SELEP meetings	<p><u>SELEP Accountability Board:</u></p> <p>The South East LEP’s Accountability Board met on 14 September 2018. The following agenda items were discussed:</p> <ul style="list-style-type: none"> <li>• Leigh Flood Storage Area – Awarded LGF</li> <li>• Southend Airport Business Park – Awarded LGF</li> <li>• Innovation Park Medway – Awarded GPF</li> <li>• M20 Junction 10a - Update</li> <li>• A13 Widening - Update</li> <li>• Local Growth Fund Capital Programme - Update</li> <li>• Growing Places Fund Programme – Update</li> <li>• Assurance Framework and Deep Dive Implementation - Update</li> <li>• 2018-19 Revenue Budget - Update</li> </ul> <p><u>SELEP Strategic Board:</u></p> <p>The SELEP Strategic Board will meet on 28 September 2018. It is anticipated the following agenda items will be discussed:</p> <ul style="list-style-type: none"> <li>• LEP Review – <i>A vote to endorse the geography proposal will be taken</i></li> <li>• Draft Strategic Economic Plan / Economic Strategy Statement – <i>A presentation may be given by the SELEP CEO</i></li> <li>• LGF3b</li> <li>• Tri-LEP Energy Statement</li> <li>• Garden Communities – Presentation by Ebbsfleet Development Corporation</li> <li>• Local Growth Fund Capital Programme Update</li> <li>• Growing Places Fund Programme Update</li> </ul>
Additional board meeting	SELEP has called an additional Strategic Board meeting for Thursday 25 <sup>th</sup> October at 10am at High House, Purfleet.

<p>Highways England Engagement</p>	<ul style="list-style-type: none"> <li>• A Kent Corridor Advisory Group meeting was held of 12 Sept 2018; the KMEP Strategic Programme Manager along with other KMEP and BAB Members attended it.</li> <li>• Highways England led the event. The purpose of the meeting was to request volunteers that would wish to sit on the Kent Corridor Stakeholders' Group. These will be monthly meetings, organised by Highways England. At these meetings, local stakeholders will be asked by Highways England to provide their feedback on issues on the HE road network. The KMEP Strategic Programme Manager volunteered, and will ensure that information is shared at future KMEP meetings and via email, so your views can be fed into the process.</li> </ul>
<p>Recent government announcements that could be of interest include:</p>	<p>£98,077 of Coastal Communities Fund was awarded to the 'Cycle Friendly Deal' project to create a new tourism offer aimed at families and occasional cyclists to make Deal a cycle friendly town. (15 Sept)  <a href="https://www.gov.uk/government/news/6-million-awarded-to-successful-coastal-projects-in-first-wave-of-funding">https://www.gov.uk/government/news/6-million-awarded-to-successful-coastal-projects-in-first-wave-of-funding</a></p> <p>Organisations can apply for a share of up to £20 million to develop game-changing technologies with commercial potential that could lead to UK economic growth.(14 Sept)  <a href="https://www.gov.uk/government/news/innovative-ideas-that-could-grow-the-economy-apply-for-funding">https://www.gov.uk/government/news/innovative-ideas-that-could-grow-the-economy-apply-for-funding</a></p> <p>£1 billion housing delivery (loan) fund launched by James Brokenshire in partnership with Barclays to help support small and medium sized developers and speed up the delivery of new homes. (12 Sept)  <a href="https://www.gov.uk/government/news/1-billion-housing-delivery-fund-launched-by-brokenshire-in-partnership-with-barclays">https://www.gov.uk/government/news/1-billion-housing-delivery-fund-launched-by-brokenshire-in-partnership-with-barclays</a></p> <p>Preferred corridor (B) for the new Oxford to Cambridge Expressway announced. Will open to traffic by 2030. (12 Sept 18)  <a href="https://www.gov.uk/government/news/corridor-announced-to-unlock-full-potential-of-englands-economic-heartland">https://www.gov.uk/government/news/corridor-announced-to-unlock-full-potential-of-englands-economic-heartland</a></p> <p>A £25 million funding competition will offer grants to innovative businesses with projects to develop batteries for future electric vehicles (12 Sept).  <a href="https://www.gov.uk/government/news/future-electric-vehicles-new-faraday-battery-challenge-funding">https://www.gov.uk/government/news/future-electric-vehicles-new-faraday-battery-challenge-funding</a></p> <p>Landmark Agriculture Bill to deliver a Green Brexit (12 Sept).  <a href="https://www.gov.uk/government/news/landmark-agriculture-bill-to-deliver-a-green-brexit">https://www.gov.uk/government/news/landmark-agriculture-bill-to-deliver-a-green-brexit</a></p> <p>Mark Carney to continue as the Governor of Bank of England until January 2020. (11 Sept)  <a href="https://www.gov.uk/government/news/mark-carneys-term-extended-and-sir-ion-cunliffe-re-appointed-at-the-bank-of-england">https://www.gov.uk/government/news/mark-carneys-term-extended-and-sir-ion-cunliffe-re-appointed-at-the-bank-of-england</a></p> <p>Latest trade figures show demand for British goods and services is higher than ever, with exports at a record high of £629.3 billion in the year to July 2018 (11 Sept).  <a href="https://www.gov.uk/government/news/july-figures-show-uk-exports-remain-at-record-high">https://www.gov.uk/government/news/july-figures-show-uk-exports-remain-at-record-high</a></p> <p>More students from across the globe are choosing to study at UK universities, according to an international study on the world's best education systems. (11</p>

Sept)

<https://www.gov.uk/government/news/international-education-study-highlights-uk-strength>

Businesses with innovative late-stage projects can apply for a loan of up to £1 million to help secure future growth and commercial success. (7 Sept).

<https://www.gov.uk/government/news/get-a-game-changing-idea-to-market-apply-for-an-innovation-loan>

Fortunes of mankind depend on the talents of womankind (7 Sept)

<https://www.gov.uk/government/news/fortunes-of-mankind-depend-on-the-talents-of-womankind>

New pilot scheme to bring 2,500 seasonal workers to UK farms (6 Sept)

<https://www.gov.uk/government/news/new-pilot-scheme-to-bring-2500-seasonal-workers-to-uk-farms>

Funding allocated for councils to help rough sleepers (5 Sept)

<https://www.gov.uk/government/news/funding-allocated-for-councils-to-help-rough-sleepers>

New Northern Powerhouse partners named as exports rise (16 Aug)

<https://www.gov.uk/government/news/new-northern-powerhouse-partners-named-as-exports-rise>

New garden communities programme announced (15 Aug)

<https://www.gov.uk/government/news/james-brookshire-plans-increase-in-garden-towns>

£45 million investment in rural broadband (26 July)

<https://www.gov.uk/government/news/45-million-investment-in-rural-broadband>

The Marine Management Organisation approved an application from Dover Harbour Board to carry out aggregate dredging at Area 521, known as the South Goodwin Sands (26 July)

<https://www.gov.uk/government/news/dover-dredging-application-decision>

Forging a full fibre broadband and 5G future for all (23 July)

<https://www.gov.uk/government/news/forging-a-full-fibre-broadband-and-5g-future-for-all-2>

Digest of UK Energy Statistics 2018 (26 July)

<https://www.gov.uk/government/news/statistical-press-release-digest-of-uk-energy-statistics-2018>

Funding from EU programmes guaranteed until the end of 2020 (24 July)

<https://www.gov.uk/government/news/funding-from-eu-programmes-guaranteed-until-the-end-of-2020>

Government proposes shake-up of Local Enterprise Partnerships (24 July)

<https://www.gov.uk/government/news/government-proposes-shake-up-of-local-enterprise-partnerships>

Revised National Planning Policy Framework published (24 July)

<https://www.gov.uk/government/news/governments-new-planning-rulebook-to-deliver-more-quality-well-designed-homes>

Dominic Raab statement on the White Paper on Legislating for the Withdrawal Agreement between the UK and the EU (24 July)

<https://www.gov.uk/government/speeches/sos-dominic-raab-statement-on-the-white-paper-on-legislating-for-the-withdrawal-agreement-between-the>

[uk-and-the-eu](#)

Annual update on Crossrail 2018 (24 July)

<https://www.gov.uk/government/speeches/annual-update-on-crossrail-2018>

Severe obesity in 10 to 11 year olds reaches record high (24 July)

<https://www.gov.uk/government/news/severe-obesity-in-10-to-11-year-olds-reaches-record-high>

Liam Fox launches consultations on UK's trading future outside of EU (23 July)

<https://www.gov.uk/government/news/liam-fox-launches-consultations-on-uks-trading-future-outside-of-eu>

Cash injection for Northern Powerhouse as Cabinet visits North East (23 July)

<https://www.gov.uk/government/news/cash-injection-for-northern-powerhouse-as-cabinet-visits-north-east>

James Brokenshire provides stronger powers for councils to tackle empty homes (18 July)

<https://www.gov.uk/government/news/james-brokenshire-provides-stronger-powers-for-councils-to-tackle-empty-homes>

Government adopts new framework for marine activities around the south coast of England (17 July)

<https://www.gov.uk/government/news/milestone-for-managing-seas-in-south-of-england-reached>

## ITEM 4

**Date:** 24 September 2018

**Subject:** LEP Review

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

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### Summary

Local Enterprise Partnerships (LEPs) are a core component of the Government's plan for driving local economic growth. To strengthen the LEPs in preparation for their role in developing Local Industrial Strategies, the Government commenced a review of LEPs in August 2017.

In July 2018, the Government published their report '*Strengthened Local Enterprise Partnership*'. This report sets out the conclusions of the Government's review. They include a series of Government commitments alongside several reforms to leadership, governance, accountability, and financial reporting that the Government will work with LEPs to implement before April 2019.

The Government has asked LEPs and local stakeholders to come forward with considered proposals for LEPs' geographical boundaries by 28 September 2018.

### Recommendations

- In response to the Government's request for local stakeholders to come forward with geography proposals, the KMEP Board will be asked to vote on their preferred geography.
  - The KMEP Board is asked to decide if an additional KMEP Board Meeting should be held in advance of a detailed implementation plan being submitted to Government by 31 October.
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## 1. Introduction and background to the LEP Review

1.1 Local Economic Partnerships (LEPs) are partnerships between business, local government and education partners. LEPs were set up by the Government in 2010 to replace Regional Development Agencies to drive local economic growth.

1.2 In August 2017, Jake Berry MP (Minister for the Northern Powerhouse and Local Growth) and Margot James MP (then Under-Secretary of State for Small Business) wrote to advise the LEP Chairs that there would be a Ministerial review of the future role and responsibilities of the LEPs. The letter explained that the Government wanted to explore ways of putting all LEPs on a more consistent legal footing.

1.3 The Industrial Strategy White Paper published in November 2017 confirmed the role the Government saw for LEPs delivering Local Industrial Strategies. Key phrases in the White Paper include:

- *We (the Government) remain firmly committed to LEPs.*
- *From 2018, the Prime Minister will chair a biannual ‘Council of LEP Chairs’. This will provide an opportunity for LEP leaders to inform national policy decisions.*
- *While LEPs across the country have played an important role in supporting local growth, feedback suggests that their performance has varied.*
- *We are reviewing the roles and responsibilities of LEPs and will bring forward reforms to leadership, governance, accountability, financial reporting and geographical boundaries.*
- *We will work with LEPs to set out a more clearly defined set of activities and objectives in early 2018.*
- *We will agree and implement appropriate structures for holding LEPs to account.*
- *We will work with LEPs to review overlapping geographies and ensure people are clear as to who is responsible for driving growth in their area.*
- *We recognise that in order to deliver their role effectively, LEPs need financial support. We will make additional financial resources available to LEPs that demonstrate ambitious levels of reform following the review.*
- *We will work with LEPs across all areas of England to establish Skills Advisory Panels. These will enable LEPs to support employers, education providers and local government in identifying current and future local skills needs shaping the provision and funding of post- age 16 education and training and careers guidance. We will work with LEPs, Growth Hubs, universities and the private sector to support high potential businesses to scale up.*
- *We will support LEPs in translating and co-ordinating regulatory frameworks that focus on local business needs, simplifying the way regulation is delivered.*

## **2. Government’s Findings**

2.1 The findings of the Government’s LEP Review were published on 24 July 2018 in a report entitled “Strengthened Local Enterprise Partnerships”. The full report can be found at: <https://www.gov.uk/government/publications/strengthened-local-enterprise-partnerships>.

2.2 The report’s conclusions were informed by an advisory panel and ultimately were determined by Ministers in MHCLG<sup>1</sup>, BEIS<sup>2</sup>, and HMT<sup>3</sup>. Most representatives on the advisory panel came from business organisations, universities, and city councils. Two advisory panel members were members of a LEP Board.

2.3 This paper now summarises the key reforms included in the LEP Review.

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<sup>1</sup> MHCLG = Ministry of Housing, Communities and Local Government

<sup>2</sup> BEIS = the Department for Business, Energy and Industrial Strategy

<sup>3</sup> HMT = Her Majesty’s Treasury

### 3. Reform: The role of LEPs

- 3.1 On establishment in 2010, LEPs were given a broad and relatively unspecified role ‘to drive sustainable private sector-led growth and job creation’. The Government now states that LEPs will be able to make the most effective use of available resources and funding by being clearer on their roles and responsibilities and by sharing best practice.
- 3.2 The Government will publish a statement on the role and responsibilities of the LEPs. The LEPs’ role must focus on the following four activities:
- **Strategy:** Develop an evidence-based Local Industrial Strategy by early 2020 that identifies local strengths and challenges, future opportunities and the action needed to boost productivity, earning power and competitiveness across their area. The analysis of a LEP’s Skills Advisory Panels must feed into the development of the Local Industrial Strategy.
  - **Allocation of funds:** LEPs must identify and develop local investment opportunities; they must prioritise the award of local growth funding; and they must monitor and evaluate the impacts of their activities to improve productivity across the local economy.
  - **Co-ordination:** They must use their convening power, for example by co-ordinating responses to economic shock; and bringing together partners from the private, public and third sectors.
  - **Advocacy:** They must collaborate with a wide-range of local partners to act as an informed and independent voice for their area.

### 4. Reform: LEP leadership & composition

- 4.1 The Review touches on the role of the various partners that sit on LEP Boards.
- 4.2 The Review supports the continued leadership of LEPs by the private sector and, through the proposed reforms makes businesses’ contributions more prominent. To quote the report, ‘businesses pay the taxes, create the jobs and provide the economic growth that will deliver the ultimate outcomes of the Industrial Strategy’.
- 4.3 The Review emphasizes that LEPs must be private-sector led independent partnerships, accountable to local communities. LEPs are encouraged to prioritise policies and actions on the basis of clear economic evidence and market intelligence from businesses and local communities.
- 4.4 The Government acknowledges that local authorities are critical to LEPs and should provide political accountability and community knowledge. The Review also acknowledges that Councils have a key role in creating quality places and supporting local business growth through their statutory functions, and investment in infrastructure.
- 4.5 LEP collaboration with universities, further education, the voluntary sector, and other key economic and community stakeholders is described as best practice.
- 4.6 Based on this, the Government’s aspiration is that two-thirds of board members should be from the private sector, and that the LEP must provide a secretariat independent of local government to support the Chair and Board in decision-making.

- 4.7 Furthermore, the Government states that LEPs must establish boards which are more representative of local communities but they must have no more than 20 members, with the option to co-opt up to five additional board members with specialised knowledge for the maximum of one year. The Review does not give its reasoning for reducing the number of board members.
- 4.8 The Government wants LEP boards to represent the diverse communities and businesses that they serve. Consequently, LEPs must improve the gender balance and increase the representation of those with protected characteristics on boards. The Government wants women to make up at least 33% of LEP boards by 2020, rising to 50% by 2023.
- 4.9 Other reforms and key comments include:
- A Deputy Chair for each LEP must be appointed.
  - LEPs should consult widely and transparently with the business community before appointing a new Chair; and the Government will offer to list Chairs' vacancies on the Centre for Public Appointments website.
  - LEPs must introduce defined term limits for Chairs and Deputy Chairs in line with best practice in the private sector.
  - LEPs are encouraged to have more diverse representation of sectors, and should consider having entrepreneurial and growing start-ups representatives, as well as voluntary and community sector bodies.
  - LEPs should look for board members that bring a range of expertise to the role (e.g. business leaders, charity trustees or school governors).
- 4.10 To help the LEPs fulfil their duties, the Government will offer an induction and training programme for LEP board members and officers on working with Government.
- 4.11 The Government will also increase regular dialogue with LEPs. There will be a senior official sponsor for each LEP, and a Prime Minister-chaired Council with LEP Chairs. In addition, as well as the existing annual conversation (between Whitehall and each LEP's Management Team), the Government will introduce a new mid-year review session with each LEP.

## **5. Reform: LEP accountability & transparency**

- 5.1 The Review insists that LEPs must operate to the highest standards of accountability, transparency and governance in the use of public funding. Between 2015 and 2021, the Government is awarding £9 billion to LEPs through the Local Growth Fund but future funding to individual LEPs is dependent on their compliance with the recently published reforms.
- 5.2 The Government's reforms seem to have been influenced by the recent scrutiny of the LEPs' governance by the Public Accounts Committee and the National Audit Office. This scrutiny led to general criticisms of LEP transparency and a specific allegation of misuse of public funds at Greater Cambridgeshire and Greater Peterborough LEP (which led to the withdrawal of all funding from the GCGP LEP even though the core allegation was not upheld).



5.3 As the Government Ministers remain ultimately accountable for the overall system and proper use of public funds, they say that the reforms are designed to ensure that mechanisms are in place to improve accountability.

5.4 These reforms are:

- A new **National Assurance Framework** for LEPs that details the Government's approach to intervention when there is non-compliance or underperformance by LEPs.
- The full implementation of the recommendations of the **Mary Ney Review** on governance and transparency.
- LEPs must become companies with a **separate legal personality**. This will allow LEPs 'to enter into legal commitments to take on further responsibilities in the future'.
- LEPs must identify a **single Accountable Body**. Its Section 151 Officer will be responsible for maintaining accountability and for the proper conduct of financial affairs in the LEP.
- LEPs must actively participate in relevant **local authority scrutiny panel** enquiries to ensure effective and appropriate democratic scrutiny of their investment decisions.
- LEPs ought to arrange and properly promote **AGMs** that are open to the public and businesses, so they can understand and influence the economic plans for the area.
- LEPs must set out exactly **who is accountable** for spending decisions, appointments, and overall governance locally in its schemes of delegation and partnership agreements – giving clarity on the responsibilities of the Chair, Board, Director, and Accountable Body.
- The LEP Chair must have an 'eye for detail' and ensure the correct processes are in place to provide assurance on how funding is allocated and managed.
- The Government will require **robust evaluation** of individual projects and interventions (that link to a strong local evidence base of economic strengths, weaknesses, and comparative advantages within a national and international context) before it invests public funds.
- LEPs must produce an **annual delivery plan** and **end-of-year report** (see next section for more details).

## 6. Reform: LEP performance & resources

6.1 The current performance management of LEPs is mainly conducted through the annual conversation between Government and the LEP Management Team (i.e. Chair, CEO, and S151 officer or equivalent). In addition, the Government receive quarterly data monitoring reports from each LEP.

6.2 As aforementioned, the Government is increasing their dialogue with LEPs, and will introduce a new mid-year review session with each LEP.

6.3 In future, each LEP will be responsible for producing an annual delivery plan and end-of-year report, the first of which must be ready by April 2019. The plan and report should include:

- a set of headline outcome indicators based on local priorities,
- a thorough understanding of the local economic evidence base,
- quantitative and qualitative measures on which the Government will assess LEP performance,

- information on national and local funding allocations,
- details of monitoring and evaluation approaches,
- plans for consultation and engagement with public, private and voluntary and community-based bodies,
- information on how LEPs will deliver local growth programmes, such as Enterprise Zones and Growth Hubs, and
- details of how LEPs will work with local authorities to make their existing levers drive economic growth and ensure that the planning system is responsive to commercial development.

6.4 The annual delivery plan and end-of-year report, coupled with an annual economic outlook commissioned by the Government, will be published and used to benchmark LEPs' performance and economic performance across the country.

6.5 The review also states that the Government will commission an independent benchmarking of capacity and capability of all LEPs against best practice, so that performance requirements match resources available. An additional £20m will be made available between now and March 2020 to support LEPs in implementing these reforms and embedding evidence in local industrial strategies.

6.6 The Review emphasizes that the Government's primary ambition is for LEPs to act as a self-regulating sector, hence the final reform is for there to be regular peer review to assess and improve LEP performance, supported by the LEP Network.

## **7. LEP Geography**

7.1 While the Government sets out the specific reforms described above, the Review Report does not stipulate the geographical boundaries for LEPs in its review. The geography of each LEP is therefore open for consultation.

7.2 The Government is seeking to form LEPs that reflect "functional economic areas". They recognise that the size and scale of the 38 existing LEPs varies substantially. For example, the Black Country LEP covers fewer than 36,000 square hectares whereas the York, North Yorkshire and East Riding LEP covers over 1,000,000 square hectares. In terms of population size, the South East LEP is by far the largest LEP (apart from London LEP) with over 4 million residents. In contrast, Cumbria is the smallest LEP with fewer than 0.5 million residents.

7.3 The Government is asking LEPs and local stakeholders to come forward with considered proposals by end of 28 September 2018 on geographies which best reflect real functional economic areas, remove overlaps and, where appropriate, propose wider changes such as mergers.

7.4 Where mayoral combined authorities exist, LEPs are strongly encouraged to move toward coterminous boundaries where appropriate.

7.5 The Government does not wish any future LEP boundary to act as a deterrent to growing the economy, and so the Report urges the LEPs to collaborate with other LEPs across England on matters of common interest.

## 8. Timeframe for implementation

8.1 The key dates relating to the LEP Review are as follows:

Year	Event
2018	<ul style="list-style-type: none"> <li>On 24 <b>July 2018</b>, the Government issued the LEP Review ‘Strengthened Local Enterprise Partnerships’.</li> <li>In <b>July 2018</b>, the Government agreed the second tranche of LEPs to work with the Whitehall in developing Local Industrial Strategies – (see <a href="https://www.gov.uk/government/news/a-boost-for-north-east-innovation-to-promote-high-quality-jobs-and-growth">https://www.gov.uk/government/news/a-boost-for-north-east-innovation-to-promote-high-quality-jobs-and-growth</a> for full details).</li> <li>The Government undertook to publish a statement on Local Industrial Strategies to guide locally-led work in <b>summer 2018</b>.</li> <li>LEPs and local stakeholders must come forward with considered proposals by end of <b>28 September 2018</b> on geographies which best reflect real functional economic areas.</li> <li>LEPs must submit a detailed plan to Government for implementing the reforms by <b>31 October 2018</b> by the latest.</li> <li>The revised LEP Assurance Framework will be published in early <b>Autumn 2018</b> to provide further clarity on the reforms.</li> <li>The Government will provide £20 million in additional capacity funding to support Local Enterprise Partnerships between <b>2018-19 and 2019-20</b>. The amount given to each LEP will be linked to performance requirements.</li> </ul>
2019	<ul style="list-style-type: none"> <li>LEPs must be compliant with the new National LEP Assurance Framework by <b>28 February 2019</b>. Their <b>new legal structure</b> must be in place before <b>April 2019</b>. Both actions must be implemented <b>ahead of</b> release of <b>any further Local Growth Funding</b> in <b>April 2019</b>.</li> <li>Consultation with the business community to take place prior to the appointment of a new LEP Chair and Deputy Chair by <b>28 February 2019</b>.</li> <li>The first Local Industrial Strategies will be agreed with Government by <b>March 2019</b>.</li> <li>LEPs must have published their annual delivery plan <b>by April 2019</b>.</li> </ul>

	<ul style="list-style-type: none"> <li>Local Assurance Frameworks for the LEPs must be updated to take account of the reforms ahead of <b>April 2019</b>.</li> <li>The Government will provide £20 million in additional capacity funding to support Local Enterprise Partnerships between <b>2018-19 and 2019-20</b>. The amount given to each LEP will be linked to performance requirements.</li> </ul>
2020	<ul style="list-style-type: none"> <li>Revised LEP geographies will come into effect by <b>spring 2020</b> at the latest.</li> <li>The Government wants women to make up at least 33% of LEP boards by <b>2020</b>.</li> <li>The Government will agree all Local Industrial Strategies across England by <b>early 2020</b>.</li> <li>The Government will provide £20 million in additional capacity funding to support Local Enterprise Partnerships between <b>2018-19 and 2019-20</b>. The amount given to each LEP will be linked to performance requirements.</li> </ul>
2021	<ul style="list-style-type: none"> <li>Local Growth Funding runs until March 2021. By this date, information on the UK Shared Prosperity Fund should have been issued. The UK SPF is expected to replace Local Growth Funding and the European Structural Investment Funding.</li> </ul>
2022	<ul style="list-style-type: none"> <li>N/A</li> </ul>
2023	<ul style="list-style-type: none"> <li>The Government wants women to make up 50% of LEP boards <b>by 2023</b>.</li> </ul>

## 9. The current context for Kent and Medway

### 9.1 The reforms contained in the review (if implemented) will necessitate change to the current LEP arrangements, for example:

- SELEP is not constituted as a legal entity but as an informal partnership.
- 28 members sit on the SELEP Strategic Board: Of these, 14 are from business, 12 from local authorities, 1 from Higher Education, and 1 from Further Education. Women members represent fewer than 20 per cent. These board members (apart from the Higher and Further Education representatives) are selected by the federated boards.
- It is unclear whether the membership of the SELEP Accountability Board, the SELEP Investment Panel, and the federated boards must reflect the Government's reforms (e.g. in terms of maximum board size, gender balance, public-private ratios, etc).

9.2 The importance of ensuring the future LEP governance arrangements are satisfactory to the Government cannot be overstated. The Government has ringfenced £187 million of Local Growth Funding (LGF) for Kent and Medway between 2015 and 2021. This money is drawn down on an annual basis. LGF is delivering a wide range of projects – from a new engineering teaching and research hub at Canterbury Christ Church University, to junction improvements across Kent & Medway, to better flood mitigation at Leigh to name but a few examples. The Government has said future tranches of funding will only be accessible if the future LEP governance meets the Government’s requirements.

## 10. Engagement to date

10.1 Extensive engagement has been undertaken to collate local stakeholders’ views on the LEP review, particularly regarding geography. This engagement has included:

- The KMEP Chairman/SELEP Vice-Chair writing to all KMEP board members and to local businesses to canvass their opinion on the LEP Review, including the geography question.
- The KMEP Strategic Programme Manager gave a presentation to the Kent and Medway Business Advisory Board (BAB) (whose members include the Chamber of Commerce, the Federation of Small Businesses, and the Institute of Directors), and asked them to state their preferences.
- Leaders from all local authorities (County, Unitary and District) were invited to a meeting to discuss the review and express their views.
- Contact was made directly with the Further Education and Higher Education institutions in Kent and Medway, and they emailed their preferences to KMEP.

10.2 In summary, the overwhelming preference of all the respondents (to date) is for the retention of the existing governance structure of SELEP, which is built on the federated board model.

## 11. Stakeholder feedback on geography

11.1 The feedback received from stakeholders is that the question of geography cannot be separated from the question of governance – they are inextricably linked.

11.2 The overwhelming preference of the respondents appears to be to retain the South East LEP’s current geography subject to:

- the government agreeing that SELEP will continue to work on the principle of subsidiarity so it can retain its federated board model with local decision-making.
- Fellow federated boards (i.e. EBB<sup>4</sup>, OSE<sup>5</sup>, TES<sup>6</sup>) sharing this preference.

These are clear red lines for KMEP stakeholders according to the feedback received so far.

11.3 Clarification continues to be sought from Ministers and civil servants in the Cities and Local Growth Unit on whether this ‘red line’ proposal will meet with their agreement.

11.4 To be pragmatic, local stakeholders’ views have been sought in the event of a) the Government clarifying that SELEP cannot continue to operate on the principle of subsidiarity

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<sup>4</sup> Essex Business Board

<sup>5</sup> Opportunity South Essex

<sup>6</sup> Team East Sussex

through its federated board structure, or b) fellow federated boards expressing a different preference. If either option a) or b) were to happen, a clear majority of stakeholders have indicated that they would wish to have conversations with Team East Sussex on the opportunity to form an East Sussex, Kent and Medway LEP.

11.5 The KMEP Board Members will be asked to vote on 24<sup>th</sup> September to show if this understanding is correct.

## **12. Stakeholder feedback on role of the private and public sector**

12.1 At the meeting of the Business Advisory Board (BAB), private sector representatives referred to the proposed increase in private sector board members on the LEP.

12.2 The Government's ambition for '*businesses to provide essential market intelligence to inform local decision making*' was met with strong approval and agreement. However, businesses feel that the existing LEP and federated board arrangements already actively support them to provide a strong voice to inform decision-making, and to provide market intelligence to the LEP. Changing the ratio of private to public sector board members would not alter this.

12.2 At BAB, businesses strongly emphasised the important role of the public sector in any future LEP arrangements. The public sector provides the democratic accountability, the financial oversight to ensure the proper use of public funds, the community knowledge, and essential skills and resources to help the LEP and its federated boards maximise its ability to drive forward economic growth. There was significant unease from businesses over the proposal to dilute the local authority representation, and move away from the current situation where there is a business-led LEP that benefits from a strong collaborative working relationship with the public sector. Potential personal liability is already making businesses apprehensive concerning their engagement with LEP activities and could lead to a smaller pool of businesses willing to put themselves forward to sit on the LEP.

12.3 There was a unanimous vote by the business community acknowledging the vital function that local authorities provide in the current LEP arrangements, and a request was made to make central government aware that businesses very strongly wish to retain the current proportional split between local authorities and businesses, rather than move towards a 2/3 split.

## **13. Other stakeholder feedback**

13.1 The stakeholder feedback did not exclusively relate to the issues of geography and proportionality; however these were the most resounding messages received in response to the engagement exercise. For example, the stakeholders applauded the government for its active promotion of achieving a gender balance that reflects the community, however stakeholders felt that this should not be at the expense of meritocracy, and a pragmatic approach would be required until such a time as the private sector leadership in the county reflects its demography.

## 14. Next Steps and Future Engagement

14.1 The Government has requested that the Local Enterprise Partnerships submit a detailed implementation plan by 31 October 2018.

14.2 The Government has stipulated that, within the detailed implementation plan:

- *The LEP should outline its plans to draft and publish an annual delivery plan by April 2019 and an end of year report at the end of the 2019-20 financial year.*
- *The LEP should outline its draft proposed process for consultation of the business community before appointing a new Chair. LEPs should plan to have this process in place by 28 February 2019.*
- *The LEP should outline its plans to introduce defined term limits for Chairs and Deputy Chairs. LEPs should plan to have this process in place by 28 February 2019. LEPs should also plan to have a Deputy Chair in place by 28 February 2019.*
- *The LEP should outline its plans to meet the recommendation to change the composition of the board to meet the review recommendations. The detailed implementation plan should outline:*
  - *how the LEP plans to increase the private sector board membership to 2/3 private sector.*
  - *how the LEP will ensure that the board does not exceed a maximum of 20 persons.*
  - *The LEP arrangements for co-opted members (if applicable).*
- *The LEP should outline how it will demonstrate the work that it will undertake to encourage board diversity, including enacting any changes in the National Assurance Framework.*
- *The LEP should outline how it plans to put in place arrangements to ensure that all board members, whether from a public, private or third sector organisation, can access impartial advice and support from the LEP as a collective enterprise. The detailed implementation plan should outline the timeframe in which the LEP expects to have this independent secretariat in place.*
- *The LEP must outline its plans to adopt a legal personality. All LEPs should plan to adopt a legal personality by April 2019<sup>7</sup>.*
- *The LEP must outline how it plans to adopt a single Accountable Body within each area. The detailed implementation plan should outline the timeframes in which the LEP expects to have this arrangement in place. The plan should also include details about the transition of any funding arrangements<sup>8</sup>.*
- *The LEP should outline its commitment to hold an annual general meeting; open to the public to attend. The LEP should hold its first/next public Annual General Meeting in the 2019-20 financial year.*
- *The LEP should outline its plans to review the responsibilities of the Chair, Board, Director, and Accountable Body and discuss plans to outline these responsibilities in a revised Local Assurance Framework.*
- *The LEP should outline how it plans to discuss and agree scrutiny and oversight processes with the LEP's Accountable Body Section 151 Officer.*

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<sup>7</sup> Where changes to geographies have been agreed, LEPs and Government will agree an appropriate timeframe for incorporation

<sup>8</sup> LEPs should outline where programmes, such as Enterprise Zones, will continue under existing Accountable Body arrangements.

14.3 Creating a detailed implementation plan which meets with the agreement of all parties will require additional stakeholder engagement. SELEP has called an additional meeting of its Strategic Board for Thursday 25<sup>th</sup> October at 10am at High House, Purfleet, to allow for this. At present, the next meeting of KMEP is only due to happen on 26 November 2018.

14.4 The KMEP board is asked to decide if an additional KMEP Board Meeting should be held in advance of the SELEP Strategic Board, and a detailed implementation plan being submitted to Government by 31 October.

## 15. **Recommendations**

15.1 The KMEP Board is asked to:

- vote on its preference for the LEP geography and whether this is reflected correctly in paragraphs 11.2 – 11.4 of this report.
- decide if an additional KMEP Board Meeting should be held in advance of a detailed implementation plan being submitted to Government by 31 October.



## ITEM 6

**Date:** 24 September 2018

**Subject:** Crossrail to Ebbsfleet: Strategic Outline Business Case update

**Report authors:** Richard Longman, Head of Policy, Thames Gateway Kent Partnership  
Stephen Gasche, Principal Transport Planner (Rail), Kent County Council

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### Summary:

This report outlines the proposal for an extension of Crossrail from Abbey Wood to Ebbsfleet (C2E), which is supported by a Strategic Outline Business Case (SOBC). The C2E project is being developed by a partnership of stakeholders, led by Transport for London (TfL) / Greater London Authority (GLA), and supported by London Borough of Bexley, Kent County Council, Dartford Borough Council, Gravesham Borough Council, Thames Gateway Kent Partnership, and Ebbsfleet Development Corporation.

The partnership operates at two levels: a chief executives' group and an officer working group, with each partner represented on both. The SOBC for the project is almost complete and will be presented to HM Government to support a bid for funding in the November 2018 budget for the development of a full business case. This is intended to demonstrate a wide spectrum of political and private sector support for the project and would represent a milestone achievement in securing its delivery by the late 2020s.

This report is brought to KMEP to inform members of current developments with the C2E project.

### Recommendations:

- The KMEP Board is asked to receive and note this report on the Crossrail to Ebbsfleet project and the development of its Strategic Outline Business Case.
  - The KMEP Board is asked to agree that the Chair should write on behalf of KMEP to the relevant Ministers in support of the SOBC once it is submitted.
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## 1. Introduction

1.1 The C2E project is supported and promoted by the Greater London Authority, Transport for London, London Borough of Bexley, Kent County Council, Dartford Borough Council, Gravesham Borough Council, Thames Gateway Kent Partnership and Ebbsfleet Development Corporation and. The project has been supported by a C2E Chief Executives' group and by an officer working group, each of which comprises members or officers from all the participating partners.

- 1.2 The SOBC sets out the five 'cases' required to support a project proposal, i.e. economic, financial, commercial, strategic and management. Its purpose is to justify the overall strategic case for the C2E project, based on forecast housing, population and employment growth enabled throughout the proposed route.
- 1.3 The SOBC is to be presented to HM Government in time to inform the spending proposals in the November 2018 Budget, in support of a bid for Government funding for development of the full Business Case. The objective is both to secure political and private sector support and to ensure the required funding is committed for the next stage of the project.

## **2. The rationale for C2E**

- 2.1 Crossrail to Ebbsfleet (C2E) is a once-in-a-generation opportunity for South East London, Kent and the wider Thames Gateway Kent area to unlock their growth potential. It is a high-impact scheme set to transform the economic geography of the London-North Kent corridor.
- 2.2 In 2004, when the decision was made to truncate Crossrail's south-east branch short of Ebbsfleet, it established a critical asymmetry in rail network connectivity in the Thames Estuary - excluding Kent and much of South East London from the Crossrail vision. That decision was made in a different political and economic context. Over ten years on, and in the face of significant housing growth and therefore rising demand, it is time to revisit it.
- 2.3 The map in appendix 1 shows an indicative route of a C2E extension eastwards from Abbey Wood. This would provide Ebbsfleet with a transport interchange linking High Speed domestic and international services with Elizabeth Line services and an extended Fastrack bus network serving Ebbsfleet Garden City and the wider north-west Kent area.

## **3. Enhanced rail capacity and connectivity with C2E**

- 3.1 The key objectives of the C2E project are radically to improve the capacity and connectivity on the rail network serving North Kent and South East London (North Bexley). This will support economic and housing growth across the area with benefits also reaching further into Kent.
- 3.2 The scope for increasing capacity on the existing rail infrastructure is constrained in particular by limitations at the London termini, notably Charing Cross and Cannon Street. This constraint has knock-on effects throughout the North Kent rail corridor, both on travel patterns and on the scale and pace of housing and economic growth and regeneration. C2E's potential is to open different pathways into London, and westwards towards the Thames Valley, relieving pressure on existing constrained pathways, improving the resilience of the network and unlocking growth.
- 3.3 C2E thus accords with national policies by promoting a sustainable public transport intervention to support housing and employment growth to drive up productivity and prosperity.
- 3.4 Partners estimate that the C2E investment would support delivery of around 40,000 net additional homes and 20,000 net additional jobs, depending on the delivery option chosen.

C2E would improve Kent residents' access to employment opportunities in the Capital, enhance travel-to-work opportunities within the corridor in both directions and support greater modal shift from car-based to public transport. Providing an interchange between HS1 and Crossrail at Ebbsfleet will also enhance the potential of Ebbsfleet Central as a commercial and employment hub.

- 3.5 Other benefits include substantially reducing the journey times between a range of Kent stations and those in the City and Central London such as Canary Wharf, Farringdon and Bond Street. These time savings are demonstrated in the table below.

Table 1 – Comparison of potential journey time savings with interchange at Ebbsfleet

SOUTHEASTERN HIGH SPEED STATION	CANARY WHARF Elizabeth line station		FARRINGDON Elizabeth line station		BOND STREET Elizabeth line station		HEATHROW Elizabeth line station	
	<i>Existing</i>	<i>Proposed</i>	<i>Existing</i>	<i>Proposed</i>	<i>Existing</i>	<i>Proposed</i>	<i>Existing</i>	<i>Proposed</i>
Ramsgate	124	100	132	108	137	113	163	139
Canterbury W	104	80	112	88	117	93	143	119
Dover Priory	113	89	121	97	126	102	152	128
Folkestone C	102	78	110	86	115	91	141	117
Ashford Int	86	62	94	70	99	75	125	101
Faversham	114	90	122	98	127	103	153	129
Sittingbourne	106	82	114	90	119	95	145	121
Chatham	89	65	97	73	102	78	128	104
Gravesend	71	47	79	55	84	60	110	86
Maidstone West	99	75	107	83	112	88	138	114

- 3.6 These estimated journey times assume that the full Crossrail (Elizabeth Line) service will be operational (Dec 2019+), 5 minutes' interchange at Ebbsfleet (and also for interchange at Abbey Wood for existing journeys where applicable). The journey time comparisons are based on current South Eastern timetables and provisional figures from TfL's Crossrail website.
- 3.7 These indicative journey times illustrate how, whilst still lengthy in some cases, C2E would deliver wider benefits across Kent and offer a realistic alternative to the increasing congestion which would otherwise be experienced by transfer at the traditional London termini. It would also provide a sustainable, lower carbon alternative to car-based travel which in turn will help to reduce congestion on the arterial routes into London such as A20/M20 and A2/M2 and around the nationally-significant Dartford river crossing. Improved connectivity to destinations such as Heathrow could relieve pressure both on these sections of the strategic highways network and on the M25 and M26.

#### 4. Preparing the Strategic Outline Business Case

- 4.1 The evidence base, examination of options and components of the business case have evolved over the past couple of years of partnership working by the C2E partners, with technical input from consultants including SDG and Quod. Since early 2018, the C2E project partners have been working with the consultancy consortium CAST on a further and more detailed work programme covering modelling of the short-listed delivery options, initial

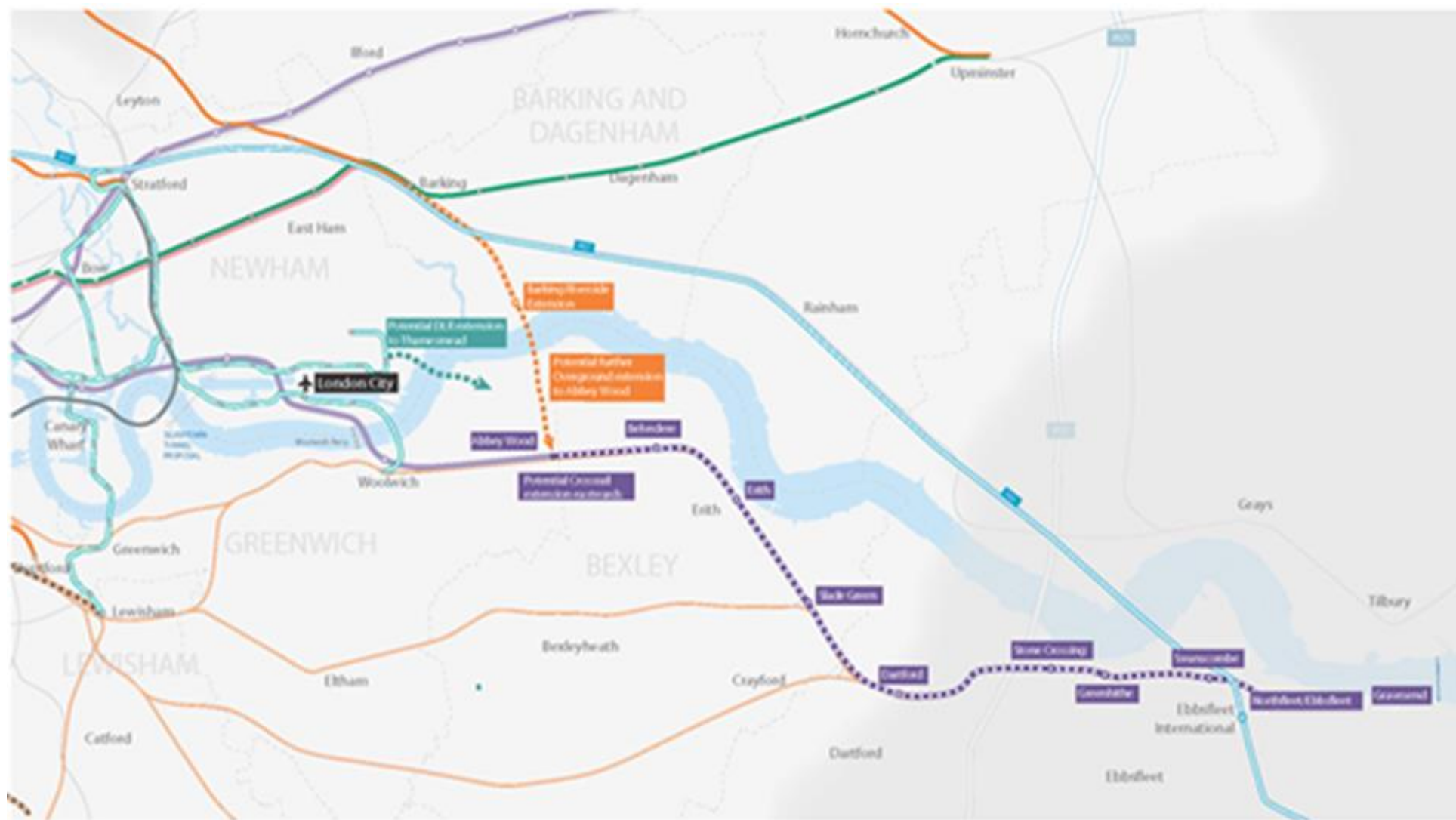
design work, appraisal of environmental impacts and mitigation measures, land and property implications, assessment of wider economic impacts, and funding and financing options and opportunities. CAST have additionally been engaged to draft the SOBC itself, with inputs from all the project partners. At the time of writing, the draft SOBC is due to be shared with project partners for consideration and comment, with a view to finalising the document by the end of September.

## **5. Next Steps**

- 5.1 Once finalised, the SOBC will then be presented in early October to HM Government, concurrently to the Ministry of Housing, Communities & Local Government and to the Department for Transport. The SOBC will make the case to Government that, on the basis of the high value for money and positive benefit/cost ratio (BCR) which the C2E project would deliver, the scheme merits Government's backing, in the first instance through funding for a full business case.
- 5.2 The project partners will continue with development work on the project at both Chief Executives' group and officer working group levels, with the intention of moving the project to the next level if political and financial support is provided by Government. The C2E partners will also continue to pursue a positive communications strategy to build stakeholder support for the initiative.

## **6. Recommendations**

- 6.1 The KMEP Board is asked to receive and note this report on the Crossrail to Ebbsfleet project and the development of its Strategic Outline Business Case.
- 6.2 The KMEP Board is asked to agree that the Chair should write on behalf of KMEP to the relevant Ministers in support of the SOBC once it is submitted.



**ITEM 7**

**Date:** 24 September 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 Coordinator, Medway Council

**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 of the most recent round of Growth Deal funding (Round 3).

**Recommendation**

The Board is recommended to 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 Kent and Medway’s forecast LGF spend in 2018/19**

2.1 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).

2.2 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 table 1 below.

**Table 1 – Grant allocation for SELEP for the remaining years of the Growth Deal period.**

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

2.3 Table 2 below illustrates the updated spend forecasts by upper tier authority for 2018/19 as presented to the SELEP Accountability Board on 14<sup>th</sup> September 2018.

**Table 2 – LGF Spend forecast for 2018/19 by Upper Tier Authority.**

LGF (£m)	Updated planned spend in 2018/19 (as stated in March 2018 and 2017/18 slippage identified since end of the financial year)	Total forecast spend in 2018/19 (as reported in August 2018)	Variance*	Reasons for Variance	
				Additional spend/slippage identified for 2018/19 **	Slippage previous agreed by the Board **
East Sussex	16.650	15.663	-0.988	-0.988	0.000
Essex	18.654	18.506	-0.148	0.866	-1.014
Kent	24.867	21.978	-2.889	0.357	-3.245
Medway	16.755	12.840	-3.915	-0.427	-3.488
Southend	17.573	6.121	-11.452	-7.825	-3.627
Thurrock	13.647	10.942	-2.705	0.000	-2.705
Skills	0.000	0.000	0.000	0.000	0.000
M20 Junction 10a	11.400	11.400	0.000	0.000	0.000
<b>LGF Sub-Total</b>	<b>119.546</b>	<b>97.450</b>	<b>-22.096</b>	<b>-8.017</b>	<b>-14.079</b>
Retained	35.454	19.010	-16.444	0.000	-16.444
<b>Total Spend Forecast</b>	<b>154.999</b>	<b>116.459</b>	<b>-38.540</b>	<b>-8.017</b>	<b>-14.079</b>

2.4 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 £24.867m for Kent and £16.755m 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.

### 3 Spend Profile for 2018/19

3.1 Total KCC LGF Budget for 2018/19 = £24.867m (Agreed at SELEP Accountability Board on 16<sup>th</sup> March 2018 and now including 2017/18 slippage).

3.2 Current KCC LGF Forecast spend for 2018/19 = £21.97m (based on update provided for September SELEP Accountability Board meeting).

- 2018/19 Q1 Actual Spend = £2.141m
- 2018/19 Q2 Predicted Spend = £4.648m
- 2018/19 Q3 Predicted Spend = £6.389m
- 2018/19 Q4 Predicted Spend = £8.799m

3.3 Total Medway LGF Budget for 2018/19 = £16.755m (Agreed at SELEP Accountability Board on 16<sup>th</sup> March 2018 and now including 2017/18 slippage).

3.4 Current Medway LGF Forecast spend for 2018/19 = £12.84m (based on update provided for September SELEP Accountability Board meeting).

- 2018/19 Q1 Actual Spend = £0.452m
- 2018/19 Q2 Predicted Spend = £5.035m



- 2018/19 Q3 Predicted Spend = £4.141m
- 2018/19 Q4 Predicted Spend = £3.212m

#### **4 Business case development**

- 4.1 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 Steers) and approval by SELEP Accountability Board.
- 4.2 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.
- 4.3 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).
- 4.4 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)
  - Rochester Airport Phase 2 (£3.7m) \*
  - Thanet Parkway (£4m)
  - A2 Off-Slip at Wincheap (£4.4m)
  - Leigh Flood Storage Area (£4.636m) \*
  - Maidstone Integrated Transport Package (£4.9m) \*
  - A289 Four Elms roundabout to Medway Tunnel (£11.1m) \*

\* It should be noted that previous business case submissions have been put forward to SELEP for these projects to the value of £14.2m. However, a decision will be needed on how the remaining allocations will come forward for approval to SELEP.

- 4.5 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

#### **5 Scheme delivery**

- 5.1 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)

## **6 Recommendations**

6.1 The Board is recommended to:

- Note the update on LGF project scheme delivery

## **7 Appendices:**

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

**Business Case Update from last SELEP Accountability Board meeting on 14<sup>th</sup> September 2018 – Appendix A**

Outline business case submission dates	SELEP Accountability Board meeting date	Scheme	Description	Decision
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	<p>The Board were asked to:</p> <p><b>Note:</b> The Project Full Business Case will not be approved by the Environment Agency until March 2021.</p> <p><b>Approve:</b> the award of £2.349m LGF to support the delivery of the Phase 1 Project identified in the Business Case and which has been assessed as presenting high value for money with medium to high certainty of achieving this.</p> <p>The Board agreed to note the timescales for the delivery of the full business case by the EA and gave approval for the award of the £2.349m LGF allocation.</p>

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

Outline business case submission dates	SELEP Accountability Board meeting date	Scheme	Description	SELEP ask
7 <sup>th</sup> September 2018	<b>16<sup>th</sup> November 2018</b>	No LGF projects on forward plan for approval		
16 <sup>th</sup> November 2018	<b>15<sup>th</sup> February 2019</b>	Thanet Parkway	New Railway Station	Approval for £10m LGF allocation
		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
		Fort Halstead	Mixed use development of houses, business park, hotel and village centre.	Approval for £1.53m LGF allocation
		Rochester Airport Phase 2	Delivery of Infrastructure works to enable the development of Innovation Park Medway	Approval for £3m LGF allocation
2019 (Date TBC)	<b>2019 (Date TBC)</b>	Kent Sustainable Interventions Programme (19/20 and 20/21)	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 and 20/21)	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 - unlocking growth (Part 2)	Scheme to reduce the risk of flooding to vulnerable communities in the catchment	Approval for further funding from the £4.636m LGF allocation
		A289 Four Elms roundabout to Medway Tunnel	Highway capacity improvements to provide journey time savings and reduced congestion.	Approval for the remaining £7.6m LGF allocation

## Appendix C

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)	

Progress:

- No progress as project on permanent hold.

Issue:

- The Joint Transportation Board supported the recommendation to progress with a revised scheme in December 2017.
- Planning for the revised scheme identified that several utility company services would need to be diverted, which would add to the complexity of the scheme and the potential programme duration.
- 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.
- 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.
- The potential alternative was estimated at £1,350,000 with an estimated works duration of 28 weeks. These figures, whilst robust, were still an estimate as no detailed planning was undertaken given there was no additional funding identified to make up the shortfall.
- The increase in costs for the final agreed scheme would also dilute the benefits and reduce the overall BCR that was approved by the SELEP Accountability Board.

Mitigation:

- The scheme is on permanent hold and further work and liaison with Canterbury CC is to be carried out to establish whether the existing S106 funding could be diverted to an alternative Bus Lane scheme at Kingsmead in Canterbury. The existing LGF allocation will need to be returned to SELEP and re-allocated as part of the LGF3B process.

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.
- 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 not possible.

**Mitigation:**

- As the scheme at Fort Halstead is unlikely to be progressed within the timescales of the Growth Deal, SDC and KCC are currently investigating other alternative schemes in Sevenoaks including improvements identified from the Swanley Transport Study and additional works to Swanley Station to complement the existing scheme being delivered as part of the West Kent LSTF LGF project.
- If a business case cannot come forward for the Fort Halstead scheme before the SELEP deadline of 16<sup>th</sup> November 2018, then the existing £1.53m LGF allocation will need to be returned to SELEP and re-allocated as part of the LGF3B process.

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:**

- GRIP 4 Inception Meeting with Network Rail held on 4th September 2018, officially commencing the GRIP 4 design work.
- PBA have completed their first review of the Business Case and are submitting a revised version, following KCC comments, in September 2018.
- First draft of the KCC Procurement Plan has been reviewed by KCC Strategic Commissioning and a second draft has been issued, prior to KCC Strategic Commissioning Board meeting.

**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 able 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 several options to fund the remaining cost of the project, which included investment from the new operator of the South Eastern Rail Franchise and/or the private sector.
- Further work has also been 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 and consequently a bid for LGF 3b will be made.

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 requires the rebuilding of a listed flint wall which will require a planning application, but the existing electricity substation on Willington Street will now not need to be relocated.
- 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 a future JTB and E&T Cabinet Committee.
- 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)	

Progress:

- Further meetings have been held between Homes England, KCC and ABC but no resolution to the existing funding issue has been found. Further discussions ongoing with Hodson but there is a high risk that a solution will not be found, and delivery of the scheme will be delayed until the s106 trigger point of 400 occupations. Outstanding design work and preparation of contract documents is ongoing and land deals continue to be progressed.

Issue:

- 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.
- 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.
- 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.

Mitigation:

- It is recommended that assurances are sought from Hodson, Homes England and Ashford BC regarding the proposed build-out trajectory.
- KCC will look to present a decision report to the next SELEP Accountability Board on 16<sup>th</sup> November 2018 as to how to progress with the scheme.



## 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 August 2018) = Scheme currently on hold	<b>DETAILED DESIGN</b> (Business Case Approved)	→	Meetings held between Homes England, KCC and ABC but no resolution to funding issue has been found. Further discussions ongoing with Hodson but high risk that a solution will not be found, and delivery of scheme will be delayed until the s106 trigger of 400 occupations. Outstanding design work and preparation of contract documents is ongoing and land deals continue to be progressed.	Continue with all land acquisitions and finalise remaining design work. Obtain final decision on whether to progress with scheme.	Jobs = 250 Homes = 600
Sturry Link Road, Canterbury	New link road connecting A28 Sturry Road to A291 Sturry Hill - requires a crossing of both railway & river. Start of works planned for Spring 2019.	20/21	£29.60m Made up of: £5.90m LGF £23.70m match	15/16 LGF spend = £0 16/17 LGF spend = £0.40 17/18 LGF spend = £0.39  Profiled to spend in 2018/19 = £1.0  18/19 LGF spend (up to end of August 2018) = £0.11	<b>DETAILED DESIGN</b> (Business Case Approved)	→	EIA and planning documents being finalised. Tender Selection Process commenced.	Complete EIA and planning application documentation. Progress Tender selection process.	Jobs = 250 Homes = 720

A28 Sturry Road Integrated Transport Package, Canterbury	Extension of in-bound bus lane.	18/19 (on hold)	£0.7m Made up of: £0.3m LGF £0.4m match	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 August 2018) = £0.028000	<b>DETAILED DESIGN</b> (Business Case Approved)	→	No progress this period as scheme has been placed on hold.	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.	Jobs = 50 Homes = 100
Middle Deal transport improvements, Dover	New road between Albert Road & Church Lane, Deal. Scheme being prepared & delivered by developer. <b>(Delivery by Quinn Estates)</b>	18/19	£1.55m Made up of: £0.8m LGF £0.75m match	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	<b>CONSTRUCTION</b> (Business Case Approved)	→	KCC are continuing to liaise with Quinn Estates on the two main issues which are currently preventing delivery of the road scheme: 1) Environmental / Flood Consent - Quinn Estates have made some minor amendments to the Method Statement and Risk Assessments that are now back with the EA for comment/approval. 2) Planning Consent - The change in alignment of the road has been included as part of the recently submitted reserved matters submission for the site. The signing of the S38 agreement and the anticipated scheme delivery date is now likely to be Autumn/ Winter 2018.	Quinn Estates to secure flood consent and planning approval in Autumn 2018	Jobs = 150 Homes = 150
Maidstone Integrated Transport	Package of transport improvements.	16/17 to 20/21	£11.85m Made up of: £8.9m LGF £2.95m match	15/16 LGF spend = £0 16/17 LGF spend = £0.27 17/18 LGF spend = £1.11  Profiled to spend in 2018/19 = £2.48  18/19 LGF spend (up to end of August 2018) = £0.03	<b>VARIOUS STAGES OF DELIVERY</b> (Business Cases approved for phase 1 and 2, further approval for Phase 3 is required for remaining £4m allocation)	→	<b>Phase 1</b> <b>1) A274 Sutton Road j/w Willington Street</b> - Works have been put on hold due to lack of Political support. <b>2) A20 London Road j/w Willington Street</b> - Survey work completed and design continuing. A change request will need to be submitted to SELEP for the revised scheme and the business	Ongoing work to be carried out on the Phase 3 package of schemes that need to be submitted to SELEP for approval.	Jobs = 1820 Homes = 1725

case appraisal also revisited to assess the value for money.

**Phase 2**

**3) M20 J5/Coldharbour R/bout –**  
Additional survey work required to link the Coldharbour roundabout and A20/Hall Road junction. Land negotiations carried out to date have been favourable and will allow a revised completion date of May 2019. This will impact on the construction programme, but the spend of the LGF allocation can still be achieved before the March 2021 deadline date.

**Further phases:**

**4) Wheatsheaf/Cripple Street/Boughton Lane/Armstrong Road/Sheals Crescent – KCC**  
continuing to progress these designs. Surveys have been carried out on the KCC Highway but risk remains around the acquisition of private land and the input required for the Phase 3 business case submission before 16<sup>th</sup> November 2018 deadline.

**5) Hermitage Lane j/w St Andrews Road -** Scheme progress hampered by the existing sink hole on the A26. Surveys and modelling have been substantially completed and the input to the Phase 3 Business case will be progressed in readiness for the November deadline date.

<p>Sittingbourne Town Centre Regeneration (developer delivered), Swale</p>	<p>Re-alignment of St. Michaels' Rd &amp; public realm improvements adjacent to rail station. <b>(Delivery by Spirit of Sittingbourne)</b></p>	<p>17/18</p>	<p>£4.7m Made up of: £2.5m LGF £2.2m match</p>	<p>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</p>	<p><b>CONSTRUCTION</b> (Business Case Approved)</p>	<p>→</p>	<p>Phase 1 highways works complete, except for final surface dressing, lining on completion of other phased works and approval of lighting columns in West Street. Applications for permits to revisit/complete phase 1 have been submitted and the contractor is awaiting acceptance of the works. Network Rail Car Parks have now been handed back and the land swap has been completed.</p>	<p>Phase 2 Highway works commenced on the 12th June and are due to complete by mid October 2018. Target date for circulation of Draft S278 agreements for Phases 3 &amp; 4 is now the end of September 2018.</p>	<p>Jobs = 560 Homes = 214 &amp; training facilities</p>
<p>Tunbridge Wells Junction Improvements (Phase 2 - A26 Cycle Route)</p>	<p>Junction improvement &amp; A264 junction changes. Phase 1 works complete. Phase 2 construction planned for 2018/19</p>	<p>15/16 to 18/19</p>	<p>£1.8m LGF</p>	<p>15/16 LGF spend = £0.60 16/17 LGF spend = £0.19 17/18 LGF spend = £0.05  Profiled to spend in 2018/19 = £0.96  18/19 LGF spend (up to end of August 2018) = £0.261</p>	<p><b>DELIVERED - PHASE 1 DETAILED DESIGN/CONSTRUCTION- PHASE 2</b> (Business Case Approved for full allocation)</p>	<p>→</p>	<p><b>1 - Grosvenor Road to Speldhurst Road</b> - Contractor has now started on site with the road widening in readiness for the resurfacing.  <b>2 – Yew Tree Road to Bidborough Ridge</b> - Investigation into the overall benefits and costings of the scheme without Phase 2 is ongoing.  <b>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.</p>	<p>Continue with construction of Grosvenor Road to Speldhurst Road link.</p>	<p>Jobs = 105 Homes = 85</p>
<p>West Kent LSTF</p>	<p>A package of measures to support travel by sustainable means. Start of works planned for 2015/16.</p>	<p>15/16 to 20/21</p>	<p>Total across 6 years - £9.06m  Made up of: £4.9m LGF £4.16m match</p>	<p>15/16 LGF spend = £0.8 16/17 LGF spend = £1.31 17/18 LGF spend = £0.33  Profiled to spend in 2018/19 = £0.7  18/19 LGF spend (up to end of August 2018) = £0.156</p>	<p><b>VARIOUS STAGES OF DELIVERY</b> (Business Case Approved)</p>	<p>→</p>	<p><b>Tunbridge Wells Public Realm phase 2</b> - co-ordination meeting took place in August 2018 between PM and contractors of other town centre projects. Public engagement events to be held in September 2018.  <b>Maidstone East station</b> – The Vic PH demolition is now due to commence in September 2018, which will require Station Road to be closed to house the crane and allow safe working. Network Rail have confirmed there is a delay to the programme, with the pub</p>	<p><b>Tunbridge Wells Public Realm phase 2</b> - Public engagement events to be completed and detail design commenced.  <b>Maidstone East station</b> – Pub demolition to commence.</p>	<p>Jobs = 345 Homes = 393</p>

							<p>demolition scheduled to complete by June 2019, with delivery of the whole scheme in January 2020.</p> <p><b>Tonbridge Station Interchange</b> – Scheme construction progressing with complexities of multiple works being carried out in a small area. Additional resource being brought in to work on two areas simultaneously to avoid overall programme delays.</p> <p><b>Swanley Station</b> - Southeastern met with Councillors who have stated a desire for a disabled access at the North entrance included in the scheme. There is insufficient budget to include these works and therefore an Expression of Interest for a footbridge over the railway has been submitted through the LGF3b process, which would address the requirements.</p>	<p><b>Tonbridge Station Interchange</b> - Works to begin on Lidl bus stop with monitoring of additional congestion when these start.</p> <p><b>Swanley Station</b> – Decision to be taken on whether to proceed with the original station improvements.</p>	
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	<p>Total across 6 years - £7.65m</p> <p>Made up of: £4.5m LGF £3.15m match</p>	<p>15/16 LGF spend = £2.05</p> <p>16/17 LGF spend = £0.48</p> <p>17/18 LGF spend = £0.72</p> <p>Profiled to spend in 2018/19 = £0.49</p> <p>18/19 LGF spend (up to end of August 2018) = £0.103</p>	<b>VARIOUS STAGES OF DELIVERY</b> (Business Case Approved)	→	<p><b>Barrack Row Bus Hub</b> – An engagement event is planned for Jan/Feb 2019 together with a newsletter to local residents and an online update via Kent.gov.uk. Detailed design will be procured and progressed by KCC.</p> <p><b>Princes Rd cycle route</b> –An update was provided to the JTB on 4th September 2018 and no comments were received. Construction is now planned for Spring 2019.</p> <p><b>Burnham Rd Toucan</b> - Construction is now complete and signals are on and working.</p>	<p><b>Barrack Row Bus Hub</b> – Preparation of the Public Event documents to be completed. Meeting with stakeholders in September 2018 to finalise scheme design.</p> <p><b>Princes Rd cycle route</b> - Handover pack to be completed to allow construction to be carried out in early 2019.</p> <p><b>Burnham Rd Toucan</b> - Press release to be finalised to promote the completion of the scheme.</p>	Jobs = 843 Homes = 657

							<b>Gravesend Station to Cyclopark cycle route</b> - Detailed design is currently being carried out on the approved route.	<b>Gravesend Station to Cyclopark cycle route –</b> Finalise detailed design.	
Kent Strategic Congestion Management programme	Package of congestion management initiatives. Start of works planned for 2015/16.	15/16 to 20/21	Total across 6 years - £4.8m LGF	<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 August 2018) = £0.019</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> (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> - A229 Traffic Signals hardware now upgraded and software in development for Connected Corridor trial period that commences end October 18. Work underway for tech rollout to 20 KCC fleet vehicles to allow evaluation of new technology.</p> <p><b>2018/19 schemes:</b>  <b>Wateringbury Crossroads</b> – outline design is now complete with detailed design in progress.</p> <p><b>Tunbridge Wells link assessment</b> – An assessment report is underway to scope out the project and desired outcomes.</p> <p><b>Dover TAP/ ITS assessment</b> - Works due to commence in September 2018 alongside work being undertaken by Atkins on the HE network.</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>Additional schemes are being investigated and will form part of the next business case submission to SELEP to unlock the final two years allocation for this project.</p>	Jobs = 1903 Homes = 2230

<p>Kent Sustainable Interventions programme</p>	<p>Package of smaller transport interventions. Start of works planned for 2015/16.</p>	<p>15/16 to 20/21</p>	<p>Total across 6 years - £3m LGF (£0.5m annually)</p>	<p>15/16 LGF spend = £0.14  16/17 LGF spend = £0.41  17/18 LGF spend = £0.53   Profiled to spend in 2018/19 = £0.61   18/19 LGF spend (up to end of August 2018) = £0.105</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>  (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>  <b>Sloe Lane, Thanet</b>  Scheme on hold due to increasing costs and substantial land issues.</p> <p><b>A228 Holborough, T&amp;M</b>  Design in progress with speed surveys undertaken.</p> <p><b>Forward Scheme Identification and Design (2018/19)</b> – The scheme to implement a toucan crossing at Forstal Road, Aylesford is in outline design.</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> <p>Additional schemes are being investigated and will form part of the next business case submission to SELEP to unlock the final two years allocation for this project.</p> <p>Jobs = 1335  Homes = 1440</p>
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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 August 2018) = £0.00</p>	<p><b>VARIOUS STAGES OF DELIVERY</b> (Business Case Approved)</p>	→	<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 have obtained permit from Environment Agency for the works and updated the relevant landowners and key stakeholders with scheduled start of ground works in September 2018.</p> <p><b>2018/19 feasibility schemes - St Peter's Village scheme (extension from Aylesford to Burham.</b> Feasibility and route inspections continue so that costings of improvement works can be calculated. Three barriers exist along the route which need to be removed or altered to improve access.</p>	<p><b>Powder Mills scheme-</b> Commence groundworks and monitor contractor activity. KCC to start work on orders to convert the Footpath to a Cycle Track.</p> <p><b>St Peter's Village scheme -</b> KCC are aiming to complete the improvement works this financial year.</p>	Jobs = 140 Homes = N/A
Innovation Investment Fund (Growth Hub Capital	Loan support programme.	15/16 to 20/21	Total £6m (£1m annually)	<p>15/16 LGF spend = £0 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 August 2018) = £0.00</p>	<p><b>PHASE 7</b> (Business Case approved)</p>	→	<p>Phase 1 agreed at I3 Approval Board and accepted by applicants to a value of £388,500 with private leverage of £418,500</p> <p>Phase 2 complete with £700,000 of loans agreed and defrayed in full.</p> <p>Phase 3 complete with £400,000 of loans agreed and defrayed in full.</p> <p>Phase 4 complete, with 2 companies completing a full application and 1</p>	Progress Phase 7 loans following the I3 Approval Board decisions in September 2018.	



							<p>company (Betteshanger Sustainable Parks Limited - £902,500) being approved and loan defrayed in full.</p> <p>Phase 5 complete with 1 of the submissions proving successful. The loan for West design has been agreed and defrayed in full.</p> <p>Phase 6 complete with 3 companies being taken forward with a total loan value of £0.95m. Task Masters and Bulgaro have both had loans agreed and defrayed in full.</p> <p>Phase 7 has now closed, with 4 applications to be presented to the I3 Approval Board in September 2018.</p>		
A226 London Rd/B255 St Clements Way, Dartford	Junction improvements.	19/20	<p>£6.9m</p> <p>Made up of: £4.2m LGF £2.7m match</p>	<p>15/16 LGF spend = £0 16/17 LGF spend = £0.73 17/18 LGF spend = £0.85</p> <p>Profiled to spend in 2018/19 = £1.95</p> <p>18/19 LGF spend (up to end of August 2018) = £0.939</p>	<b>CONSTRUCTION</b> (Business Case approved)	→	<p>Construction works are progressing well, with utility works now largely complete and surfacing works now expected to be carried out in October/November 2018. Newsletter No.5 has been distributed to stakeholders, which includes advance notice of the night works and road closures required for the surfacing works.</p>	<p>Newsletter No. 6 to be issued at the end of September 2018, confirming details of the road closure dates and timings. Appointment of landscape contractor, following completion of design.</p>	<p>Jobs = 2395 Homes = 890</p>
Thanet Parkway, Thanet	New rail station.	20/21	<p>Project cost under review (£10m LGF)</p>	<p>Awaiting Business Case Approval</p> <p>18/19 LGF spend (up to end of August 2018) = £ n/a</p>	<b>GRIP STAGE 4</b> (Business Case submitted to ITE for review)	→	<p>GRIP Stage 4 Inception Meeting with Network Rail was held on 4th September 2018, officially commencing the GRIP 4 design work. Work continues on the revised Business Case which will need to be resubmitted to SELEP alongside a bid for LGF3b, given the current funding shortfall for the scheme.</p>	<p>First tranche of GRIP 4 work completed, and Archaeological report finalised.</p>	<p>Jobs = 2100 Homes = 800</p>
SELEP Coastal Communities	Housing-led economic regeneration in Cliftonville	20/21	<p>£1.529m</p> <p>Made up of: £0.666m LGF £0.863m</p>	<p>17/18 LGF spend = £0.06</p> <p>Profiled to spend in 2018/19 = £0.51</p>	<b>CONSTRUCTION</b> (Business Case approved)	→	<p>1. Ethelbert Crescent – Works started on site in July 2018 and are currently in week 11 of a 30-week programme (excluding Christmas). Site is fully</p>	<p>TDC to seal the legal agreement and send back to KCC to allow the transfer of the LGF allocation.</p>	<p>Jobs = TBC Homes = TBC</p>

	West/Margate Central <b>(Delivery by Thanet DC)</b>		match	(estimate from third party - not transferred from KCC)  18/19 LGF spend (up to end of August 2018) = £0.00			scaffolded, and the property has been stripped back to a shell to allow repairs and internal improvements to be carried out. Works are scheduled for completion in Spring 2019 with no delays reported to date.  2. Warwick Road – Thanet DC are progressing this 9-flat project, with a target date for tenders to go live on 15th October 2018. Early discussions have been carried out with UKPN and Southern Gas to check meter locations prior to seeking planning consent (Conservation Area). Additional work has also been carried out to expose the building to better understand the structure and condition.		
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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 2018.	Continue work with Marina Pier and carry out post scheme monitoring of A20 works.	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  18/19 LGF spend (up to end of August 2018) = £0.65	<b>GRIP STAGE 6</b> (Business Case approved)	→	Partnership work continues to identify, design, procure and deliver a resolution to the technical issues which have prevented Eurostar's new Class 374 trains from serving Ashford International.	Report by Network Rail / HS1 / Eurostar to Ashford Spurs Project Board outlining project programme to deliver resolution to technical issues.	Jobs = 1000 Homes = 350 & Retain International Rail Services

<p>M20 Junction 10A (now a full junction to be delivered by Highways England)</p>	<p>New Motorway Junction in Ashford (<b>Delivery by Highways England</b>)</p>	<p>19/20</p>	<p>£104.4m Made up of: £19.7m LGF £16m match £68.7m Highways England</p>	<p>Allocation for 2017/18 onwards (Direct from SELEP)  17/18 LGF profiled spend = £8.30  Profiled to spend in 2018/19 = £11.40</p>	<p><b>CONSTRUCTION</b> (Business Case approved)</p>	<p>→</p>	<p>Works have started on site and HE have ongoing liaison with KCC. The Church Road footbridge has been removed and the works to realign the A2070 are ongoing. Works on the new Junction 10a gyratory overbridge have also begun with bridge piling and abutments works currently being implemented. Earth works for the new A2070 roundabout and link road to the new Junction 10a are continuing, although programme delays have been encountered due to SGNs need to divert a high-pressure gas main to the east of Junction 10 under the M20 carriageway, which is restricting the full site access.  HE carried out a scheme update presentation to the SELEP Accountability Board on 14<sup>th</sup> September 2018.</p>	<p>Works on the high-pressure gas main are to be completed by SGN in October 2018 to allow full access to the required site. Further works to install the new bridge and Church Road footbridge are due for completion in early 2019, with scheme open to traffic in Q3 2019 and final scheme completed in Q2 2020.</p>	<p>Jobs = 900 Homes = 1700</p>
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**Local Growth Fund Round 3 Schemes**

<p>Dartford Town Centre Transformation</p>	<p>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>)</p>	<p>21/22</p>	<p>£12m Made up of: £4.3m LGF £7.7m match</p>	<p>Profiled to spend in 18/19 = £2.25  18/19 LGF spend (up to end of May 2018) = £0  18/19 Match spend (up to end of August 2018) £0.003</p>	<p><b>OUTLINE DESIGN</b> (Business Case approved)</p>	<p>→</p>	<p>Project is progressing with various discussions being held regarding the design and content of the Test Area for the public realm element of Market Street.</p>	<p>Complete outline design options in September 2018 and transport modelling in October 2018. Begin Installation of the public realm test area in October 2018.</p>	<p>Jobs = 1811 Homes = 2341</p>
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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. As the scheme at Fort Halstead is unlikely to be progressed within the timescales of the Growth Deal, SDC and KCC are currently investigating alternative schemes including improvements identified from the Swanley Transport Study and additional works to Swanley Station to complement the existing scheme being delivered as part of the West Kent LSTF LGF project.	If a business case cannot come forward for the Fort Halstead scheme before the SELEP deadline of 16th November 2018, then the existing £1.53m LGF allocation will need to be returned to SELEP and re-allocated as part of the LGF3B process.	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 August 2018) = £0.48	<b>CONSTRUCTION</b> (Business Case Approved)	→	Site works for Phase 1 progressing to programme	Progress construction works for Phase 1 and finalise transfer of land. Progress detailed design for Phase 2.	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 August 2018) = £0.682	<b>CONSTRUCTION</b> (Business Case Approved)	→	Building 2 work continues to progress, with site clearance now in progress and tenders issued for the main construction phase. Staff recruitment has progressed well and Internal EDGE Hub project monitoring processes to inform quarterly Steersing Group meetings have been embedded. The next Steersing Group meeting is on 24th September 2018. Detailed curriculum planning is now under way, with the first Foundation Year and Undergraduate programmes going live in September 2018. Student	Progress the procurement of the main construction contract with a target completion by the end of October 2018. The first students (Chemical Engineering Foundation Year, Computer Science and Games Design) to begin their respective courses.	Jobs = 398 Homes = 0 Learners = 1250

							recruitment to these programmes has been good and it seems likely that student number targets for 2018/2019 will be achieved.		
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	Profiled to spend in 2018/19 = £0.850  18/19 LGF spend (up to end of August 2018) = Business Case now approved to enable drawdown of LGF allocation by the EA.	<b>FEASIBILITY</b> (Phase 1 Business Case approved by SELEP in September 2018)	→	The business case (Based on the EA Outline BC) has now been approved 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. KCC is still working with its partners including TMBC and the EA on the East Peckham element, however, the scheme has a funding gap and may also struggle to demonstrate an ability to spend the remaining LGF allocation within the Growth Deal period.	Progress with scheme following approval by SELEP Accountability Board on 14 <sup>th</sup> September 2018 to allocate the £2.349m.	Jobs = 70 Homes = 850
A2 off-slip at Wincheap, Canterbury	Scheme to deliver an A2 off-slip in the coastbound direction, 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 August 2018) = £ n/a	<b>FEASIBILITY</b> (Business Case being prepared)	→	Highways England has accepted the revised modelling and the Growth and Housing bid has moved through the value management stage. If approved by HE, this scheme will be awarded £4.4m GHF and therefore the £4.4m LEP funding will be surplus to the funding requirement.	Confirmation of GHF bid by the end of September 2018.	Jobs = 1685 Homes = 1150
<b>ADDITIONAL SCHEMES</b>									
Open Golf Champions hip 2020	Transport Improvements at Sandwich Station <b>(Delivery by Network Rail)</b>	19/20	£3.546m Made up of: £1.09m LGF	Profiled to spend in 2018/2019 = 1.01  18/19 LGF spend (up to end of August 2018) = £0.043	<b>Grip Stage 3</b> (Business Case Approved)	→	Work continues on the Legal agreement between Network Rail and KCC which will authorise the tender initiation process for design of the station enhancement works.	Tender initiation process to commence following signing of legal agreement between Network Rail and KCC.	Jobs = TBC Homes = TBC

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				

**Information for Kent schemes (excludes Medway)**

Date	September 17	November 17	January 2018	March 2018	May 2018	July 2018	September 18
No. of schemes in each RAG rating	2 red	2 red	3 red	4 red	6 red	5 red	5 red
	16 amber	14 amber	10 amber	10 amber	8 amber	9 amber	9 amber
	9 green	11 green	13 green	12 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 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 removed and 7 complete	1 removed and 7 complete
<b>Total</b>	<b>34</b>	<b>34</b>	<b>34</b>	<b>34</b>	<b>34</b>	<b>34</b>	<b>34</b>

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

**Methodology**

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

## 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><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>            (Outline 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>The Outline Design now complete and work has commenced on the Detailed 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 have been ongoing to identify how best to optimise the benefits offered by both projects. The conclusion reached is that in order to maximise the benefits offered by both funding streams it will be necessary to request an extension to the LGF programme to facilitate alignment of the two delivery programmes (as detailed in separate report).</p>	<p>Work will continue on the Detailed Design, with completion expected by the end of December 2018. 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 and 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 and work is continuing in line with the project programme.</p> <p>An event was held on 28th August to mark the completion of the first phase of the LGF works and to promote future phases of the project.</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>End 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. Following discussions with Network Rail it has been agreed that, in order to accelerate delivery, Medway Council will lead on delivery of the works in line with Network Rail's approved design.</p>	<p>Construction work on the route improvements will continue.</p> <p>Subject to Network Rail providing the required information, the forecourt improvement works at Chatham train station will begin in late September/early October.</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 remains on track for completion by the end of 2018/19.</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 and users of 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 developed during Q3 and Q4 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 Innovation Park Medway. 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 = £0.318m*</p> <p>* As presented at the SELEP Accountability Board meeting on 14th September 2018</p>	<p><b>OUTLINE DESIGN</b> (Business Case approved)</p>	<p>→</p>	<p>Following an independent review of construction costs which highlighted that it was no longer possible to deliver all the outputs as stated in the original Business Case, a change in project outputs was proposed. In June 2018 SELEP Accountability Board approved this change, on the basis that 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 still be met.</p> <p>Rochester Airport Ltd. have now submitted their planning application and EIA Screening documents to Medway Council.</p>	<p>Work will begin to prepare the procurement documents needed to appoint a contractor to deliver the airport infrastructure improvements. This work will be undertaken by a consultant appointed by Medway Council.</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>Planning consent has been granted, detailed design completed and piling work has now commenced onsite.</p>	<p>Piling work will continue onsite.</p>	<p>Jobs = 610  Homes = 325</p>
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**Information for Medway schemes (excludes Kent)**

Date	July 17	September 17	November 17	January 2018	March 2018	May 2018	June 2018	September 18
No. of schemes in each RAG rating	0 red	0 red	0 red	0 red	0 red	1 red	0 red	0 red
	2 amber	2 amber	2 amber	2 amber	1 amber	0 amber	3 amber	3 amber
	4 green	4 green	4 green	4 green	6 green	6 green	5 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	0 not required to spend until later	0 not required to spend until later
<b>Total</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>

**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:** 24<sup>th</sup> September 2018

**Subject:** Changes to LGF project allocations within Medway's LGF Programme

**Report author:** Helen Dyer, Senior LGF Programme Co-ordinator, Medway Council

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### Summary

This report outlines changes to LGF project allocations which are required in order to facilitate delivery of the proposed improvements.

### Recommendation

The Board is recommended to note the changes to LGF allocations within Medway's LGF Programme.

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## 1. Introduction

1.1 £40.2 million has been allocated from the Local Growth Fund (LGF) round 1, 2 and 3 to eight capital projects in Medway. This report considers changes to the allocations for the Strood town centre and Chatham town centre projects, which are required in order to ensure delivery of the improvements outlined within the project Business Cases.

## 2. Strood Town Centre journey time and accessibility enhancements project

2.1 Medway Council was awarded £9m, through round 1 of the LGF, for the Strood town centre improvements project. The aim of the project is to deliver journey time and accessibility enhancements to the town centre, which will mitigate the existing congestion issues that act as a barrier to growth. The project will also offer public realm improvements, and will provide an improved environment for both pedestrians and pedal cyclists.

2.2 Work commenced onsite in February to deliver the improvements to Strood town centre. Works include:

- transforming the Commercial Road car park to include a clearer pedestrian route through the car park improving the link between the High Street and the retail park, as well as provision of new seating and planting;
- improvements to the road layout and pedestrian crossings in the town centre to improve safety and reduce congestion;
- improvements to pedestrian routes and cycling facilities; and
- provision of new and refurbished bus stops.

2.3 The new Strood train station building, which was partially funded through the LGF, opened in December 2017. The remaining public realm and transport improvements are due for completion at the end of March 2019.

### **3. Chatham Town Centre - Placemaking and Public Realm project**

3.1 Medway Council was awarded £4m, through round 1 of the LGF, for the Chatham town centre improvements project. The aim of the project is to deliver public realm and accessibility improvements, which will facilitate improved access from the train station to large areas of employment, retail and education in the town centre and beyond.

3.2 Work commenced onsite in 2017 to deliver the improvements to the route between Chatham train station and the town centre. Works include:

- gateway improvements at Chatham train station;
- improved walking and cycling facilities;
- improvements to hard and soft landscaping along the corridor from the train station to the town including the creation of a civic square;
- traffic management measures near Chatham train station; and
- signage and way-marking improvements.

3.3 All works, including the improvements to the forecourt of Chatham train station, are due for completion by the end of March 2019.

### **4. Changes to LGF allocations**

4.1 As work has progressed onsite it has become apparent that it will not be possible to deliver all the improvements envisaged in Chatham town centre within the original project allocation. Additional funding will be required to facilitate delivery of all the proposed works.

4.2 Following completion of the detailed design and costing for the Strood town centre project, it was identified that the full LGF allocation was not required in order to deliver the project in its entirety. It is therefore intended that £200,000 will be re-allocated to the Chatham town centre project, in order to facilitate delivery of the remaining works. All the outcomes stated within the Strood town centre Business Case will still be achieved.

4.3 The £200,000 change will need to be implemented during 2018/19, as both projects are approaching completion.

4.4 The £200,000 change required is within the 10% threshold allowed within the SELEP Assurance Framework. The change will therefore be reported to SELEP Accountability Board in November 2018 for information purposes, rather than for a decision.

### **5. Recommendation**

5.1 The Board is recommended to note the changes to LGF allocations within Medway's LGF Programme.

## ITEM 9

**Date:** 24<sup>th</sup> September 2018

**Subject:** A289 Four Elms roundabout to Medway Tunnel – Project update

**Report author:** Sunny Ee, Head of Regeneration Delivery, Medway Council

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### Summary

This report provides an update on the A289 Four Elms roundabout to Medway Tunnel journey times and network improvements Local Growth Fund (LGF) project and the current opportunity to align this scheme with proposed Housing Infrastructure Fund (HIF) interventions.

### Recommendation

The Board is recommended to support the proposal to seek an extension to the A289 LGF programme.

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## 1. Introduction

1.1 Medway Council was awarded £11.1m under LGF round 1 to deliver improvements to the A289 between Four Elms roundabout and the Medway Tunnel. Subsequently the opportunity arose for the council to bid for HIF funding, in order to deliver the infrastructure required to support the emerging Local Plan. The works planned under the HIF proposals will overlap with those being delivered as part of the LGF project, and therefore Medway Council has been considering options for maximising the benefits offered by both funding streams.

## 2. A289 Four Elms roundabout to Medway Tunnel LGF project

2.1 The aim of the A289 LGF project is to deliver highway capacity improvements to provide journey time savings and reduced congestion, whilst also providing greater journey time reliability. The budget available for these works is £11.564m (£11.1m LGF and £0.464m S106 contributions).

1.1 The outline design for the scheme has recently been completed and improvements offered by the project include: new free flow slip roads at key junctions, additional traffic lanes between Four Elms roundabout and Sans Pareil roundabout, signalisation of Four Elms roundabout and improved pedestrian crossing facilities.



1.2 The next steps in the process will be to undertake the detailed design, to begin the planning process and to take forward the required land acquisition. The project is programmed for completion by the end of March 2021.

## **2. Change in position since LGF Business Case submission**

2.1 Since the LGF Business Case was submitted the opportunity has arisen to bid for HIF funding. An Expression of Interest for £170m from the HIF was submitted by Medway Council and has been accepted. A co-developed Business Case is currently being prepared for submission in March 2019, with a funding decision expected in May 2019. Under the HIF proposals the funding would be used to deliver the infrastructure required to support the emerging Local Plan and the proposed significant increase in growth through housing numbers. The infrastructure planned will affect the A289, with the extent of the works overlapping with that proposed under the LGF.

2.2 Since the original LGF Business Case was submitted significant work has been undertaken to develop the emerging Strategic Transport Assessment (STA) and Local Plan, meaning that the opportunity has arisen to strategically align the LGF project with these emerging documents and to capture additional outcomes.

## **3. The opportunity available to Medway Council**

3.1 Medway Council has been presented with a unique opportunity to align the current A289 LGF project with the proposed HIF interventions and the emerging STA. This will allow the LGF works to be delivered as part of a holistic scheme which will have the budget and scope to add value to the current proposals and will facilitate delivery of significantly wider benefits than the existing LGF project, whilst still delivering the journey time benefits stated within the LGF Business Case.

3.2 In order to maximise the benefits offered by this opportunity a two-year extension to the A289 LGF programme will be requested from Government. An extension to the programme will allow the Council to amend the design in order to deliver a more effective scheme, beyond the current Business Case, which will offer wider benefits, and facilitate reduced disruption on the road network by delivering a single phase of both LGF and HIF construction works. This would be far more effective than progressing with sequential delivery programmes which have the potential to double the period of disruption experienced by the local community. In high growth areas it is essential that Local Authorities build trust with their existing communities. Identifying options for reducing disruption on the network and minimising delays encountered by the local community, whilst also realising greater benefits would be a fundamental element in building this trust.

3.3 Whilst awaiting a response from Government in relation to the request for an extension to the LGF programme, work will continue on the LGF project in line with the current timetable. This will facilitate the completion of the detailed design for the current LGF scheme by the end of December 2018. This would appear to be a natural point to pause the LGF project, whilst awaiting a decision on the Council's HIF bid, and therefore a Government decision on the requested extension will be sought prior to this point.

3.4 If Government agree to the requested two-year extension to the LGF project, there will be two ways forward once the outcome of the Council's HIF bid is known:

- If the HIF bid is successful, the current LGF scheme will be absorbed within the wider HIF design and delivery programme, with completion due by March 2023. The benefits stated within the LGF Business Case will still be delivered and this will be demonstrated in the Full Business Case, which will be submitted prior to commencement of the construction programme.
- If the HIF bid is unsuccessful, the LGF project will be delivered as currently designed, taking into account the agreed extension to the programme. In this instance an extension of one financial year would be required, with completion of the works due by March 2022. This extension will be required to counteract the pause in the project programme whilst awaiting the outcome of the Council's HIF bid.

3.5 If Government do not agree to the requested two-year extension to the LGF programme, the LGF project will be delivered in accordance with the existing programme, with completion due by the end of March 2021. In order to facilitate this, work will continue on the planning application and land acquisition processes in advance of the decision on the Council's HIF bid. Adopting this approach will not support the delivery of the additional benefits which are achievable through aligning the LGF scheme with the proposals for the HIF interventions and does risk unnecessarily protracted disruption to the road network.

#### **4. Conclusion**

4.1 In order to facilitate strategic alignment of the LGF scheme with the HIF proposals and the emerging STA, a two-year extension to the LGF programme will be requested from Government. This will allow for the delivery of a holistic scheme which offers wider benefits and adds value to the current LGF proposals. In addition, adoption of this approach will facilitate reduced disruption on the road network by catering for the alignment of the LGF and HIF construction works.

4.2 Medway Council is seeking support from KMEP in their request to Government for an extension to the A289 LGF programme, in order to enable delivery of a scheme which offers much wider benefits than the existing LGF proposals. Following this KMEP meeting support for the programme extension request will also be sought from SELEP.

#### **5. Recommendations**

5.1 The Board is recommended to support the proposal to seek an extension to the A289 LGF programme.

## ITEM 10

**Date:** 24<sup>th</sup> September 2018

**Subject:** Sector Support Fund: Good Food Growth Campaign

**Report author:** SELEP Rural Sector Working Group

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### Summary & Background

Each year, the South East LEP invites SELEP working groups 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 at a forthcoming 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 & bid information

- 1.1 This item has been submitted to the Kent & Medway Economic Partnership by the SELEP rural working group for endorsement in advance of SELEP's Strategic Board meeting at which applications for the Sector Support Fund will be assessed and determined.
- 1.2 The SELEP working group is requesting £60,400 of Sector Support Fund grant for its 'Good Food Growth Project'. The application for funding is attached in the appendix, which provides the project details. However, in summary, the project will support growers, processors, retailers, food businesses and new entrants through three main activities:
  - **Supporting supply chain development** – The SELEP rural group proposes that a series of three 'Meet the Buyer' business-to-business events are held. These 'Meet the Buyer' events will provide details to rural businesses on how they can improve their chances of success when they are bidding for contracts. At these events, the local businesses can hear from buyers about their procurement processes and what they want from suppliers. Furthermore they will be able to find out about the latest procurement news and trends, and gain information on any support available from organisations such as Produced in Kent.
  - **Networking** - Four food and drink conferences will be delivered (three county-based followed by an over-arching LEP wide conference). These will include key speakers

focussing on business development, start-ups, branding, product development, new markets, accessing buyers/suppliers, etc. Business to business networking, access to food champions, and opportunities for producers/retailers to exhibit will be integral elements. LEP-wide conference will act as focal point to share knowledge, expertise and lesson learnt.

- **Strategic scoping study of agri-food related opportunities post Brexit** – The third strand will to be commission some consultancy work to set out emerging rural priorities as a result of the Brexit transition period. The work is to result in headline recommendations to ensure SELEP’s rural strategy provides clear strategic direction, especially for food productivity and the associated supply chain network, and by identifying impactful areas for future SELEP investment.

## **2. Recommendation**

- 2.1 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.

<b>1. Project Title</b>	
<p><b>Good Food Growth Campaign</b></p>	
<b>2. Project Location</b>	
<p>Lead contact location, Produced in Kent, Blackman’s Farm, Blackmans’ Lane, Hadlow, Tonbridge, Kent TN11 0AX</p> <p>Primary delivery locations:</p> <ul style="list-style-type: none"> <li>• Produced in Kent, Blackman’s Farm, Blackman’s Lane, Hadlow, Tonbridge, Kent TN11 0AX</li> <li>• East Sussex County Council, County Hall, St Anne’s Crescent, Lewes, East Sussex BN7 1UE</li> <li>• Essex Chambers of Commerce, Unit 3 Block B, Parkside Office Village, Nesfield Road, Knowledge Gateway, Wivenhoe Park, Colchester, Essex C04 3ZL</li> <li>• Pan-LEP Project Manager to be appointed working at all three locations as required.</li> </ul>	
<b>3. Lead point of contact for Project</b>	
Name	Stephanie Durling
Organisation	Produced in Kent
Job Title	Manager
<b>4. Lead contact in County Council/ Unitary Authority (if different from above)</b>	
Name	David Hughes
Organisation	Kent County Council
Job Title	Head of Business and Enterprise
<b>5. Description of Project (No more than 300 words)</b>	
<p><b>Post Brexit, SELEP’s food and drink sector would grow significantly if supported by a more joined-up strategic approach to share knowledge and expertise and drive business development, thereby exploiting opportunities for import substitution and increased exports within what is a period of challenge, opportunity and transition.</b></p> <p>This pan-LEP project will support growers, processors, retailers, food businesses and new entrants to raise awareness of the opportunities available within the sector to develop and enhance their businesses thereby adding both volume and value to the sector.</p> <p>This project will focus on:</p> <ul style="list-style-type: none"> <li>• <b>Networking - The delivery of four food and drink conferences</b> (three county-based followed by an over-arching LEP wide conference). These will include key speakers focussing on business development, start-ups, branding, product development, new markets, accessing buyers/suppliers, etc. Business to business networking, access to food champions, and opportunities for producers/retailers to exhibit will be integral elements. LEP-wide conference will act as focal point to share knowledge, expertise and lesson learnt.</li> <li>• <b>Supply chain development - ‘Meet the Buyer’ Business-to-Business events</b> will be shaped by the outcomes from the conferences and targeted to address barriers to successful supply chain for both independents and multiples. Three half-day workshops will be delivered to prepare</li> </ul>	

producers and buyers for the event by exposing key barriers and identifying how to overcome them (sharing perceptions and expectations is key). These will be followed by three half-day 'Meet the Buyer' events, which will also include detail on how to win public sector contracts (e.g. East Sussex School Meals Contract). Feedback will be shared and a final follow-up session 9 months later will monitor success.

- **Strategic scoping study of agri-food related opportunities post Brexit** - consultancy work to set out emerging rural priorities as a result of the Brexit transition period. Headline recommendations to ensure our rural strategy provides clear strategic direction, especially for food productivity and the associated supply chain network and by identifying impactful areas for future SELEP investment.

#### 6. Project links to SELEP Strategic Economic Plan

SEP objectives	Description	Support provided by project
1.20 Boosting our Productivity	Bring together national and local business start-up and support services.  Deliver specific sector support programmes and projects.  Help to create better links internationally through exporting and importing or international partnerships.	Bring together sector champions, experts and practitioners to engage with new entrants and existing businesses to support business development, raise awareness of opportunities, access to support and links with export markets.
1.50 Our federated delivery model	We will always deliver closest to our communities, coming together when scale, additionality and greater impact can be achieved.	The project is delivered within Federated areas and will identify and build upon local experience and expertise to share at the pan-LEP conference and meet the buyer event. This ensures a LEP-wide overview of the sector and helps create a broad network to maximise sector growth.
2.10 Economic activity is not evenly spread across the SELEP area	Unemployment tends to be higher in some peripheral parts of the LEP.	The project will provide an opportunity to engage with businesses and communities in those 'hard-to-reach' areas
2.11 Entrepreneurial business culture	SELEP has an above average proportion of registered micro-enterprises (<10 employees).	The food sector is host to a broad mix of micro-businesses. This project will provide opportunities for them to engage directly in a broader sector network, benefit from support and expertise and enhance the growth of their business.
Promoting innovation 2.45 Growth in our rural economy	New businesses in rural areas create further	Directly supports growth in the rural economy and offers the opportunity for

	employment opportunities and help local communities thrive.	local producers to engage with broader market and build on the 'local produce' offer offering a more sustainable approach to food production which directly supports local job creation and community cohesion.
2.47 All activity will be delivered with our Local Area Delivery Partnerships whose chapters highlight rural priorities	<p>Optimising the take-up of new technology and supporting innovation in the horticultural, viticulture and top fruit sectors.</p> <p>Continued diversification, including growth of agri-tech, energy production and tourism</p>	<p>Raise awareness of technical innovations in the food sector to support productivity and business efficiency. Highlight new opportunities in viticulture, emerging markets and sustainable production.</p> <p>Link producers to the 'food tourism' offer and provide opportunities to develop markets in partnership with tourism partners.</p>
2.54 Improving Our Skills	Deliver a locally responsive system that responds to the needs of employers and learners in order that skills can be a driver for economic growth and not a barrier	The project provides an opportunity to assess current skills gaps and liaise with rural educational partners (Plumpton, Writtle and Hadlow) to ensure they are aware and able to respond through their courses and deliver a targeted response.
4.55 Rural and Coastal Communities Job density is low in some rural areas	<p>Support for small rural businesses to develop new products, processes and markets.</p> <p>Collaborative support for innovation in the horticultural, viticulture and top fruit sectors. Stimulate new business creation and support existing businesses to grow.</p> <p>Supporting tourism enterprises to develop new products and services enhancing destination offer.</p>	<p>The project will enable small rural businesses to access expertise to support development and provide direct help to start-ups. Innovation regarding food production techniques, food processing, and routes to market and access to new markets will enhance economic development and support job creation.</p> <p>Creating direct links with the 'local food offer' and rural tourism will provide added value and synergy to this rapidly growing element of the sector. Food destinations are increasingly seen as a high value part of the overall tourism offer.</p>
<b>Rural Strategy Objectives</b>	<b>Description</b>	<b>Support provided by project</b>
RE1 Provide support for rural businesses and businesses in rural areas	Entrepreneurial culture within which people are able to establish, develop	The project directly supports this objective through delivery of a series of food conferences and 'meet the buyer'

	<p>and grow or relocate their business with access to a well-trained workforce in a rural location.</p> <p>Increase the number of business start-ups.</p> <p>Create sustainable employment opportunities in rural areas which in turn support's thriving communities.</p>	<p>events integral to the food sector. It will provide opportunities for business engagement and the creation of a robust sector network through which new and established businesses can share knowledge and expertise to support economic development and job creation.</p>
RE2 Optimise the growth and development of the Agri-tech, Agri-food and Forestry-tech sectors	<p>Help deliver the Government's Agricultural Technology Strategy by supporting local food organisations such as 'Produced in Kent' and relevant businesses in developing and exploiting new technologies and processes.</p> <p>Support development of the Agri-food sector by addressing lack of capacity in production and supply and developing a unified 'local food' offer.</p>	<p>The project will help enhance the LEPs food group network which is currently fragmented and in need of development.</p> <p>Raising awareness of current activities, sharing ideas and experience and creating new links and business partnerships will help add value to products.</p> <p>Highlighting innovative food production techniques and processes will help stimulate business development and provide new ways of growing businesses. The 'local food' offer is an increasingly important focal point for producers to respond effectively to buyers who want to know the provenance of their food.</p>
RE3 Support the development of sustainable rural tourism	<p>Work in partnership at a strategic level across the LEP to support a co-ordinated tourism offer.</p> <p>Broadened tourism business base creates sustainable and enhanced employment opportunities.</p>	<p>The food and drink offer is making an increasingly significant contribution to the rural tourism sector. This project will help integrate it further by developing current and additional markets.</p>
RC2 Develop the skills of the rural workforce	<p>Support the development of local businesses to help upskill and reskill people of all ages and enhance their access to jobs.</p>	<p>Food producers and retailers are located in both rural and urban communities and play a significant role in their economic and social health. Supporting their development and sustainability will provide job opportunities and skill development for people in these</p>



		communities.
RC3 Build 'community capital' in our dispersed communities, villages and towns	Develop the entrepreneurial potential and resilience of rural communities.	Start-up businesses will bring new opportunities in rural communities. Enhancing current businesses adds to these and supports community cohesion and resilience.
Ren3 Support sustainable development and planning to provide a sustainable future	To provide a sustainable future.	Provide advice on best practice for sustainable development as an integral element of the business development process.
<b>Industrial Strategy Challenge Fund</b>	<b>Description</b>	<b>Support provided by project</b>
Transforming food production	The world will need 60% more food by 2060. For this to be possible, the way we produce our food needs to be significantly more efficient and sustainable. Using precision technologies we can make that a reality; transform food production while reducing emissions, pollution, and waste and soil erosion.	The project will act as a focal point to raise awareness of the need for innovation to help transform the way the sector responds to future needs in a sustainable way. It will provide a direct link to the work going on in research and academia as a starting point for sector conversation. R&D partners will be invited to each conference as lead practitioners.
<b>Defra 25 Year Food Plan</b>	<b>Description</b>	<b>Support provided by project</b>
Development of a long-term plan for the food industry	<p>Ensure commercial investment in food production is supported so that the UK industry can prosper.</p> <p>Promote the development and uptake of agri-food technology to support productivity growth and reduce the environmental burden.</p> <p>Recognise the need to develop new supply chain partnerships which respond to changing consumer demands in the UK and globally.</p>	The project supports each of these objectives and will act as a focal point to raise awareness of Government thinking post-Brexit.
<b>Defra Health and Harmony Consultation</b>	<b>Description</b>	<b>Support provided by project</b>
The future for food, farming and	Introduction of an	A bespoke piece of light-touch

the environment in a Green Brexit – feedback to support development of a new Agriculture Bill.	Agriculture Bill in Autumn 2018 that breaks from the CAP, providing the United Kingdom with the ability to set out a domestic policy that will stand the test of time.	consultancy work will be carried out to ensure we take account of the issues emerging in the rural sector, relate these to our current rural strategy and make recommendations for future activity and direction. Account will be taken of current government thinking, strategies, policies, and consultations – this includes Defra, Natural England, Environment Agency, sector bodies, NFU, CLA, AHDB, environmental organisations, etc.
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**7. Total value (£s) of SSF sought (net of VAT)**

	Activity	Projected Expenditure
Timescale	12 months from time of award	
Campaign Manager	<p>Post advertised immediately after award of grant.</p> <p>Purpose is to manage the Food Conference and ‘Meet-the-Buyer’ programme in liaison with colleagues at Produced in Kent, Essex Chambers of Commerce and East Sussex County Council.</p> <p>This includes all aspects of the programme and reporting to a pan-LEP management group to establish the detailed programme, timescales, deliverables, outcomes and final report</p> <p>*Please see detailed programme attached along with background paper</p>	<p>£28,800.00</p> <p>(6 days per month @£400 per day = £2400.00 per month x 12 = £28,800.00 including expenses)</p>
Consultancy work	<p>Work advertised immediately after award of grant.</p> <p>Purpose is to carry out a light-touch review of emerging trends in the rural sector during the transition and post-Brexit period to ensure SELEPs rural objectives maintain effective strategic direction.</p> <p>*See consultancy brief attached</p>	<p>£3,600.00</p> <p>(8 days @£450 per day)</p>
PR/Media	Includes design, production of	£10,000.00

	promotional materials, PR, photographer, media links			
Venue hire	Includes 4 full-day conferences plus 3 meet the buyer workshops plus 3 meet the buyer events. Refreshments and light lunch provided.	£14,000.00		
Speakers/trainers	Meet costs of individual speakers and trainers to include fees and travel expenses.	£4,000.00		
<b>SSF Costs</b>		<b>£60,400.00</b>		
<b>8. Total value (£s) of project (net of VAT)</b>				
The total value of the project will be £98,900				
<b>9. Total value (£) of match funding (net of VAT)</b>				
The value of match funding will be at least £38,500				
<b>10. Funding breakdown (£s)</b>				
<b>Source</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>Total</b>
SSF		£60,400		£60,400.00
Other sources of funding ( <i>please list below, add additional rows if necessary</i> )				
Produced in Kent		£12,000		£12,000.00
East Sussex County Council		£12,000		£12,000.00
Essex Chambers of Commerce		£12,000		£12,000.00
Kent County Council		£2,500		£2,000.00
Total Project Cost				£98,900.00
<b>11. Details of match funding</b>				
The value of the match funding will be at least <u>£38,500</u>				
Partners will provide the following:				
Use of office premises at East Sussex CC, Produced in Kent and Essex Chambers of Commerce as required by the Project Manager – 20 days per office @ £100 per day = £2,000 x 3 = £6,000				
Use of partners time:				
Staff from partner organisations will act as the Project Management Group to ensure the project is delivered effectively. This includes regular meetings with the project manager, supporting project delivery, contributing knowledge and expertise, making use of the bespoke knowledge of staff within partner teams, access to sector partners and working together across the LEP to deliver a project with focus and impact. Access to local knowledge and contacts within the area will add value by increasing efficiency and ensure best use is made of the sector knowledge across the LEP.				

25 days @£400 per day per team = £10,000 x 3 = £30,000

Kent County Council will manage the procurement process for the project manager role and monitor spend during the life of the project as an in-kind contribution – estimated cost £2,500

**12. Expected project start and completion dates**

Start: 1 October 2018  
End: 31 September 2019

**Key Milestones**

Key Milestones	Description	Indicative Date
Project initiated	Funding confirmed and contract awarded	1 October 2018
Project management group agreed	Structure formalised and JD and person spec for the manager's post agreed	12 October 2018
Appoint project manager and consultant – Kent County Council will manage this process on behalf of the Management Group	Advertise contracts 12 October. Application deadline 31 October, shortlist by 2 November. Interview and appoint 9 November	9 November 2018 as appointment date. Start date ASAP.
Project management group agree work programme with project manager and consultant	Set key targets, work schedule and reporting process	23 November 2018
Food conference in East Sussex	Deliver first conference	W/B 18 February 2019
Food conference in Essex	Deliver second conference	W/B 15 April 2019
Food conference in Kent	Deliver third conference	W/B 10 June 2019
Feedback and lessons learned plus monitoring	Report and recommendations	
Pan-LEP conference	Share feedback	TBC
Meet the buyer workshop – East Sussex	Deliver workshop	
Meet the Buyer event – East Sussex	Deliver event	
Meet the Buyer workshop - Essex	Deliver workshop	
Meet the buyer event - Essex	Deliver event	
Meet the buyer workshop - Kent	Deliver workshop	
Meet the buyer event - Kent	Deliver event	

Feedback and lessons learned plus monitoring		
<b>14. Benefits created by 2021 (list benefits with number/amount and cash value if applicable)</b>		
Type of Benefit	Number of benefits created	Cash value of benefit (£)
Additional employment – target of 10 FTE posts (existing and start-ups)	Monitor companies (minimum of 50) attending the conferences and meet-the-buyer events	£18,000 per FTE x 10 = £180,000
Increased product sales – overall uplift of 2-5% across companies involved (acknowledging challenging economic climate)	As above assuming 50 companies (conservative minimum overall value £3 million)	Potentially 2% - 5% of circa £3 million = £60,000 – £150,000
New products developed	5 products developed and taken to market	Potential additional revenue of circa £30,000 per product = £150,000
Businesses new to export	5 new export leads provided	For example at £50,000 each = £250,000
Significantly improved network of growers, buyers, producers and retailers across SELEPs food and drink sector	Enhanced links between minimum of 50 companies supports 10 new business contracts	Each contract worth circa £20,000 x 10 = £200,000
Projected total		£930,000
<b>15. Value for Money – Benefit/Cost Ratio</b>		
<p><i>Please insert your Benefit/Cost Ratio (i.e. total value of benefits divided by total costs). Please indicate how you uture have quantified your benefits and over what period those benefits are expected to realised</i></p> <p>The Benefit/Cost Ratio is circa 9:1 and highlights the significant potential for the development of SELEP’s food and drink sector.</p> <p>Monitoring will take place during the period of project delivery and continue 6 months beyond that point to ensure adequate time is allowed for an accurate review to take place. Partners have expressed their willingness to deliver this important part of the project using their in-house resources.</p> <p>Through the project producers will be able to identify how to engage more effectively with buyers to create higher economic impact. For example Kent alone has 120 food manufacturing and 200 food wholesalers which represent a significant market for producers.</p> <p>The public are keen to try new food and drink products. The increase in demand for local products with</p>		

known provenance and the rapid increase in the market for vegan products are examples of how markets change, often quite quickly, and therefore businesses need to be in a position to respond accordingly and take advantage of these new trends. There are opportunities to develop new products to help drive the market forward and add value to the business.

A more connected and co-ordinated sector helps raise awareness of these trends and can offer synergies outside of the normal routes. People are keen to eat healthily and want access to nutritious food delivered in a creative way at an attractive price. This provides openings for traditional produce to be 'reimagined' and for new products to be brought to market.

The market for English sparkling wine, beer, cider and gin is burgeoning. This sector offers new markets and product development, brand creation and promotion opportunities. The fact that French champagne houses are buying land in the South East is a robust indicator of future demand.

Research by Lloyds Bank\*, inter alia, found that leaving the EU remains the biggest threat to supply security in the next five years (cited by 41% of firms). Concerns about ingredient security have also increased, with 36% saying it is one of the biggest challenges for the industry (up from 26% in 2016), but despite challenges 78% of firms said they would pay a higher price to primary producers in the UK to guarantee supply security and maintain the provenance of their products.

Overall this sector provides a host of business opportunities with food and drink playing an increasingly important part in SELEPs economy during the post-Brexit era.

\*Lloyds Bank Food and Drink Report 2017

## 16. Value for Money – Other Considerations

*Please detail benefits that cannot be quantified or cannot be quantified without lengthy or expensive analysis. This narrative should include details on why the benefit can't be quantified. If your BCR does not meet the standard 2:1 – please use this section to set out why the investment should be considered*

The project will make a significant contribution to the development and sustainability of SELEP's food sector as outlined below:

- Raised awareness of the opportunities to build existing businesses through the creation of a more joined-up sector network and community
- Broadens market horizons and encourages an entrepreneurial approach which links to post-Brexit aspirations and opportunities
- Strengthening business resilience and sustainability of existing jobs
- Events will be publicised through respective Growth Hubs across the SELEP area, thereby improving traction for the initiative
- Roll out of the project will encourage links to the South East Business Boost and LOCASE initiatives. Both are pan-LEP initiatives which offer business grants and support to SMEs.
- Improved understanding of how new innovations in the food sector can help drive productivity and increase business efficiency
- Knowledge sharing enhances confidence and leads to new business partnerships and encourages investment in business development

- Conferences and ‘Meet-the-Buyer’ events create a focal point for sector development
- Builds confidence and encourages start-ups bringing new drive, creativity and energy into the sector
- Increased awareness of the opportunities for producer/retailers to do business across the LEP
- Provides direct access to sector professionals to support business development
- Improved opportunities to create new jobs as a result of business expansion
- Raised awareness of export opportunities and potential market development post-Brexit
- Consultancy review of post-Brexit rural priorities will ensure SELEP maintains strategic direction regarding the issues emerging and ensure resources and focus remain targeted to support positive outcomes

All of the elements of this project will enhance and improve the economic health of SELEPs food sector through the development of a more connected business grouping with enhanced communication and networks, new business relationships and increased awareness of and access to innovation and technology. To provide context:

Kent is home to almost 500 food related companies employing over 18,000 people. The total Kent food chain is worth circa £2.6 billion, equal to about 12.4% of the total GVA of Kent. In addition this food chain provides around 85,000 jobs accounting for over 15% of Kent’s total workforce. There are over 120 food manufacturing companies and 200 food wholesalers in the County.

Essex also has a large network of food businesses with over 4,000 people employed across almost 200 companies. The majority of employees work in the manufacture of food products (90%) with the remaining 10% working in the manufacture of beverages.

In East Sussex 16% of all jobs in the County are involved in the production or sale of food and beverages with over 6,000 people employed in food production, manufacture and specialist sales. There are circa 400 local businesses in the food and drink sector employing some 27,000 people. 40% work in the sector (10,600) work in food and beverage service activities and a further 41% (11,000) work in food and drink retail.

Post Brexit opportunities need to be considered now and this project provides an effective mechanism for doing so. Existing businesses have much knowledge and experience to share and the project provides a vehicle for exploring how best use can be made of these within a post-Brexit world including export opportunities beyond the EU.

## 17. Dependencies and Risks

*Please detail any scheme dependencies, risks and delivery constraints which may impact on the delivery of the project and or the benefits achieved through SSF investment in the Project*

Risks	Likelihood	Impact	Mitigation	Overall risk
Unable to recruit project manager	Low	High	Ensure post is advertised through a wide network of professionally recognised outlets. Kent County Council to manage this process on behalf of the project management group	Low

Partner disengagement	Low	Mod/High	Partners well-known to one another and have already provided significant time in pulling the application together. They fully support the sector and have demonstrated a high level of commitment to the project	Low
Poor engagement from businesses	Mod	High	Soundings have already been taken with a cross-section of food sector businesses seeking their views on the appropriateness and focus of the project. Their suggestions have been taken on board.	Low
Lack of conference venues	Low	Mod	There is a broad range of conference venues within the SELEP area and good ones tend to be booked early. The project spans 12 months so there is the opportunity to book well ahead to secure the type of venue required.	Low
Skill-set lacking to ensure effective project management	Low	High	Partners involved have a long and successful track-record of managing a broad range of complex, multi-faceted projects. A project management team will be formed to ensure effective delivery.	Low



**FOR INFORMATION ONLY PAPERS  
KMEP 24<sup>th</sup> September 2018**

## **FOR INFORMATION ITEM A**

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

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### **KMEP Board Meeting Dates**

The next Kent & Medway Economic Partnership meeting date is:

- Mon 26 November 2018

The meeting 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
- Thursday 25 October 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 16 November 2018
- Friday 15 February 2019

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

**FOR INFORMATION ITEM B**

**Subject:** Update on the European Social Fund (ESF) 2014-20

**Author:** Allan Baillie, Skills & Employability Manager (Adult Skills), Kent County Council

**European Social Fund (ESF) 2014-20**

The ESF forms £71.6M of SELEPs total £161m EU Funding (ESIF), as follows:

<u>Name of fund</u>	<u>Total value for SELEP</u>	<u>Priorities for fund</u>
ESF (European Social Fund)	<b>£71.6m</b>	Access to employment, integration of young people, social inclusion, and investing in skills, education and lifelong learning
ERDF (European Regional Development Fund)	<b>£74.1m</b>	Research and innovation, SME growth, low carbon economy
EAFRD (European Agricultural Fund for Rural Development)	<b>£14.5m</b>	Rural businesses, rural tourism and food manufacturing

**Status re: Brexit**

The Government extended the guarantee on 24th July 2018 to cover the full 2014 – 20 programme period and allocation in the event of a Brexit ‘no deal’ scenario. ESF Funding is available until 2023 to contracts where delivery commences in 2020 (under the Plus Three rule))

**Priority Activities**

ESF Funding is provided to support the following ‘Priority Activities’:

**Priority Axis 1: Inclusive Labour Markets**

- 1.1 Access to employment for jobseekers and inactive people
- 1.2 Sustainable integration of young people
- 1.3 Youth Employment Initiative (YEI)
- 1.4 Active Inclusion
- 1.5 Community-Led Local Development (CLLD)

**Priority Axis 2: Skills for Growth**

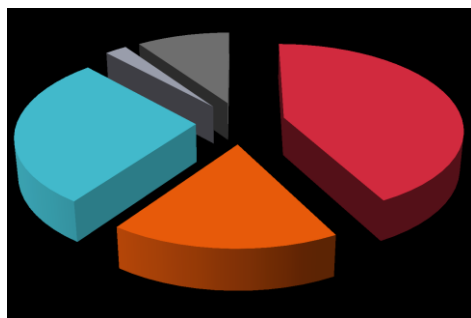
- 2.1 Enhancing equal access to lifelong learning
- 2.2 Improving the labour market relevance of education and training systems

## **Match funding**

There is a requirement for 50% match funding, so LEPs have formed partnerships with National organisations that co-finance, and manage delivery. These organisations are:

- (Education and) Skills Funding Agency (SFA now ESFA)
- Department for Work & Pensions (DWP)
- Big Lottery Fund (BLF)
- National Offenders Management Service (NOMS CFO)

SELEP has distributed £50m to date through the following partners:



- **SFA**
- **DWP**
- **Big Lottery**
- Youth Employment initiative 'On Track'
- Community Led Local Development

Full details of the contracts currently operating can be found on the SELEP website.

## **ESF Current Call for Proposals**

SELEP has partnered, once again, with ESFA to issue a call for proposals (August 20<sup>th</sup> issue with deadline 19<sup>th</sup> September) under the following Priority Axis:

	<b>SELEP contract value</b>
<b>Priority Axis 1: Inclusive Labour Markets</b>	
1.1 Skills support for the unemployed (SSU)	£2,250,000
1.2. NEET (15-24)	£ 811,996
1.4 Community Grants	£ 709,859
<b>Priority Axis 2: Skills for Growth</b>	
2.1. Skills Support for the Workforce (SSW)	£2,700,000
<b>TOTAL</b>	<b>£6,471,855</b>

Further details regarding the Call for Proposals is available via the SELEP Website at [www.southeastlep.com/our-strategy/skills/](http://www.southeastlep.com/our-strategy/skills/)

A summary of the proposals is attached in the following tables:

<b>1.1. Skills Support for Unemployed (SSU)</b>	<b>SELEP Priorities?</b>
<p><b>Access to employment for 16+ job seekers and inactive people, including the long term unemployed and people far from the labour market.</b></p> <p><b>The aim of the service is to:</b></p> <ul style="list-style-type: none"> <li>• provide participants with support so that they can <b>compete effectively in the labour market;</b></li> </ul>	<ul style="list-style-type: none"> <li>• 178,000 workless households</li> <li>• 119,500 economically inactive people wanting a job</li> <li>• 47,860 people on out of work benefits</li> <li>• Align with LEP Skills Strategy</li> <li>• <a href="http://www.southeastlep.com/our-strategy/skills/">www.southeastlep.com/our-strategy/skills/</a></li> <li>• Priority for key sectors</li> </ul>

<ul style="list-style-type: none"> <li>• <b>encourage Inactive people to participate</b> in the labour market and to improve their employability;</li> <li>• address the <b>Basic Skills needs of Unemployed and Inactive people</b> so that they can compete effectively in the labour market;</li> <li>• provide <b>support for women who are underrepresented in the labour market</b>, and particularly those who are currently Inactive</li> </ul>	<ul style="list-style-type: none"> <li>• Meaningful qualifications responding to industry</li> <li>• Address pathways to sectors</li> <li>• Particular focus on homeless people, ex-offenders, older people, addressing gender inequality</li> <li>• Must not duplicate current (Reed) contract</li> </ul>
<b>Total commitment: £2,250,000</b>	

<b>1.2. NEET (15-24)</b>	<b>SELEP Priorities?</b>
<p>Sustainable integration into the labour market of Young People, in particular those not in employment, education or training including young people at risk of social exclusion.</p> <p><b>The aim of the service is to:</b></p> <ul style="list-style-type: none"> <li>• Provide <b>employability skills</b> such as job and interview preparation</li> <li>• include the <b>provision of opportunities</b> for interventions such as <b>employer-based</b> vocational training and tasters, employment trials, work placements or internships, work pairing and volunteering and pre-recruitment training</li> <li>• include engagement with <b>marginalised Participants</b> and support for them to re-engage with education or training.</li> <li>• address the Basic Skills needs of Participants so that they can compete effectively in the labour market.</li> </ul>	<p>SEND, harder to reach long-term NEET, carers, children in care and care leavers, those in rural areas, homeless/at risk of, &amp; those with mental health barriers</p> <ul style="list-style-type: none"> <li>• 2,699 16-17 year olds are Not in Education, Employment or Training</li> <li>• 9,675 18-24 year olds claiming out of work benefits</li> <li>• 17,000 economically inactive 16-24 year old (excludes students)</li> <li>• Support focused on individuals</li> <li>• Focus on key sectors and a bridge to jobs</li> <li>• Must complement current Essex CC / Princes Trust contracts</li> <li>• Align with LEP Skills Strategy</li> </ul> <p><a href="http://www.southeastlep.com/our-strategy/skills">www.southeastlep.com/our-strategy/skills</a></p>
<b>Total commitment: £ 811,996</b>	

<b>1.4. Community Grants</b>	<b>SELEP Priorities?</b>
<p><b>1.4 – To support people with multiple &amp; complex barriers to participation to address these underlying issues and to move closer to or into the labour market.</b></p> <p><b>The aim of the service is to:</b></p> <p>Engage a Managing Agent to design, implement and administer a Community Grants Programme to third sector organisations and small organisations.</p>	<p>178,000 workless households</p> <ul style="list-style-type: none"> <li>• 119,500 economically inactive people wanting a job</li> <li>• 47,860 people on out of work benefits</li> <li>• Over 2,150 homeless or threatened with homeless households</li> <li>• 176,000 people with no qualifications</li> <li>• Growing numbers of people with mental health barriers</li> <li>• Align with LEP Skills Strategy</li> </ul> <p><a href="http://www.southeastlep.com/our-strategy/skills/">www.southeastlep.com/our-strategy/skills/</a></p>
<b>Total commitment = £ 709,859</b>	

<b>2.1. Skills Support for the Workforce (SSW)</b>	<b>SELEP Priorities?</b>
<b>To increase the skills levels of employed people</b>	<ul style="list-style-type: none"> <li>• Focus on key sectors</li> </ul>

<p><b>from the existing level to the next level up, to encourage progression. The aim of the service is to:</b></p> <p>To provide individuals with the opportunity to develop the skills that will enable them to progress in employment through:</p> <p><b>Strand 1 - Skills Support for the Workforce:</b></p> <ul style="list-style-type: none"> <li>•support to employers to employ and develop individuals to fill <b>intermediate, technical &amp; higher-level skills gaps &amp; shortages.</b></li> <li>•addressing the <b>Basic Skills</b> needs of the Employed</li> <li>•increase skills levels of the Employed to at least <b>the next level up</b></li> <li>•increase the number of people with <b>technical &amp; job specific skills</b>, to progress them into education, employment &amp; apprenticeships</li> <li>•<b>increase skills levels of employed women</b></li> <li>•<b>promote apprenticeships</b> to address skills gaps within existing workforce.</li> </ul> <p><b>Stand 2: Skills Support for at risk of redundancy/ recently redundant:</b></p> <ul style="list-style-type: none"> <li>•Support Enterprises that are <b>undergoing industrial restructuring</b></li> <li>•Supporting <b>recently redundant individuals</b> where initial contact through previous employers has not been possible.</li> </ul>	<ul style="list-style-type: none"> <li>•Upskilling teaching staff</li> <li>•Meet changing needs of employers – from entry to higher level</li> <li>•Innovative, SMART delivery – i.e. VR, online</li> <li>•Address gender imbalance</li> <li>•Supporting people with mental health barriers and disabilities</li> <li>•Align with LEP Skills Strategy</li> </ul> <p><a href="http://www.southeastlep.com/our-strategy/skills/">www.southeastlep.com/our-strategy/skills/</a></p>
<p><b>Total commitment = £2,700,000</b></p>	

There will be further calls for proposals later this year using some of the remaining SELEP ESF funding. It is intended that this will be issued without a partnership arrangement. Although providing greater flexibility, this places a requirement on the applicant to find 50% match funding.