



SOUTH EAST
LOCAL ENTERPRISE
PARTNERSHIP

STRATEGIC BOARD APPENDICES PACK

Friday 4th October 2019

High House Production Park, Purfleet, RM191RJ



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Appendix A- Duties of limited company directors

The Companies Act 2006 outlines the statutory duties of company directors as seven general duties;

1. Duty to act within your powers as a company director
2. Duty to promote the success of your company
3. Duty to exercise independent judgement
4. Duty to exercise reasonable care, skill and diligence
5. Duty to avoid conflicts of interest
6. Duty not to accept benefits from third parties
7. Duty to declare interest in proposed transaction or arrangement with the company

Sector Support Funding (SSF) Revenue Programme- Eligibility Criteria

Table 1 Eligibility Criteria

Eligibility Criterion	Notes
Scope must be pan LEP	The project must be able to demonstrate impact in at least three of the SELEP federated areas, preferably all four.
Federated areas must support the project	The project proposal must be discussed with the SELEP lead officer/Director for every federated area impacted. Endorsement for the bid must also be sought from the relevant Federated Board of the lead Upper Tier Authority.
The outcomes must align with SELEP's overarching objective to <i>create the conditions</i> for increased jobs and homes , safeguarding existing jobs and raising skill levels	Given the low investment levels of this fund, it is not expected that the projects will directly deliver greater numbers of jobs and homes but applicants must be able to demonstrate how the project will be part of creating the conditions for greater numbers of jobs and homes.
The project must align with the SELEP priorities as defined in the Economic Strategy Statement	Applicants should highlight which objective(s) that their project supports. If you are unable to identify an objective to align to, this would suggest your project is not suitable for this funding.
The funding must be for a discrete piece of work, not ongoing or business as usual (BAU) costs	This funding is project based, that is a stand-alone piece of work, with defined start and finish dates and clearly identified inputs and outputs.
Minimum application value is £25,000 and maximum application value is £200,000	Bids outside of this range will not be considered.
Funding will be awarded as a grant to support revenue spending only	Capital bids will not be considered.
Match funding of 30% must be demonstrated	Applicants must be able to evidence at least 30% of match funding at the time of application. This match can be either cash or non-cash. The source of this match must be identified and other SELEP funding or SELEP resource (including SELEP working group time) cannot be submitted as match.

Eligibility Criterion	Notes
	<p>The certainty of this funding contribution must be stated and evidence provided of the availability of the match funding contribution.</p> <p>The match funding should also be spent within the project timescales specified within the bid application.</p> <p>Exception to the requirement for 30% match funding will only apply where evidence is provided of substantial follow on investment.</p>
<p>Projects are expected to be a maximum of 12 months duration. Exceptions will be considered on a case by case basis</p>	<p>Funding can be provided in more than one financial year if the 12 month period straddles two financial years.</p>
<p>The project must demonstrate Value for Money and comply with the SELEP Assurance Framework</p>	<p>Further guidance on demonstrating Value for Money in a proportional manner can be found in Appendix 1.</p>
<p>The project must be supported by a lead County/Unitary Authority or equivalent</p>	<p>A grant agreement will be implemented between SELEP and the lead upper tier authority.</p> <p>Other contracting routes will only be considered on an exceptional basis.</p>

Appendix B - Update on delivery of Sector Support Fund projects

Project	Update on project progress	Update on delivery of expected project benefits	Project RAG rating
England's Creative Coast (formerly Culture Coasting)	<p>Whilst the formal approval processes for the Sector Support Fund allocation were only recently concluded, work has commenced on the wider project with the project officially launched on 11th July 2019.</p> <p>A more comprehensive update on project progress will be provided at future meetings once the required legal processes have been completed.</p>	As the project still has a considerable time to run, no project benefits have been realised to date which can be attributed to the SSF allocation.	
Gourmet Garden Trails (Tourism – Colours and Flavours project)	<p>The SSF funded project activity will be drawing to a conclusion at the end of September 2019.</p> <p>The project has delivered a number of off-the-shelf bookable itineraries, an itinerary building tool, new imagery and a number of videos. In addition, a number of gardens and food establishments are now onboarded.</p> <p>The Gourmet Gardens Trail product is currently being sold through a number of distributors.</p> <p>There is an ongoing marketing campaign and promotional activities in relation to the project. The project team are now working on a legacy for Gourmet Gardens Trails and this will come in various forms. Kent is included in a new 4 year Interreg Funded Project called EXPERIENCE. Funding from this will cover ongoing promotion and development of Gourmet Garden Trails in Kent.</p>	Initial project benefits are being realised and will continue to be monitored through to 2024.	

Project	Update on project progress	Update on delivery of expected project benefits	Project RAG rating
<p>North Kent Enterprise Zone: Enabling and Marketing</p>	<p><u>Innovation Park Medway – Masterplan and Local Development Orders</u></p> <p>Public consultation on the proposed Local Development Order has been concluded and the order is currently being prepared for adoption by both Medway Council and Tonbridge and Malling Borough Council. As part of the process of developing the Local Development Order a Masterplan for the Innovation Park Medway site was also created, and following public consultation was adopted by Medway Council and Tonbridge and Malling Borough Council (subject to formal comment from Highways England).</p> <p><u>Marketing of the North Kent Enterprise Zone and associated collateral</u></p> <p>A significant level of marketing activity associated with the launch of the North Kent Enterprise Zone was undertaken in 2017. This activity included creation of a website and associated branding.</p> <p>In August 2019 the North Kent Enterprise Zone Strategic Board approved a revised marketing strategy, which focused on completing the promotional video, upgrading the website, social media and digital marketing.</p> <p><u>Amber risk:</u> A risk has been identified which may lead to the adoption and implementation of the Local Development Orders being delayed. There is uncertainty around Highways England’s position on the proposals for Innovation Park Medway and therefore the overall project risk has been assessed as Amber at this stage. It is expected that once the ongoing discussions with Highways England have reached a satisfactory conclusion the risk rating for the project will be reduced to Green.</p>	<p><u>Innovation Park Medway – Masterplan and Local Development Orders</u></p> <p>Project benefits will not be realised until the Local Development Orders have been adopted by both Medway Council and Tonbridge and Malling Borough Council.</p> <p><u>Marketing of the North Kent Enterprise Zone and associated collateral</u></p> <p>The aim of this investment was to raise awareness of the North Kent Enterprise Zone and to promote the offer to potential investors and occupiers.</p> <p>The marketing brochure and other collateral produced for use on the North Kent Enterprise Zone stand at the MIPIM UK Conference and Exhibition resulted in 180 people visiting the stand, 49 follow up contacts and a 57% lift in traffic on the North Kent Enterprise Zone website.</p>	<p style="background-color: yellow;"> </p>

Project	Update on project progress	Update on delivery of expected project benefits	Project RAG rating
<p>Future Proof – Accelerating Delivery of High Quality Development across the LEP</p>	<p>The project is nearing completion.</p> <p>Benchmarking against Homes England current approach to development in the SELEP region has been carried out. Extensive stakeholder interviews have been held to test and refine the FutureProof concept and to devise the financial model. The financial and viability modelling of a generic project model has been completed.</p> <p>A final stakeholder workshop took place on 17th September to feedback the main findings from the Proof of Concept study. The aim is to publish the final report by October.</p> <p>The financial model has been well received by investors and stakeholders and is seen as potentially game changing in that it offers a different model that could deliver a high level of additional positive environmental, social and economic outcomes to that of volume builders who often operate a near monopoly on supply.</p> <p>The next stage of work being planned is to take the concept to a live demonstration housing site of 500 units or more in the SELEP area and to put the collaborative legal and governance frameworks in place for delivery, secure an institutional investment partner and develop routes to procure delivery partners for construction. A formal commitment to these next stages from Homes England policy and development teams - whilst attracting additional funding for the next stage of work - is now being explored with a view to starting the design and planning stage for a live site within the next 12 months.</p>	<p><u>Synergies and cost savings by avoiding public sector bodies carrying out the same work</u></p> <p>The final report will be made available on the SELEP, Haven Gateway Partnership and Daedalus websites to ensure that public sector bodies have full access. The team will also continue to work with organisations as appropriate to share progress on implementing the model.</p> <p><u>Capital expenditure cost reduction whilst upgrading performance of digital, energy, transport and water infrastructure</u></p> <p>The model has shown that it is possible to include high quality public realm and sustainable forms of utilities provision at a competitive rate to occupiers.</p> <p><u>Building homes faster by utilising innovative building techniques</u></p> <p>The model has embraced a wholly off-site manufactured approach which favours volumetric solutions enabling it to build more efficiently and faster than traditional techniques, increasing construction productivity and at the scale of 500 units becomes cost competitive with traditional construction whilst delivering far better levels of energy efficient performance.</p>	

Project	Update on project progress	Update on delivery of expected project benefits	Project RAG rating
Good Food Growth Campaign	<p>A Project Manager was appointed in April 2019, which has enabled work to progress on the project including:</p> <ul style="list-style-type: none"> • Induction meeting and an agreed project timeline; • Creation of databases; • Creation of social media accounts; <p>The first networking event was held in Kent on 29th July and twenty firms attended the event. A questionnaire has been sent to the businesses which attended the event to seek feedback.</p> <p>Invitations have been issued for the next round of events in Essex and East Sussex, with a media release drafted in relation to the East Sussex event.</p>	As the project is still in progress, no project benefits have been realised to date.	
Kent Medical Campus Enterprise Zone – Innovation Centre design work	The Innovation Centre Project is progressing well, with planning permission for the main Innovation Centre building being granted on 17 th April 2019. Procurement processes have been completed to appoint a build contractor and an organisation to deliver the Business Support element of the project, with the final stage of approval scheduled for 18 th September 2019.	No benefits have been realised to date as the project is still in the procurement and approval stage. It is anticipated that some benefits will be realised in early 2020, when the Business Support element of the project has commenced.	

Project	Update on project progress	Update on delivery of expected project benefits	Project RAG rating
<p>Planning and prioritising future skills, training and business support needs for rural businesses across SELEP</p>	<p>A grant agreement is now in place between East Sussex County Council and Essex County Council (as the Accountable Body for SELEP), which has allowed drawdown of the majority of the funding allocation. Due to the involvement of Hadlow College, which is currently in educational administration, there is uncertainty around the drawdown of the funding for the Hadlow College component of the project. A decision will be taken as to whether Hadlow College should withdraw from the project, with their activities being reallocated to other members of the partnership. Should Hadlow College continue to work on the project, they will be paid in arrears for any activity they deliver.</p> <p>To date, the project group has met four times to agree strategic approaches and early stages engagement practices. Initial planning work has begun on all aspects of the project and work will be scheduled for completion by March 2020. Models for recording and setting out skills needs have been drafted and background desk surveys have begun.</p>	<p>As the project is still in the early stages no project benefits have been realised to date.</p>	
<p>Coastal Communities supplement to the SELEP Strategic Economic Statement</p>	<p>The tendering process started in early 2019 which resulted in the appointment of a consultant and the commencement of project activity from April 2019.</p> <p>The project is currently on schedule with SWOT and data analysis being completed to inform the first draft of the report, due for review by the Project Management Group in early September. The wider coastal stakeholder group were updated at a meeting in early August. The project is being coordinated with the drafting of the SELEP Local Industrial Strategy.</p> <p>The Board will receive a presentation on the project at their meeting in December 2019.</p>	<p>As the project is still in progress, no project benefits have been realised to date.</p>	

Project	Update on project progress	Update on delivery of expected project benefits	Project RAG rating
Delivering skills of the future through teaching: teaching for growth	<p>Following formal approval of the SSF funding allocation, a Request for Quotation was circulated to appoint an organisation to oversee the awareness raising campaign element and to secure sign-ups for bursaries. This contract was awarded to FE Sussex in July 2019 (working with Sussex Council of Training Providers, Kent Further Education, Kent Association of Training Organisations, the Essex Provider Network and the Federation of Essex Colleges). FE Sussex have a working group up and running and the bursaries are being marketed to colleges and providers with some applications already received. All the organisations are marketing the project via their websites (e.g. https://www.fesussex.org.uk/current-projects/) and a meeting with the marketing company regarding videos and social media will be held in early September. SELEP's Skills Lead and Communications Manager are feeding into this to explore opportunities to also feature SELEP Skills Capital projects.</p> <p>Following the procurement process, there is £5,000 of the SSF funding allocation which is currently unallocated to the delivery of any element of the project. The Skills Advisory Group have indicated a preference for this funding to be used to deliver a further two awareness raising videos so as to promote teaching in the maximum number of sectors.</p>	<p>Whilst the project is still in its early stages, it is already raising awareness among employers of the shortage of tutors. The project has been discussed at a number of employer meetings, during which it was identified that some employers weren't aware of the shortage in tutors. Employers have shown a commitment to work in conjunction with the project to look for long-term solutions to the problem.</p>	

Project	Update on project progress	Update on delivery of expected project benefits	Project RAG rating
Creative Open Workspace Masterplan and Prospectus	<p>A supplier is being sought to refresh the existing Prospectus. This work is being undertaken in advance of the other elements of the project so as to best inform the Local Industrial Strategy.</p> <p>Once the work to refresh the Prospectus has been commissioned and is underway, an open procurement exercise will be undertaken to deliver the remaining elements of the project. The procurement will be divided into lots and will seek to secure specialist skills to develop tools, investigate investment vehicles and to work with property portfolio holders and planning authorities.</p> <p>The SSF funding allocation to this project was formally approved by the SELEP Chief Executive Officer in May 2019 and work is ongoing to ensure that the required grant agreements are in place. As a result, the project is still in its early stages and has not yet commenced delivery.</p> <p>Amber risk: The project update indicates that procurement is underway to appoint a supplier to deliver the project outputs. Until procurement has been completed and suppliers appointed, there will remain a number of unknowns in relation to the delivery of the project and realisation of expected project benefits. For this reason, the scheme promoter has indicated an overall project RAG rating of Amber.</p> <p>Once suppliers have been appointed and work has commenced on delivering the project the RAG rating will be revisited.</p>	As the project is still at the procurement stage, no project benefits have been realised to date.	

Appendix C – Summary of Strategic Board endorsed Sector Support Fund projects

Project title	Project description	Endorsed by Strategic Board	SSF allocation to the project	SSF transferred to date	Expected completion date	Updated/ Actual completion date
England's Creative Coast (formerly Culture Coasting)	The project will create an innovative new immersive visitor experience driven by world class art, which aims to build the volume and value of visitors to the SELEP area. The project will deliver art commissions, itinerary-planning online platforms and an international marketing campaign amongst other outputs.	June 2017	£150,000	£0	January 2021	January 2021
Gourmet Garden Trails (Tourism - Colours and Flavours project)	The project will launch a series of tourist trails showcasing England's gardens and unique food and drink. The Gourmet Garden Trails product will be a leisure travel planning resource allowing visitors to plan and book accommodation, courses, wine and brewery tours and visits to English gardens individually or via the Gardens and Gourmet visitor pass.	June 2017	£60,000	£60,000	March 2019	September 2019
North Kent Enterprise Zone: Enabling and Marketing	The North Kent Enterprise Zone came into operation on 1st April 2017 and this project seeks to take forward two workstreams: <ul style="list-style-type: none"> • Preparation of Local Development Orders and Masterplan for Innovation Park Medway; and • Marketing of the North Kent Enterprise Zone and associated collateral. 	June 2017	£161,000	£161,000	June 2019	March 2021
Future Proof – Accelerating Delivery of High Quality Development across the LEP	The project will create a financial product which will be used to accelerate the delivery of housing developments which are future proofed for 2050. This product will help to overcome the existing barriers to housing delivery by taking a long-term approach to development finance.	September 2018	£110,000	£45,000	November 2019	November 2019
Good Food Growth Campaign	The project will support growers, processors, retailers, food businesses and new entrants to raise awareness of the opportunities available within the food and drink sector to develop and enhance their businesses thereby adding both volume and value to the sector.	September 2018	£60,400	£60,400	September 2019	March 2020

Project title	Project description	Endorsed by Strategic Board	SSF allocation to the project	SSF transferred to date	Expected completion date	Updated/ Actual completion date
Kent Medical Campus Enterprise Zone – Innovation Centre design work	The SSF funding will contribute towards the design cost for the development of an Innovation Centre on Kent Medical Campus Enterprise Zone. The Innovation Centre will be 30,000 sqft in size and will offer SMEs focussed on life science, healthcare and med-tech activities access to a combination of high-grade office accommodation and business support.	September 2018	£156,000	£156,000	September 2019	September 2019
Planning and prioritising future skills, training and business support needs for rural businesses across SELEP	The Project will scope, plan and prioritise the future rural skills, training and business support needs. The project will deliver a comprehensive skills evaluation to formulate recommendations for targeting future skills delivery across the SELEP area, setting out priorities for the main rural sectors: agriculture, food and drink production and horticulture production.	September 2018	£96,000	£83,000	September 2019	March 2020
Coastal Communities supplement to the SELEP Strategic Economic Statement	The project tackles the specific challenges that face coastal areas and will make a strategic case for investment in these areas. The project will deliver a supplement to the SELEP Strategic Economic Statement.	December 2018	£40,000	£0	September 2019	December 2019
Delivering skills of the future through teaching: teaching for growth	The project addresses the widespread shortage of tutors, teachers and trainers across the SELEP area as identified in the SELEP Skills Strategy. The project will address the recruitment challenges faced by priority sectors through delivery of an awareness raising campaign and a contribution to teacher training costs.	December 2018	£166,600	£7,499	January 2020	July 2020
Creative Open Workspace Masterplan and Prospectus	The project addresses a gap in suitable available workspace for the Creative, Cultural and Digital Sector across the SELEP area. This will be achieved through a range of interventions including a refreshed South East Creative Economy Prospectus and a Creative Open Workspace report and toolkit.	March 2019	£49,000	£0	March 2020	TBC – consultants currently being recruited
Total			£1,049,000	£565,400		

Appendix D - Sector Support Funding Application – Independent Evaluation

Appraisal Guidance:

Bids will be appraised by the SELEP Secretariat and the SELEP Accountable Body. This is to ensure that the requirement of the SELEP Assurance Framework to ensure that all investments are independently evaluated, is met. The appraisal will be proportionate to the value of the investment. The appraisal will be made to ensure the bid fits with the criteria as laid out below. If the project does not meet all of the criteria, it is not suitable for this funding.

Applicant	SELEP Clean Growth Working Group
Lead Contact for Project	Carolyn McKenzie
Project	Energy and Clean Growth - Supply Chain Mapping
Reviewed by	Lorna Norris
Date	16.09.2019
Outcome:	Met

Criteria for Funding

All funding applications must meet the following criteria:

Criterion	Notes	Reviewer Comments & RAG
Scope must be pan LEP	The project must be able to demonstrate impact in at least three of the SELEP federated areas, preferably all four	The Project is SELEP wide
Federated areas must support the project	Project sponsors must discuss the project with Federated Boards or their lead officer/Director for every federated area impacted	All Federated Boards are being engaged; Project already endorsed by KMEP
The outcomes must align with SELEPs overarching objective to <i>create the conditions for increased jobs and homes, safeguarding</i>	Given the low investment levels of this fund, it is not expected that the projects will directly deliver greater numbers of jobs and homes but	Outcomes aligned to increasing GVA and job creation across the sector

existing jobs and raising skill levels	applicants must be able to demonstrate how the project will be part of creating the conditions for greater numbers of jobs and homes	
The project must align with the SELEP priorities as defined in the Strategic Economic Plan / Economic Strategy Statement	Applicants should highlight which objective(s) that their project supports. If you are unable to identify an objective to align to, this would suggest your project is not suitable for this funding	The project will contribute to the delivery of the adopted <i>SELEP Strategic Economic Statement Priority 1: Creating Ideas and Enterprise</i> . The project will support the delivery of the Tri-LEP Energy Strategy
The project must be for a discrete piece of work, not ongoing or business as usual (BAU) costs	This funding is project based, that is a stand-alone piece of work, with defined start and finish dates and clearly identified inputs and outputs.	The project is discrete, but could be sustained as an on-going activity to maximise the value in the investment
Minimum application value is £25,000 and maximum application value is £200,000	Bids outside of this range will not be considered	£129,500
Funding will be awarded as a grant to support revenue spending only	Capital bids will not be considered	Revenue project
Match funding of 30% must be demonstrated	Applicants must be able to evidence at least 30% of match funding at time of application. This match can be either cash or non-cash. The source of this match must be identified and other SELEP funding or SELEP resource (including SELEP working group time) cannot be submitted as match	£55,500 of match-in-kind resources
Projects are expected to be a maximum of 12 months duration. Exceptions will be considered on a case by case basis	Funding can be provided in more than one financial year if the 12 month period straddles two financial years	12 month delivery across 2019/20 and 2020/21
The project must demonstrate Value for Money and comply with the SELEP Assurance	Further guidance on demonstrating Value for Money in a proportional manner can be found in	The Project is not able to provide a calculated BCR, however, has provided supporting evidence

Framework	Annex A	to demonstrate value for money in line with the Assurance Framework VFM exemption 1 requirements
The project must be supported by a lead County/Unitary Authority or equivalent	The preferred route of contracting would be with one of the County/Unitary authorities. Other contracts will be considered on a case by case basis	Kent County Council is the lead Authority

SELEP Assurance Framework Value for Money Requirements:

To receive a recommendation for approval, projects should have a Benefit Cost Ratio of at least 2:1 or comply with one of the two exemptions listed below:

Exemption 1: This may be applied where a project does not present High Value for Money (a Benefit Cost Ratio of over 2:1); but

- has a Benefit Cost Ratio value of greater than 1.5:1; or
- where the project benefits are notoriously difficult to appraise in monetary terms.

Exemption 1 will only apply if the following conditions are satisfied:

- (1) The funding sought from SELEP in relation to the project must be less than £2.0m and to conduct further quantified and monetised economic appraisal would be disproportionate; and
- (2) where there is an overwhelming strategic case (with minimal risk in the other cases); and
- (3) there are qualitative benefits which, if monetised, would most likely increase the benefit-cost ratio above 2:1.

Exemption 2: This may be applied where a project does not demonstrate a High Value for Money (a Benefit Cost Ratio of over 2:1), but has a Benefit Cost Ratio of over 1:1, and only if the following conditions are satisfied:

- (a) there is an overwhelming strategic case that supports the prioritisation of this project in advance of other unfunded investment opportunities identified in the SEP; and
- (b) there is demonstrable additionality which will be achieved through investment to address a clear market failure; and
- (c) there are no project risks identified as high risk and high probability after mitigation measures have been considered; and
- (d) there are assurances provided from the organisations identified below that the project business case, including value for money, has been considered and approved for funding through their own assurance processes.
 - (1) A Government Department;
 - (2) Highways England;
 - (3) Network Rail;
 - (4) Environment Agency; or
 - (5) Skills Funding Agency.

Appendix 1 - Growing Places Fund Repayment Schedule

Name of Project	Upper Tier	Total Allocation	Total Drawn Down to date	Total Spent to Date	Total Repaid by 31st March 2019	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	Total
						total	total	total	total	total	total	total	total	
Revenue admin cost drawn down	n/a	2,000	2,000	2,000										2,000
Harlow EZ Revenue Grant	n/a	1,244,000	1,244,000	1,244,000										1,244,000
Round 1 Projects														
Priory Quarter Phase 3	East Sussex	7,000,000	7,000,000	7,000,000	7,000,000									7,000,000
North Queensway	East Sussex	1,500,000	1,500,000	1,500,000	1,000,000	500,000								1,500,000
Rochester Riverside	Medway	4,410,000	4,410,000	4,410,000	240,000	1,650,000	2,520,000							4,410,000
Chatham Waterfront	Medway	2,999,042	2,999,042	2,999,042	-	1,000,000	1,000,000	999,042						2,999,042
Bexhill Business Mall	East Sussex	6,000,000	6,000,000	6,000,000	1,025,000	4,975,000								6,000,000
Parkside Office Village	Essex	3,250,000	3,250,000	3,250,000	3,250,000									3,250,000
Chelmsford Urban Expansion	Essex	1,000,000	1,000,000	1,000,000	1,000,000									1,000,000
Grays Magistrates Court	Thurrock	1,400,000	1,400,000	1,400,000	1,100,000	300,000								1,400,000
Sovereign Harbour	East Sussex	4,600,000	4,600,000	4,600,000	525,000	300,000	300,000	3,475,000						4,600,000
Workspace Kent	Kent	1,500,000	1,437,000	1,437,000	1,032,433	145,600	78,000	8,400	8,400	8,600	9,600	11,200	197,767	1,500,000
Harlow West Essex	Essex/Harlow	1,500,000	1,500,000	1,500,000	1,500,000									1,500,000
Discovery Park	Kent	5,300,000	5,300,000	-	-	-	-	1,325,000	3,975,000					5,300,000
Live Margate	Kent	5,000,000	5,000,000	1,877,000	-		1,000,000	1,000,000	1,000,000	1,000,000	1,000,000			5,000,000
Sub Total		46,705,042	46,642,042	38,219,042	17,672,433	8,870,600	4,898,000	6,807,442	4,983,400	1,008,600	1,009,600	11,200	197,767	46,705,042
Round 2 Projects														
Colchester Northern Gateway	Essex	2,000,000	-	-	-			2,000,000						2,000,000
Charleston Centenary	East Sussex	120,000	120,000	120,000	-	53,000	36,000	31,000						120,000
Eastbourne Fisherman	East Sussex	1,150,000	-	-	-	900,000	250,000							1,150,000
Centre for Advanced Automotive an	South Essex	2,000,000	2,000,000	2,000,000	-			2,000,000						2,000,000
Fitted Rigging House	Medway	550,000	550,000	550,000	-	200,000	300,000	50,000						550,000
Javelin Way Development	Kent	1,597,000	1,597,000	-	-			1,597,000						1,597,000
Innovation Park Medway	Medway	650,000	120,000	35,300	-		50,000	600,000						650,000
No Use Empty Commercial	Kent	1,000,000	1,000,000	690,000	-		500,000	500,000						1,000,000
Sub Total		9,067,000	5,387,000	3,395,300	-	1,153,000	1,136,000	6,778,000	-	-	-	-	-	9,067,000
Total		55,772,042	52,029,042	41,614,342	17,672,433	10,023,600	6,034,000	13,585,442	4,983,400	1,008,600	1,009,600	11,200	197,767	55,772,042

Appendix A: Summary of SIE Project Best Practice Case Studies

Three main types of successful support services emerged from the SIE study visits and within those, some best practice examples of support schemes were identified:

1. Developing human capital & maximising outreach

- **Go & Come Back project**– international placements for graduates from the Molise region in Italy to develop international business skills and grants to create international companies in the region
- **Export Manager Programme** – a national scheme demonstrated in Cantabria, Spain which places high-level graduates abroad to gain international business skills before allocating them on a subsidised basis to work for companies to develop export activities

2. Creating Networks of Support

- **The ‘Parcours de l’Export’ (Export Pathway) programme** which brings together a range of very structured support services and providers into a coherent package in Nouvelle-Aquitaine, France
- **Kent International Business** – an umbrella programme bringing the different support agencies and programmes together
- **Regional Overseas Offices** – a network of overseas contacts and offices abroad which can provide tailored support to companies from Lower Saxony

3. Facilitating clustering or collaboration of companies

- **HORECA International Cluster** – Torun Development Agency in Poland financed the creation of a cluster of small companies which work together to bid for international contracts in the hotel refurbishment industry
- **Export Consortia** - the regional development agency in Cantabria financed the creation of consortia of like-minded companies to work together to bid for international contracts e.g. the ‘Santander Metal Group’
- **Zatec Hop Cooperative** – a company which works on behalf of 100 hop producers in the region and takes care of international market intelligence, marketing, sales and after-sales support

Further details of these case studies are available to view on the SIE website:

<https://www.interregeurope.eu/sie/sie-case-studies/>

1. Introduction:

Trading internationally is a proven route to business growth. Exporting includes selling services or products to overseas customers either directly or indirectly as part of a wider supply chain. “**Businesses that export are more productive, create more jobs, and pay higher wages**”ⁱ. Exporting also encourages **innovation** and boosts **competitiveness** but it can be more complex than doing business domestically.

While larger companies tend to have the resource to invest in export strategies and can dedicate specific resource to international trade, small firms in particular can lack the capacity or knowledge of international trade processes which can prevent them from exploring overseas business opportunities.

The government’s 2018 Export Strategy outlines an ambition to raise British exports as a proportion of GDP from 30% to 35%. Working to further boost Kent’s export levels will make a key contribution to this.



Case Study: Fudge Kitchen is a well-established producer of premium confectionary products based in Kent. The company decided to explore export markets as a way of growing the business and tackling the problem of seasonality associated with its products. After investing time in creating new recipes with an extended shelf-life for international markets, the company applied for a space on an EU-funded Kent stand at an international fine food trade show in Belgium in 2012. Driven by significant interest in the

products, the company worked on its packaging, labelling and even on bespoke flavours for certain overseas markets. Fudge Kitchen worked closely with the Department for International Trade, Kent County Council and other local partners and has taken advantage of various opportunities to join market visits and benefit from tailored advice and Kent’s international networks to grow its exports. The company now regularly exhibits at international trade shows and, by 2018, 15% of the company’s turnover was export-related. Fudge Kitchen now plans to double its export turnover in the next 5 years.

2. The Kent Context:

Back in 2010, a study confirmed that Kent was lagging behind the wider South East with regard to export levels. Many companies didn’t see a need to internationalise or realise that there might be potential in overseas markets for their products or services. Firms lacked knowledge and information about how to internationalise and found the business support landscape confusing meaning that they did not know where to go to obtain suitable support.

Since then, Kent County Council has been working closely with a range of business support organisations and local and international partners under the ‘**Kent International Business**’ (KIB) umbrella to consolidate the support offer in Kent for exporting, to identify and facilitate international business opportunities for local firms through taking advantage of externally funded projects. Activities have focused on three main areas of activity:

1. **Engage:** raising awareness among local companies about the benefits of exporting and potential overseas business opportunities;
2. **Incubate:** helping to develop export potential within companies and connecting them to contacts and opportunities in international markets;
3. **Grow:** increasing export activities within Kent businesses and celebrating success to inspire other companies to consider internationalisation.

These efforts have resulted in increased export levels in Kent in recent years but there is still a lot of untapped potential in the county for local firms to target international markets for the first time or for existing exporters to expand further overseas.

This framework for supporting Kent exporters aims to further unlock the export potential of Kent companies which will lead to the growth of individual firms and boost the wider local economy.

This framework takes into account the 2017 ‘Kent SME Internationalisation Study’ⁱⁱ, feedback from local businesses and examples of successful internationalisation support initiatives run elsewhere.

3. Barriers to Internationalisation:

Whereas in the past, internationalisation was often a reactive process to unexpected enquiries from overseas and companies became 'accidental exporters', exporting is increasingly becoming a strategic decision for Kent SMEs, which firms take in order to increase growth and profits.

Companies wishing to export however, still face challenges which can prevent them from investing in international activities. The main barriers to exporting highlighted by companies include:

Main barriers identified nationally ⁱⁱⁱ	Main barriers identified in Kent ^{iv}
Access to finance	Exchange rate & currency fluctuations
Limited networks & contacts abroad	Finding the right partners & distributors
Market access issues & trade barriers	Finding access to local markets & reliable local contacts
Lack of capacity and capability	Lack of internal resources
Lack of knowledge	Logistics & distance
Attitudinal barriers	Time consuming
Limited global awareness of the UK's strengths & capabilities	Local (in-market) bureaucracy

Internationalisation Facilitators:

The 2017 study confirmed that the **availability of internal resources** and **advice on where to find information about markets, potential customers and distributors** are the key factors that can influence a decision to internationalise. Existing exporters also value help with **marketing abroad, managing international trade finance** and connecting to reliable in-market contacts.

Kent companies consider advice and support important, but they require access to **specialised information** which requires a tailored approach to individual firms rather than very general advice and support. Access to this type of specialised information could have a positive effect to the more efficient distribution of internal resources within firms thus tackling the most important barrier to internationalisation.

4. Export Support in Kent:

Many business support schemes and projects have been available to Kent businesses under the KIB programme in recent years consisting of core services offered by key partners such as the Department for International Trade (DIT), Enterprise Europe Network (EEN) and Kent Invicta Chamber of Commerce (KICC). These have been complemented by bespoke programmes including '2 Seas Trade', 'GREAT Food from Kent', 'Boost4Health' and 'Innovative Sector Exchange'. Through these programmes, the KIB partners have worked together to deliver the following activities to help Kent firms with internationalisation:

- Awareness raising activities:
 - Local events such as 'Doing Business in...' or 'Routes to Market'
 - Communication activities such as the KIB website, newsletters, highlighting the latest international business opportunities
- 1-2-1 advice and support from DIT, EEN and other partners
- Partner finding services from EEN and access to DIT 'meet the expert' and 'meet the buyer' programmes
- Export training programmes run by DIT and KICC
- Sector-focused market visits to European countries and other destinations
- Visits to international business events and sector-focused trade shows
- Bespoke Kent stands at international trade shows
- Celebrating success through the KEIBA awards and inspiring other companies to consider exporting
- Financial support for international projects, trade show visits and overseas market research

The private sector, primarily through professional services bodies (banks, accountancy firms etc.), has also supported these activities in Kent and also delivered its own initiatives.

The challenge for export support in Kent is ensuring a continuity of appropriate business support services and responding rapidly where new specific support interventions may be needed. Many initiatives are time-limited due to a reliance on European or external funding while evolving priorities and resource reductions can have an impact on the services offered by some of the KIB partner organisations. However, the KIB partners are aware of current support on offer and can advise companies about any changes accordingly.

As an umbrella programme, KIB brings together different services, programmes and organisations that aim to help local companies with internationalisation.



Core Partners



Department for International Trade



Time-Limited Projects



Private Sector & Sector Agency Partners



Kent's International Connections and Networks

(Sector groups, clusters, public authorities, business support organisation)

5. Feedback from companies:

Although awareness and use of export support services in Kent could be higher, businesses which have accessed the various support services on offer have generally found them to be very valuable:

"I was most impressed by the organisation and help the [KCC] team provided at Tavola 2016. This allowed us to concentrate on lead generation and talking to prospective customers without the hassles of stand organisation. As a small company your approach allowed Kent products to be showcased in a far more professional way than would have been possible on our own. The baton is firmly in our hands to chase up & hopefully convert leads into business." Anno, March 2016

"We are extremely grateful to Enterprise Europe Network for helping to connect us with new manufacturer for our products as we had struggled to find anyone ourselves who could provide what we needed. Through using EEN we were able to find manufacturers who could provide exactly what we needed. We are now working with one company in Macedonia for our long-sleeved tops and another company in Portugal for our sweatshirts. We estimate that, as we expand our business around the world and increase our quantities, [these arrangements] could save us around £50,000 a year." Milky Tee Company, December 2018

"There's this lovely Government department, helping small businesses. It's small businesses that really need it, that don't have the money or the staff to look into these opportunities". Wild Plant, Sep 2017

Goudhurst-based **Adris Technologies** specialises in researching, developing and creating technologies that detect and help people suffering from epilepsy and heart conditions. Through Kent County Council's Boost4Health project, the company was able to secure a travel grant to visit 'Medica 2017', the world's largest trade show for medical devices and technology where it was able to showcase its PulseGuard brand.

Operations Director Rick Gun confirmed that "the advantages gained by visiting Medica cannot be overstated, the contacts and meetings that resulted from this event can be directly linked to the root cause of some strategic changes since 2017, allowing us to achieve significant growth into new areas of Europe. We are currently working with the Boost4Health project at KCC to secure market insight grants worth €3,000 for us to capitalise on the successes of attending Medica."

The Boost4Health support went hand in hand with expert advice provided by the Department for International Trade in Kent.



6. What works elsewhere:

Kent companies have had access to some varied and high-quality support initiatives there are other schemes that work well elsewhere which could be beneficial if rolled-out in Kent. Several such programmes were identified through the SME Internationalisation Exchange Project and Kent organisations have been able to review support mechanisms that work well in other European countries.

1. Developing Human capital:

The Spanish '**Export Manager**' placement scheme run by ICEX (Spanish Trade Development Agency) organises international placements for Masters degree students in commercial offices around the world. These people then return to Spain where they are placed within companies to develop the international side of the business and the post is subsidised by this national scheme.

2. Creating Networks of Support:

With some similarities to the KIB programme, the '**Parcours de l'Export**' (Export Pathway) programme from the Nouvelle-Aquitaine region in France provides a very structured flow of support services for local companies to help them with all aspects of exporting. The International Chamber of Commerce coordinates the overall programme and works closely with other organisations to deliver 1-2-1 diagnostics, training courses, help with market selection and export strategy development to tailored advice and guidance. Coupled with programmes of trade shows and finance schemes, companies receive the support that they need.

3. Facilitation Clustering or collaboration of companies:

The **Clustering for Internationalisation** programme in Kujawsko-Pomorskie, Poland has brought together groups of complementary companies to work together to access contracts in international markets as part of a formal cluster. The Horeca cluster brings together companies working on all aspects of the design and refurbishment of hotels and restaurants from design and lighting to furniture production and installation. This approach enables small companies with limited capacity on their own to be able to export their products or services to international clients by contributing to a competitive 'one shop stop' solution.

7. Working to Boost Kent's Export activities:

Based on the evidence provided through the SIE project study work, the Kent International Business partners will continue to work together to further develop Kent's export potential and to respond to the evolving needs of local firms.

Where further public sector interventions would be valuable for local businesses, the Kent International Business partners and associated organisations will:

- Work together to tackle the barriers identified by Kent businesses which hinder export activities;
- Design, commission and deliver a range of activities that facilitate the internationalisation of Kent firms.

We will work to help Kent companies:	Through developing and delivering activities including:
1. Become Export Ready	<ul style="list-style-type: none"> • 121 advice, and diagnostics • Training course and workshops • Providing access to simple, up to date information • Formalising the KIB support offer into a coherent & integrated pathway of support
2. Access international networks and partnerships	<ul style="list-style-type: none"> • Formalising international partnerships • Partner-finding initiatives • Facilitating meetings with overseas contacts
3. Identify business contacts in overseas markets	<ul style="list-style-type: none"> • Organising and facilitating access to meet the expert and meet the buyer events
4. Showcase their products and services abroad	<ul style="list-style-type: none"> • Facilitating access to international exhibitions and trade events
5. Identify and highlight opportunities to bid for international contracts	<ul style="list-style-type: none"> • Securing and sharing market intelligence with Kent firms about overseas business opportunities

Main barriers to exporting	Potential Solutions to tackle these barriers:
Exchange rate & currency fluctuations and access to finance	<ul style="list-style-type: none"> Work with the private sector and UK Export Finance to provide guidance and solutions to help companies to plan Explore a Kent Export Finance scheme to help companies fulfil export orders
Finding the right partners & distributors	<ul style="list-style-type: none"> Promote and maximise the use of services such as EEN Partner Finder and DIT's embassy network Work on Kent's export offer and highlight this to potential overseas contacts
Finding access to local markets & reliable local contacts	<ul style="list-style-type: none"> Maximise Kent's existing international networks and develop new ones to connect Kent businesses to opportunities overseas Helping Kent companies to better understand their place in international supply chains
Lack of internal resources, time consuming	<ul style="list-style-type: none"> Consider an export manager scheme for Kent companies to provide additional resource for potential exporters Develop an 'international trade skills' mentoring and training programme for existing company staff
Logistics & distance	<ul style="list-style-type: none"> Work on a scheme which could group and consolidate complementary Kent products to facilitate access to overseas markets
Local in-market bureaucracy	<ul style="list-style-type: none"> Work through DIT and with international partners to help companies to navigate the evolving international regulatory environment

Future areas for exploration could include:

- Developing an **export micro-financing scheme**
- Fund further **trade show stands** for Kent companies
- Consider **twinning activities** with target international markets which could lead to contracts being awarded to groups of Kent companies
- Develop a **cross-border cluster programme** to provide concrete peer-to-peer international business networks through a further European Interreg project application.

To support these objectives we will:

- Promote and make best use of **existing core services** from the KIB partners and other organisations in Kent
- Design and implement **new support service solutions** to help Kent companies with exporting
- Work to retain **Kent's current international networks** and partnerships and explore new ones where there is a clear benefit to doing so;
- Focus on developing **bespoke support activities for Kent's main industry sectors** as well as those that are emerging;
- Ensure that the **right support is available** for companies of all sizes and from all industry sectors;
- Work to **reduce bureaucratic obstacles** where these get in the way of exporting activities.

Resources:

The KIB partners will work together to:

- Pool existing budgets and resources to align and streamline activities including referral processes between different support organisations;
- Draw down co-financing for pilot actions in Kent from the Interreg Europe 'SME Internationalisation Project';
- Tap into resources from the private sector (including sponsorship);
- Continue to identify external funding to deliver innovative programmes of support to meet the evolving needs of Kent firms.

This framework was developed as part of the Interreg Europe 'SME Internationalisation Exchange (SIE) Project.



European Union
European Regional
Development Fund



¹ BIS (2011), International trade & investment: the economic rationale for government intervention.

^{ii & iv} The Kent Business school 'Kent SME Internationalisation Study' was commissioned by KCC as part of the EU-funded Interreg SIE project in March 2017

ⁱⁱⁱ [HMG Export Strategy](#) supporting & connecting businesses to grow on the world stage