

Appendix 2 Sector Support Fund (SSF) Application Template

1. Project Title	
North Kent Enterprise Zone: Enabling and Marketing	
2. Project Location	
North Kent: Ebbsfleet (Dartford/Gravesham), Innovation Park Medway (Medway/Tonbridge & Malling), Kent Medical Campus (Maidstone)	
3. Lead point of contact for Project	
Name	Richard Longman
Organisation	Thames Gateway Kent Partnership
Job Title	Head of Policy & NKEZ Coordinator
Telephone	01634 337270 / 07538 102408
Email	Richard.longman@thamesgateway-kent.org.uk
4. Lead contact in County Council/ Unitary Authority (if different from above)	
Name	Helen Dyer
Organisation	Medway Council
Job Title	Senior LGF Programme Coordinator
Telephone	01634 331141
Email	Helen.dyer@medway.gov.uk
5. Description of Project (No more than 300 words)	
<p><i>This narrative should include evidence of impact in at least three of the four SELEP Federated areas and links to sector based working groups</i></p> <p>The North Kent Enterprise Zone (NKEZ) was designated by Government in Autumn 2015 and came into operation on 1 April 2017. It is one of four Enterprise Zones in which SELEP has an interest. As a nationally designated Enterprise Zone, NKEZ is a priority initiative for SELEP. Whilst it operates within a specific sub-regional geography, its impact will potentially benefit SELEP as a whole as a catalyst for enterprise and growth in the Thames Gateway/Estuary area. The detailed timetable for the LDOs will be subject to the preparation of the evidence base, being undertaken at the initial stage of the masterplanning process.</p> <p>The SELEP Strategic Board approved the funding sought in this application in June 2017 (http://www.southeastlep.com/images/uploads/resources/Strategic Board Meeting Agenda Pack 220917 vFINAL.PDF, paragraph 6.12) subject to compliance with the assurance framework and demonstration of value for money.</p> <p>At that time the funding package covered three elements, now reduced to two:</p> <ul style="list-style-type: none"> (i) Preparation of Local Development Orders (LDOs) and Masterplan for Innovation Park Medway (IPM); (ii) Marketing of NKEZ and associated collateral. <p>A third component, a proposed evaluation, is not being progressed and the funding approved in principle is sought to be applied instead to element (i).</p> <p>Medway Council and Tonbridge & Malling Borough Council have agreed that LDOs offer the best way forward for delivering a simplified planning regime for IPM, underpinning a compelling offer to potential occupiers and accelerating the delivery and pace of site development and business occupation. The funding is to contribute towards development of the LDOs and Masterplan including associated studies and consultation processes.</p>	

The NKEZ Strategic Board has adopted a marketing strategy taking a phased approach to awareness-raising, targeted advertising, promotional collateral, social media and direct marketing. This is being led by Locate in Kent on behalf of NKEZ. This element of funding is to enable added-value activity to enhance the marketing impact for NKEZ.

6. Project links to SELEP Strategic Economic Plan

Please identify which objectives within the current SEP that this project will assist in delivering

Successful delivery of the North Kent Enterprise Zone supports a number of strategic objectives within the current SEP¹:

- It focuses on the Thames Gateway, the SELEP’s top spatial priority (e.g. 1.4, p.7; 4.178, p.148).
- It focuses on innovation and growth in knowledge-intensive sectors, in particular medical and life sciences and technologies, advanced manufacturing and engineering and digital and creative industries. This aligns well with priorities set out in the Government’s Industrial Strategy White Paper and emerging thinking on SELEP’s Strategic Economic Plan as well as the existing SEP (2.15, p.22; 4.153, p.140).
- It targets locations where high value employment will boost land values and confidence to support housing delivery (2.94, pp.42-43), including Ebbsfleet Garden City, by helping provide impetus to commercial growth and creation of high value jobs (e.g. 4.158, p.143; 4.180, p.149).
- It will improve the productivity of the south east economy, raising GVA and investor confidence (2.29-2.31, p.27).
- It will strengthen linkages between business and the higher education sectors, both through on-site provision and governance arrangements (2.12, p.20).
- It reflects the recognition given by SELEP to the potential for business park development at Rochester Airport (Innovation Park Medway), backed by allocations from rounds 2 and 3 of the Local Growth Fund and provisional commitment of a Growing Places Fund loan for enabling development.
- It accelerates delivery of the Kent Medical Campus as a key driver for growth in life sciences and medical technology industries in the SELEP area (2.20, p.24), also supporting delivery of the Government’s Strategy for UK Life Sciences.

The marketing dimension of this project is crucial for promoting the whole of NKEZ. Bringing forward the LDOs for Innovation Park Medway will help accelerate development of a flagship site and create the conditions for innovation and growth by providing the framework for high quality premises, business environment and support networks to encourage increased investment in R&D, start-ups, incubation and grow-on opportunities for innovators and entrepreneurs and clustering of SMEs to stimulate collaboration and strengthen supply chains (2.26, p.26; 3.46, p.68).

The NKEZ reports progress to SELEP and to Kent & Medway Economic Partnership (KMEP) at least annually, including as part of the Annual Conversation process. The NKEZ will report on the progress of this project to KMEP and will agree with KMEP the form and frequency that reporting will take.

7. Total value (£s) of SSF sought (net of VAT)

£161,000 (58%)

8. Total value (£s) of project (net of VAT)

£278,310

9. Total value (£) of match funding (net of VAT)

¹ References to paragraph and page numbers in the South East LEP “Growth Deal and Strategic Economic Plan”, March 2014.



£117,310 (42%)

10. Funding breakdown (£s)

Source	2017/18	2018/19	2019/20	Total
SSF	5,520	155,480	-	161,000
<i>Other sources of funding (please list below, add additional rows if necessary)</i>				
Locate in Kent	16,900	10,000	-	26,900
Medway Council	-	*59,169	**23,141	90,410*
Tonbridge & Malling BC	8,100			
Total	30,520	224,649	23,141	278,310
<i>SELEP funding as % of total</i>	<i>18.1%</i>	<i>69.2%</i>	<i>-</i>	<i>57.8%</i>

* Medway Council and Tonbridge & Malling BC committed to providing match funding: actual split in 2018/19 and 2019/20 subject to final confirmation.

** Assuming 10% of contract payable on completion falling into 2019/20

11. Details of match funding

Insert details of match funding, including who is providing match, at what value, on what terms and what assurances are there that the match will be provided

All expenditure already incurred post-dates the SELEP Strategic Board's approval of 9th June 2017.

- (i) Separate LDOs are required for each local authority area (Innovation Park Medway spans the municipal boundary between Medway Council and Tonbridge & Malling Borough Council (T&MBC)). On behalf of the two authorities, Medway Council has procured consultancy support to prepare the LDOs and Masterplan for the IPM. The total contract cost is £231,410. This exceeds the estimate of £180,000 (itself the mid-point in a range of £155,000 to £205,000) that formed the basis for the £126,000 (70%) proposal made to SELEP in June 2017.

The third element of the 9 June package provisionally sought £15,000 for evaluation of NKEZ. In December 2017 the NKEZ Strategic Board decided not to proceed with evaluation at this point in time but, without prejudice to future decisions, to ask SELEP to earmark the funding provisionally approved to leave open the possibility of bringing forward a future proposal.

Following subsequent discussions with SELEP and its Accountable Body, the NKEZ Strategic Board proposed that application be made to increase the SELEP contribution towards LDO preparation by £15,000 in view of the higher than expected costs of the contract. This would take the SELEP contribution towards this element up to £141,000, comprising 61% of the LDO project costs, with partners contributing 39% match.

T&MBC have provided initial match funding in 2017/18, based on an agreed split with Medway Council (15/85% respectively) of the original cost estimate. Medway and T&MBC have committed to provide match based on the revised contract costs: the final split is subject to formal agreement.

- (ii) The Marketing budget for NKEZ is £46,900, more than half of which has been committed by Locate in Kent with ERDF support, and the remainder comprises this bid. Key elements of the marketing strategy include website (creation, ongoing development and maintenance), events, publications and marketing collateral (exhibition materials, display stands etc) for use at events such as MIPIM UK, and PR. The main components of the additional funds sought from SELEP would cover advertising campaign in targeted property and sector media; promotional video(s) giving a virtual tour of the sites and articulating the vision and ambition for the enterprise zone; and increasing the social media presence and profile of the NKEZ, buying in expert support.

The SELEP contribution towards this element would be £20,000, comprising 43% of the marketing

project costs, with partners contributing 57% match.

Overall match funding:

- **Locate in Kent = £26,900 (9.7%)**
- **Medway Council and Tonbridge & Malling Borough Council = £90,410 (32.5%)**
- **Total = £110,000 (42.2%)**

12. Expected project start and completion dates

- (i) Start February 2018 following procurement (November 2017-January 2018). Substantive completion Q1 2019; final completion Q2 2019 (subject to local election purdah – earliest date for post-purdah approval expected to be July 2019).
- (ii) Start August 2018; completion Q1 2019.

13. Key Milestones

Key Milestones	Description	Indicative Date
Masterplan and LDO contract commencement		February 2018
Studies, evidence base, masterplan development		February – August 2018
Public Consultation on Masterplan		September 2018
Adopt Masterplan		December 2018
Public Consultation on LDOs		January 2019
Adoption of LDOs		April/Q2 2019 (subject to purdah, expected July 2019)
MIPIM UK	Property and investment conference and exhibition	October 2017, October 2018
1 st Occupiers at IPM and KMC	Publicity to mark first occupiers on NKEZ sites (under existing planning permissions)	Q2 & Q3 2018 (occupation at ICM under new applications/notifications not anticipated before LDO adoption)
NKEZ video(s)	Promotional video(s) for overall scheme and individual sites	Q4 2018
PR and marketing campaign		Q3 2018-Q1 2019

14. Benefits created (list benefits with number/amount and cash value if applicable)

Type of Benefit	Number of benefits created	Cash value of benefit (£)
Estimated Saving in planning fees to occupying businesses at IPM	63	259,224
Estimated Saving in consultancy fees to occupying businesses at IPM	63	3,150,000
Acceleration of business rate yield for reinvestment in EZ, enterprise and growth	63 site occupations accelerated by 18-24 months (baseline for these sites is zero)	338,000 – 534,000
Total value of benefits*		3,727,224 – 3,943,224
* No estimates of value included for impact of marketing.	MIPIM UK generated 180 stand visitors, 49 follow-up contacts, 57% increase in website traffic	-

15. Value for Money – Benefit/Cost Ratio

Please insert your Benefit/Cost Ratio (i.e total value of benefits divided by total costs). Please indicate how you have quantified your benefits and over what period those benefits are expected to realised

BCR = between 13.5:1 and 14.2:1.

Benefits are calculated on basis of enabling delivery at between 18-24 months earlier than would otherwise be the case, of 21 x 1 acre plots and 42 x 0.5 acre plots. Benefits arise from:

- savings for private sector applicants on planning fees (estimated £6,868 per acre) and consultancies (estimated £50,000 per development), offset by LDO prior approval fee (£462 per scheme)
- accelerated delivery of business rates (estimated £50,000 per acre). Calculation is based on bringing forward earlier delivery of two parts of the EZ (identified as plots A and D on the 2014 Masterplan) than would happen without the LDO:
 - 2.84 acres of plot D, 18-24 months (half to all of year 1 plus all of year 2) = £213,000 to £284,000
 - 5 acres of plot A, 6-12 months (half to all of year 2) = £125,000 to £250,000
 - Total = £338,000 to £534,000

Estimates are predicated on development and occupation occurring during 2019-21. Business rates are estimated by reference to average rates at Gillingham Business Park (the nearest available proxy for comparison purposes).

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

For these purposes, the BCR has been calculated including the whole costs of the marketing budget, as it is not feasible at this stage separately to estimate the benefits generated by the marketing activity, which covers the whole of NKEZ.

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

The timing of public consultation on the IPM Masterplan may need to be informed by processes associated with the emerging new Local Plan in Medway.

Formal adoption of the LDOs may not be possible until after local election purdah in spring 2019, though the work should be substantively completed by the end of Q1 2019.

18. State Aid Implications

Please indicate how your projects complies with State Aid Regulations

Investment in the preparation of LDOs and Masterplan for IPM enables the creation of a clear and comprehensive planning framework which should expedite the planning process for subsequent occupiers who acquire the necessary interest in sites and comply with the requirements of the LDOs. There would be no direct assistance to future occupiers from this funding.

NB: A declaration of compliance with EU or other State Aid Regulations will be required prior to any SSF being provided. If your project is awarded SSF it will be subject to a condition requiring the repayment of

funding in the event that the European Commission or UK Government determines that the funding constitutes unlawful State Aid

19. Contracting Body

Please provide the name of the organisation to act as contracting body and give details of a contact with the organisation, including phone number and email.

The Accountable Body for North Kent Enterprise Zone is Maidstone Borough Council (MBC). MBC are responsible for administering funds allocated to NKEZ other than where direct contracting between the SELEP Accountable Body and a partner body proves simpler administratively whilst conforming to accountability and transparency requirements of the Assurance Framework. It has been agreed in principle that SELEP would contract directly with Medway Council on element (i) of this funding

Contact for (i):

Name: Phil Watts

Position: Chief Finance Officer

Organisation: Medway Council

Email: Phil.Watts@medway.gov.uk

Telephone: 01634 332220

Alternative:

Helen Dyer

Senior LGF Programme Co-ordinator

Medway Council

Helen.dyer@medway.gov.uk

01634 331141

Contact for (ii):

Name: Ellie Dunnet

Position: Head of Finance


Organisation: Maidstone Borough Council

Email: elliedunnet@maidstone.gov.uk

Telephone: 01622 602469

*If the contracting body is **not** one of the SELEP County or Unitary Councils, please detail the organisation that has been chosen, why the organisation has been selected and the benefits this arrangement will bring to the project. Any known risks of this organisation acting as contracting party should be identified here. Essex County Council as Accountable Body will make the final decision on whether any organisation is a suitable contracting partner.*

20. Declaration

Declaration	I certify that the information provided in this application is complete and correct
Signature (Lead applicant)	
Print Name	Richard Longman
Organisation	Thames Gateway Kent Partnership (for North Kent Enterprise Zone)
Date	5 April 2018

