

South East LEP

Growth Deal and Strategic Economic Plan

March 2014

This document presents the SE LEP Growth Deal and Strategic Economic Plan:

Section 1

Summarises major proposals

Section 2

Outlines in our Strategic Economic Plan the shared opportunities and challenges across the SE LEP area.

Section 3

Sets out our Growth Deal, the commitments we will offer and the commitments we seek of Government

Section 4

Details the area-based Growth Deals, recognising the distinctive local approach to delivery

Section 5

Outlines our federal structure and governance

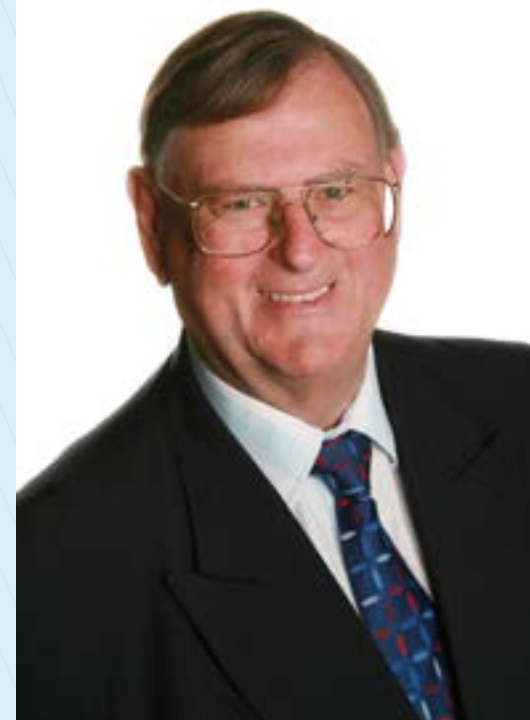
Section 6

Summarises our value for money and resource requirements.

Appendices provide more detailed supporting information

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From the Chairman of the South East Local Enterprise Partnership.

I am delighted to present the South East Local Enterprise Partnership's Growth Deal and Strategic Economic Plan.

These proposals outline our ambition to spearhead with Government a massive £10 billion investment programme into East Sussex, Essex, Kent, Medway, Southend and Thurrock over the next 6 years to generate 200,000 private sector jobs and finance 100,000 new homes.

Our proposal is about the renewal of the physical and intellectual capital of our area. Alongside the upgrade of our roads, railways, harbours and homes, we put forward plans to raise educational and skills attainment to develop a workforce poised to grasp the new business and high-level job opportunities presented by our growth sectors and industries.

We aim to use the Local Growth Fund to launch our South East Fund (SEFUND), a largely recyclable property investment fund supported by professional fund management expertise. Already our local authority partners have made an "in principle" commitment of up to £250m over 6 years to match SEFUND investment to support local growth.

Proposals also include the financing of an extensive programme of business park developments on university and FE campuses and the support of spin out businesses to exploit the intellectual property and creativity of the sector.

We wish to stimulate greater competition in skills provision and further strengthen the role of industry and the employer in commissioning, while encouraging new and meaningful business involvement in our schools.

We propose the biggest local transport programme in the country to transform business connectivity to support new jobs and investment and we propose new ways of accelerating the building of urgently needed homes, with a particular focus on the Thames Gateway and the Government's new Garden City proposal.

Our Growth Deal proposals are just the beginning. We recognize the process heralds an exciting and new relationship with Government where business and local councils working with SE LEP have the opportunity to help target and influence national programmes and investments in return for new jobs, homes and growth.

I commend this Growth Deal and Strategic Economic Plan to you.

Peter Jones CBE

Chairman, SE LEP

March 2014

1

Summary

1.1

Covering East Sussex, Essex, Kent, Medway, Southend and Thurrock, the South East LEP is powerful in terms of scale and ambition and local in terms of operation. We will use the scale of our LEP to maximise private, public and community investment. In doing so, we will build strongly on plans developed with local business experience and market knowledge across our functional economic areas to deliver and target growth.

Charlie Elphicke MP Dover:

"Does (the Minister) agree that we should trust South East LEP, which has been doing an excellent job?"

Minister: "I do agree"

1.2

By 2021, our aim is to:

- **Generate 200,000 private sector jobs**, an average of 20,000 a year or an increase of 11.4% since 2011;
- **Complete 100,000 new homes**, increasing the annual rate of completions by over 50% compared to recent years; and,
- **Lever investment totalling £10 billion**, to accelerate growth, jobs and homebuilding.

1.3

Our Growth Deal makes the case for Local Growth Fund investment from Government of £1.2billion - £200m a year - from 2015 to 2021. Matched by private and public funds, this will be invested in a programme of activities across East Sussex, Essex, Kent, Medway, Southend and Thurrock that will transform our transport and business infrastructure.

1.4

Our Growth Deal includes:

- **Establishing a £5.2bn SEFUND revolving property investment fund** to create the conditions for economic growth by providing the infrastructure necessary to boost business and jobs;
- **Delivering the biggest local transport programme in the country** to realise the potential of our growth corridors and sites, transforming connectivity for our businesses and residents unlocking jobs and homes, and bringing substantial benefits to the UK economy;
- **Boosting the productivity of our businesses** by bringing together local and national business support services, supplementing access to finance and encouraging closer links to be forged between business and the HE and FE sector;
- **Investing £128m in skills capital projects** aligned to our growth opportunities, stimulating new competition and further strengthening employer influence over wider skills provision; and,
- **Increasing the pace of housing construction** by piloting a new model of housing delivery that will give quicker results, better value for money and greater returns on Homes & Communities Agency (HCA) investments.
- **Accelerating development in the Thames Gateway** securing further investment, addressing market failure and supporting business innovation.

1.5

Our federated delivery model, driven by business and local councils with a long and proven delivery record, will ensure maximum impact and value for money. We will always deliver closest to our communities, coming together when scale, additionality and greater impact can be achieved.

Delivery: We are taking action now

1.6

In preparing for our Growth Deal, we are already working together to accelerate economic growth, paving the way for new investment and delivery through the Local Growth Fund. This includes preparation now to:

- Commence delivery in 2015/16 of transport schemes at a total cost of almost £1,399.6m, which will need nearly £784.5m of Local Growth Funds over 6 years at £98.2m in 2015/16
- Accelerate the construction of new homes through a pilot which introduces an innovative new approach to housing delivery that will see the start of construction on 2,015 homes by 2015
- Accelerate Growing Places Fund (GPF) spending, paving the way for our SEFUND investment fund; and,
- Host a SE LEP Housing Conference before the Summer focused on new solutions to overcome development barriers – the conference will launch the SEFUND concept to developers.

1.7

We are already working to bring projects to delivery. When new funding is agreed we are ready and waiting to deliver.

Delivery: We are ruthlessly focused

1.8

Our Growth Deal builds on a track record of performance and delivery by our local councils. Each has formed strong council/business partnerships whose primary focus has been on the Growth Deal.

1.9

Our governance and delivery structure builds on these partnerships to ensure funding flows swiftly into programme and project delivery through their local delivery plans.

1.10

By empowering local area partnerships and boards in this way, delivery will be driven by those closest to the projects, democratic accountability will be further strengthened and full local rigour will be applied in achieving impact and value for money.

We are working closely with business

1.11

Our federal structure vastly increases the reach of our LEP to business through our four business-led local area delivery partnerships/boards and their extensive local networks:

- Greater Essex Business Board;
- Kent & Medway Economic Partnership and Business Advisory Board;
- Team East Sussex; and,
- Thames Gateway South Essex.

1.12

Each has given rigorous challenge in developing our proposals for growth.

1.13

We also enjoy close working relationships with our Chambers and local business groups, both directly and through these partnerships, sharing lessons and best practice.

We are working closely with MPs

1.14

Our Growth Deal proposals have been shared with our MPs, many of whom are taking a direct role in support and delivery of Growth Deal schemes and proposals. Individual MP involvement already includes:

- Developing with partners our Coastal Housing Renovation Scheme;
- Supporting the offshore industry;
- Committing to work with our inward investment agencies; and,
- Supporting investment in our major transport corridors to unlock growth and jobs.

1.15

Co-ordination has been agreed for further engagement and meetings with MPs as our Growth Deal progresses.

Our Growth Deal

1.16

Building on the opportunities and priorities of our Strategic Economic Plan, our Growth Deal details our bid to the Local Growth Fund and outlines a series of commitments from SE LEP partners and series of commitments we are seeking from Government to boost local growth.

Releasing new investment through SEFUND

1.17

To ensure that business has the necessary infrastructure to grow and flourish, we propose a South East Fund (SEFUND) to lever in substantial new sums of private, public and EU funding to invest in the provision of high-quality real estate infrastructure.

1.18

On the basis of the seed capital from the SE LEP Growing Places Fund, a Local Growth Fund investment and contributions from our local authorities, SE LEP conservatively estimates that this will unlock £4.9b of local authority and private investment and give SEFUND a total "financing reach" of at least £5.2b by March 2021.



Our commitment:

- Through East Sussex, Essex, Kent and Essex County Councils and Thurrock, Southend and Medway Unitary Authorities, **our local councils have made an “in principle” commitment to provide up to £250m over the six years to 2021** to match SEFUND investments in real estate development projects to boost growth and jobs;
- SEFUND will be managed by an independent fund manager working to a clear mandate set by the SE LEP Board, ensuring that all prospective investments are fully appraised and tested and made within an agreed investment strategy; and
- We will transfer our Growing Places Fund programme to SEFUND to ensure clear professional management of recycled monies and invest further sums from EU funding (ERDF);

The commitment we seek from Government:

- To provide seed fund investment through the Local Growth Fund of £331m over the six years 2015-2021 to establish SEFUND and enable the 5:1 investment leverage.

Investing in our Growth Corridors and Growth Sites

We have many sites across the SE LEP area with potential for new employment and housing development. Key to these being unlocked are the rail and road routes which also provide the essential links to key gateways that link the UK to the rest of the world. It is of critical importance that these links operate efficiently as delays arising from congestion impose direct, significant costs on businesses across the UK as well as in the SE LEP area.

Our commitment:

- We will unlock the total capacity for some 310,000 additional jobs and around 250,000 new homes in the SE LEP area through the investment in transport proposed in our Growth Deal.
- Local partners and the private sector will contribute around one third towards the overall cost of the transport schemes in the SE LEP area which are necessary to unlock this level of growth.

The commitment we seek from Government:

- To give firm undertakings to deliver specific national rail network, motorway, and national trunk road investments by agreed dates. These include the:
 - **Lower Thames Crossing**
 - **A13 upgrade** to serve the new deep sea container port at London Gateway, taking **national responsibility for funding this scheme** which is vital to the national economy
- To invest in improving the strategic routes in our 12 transport growth corridors and to our major growth sites, including specified rail improvements
- To provide **Local Growth Fund investment of £784.5m** investment over six years towards the overall total cost of £1,399.6m, with £98.2m of this allocated in 2015/16
- To provide the necessary Local Sustainable Transport Fund revenue support to align with LSTF capital schemes that focus on sustainable transport measures and which is being bid for separately by local Highways Authorities in the SE LEP area
- To give the SE LEP Board the **authority to make changes to this programme over the course of the six years** through our federal areas, without the need for recourse to government for approval
- To allow the **Highways Agency to selectively divert from mainstream policy for new motorway junctions** to bring forward important growth locations in Thames Gateway Kent and at Harlow.

Boosting our Productivity

Our productivity level remains stubbornly below London and the wider South East and many of our businesses also continue to face difficulties in raising finance for their expansion plans. We need to drive forward innovation through providing greater support to business and encouraging greater collaboration with our universities and colleges.

Our Commitment:

- We will continue to **invest in our Enterprise Zones** in Discovery Park and Harlow which focus on specific sector growth opportunities in the SE LEP area.
- We will **bring together national and local business start-up and support services**, piloting our approach through the Southend City Deal “Gateway to Growth”.
- We will **deliver specific sector support programmes and projects**, many of which will capitalise on the expertise of our universities and FE colleges, such as the Anglia Ruskin MedTech Campus - providing one of the world's largest health innovation spaces.
- We recognise the strategic importance of the **Centre for Offshore Renewable Engineering (CORE)** programme as the focus for growing the offshore renewables sector in the South East and will work across SE LEP to further increase the impact of CORE and support the development of offshore energy production; and,
- We will **help firms to create better links internationally**, through exporting, importing or international partnerships.

The Commitment we seek from Government:

- To **support extension of our successful Access to Finance programmes** across the SE LEP area;
- To **enable support for university spin-outs** and exploitation of intellectual property through SEFUND property investment.
- To **grant CORE (Centre for Offshore Renewable Energy) status to Harwich** to support the development and growth of the offshore energy sector, alongside the Kent CORE; and,
- To **consider extension of the Discovery Park Enterprise Zone to Manston Business Park** and Manston Airport together with the creation of a third Enterprise Zone at the Thames Enterprise Park

Improving our Skills

The proportion of our residents with higher level (4+) qualifications is low, as are basic literacy and numeracy skill levels. At the same time, more than one in five companies reported a skills gap or skills shortage vacancy. We also need to address the quality of our much of our Further Education training estate which is poor, while further strengthening the role of business in skills commissioning.

Our Commitment:

- We will **increase the talent pool, particularly those qualified to level 4** for our priority sectors by further incentivising employers to recruit apprentices, focusing on Higher Apprenticeships and internships, and progression routes from traineeships;
- We will **increase the proportion of residents with Maths and English** qualifications, developing occupational based literacy and numeracy teaching; and,
- We will **Increase participation of young people (age 16-24) in work, education and training**, by providing industry work experience programmes with training/ traineeships, increase the range of available apprenticeships, provide enhanced information, advice and guidance.
- We will develop strong partnerships between HE and businesses within key sectors to facilitate the provision of higher level skills in support of expansion, research, development and innovation.

The commitment we seek from Government:

- To provide Skills Capital of £128m over a six year period with £50m over 2015/2016 and 2016/2017 to improve the condition of existing further education estate, stimulate new competition and enable new provision and specialist equipment to meet the training needs of more employers and niche training needs.
- To allocate £4.3million per annum of the adult skills budget available to SE LEP to address its skills priorities, with this amount increased if successful. This would be utilised for employer-led training initiatives and meeting the Maths and English challenge.

Building more Homes

1.22

The rate of house building has diminished over recent years, while at the same time housing demand has continued to outstrip supply. The result is that housing affordability continues to remain a major issue in the SE LEP area and is having a detrimental impact on the ability of employers to recruit appropriate staff.

Our commitment:

- We will demonstrate how the HCA and local authorities could work together differently to accelerate house-building through a pilot scheme which will introduce a new model of housing delivery
- Through our pilot scheme we make a commitment to commence the construction of 2,015 additional new homes by March 2015
- Our local planning authorities will set housing targets based on their objectively assessed housing requirements and these targets will feature in their plans or those being prepared
- We will help deliver the Ebbsfleet Garden City, aligning activity and investment as proposed by Government and will work with Government on other possible Garden Cities in the SE LEP area, including one proposed for Chilmington Green, Ashford.

The commitment we seek from Government:

- To give HCA full freedoms and flexibilities to work with local partners to invest a HCA 'single fund' of resources in the SE LEP area to maximise housing completions.
- To consider a package of housing asks including:
 - Further raising the level of the Housing Revenue Account (HRA) Debt Cap of local authorities where this is constraining their ambitions to increase the supply of housing
 - Giving more flexibility to housing associations in setting rents
 - Withdrawing restrictions on the use of historic grants to housing associations
 - Government agreeing to work with specific local authorities in the SE LEP area to identify potential locations for new large scale housing developments, including garden cities or garden suburbs, such as at Chilmington Green, Ashford.
 - Introducing a comprehensive package of measures to secure the housing and economic prospects of specific neighbourhoods in the coastal areas, and elsewhere, with dysfunctional private rented sectors.

Our Growth Deal proposals are just the beginning. We recognize the process heralds an exciting and new relationship with Government where business and local councils working with SE LEP have the opportunity to help target and influence national programmes and investments in return for new jobs, homes and growth.

Peter Jones CBE
Chairman, SE LEP

Streamlined Governance Through Our Federal Areas

1.23

In covering such a wide geographical area, the accountability, governance and structure of SE LEP must be simple and transparent, both to Government and to local businesses and residents.

1.24

We have established robust governance arrangements for SE LEP with a Board that will be directly accountable to Government, through our nominated Accountable Body, for overall delivery of our ambitions and the investment required to deliver these.

1.25

This arrangement also recognises that local decisions are best taken within local areas through our federal model. Our federal model of operation will enable us to deliver the priorities of our Strategic Economic Plan within functional economic areas, by capitalising and building on long-established delivery partnerships between business, local authorities, universities, colleges and civil society.

Our commitment:

1.26

The SE LEP Board will oversee the delivery of our programme of investment, ensure value for money and will regularly report on progress.

1.27

Through our federal model, our four local area delivery partnerships/boards will oversee the implementation of local delivery plans, monitor performance and spend and prioritise local investment decisions.

The commitment we seek from Government:

1.28

To give SE LEP with our federal areas the authority to manage the implementation of our six year programme of Local Growth Fund investment, including the flexibility to make changes to the programme without the need for recourse to government for approval.

2

Strategic Economic Plan

2.1

Built up from local areas. Chapter 2 outlines the opportunities and challenges across the SE LEP area. It provides the economic context and outlines our approach to creating the conditions for growth and forms our Strategic Economic Plan.

"When Lord Heseltine and I met the LEP earlier this year, we were encouraged by the direction that the proposal set out, particularly in addressing transport bottlenecks and support for small and medium-sized businesses."

Rt. Hon. Greg Clark MP

Minister of State
Cabinet Office

Watling St, linking the port of Dover and London was paved by the Romans, became the first turnpike in Britain and is now covered by the A2 trunk road. In the 21st Century, our seaports airports, rail networks, and motorway and trunk road networks, - linking London and the UK with the rest of the world - will continue to be vital national economic assets. These assets are key to the nation's future economic prosperity.

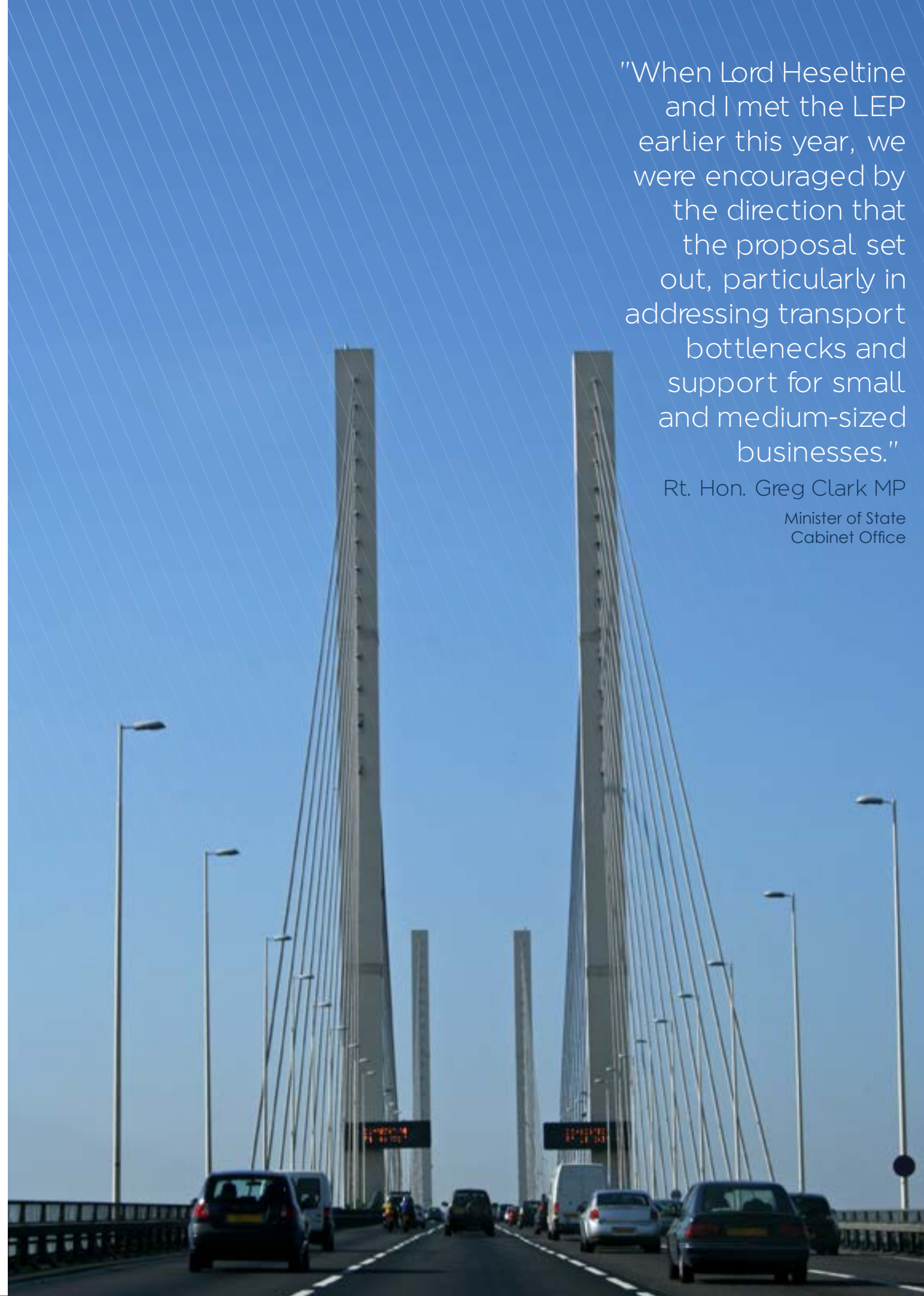
Our relationship with London is a central factor in the SE LEP economy. Over 270,000 people work in London and live in the SE LEP area - some 10.7% of our working age residents - and the proportion is much higher in those SE LEP districts closest to London. Many London companies rely on SE LEP businesses to supply a wide range of goods and services - particularly for logistics, in the creative industries, manufacturing and for a wide range of back office business functions. In the 21st Century, the Thames Gateway and the South East LEP area as a whole, will be London's premier expansion location and the prospects for sectors linked to the London economy are strong.

Now, SE LEP is home to the nation's largest concentrations of ports, transport and logistics firm advanced manufacturing companies (in Basildon) and has strong clusters of companies in life sciences, creative and cultural industries health, and land based industries and tourism. The first of a new generation of garden cities at Ebbsfleet is a further example of SE LEP's strong growth prospects.

In light of our relationship with London, and these diverse economic strengths, the ONS forecasts that SE LEP's population will increase by 6.9% to 4,388,000 in 2021. This will result from both local natural growth and net in-migration from elsewhere in the UK, particularly London.

These prospects for economic and population growth are the foundation for our ambitions

These prospects for economic and population growth are the foundation for our ambitions.



We will encourage new businesses, and seek out development partners.



SE LEP's sea ports and the road and rail networks that serve them provide the UK's most important gateway to the rest of the world.



Our Growth Ambitions

2.2

Our ambition is to :

- enable the creation of 200,000 sustainable private sector jobs over the decade to 2021, an increase of 11.4% since 2011;
- complete 100,000 new homes by 2021, which will entail, over the seven years, increasing the annual rate of completions by over 50% by comparison with recent years; and,
- lever investment totalling £10 billion, to accelerate growth, jobs and homebuilding.

2.3

Furthermore, we will recognise the need to invest in the Thames Gateway and our Coastal Communities to further contribute to the growth of the London economy and also to address the challenges of our coastal communities.

2.4

Without the implementation of our SEP, a proportion of this growth is likely to take place anyway - depending on the underlying strength of the UK economy. We know, however, that some of this "business as usual" growth depends on planned investment in transport and other infrastructure, given the intensity of congestion on many links in our road network. Achieving the additional growth will depend on the full implementation of our Strategic Economic Plan. Our Growth Deal will create the conditions for this higher rate of growth.

¹Data for 2011 – Department for Transport (2013) Sea passenger statistics: 2012

²Data for 2011 – Department for Transport (2013) Port freight statistics: 2012 final figures

³Data for 2011 – Department for Transport (2013) Sea passenger statistics: 2012

⁴Department for Transport (2012) Channel Tunnel: traffic to and from Europe

⁵UK Trade & Investment (2008) The UK Ports Sector

Building on our Economic Strengths

2.5

Kent, Medway, Essex, Thurrock, Southend and East Sussex together comprise the South East Local Enterprise Partnership (SE LEP) area. Stretching along the coast from Harwich to Peacehaven, the SE LEP area is the largest in the country outside London. Today our market towns, small cities, coastal communities, and villages offer an exceptionally diverse choice of places to live and work. Constable Country is in North Essex, part of the South Downs National Park is in East Sussex, and Kent is well known as the "Garden of England."

Gateway to the World

2.6

SE LEP's sea ports – and the road and rail networks that serve the ports - provide the UK's most important gateway to the rest of the world. Each year around 14m passengers¹ and 85m tonnes of freight² goes via our ports – that is over half of England's international sea passenger population and a quarter of England's sea freight. With almost 12m passengers in 2012, the Port of Dover is by far the busiest passenger port in the UK³. The Port of London (mainly in Thurrock and Medway), comprising more than 70 terminals along the Thames, is the second largest UK port by freight traffic. London Gateway is providing new deep-sea container handling facilities and is planned to serve Europe's largest logistic park, reinforcing the LEP's contribution to supporting international trade. 17m passengers and 1.3m tonnes of freight travel to and from the SE LEP area and mainland Europe via the Channel Tunnel⁴. The port of Newhaven in East Sussex caters for both freight and passenger movements and will be the operations and maintenance base for the E.ON Rampion Wind Farm (subject to planning permission). Eurotunnel is seeing a 30% increase in freight traffic per year.

2.7

Nationally, 95% (by volume) of the UK's imports and exports pass through the country's ports, representing 75% of trade by value⁵. This means that on-going investment

in the motorways, national trunk roads and rail networks serving the SE LEP's ports is essential to ensure their efficient operations. Conversely, the congestion arising from the lack of such investment has a material, immediate impact on the productivity of companies throughout the UK and the performance of the UK economy as a whole⁶.

2.8

Now, however, many SE LEP businesses and communities find that the lack of investment in the national road network means that they carry significant additional costs arising from congestion. The QEII Crossing and the Dartford tunnel between Dartford and Thurrock is the only crossing of the Thames east of London, carrying around 50 million vehicles per year. Heavily congested, delays impede the movement of local traffic across the Thames Gateway, and increase pressure on the surrounding road network, particularly the M25, A13, A127 and A2. Access to the Channel Ports is also frequently constrained and planned increases in freight and passenger traffic through the Port of Dover and the Channel Tunnel are likely to place further pressure on the M20/A20 and M2/A2 Corridors. Operation Stack directly costs Kent Police and the Highways Agency around £3 million per year, with a wider economic cost in lost investment and delays to local business⁷.

Our workforce

2.9

In 2012 the SE LEP area had a population of over **4m people**. Over the last two decades the population in the SE LEP area increased significantly. The ONS forecasts that SE LEP's population to increase by some 284,600 people by 2021, helping to drive economic growth. Overall rates of **economic activity** in the SE LEP area are above the national rates, but below those for the wider South East. Employment rates show a similar pattern. Moreover, London's employers rely on 273,000 residents from the LEP area each day and many of them are highly skilled⁸.

⁶ Importantly, successful maritime clusters enhance the port's positive contribution to its surrounding city and region - OECD (2013) *The Competitiveness of Global Port-Cities: Synthesis Report*

⁷ *Growth without Gridlock: A transport delivery plan for Kent*, KCC 2010, p.28

2.10

However, economic activity is not evenly spread across the SE LEP area.

Unemployment tends to be **higher in more peripheral parts of the LEP**, particularly in the coastal communities, and some other areas. Gravesham (9.3%), Medway (10.1%), Tendring (9%), Thanet (12.3%), Hastings (10.7%) and Harlow (9.8%) have the highest rates of unemployment⁹ and are in the top fifth of local authorities in England on this measure.

Entrepreneurial Business Culture

2.11

There are 344,300 businesses in the SE LEP area - 86 firms per 1,000 residents, compared with 82 for England¹⁰. Self-employment is also above the national average in the SE LEP area (11.0% compared to 9.8% for England)¹¹. The SE LEP area has an above average proportion of registered micro-enterprises (<10 employees). Some communities, however, benefit from concentrations of larger firms, for example Harlow, Dartford and Canterbury¹².

Universities and Innovation

2.12

The nine universities across the SE LEP represent the powerhouse for new knowledge creation, innovation and, along with business, are a driving force behind major economic growth across the LEP. To help boost growth, the universities have set aside their own funds and plans are at a late stage of development so that if funding is released these projects will start very quickly and have a major impact on growth and speed the recovery. Each university has carefully crafted their individual projects linked to the specific needs of their locality, the wider SE economy and builds on their

⁸ ONS Annual Population Survey 2011

⁹ ONS (2014) Annual Population Survey

¹⁰ TBR (2013) Trends Central Resource

¹¹ ONS (2013) Annual Population Survey

¹² ONS (2013) Business Activity, Size and Location

own research strengths in the priority sectors, including Big Data, Automotive Engineering, Health Technology and new therapeutics, and Product Design. Our commitment is to work with existing businesses, attract inward investment and stimulate university-based enterprise. We will work in partnership with the universities as well as with local councils, businesses and partners across the LEP to achieve our shared goals. This infrastructure development will assist in the delivery of national government programmes as well as acting as a conduit for new EU funding. The above and the individual projects are very practical demonstrations of the type of business-university collaboration envisaged in the Witty Report and recently endorsed by Government.

2.13

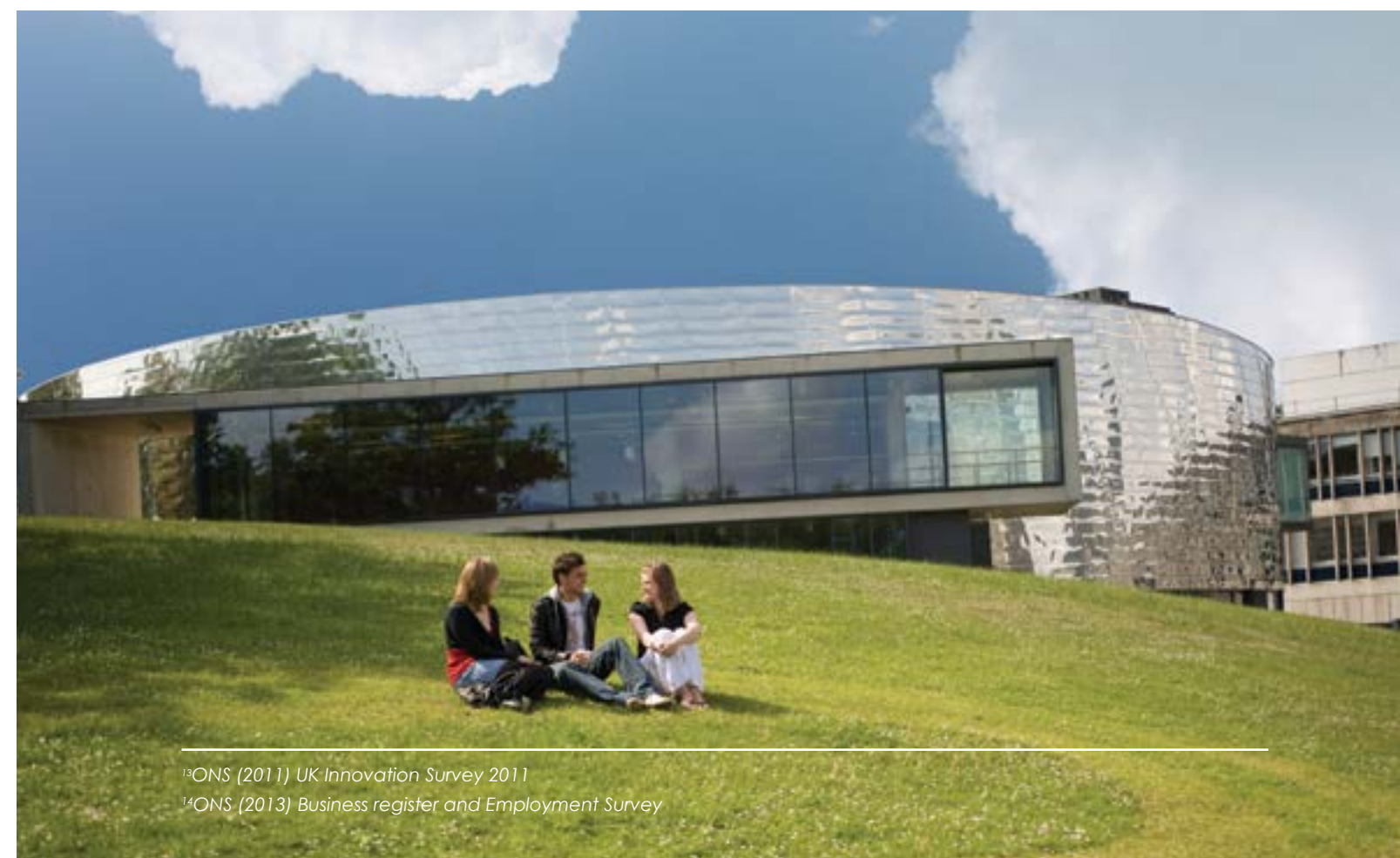
SE LEP wide business commitment to innovation (in part through working with universities) is already bringing significant economic benefits. SE LEP companies report that a significant proportion (15%) of their business turnover is generated by products/services which are new to market; this compares with just 6% across England as a

whole. Also, a higher proportion of businesses in the area have applied for a patent (3.2%) than the England average (2.8%)¹³.

Sector Strengths and Prospects: Rebalancing the Economy

2.14

Today, many parts of the SE LEP economy are over-reliant on the public sector for jobs. In 2012, 19.1% of SE LEP employment was in the public sector, compared to 18.6% for England as a whole. Public sector employment is particularly high in Southend (29.8%), Maidstone (25.1%), and Chelmsford (30.9%)¹⁴. The SE LEP area is also relatively more reliant on wholesale, retail and accommodation, and construction jobs. Generally, these sectors do not provide high value employment. A lower proportion of employment is in high value, or 'knowledge economy' sectors.



¹³ ONS (2011) UK Innovation Survey 2011

¹⁴ ONS (2013) Business register and Employment Survey

2.15

However, the situation is improving. Across the SE LEP area, knowledge economy employment has increased from 14.6% of employment in 2009, to 17.3% in 2012¹⁵. In Kent, recent growth in knowledge economy employment has been very strong; total knowledge economy employment rose by around 15% between 1998 and 2010, almost double the national rate of growth¹⁶. We see significant opportunities to rebalance the SE LEP economy in favour of high value added manufacturing and services, and to reduce the reliance on low value sectors.

2.16

According to forecasts published by the UK Commission on Employment and Skills (UKCES), between 2010 and 2020, the largest part of employment growth in the SE LEP area will be in business services. Importantly, employment in non-market services is expected to increase only slightly during this time. Manufacturing employment is expected to continue to decline¹⁷.

2.17

Based on the evidence available we have identified priority sectors for the SE LEP economy which have high growth potential, fit closely with the National Industrial Strategy¹⁸ and through which we can target LEP-wide support for innovation, and therefore boost growth beyond the UKCES forecast level. These are advanced manufacturing; life sciences/medical-technologies; transport and logistics; low carbon environmental goods and services, creative, cultural and media and the visitor economy. Within each of these sectors, SE LEP makes an important contribution to national output, employment and businesses¹⁹.

Advanced Manufacturing

2.18

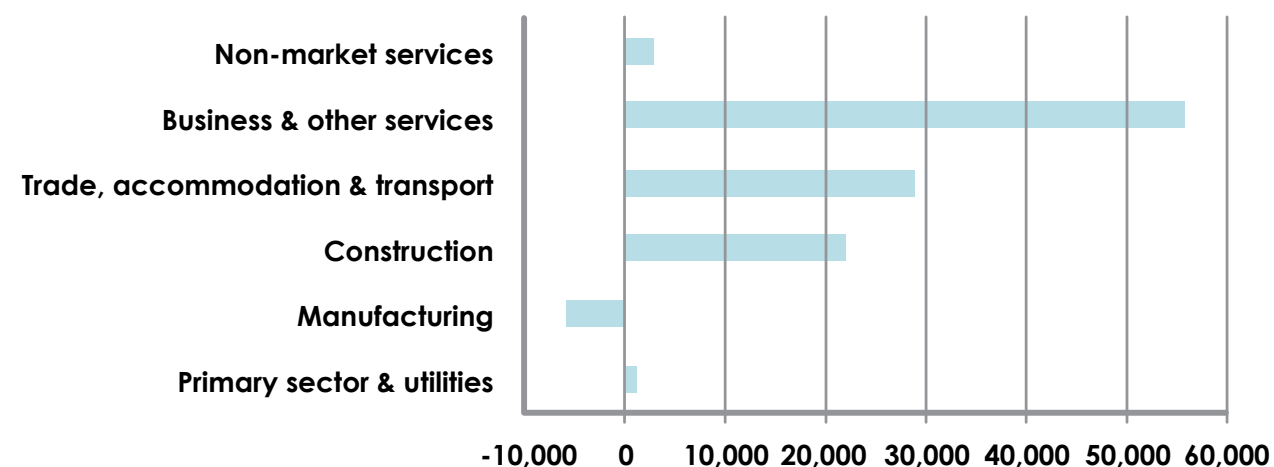
SE LEP partners are now working with a wide range of advanced manufacturing companies to promote innovation and help strengthen their supply chains. These include Essex Manufacturing Innovation and Growth – in partnership with the Institute for Manufacturing at the University of Cambridge, the Practical and Innovative Solutions for Manufacturing Sustainability (PrISMS) programme and with the Centre for Engineering and Manufacturing Excellence in neighbouring East London. East Sussex has 6.3% of its industry involved in production, higher than the SE at 5.6% and equal to the national rate. Work will continue, to understand the needs of the larger companies in the SE LEP area, such as BAE systems, e2v, Delphi and Cummins and their supply chains.

Transport and Logistics

2.19

SE LEP's partners see significant opportunity for growth in the transport and logistics sectors. Now open, the London Gateway Port and Logistics Park development will generate 12,000 direct and 20,000 indirect jobs. The expansion of Tilbury port will create up to 1,200 new jobs. London Thamesport and the Port of Sheerness offer significant potential for growth. Harwich will benefit from the expansion of the UK's offshore wind capacity, as well as oil and gas decommissioning. A potential second runway at Gatwick Airport, the busiest single runway airport in the world, will bring significant benefits for East Sussex and Kent with the creation of around 20,000 jobs on and off the airport. Stansted Airport is the fourth busiest in the UK by passenger numbers, and Southend Airport is will continue to expand. Smaller seaports in the area, as well as three smaller airports, also all offer further growth potential.

Figure 2.1: SE LEP Projected change in employment, 2010-2020



Source: UKCES (2012) Working Futures 2010-2020

¹⁵ONS (2013) Business register and Employment Survey

¹⁶Kent & Medway Economic Review (2013) - note that there were changes in 2008 to the way in which the data is collected. Long-term growth rates should therefore be seen as approximate.

¹⁷UKCES (2012) Working Futures 2010-2020

¹⁸Department for Business, Innovation & Skills and UK Export Finance (2012) Industrial Strategy: Cable outlines vision for future of British Industry

¹⁹ONS, TCR & LCEGS Report for 2011/12. Note: GVA is not available for the Low Carbon sector, turnover has been used instead



Life Sciences and Healthcare

2.20

The UK is a world leader in life sciences and this sector features in the government's Industrial Strategy. The SE LEP area is central to the UK life science sector. The ambitious new owners of Discovery Park – a designated Enterprise Zone in Kent, will continue to attract investment from international and domestic life sciences companies. Kent Science Park near Sittingbourne also has a significant cluster of life-science companies and ambitious plans. The three Anglia Ruskin MedTech Campus centres and Maidstone Medical campus will attract companies of all sizes in the medical technology industry now worth £170bn per annum globally. Our other Enterprise Zone in Harlow will house one of the MedTech campuses.

Environmental Technologies and Energy

2.21

The global market for low carbon and environmental goods and services is rising rapidly as higher energy costs and regulation force the need for greater efficiency. The Ford Dunton Technical Centre is a world-leader in green automotive technologies. As a nationally designated Centre for Offshore Renewable Engineering (CORE), North Kent and along the coast to Ramsgate, is well placed to be at the forefront of growth in this sector. This sector would be enhanced further by granting CORE status to Harwich and the possible development of an innovation centre. Although subject to planning permission for the Off Shore Wind farm (OWF) East Quay at Newhaven is a key opportunity site for E.ON operations and maintenance base for the Rampion OWF and potential turbine construction. It also has future potential for other manufacturing and service activities in the OWF sector and the subsequent attraction of supply-chain activity linked to OWF. Thames Enterprise Park, on the site of the former Coryton Oil Refinery, will be a hub for new Environmental Technology and Energy generation companies backed up by Enterprise Zone status and a growing relationship with Northampton University – and international leader in Environmental Sciences.

Kinetika

Location: Pufleet HHPP
Industry: Creative

Kinetika is an internationally renowned company designing and producing extraordinary outdoor events which invoke the spirit of carnival. Examples of past projects include the FIFA World Cup opening and closing ceremonies (Abu Dhabi, 2009), the Athlete's Parade and Paralympic Closing Ceremony (London, 2012), Beijing Olympic Cultural Festival (2008) and Din Shuru (2003)

Kinetika is relocating its company from London to High House Production Park, the move is to support its ambitions for growth, the Park offers excellent workspace but also the opportunity to join a network creative businesses in an area that is actively encouraging the creative industries sector.



CASE STUDY

Creative, cultural and media, and the visitor economy

2.22

There are other significant sectors in the SE LEP area. These include the tourism sector, which employs 95,900 people, accounting for about 6.6% of total employment and 2.7% of total economic output²⁰. The visitor economy is particularly important in SE LEP's rural and coastal areas. SE LEP also has specific strengths in the **creative, cultural & media** sectors. At High House Production Park in Thurrock an international centre for creative and cultural industries has rapidly grown around major investment from the Royal Opera House, National Skills Academy for Creative and Cultural Skills and Acme Studios. In the SE LEP area creative industries²¹ employ 32,200 people and generate £2.5 billion in GVA. SE LEP makes the largest GVA contribution to this sector of any LEP outside of London²² and is in an excellent position to take advantage of opportunities to build up a supply chain for London, the world's leading creative centre.

2.23

Agri Tech is a feature in the rural areas, well supported by the agricultural colleges and research centres in all three county areas.

²⁰TBR (2013), Trends Central Resource

²¹This includes the creative, cultural and digital sectors.

²²Creative & Cultural Skills, Impact and Footprint 2010/11, (2010)

Creative & Cultural Skills

Location: Pufleet HHPP
Industry: Creative

Creative & Cultural Skills is an employer-led Sector Skills Council for the UK's creative and cultural industries. It has recently launched the industry's first National Skills Academy, dedicated to increasing skills levels and productivity.

In March 2013 Creative & Cultural Skills opened the Backstage Centre, the UK's first specialist technical training and rehearsal centre for the backstage workforce, based at High House Production Park in Thurrock. Creative & Cultural Skills was inspired to relocate its headquarters to Thurrock due to the unique opportunity it offered for the construction of a large-scale, world-class training facility within easy reach of London. The opportunity to work alongside of one of the world's greatest cultural brands, The Royal Opera House, was also a significant draw. Since relocating to Thurrock, the industry has followed, with the state of the art rehearsal space attracting leading players including Leona Lewis. Creative and Cultural Skills continues to forge opportunities for the next creative generation by working with its extensive network of employers to create industry endorsed training, and over a thousand young people have benefitted during its first twelve months in Thurrock. There is demand to scale up its innovative employer-led approach to training and work experience throughout the SE LEP area.



CASE STUDY

Philip Melling

Location: High House Artist's Studios, Purfleet
Industry: Creative

Sculpture, Art and Design

"Working here allows me to rent a studio that is large enough, and with the right facilities for my practice as an artist working with metals, whilst still being close enough to London for a quick commute. The proximity to London is important not only because I live there, but also because London is a hub for the arts, as well as most things. The studios also give me an environment where other artists and creative businesses are close at hand, which benefits my practice enormously."



Creating the Conditions for Growth: Challenges and Solutions

2.24

To build on these strengths of the SE LEP area economy, our SEP focuses on four ways of creating the conditions to enable growth.

2.25

First, we are implementing specific projects and programmes focused on stimulating innovation and boosting **productivity**, often through closer collaboration between businesses, entrepreneurs and universities. The challenge that we face and our broad priorities are set out below.

2.26

Second, we recognise that our residents do not offer all the **skills** that SE LEP (and London) employers need and this underpins our productivity and skills challenge. Enhancing skills is vital to enable our companies to expand, to encourage new start-up companies, and to attract investment. Moreover, by improving their higher level skills, our residents are better placed to help companies in the South East and London to grow.

2.27

Third, we focus on addressing the major **housing** challenges facing the SE LEP area: accelerating housing completions and restoring confidence in the housing markets in some of our coastal communities.

2.28

Finally, in addition to the Thames Gateway, we identify **growth corridors** within each of our devolved areas, in which we are concentrating investment in transport and key projects to create the conditions for more rapid economic development, and supporting investment by existing businesses, new start-ups, and inward investment. These corridors are described below and our proposals are set out in more detail in the Growth Deal in Section 3.

Boosting Our Productivity

The productivity challenge

2.29

The SE LEP area economy is not as strong as the economies elsewhere in Southern England. Historically, the areas to the west, south west and north of London have much stronger economies than areas to the east of London. This has been recognised for many years. The areas around London form a relatively wealthy core, where a strong relationship with a Global City sits alongside centres of economic vitality as strong as any in mainland Europe, delivering much of the South East's 'world class' performance"²³.

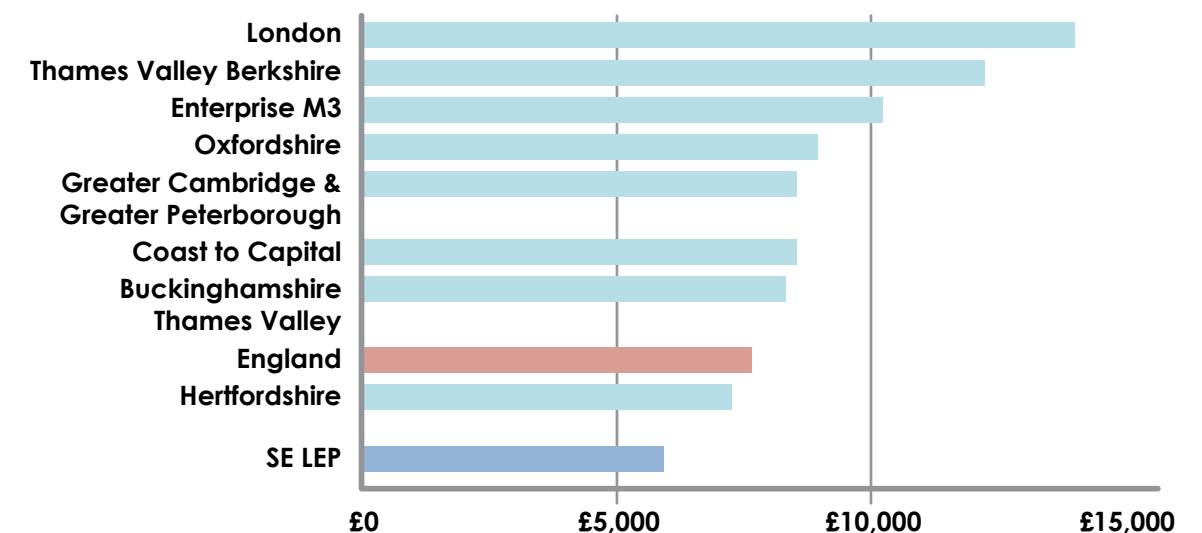
2.30

Output per head within the SE LEP area is £16,900 (2011) - significantly below output in London (£34,800) and in all the other LEPs in the former South East region (e.g. Thames Valley Berkshire £32,800 and Enterprise M3 £26,700) and England wide (£21,300). These differences go back many years, as the economy has struggled to diversify from its focus on traditional industries of coal, paper, aggregates and low value tourism. Moreover, **growth in output has lagged behind all these comparable areas – the output gap has widened.**

2.31

Productivity is one of the main determinants of economic performance. Labour productivity is lower in the SE LEP area compared to the England average by £4,000 per job²⁴ (2011) and this reflects the industrial structure of the SE LEP economy.

Figure 2.2 LEP Productivity - output per head Change in GVA (resident), 1998-2011



Source: LEP Network (2013) Annual Review of LEP-Area Economies 2013

²³As described in the SEEDA Regional Economic Strategy 2006-2016

²⁴ONS (2013) Regional Gross Value Added (Income Approach), ONS (2012) jobs density

2.32

Our ambition is to ensure that in achieving significant jobs growth, we concentrate resources on supporting growth in higher value added sectors and support this growth through raising the skills levels of our residents. This is particularly important as we know that there will be less public funding for non-market services over the coming years, and private sector employment is expected to make up for the reduction in public services employment as well as generate growth. The voluntary and community sector also plays an important part in generating employment; in East Sussex this sector employs more than 10,000 people and generates £476m for the local economy per annum.

2.33

We are pleased to note that the government is proposing to retain Assisted Area status for Dover and Thanet and to extend this benefit to Medway and Swale alongside Hastings and Rother. In addition, we are making the case for the inclusion of Harwich.

2.34

Government's Plan for Growth²⁵ and Industrial Strategy²⁶ sets out the national policy framework within which SE LEP's partners are preparing our SEP. SE LEP has built on and strengthened partnership arrangements between business, local authority and educational institutions in each of the devolved areas.

Solutions

Enterprise Zones

2.35

The Harlow Enterprise Zone (EZ) in Essex is one of two nationally designated enterprise zones in the SE LEP area. Comprising two sites - London Road and Templefields, it offers the potential for significant economic growth in the key growth sectors of Life Science, Advanced Manufacturing and ICT. The enterprise zone sites offer opportunities to attract major inward investment and deliver an estimated 5,000+ jobs over the next 25 years.

²⁵Plan for Growth, HM Treasury, BIS, March 20

²⁶<https://www.gov.uk/government/speeches>

2.36

Key to achieving the successful development of the Harlow Enterprise Zone is the provision of high quality, modern business space that meets the needs of businesses in the key growth sectors and improvements to site access and infrastructure.

2.37

Discovery Park in Kent is already England's most successful Enterprise Zone, with over 1,300 jobs secured on the site since Enterprise Zone status was granted in 2011, a Local Development Order is in place and proposals are being brought forward for residential and commercial development on the site alongside its scientific research and development core.

2.38

However, the area around Discovery Park has been faced with a further challenge following the decision by the owners of Manston Airport to enter into consultation on the future of the facility. Yet the area around Manston and Discovery Park contains extensive land suitable for residential and employment use, and is well connected by new infrastructure. As a consequence we are seeking an extension of the designated Discovery Park Enterprise Zone for Manston. A Manston Airport task force has been established with local MPs.

2.39

Alongside the two existing Enterprise Zones, we have exciting proposals for the creation of a third Enterprise Zone at the Thames Enterprise Park in Thurrock. The 400 acre site of the former Coryton Refinery will be a nationally important cluster of Green Technology and Energy firms supported by a growing partnership with the University of Northampton and South Essex College.

Increasing access to finance

2.40

In light of the barriers that many businesses face in raising finance for their expansion plans, SE LEP partners recognise the ongoing need to provide access to finance. Our recent experience of supplementing the Funding for Lending scheme with local programmes has proved extremely



Key to achieving the successful development of the two enterprise zones is the provision of high quality, modern business space



successful and demand has been high. To date, some £66m Regional Growth Fund has been or will be channelled into five schemes, with the individual schemes receiving varying amounts (Expansion East Kent, TIGER, Escalate, East Sussex Invest 3 and 'SUCCESS'). Rather than develop new schemes we wish to continue to promote and extend the existing successful access to finance schemes. In addition, we know that many innovative businesses in, for example, the life sciences and healthcare and low carbon sectors, require equity investment rather than loan funding.

2.41

We anticipate that most access to finance investment will be in the form of loans for business investment, offered either interest-free or at interest rates lower than those commercially available but which may be linked into the EU Reference rate and strongly linked with the objectives outlined in the paragraphs above. Match funding will primarily be sought from businesses accessing finance through the programmes (ie no programme will provide finance to more than 50% of project value). However, additional match may be made available through the Local Growth Fund should local programmes be established through a combination of ERDF and LGF funding.

Accelerating business starts and supporting growth

2.42

The current make-up of the SE LEP business base means creating more businesses, growing existing businesses and boosting exports are key to growing the SE LEP economy as a whole. As a priority, SE LEP partners see the need to ensure complementarity between local and national programmes, and provide more co-ordinated services for business. Where opportunities exist, existing local authority supported provision will be co-located (physically or virtually) with other services through a **"Gateways to Growth" type approach** which will be different across the SE LEP area aligned to local needs and business demand.

2.43

As locally appropriate, we will join up with other services including the Technology Strategy Board, Design Council (Designing

Demand) and the Intellectual Property Office (Growth through Innovation - grant programme for businesses to assess their IP). SE LEP's **nine universities** are collaborating (as the U9 group) to work with the gateways so that businesses can be referred to the best source of expertise from any of the SE LEP universities or another university elsewhere.

Promoting innovation

2.44

The drive for innovation must come from businesses themselves and reflect their needs. Across the SE LEP area, partners can ensure expertise is accessible, promote business to business collaboration, and facilitate effective university and college partnerships with businesses. SE LEP's partners have embarked on a process of smart specialisation to better focus our efforts on sectors of the economy where SE LEP has, or could have, a strong competitive advantage; Advanced Manufacturing, Transport and Logistics, Life Sciences and Healthcare, Environmental Technologies and Energy, Creative, Cultural and Media and the Visitor Economy. Our universities and colleges are key partners in this work.

Growth in our rural economy

2.45

Some of the most varied, valuable and productive rural areas in the country can be found within the South East LEP. Its land-based industries are of national importance, while new businesses and enterprises based in rural areas create further employment opportunities and help local communities to thrive.

2.46

A substantial proportion of the SE LEP business base is located in rural areas. As well as our traditional and burgeoning new agricultural economy (such as viticulture), new growth and business opportunities now range from agri-tech, forestry and energy through to heritage and tourism, as well sectors more associated with urban areas, including manufacturing, engineering, construction and business services. Our growth plans and programmes apply to rural areas as much as they do to urban areas, and we will make sure that individuals and businesses are able to access the programmes that will help them learn new skills and grow their businesses wherever they are based.

2.47

All activity will be delivered with our Local Area Delivery Partnerships whose chapters highlight rural priorities including:

- Critical infrastructure including digital and mobile connectivity;
- Access to finance to support business growth;
- Optimising the take-up of new technology and supporting innovation in the horticultural, viticulture and top fruit sectors; and,
- Continued diversification, including the growth of agri-tech, energy production and tourism.

Technology and education in the rural sector

Technology and education in agriculture, horticulture and forestry are key to increasing productivity, the number of jobs and better use of scarce resources. The South East is ideally placed to increase food production and minimise impact upon these scarce environmental commodities.

The combination of a world leading agri-tech research and development facility at East Malling Research, linked with colleges such as Hadlow, Plumpton and Writtle, together with some cutting edge businesses including Thanet Earth and many in fruit horticulture and specialist food production - each willing to use new technology to produce top quality produce for the London and European markets - gives the Southeast a platform and skills base for substantial growth in this sector, while reducing the need for imports.

The landscape of the south-east is rightly praised for its diversity and environment. With two major AONBs, a thriving agri-business sector provides opportunities to improve, enhance and conserve our natural environment. This, in turn, leads to improved tourism and health benefits from recreation, while maintaining an attractive place to live and work of the kind sought after by many leading businesses.

The strengths of our universities

The SE LEP HEIs recognise that, as local anchor organisations with national and international reach, they each make a significant contribution to the region's economy. This is via the graduates they produce, the businesses, services and IP they create, by the expertise and facilities they provide to businesses and conduits to funding they facilitate.

At each of the region's nine HEIs a broad portfolio of activities to support the foundation and development of SMEs is already in place. Each HEI has differing technical expertise and collaboration will ensure that this is made available to SMEs across the entire region.

The contribution our HEIs make to the innovation ecosystem will complement contributions made by other key organisations including Chambers of Commerce, Local Authorities, and Growth Accelerator. The effective delivery of innovation support to businesses in the region will be facilitated by signposting via existing mechanisms and the Gateways to Growth.

2.48

We will use the rural development funding available through the £14.5m EU EAFRD programme to develop support specifically for rural areas, and work with the LEADER Local Action Groups to help better align their funding to support growth to help our varied rural economy to thrive and grow.

Growth in our coastal economies

2.49

The SE LEP recognises that its coastal communities are a defining feature of South East England and require bespoke, co-ordinated programmes of investment to enable them to generate the returns available from the enterprise and employment, culture and heritage that their location provides.

2.50

The SE LEP coast hosts a number of key locations for the offshore renewables industry. It is home to one of the nation's six Centres of Offshore Renewable Engineering (CORE) in Kent and work is in hand in Essex to establish Harwich/Tendring as the nation's seventh CORE. Major opportunities for development and manufacturing are available at or in close proximity to the SE LEP's Ports, many of which are already at the leading edge of supplying, installing and servicing the wind farms around our coast.

2.51

Many of our coastal towns have benefited in recent years from regeneration and place-shaping programmes that have started a process of restoring coastal towns to provide attractive and vibrant places to live, work and visit. These have included significant investments in the coast's cultural offer, but further intervention is required if the SE LEP is to unlock key sites for development and to bring empty or under-performing assets back into economic use.

Increasing trade and attracting investment

2.52

Locate in Kent, Locate East Sussex and INVEST Essex will continue to work closely with UKTI to attract inward investment and our Gateways to Growth will play a stronger role in encouraging exporting. Our focus will be on working with our priority sectors and our Enterprise Zones to connect to UKTI overseas networks in a more targeted way. We will also develop our inward investment 'offer' to attract innovative, high value added businesses and improved local case handling and investor development/aftercare services.

2.53

Through Kent International Business and similar initiatives in East Sussex, Essex and in the Thames Gateway, partners are helping businesses to access new markets, and we intend to develop this further through the opt-in arrangement with UKTI. In relation to export, Essex will build further on its long-standing relationship with Jiangsu in Eastern China, and the extensive network of partners in mainland Europe and India.

Improving Our Skills

2.54

To achieve our growth ambitions, we need to 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. Our plans build on the steps we have already taken, the strengths that exist within the SE LEP and the merits of combining a national and local approach.

The skills challenge and priorities for action and solutions

2.55

SE LEP is home to numerous cutting edge companies and has significant opportunities for growth in our priority sectors. Our high value growth industries rely heavily on science, technology, engineering and maths (STEM) based skills and struggle to recruit appropriately skilled adults and work ready young people – the pool of suitably qualified people is simply too small.

2.56

Equally, the wider skills needs of our priority sectors are not being met due, in part, to the lack of employer influence on the offer of provision and supply driven nature of planning. A mismatch exists between training provision and local priority sectors for growth, all of which are underpinned by STEM-related skills.

2.57

Productivity in the SE LEP economy is lower than the national average and a low proportion of residents are employed in skilled occupations. Our greatest challenges lie at both ends of the skills spectrum – **insufficient volume and focus of higher level skills and low levels of basic (literacy and numeracy) and employability skills**. The SE LEP labour market underperforms compared with the South East as a whole as shown by lower than average levels of level 4+ skills, low levels of basic literacy and numeracy, and high levels of worklessness, with particular area concentrations.

Improving the talent pool in support of priority sectors, particularly higher level skills - The problem to fix

2.58

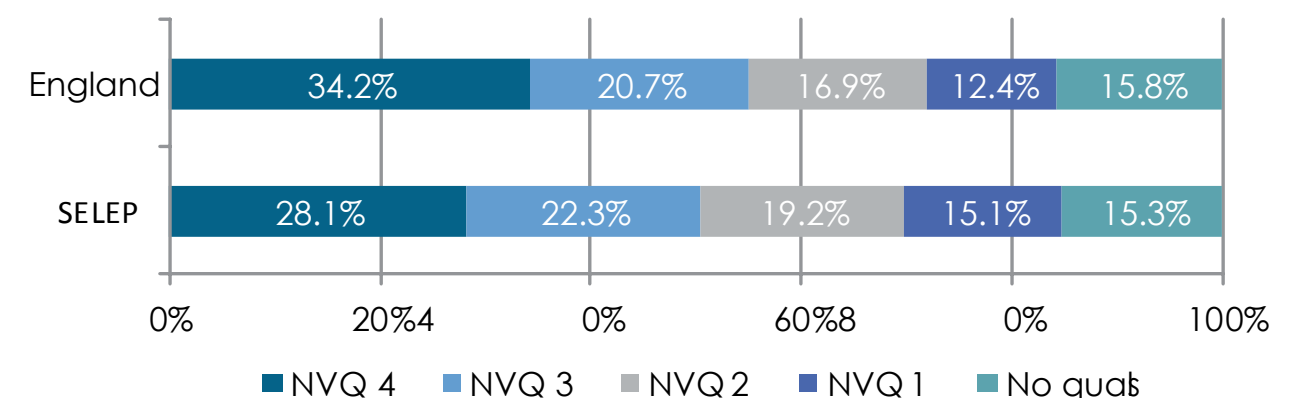
Over half of the employers with vacancies in the South East are seeking degree level candidates²⁷. The UK Commission for

Education and Skills (UKCES) Employer Skills Survey states that 55% of employers in the South East report workforce skills gaps in technical, practical or job specific skills²⁸ and predictions show the number of jobs in skilled occupations typically requiring a higher level qualification is expected to continue to grow²⁹. This demonstrates a need to focus on developing higher level technical skills within the existing workforce, and in preparing those for the labour market.

2.59

As shown in Figure 2 below, **the proportion of residents with higher level (4+) qualifications is relatively low** despite an increase in Level 4 qualifications attained in recent years³⁰. In the SE LEP area 28.1% of residents aged 16-64 have level 4 or above qualifications compared with 34.2% for England and 36.8% for the South East region³¹.

Figure 2.3: Residents with NVQ4+ qualifications, % aged 16-64 (2012)



Source: ONS Annual Population Survey

2.60

As a result, and notwithstanding the recession, companies have been finding it hard to recruit due to skills shortages in recent years. The Employer Skills Survey indicates that the proportion of businesses with skill shortage vacancies increased across the UK between 2011 and 2013³². In the SE LEP area more than **one in five (21%) establishments reported a skills gap or skills shortage vacancy in 2013**³³; 23.7% of vacancies were due to skill-shortages, compared to 22.3% across England³⁴.

2.61

Revenue funding rates are not high enough to enable colleges and providers to make long term investments in their infrastructure to align with skills priorities, particularly in high cost areas such as Advanced Manufacturing. In the absence of higher funding rates, a more focused and locally led investment in skills infrastructure, managed by SE LEP, would support better alignment with priority sectors, including the purchase of specialist equipment to support new programmes.

²⁷Labour Insights, March 2014. From Dec 13-Mar 14 there were 52,000 vacancies across the LEP area, of these, roughly 4,500 companies specified educational requirements and of those the greatest demand was for degree level skills (58%) followed by A'levels (20%) and GCSEs (16%).

²⁸UKCES

²⁹Working Futures 2012-2022

³⁰In 2008 only 23.8% of working age residents were qualified at degree level or above – ONS Annual Population Survey

³¹ONS Annual Population Survey³²UKCES (2014) UK Commission's Employer Skills Survey 2013: England Results

³³UKCES (2014) UK Commission's Employer Skills Survey 2013: England Results

³⁴UKCES (2014) UK Commission's Employer Skills Survey 2013: England Results

The solutions

2.62

We wish to increase the talent pool, for our priority sectors, particularly to level 4 by:

- increasing apprenticeships across SE LEP through incentivising employers to recruit apprentices, focusing on advanced and higher apprenticeships and internships, and progression routes from traineeships. We also want to use EU funds to support higher skills development through co-investment with employers to address skills gaps.
- developing a far richer picture of career opportunities in growth sectors, working with educational institutions and industry, to promote these opportunities, in order to influence study and pathway choices.
- piloting sector-based tutor training to enable tutors to professionally update and experience the latest technologies, innovations and practice in the industry they teach to raise the quality and relevance of teaching technical subjects this support priority sectors; and,
- investing £128m in facilities to provide capacity and industry standard facilities, with a focus on delivering priority skills and including a specialist equipment fund (which will also support participation).

- creating stronger HE business partnerships in key, high skill sectors including CCI, logistics and environmental technologies.

Increasing participation of young people work, education and in training, with focus on supporting priority sectors and skills gaps - The problem to fix

2.63

The UKCES forecast that there will be an increase of 105,000 jobs in the SE LEP area by 2020³⁵ and our ambition is to almost double that. The majority of jobs growth will be in professional occupations (+45,000); managers, directors & senior officials (+38,000); and associate professional & technical occupations (+33,000)³⁶. When "replacement demand" is included over half (50.3%) of openings will be in high skilled jobs. Across the UK, there is unmet demand for **science technology engineering and mathematics qualified workers** with nearly two in five firms requiring STEM employees facing difficulties in recruitment³⁷.

2.64

Some of the highest vacancy levels in SE LEP show high demand for programmers, software development professionals (1,517) and IT Business Analysts, Architects and systems designers (1,458), yet we have little provision offered in the area that supports these occupations; or the information, advice and guidance (IAG) to inform and inspire about these career options.

2.65

The 16-18 allocation from the Education Funding Agency and the Adult Skills Budget (ASB) classroom based programmes remain learner-led which means that colleges and providers will naturally respond to this demand as their first priority, rather than employer skills needs – a question of volume and income. For example, there has been a significant increase in the number of shorter classroom based courses, funded under the ASB, delivered to unemployed learners with no evidence of whether these have led to sustainable jobs and careers. There is insufficient direct leverage on funding

for local employers to commission the skills training they need from colleges and providers and to ensure better outcomes for learners in terms of access and progression to career opportunities.

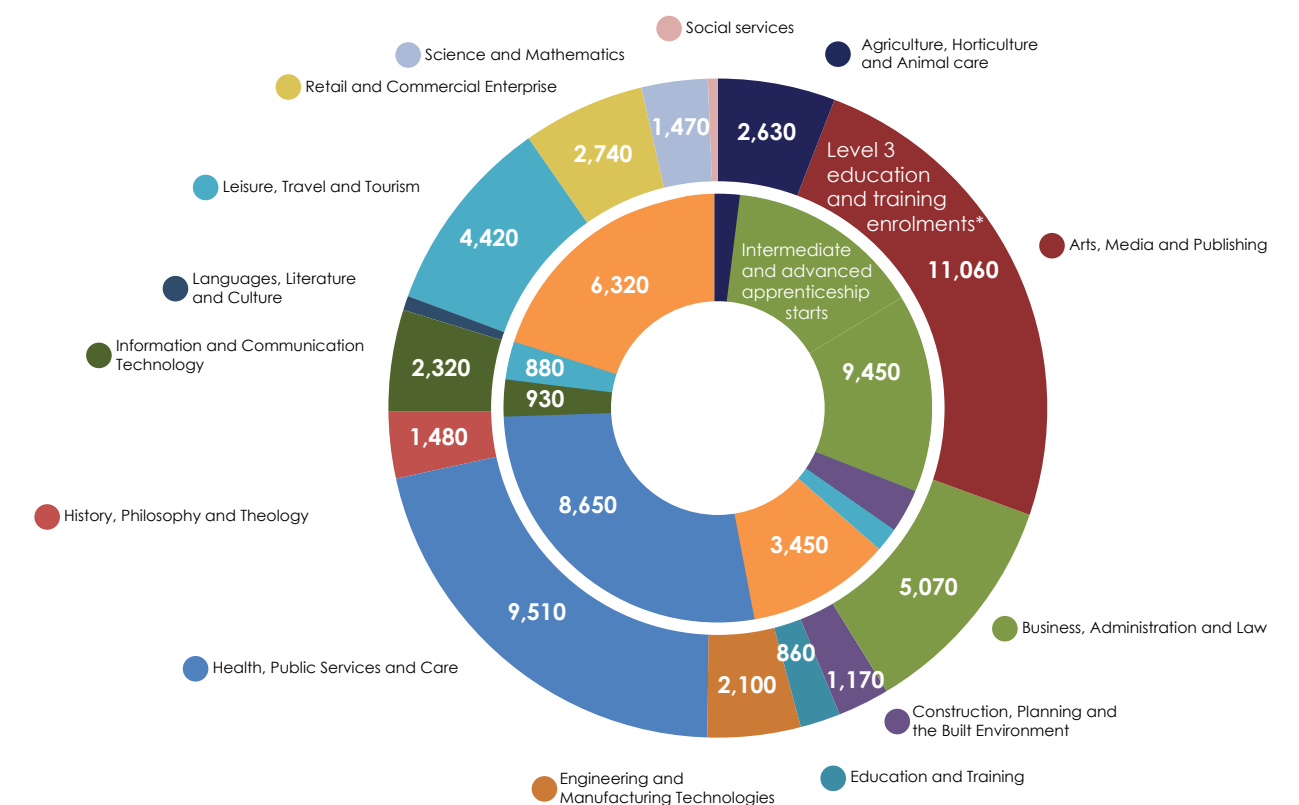
2.66

Data currently shows that for 2012/13, the highest proportion of vocational level 3 publicly funded enrolments were undertaking arts, media and publishing, health, public service and care and business administration and law. Of the 31,750 apprenticeship starts for 2012/13, again business administration and law and health and social care feature highly, with high levels of participation in hairdressing, retail and hospitality & catering. For A levels, Science and Mathematics make up the largest proportion of enrolments, however this lacks the technical application of knowledge into the work place and that is sought by employers.

2.67

Apprenticeships more than doubled from 13,823 in 2008/09 to 30,866 in 2012/13 (123% increase), with the biggest increase seen in the 25+ age group (319% increase)

Figure 2.4: Vocational FE and Skills Participation by sector subject area, 2012/13



³⁵Employment growth is expected to be above the national rate and will accelerate after 2015. Over three quarters (76.7%) of the increase in employment for the decade will come between 2015 and 2020 – UKCES (2012)Working Futures
³⁶UKCES (2012)Working Futures
³⁷CBI (2013) Changing the pace - CBI/Pearson Education and Skills Survey 2013

and the top frameworks were Business and Administration, Health & Social Care, Management, and Retail & Customer Service.

2.68

We believe that apprenticeships are a fantastic way to reduce skills shortages in technical disciplines whilst increasing options and employment opportunities for young people, particularly for those sectors facing an aging workforce. We therefore wish to see a significant increase in apprenticeship opportunities across the LEP, specifically in priority sectors and skills shortage occupations. We would therefore need to secure quite a shift in the prevalence of apprenticeships towards more technical disciplines.

2.69

Whilst work has been done in some areas of the south east to enhance Integrated Advice and Guidance (IAG) provision, it is too institutionally and academically focused, particularly for more able students, and needs to have an increased focus on providing information on technical vocational programmes and the careers opportunities they provide.

2.70

In addition to ensuring that for those who do participate, do so in education and training that will lead them to gainful employment and progression, there are a range of reasons as to why some young people don't participate – geographical, financial, personal – and there is a compelling need to do more to remove the barriers that these young people face. More detail on our planned interventions is provided in our EU SIF Strategy.

The solutions

2.71

We will support full and meaningful participation of our young people by:

- providing industry work experience programmes with training/ traineeships, increase the range of business appropriate apprenticeships;
- providing enhanced information, advice and guidance to improve participation and gainful progression;
- building on success of our ESBs and through them working with providers and Sector Guilds to deliver an offer of provision that reflects the needs of the economy;
- working with schools and school governors to increase industry awareness and engagement, such as industry in schools programmes; and
- providing a package of support for young people who are further away from the labour market; and promote skills training at an early age to encourage uptake of vocational subjects from 14+.

Improving the basic skill levels and employability of our residents to boost productivity and employment - The problem to fix

2.72

The proportion of residents holding a basic literacy and numeracy qualification across the SE LEP is low. 45% of working age adults

do not have level 2 or above in literacy and 77% are below level 2 for numeracy. This problem is perpetuated where young people do not achieve GCSE English and Maths at grade C or above³⁸. In 2013, between 36.4% (Kent) and 40.1% (Thurrock) of pupils failed to achieve grades A*-C in English and maths GCSEs at Key Stage 4. Prevention is therefore key; increasing achievement and participation levels will also have a significant impact on the economy in the short to medium term.

2.73

In the SE LEP area, 35% of firms facing skills shortages indicate that numeracy skills are lacking among applicants, while 34% identify challenges around literacy skills³⁹. Soft, employability skills, including customer handling, communication skills, and team working are also identified by local businesses⁴⁰.

2.74

Gravesham, Medway, Thanet, Hastings and Harlow all have unemployment rates in the top quintile of local authorities in England (9.2%+). At the end of 2012, there were 8,480 16 to 18 year olds NEET in the LEP area - a rate of 6.3% overall (compared with 5.6% for England), and there is a high degree of variation between places masked within the average.

The solutions

2.75

We wish to increase the proportion of residents with maths and English qualifications and employability skills by:

- developing occupational based literacy and numeracy teaching to encourage people to obtain basic qualifications;
- investing in further training to bring more people up to the basic level of literacy and numeracy;
- developing an innovative recruitment package to attract and retain English

and maths tutors, including promotion of the Governments 'golden handshake' incentive; and,

- providing a package of opportunities for young people in particular to increase their employability, and
- supporting people in work to sustain their employment through raising skill levels.

In summary

2.76

Our support for skills development needs to be effectively integrated with our support for business growth. We will achieve this through links between delivery teams at the operational level within the Gateways to Growth and our employer engagement systems for skills development; and at the strategic level, through our Employment and Skills Boards and other partnerships.

2.77

The direction of travel towards a more employer led system is welcome, but needs to be accelerated, whilst at the same time ensuring the provider base is not destabilised. Enabling the skills system to be more employer-led is vital, particularly in relation to qualification design and commissioning. Achieving a relatively stable environment for colleges and providers, whilst providing more influence from employers, will enable the system to be more responsive to meet current and future skills needs.

2.78

SE LEP fully appreciates the vital role that schools play in preparing our workforce of the future and wish to work with the school system in order to support career, information, advice and guidance to young people to ensure they have the right skills for meaningful employment. We also wish to facilitate bringing more schools, young people and employers together to improve employability, confidence and motivation and raise awareness of key local sectors, in order help young people succeed in the world of work and contribute to the economic growth of the area.

³⁸Department for Education (2014) School performance Tables

³⁹UKCES (2014) UK Commission's Employer Skills Survey 2013: England Results

⁴⁰UKCES (2014) UK Commission's Employer Skills Survey 2013: England Results





Building More Houses And Re-Building Confidence

The Housing Challenge

2.79

In addition to the challenge of boosting productivity, and enhancing the skills of our workforce, we face two central housing challenges in the SE LEP area. First, we must build more houses each year across the SE LEP area. Second, we must rebuild confidence in housing markets in many of our coastal communities. The third element of our SEP focuses on these two housing challenges.

Building more houses

2.80

Today many households find **housing affordability** is a major problem and have to buy property in cheaper locations, with a resulting impact on the availability of labour for businesses. In the SE LEP area, the ratio of median house prices to median earnings was above the national average in 24 out of 32 SE LEP local authorities in 2012⁴¹. In most respects this directly results from the **demand for housing exceeding supply** in local housing markets.

⁴¹DCLG (2013) Ratio of median house price to median earnings

2.80

All of our local planning authorities are setting housing targets based on their objectively assessed housing requirements and these targets feature in their approved local plans or in those plans now being prepared. For the SE LEP area as a whole, government's most recent projections (reference 2011-based Interim Household Projections) show that between 2011 and 2021, almost 200,000 more households will live in SE LEP's communities – or an average of 20,000 homes per annum. In 2011/12 and 2012/13 completions averaged just under 10,000 homes per annum and in 2013/14, it is likely that completions will remain at this level. To match forecast household growth a further 170,000 homes need to be completed over the next seven years - an average of 24,000+ per annum.

2.82

It will not be possible to accelerate the rate of completions fast enough to build a total of 200,000 over the decade to 2021. However, it will be possible to accelerate the rate of completions year on year. Our ambition is to complete a further 100,000 homes by the end of March 2021. This would mean increasing completions to, say 11,000 homes in the year beginning April 2015, 15,000 homes in 2017, and then 16,000 homes each year to 2021. This rate is 7% higher than the peak output in the last housing boom 2007/08 and would result in an additional 100,000 homes by March 2021.

Solutions

2.83

To achieve this, we have prepared an action plan to boost housing delivery and the four main elements are as follows. First, we are ensuring that sufficient **land for residential development** is allocated in local plans. This process is well underway as each of SE LEP's local planning authorities updates their objective assessments of housing requirements and their strategic housing land assessments, and then when necessary, their local plan.

2.84

Second, each of the local authorities is considering how best to bring **land in public ownership** forward for residential development. This includes both land in the ownership of local authorities, as well as other public bodies including the NHS and the Homes and Communities Agency. This process is also well underway. Our three county councils with their district councils and our unitary authorities have mobilised initiatives to do this.

2.85

Third, we see the need to restore or **build capacity in the development industry**. In 2011, just under 500 companies completed properties in the SE LEP area; in 2013, 20% fewer companies were completing homes. Moreover, many of the larger companies have merged so the number of "volume house builders" in England has reduced; it

appears unlikely that the new combined enterprises will build more homes each year than their individual predecessors. Registered Providers (housing associations) will be part of a strategy to boost development capacity. SE LEP is now working with a range of providers to explore how best to do this. Finally, we believe that **new delivery models** will be required to provide finance and share the risks and rewards of housing development.

2.86

In Section 3 below, our South East Housing Growth Deal sets out specific offers and asks aimed at enabling SE LEP's partners to work together to complete 100,000 homes by 2021.

Restoring Confidence in Coastal Community Housing Markets

2.87

In parallel with our ambitious building programme, we face the challenge of **restoring confidence in the housing markets in many of our coastal communities and other communities** where there are concentrations of severely deprived neighbourhoods. These are areas where the dysfunctional private rented housing sector is currently holding back economic regeneration.

2.88

The Centre for Regional and Economic Research at Sheffield Hallam University produced a report for the LEP at the end of 2012 on the coastal communities in the South East. This took a statistical review completed earlier that year, and the results of a series of discussions with local authorities and other partners concluded with a series of recommendations. These included recommendations for the LEP to:

- give special recognition of the needs of coastal communities in the allocation of resources;
- to identify transport improvements to parts of the coast (particularly around Eastbourne/Bexhill/Hastings, Harwich and Clacton);
- to treat the seaside tourist industry as a driver of economic growth; and
- to support the operational functionality and development of ports.

2.89

The coastal towns in the SE LEP area are diverse, and do not all suffer from the severe levels of unemployment and deprivation characterised in Clacton, Margate, Ramsgate and Hastings. Other categories included ports with socio-economic difficulties (Harwich, Dover, Folkestone and Newhaven), larger and middling seaside towns with lesser problems (Folkestone, Bexhill, and Eastbourne), and smaller places some prosperous and some with quite acute problems (Jawick and Camber). One of the consequences of the decline of the visitor economy in some of these areas has been the inward migration of low incomer residents, often dependent on benefits and including some with drug and alcohol problems, and ex-offenders into accommodation previously used by the tourism sector, such as hotels. Other coastal towns have a port focus – Harwich, Dover, Tilbury, Folkestone and Newhaven, although they have similar deprivation levels despite contrasts in the fortunes of their ports. Others are more prosperous and contain high proportions of retirees.

2.90

SE LEP recognises that our coastal communities are a defining feature of the South East LEP, and require bespoke, co-ordinated programmes of investment to enable them to generate the returns on opportunities for enterprise and employment, culture and visitor enjoyment that their location, environment and heritage provide.

2.91

The demographic characteristics of the South East's coastal communities reflect many decades of selective migration⁴². Figure 2.5 below captures the vicious circle that has been at work in towns such as Eastbourne, Hastings, Folkestone, Dover, Ramsgate, Margate, Southend-on-Sea and Clacton, over many years. In some neighbourhoods a very high proportion of the homes are rented privately, often as small flats and bedsits predominately let to single people in receipt of housing benefit with complex social needs (but providing very high returns to private landlords).

2.92

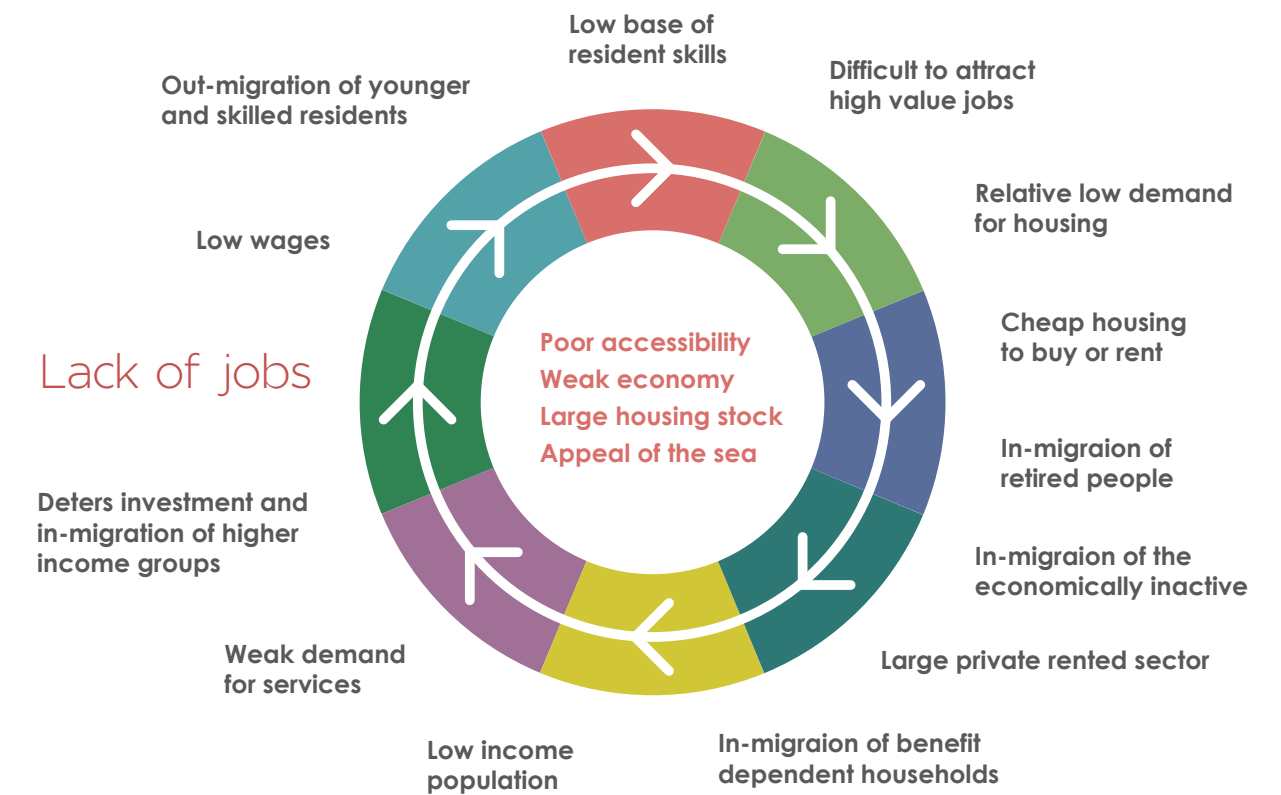
Our coastal communities all see significant opportunities to replace this vicious circle with a **virtuous circle of investment to attract entrepreneurs and higher income households**. We believe that the transformation of some communities, such as Whitstable and Broadstairs, demonstrates what can be achieved. Successes include, for example, the opening of the Turner Contemporary Gallery in Margate, major investment plans for the Port of Dover and the development of the creative sector. These efforts have started to lift the housing markets in these areas and provide a platform for increasing completions and housing renewal.

2.93

In Section 3 opposite, our South East Housing Growth Deal, we set out our approach to rebuilding confidence in coastal communities and others facing similar challenges.

⁴²Wessex Economics (2013) Coastal Towns Private Rented Sector Initiative

Figure 2.5 The Vicious Circle of Historic Patterns of Selective Migration



Source: Wessex Economics (2013) Coastal Towns Private Rented Sector Initiative

2.94

- A120 Haven Gateway;
- A12 and Great Eastern Mainline;
- M11 West Anglia Mainline: London-Harlow-Stansted-Cambridge;
- A127 London-Basildon-Southend;
- A13 London-Thurrock-Canvey Island;
- A2/M2 Thames Gateway Kent;
- A2/A299 Canterbury-Dover and Thanet;
- M20 London-Maidstone-Ashford-Folkestone;
- A21 London-Tonbridge-Tunbridge Wells;
- A21/A259 Hastings Bexhill;
- A22/A27 Eastbourne/South Wealden; and,
- Newhaven Clean Tech and Maritime Growth Area.

Priti Patel MP
Witham



A120 Haven Gateway

2.95

The growth opportunities astride the A120, are in Braintree, Colchester district and Tendring and are generated both from ready access to Stansted Airport and the ports of Harwich and Felixstowe. We see distinctive investment opportunities in low carbon and renewables sectors, offshore wind energy, manufacturing, and logistics. The **University of Essex Knowledge Gateway** will provide a world class resource to support the use of data analytics and data science by a range of businesses creating high value jobs. The Harwich Supply Base project and an Energy Skills Centre in Harwich will help support the low carbon and renewables sector. Planned developments, such as Pond Hall Farm, and the major port development at **Bathside Bay** in the longer term will help to unlock further growth around the Haven Ports to 2021 and beyond.

2.96

Colchester will accommodate significant future growth, with development planned for the town centre and the **Northern Gateway** creating a new leisure/sporting hub and leveraging £60m of private investment. A **digital incubation centre for the creative industries** in the heart of Colchester will support this priority sector. The development of a **STEM** training centre will help raise local skills to support priority sectors across the Corridor.

2.97

At present the Corridor's growth potential is limited by capacity on the A120. The designation of the A120 as an Enterprise Corridor backed by a comprehensive range of interventions, particularly dualling key sections of the road, which will dramatically improve access along the Corridor, will unlock growth and enable a number of strategic Enterprise sites along the route between Harwich and Stansted to realise their full economic potential. **As a result, this corridor will be able to support 4,784 jobs and 2,953 new homes by 2021 and a further 24,100 jobs and 28,500 homes through our proposed transport schemes.**

A12 and Great Eastern Mainline Brentwood-Chelmsford-Colchester

2.98

This corridor features growth in three Mid-Essex key centres, Chelmsford, Colchester town and Brentwood, with additional growth in Maldon, and the A12 and Great Eastern Mainline links London with these centres. These routes provide the main routes to Harwich and Felixstowe. The **Chelmsford Innovation Centre** (MedBIC), part of the Anglia Ruskin Med Tech infrastructure, is being developed to support the growing life sciences and health care sector. The development of an employer-led **STEM & Enterprise Skills Centre** in Maldon will help develop a pipeline of skilled labour to enable the expansion of advanced manufacturing.

2.99

Additional investment in rail and road infrastructure is essential for unlocking the full economic potential of the Corridor. The Corridor has strong links with the London labour market, supporting substantial commuter flows to, and from, the capital. These flows will increase further when **Crossrail** is completed. In North-east Chelmsford investment in **Beaulieu Park station** will stimulate a faster pace of development of both residential and employment areas in the urban extension and help attract higher value occupiers to the business park more quickly, with knock-on effects from this on local job creation, economic output. The station is part of a wider package of journey time, capacity and reliability improvements and is being developed by the "Norwich in 90" Parliamentary Task Force with the assistance of the New Anglia LEP and Network Rail. A package of investment is proposed to address bottlenecks on the A12 to support growth. **With sufficient investment, there is the potential to create 3,126 jobs and 1,446 new homes by 2021 and facilitate 16,200 jobs and 13,800 homes through our proposed transport schemes.**

M11 London-Harlow-Stansted-Cambridge

2.100

The M11 and West Anglia Main Line link London, Harlow, Stansted and Cambridge all have significant economic assets building on local strengths in life sciences and other high value sectors. Stansted Airport, now owned by the Manchester Airport Group offers very significant potential to attract investment from a wide ranging of global companies seeking a UK base. The delivery of the **Harlow Enterprise Zone** (EZ) is underway with the refurbishment of the Nortel complex. The EZ will attract companies in life sciences, advanced manufacturing and information and communications technologies (ICT) and has capacity for over 5,000 jobs. The EZ will also be the home of one of Anglia Ruskin's new **Med Tech** campuses. The advanced manufacturing sector in Harlow will be supported by development of the **Harlow Manufacturing and Engineering Centre** providing state of the art facilities to meet the skills requirements of existing businesses and those investing in the corridor.

2.101

Several key transport investments are required to unlock full growth potential. In particular, the **M11 Junction 7a** is vital if the EZ is to reach its full capacity and to enable significant housing growth at Harlow. Investments in the **A414** to address existing bottlenecks are also essential. **In this Corridor we can accommodate 1,050 jobs and 1,230 new homes by 2021 and facilitate 17,200 jobs and 19,000 homes through our proposed transport schemes.**

A13 London-Thurrock Canvey Island

2.102

From London through Thurrock to Basildon and Canvey Island, the A13 corridor is the largest single growth opportunity in the SE LEP area. With DP World's £1.5bn investment in **London Gateway** - the UK's 21st century container sea port, along with Europe's largest logistics park - **the A13 is again an essential link in the nation's trunk road network.**

2.103

Investment at the High House Production Park in Purfleet has created a significant hub for the creative and cultural sector. Already the Royal Opera House and the Sector Skills Council, CC Skills are resident on the site alongside work/live space for creative and cultural businesses. Further investment is planned to establish a supportive HE offer alongside vocational learning space and business incubation units.

2.104

The potential to create a new Enterprise Zone at **Thames Enterprise Park**, a 160 hectare site for environmental technology energy sector companies is nationally significant. The comprehensive £800m mixed use redevelopment at **Purfleet** will create 46,000 sq. metres of employment space, including a new international film and entertainment media production centre, Lakeside is already Europe's largest retail complex and further expansion is planned to strengthen this "regional" town centre. A new business park at **Canvey Island** is planned. All of these projects will require enabling investment in transport infrastructure.

2.105

Currently, development is constrained by the limited capacity of the strategic road network, particularly J30/31 of the M25 and the dual carriageway stretch of the A13. Both require a comprehensive solution backed by Government funding. **Together planned investments in the A13 Corridor will directly enable the creation of 4,045 jobs and 3,340 new homes by 2021 and facilitate 43,610 jobs and 11,000 homes in this corridor through our proposed transport schemes.**

A127: London- Basildon-Southend

2.106

The A127 links London with Basildon and Southend and Rochford. In Basildon, the A127 corridor is home to one of the largest single concentrations of **advanced manufacturing** companies in the South of England. It makes substantial contributions to the prosperity of the SE LEP area and offers considerable growth prospects. **London Southend Airport**, now with scheduled air services to Europe and hub airports for onward global

travel, and its neighbouring business park is proving attractive to a wide range of global companies and offers capacity for at least 4,200 additional jobs up to 2021 and a further 3,180 post 2021. Southend and Rochford have prepared a Joint Area Action Plan to unlock these opportunities. One of **Anglia Ruskin University's Med Tech** campuses is being developed in Southend. **Southend Central** (including Victoria Avenue) is a major new town centre quarter for new offices, including the City Deal secured Growth Hub, and housing. Comprehensive redevelopment plans for **Basildon Town Centre** are well advanced, including the relocation of South Essex College's Basildon Campus to the Town Centre.

2.107

Realising much of the growth depends upon addressing the significant capacity issues along the A127. At peak periods, the A127 carries traffic volumes which exceed those on many urban motorways elsewhere in the UK. In the A127 corridor there is potential to directly enable the creation of 8,775 jobs and 1,450 new homes by 2021 and a further 48,927 jobs and 32,655 homes through proposed transport schemes.

A2/M2: Thames Gateway Kent

2.108

The A2/M2 runs along the southern bank of the Thames Estuary, linking London with Medway, Sittingbourne and beyond. Just 17 minutes from London by High Speed One, **Ebbsfleet** offers longer-term scope for 20,000 jobs and 10,000 homes between Ebbsfleet International station and Bluewater. Nearby, the proposed development of a major theme park and visitor destination at **Swanscombe Peninsula** offers the prospect of a further 27,000 jobs, integrated with the development of neighbouring Dartford and Gravesend. The Government's recent announcement that it is to create a new **Garden City** at Ebbsfleet and Swanscombe is very welcome, providing renewed confidence in the area's potential. However, unlocking the potential of Ebbsfleet and Swanscombe will require substantial investment, especially in transport infrastructure on the A2.

2.109

The wider **Medway Estuary**, including the **A249 Corridor** between Sittingbourne and Sheerness, includes a major concentration of manufacturing employment, with strengths in defence-related industries, automotive and environmental technologies. The growth of the renewable energy sector is a particular area of strength, with the North Kent Coast designated as a **Centre for Offshore Renewable Engineering (CORE)**, while **Kent Science Park** near Sittingbourne is a growing centre for life science and environmental research and development. With capacity for **an additional 18,000 jobs and 24,000 homes by 2021**, Thames Gateway Kent includes some of the UK's most significant locations for residential and commercial growth.

HS1 and the A2, A20 and A299: East Kent

2.110

Linked by the A2, A20 and A299, East Kent contains some of Britain's most iconic landscapes and historic buildings, including Canterbury Cathedral and the White Cliffs of Dover, with leisure and tourism important parts of the East Kent economy.

2.111

The opening of **High Speed One** has dramatically improved access to East Kent, opening up a new corridor for growth – with plans in place for further journey time reductions. **Ashford** is Kent and Medway's fastest growing urban centre outside the Thames Gateway, building on its excellent connections to London and direct international rail services to Paris and Brussels. Planned investment in M20 Junction 10a will help to unlock Ashford's growth potential, helping to deliver around 10,000 jobs and 7,000 homes.

2.112

On the A2, **Canterbury** is an important university city. Over 30,000 students currently study at the University of Kent, Canterbury

Christ Church University and the University for the Creative Arts, with the university sector expanding rapidly. Beyond Canterbury on the A2, the **Port of Dover** is already Europe's largest passenger port and with major plans for expansion. However, significant investment will be required if the area's long term opportunities are to be realised, in particular in improving the A2 to link an expanded Port of Dover with the planned Lower Thames Crossing.

2.113

North of Dover, **Discovery Park** at Sandwich has become England's most successful Enterprise Zone, with over 1,300 scientific research jobs created or safeguarded since Enterprise Zone status was established in 2011. At **Margate** and **Ramsgate**, prospects for growth have been enhanced by investment in transport and cultural infrastructure. **Turner Contemporary** at Margate has attracted over a million visitors since the gallery opened in 2011, underpinning the growth of the creative sector on the East Kent Coast.

2.114

Also on the Channel coast, **Folkestone** is also benefiting from reduced journey times on High Speed One, and is now within an hour of London. This is making a difference to the town's creative and visitor economy, with the development of Folkestone Creative Quarter and the revitalisation of Folkestone Seafront underpinned by the successful Folkestone Triennial. Combined, East Kent has the capacity **for 30,000 homes and 20,000 jobs by 2021**.

M20: London-Maidstone-Ashford

2.115

The M20 links London with the Channel Tunnel. Just off the M20 near West Malling, **Kings Hill** is Kent's leading high quality business park, accommodating over 5,000 quality jobs and 10,000 residents. Nearby, **East Malling Research** is one of the country's leading centres for horticultural R&D, building on Kent's agricultural strengths as the Garden of England.

2.116

Maidstone, Kent's county town, has strong economic links with North, East and West Kent, supporting a large economic hinterland, with ambitious plans for growth, including a growing presence in the creative and life science industries. Beyond Maidstone, the M20 corridor continues to Ashford, linking with improved access via High Speed One.

2.117

With some **8,500 homes and 7,000 jobs planned for 2021**, the M20 corridor includes some of the South East's most important growth locations at Maidstone and Ashford.

A21: London-Tonbridge-Tunbridge Wells

2.118

The A21 is the main route from London to Hastings, running south via Sevenoaks, Tonbridge and Tunbridge Wells. With much of the area designated as metropolitan green belt, new locations for growth need to be carefully selected.

2.119

However, West Kent has a strong economy, with a diverse and resilient SME base. In particular, **Royal Tunbridge Wells** has one of the South East's largest concentrations of digital and software businesses, and the area's rural economy will benefit significantly from the rollout of superfast broadband. Further north at **Fort Halstead**, the former DSTL research establishment offers scope for new development as a multi-use R&D facility, with good links to the M25 and to London. West Kent has scope to deliver **7,500 homes and 9,000 jobs by 2021**.

A21/A259: Hastings - Bexhill

2.120

This focuses on the urban centres of Hastings & Bexhill, extending northward up the A21 towards London, and eastward along the A259 leading towards Rye, Ashford and the Channel Ports. This area includes some of SE LEP's most severely deprived communities along with major investment opportunity

sites, including North East Bexhill, served by the Bexhill to Hastings Link Road currently under construction, and the potential offered via Assisted Area Status. The corridor connects the town centres and seafronts of Bexhill and Hastings, through to Rye. Over recent years there has been significant regeneration some centred around the cultural attractions including the De La Warr Pavilion, the Jerwood Gallery and major investments in the Bexhill seafront. The money being invested in the Hastings Pier restoration will ensure it significantly adds to the local offer.

2.121

There are many investment opportunities on, or close to, the A21, for commercial, leisure and housing uses. In Hastings, these include commercial developments at North Queensway, and the Priority Quarter Business District Phase 4. Rye Harbour in Rother, already has a strong manufacturing base and there is opportunity for strategic housing and commercial development in North East Bexhill. To enable new growth, we are seeking investment in the Queensway Gateway Road, and a number of improvements to junctions and capacity improvements in Hastings and Bexhill, including the North Bexhill Access Road. **In this corridor we have the opportunity to directly create 5,278 jobs and 765 new homes by 2021 and facilitate 9,700 jobs and 11,300 homes through our proposed transport schemes.**

A22/A27 Eastbourne - South Wealden

2.122

This area straddles Wealden District, Lewes District and Eastbourne Borough and features Sovereign Harbour. The A27 corridor is integral to the connectivity of these areas with the A23/M23 corridor and London. However the ongoing lack of investment in the A27 means it is not fit for purpose for carrying long distance strategic traffic, nor for providing journey time reliability which is important for business in terms of the

movement of people and goods and is inhibiting potential growth.

2.123

Business has identified the A27 as a barrier to growth. Our ask of the Highways Agency is for investment in **upgrading the A27 between Eastbourne and Lewes to address these constraints is vitally important to improving connectivity to A23/M23, Gatwick Airport and London and supporting business and housing growth plans in the Eastbourne - South Wealden growth corridor.**

2.124

The Corridor includes land in Uckfield for business growth and housing and employment sites in Hailsham and Polegate. Sovereign Harbour in Eastbourne contains two key linked sites and the new Innovation Centre (supported by Growing Places Funds) will provide a catalyst for further development. These sites are all served by the A22 (the main road between Eastbourne and the growing market towns of Hailsham and Uckfield) and are being promoted in adopted local plans and are also, importantly, available now for development.

2.125

In order to enable these developments we are seeking improvements to a series of junctions on the **A22/A27 corridor around Polegate**, and other town centre improvements in Eastbourne, Uckfield and Hailsham, with a sustainable transport corridor from Eastbourne to Hailsham via Polegate. We are already supporting growth in this corridor through Uckfield and Hailsham town centre improvements, the committed developments in Sovereign Harbour, including the retail park, and sites in Eastbourne including the Arndale Centre. We are planning to make SEFUND investments in **Polegate Enterprise Park, Sovereign Harbour site 6**, and town centre developments. This corridor has the capacity for 5,000 jobs, and 3,000 homes by 2021.

2.126

The A22/A27 Growth Corridor will directly create 1,400 jobs by 20/21 and a further 800 21/25, it will also directly deliver 725 homes by 20/21 with a further 575 by 20/25. Transport schemes will facilitate 9,240 jobs and 17,800 homes by 20/21. Note that (additionally) Polegate Innovation Park will deliver 175 homes 2019/20 – 20/21 and 525 homes by 2021/27.

Newhaven Clean Tech and Maritime Growth Corridor

2.127

Newhaven hosts the ferry (mainly freight) service to Dieppe. The town offers substantial potential for growth but is currently dominated by low value added manufacturing, and wholesale and retail trade employment. The area offers potential to become a **CleanTech and Maritime Growth Corridor**. This will capitalise on proposed investments from E.ON in its operations & maintenance base for Rampion Offshore Wind Farm (OWF), Veolia in its Energy Recovery Facility, proposals for a Marine Enterprise & Training Centre, and the decision by Government to approve a new University Technical College (UTC) specialising in marine and environmental engineering. Newhaven Port & Properties (part of port owners Societe d'Economie Mixte Locale) has prepared a masterplan to increase the volume of trade through the port, establish this renewable energy cluster, and support the development of the fishing and marine leisure sectors.

2.128

The Newhaven Port Access Road is an important requirement for re-establishing Newhaven as an important gateway to mainland Europe. The first phase is funded and currently being constructed. East Sussex CC has committed £12m towards the construction of phase 2 which will enable the relocation of existing Port activities closer to the Harbour mouth, unlocking employment space to the north of the Port..

2.129

Newhaven has substantial physical capacity for growth, including on large brownfield sites on six sites in and around the town centre and waterfront which will be more readily developed after the flood defences are in place. Between them they could provide 4500 jobs and 190 homes. The wider Transport schemes will facilitate 725 jobs and 1700 homes by 2020/21. In order to enable this growth, we are promoting the port access road, the Newhaven ring road and local capacity improvement works. There is also work planned by the Environment Agency on flood defence work which will help release employment sites. Further works will also be required to the North and East Quay sites. Developments already committed in Newhaven include a housing and employment development at Eastside, and a Coastal Communities funded extension of Denton Island Enterprise Centre and children's centre.

The Thames Gateway: Accelerating Delivery

Growth potential is focused around four strategic corridors: in South Essex, the A13 Thurrock to Canvey Island, and the A127 Basildon to Southend; and in North Kent, the A2/M2 from Dartford to Sittingbourne, and A249 from the M2 to Sheerness. Maximising the growth in the Thames Gateway depends upon:

- Securing further investment in key road, rail and broadband infrastructure;
- Addressing market failures and low investor confidence;
- Increasing the skills levels to support growth of knowledge intensive industries and the diversification of existing sectors to provide higher value; and
- Supporting business innovation to boost productivity.

The proposals in this Strategic Economic Plan for investment in infrastructure, enterprise, business support and skills development.

Unlocking the full potential of the Outer Thames Gateway is a top priority for the South East LEP. To complement strong leadership by local partnerships in North Kent and South Essex, local authority Leaders, the Chair of the LEP and the Thames Gateway Minister work together through the **Thames Gateway Strategic Group (TGSG)** to take a strategic and coordinated approach to the future development of the Gateway. Collectively our proposals are:

Supporting the two transformational developments schemes in the Outer Gateway:

- **Ebbsfleet Garden City.** SE LEP welcomes the Government's announcement of support for a new 'Garden City' at Ebbsfleet, and the establishment of a development corporation to unlock the potential for up to 15,000 homes and 27,000 jobs at the proposed world-class leisure resort at Swanscombe Peninsula. We are asking Government to:
 - Bring forward commitment of funding and delivery timetable for the A2 Ebbsfleet and Bean junction

improvements, to tackle existing congestion, de-risk sites and improve investor confidence;

- Ensure effective cross-Whitehall coordination and cooperation to ensure positive and solution focused support for this nationally significant scheme;
- Support Ebbsfleet Garden City as an exemplar of sustainable development, high quality future-proofed design and integration of the built environment and green infrastructure.
- **London Gateway (DP World).** This will be the UK's biggest container port and Europe's largest logistics park providing 12,000 direct and 20,000 indirect jobs. To support growth at London Gateway and other key sites on the A13 Purfleet to Canvey Island corridor, we are **asking Government to:**
 - Include A13 as part of the strategic (Highways Agency-funded) road network and carry out improvements to alleviate congestion and support growth;

Delivering strategic transport infrastructure investment to unlock development:

- To unlock development and growth opportunities in South Essex and North Kent, we are asking Government to:
 - Implement a comprehensive long-term solution to M25 J30/31 capacity constraints affecting the A13 corridor;
 - grant a policy exception to permit a limited access J5A on the M2, to unlock the potential expansion of Kent Science Park (3,000 new jobs)

Early identification of Thames Gateway projects to access SEFUND:

Our investment strategy for SEFUND will accord particular priority to identifying projects in the Gateway that are close to viability, and where SEFUND can make the difference in securing delivery.

Ministerial support to accelerate delivery on selected development sites.

We welcome the offer from Kris Hopkins, Thames Gateway Minister, to work with partners to accelerate delivery on selected key development sites. Early priorities include: Lodge Hill, Chattenden (5,000 homes, 5,000 jobs); Strood Riverside (600 homes); Purfleet, Thurrock (2,500 homes, 1,500 jobs); and Victoria Avenue, Southend-on-Sea (2,000 homes, 6,500 jobs).

Getting more transparency on available public sector land.

We ask that the HCA should administer a fully transparent portal detailing all public sector land holdings (whether or not declared surplus), with strong incentives for disposal of surplus land to support growth. Local authorities within the Gateway will lead by publishing full details of their own land holdings.

Accelerating new housing development.

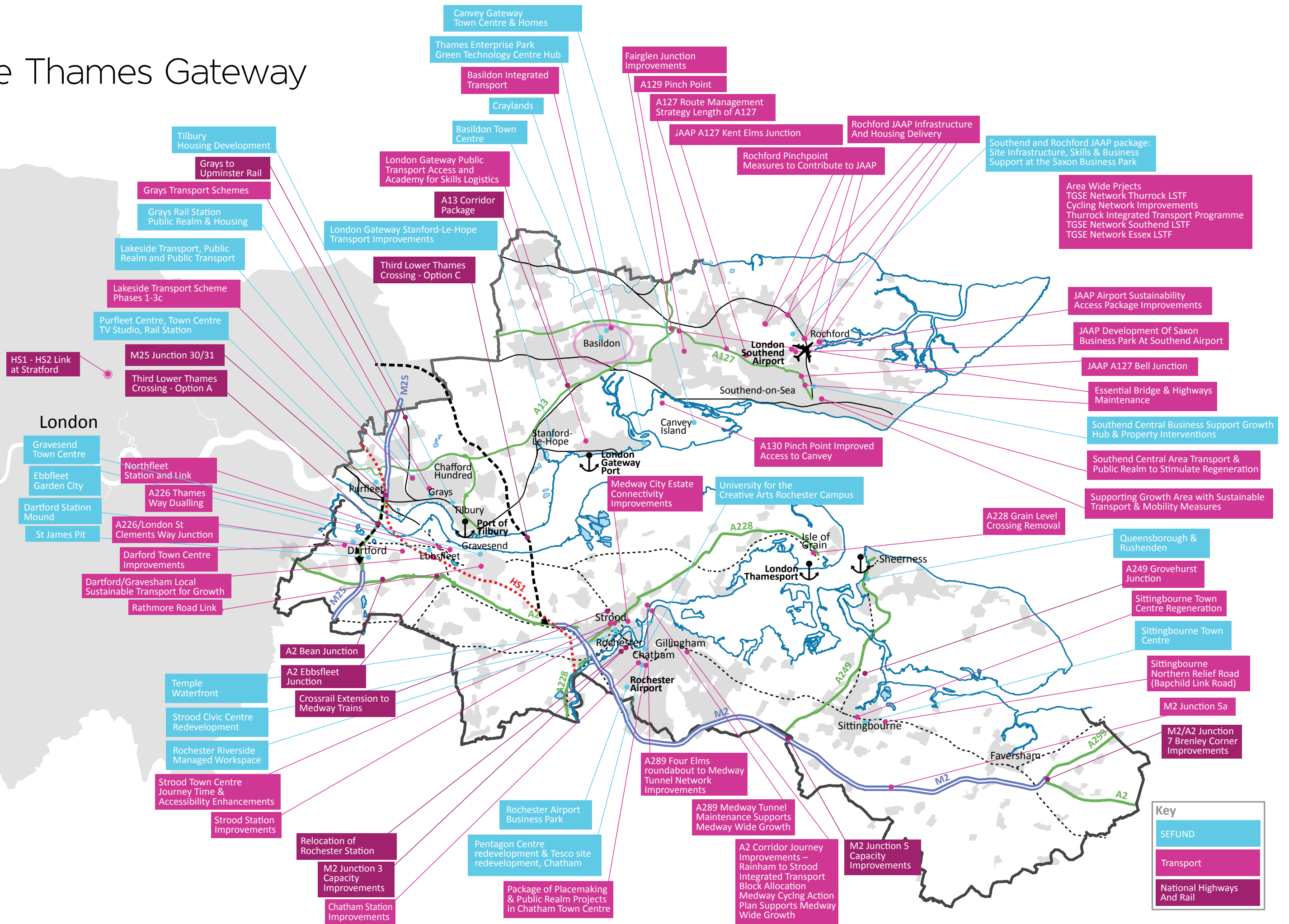
We will look for early opportunities to implement the Housing Deal asks in this Plan to bring forward housing sites in the Thames Gateway.

Marketing the Thames Gateway.

SE LEP will enhance the profile of the Thames Gateway, and our offer to inward investors. We will continue to work with Government, through UKTI and BIS, and in partnership with Locate in Kent and Invest Essex to encourage foreign direct investment and to attract institutional and sovereign wealth fund investment.



The Thames Gateway



3

Our Growth Deal: Five Elements

3.1 *This section sets out our Growth Deal. It has five elements:*

- *South East Fund;*
- *South East Transport Deal;*
- *South East Productivity Deal;*
- *South East Skills Deal; and,*
- *South East Housing Deal.*

3.2 *In Section 4, we set out in more detail the distinctive local approach to the delivery in each of SE LEP's four areas:*

- *East Sussex Growth Deal;*
- *Kent and Medway Growth Deal;*
- *Thames Gateway South Essex Growth Deal; and*
- *Essex County Growth Deal.*

All our Deal sections cover our offer to Government, our asks and the outcomes we will deliver. The difference in approach reflects the distinctive issues we are addressing.

The local growth plan should help to prioritise bringing forward schemes that have the ability to transform local economies, particularly schemes like the Folkestone seafront regeneration plan

Damian Collins MP
Folkestone & Hythe

South East Fund (SEFUND)

3.3 Our proposal is to establish the South East Fund (SEFUND) to attract additional private, public and European investment. To do this, Kent, Essex and East Sussex County Councils and Thurrock, Southend and Medway Unitary Authorities have made an "in principle" commitment to provide up to £250m over the six years to 2021 to match SEFUND investments in real estate development projects in the growth corridors and areas across SE LEP. We envisage that districts and borough council investment in SEFUND projects will further increase local authority investment.

3.4 SEFUND will be a largely recyclable fund for investment in real estate development projects which could be financially viable if they were able to attract initiating finance. Such projects are untenable in the current illiquid investment market. SEFUND will invest in regeneration and other real estate development projects across the SE LEP area which create or safeguard jobs, and/or secure the delivery of new homes. SEFUND will either accelerate delivery of existing schemes, or alternatively secure delivery of schemes which would otherwise not have occurred at all. All SEFUND investments will be State Aid compliant.

Seed Capital and Project Finance

3.5 We envisage that SEFUND will initially be seeded with a £331.52m contribution from the Local Growth Fund over the six years, recycled monies from the Growing Places Fund, and £17m from ERDF. As noted above, our county, district & borough and unitary council's investment of up to £250m in projects from their capital programmes will sit alongside SEFUND investment. On the basis of the Local Growth Fund seed capital, as above, SE LEP conservatively estimates that this will unlock £4.87bn of private and local authority investment. (Of this, we estimate that up to £250m will be local authority investment.) In total this will give SEFUND a total "financing reach" of at least £5.2bn

Table 3-1: SEFUND Proposed Investment for SE LEP as a Whole, Federated Areas

SE LEP	Full cost (£m)	LGF funding requirement (£m)	Match Funding (£m)	Jobs enabled	Homes enabled
East Sussex	429.19	45.64	383.53	7,478	2,065
Essex	274.98	71.38	203.65	8,960	6,699
Kent & Medway	2,628.50	74.20	2,554.30	15,720	14,000
TGSE	1,662.25	51.30	1,610.95	12,820	4,791
SEFUND Productivity (not in devolved areas)	120.00	14.00	106.00	790	0.00
Housing (housing ask 8-coastal communities)	92.40	75.00	17.40	1,108	1,500
Total	5,207.32	331.52	4,875.85	46,876	29,055

to March 2021. This will **all be additional investment** to the South East.

3.6

Discussions with participating authorities support the need for a fund of this magnitude, as the table below illustrates. In Section 4, in our Local Growth Deal proposals and we set out the types of projects which the local authorities would propose to bring forward for consideration for investment by SEFUND; these are summarised below. All these projects would all be undertaken in with private developers but we have not yet invited private sector sponsors to submit for projects for consideration. We therefore expect the eventual pipeline of SEFUND candidate projects to comfortably exceed the £5.2bn “financing reach”.

3.7

Those projects which are financially supported by local authorities will be accorded priority. Financial support for projects will include: direct financial contribution from the council's own financial resources including new homes bonus and forecast increase in business rates, in-kind consideration such as land and buildings,

and local authority-financed infrastructure.

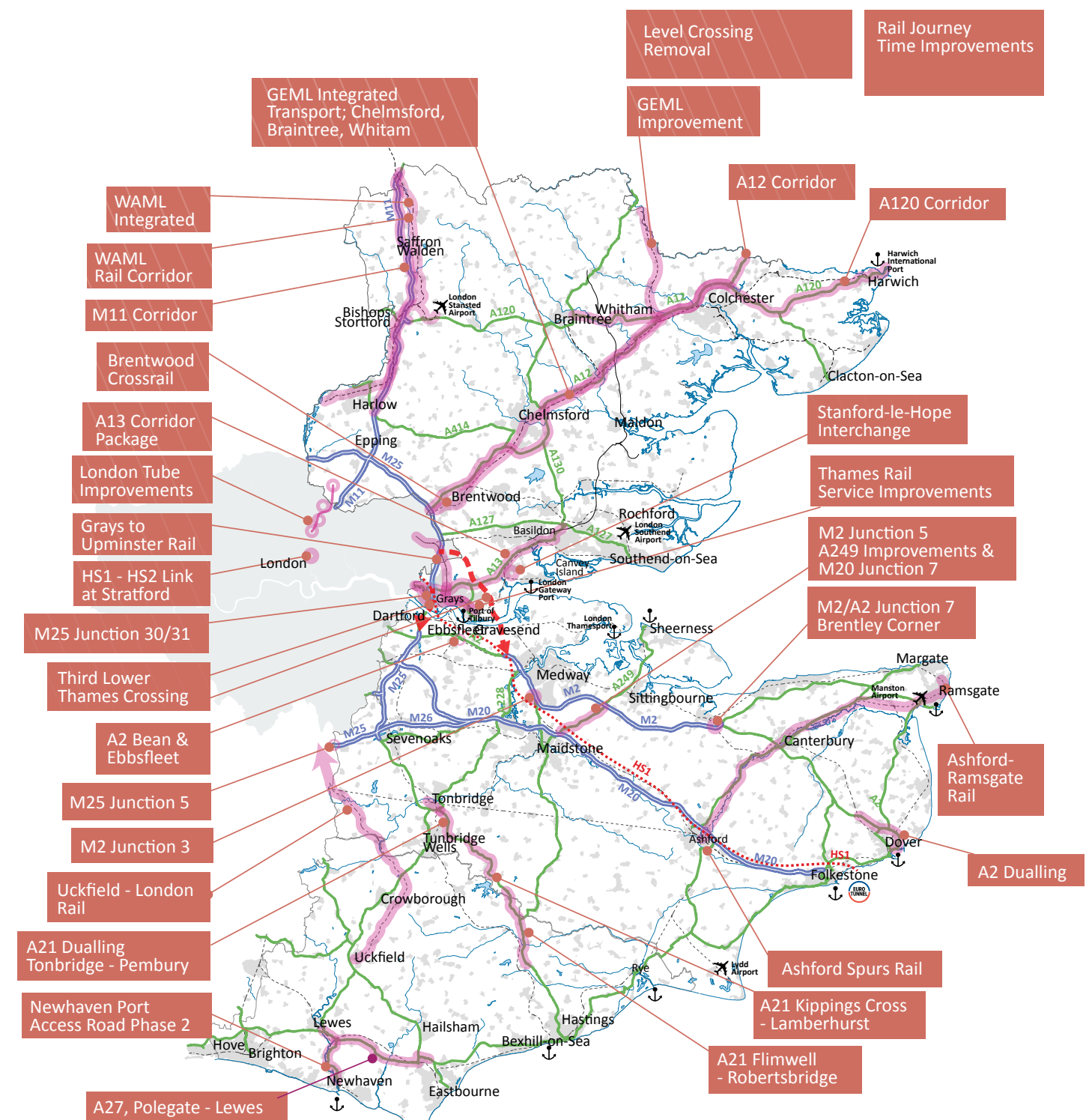
Investment Strategy and Project Identification

3.8

As we proceed to establish SEFUND, we will be preparing the SEFUND Investment Strategy and this will be reviewed and updated as required. This will take account of the types of projects which are key to promoting growth across SE LEP and why the market is failing to bring these projects forward. The Investment Strategy will set out the targeted returns and outputs for SEFUND as a whole and will demonstrate how frequently funds will be recycled.

3.9

The Investment Strategy will recognise the need to invest in the Thames Gateway and our coastal communities, but there will be no geographic restrictions on investment. Projects promoted by both private and public sector organisations (including registered social landlords) will be considered on equal terms and there will be periodic calls for projects.



3.10

SEFUND funding will be considered on the following basis:

- the investment sought is the minimum contribution required to secure delivery;
- the funding mechanism is the most appropriate given the nature of the project; and
- SEFUND investment would not displace any other form of investment.

3.11

Possible investment mechanisms include the following:

- **Debt finance** is likely to be the most usual form of investment by SEFUND. Generally, SEFUND will expect that the project is capable of repaying SEFUND's investment within an appropriate period of time and is capable of servicing SEFUND debt finance at a level which reflects both the project and counterparty risk. SEFUND's loan will be secured by way of a legal charge over the assets of the development project. Further security may also be sought.
- **Equity investment** will be available from SEFUND in some cases. When offered, it would sit pari passu with the promoter's investment with all profits/losses apportioned between the parties on the basis of the level of investment made.
- **Rental guarantees** may be made available both on a stepped and partial basis. An appropriate fee will be charged for the provision of such a guarantee.
- **Grant funding**, as a "last resort" option, may be provided by SEFUND under the terms of a gap funding agreement, which will contain appropriate coverage condition.

3.12

An appropriate return will be sought on each SEFUND investment (with the exception of grant funding). The level of return will be assessed according to the security available from within the project, the financial strength and covenant of the promoter, and the perceived level of risk inherent in the project.

3.13

A proportion of SEFUND's capital will be set aside for disbursement to

support the development of potential investment projects.

3.14

SEFUND will not be legally constituted at this stage, although this will be kept under review. One of the county or unitary councils will act as an accountable body for SEFUND.

Governance and Management of SEFUND

3.15

SE LEP will appoint a Board to be responsible for SEFUND. We envisage that this will include representatives from each county and unitary council, business members from the SE LEP Board, and a senior official from the Homes and Communities Agency.

3.16

The SEFUND Board will be responsible for setting the SEFUND Investment Strategy (in agreement with the SE LEP Board), appointing and removing the fund manager, reviewing the performance of the fund manager, approving each investment on the basis of the due diligence undertaken by the fund manager; and receiving quarterly reports on the performance of the SEFUND funds. It is envisaged that S151 officers (ie. finance Directors) from each authority will form a finance board to work with the fund manager.

3.17

The fund manager is likely to be either a firm of chartered surveyors with development, real estate finance and fund management expertise or a professional property fund manager. They will be responsible for identifying investment projects, managing the investment project pipeline, advising on the preparation and shaping of the project for investment, monitoring the development, and securing the repayment of SEFUND monies. They will have overall responsibility for co-ordinating the investment process, undertaking due diligence on the investment, pricing and determining the other terms on which investment is to be made, monitoring investment performance, and reporting to the SEFUND Board. Illustrative projects are set out in the table opposite.

Kent and Medway

300 jobs will be created by the first phase of development (totalling 3,000 sqm) at the Rochester Airport business park. SEFUND will provide repayable loan funding of £2m, matched by £2.5m of funding from Medway Council and the University of Greenwich. A further £8.5m loan from SEFUND. Medway Council will provide the infrastructure required to unlock the subsequent development of 30 acres of employment land, providing a total of 34,240 sqm of additional commercial space, and creating up to 1,460 new jobs.

East Sussex

2,500 sqm of managed business space at Bexhill Enterprise Park, will be delivered with a £6.5m loan from SEFUND, which will be repaid from the eventual refinancing of the business space centre when fully let. The centre will provide essential office facilities for growing small and medium size local businesses, and will create 300 additional jobs. Bexhill Enterprise Park comprises a number of strategic development sites that will be accessed by the Bexhill to Hastings Link Road when completed in early 2015. Local Growth Funds of £12m will act as a catalyst to unlock sites for wider development with the potential to yield up to 2,000 jobs.

Essex

The Braintree town centre improvement project will create in excess of 100 new jobs, improve footfall and viability within the town centre, and therefore preserve other retail jobs. A £5m repayable loan from SEFUND will leverage £15m of additional private sector funding to complete this project.

Thames Gateway South Essex

650 new homes and 50,000 sqm of employment space will be delivered by the completion of phases 1 to 3 at Purfleet Centre by 2019. This is part of a much larger scheme covering the redevelopment of 140 acres, which will secure the provision of 3,000 new homes, 1,500 new jobs, and the development of 50,000 sqm of employment space. Thurrock Council is committing £70m of land assets and a further £7.5m to complete the land assembly. SEFUND will provide access to loan and equity finance to leverage the required private investment to secure the delivery of the scheme.

Coastal Communities Projects

1,500 homes in run-down coastal communities will be brought back into functional use during the next six years by means of a total investment of £75m from SEFUND and participating local authorities. That investment would be deployed in a combination of debt, equity and grant.



I have worked on the regeneration of Folkestone for over 10 years. Like so many seaside towns it has suffered from changes in the economic climate, fashion and tastes and experienced decades of decline. Many traditional businesses have lost their purpose and the markets for goods and services have changed dramatically. Our fond memories of the past do not translate into sustainable economic purposes for the future.

"Working with a committed team we tried to identify key areas where our intervention would be most effective, and to persuade national and local government agencies to support our projects. A principal focus has been on refurbishing dilapidated buildings in the old town, and we have also helped establish Folkestone as a recognised centre of art and creativity, raised general levels of attainment in education by investing in new schools and encouraged more participation and engagement in sport by providing major support to local clubs. Our overall aim has been to build a more confident community and make Folkestone a more successful place in which to live and work.

"The final stage in this approach is to create a vibrant new use for the seafront. I acquired the harbour and former rotunda site some years ago and have funded a considerable amount of work to define a viable and sustainable plan for future development. It is a once in a century opportunity to create an exciting new purpose for the seafront land and reconnect it to the town. I am delighted with the Masterplan design led by Sir Terry Farrell and supported by numerous experts and consultants across the whole range of vital skills for a project of this size. Shepway

"District Council felt the same and gave the plans unanimous approval in July 2013. The challenge now is to work with a developer with the right expertise and investment resource to share the vision and deliver the project.

"I have followed advice and invested considerably in place making to help create the right conditions for further investment in the town. The Rocksalt restaurant, the public fountain and the public art have all raised the profile and belief in the town. The final challenge is the expensive infrastructure required to make the site service ready for developers to begin creating this exciting mixed use development. My personal investment has been considerable and has not been done for any personal gain or judged return on investment. I believe the conditions are now right to seek support from SEFUND through the South East Local Enterprise Partnership to initiate this major project. The creation of jobs, housing, businesses and leisure facilities will be transformational for the town and the region and will I believe entirely match the purposes for which such investment vehicles have been created.

Sir Roger De Haan CBE DL

3.18

One of the overriding objectives of SEFUND will be, with the exception of a small pool of identified grant funding, to seek to maintain the real value of SEFUND's capital. Thus at the end of 2021, SEFUND will be in a position to continue to recycle its capital and invest in a further round of projects, delivering a similar level of outputs for future years.

Impact

3.19

An initial SEFUND Investment Strategy will detail the outputs SEFUND will secure. The following outputs and impact that will result from each £50m of SEFUND investment (either from Local Growth Fund, or local authority project investment) in commercial projects for six years are at least 180,000 sqm of commercial space, supporting some 15,000 new jobs. This leverages approximately £200m of private sector investment and, once fully occupied, produces an annual business rate income of £13 million.

3.20

If the £50million is invested in housing, it will be recycled twice and thus leverage £300 million over six years. This enables the development of some 4,000 new homes.

3.21

On the assumption that SEFUND investment is split equally between housing and commercial development projects, based on £2.5bn of investment we envisage that as a minimum, SEFUND would lead to:

- securing the development of 1 million sqm of new business space;
- enabling the development of 20,000 additional homes;
- leveraging of £2.5 billion of additional investment;
- creating or safeguarding 75,000 jobs; and,
- creating £65 million of additional business rate income annually.

Table 3.1 indicates the scale of the £5.2bn demand from SEFUND and the potential for new jobs and homes.

South East Transport Deal

3.22

Our South East Transport Deal has four parts. First, we "ask" government to make firm **commitments to deliver specific national rail network, motorway, and national trunk road investments by agreed dates.**

These are funded through the Network Rail and Highways Agency budgets and include the Lower Thames Crossing and a comprehensive solution to the lack of capacity at Junction 30/31 of the M25. This also includes upgrading stretches of the A13 in Thurrock and Essex to serve the new deep sea container port at London Gateway through Thurrock although this road is not currently in the stewardship of the Highways Agency. These national network improvements are fundamental to the future prosperity of the SE LEP area - and the nation as a whole.

3.23

Second, we set out our overall **"offer" from our local authorities and private developers to meet a significant proportion of the costs of upgrading strategic roads** across the SE LEP area and a few key rail schemes. All of these are in the 12 growth corridors and areas. In return, we summarise our overall

"ask" of Government for Local Growth Fund investment to unlock these local contributions. We provide the details of these schemes in our four local area deals below.

3.24

Third, we highlight our proposals for **Local Sustainable Transport funding.**

3.25

Finally, we ask for **specific flexibilities** in relation to current government policies in order to help take forward transport schemes more quickly, both in relation to specific projects and more generally, and to give flexibility around funding flow.

3.26

Together, our transport proposals will provide the efficient and reliable transport system that is pivotal to creating the conditions for SE LEP business to flourish and the local economy to grow. Key bottlenecks and capacity constraints in the SE LEP area are damaging the competitive advantage of the UK as a whole and these need to be overcome to enable growth that will benefit the national, as well as SE LEP economy.

Essential, Motorway and Trunk Road, and National Rail Investment Schemes

3.27

Rail and road routes through the SE LEP provide essential links to key seaports linking the UK and the rest of the world. It is of critical importance that these links operate efficiently. Delays arising from congestion on these routes impose direct, significant costs on businesses across the UK as well as in the SE LEP area.

3.28

In Appendix A we set out the essential the rail and trunk road network improvement schemes that we believe are of crucial importance to delivering economic growth in the SE LEP area and which are the responsibility of Network Rail and the Highways Agency.



3.29

The A13 is a road of key importance to growth in the South Essex part of the South East LEP area, stretching eastwards from Central London to Southend. Within this key transport corridor we identify the potential to deliver a further 4,150 new homes and 11,000 new jobs by 2021 with much greater potential thereafter. Much of this growth will be generated through £3.3bn of private sector investment at London Gateway – the UK's only 21st century port development, through the development of Thames Enterprise Park and the expansion of the Lakeside Basin, which could ultimately deliver some 33,000 new jobs.

3.30

Whilst the A13 is currently designated as a local road (through a quirk of administrative history) it is clearly a vital road within the national network. It is also at capacity. Even without the significant growth expected in this corridor, the road will be beyond design capacity in only two years. Congestion along this route will be a major barrier to long term investment locally and could significantly adversely affect overall productivity in the UK as a whole.

3.31

Initial investigations have revealed that the only way to sufficiently increase capacity on the route is to widen the current dual carriageway to three lanes in both directions along its entire length at a cost of some £90m. £10m has already been secured through London Gateway. This is clearly well beyond the means of Thurrock Borough Council and Essex County Council (the current custodians of the dual carriageway sections). Recognising the national importance of this route we believe that this should be funded in its entirety by the Government either directly or through a specific allocation within the LGF.

Strategic Routes in 12 Growth Corridors: Summary

3.32

The second element of the South East Transport Deal is our overall offer and ask of government to invest in improving the strategic routes in our 12 Growth Corridors. In view of the importance of the transport system to the future prosperity of the SE LEP, and indeed to national economic growth, it will come as no surprise that investment in transport is at the heart of our Growth Deal. These schemes are described in detail in the four local area chapters which follow.

3.33

Overall our investment plans aim to improve existing transport networks to ensure that SE LEP businesses can operate and workers are able to travel efficiently between home and work. We have identified the essential new infrastructure projects which unlock development sites to make them attractive to inward investors. We have also identified the road investments necessary to enable our future housing needs to be met.

3.34

We are seeking £784.5m of Local Growth Fund investment over the six years to help deliver 136 transport schemes across the SE LEP area at a total cost of £1,399.6m. Local contributions will contribute 43.9% of this cost with 12.3% from local authorities 19.7% from private developers and other 11.9% from other sources, including from the Highways Agency, Network Rail and via the Public Works Loan Board. Some £98.2m (13.% of the total) of our Local Growth Fund requirement is needed in 2015/16 to take schemes forward.

3.35

This local growth fund investment will help to unlock the total capacity for over 310,000 additional jobs and over 250,000 new homes overall in the SE LEP area (see Table 3.2). Of this, we estimate that by the end of 2020/21 this investment will deliver capacity for around 136,000 jobs and almost 105,000 homes. Whilst this is somewhat higher than the scale of growth which we have anticipated earlier in this document, it shows that this level of growth could be facilitated and that there is flexibility to accommodate the demands of expanding companies, housing developers, and inward investors.

Table 3-2: SE LEP Transport Summary (including South East LTB allocation)

	Local Growth Fund requirement (including SE LTB allocation)		Local Funding contributions £m			Potential Outputs	
	£m	%	Local Authorities	Private sector	Other	Jobs enabled	Housing enabled
2014/15			7.1	3.5	4.6	10	1,555
2015/16	98.2	13%	37.6	39.6	5.9	13,042	11,067
2016/17	130.7	17%	38.0	40.5	7.1	16,375	15,322
2017/18	152.6	19%	26.6	24.6	14.3	23,520	17,911
2018/19	107.2	14%	17.0	71.3	28.4	25,310	21,139
2019/20	162.6	21%	24.0	67.3	44.7	27,364	20,272
2020/21	130.2	17%	18.1	19.0	61.8	30,409	18,501
2021 - 25			4.0	9.7		104,872	85,442
Post 2025						69,230	59,290
Total	784.5		172.5	275.6	167.0	310,132	250,499
% contribution to total cost	56.1%		12.3%	19.7%	11.9%		
Total Cost	1,399.6						

3.36

Our overall Local Growth Fund requirement set out above includes the allocation that has already been made to the South East LTB for priority transport schemes. Our bid for the overall competitive element of the Local Growth Fund is therefore for £723.7m with £89.8m required in 2015/16.

Table 3-3: SE LEP Transport Summary (excluding South East LTB allocation)

	Local Growth Fund requirement (excluding SE LTB allocation)		Local Funding contributions £m			Potential Outputs	
	£m	%	Local Authorities	Private sector	Other	Jobs enabled	Housing enabled
2014/15			7.1	0.9	4.6	10	955
2015/16	89.8	11%	36.0	33.5	5.9	12,111	9,822
2016/17	111.6	14%	38.0	36.7	7.1	14,624	13,342
2017/18	123.5	16%	26.6	22.3	14.3	21,269	15,981
2018/19	106.1	14%	17.0	56.4	28.4	22,689	18,559
2019/20	159.5	20%	24.0	58.6	44.7	24,943	17,692
2020/21	130.2	17%	18.1	16.0	61.8	27,513	15,971
2021 - 25			4.0	7.5		99,543	76,170
Post 2025						69,230	59,290
Total	723.7		170.87	231.9	167.0	291,932	227,732
% contribution to total cost	55.9%		13.2%	17.9%	12.9%		
Total Cost	1,293.5						

3.37

For each of our proposed transport schemes there is a standard business case proforma with Part 1, which outlines the strategic case, financial case and economic case, including benefit cost ratio and value for money assessment, completed. At an overall SE LEP area level the value for money in relation to Local Growth Fund investment sought (including the LTB allocation) for transport schemes, the cost per job for every £ of Local Growth Fund Investment would be around £2,530 and the cost per home would be approximately £3,130.

£ Local Growth Fund	per job	£2,530
	per home	£3,130
£ Total cost	per job	£4,510
	per home	£5,590

3.38

In terms of scalability of our local growth fund bid, this has been done for transport schemes for three lower scenarios, -20% , -40% and -60% of the proposals in this SEP. We will provide this information separately.



Local Sustainable Transport Funding

3.39

The third component of our South East Transport Deal features our commitment to sustainable transport. At Appendix B we summarise the transport schemes which comprise elements that would meet the criteria for the capital component of the Local Sustainable Transport Fund (LSTF), which is part of the Local Growth Fund, and also those which directly relate to funding applications that transport authorities across the SE LEP area are intending to submit separately by 31 March 2014 for LSTF revenue funding.

3.40

In total some £154.2m of our Local Growth Fund investment in transport schemes over the six year period will be focused on capital investments in sustainable transport measures, and in 2015/16 this amounts to £43.6m. These capital investments are included in our overall Local Growth Fund ask of Government.

Freedoms and flexibilities

3.41

In order to deliver our transport programme in the most effective and efficient manner, we would ask government to give the SE LEP Board the authority to make changes to this programme over the course of the six years, without the need for recourse to government for approval. The SE LEP Board will be accountable to Government for the effective delivery of this programme and will regularly report on progress. However, where changes are required to ensure that best value for money is achieved and that our

"Through our Growth Deal we have a huge opportunity to support local business and jobs in new and exciting ways."

Julian Brazier MP
Canterbury

targets are delivered, we believe that giving us this flexibility to change the programme is crucial.

3.42

In order to bring forward one of the important growth locations in Thames Gateway Kent, we ask Government to allow the Highways Agency to divert from mainstream policy for new motorway junctions. To bring forward the economic opportunities for job creation and substantial economic growth at Kent Science Park in Sittingbourne, there is an urgent need to improve links to the M2 motorway via a new partial junction 5a. While we recognise that this is technically the responsibility of the Highways Agency, one of the impediments is that this contravenes current Government policy on motorway junctions. While we envisage that over the longer term this new link to Kent Science Park will be extended to the A2 via a Sittingbourne Southern Relief Road, this is still some way off. In the meantime expansion at the science park, and with it the jobs vital to delivering Thames Gateway growth, cannot come forward.

3.43

Similarly in Harlow the provision of junction 7a on the M11 would bring forward economic growth in Harlow in respect of the Enterprise Zone and with further jobs and significant housing, not only in Harlow, but the surrounding sub region districts. The provision of junction 7a is vital to the economic vitality of the area and without Highways Agency agreement, this growth could be stopped or at best severely impacted.

3.44

To fully realise the growth potential of DP World's investment at London Gateway and to facilitate delivery of other projects along the corridor we ask that the Government incorporates the A13 into the national network.

We also ask Government to enter into a dialogue with us on the practicalities of selective devolution of Highways Agency responsibilities to the local highways authority where this would result in cost savings to Treasury, faster scheme delivery and guaranteed delivery of homes and floorspace as part of our Growth Deal.

South East Productivity Deal

3.45

The third element of our Growth Deal aims to boost productivity. We aim to add value to the support already invested in the SE LEP Area through government and EU initiatives. These include our two **Enterprise Zones at Discovery Park and Harlow**, both recently shortlisted for additional capital grant from the government's "Building Foundations for Growth" fund, our highly successful Regional Growth Fund programmes providing access to business finance for jobs and growth when traditional sources of investment are not possible and the new Assisted Areas programme.

Productivity: Our Offer

3.46

We are developing a number of key initiatives to support business growth and increase productivity across the SE LEP area. Most of these are being financed by local authorities and through EU funding with associated match. The initiatives include:

- integrating business start-up and support services provided by local and national agencies through Gateways to Growth, and piloting our approach through the Southend City Deal growth hub over the next few months;
- specific sector support programmes and projects, such as the Anglia Ruskin MedTech Campus - providing one of the world's largest health innovation spaces (described under the area sections and relating to funding through ERDF and SEFUND), the School for Creative Start Ups in Folkstone, the University of the Arts London's use of the Costume Centre at HHPP in Purfleet; and work with the University of Northampton to develop a centre of excellence to support the growth of Thames Enterprise Park;
- the development of incubation space, and innovation programmes, with HEI partners and co-ordinated business support activity through the Gateways to Growth;

- access to finance schemes, supplementing the successful current locally managed programmes, and making use of £9m ERDF;
- working across the LEP to support the development of onshore and offshore energy production, through developing facilities, increasing skills provision and supporting the development of the supply chain;
- internationalisation helping firms to create better links internationally, through exporting, importing, or partnering with firms / institutions in other countries; and inward investment - assisting firms to invest and locate their activity in SE LEP through marketing and promotion.

Productivity: Our Asks

3.47

In addition to these local and EU-funded initiatives, we are seeking LGF support for the following:

Ask 1 - SE LEP - wide University Programme

3.48

Each university has carefully crafted their individual project linked to the specific needs of their locality, the wider SE economy and builds on their own research strengths in the priority sectors, including Big Data, Automotive Engineering, Health Technology and new therapeutics, and Product Design. This infrastructure development will assist in the delivery of national government programmes as well as acting as a conduit for new EU funding. To be clear, each project put forward by individual universities are major infrastructure and construction projects in their own right. Collectively, the university contribution in terms of investment, economic growth and job created is enormous.

3.49

The projects will be supported through SEFUND, and include Anglia Ruskin and Parners' MedTech campus projects at Southend Airport Business Park, Chelmsford Science Park, and Harlow Innovation Centre, and the MedBIC Phase 2 project which is an innovation centre for medical

and advanced engineering. The University of the Creative Arts is planning a creative business campus at Fort Pitt, Rochester, and a MEDIA Hub at Maidstone Studios. University of Essex is planning a Knowledge Gateway - Parkside Phase 2, which will provide office space, and an Innovation Centre on the University Campus. The University of Kent plans to provide incubation space at The Chrysalis, and Canterbury Christ Church University is seeking funding for an advanced bio-engineering stem cell laboratory. The University of Brighton will be developing its Preston Barracks. All these projects except the Preston Barracks are included within the SEFUND Growth Deal asks in the area chapters.

Ask 2 - Essex and Thames Gateway South Essex

3.50

SE LEP wishes to ensure that the Southend City Deal Growth Hub is properly resourced to act as a pilot for rolling out across the LEP in future years. We are initially asking for £0.75m of Local Growth Fund support the Southend pilot to make sure that it is able to fulfil this role. This would be matched locally to enable roll out and would then require further funding for broader implementation.

3.51

Secondly, we want to support the extension of the TIGER Programme. We will use ERDF to do this, but to extend it to the scale at which it is needed to operate, we are asking for £3.25m of Local Growth Fund resource to be available from 1 April 2015 to support it. The programme currently runs in Thurrock (as well as in North Kent) and LGF funding will increase coverage across the entire TGSE area.

"The Brighton University Centre in Hastings has transformed educational opportunity and aspirations in my constituency in the past decade and we now look to SE LEP to help us deliver modern premises for new and expanding local businesses and many spin outs from the University."

Amber Rudd MP
Hastings and Rye

3.52

Thirdly, the MedTech proposals described within the Essex Growth Deal Chapter are fundamental to the growth of this sector, and the plans developed through the Local Authorities with Anglia Ruskin University to develop a MedTech cluster in the area. In addition, by committing £53m and unlocking some £27m of EU funding, local partners are investing in an enhanced business support and innovation offer for Essex. Building on existing business support services, this component of our economic plan will create and enable a further 41,700 new jobs by 2021. These jobs are additional to those created through our programme of enabling infrastructure investment.

3.53

Underpinning the Essex programme of enhanced business support provision will be an ambitious programme of work to integrate business support arrangements in Essex under a single brand. The creation of these jobs is premised on a new multi-partner model for business support. Partners across Essex – including the County Council, the University of Essex and Anglia Ruskin University, **working with business organisations such as the Essex Chambers of Commerce** – propose to integrate their business support arrangements providing a joined-up and coherent pathway to business support. Local partners seek support from HM Government in doing this. Over and above local investment through the LGF, local partners seek a commitment of £5m in revenue funding, over the period to 2021, to support this radical new approach.

3.54

We also ask that Network Rail works proactively with Essex County Council and Chelmsford City Council on the improvements needed to bring about a new station at Beaulieu Park and improved track capacity in the Chelmsford area. In particular we ask that NR provides passing and turn back loops in association with the provision of new station at Beaulieu Park such that the capacity of the main line is maintained. Moreover we ask that it brings forward and commits to the line enhancements north east of the new station to enable growth in the demand for travel in Essex, Suffolk and Norfolk to be accommodated.

Ask 3 - Offshore Energy

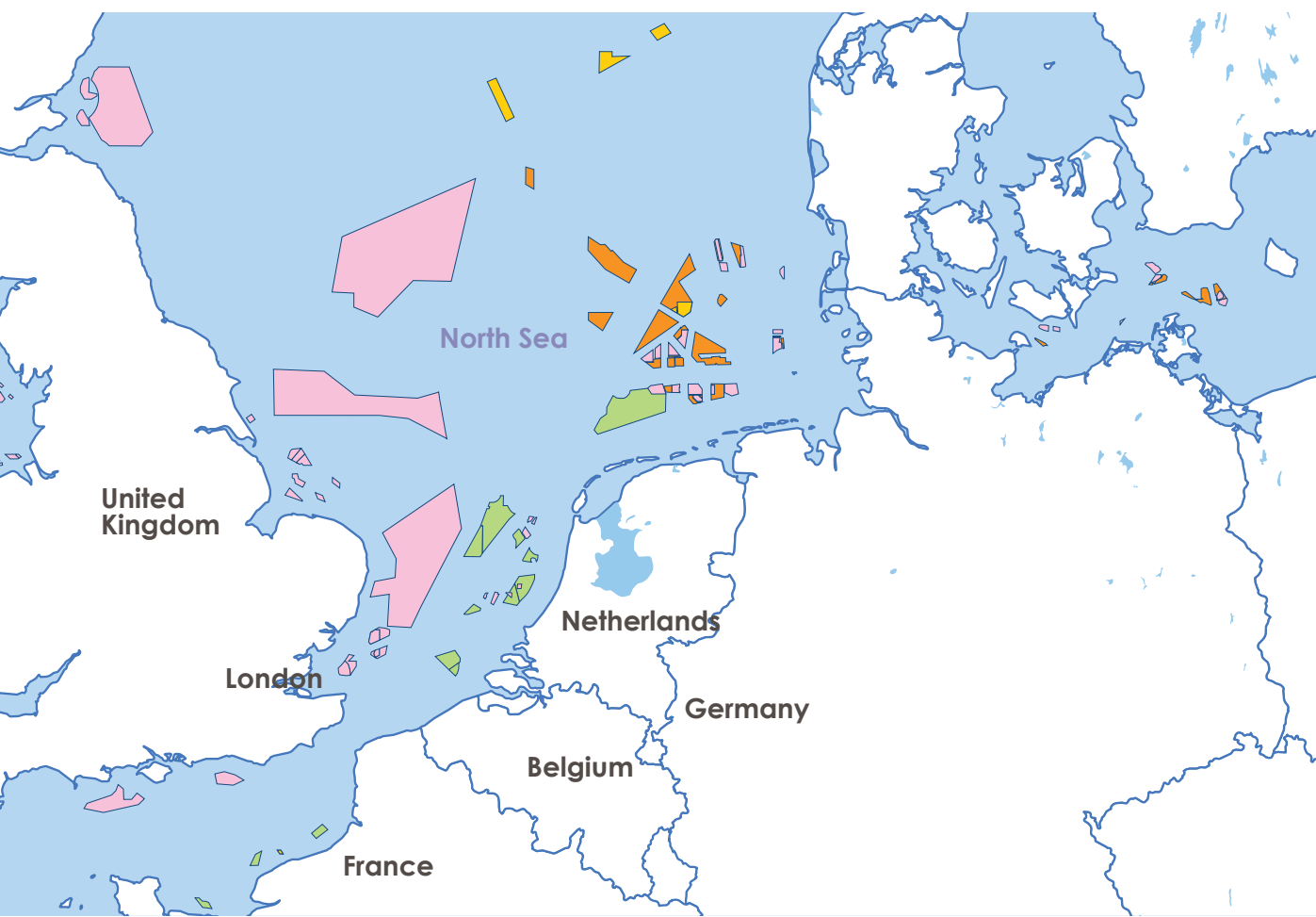
3.55 The Centres for Offshore Renewable Energy (COREs) are integral to the delivery of the UK Offshore Wind Industrial Strategy and are required to work both at a local level with the industry and also internationally to attract inward investment. Support for the Kent CORE has been led by Locate in Kent as an adjunct of their primary role as an investment support agency.

3.56 The next tranche (Round 3) of UK wind farm development offers an opportunity to attract major manufacturers and develop local supply chains. The Kent CORE is one of six partnerships between Central and Local Government and Local Enterprise Partnerships, whose aim is to ensure that businesses looking to invest in manufacturing

for the offshore renewables industry receive the most comprehensive support possible.

3.57 We have a specific ask of government, to grant **CORE (Centre for Offshore Renewal Energy) status to Harwich** to support the development and growth of the offshore energy sector, alongside the Kent CORE, to help ensure wider and deeper collaboration across the LEP and between LEPs in this area.

Proximity to North Sea Wind Farms



Ask 4 - Enterprise Zones

3.58 In response to the further challenges facing the area around the Discovery Park Enterprise Zone, following the recent announcement by the owners of Manston Airport to enter into consultation on the future of the facility, there is a need for a concerted approach to take forward growth.

3.59 We propose adopting a coordinated approach to the development of the Discovery Park Enterprise Zone through extending Enterprise Zone designation to encompass Manston Business Park, Manston Airport and the Richborough Corridor. Our ask of Government is to permit Thanet District Council to retain 100% of the business rate receipts within the Enterprise Zone, with no impact on their baseline.

Table 3-4: SE LEP Productivity Summary

Area	Scheme	Full cost (£m)	LGF funding requirement	Match funding	jobs enabled	Homes enabled
Essex	Enterprise and Innovation Programme Integration	5.00	5.00	0	41696	
TGSE	Innovation, Enterprise & Productivity	24.00	4.00	20.00	1000	0
Kent & Medway	Finance for Innovation	80.00	28.00	52.00	8254	
Kent & Medway	Kent and Medway Growth Hub	9.00	6.00	3.00	1000	
East Sussex	Access to Finance	29.75	8.75	21.00	404	48
Universities	Preston Barracks (University of Brighton)	120.00	14.00	97.00	790	
TOTAL		267.75	65.75	193.00	53,144	48

South East Skills Deal

3.60

The fourth element of our Growth Deal is the South East skills deal. In our SEP (Section 2), we provide a high level summary of the solutions that we will be developing in order to achieve our ambitions of raising skills and employment across the LEP. In delivering our Growth Deal and EU Strategic Investment Framework, we will add value to the welcome support already invested in the SE LEP area through government and EU initiatives, recognising that the majority of skills provision is still funded directly through central government and their skills agencies.

3.61

To recap, our priorities are:

- increasing the talent pool for our priority sectors, particularly to level 4;
- increasing participation of young people in work, education & training, with focus on priority sectors and skills shortages; and,
- improving the basic skill levels and employability of our residents to boost
- productivity and employment.



Our offer, asks and outcomes

3.62

Progress is already being made through local and pan-LEP partnerships in delivering against our priorities and we are going further. Our EU Structural Investment Fund Plan articulates a programme of value added activities we wish to commission, under five thematic areas – employer-led infrastructure and enhanced IAG; apprenticeships and vocational provision; up-skilling the workforce for SME growth and active inclusion, transitions to work and reducing youth unemployment - that will help to drive and support many of our priorities. Please see EU SIF for more detailed information. We believe it will not only derive positive social and economic outcomes through the new and additional European Social Funds (ESF) and European Regional Development Fund (ERDF) it provides, but will also help facilitate a more sustainable systematic change in the skills and employment system locally – enabling us to progress the further work stated in this chapter.

3.63

The following table provides context as to our current activity, how additional local resource and existing and EU funds will be utilised to deliver against our priorities and what we need from the skills deal to achieve even greater outcomes.

Table 3-5 Overarching activities - supporting each of the three priorities

Current activity	Going further with local/ESF	Skills Deal
Employer-led Employment and Skills Boards (ESB) – are already operating in East Sussex, Kent & Medway and Essex and are providing clear priorities for action. Kent has established a Hospitality and Catering Guild which brings employers and providers together to develop qualifications and solutions to close the skills gap.	As employer-led forums, the ESBs will act as the gateway for skills related activity to ensure synergies with the wider ambitions of the LEP, providing strategic guidance to local partners on projects and activities that will deliver LEP and local priorities – including use of ASB. Establish pan-LEP priority Sector Guilds to identify curriculum pathways; promote the sector perception; articulate the needs of business; give employers greater ownership & define new standards for apprenticeship frameworks and in particular develop L4 apprenticeships and expand their take-up. SE LEP Employer Portal: Supporting Workforce Skills – is in development and will facilitate an increasingly 'supply approach' for employers.	
Skills Demand Evidence Base - Essex, through University of Essex, has established this to support the ESB, all providers and schools in their planning. Kent has Post-16 District Data Packs that provide data and analysis on training provision, attainment and their compatibility with the local economy.	An evolving and up to date evidence base of skills demand for the SE LEP. In depth 'demand and supply' analysis, ascertaining the ability and capacity within the current system to deliver carried out by local authorities with our skills providers.	
Local investment in skills infrastructure e.g. the Renewable Green Energy Training Centre, Basildon; Aviation Training Centre, Southend; School Creative Centre, Rye; Environment Technologies Facility, East Kent, University of the Arts London at HHPP; and Northampton University at Thames Enterprise Park. Delivering against wider national policies – 4 UTCs & 5 studio schools	Leverage and optimise local match for skills capital projects to ensure co-investment and value for money. Encourage competition in the market, using our evidence base to identify gaps in supply and challenge the market to respond in innovative ways through the competitive process - delivering an appropriate and diverse range of opportunities for young people and employers. Explore other innovative skills delivery models, such as Career Colleges.	Skills Capital Funding (see below) £128m invested £25m new projects delivered in 2015/16

Table 3-6: Increasing apprenticeships and higher level skills for priority sectors (supporting priorities 1 and 2)

Current activity	Going further with local/ ESF funding	Skills Deal
Apprenticeship programmes are already in operation across SE LEP to boost apprenticeships: £8m invested to stimulate 2,600 new apprenticeships since 2010 in Essex, mainly in STEM subjects, £150,000 to support 100 new apprenticeships in Southend - SE LEP has already identified employers, based in the region, who are involved in both Phase 1 and Phase 2 of the Trailblazer apprenticeship project.	Stimulate new apprenticeships through wage incentives for SMEs and GTA/ ATA approaches. Work through the ESBs and SE LEP provider network to raise awareness of the transformation of apprenticeships including the new Standards, quality assurance, and funding methodology. Encourage employer involvement in apprenticeship trailblazers and secure participation in Phase 3 of the apprenticeship trailblazers. Outcome: 10,000 additional apprenticeships by 2021	SE LEP will work to secure a minimum of 1,075 more learners undertaking qualifications needed by priority sectors at advanced and higher level. The SE LEP area has seen little change in the distribution of qualifications over recent years.
Employer-led higher level skills development programmes to address skills gaps and shortages in priority sectors. Over 400 priority sector businesses supported to develop higher level skills in the workforce in Essex – a RoI of £1:38.	SE LEP will deliver a co-investment training grant programme to target SME in priority sectors to up skill their workforce. Outcome: 9,275 residents with higher level skills supporting priority sectors (majority in employment) Develop a suite of online learning materials for priority sectors, in conjunction with employers (particularly SMEs), to provide more flexible ways to develop workforce skills, particularly at higher levels. Pilot Sector based tutor CPD with employers and providers to professionally update and experience latest industry technologies, innovations and practice. Maximise the use of the Innovation Code to take advantage of existing flexibilities and develop new employer-led qualifications.	Allowing SE LEP influence over £4.3m of ring-fenced ASB in order that it can work with providers to deliver a shift of learner volume towards qualifications that will help address skill shortages in priority sectors – both in relation to subjects and technical and higher level qualifications. This will also leverage £3m of private investment through employer contribution. This alongside our capital investment will support and encourage providers to better tailor provision to meet employer need. (See Asks section)

Current activity	Going further with local/ ESF funding	Skills Deal
Enhanced IAG for young people through: - Essex's Industry in Schools Programme - KentChoices4U.com -online application and careers portal. The site is the largest and most used of its type in the country. - KentChoices4U Live – an annual two-day careers event	Expansion of the Industry in Schools programme across the LEP to provide real exposure to key industries to raise awareness of career opportunities in priority sectors. Outcome: 7,875 young people engaged in this programme Increase the volume of 16-18 year olds who receive face to face IAG. Outcome: 30,000 offered face to face IAG. A package of information and support for schools, particularly Governors, to aide their awareness and curriculum planning in support of LEP priorities.	

Table 3-7: Improving basic skills and employability of our residents (supporting priorities 2 and 3)

Current activity	Going further with local/ ESF funding	Skills Deal
Activities to develop Employability Skills: - Employability for Life Charter, portfolio of evidence for young people - Work experience programme for NEET young people in Essex - Employability Hub Pilot, Eastborne - Employ Medway - already supported 1400 people into jobs with 84% sustainability - Kent Employment Programme helps businesses take on young people - Kent's Assisted Apprenticeships programme helps vulnerable young people find sustained employment - - Delivering Sector based work academies	Providing additional revenue for increased numbers of residents to acquire basic skills qualifications Outcome: 4,000 residents achieving these basic and soft skills. Developing occupational based literacy, numeracy teaching to encourage participation in qualifications. Improved standards of English and Maths teaching and learning through promoting Government bursaries and initiatives. SE LEP will work with providers of Adult Community Learning to encourage increased proportions of revenue into addressing the basic skills challenge. A package of programmes to help people into work and gain basic qualifications, including: - Paid work experience placements - Transition to work support - Volunteering opportunities Outcome: 12,000 participants involved in these activities.	

Ask 1 - SFA Capital Investment in skills infrastructure

3.64 Investment in our skills infrastructure is crucial, particularly for the delivery of cutting edge STEM based occupations. There is significant appetite across Providers in the SE LEP area to respond to the need for STEM and other priority skills and capital investment in buildings and equipment is a key factor in being able to do so.

3.65 Key facts: SE LEP has the fourth highest amount of capital funding required nationally (£201m) to address all category C/D condition based on average refurbishment cost. Significant investment would be needed in the SE LEP area to address all its infrastructure shortfalls; however recognising the need to focus and stretch public investment, SE LEP, with support of the Skills Funding Agency, will take a strategic approach to prioritisation to ensure impact, best value and maximum local co-investment.

3.66 We are asking for £128m over a six year period to improve the FE estate, for new provision across FE and other training provision and specialist equipment that supports more niche areas of employer required training.

- **College Condition Fund:** £11.7m which based on an average 2:1 match would equate to projects worth £23.4m across SE LEP
- **Specialist Equipment Fund:** £5.85m, open to colleges and private providers, based on 2:1 average would lead to £11.7m of investment
- **Main Competitive Skills Capital Programme:** £110.45m, open to colleges and private providers, which based on an average 2:1 match would equate to projects worth £198.9m

3.67 **£50m** is sought for 2015-17 for projects already in the pipeline that will deliver against SE LEP priorities. This would be split by £42.15m into the Main Capital Programme, £1.95m into the Equipment Fund and £3.9m into College Condition. *Please note that whilst the programme is based on an average of 2:1 match, final investment will be based on affordability and the ability of the local area to invest.*

3.68 At this point in time, SE LEP has based its figures on the size and condition of the estate and through proportioning the available national budget, and taking into account the opening up of the main competitive fund to private providers. Whilst initial amounts have been set aside for the College Condition Fund and the Specialist Equipment Fund, SE LEP will ensure the management of the overall budget can flex in-year, particularly towards the end of financial years, to maximise the use of the funding, whilst ensuring value for money.

"Addressing the SE LEP board, I was really excited by the importance placed on targetted vocational skills development and the enthisiiasm of Board members for a step change in demand-led provision and a new relationship with employers. As Career Colleges we want to work closely with SE LEP to help make this change a reality, improving the employment prospects of individuals through sector led training"

Ruth Gilbert
Chief Executive, Career Colleges Trust.

3.69 SE LEP will work closely with Skills Funding Agency to implement robust assessment processes for the main competitive programme that test the skills business case, finance case, and property case, to ensure that all supported projects will meet skills priorities, represent value for money, and improve the condition of the estate. The completion timetable would run as follows -

April – July 2014	Work with SFA to confirm details of the support required and develop priorities, criteria and assessment processes for the competitive programme, including eligibility, skills, financial, and property criteria
September 2014	Publish guidance to colleges and providers on the SE LEP capital programme, including details of how to apply to the competitive programme, the number of expected application rounds, and a detailed timetable
January 2015 – February 2015	Deadline for applications to Round 1 of the competitive programme and assessment undertaken by Skills Funding Agency
March 2015	Skills Funding Agency reports assessment outcomes to SE LEP and applications approved against quality threshold and available budget
April 2015	Approved projects start and claims processed against evidence expenditure
May 2015 onwards	Subsequent of the competitive programme subject to available budget

3.70 A number of "shovel ready" skills capital requests for 2015/16 are set out in the table below, and will be assessed through the process set out above. Further important capital investments are in the pipeline and set out in the area growth deal chapters in this document. The Employment and Skills Boards will take a lead role in driving and recommending skills capital projects to the SE LEP Board. The LEP Skills Advisory Board will take a lead in liaising with the Skills Funding Agency to discuss and implement.

To support the training and skills needs of our priority sectors there are other projects currently being developed. These include for example, a creative arts college at High House Production Park, a careers college for TGSE and a construction and motor vehicle training centre at South Essex College.

Table 3-8: SE LEP Proposed Skills Capital Projects for 2015/16

Area	Scheme	Full cost (£m)	LGF funding £m	Match funding £m
Essex	STEM at Braintree College	5.50	3.75	1.75
Essex	STEM & Enterprise Training Centre, Maldon	1.45	1.05	0.4
Essex	Bio and environmental tech centre, Basildon	32.00	6.00	26
Essex	Harlow Manufacturing & Engineering Centre	6.00	3.00	3
Kent & Medway	Swale Skills Centre	1.00	0.75	0.25
Kent & Medway	Ashford International College	25.00	9.50	15.50
Kent & Medway	Tunbridge Wells vocational centre	4.00	1.00	3.00
Total		74.95	25.05	49.90

Ask 2 - freedoms and flexibilities

3.71

In addition to the EU Structural Investment Fund and skills capital, we ask Government to:

- To make fence £4.3m per annum of the adult skills budget available to SE LEP to address its skills priorities with this amount increased if successful.
- This ask is with providers agreement and would be utilised for employer-led training that supports skills gaps and shortages in our priority sectors, determined through the ESBs in partnership with the sector guilds. We ask for additional flexibility for providers to better tailor accredited training/units to respond to the needs of the employer.
- The ring-fencing could work through an amendment to the contractual agreement the SFA has with the SE LEP-based colleges and providers that sets aside a proportion of their Adult Skills Budget funding for commissioning skills training in priority sectors.
- Redeploy unspent national initiatives funding, such as Youth Contract and current ESF/ERDF projects to fund local projects that support LEP priorities.
- Commit to local determination and co-commissioning of ESF to ensure it will deliver local priorities.

The outcomes

3.72

Through its **Employment and Skills Boards**, SE LEP will provide a private/public partnership approach to planning and governance of LEP skills activities.

3.73

Through use of ESF funding, SE LEP will deliver:

- **10,000** new apprenticeships, with a focus on STEM based occupations;
- **9,725** residents achieving higher level qualifications and retrained to work in skills shortage areas;
- **30,000** offered face to face IAG;
- **7,875** young people engaged in Industry in School projects;
- **4,000** people will be supported with basic skills and employability support; and,
- **12,000** participants (mostly unemployed) supported to move into and closer to employment.

3.74

Through leveraging employer influence over **£4.3m** of the ASB allocated in the area, SE LEP will increase the volume of participants training for occupations within our priority sectors by a minimum of **1,075** to help address skills shortages. This will also leverage **£3m** of private investment through employer contribution.

3.75

With **£25m** investment, SE LEP can deliver key capital projects in 2015/16 and through the SFA will run a competitive process based on the skills demand evidence and priority need in the area, totalling **£128m** over 6 years.

Working with other LEPs

3.76

SE LEP already has established relationships and a MoU with New Anglia LEP around skills development for the growing offshore wind sector to ensure a joined up approach to working with developers and the supply chain. To forge other potential LEP partnerships, SE LEP also wishes to explore links with Humber LEP around offshore, advanced manufacturing and logistics.

South East Housing Growth Deal

3.77

The final element of our growth deal is the South East Housing Growth Deal. Our offers and asks set out how we believe that we can best achieve our twin objectives of **completing 100,000 homes** over the seven years to the end March 2021 and restoring **confidence in our housing markets in coastal communities** and other areas with high concentrations of deprived households.

Housing: Our Offers

3.78

At present, our district and unitary authorities have already prepared, or are currently preparing, their local plans. Each sets out the scale of housing required, the mix between affordable housing and private housing, the planned rate of development and the principal locations for new development. Some have already been approved by government. All our local plans, based on objectively assessed housing requirements, reflect our responsibility to exercise the 'duty to cooperate' with adjacent authorities, and will provide for at least a five year supply of land.

3.79

In addition to diligently preparing our local plans, many SE LEP authorities are actively seeking to accelerate housing completions over the next several years. These efforts include financial and land investments; as set out below, this offer would provide the basis of a new pilot project.

Thurrock

Developing Housing for Economic Growth

Thurrock has taken advantage of HRA reforms and is transforming existing housing estates and creating new affordable and mixed tenure housing on HRA land identified for development. It has also developed a coordinated housing programme, engaging with local communities, working collaboratively with the private sector, and releasing Council owned land for development. Despite these efforts, the Council concluded that more needed to be done to accelerate home completions. Following an extensive review of available options, the Council has developed and set up a wholly owned housing company, Gloriana Thurrock Ltd. Gloriana will enable the Council to kick start house building through directly developing around 1,000 new homes - acting as an alternative and stimulus, to the private sector, it aims to accelerate housing delivery over the next five years and support regeneration objectives in growth locations.



Kent

The Kier Kent Initiative (KKI), a pioneering land deal between Kent County Council and Kier, will use institutional investment to deliver new homes on Kent County Council land. The homes will be a range of affordable rent, private rent and open market sale, providing a way in which new affordable homes can be delivered without Government grant. Kent County Council is also now working with **utility providers** to assess how best to ensure that they can make the necessary advanced investments to ensure that housing developments can proceed.

The Affordable Homes Programme (AHP) has been particularly successful in Kent, compared to other similar geographical areas, reflecting the county's positive approach to housing delivery. Across the county, Kent have been allocated around £62m of funding to build c.4,000 new homes by 2015, the greatest allocation to a single geographical area nationally.

Housing: Our Asks:

Ask 1: Government should give the HCA full freedoms and flexibilities to work with local partners to invest all HCA resources allocated to the SE LEP area to maximise total completions.

3.80

At present, HCA programmes have developed iteratively through time and in a piecemeal way. Generally, government recognises that public money can be invested more effectively if it is not ring-fenced and this is the rationale for the Local Growth Fund. We ask that government applies the principles of the Local Growth Fund to HCA spend in the SE LEP area. SE LEP and the HCA could then together determine the most effective way of using HCA funds to attract more private investment and increase both affordable housing and total completions.

3.81

We propose, therefore, that government creates a "single fund" for investment of HCA resources in SE LEP communities to accelerate housing completions. This would entail CLG and Treasury delegating investment prioritisation to joint HCA – local boards for each SE LEP area, with a five year rolling programme and annual commissioning plans. It would also entail ring-fencing the proceeds of HCA and other government owned land disposals for housing and investing these alongside other SE LEP resources to de-risk sites for delivery of housing and employment.

3.82

Under these arrangements, the **HCA would continue to be accountable** for all HCA expenditure in the SE LEP area; no monies would be transferred to the SE LEP. This would ensure that HCA funds are directed to locally agreed priorities and enable delivery by local authorities, registered providers and other partners in each SE LEP area. It would facilitate a more strategic approach to accelerating completions of owner occupied housing, private rented housing, and affordable housing. This will maximise the impact of all HCA investments in the area because we will be better able to promptly respond to opportunities when they arise, and enhance capacity to lever in investment (land or finance) from local partners.

3.83

In total, HCA investment in the SE LEP area enabled the delivery of 3,451 homes in 2012-13. We would welcome the opportunity to explore with CLG and the HCA how freedoms and flexibilities in the use of HCA all resources could best maximise completions. This would need to take account of the proposals in the new Affordable Housing Prospectus 2015-2018 issued in January 2013 and we fully support the reference to the role of Local Enterprise Partnerships in the Prospectus.

3.84

In these discussions we would also wish to explore how best to ensure that the scale of HCA investment in the SE LEP area matches the forecast scale of household growth in the SE LEP area to 2021 and beyond. Currently, we understand that the HCA is investing 8.9% of their total capital budget 2011-2015; exactly the same proportion of England's

population (excluding London) that lives in the SE LEP area. population (excluding London) that lives in the SE LEP area.

3.85

Looking forward, we suggest that the HCA should focus on SE LEP's share of projected household growth in considering what might be a "fair share" of HCA investment and the role of the SE LEP area in helping to meet London's future housing needs. The 2011-based Interim Household Projections show that the number of households in the SE LEP area will increase by 11.9% over the decade to 2021 (20% higher than the projected increase for England as a whole). We suggest that as a minimum, at least 11.9% of total HCA investment should be in the SE LEP area. In addition, in making these allocations, it would be sensible to take account of the role that SE LEP communities can play in meeting London's future housing requirements. Together London and SE LEP will account for one-third of all of England's housing growth.

"I am delighted to see reference to a Coastal Property Renovation Fund... the fund will act as a catalyst for to attract private sector investment for the improvement of whole streets and neighbourhoods. I am delighted the LEP and the Kent & Medway Economic Partnership have show such ambition in responding to community opportunities in this way."

Laura Sandys MP
South Thanet

Colchester

Pro-active approach to housing development

Colchester's plan-led approach to new development has led to the highest levels of housing delivery in the SE LEP area in recent years, despite the challenging economic environment. This reflects the Council's commitment to supporting sustainable growth and flexibility in negotiating schemes that are of high quality and are viable. Colchester has directed new development to the most sustainable locations to ensure that new housing is supported by infrastructure that provides good access to jobs and services. Most recent housing development has come from Brownfield land, but its recent Local Plan has reconsidered urban boundaries where necessary and Colchester is making good progress in delivering the North Growth Area Urban Extension. The Council recently granted planning permission for 1,600 homes along with educational and sporting facilities, strategic landscaping, green infrastructure, and access related infrastructure.



Ask 2: Government should introduce a new model of housing delivery through a pilot to achieve quicker housing delivery, better value for money and return for HCA investments.

3.86

In order to demonstrate how increased flexibility could work, we propose a pilot leading to the commitment to start **2,015 additional new homes** by March 2015. In the current market there is a lack of affordable finance available to contractors and small and medium sized property developers/builders for investment in the delivery of housing. This new model will demonstrate how the HCA and local authorities would work together differently to reduce the risk of development; the land and developer margin would provide the risk buffer.

3.87

We first raised this new model in our preliminary draft of our SEP in December 2013. Since then, SE LEP local authorities have initially identified sites for over 2,000 homes and more are coming forward. However, we are concerned that some of these sites may not be available in time so we suggest that the pilot should also be tested on sites now in HCA control with a total capacity of 1,000 homes.

3.88

We have also further developed the model for the pilot. Essentially, the financial return to the public land owner would be determined once the housing development is complete and the value of the scheme crystallised. The HCA would provide non-recourse commercial loan finance to the building contractor on a staged basis. On completion, value would be crystalized when the mix of market sale, low cost home ownership sale, disposal for affordable rent and for private rent is determined – by the HCA and the local authority as land owner. This would provide the proceeds for the contractor to repay the loan with interest, and then pay for the land taking account of the tenure mix. There are many variations on how these principles would be applied; it might be appropriate for a local authority or registered provider to

be the developer in some cases. Any party - the landowner, the contractor, developer and the HCA - could look to share the development surplus in light of the risk that they carry. Any new model would comply with EU state aid regulations.

3.89

Based on a delivery programme of 2015 homes over 18 months, **the development finance requirement would peak at £150m** as receipts from early phases of large schemes and small schemes would be used to fund later phases. In addition, we estimate that some £1.0m would be required for site appraisals and to prepare model contracts for the procurement process. We would look to the HCA to finance this pilot. The outcome of this pilot will be the commitment to start the construction of an additional **2,015 homes by March 2015** on local authority and HCA owned sites.

Ask 3: Government to further raise the level of the Housing Revenue Account (HRA) Debt Cap of local authorities where this is constraining their ambitions to increase the supply of housing.

3.90

Our local authorities are now agreeing budgets for 2014/15 which will be the third year after reform of the Housing Revenue Account. In the Autumn 2013 Statement, the government set out action to increase the funding available for new affordable homes, including raising local authority Housing Revenue Account borrowing limits. While this announcement is a welcome step, more can be done to support housing development in areas that demonstrate a commitment to housing delivery.

3.91

Despite the increase in the level of borrowing allowed, the debt cap still does not accurately reflect the ability of local authorities to service debt. For forward thinking stock holding authorities this lack of flexibility is a barrier to house building and business growth. For example, in the case of Ashford there is the potential to support - without the debt cap - an additional £35m of investment/debt, resulting in an additional 250 new builds over and above

those already planned. Therefore, we would welcome a move to a far more flexible and business-like approach to investment/debt with a move to a gearing measure – total debt as a % of total fixed assets. This would align investment more closely with growth in assets, and support a focus on the value of assets and return on investment, rather than the “one size fits all” debt cap approach.

Ask 4: Government to give more flexibility to housing associations in setting rents.

3.92

Flexibility over rent levels is currently limited to the Affordable Rent Programme, with rent on new homes set at up to 80% of market as are a percentage of re-let. However, analysis by Moat Housing Association shows that if tenants' financial circumstances were reviewed every five years, around 5% would have an income that would enable them to pay a market rent equivalent to no more than 30% of their take home pay.

3.93

We would therefore like to see consideration given to further flexibility of the rents charged to **existing tenants** through a periodic review⁴³. This would ensure that much needed subsidy is more effectively targeted at those that need it and does not remain ‘fossilised’ in the home. Our view is that the ‘Pay to Stay’ policy currently being considered is too blunt and a more locally nuanced approach is required which is regionally based income/affordability and rent level calculations. Greater flexibility in setting rents would also help to balance a reduction in capital funding and support further investments in developing housing stock. On average, one additional affordable rented home could be provided for each four homes converted from affordable rent to market rent.

⁴³ This would occur as part of the HAs consideration as to whether to renew a fixed term tenancy.

⁴⁴ Age UK estimate that cold homes are costing the NHS in England £1.6bn every year in hospital and primary care due to their impact on older people's health – Age UK (2012) The Cost of Cold Falls cost the NHS £2.3bn a year – Age UK (2010) Stop Falling: Start Saving Lives and Money. 55% of falls in Kent take place in the home.

⁴⁵ Only 2% of UK housing stock is dedicated retirement housing, far less than in most other countries with comparable populations of older people - Demos (2012) Top of the Ladder.

Ask 5: Government to agree to channel NHS prevention funding to the SE LEP to target specific housing developments for specialist older persons that are tele-health and tele-care enabled.

3.94

Older people frequently occupy homes that are not suitably adapted to meet their needs. This can include homes that are poorly maintained and heated, have no level access, or have upstairs bathroom that are difficult to access. Unsuitable housing means that older people are more prone to suffer from poor health or be otherwise at risk. This comes at a considerable economic⁴⁴, as well as personal cost. Older people may also be living in accommodation which leave them vulnerable to social isolation and loneliness, as they often under occupy family homes. For some older people, the option of moving to more suitable accommodation could make a life-changing difference, but there are barriers due to a lack of specific housing for later life, and these are only likely to intensify as the population ages⁴⁵. The release of family homes would help to meet the high level of housing demand in the SE LEP area, providing there are quality housing alternatives available for older people. To address this, we will be seeking to build 10% of affordable housing as specialist accommodation in mixed tenure schemes to meet the needs of older people, with a further 10% available for outright sale or as an equity share.

Ask 6: Government to withdraw restrictions on the use of historic grants to housing associations.

3.95

Housing associations are implementing disposal or conversion programmes to cross subsidise new supply. However, when a property originally funded by grant is sold to generate funding for new housing activity, the allocated grant must be returned to a separate pot - the Recycled Capital Grant Fund (RCGF). Housing associations are able to use the RCGF to support new supply, but are faced with a range of restrictions, including constraints on time and area, as well as on the kinds of property that can

be acquired. Again, these rules do not produce optimal resource allocations and can prevent associations from undertaking effective redevelopment⁴⁶.

3.96 The “writing off” of historic grant by the government would significantly increase capacity within the sector. Housing associations would be able to innovate to a much greater degree, and develop more homes, if historic grant restrictions were eased. This includes being able to use RCGF proceeds arising in one region to provide new supply in another, taking advantage of lower land costs outside of London.

Ask 7: Government to work with specific local authorities in the SE LEP area to identify potential locations for new large scale housing developments, including garden cities or garden suburbs.

3.97 Meeting the demand for housing and jobs within the SE LEP area will continue to require the allocation of more land for development. Therefore, we propose that government should offer to work with local communities to bring forward large sites, possibly for development as garden cities and garden suburbs. We welcome the recent government announcement that Ebbsfleet will be designated as a new garden city with, initially 15,000 homes.

3.98 The designation of further garden cities could reduce, significantly, the scale of public investment required over the medium and longer term to meet the nation’s housing needs. Government support could include: active support from DCLG and a senior lead official; facilitation of necessary legislative or regulatory changes; agreement in principle to ring fencing business rates to invest in community owned infrastructure, and the scope of a “city deal” type agreement. All proposals would be wholly consistent with local plans.

⁴⁶ An example here is an existing sheltered block that is no longer fit for purpose. The redevelopment of this scheme is not viable, and leads to a significant negative Net Present Value to Moat because of a combination of the required accounting treatment and the necessity to pay back the ‘sunk grant’ in the building (or net ‘sunk grant’ off of any new grant application).

3.99 We have identified the potential to promote a further Garden City at Chilmington Green, as part of the growth of Ashford and for Government to work more closely with Medway Council and Natural England to unblock the stalled development of a major new community at Lodge Hill. Discussions are also under way in North Essex about how to accommodate the substantial level of housing development that is likely to be identified by objective needs assessments.

Ask 8: Government to introduce a comprehensive package of measures to secure the housing and economic prospects of specific neighbourhoods in the coastal areas, and elsewhere, with dysfunctional private rented sectors.

3.100 The SE LEP Coastal Communities Group (CCG) is working to ensure that the Coastal Communities make a positive contribution to economic and employment growth in the SE LEP area, rather than reducing the realisation of full economic opportunities. SE LEP is looking to government to support our efforts to make the best use of housing in the coastal communities and to realise the economic growth potential of these areas. Housing is an important resource in its own right, as well as driver of economic growth and job creation. We see significant opportunities to secure better value for money in the use of funds deployed for Housing Benefit; to turn around dysfunctional neighbourhoods which are dominated by private renting; to reverse the adverse effect these areas have on investment and business growth; to reduce the significant financial burdens on public sector services that result from the dysfunctional character of these areas; and to use investment as a tool to support skills development in the construction sector.

3.101 Specifically we are proposing the following:

- **Through a Coastal Property Renovation Fund we aim to draw in new owner occupiers to our coastal areas to renovate and improve key properties.** By doing so, and investing their own funds alongside, the fund would act as a catalyst to attract private sector investment for the improvement of whole streets and neighbourhoods.

- Our coastal community local authorities are continuing to work with Registered Providers to secure their on-going investment in renewal areas to renew poor quality homes for affordable rent. We wish to work with the HCA to **match their Affordable Rent Programme investments with a programme to support other tenures – particularly improvements by owner occupiers, shared owners, and by landlords who wish to house market renters who would not be dependent on benefit.** This investment is important to maintain the pace of improvement in the least attractive parts of the coastal towns and secure past and current planned investment. We envisage that our proposed South East Fund (see section above) would be the mechanism for making equity investments (where capital is repayable as part of a disposal plan i), loans, and possibly gap funding. Local authorities are proposing to align their own resources to this investment to help tackle these problems, including a commitment to invest £20m to bring empty and poor quality homes back into family use in Thanet and a £3.4m commitment in St Leonards.
- Our coastal communities wish to work with government **to address the poor value for money associated with the payment of Housing Benefit/Universal Credit leading to tenants being housed in sub-standard accommodation whilst providing landlords with very high investment returns.** Currently, the Housing Benefit system distorts the ‘market’ making

it more difficult for local authorities to take enforcement action. The payment of benefit in excess of market rents is inflating capital values of poor condition property. We anticipate that the proposed collaboration should ensure that landlords are unable to let property that does not meet Health and Safety regulations, and would be unable to receive benefit payments directly on lettings of that property. The coastal communities also wish to work with Government to monitor the impact that the introduction of Universal Credit will have on the most disadvantaged neighbourhoods.

- Our coastal communities wish to work with government to pilot new approaches to raising standards in the private rented sector. This would draw on the expertise of the Government’s Behavioural Insights Team. These pilots would recognise that landlords differ; some respond to incentives, others to social pressure, others simply need help; still others only take action when enforcement proceedings are taken. The broad aim is to develop a more sophisticated approach to improving management in the PRS through a mix of incentives, enforcement and ‘nudge’ – reinforcing positive social/behavioural change. Our coastal communities also wish to explore joint working with HMRC to develop enhanced intelligence on larger landlords and the scope for joint action to address tax evasion, and other action to encourage the development of a more professional private rented sector characterised by high standards of probity.

Table 3-9: SE LEP Housing Summary

Housing	Full cost (£m)	LGF funding requirement	Match Funding	Jobs enabled	Housing enabled
Sefund housing ask 8 Coastal communities	92.40	75.00	17.40	1108	1,500
Total	92.40	75.00	17.40	1108	1,500

3.102 In considering the offers and asks that comprise our South East Housing Growth Deal, it is essential to recognise that this is linked closely to our proposed South East Transport Deal. We will not be able to achieve our housing completion targets unless Government invests in our South East Transport Deal.

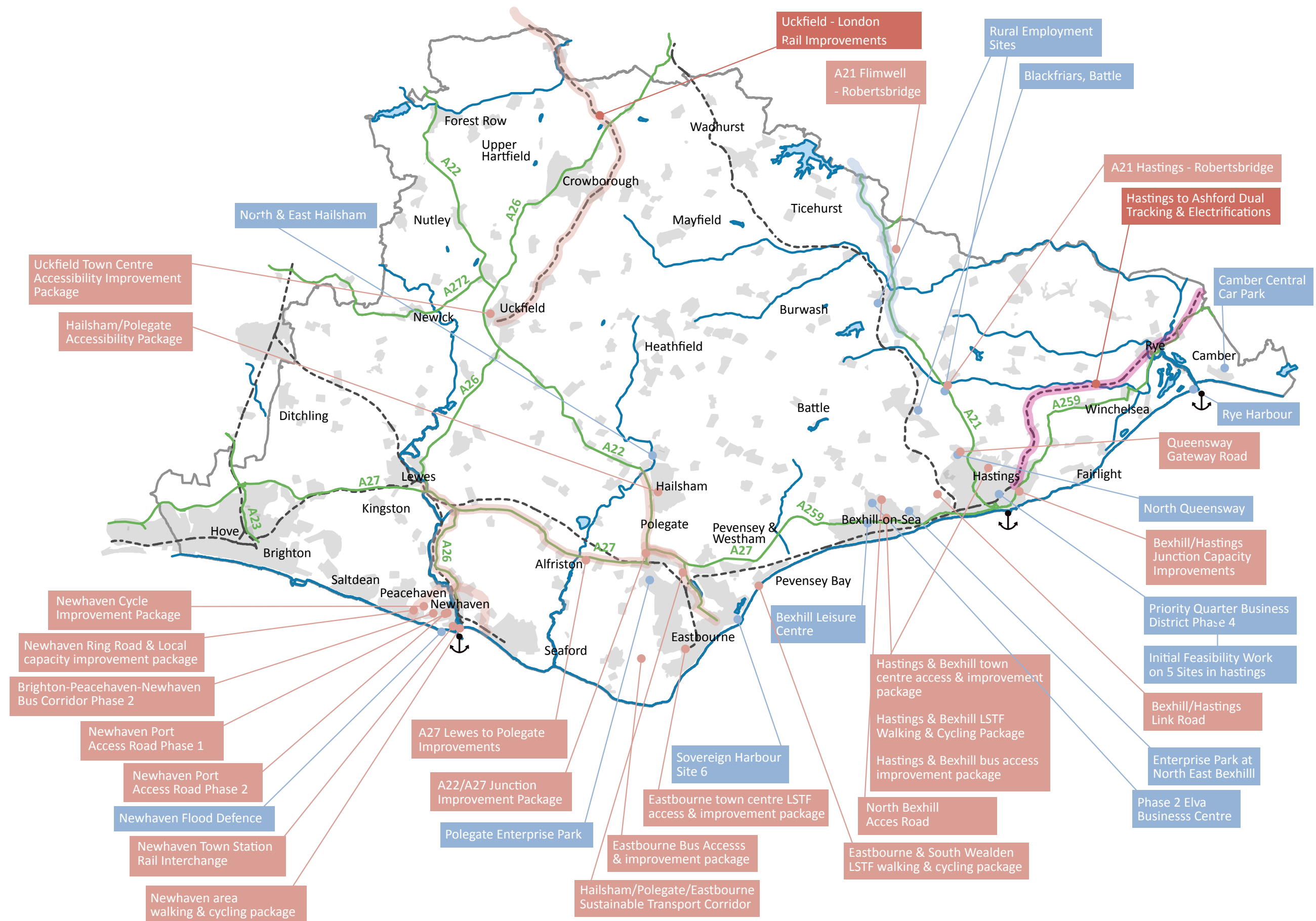
4

Our Growth Deal: Area Deals

Here we set out the distinctive approach to delivery in each of SE LEP's four area:

- East Sussex Growth Deal
- Kent and Medway Growth Deal;
- Thames Gateway, South Essex Growth Deal;
- Essex County Growth Deal





The East Sussex Overview

4.1

East Sussex has a diverse and growing economy, a significant proportion of which is made up of small and medium sized enterprises across a range of sectors. Finance and business services, retail, professional services, health and social work, construction, other business services, and distribution, hotels and catering (tourism) are important contributors towards the employment growth of the county. The county is also home to world leaders in the manufacturing of vacuum technology, instrumentation and advanced optical businesses. There are also significant opportunities in creative industries, Advanced Manufacturing, MedTech and Low Carbon industries.

4.2

Through this growth deal, we have significant potential to unlock our ambitious business and housing growth plans and build on our current investments in infrastructure. We are currently investing £56.8m in the Bexhill Hastings Link Road which will unlock sites for over 1,500 homes and create nearly 3,000 jobs in North Bexhill and Hastings, and through £20m from the SE LEP Growing Places Fund, we are currently delivering projects in Hastings, Bexhill and Eastbourne.

4.3

This also need to be supported with investment by the Highways Agency and Network Rail in upgrading the quality of the strategic road and rail networks serving East Sussex, in particular the A27 and A21 corridors and the Hastings – Ashford rail line,

in order to encourage inward investment by business. Such investment would improve the county's connectivity to the A23/M23 corridor and a potentially expanding Gatwick Airport to the west, London and beyond to the north, and Kent and the continent to the east, thereby allowing us to unlock further employment and housing development opportunities and fully realise the economic potential of the county.

4.4

Whilst the landscape is predominantly rural in character, nearly three quarters of the 531,000 residents live in urban areas, with the majority of those (58%) in the coastal urban areas. Four of the five urban centres are on the coast - Eastbourne and Hastings being the largest.

4.5

The high quality local environment which includes part of the South Downs National Park, forms the foundation of the visitor and wider economy. Approximately two thirds of the county is designated either as the High Weald Area of Outstanding Natural Beauty or the South Downs National Park.

4.6

The under-exploited port at Newhaven offers an opportunity to develop both passenger and freight services, environmental and Clean Tech technologies, and Maritime activities. A number of high-value and distribution businesses have successfully made East Sussex their HQ ; there are major opportunities, including through Locate East Sussex , to attract further inward investment of this type. Newhaven also has significant potential to deliver growth as part of the Greater Brighton City Region City Deal under the Coast to Capital LEP.

4.7

Coastal Hastings is particularly deprived with a number of smaller deprived rural areas in particular, in Hailsham. However, we have identified three growth corridors in East Sussex that provide potential for significant jobs and housing growth if the transport and communication systems are improved to facilitate access to the locations and sites within them.

4.8

Improving public transport, road infrastructure and extending superfast broadband access across the county will offer an opportunity to address growth potential, including, in part, the rural employment issues created by a lack of access. With the right infrastructure and accompanying support economic growth in the county will be significantly boosted. In particular, our ask of Government is **investment by the Highways Agency in upgrading the A27/A259 and A21, and by Network Rail on the Hastings - Ashford, East Coastway and Uckfield rail lines** to unlock further growth opportunities in the county. Gatwick plays an important economic role for East Sussex, not least offering employment but also as an international hub and has an important part to play in attracting and retaining business interest in the county. **A second runway at Gatwick Airport would significantly enhance the attractiveness of East Sussex for business.**

4.9

We wish to establish relationships and links with the respective local nature partnerships to demonstrate and evidence how our growth plans can make the most of the outstanding natural asset with the area. In addition we recognise the increasing importance of climate adaptation, highlighted by recent flooding, and will have due reference to the national adaptation programme on climate change and ensure our growth is resilient to future extremes of weather.

4.10

The three main growth corridors in East Sussex, described in the following sections, and our growth deal asks relate principally to these corridors where there is considerable scope for, and need to, create new homes and jobs. The area is not asking for LGF in isolation but in addition to the East Sussex local authorities' financial commitment to date in support of economic growth: **Dedicated resources have been directly targeted on supporting economic growth. Including housing, as appropriate to the individual authorities; between 2012 and 2016/2017 the five East Sussex Borough and District Councils' have already contributed or have committed an estimated £59.5m and the County Council £66m to directly supporting economic growth within the county.**



A21/A259 Hastings-
Bexhill Growth Corridor

4.11

The **A21/A259Hastings-Bexhill Growth Corridor** focuses on the urban centres of Hastings & Bexhill, extending northward up the A21 towards Tunbridge Wells and London, and eastward along the A259 towards Rye, Ashford and the continental ports. The area contains some of the most severe deprivation in the SE LEP, but also contains major opportunity sites for investment. The corridor connects the town centres and seafronts of Bexhill and Hastings where significant investment has taken place over recent years to improve the commercial, cultural and leisure offer, and to enable access to development space for

business growth for example via the soon to be completed Bexhill to Hastings Link Road. **In this corridor we have the opportunity to directly create 5,278 jobs and 765 new homes by 2021 and facilitate 9,700 jobs and 11,300 homes through our proposed transport schemes.**

4.12

The corridor currently suffers from severe congestion and geographical isolation through poor transport links. We have therefore set out below our transport asks, which together will help to open up the sites through improved access to and along the corridor.

Table 4.1: A21/A259 Hastings/Bexhill Growth Corridor Transport Schemes

Scheme	Start Date	End Date	Full cost (£m)	LGF funding requirement	Match funding	Total jobs enabled	Total homes enabled
North Bexhill Access Road	2015/16	2016/17	5.00	5.00	0.00	16.00	120
Hastings and Bexhill junction capacity improvements package	2015/16	2020/21	7.45	6.00	1.45	4200	6280
Hastings and Bexhill LSTF town centre access and improvement package	2016/17	2020/21	8.79	6.50	2.29		
Hastings and Bexhill LSTF walking and cycling package	2017/18	2020/21	7.70	6.00	1.70		
Hastings and Bexhill bus access improvement package (infrastructure and public transport connectivity in and between the two towns)	2017/18	2020/21	5.98	4.50	1.48		
Baldslow Link/ North Queensway Gateway Road	2015/16	2017/18	15.00	15.00	0.00	3900	4900
Total			49.92	43.00	6.92	9,700	11,300

4.13

The table opposite summarises our Transport asks. It identifies a total request for LGF of £43,000,000 with public and private match funding to be provided of just under £7 million. This includes a local authority contribution of £3.5m and private sector match of £3.42m.

4.14

There are many potential opportunities for jobs and housing schemes that require some support to improve their financial viability. These are set out below with requirements for Local Growth Fund, and summarised in the following table.

4.15

- North East Bexhill: 1,175 homes and 50,000 sqm of business space facilitated by the Link Road;
- Blackfriars, Battle: Site with potential for 245 homes within 5 mins of A21; and,
- Robertsbridge: employment site 100m from A21 - 8,500 sqm of business space.

4.16

Eastwards along the A259 and within the Hastings travel-to-work area, there are further significant development opportunities offered by Rye Harbour, which has land allocated within the Local Plan capable of providing a further 35,000 sq m of employment space and 1000+ jobs, and 40 homes. Just beyond Rye, in Camber, there is potential for leisure-led development at the central car park site.

4.17

Sites in Rother total 24.30 hectares – including: North East Bexhill, Rutherfords, and Robertsbridge. The total estimated floor space available is 61,750 sq. metres with a potential for delivering 2,330 jobs. All sites are Local Plan allocations or existing employment sites with development potential. This section of the corridor would complement investment that has already successfully stimulated growth, in particular the Enviro 21 Business Park.

4.18

In Hastings there are significant development sites at North Queensway, Churchfields and Ivyhouse Lane. Additional potential floorspace on the remaining proposed industrial sites totals over 45,200 sq. metres. Another part of the growth corridor extends along the coast towards Hastings Town Centre where there are major office development proposals, which could deliver 21,700 sqm of additional office space in the Priory Quarter. Further there are 11 allocated employment sites in Hastings Local Plan Development Management Plan (proposed submission version, 2014), which can facilitate significant business growth in Hastings. Many of the Town Centre development sites require land assembly through agreement and possible use of compulsory purchase powers with a target of over 21,700 sqm of additional floorspace. The next phase for development in the Town Centre is Phase 4 of Priory Quarter and this includes 3,608 sqm of office space and 266sqm retail space. Adjacent to the Town Centre are the additional development opportunities at the White Rock Baths for leisure use, and White Rock/Falaise Road for 250 hotel beds, 140 jobs and 150 homes. There is also significant potential in bringing back into use the former Hastings Observer Building at Cambridge Road as mixed use development. potential in bringing back into use the former Hastings Observer Building at Cambridge Road as mixed use development.

Table 4.2: A21/A259 Hastings - Bexhill Growth Corridor SEFUND

Scheme	Start Date	End Date	Full cost (£m)	LGF funding requirement	Match funding	Total jobs enabled	Total housing enabled
Blackfriars Battle: largest site outside of Bexhill	2016/17	2018/19	46.90	1.90	45.00	0	245
North Queensway Innovation park: Infrastructure and servicing	2015/16	2018/19	19.30	1.00	18.30	170	
Bexhill Enterprise Park: Site infrastructure, servicing and business space	2015/16	2025	80.00	12.00	68.00	2000	
Priory Quarter Business District Phase 4	2015/16	2020/21	62.70	12.10	50.60	1500	
Initial feasibility work on 5 sites in Hastings	2016/17	2017/18	0.28	0.26	0.03	765	460
Rural Employment Sites	2017/18	2020/21	17.76	4.06	13.70	380	
Rye Harbour -mixed use employment-led site; possible AAS and EZ	2016/17	2016/17	0.05	0.05	0.00	373	40
Camber Central Car Park - redevelopment of RDC car park to provide improved visitor facilities	2017/18	2020/21	11.10	0.50	10.60	30	
Phase 2 Elva Business Centre	2015/16	2017/18	1.60	0.05	1.55	40	
Bexhill Leisure Centre	2016/17	2020	15.00	0.23	14.78	20	20
TOTAL			254.69	32.14	222.55	5,278	765

Since 2012 around £53m of identifiable private and public sector money has been invested in the Growth Corridor in support of economic development; the LGF ask will give added value to this investment.

A22/A27 Eastbourne - South Wealden Growth Corridor

4.20

The A22/A27 Growth corridor straddles south Wealden, Lewes District and Eastbourne. The A27 corridor suffers from journey reliability and network resilience issues and needs to be fit for purpose for its function of carrying long distance strategic traffic. In a recent survey undertaken by Eastbourne Chamber of Commerce, 83% of businesses believe that the A27 has a negative impact on the prosperity of Eastbourne and 57% of businesses reported losing business because of the quality of the road. **Our ask of Government is investment in upgrading the route between Eastbourne and Lewes to improve connectivity to the A23/M23, a potentially expanding Gatwick Airport, and London, supporting business and housing growth plans in the Eastbourne/South Wealden growth corridor,** and enhancing the strategic accessibility of the port at Newhaven.

4.21

The A22/A27 Growth Corridor will directly create 1,400 jobs by 20/21 and a further 800 jobs by 2021/25, it will also directly deliver 725 homes by 20/21 with a further 575 by 20/25. Transport schemes will facilitate 9,240 jobs and 17,800 homes by 2020/21. Note that (additionally) Polegate Innovation Park will deliver 175 homes 2019/20 – 20/21 and 525 homes by 2021/27.

4.22

It includes the Ashdown Forest Business Park (Maresfield) and specific allocations at Uckfield (North Wealden) and Hailsham, Polegate, Willingdon (South Wealden) and Sovereign Harbour (Eastbourne). In total this provides some 60,000 square metres of employment land for growth. The sites described below are all linked by the A22 the main road between Eastbourne and the growing market towns of Hailsham and Uckfield.

⁴⁷ Eastbourne Chamber of Commerce Business Survey, February 2014

Torr Scientific

Location: Bexhill, East Sussex
Industry: UHV Manufacturer

Previously located in Brighton, Torr Scientific Limited (TSL) moved their business to Bexhill-on-Sea with the help of Locate East Sussex to match high demand. Recently highly commended at the 1066 Business Awards, the company works in research institutes, pharmaceutical and environmental industries as well as contributing to space satellite applications.

Torr Scientific's sales have grown from £300k to £1 million in the last five years which required them to relocate to a 6,700 sq ft factory in Bexhill due to little room for expansion in Brighton. Locate East Sussex helped Torr Scientific access a government funding grant.

Managing Director, David Bates said: "The rural location of East Sussex and its proximity to the sea provide a healthier and stress relieving work location. East Sussex has a high density of vacuum technology companies which is what attracted us here. We were involved in the first ever UHV industry conference and exhibition, TEC66, which was held in Hastings in September."



Table 4.3: A22/A27 Eastbourne – South Wealden Growth Corridor Transport Investments

Scheme	Start Date	End Date	Full cost (£m)	LGF funding requirement	Match funding	Total jobs enabled	Total homes enabled
Hailsham / Polegate / Eastbourne Sustainable transport corridor	2015/16	2016/17	3.43	2.00	1.43	900	4300
Eastbourne and South Wealden LSTF walking & cycling package	2015/16	2020/21	10.46	8.50	1.96		
Hailsham /Polegate accessibility package	2018/19	2020/21	3.00	3.00	0.00	0	0
Eastbourne town centre LSTF access & improvement package	2015/16	2020/21	10.90	6.00	4.90	3500	4100
Eastbourne Bus access and improvement package (bus infrastructure and information)	2016/17	2020/21	6.80	5.00	1.80		
Uckfield Town Centre Accessibility Improvements Package	2018/19	2020/21	3.00	3.00	0.00	440	1000
A22/A27 Junction improvements	2016/17	2017/18	5.00	4.00	1.00	4400	8400
TOTAL			42.59	31.50	11.09	9,240	17,800

4.23

The table opposite summarises our Transport asks. **It identifies a total request for LGF of £31.5m with public private match funding provided of £11m. This includes a local authority contribution of £4.53m and private sector match of £6.46m**

4.24

All of the sites discussed below in relation to our SEFUND asks are available now and are the subject of approved Local Plans (adopted Core Strategy) for their development. The sites are in private ownership and have been the subject of pre-application planning discussions with willing landowners/ developers.

4.25

Land at Sovereign Harbour has been identified for employment space within Eastbourne's adopted Local Plan and is expected to deliver significant local employment in a high quality business park development. The successful Growing Places Fund bid will result in the Innovation Centre at Sovereign Harbour being completed in

2015. There are two substantial linked sites; site 6 located alongside Pevensey Bay Road (A259) will provide up to 15,000 sqm of office space. Site 7 is the largest undeveloped site in Sovereign Harbour, with an area of approximately 5.9 hectares. This site also occupies a prominent position for a Business/ Office Park providing up to 20,000 sqm office space.

4.26

Within the Wealden District area of the Growth Corridor there are a number of sites for development:

- Land at Uckfield could provide 12,000 sqm of business space, 10,000 sq m retail and 1,000 homes;
- Hailsham: 8,650 sqm of employment space;
- Polegate: the site is 43.83 hectares with overall provision for 17,000 sqm business space;
- Maresfield has full planning permission for 22,500 sqm of B1 space plus restaurants/ cafe area; and,
- Hailsham/Polegate/Willingdon: mixed use development would provide 700 homes and 300 sq m retail with significant business space.



4.27

The table below summarises our SEFUND asks for the A22/A27 Corridor. **It identifies a total request for LGF of £12m with public and private match funding to be provided of £153.5m. This includes a local authority contribution of £2m and private sector match of £151.5m.**

4.28

Three additional key pipeline projects have also been identified in Eastbourne, at the town centre, Sovereign Harbour sites 3 and site 5 with the potential for both job and housing creation. These will be coming forward in future years.

Table 4.4: A22/A27 Eastbourne – south Wealden Growth Corridor SEFUND Proposals

Scheme	Start Date	End Date	Full cost (£m)	LGF funding requirement	Match funding	Total jobs enabled	Total homes enabled
Hailsham E & N, odour mitigation works prior to main scheme.	2015/16	021/25	100.00	1.50	98.50		1300
Polegate Innovation Park: Infrastructure and business space	2016/17	2021/25	25.50	6.50	19.00	1000	
Eastbourne Sovereign Harbour site 6: Alongside the Innovation Mall in an initial phase of the site, this relates to the delivery of a further business building	2015/16		40.00	4.00	36.00	1200	
TOTAL			165.50	12.00	153.50	2,200	1,300

4.29

Since 2012 (to 2016) around £141m of identifiable mainly private but also public sector money has been invested in this Growth Corridor in support of economic development, in particular the retail and leisure sectors; the LGF ask will give added value to this investment.

Newhaven Clean Tech and Maritime Growth Corridor

4.30

Newhaven has substantial capacity for growth including large brownfield sites close to the town centre and waterfront. These would provide locations for the investments proposed from E.ON for the Rampion Offshore Wind Farm, Veolia in its Energy Recovery Facility, the proposed Marine Enterprise and Training Centre, and the new UTC specialising in marine and environmental engineering. Alongside these developments the port masterplan proposes to increase the volume of trade through the port, establish a clean technology and renewable energy cluster and support the development of the fishing and marine leisure sectors.

4.31

Newhaven has substantial physical capacity for growth, including on large brownfield sites on six sites in and around the town centre and waterfront which will be more readily developed after the flood defences are in place. Between them they could provide 4500 jobs and 190 homes. The wider Transport schemes will facilitate 725 jobs and 1700 homes by 2020/21.

4.32

Realising the potential for housing and jobs growth in Newhaven will require improved access to London and to Brighton, in order that it can play a greater role as an economic centre within the Greater Brighton City Region.

4.33

The following table summarises our Transport asks. It identifies a total request for LGF of £6.5m with public and private match funding to be provided of £3.24 million.

Table 4.5: Newhaven Clean Tech and Maritime Growth Corridor Transport Investments

Scheme	Start Date	End Date	Full cost (£m)	LGF funding requirement	Match funding	Total jobs enabled	Total homes enabled
Newhaven Ring Road & Local capacity improvement package	2016/17	2018/19	1.80	1.00	0.80	725	1700
Newhaven area LSTF walking and cycle package (including links to Seaford, Peacehaven/ Brighton and Lewes)	2016/17	2020/21	7.94	5.50	2.44		
TOTAL			9.74	6.50	3.24	725.00	1,700.00

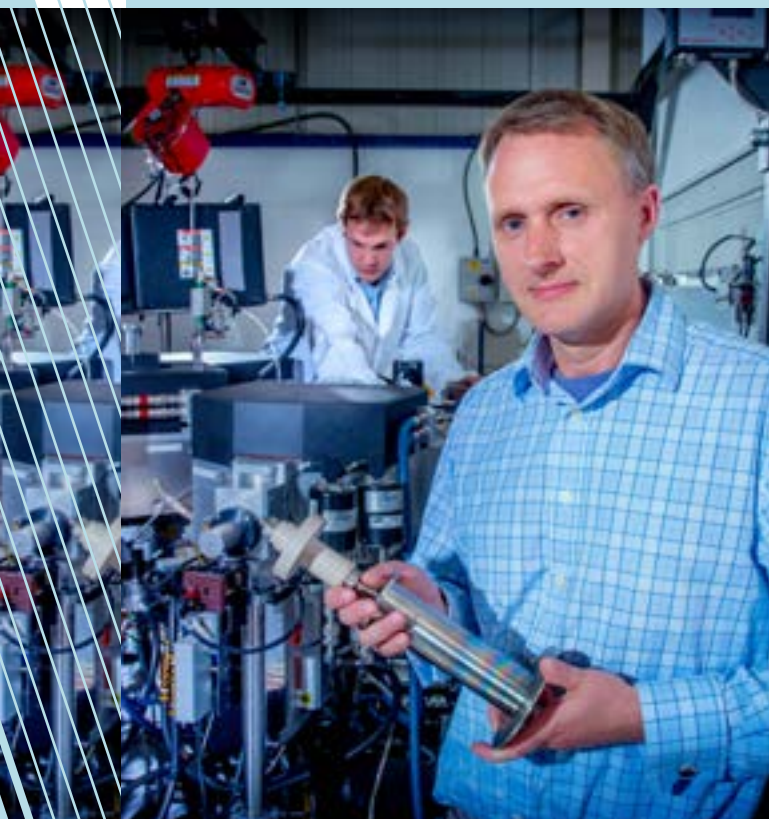
Surrey Nanosystems

Location: Newhaven
Industry: Nanoelectronics

Surrey NanoSystems develop commercial applications for nanomaterials related to carbon, such as carbon nanotubes. This class of nanomaterial has tremendous potential to solve real world challenges in microelectronics, clean technology and aerospace applications.

Chief technical officer and founder Ben Jensen said: *“Fantastic lifestyle is really important to us; it's one of the reasons we moved to East Sussex. I like the fact that I can enjoy the leisure of life in a beautiful area whilst remaining close to the great nightlife in Brighton and London.”*

With plans to expand in the market, the workforce and possibly relocate to a bigger facility in East Sussex, Surrey NanoSystems Ltd will continue to grow now and into the future.



4.34

The proposition for Newhaven as a 'Clean Tech and Maritime Growth Corridor' promotes a significant shift in the economic direction of the area as part of a coordinated approach to transition from low value manufacturing and processing linked to the Port, to a new and higher value economic role, based on the town's potential to support technology-led business growth. Given the importance of Newhaven as an employment hub in Lewes District, the implication is that the economic links between Newhaven and Brighton have strengthened and as part of this Newhaven can be positioned to play an increasingly important role as an economic centre in the Greater Brighton City Region & City Deal which falls mainly within the Coast to Capital LEP in which, along with SE LEP, Lewes also sits.

4.35

There is also work planned by the Environment Agency on flood defence work - important in the development of related employment sites. **The Environment Agency has allocated £6m to flood risk mitigation measures**, but this is dependent on match funding. Further works will also be required to the North and East Quay sites. Developments already committed in Newhaven through other funding include a housing and employment development at Eastside, and Coastal Communities fund extension of Denton Island Enterprise Centre and Children's centre, along with other community facilities to be funded by

4.36

The opportunities in Newhaven for support through SEFUND are summarised by site in the table below. Some sites may at some point be at risk from flooding and therefore investment in flood defences will be an important element in supporting business confidence to further invest in redevelopment.

4.37

The Port Access Road (PAR) is a critical infrastructure investment to enable Newhaven to evolve as a growth corridor and to open up key development opportunities. Barratts have planning permission at Eastside for development including 190 houses, business units and this includes construction and maintenance of phase one of the PAR and are currently undertaking ground investigation works. £12 million has been committed towards the cost of Phase 2 of the PAR, this is approximately half the sum required to deliver this phase.

4.38

The Newhaven Offshore Wind Construction Port would further add to the low carbon energy offer at Newhaven. The project would entail the construction of a deep water berth and on-shore facilities to enable the area to compete for offshore wind construction contracts. The Port Authority, demonstrating belief in the future of the Port, plans to deepen and extend a deep water berth in order to be in a position to contract to assemble Rampion's/E.ON wind farm turbines. The total investment is estimated at £38m and the Port Authority is likely to require a public sector contribution to this of £5m.

4.39

The following table summarises our SEFUND asks for the Newhaven Corridor. It identifies a total request for LGF of £1.5m to enable the required flood defence work to better enable commercial and housing development. Public match funding for the flood defence will be £7.5m including the £6m from the Environment Agency and £1.5m from the Coast to Capital LEP.

4.40

In addition there are, to date, three pipeline projects in Newhaven that will require pre development work in advance of full project detail being worked up – these are related to the flood defence work required as above and have the facility to create 4,500 jobs and 190 homes. **They may require public sector catalyst funding at a later stage..**

4.41

Since 2012 circa £4.54m of directly identifiable private and public sector money has been committed in this Growth Corridor in support of economic development; the LGF ask will give added value to this investment. This sum does not include however the private sector development that includes construction and maintenance of phase 1 of the Port Access Road as part of the Planning Agreement, nor the £12m the County Council will contribute towards phase 2 of the road.

Figure 4.6: Newhaven Clean Tech and Maritime Growth Corridor SEFUND Proposals

Scheme	Start Date	End Date	Full cost (£m)	LGF funding requirement	Match funding	Total jobs enabled
Newhaven flood defence work to release development			9.00	1.50	7.50	Will indirectly support job creation through later facilitated sites
Total			9.00	1.50	7.50	0.00

Ctec Energy

Location: Newhaven, East Sussex
Industry: Renewable Energy

Newhaven-based Ctec Energy is a UK leader in heat recovery systems that generate electrical power from wasted engine exhaust gas

Working with Locate East Sussex, Ctec Energy has successfully secured a loan of £200,000 through the Regional Growth Fund to facilitate a move to a new 15,000 sq. ft. production facility, in Newhaven. Ctec Energy has forecast revenues of £15 million by the end of 2015 and the new manufacturing plant will create up to 60 new jobs by 2017. This will allow the firm to develop closer links with customers throughout Europe via the gateway of Newhaven Port.

Mike Burns, Managing Director of Ctec Energy, said: "The support we are receiving from Locate East Sussex has enabled us to move into our new production unit, employ staff and purchase equipment. Without Locate East Sussex we would not be here now."

"Importantly for Newhaven, we will train people locally in order to service the systems, and then they will go out and train people in the rest of the UK, in Ireland, in France and in Italy."



Raising productivity and skills

4.42

Realising the importance of targeting resources where they have the greatest additional impact we are in the process of developing an Innovation strategy for East Sussex to underpin the investment decisions for the new round of EU funds and the Local Growth Fund. This strategy, by also identifying the niche growth sub sectors, will facilitate support for economic growth through the development and application of innovation in business through the Gateways as described below and through greater HEI intervention. We will also be assessing those companies in East Sussex (around 560 according to Experian data) which can come from any sector, not just high-value/high-tech, and apply the targeted actions they require to grow towards, and into, the top 6% nationally. In relation to Med Tech specifically, possible intervention in relation to methods of dementia care will be investigated further with HEIs.

4.43

With the exception of the improvements to training facilities discussed below, these programmes will be funded mainly through EU funds with match funding to be provided through the opt-in agreements, local authority and other local match funding.

Gateways to Growth

4.44

The proposed **Gateways to Growth (East Sussex G2G) will allow for new and wider economic networking which in turn will act as the platform to create and support new virtuous economic circles within our businesses.** The East Sussex G2G businesses will access the most appropriate support to reduce barriers to growth; develop Leadership and Management Skills; find and upskill their workforce; network to find new markets and make businesses more resilient; help navigate the planning and taxation systems; be collaborative, look to aid the application of R&D; increase export readiness; identify the finance to support growth, and smooth access to it. Necessarily the G2G will also have strong links into HEI services, and help 'open the routes' to these for business. In respect of this further work is also taking place with the local universities to identify if their new key business support programmes could be adapted for roll out across East Sussex. The G2Gs will also have the position of 'an honest broker' in respect of the Opt Ins, GA, MAS and UKTI (Export).

4.45

As a minimum this programme will be funded through ERDF and match funding of £500k local authority contribution.

Low carbon economy

4.46

East Sussex has identified the following three priorities for investment, through a combination of national and European funding:

- Low Carbon Business Support Programme – a wide range of activities, events, and training for SMEs,
- 'Whole Property Retrofit' – This project in East Sussex will dovetail with the previous project and builds on the "Answers to the Carbon Economy" Interreg-funded project in Hastings; and,
- Green Infrastructure – An East Sussex programme of stimulating the tourist economy by attracting inward investment, attracting increased visitor

spend, saving environmental costs, providing health benefits and generating employment.

4.47

Through a programme of targeted support, there is an opportunity to make East Sussex businesses more resource efficient with a positive impact on their bottom line through a reduction in their use of energy for 'whole life products' and in production and service provision.

4.48

We envisage this programme will be funded through ERDF/ESF at £7.7m with related match funding at 50% from a variety of identified match funders.

Access to Finance

4.49

We still need to improve access to finance for local business with growth potential as identified in the ESCC business surveys and through existing schemes where appetite by SMEs for this support remains high. This has resulted in the County Council targeting this area through its **own capital budget for growth with £6.2m already part invested and also gaining an additional £4m through the Regional Growth Fund 4.** Some parts of East Sussex can additionally access RGF 4 through Hastings Borough Council's SUCCESS and Kent County Council's ESCALATE schemes.

4.50

The ability to access this type of scheme, which we propose will via Local Growth Fund loans (75%) and match and 50% private sector match to fund, allows (unlike SEFUNDs) for smaller tailored grants (and loans) to be accessed by individual businesses and by developers of small scale commercial sites where job growth results. This is an important element of practical direct support to business that partly underpins Locate East Sussex and complements and adds value to that proposed under the Gateway to Growth.

Table 4.7: East Sussex Productivity (LGF only)

Scheme	Start Date	End Date	Full cost (£m)	LGF funding requirement	Match funding	Total jobs enabled	Total homes enabled
Access to Finance	2018/19	2020/21	29.75	8.75	21.00	404	48

4.51

We are also considering using ERDF for commercial projects as part of the fund depending on the criteria which may result in 'micro' projects not being financed, yet they, particularly in rural areas, are vitally important in support of the sustainability of working (rural) communities.

Skills

4.52

We know that skill levels are rising but that a low proportion of SE LEP residents have high level skills. The LEP is under no illusion that low skill levels also impede economic growth. The unemployment rate for young people is high and there are too many young people who are not in education, employment or training. Economic inactivity is high, but so is the proportion who want to work. East Sussex recognises that meeting business need by improving the skills of our labour force and those entering work is fundamental to realising growth ambitions. We have a significant contribution to make in meeting these ambitions and we will tackle our skills challenge by:

- addressing the range of barriers that prevent individuals from accessing training and employment opportunities, recognising that clients in specific groups need extended individual support - particularly in disadvantaged communities;
- increasing literacy, numeracy and IT skills amongst both employed and unemployed adults, as identified by SE LEP businesses;
- increasing the participation of young people (age 16-24) in work, education and training to the national average, with the take up of opportunities better reflecting the needs of our priority sectors and skills shortage areas;
- increasing the pool of young people undertaking STEM related subjects and

establishing clear progression routes into those sectors where skill shortages hamper the competitiveness and productivity of our businesses; and,

- Increasing the proportion of the workforce with higher level and technical skills to above the national average.

4.53

We envisage that this programme will be funded through ESF of £10,394,000⁴⁸ and related match funding of £10,394,000. Outputs: 9,187 participants in training and employment activities (estimated from the application of EU funds, and not including the outputs that will result from match funding as we do not yet have detailed information on the lower level outputs likely to be achieved). Detailed outputs to be worked through as part of programme development. VFM: TBC as outputs are developed but will include DWP/ SFA benchmarks.

FE Capital Investment

4.54

To support the development of more higher level skills appropriate to the needs of businesses in East Sussex, we are working with education and training providers to identify a range of capital improvements to facilities related to our priority sectors. We intend to use LGF in a multi-year strategic investment programme to ensure that local skills priorities can be delivered through the provision of 21st century facilities for local businesses and learners. In future years we will support projects designed to enlarge capacity to deliver STEM-related learning (including that linked to a new innovation centre on the coast); a potential Innovation Hub with incubation space for the creative sector, and an Engineering Technology centre serving rural areas. We will also require funding for maintenance to better enable the FE sector to perform efficiently. This is shown in the table opposite:

Table 4.8: SFA Capital Requirements

Scheme	Start Date	End Date	Full cost (£m)	LGF funding requirement	Match funding
Maintenance of the FE estate / specialist equipment	2015/16	2020/21	6.50	2.20	4.3
Electronics and Green Technology Workshop – Newhaven Campus	2016/17	2016/17	0.51	0.17	0.34
Expansion spaces at Ore Valley campus for an Energy Centre focusing on renewables, gas, plumbing and other certification, Hastings	2016/17	2016/17	0.75	0.25	0.5
Station Plaza expansion space - to enhance entrepreneurial skills for tourism related businesses, Hastings	2016/17	2016/17	0.4	0.13	0.27
STEM centre Lewes Campus	2018/19	2020/21	4.9	1.63	3.26
STEM centre Eastbourne Campus	2018/19	2020/21	11.08	3.69	7.38
Hospitality, Leisure and Tourism Centre – Eastbourne Campus	2018/19	2020/21	3.92	1.31	2.61
Creative Industries Innovation Hub – Eastbourne Campus	2018/19	2020/21	4.47	1.49	2.98
Engineering Outcentre development (rural East of County)	2018/19	2020/21	0.95	0.32	0.63
Electronics Technology Centre (rural)	2018/19	2018/19	0.1	0.03	0.07
Expansion of sustainable construction techniques training in conjunction with ECOFAB project at Ore Valley, Hastings	2018/19	2018/19	2	0.67	1.33
Expansion spaces at Station Plaza and Ore Valley campuses including Higher Education expansion to include high technology engineering, Hastings	2019/20	2019/20	1.8	0.6	1.2
New technology and business incubation centre specialising in vacuum technologies and related high technology specialisms located at Ore Valley, Hastings	2018/19	2018/19	1	0.33	0.67
Total			38.38	12.82	25.54

⁴⁸ Note: split reopt-in/non opt-in to be finalised following final Opt In Agreements.

Rural and Coastal Communities

Rural Communities

4.55

Some rural communities have poor access to basic services and amenities and affordable housing. In addition, job density is low and there is a reliance on public-sector jobs, particularly in Lewes Rural partners in East Sussex have identified a number of priorities for using the European Agricultural Fund for Rural Development (EAFRD) thus far including:

- Grants to small rural businesses to develop new products, processes and markets;
- Collaborative support for innovation in the horticultural, viticulture and top fruit sectors;
- Grants to communities supporting access to digital services;
- ICT advice and support to communities to enable them to bring forward local support programmes, creating and retaining jobs;
- Grants to stimulate new businesses creation and support existing businesses to grow;
- Implementation of community led renewable energy and energy saving initiatives in community building;
- Grants to businesses; and,
- Grants supporting tourism enterprises to develop new products and services enhancing destination offer (tourism accounts for 14.5% of all industry in Wealden, the highest percentage in East Sussex).

4.56

Given the success of the most recent Leader programme (WARR - Wealden and Rural Rother) Leader is again to be an important element of realising rural opportunity. Given that Leader remains a bottom up programme the WARR LAG in the future programme will ensure that it both supports and complements the EAFRD that will come via SE LEP. The WARR LAG has gained an allocation from DEFRA for Transition funding until the next programme opens.

4.57

We envisage that this programme will be funded through EAFRD and related match funding via a variety of contributors that may include agricultural colleges and the private and public sector. In relation to the Leader element we will propose an indicative Leader funding of £2m from DEFRA, match various. This will be worked up further as the Local Development Strategy is developed.

Coastal Communities

4.58

The SE LEP coastal areas contain the locations with the greatest deprivation. SE LEP recognises that the area's coastal communities are a defining feature of the LEP, and require bespoke, co-ordinated programmes of investment to enable them to generate the returns and opportunities for enterprise, employment, culture and visitor enjoyment that their location, environment and heritage can achieve. Tourism related activities account for 12.9% of all industries in East Sussex (10.9% in GB⁴⁹). The coastal cultural economy has expanded with the creation of new or upgraded cultural venues at Hastings, Eastbourne and Bexhill; cultural activities in East Sussex account for 0.8% of all industries compared to 0.6% in GB. Specific obstacles faced by the sector include high costs of improving buildings in conservation areas to meet the needs of higher-spending guests, the interdependence between attractions and hotels, and the difficulties of generating marketing strategies for the area they all serve. There is a need to establish an intervention fund to upgrade and expand tourist accommodation and facilities to better exploit the growth potential of the tourism sector.

4.59

Both Hastings and Eastbourne will be bidding into 'Community Led Local Development' (CLLD) under the SE LEP SIF in recognition of the particular needs within their communities. Between the two areas they will be requesting £2.885m ERDF; £2.32m ESF with £7.205m already identified in match funding in respect of CLLD.

⁴⁹ The geography of tourism employment ONS2012

4.60

We are working closely with the SE LEP Coastal Communities group on other interventions to promote growth in coastal areas. As noted in Section 2, our Strategic Economic Plan, and in Section 3 the South East Housing Growth Deal, there are significant issues in terms of impact that dysfunctional private rented housing markets have on the economies of coastal towns in East Sussex. Within Hastings, and to a lesser extent Eastbourne and Bexhill, there are strong correlations between those residential areas dominated by poorer quality and lower value privately let properties and high levels of deprivation. The concentration of this tenure in areas close to the seafronts and town centres deter investment and hold back the regeneration of neighborhoods that would otherwise be regarded as extremely attractive in terms of the further development of retail, tourism, culture and the visitor economy. These locations feature

some of the most architecturally interesting property that under normal circumstances would be regarded as prime residential housing stock. Whilst this is a particular acute problem in Hastings and the larger East Sussex towns, issues also exist within small conurbations such as Camber, Fairlight, Seaford, Newhaven, and Peacehaven. Given the significance of the problem across the SE LEP coastal area it has been identified as a specific LEP wide housing ask detailed in chapter 5 of this document. The proposed Housing Ask 8 builds upon the progress already made with the St Leonards area of Hastings where targeted intervention is paying significant dividends in turning around the fortunes of the most deprived ward in the South East.



Delivery

4.61

The East Sussex members of the full SE LEP Board have established a 'Team East Sussex' in recognition of the need to reach a joint understanding of SE LEP objectives and how East Sussex can contribute. This structure will form the basis of our local governance model moving forward; our local governance therefore is already experienced in the structure, processes and objectives of the SE LEP. Team East Sussex necessarily has a very strong business voice, including representation from the Chambers of Commerce and the Federation of Small Business. It also includes the Leaders of each of the District & Borough Councils, the County Council, and representation from the HE and FE sectors. We intend to review the model in the coming months to ensure every aspect is fit for purpose, and formalise the new structure through appropriate Terms of Reference.

4.62

In addition East Sussex already has appropriate local partnership structures in place to both support and be part of the delivery infrastructure. This includes the Adult Learning and Skills Partnership Board consisting of FE and HE representatives and the third and business sectors; the East Sussex Economic Advisory Board comprising the private sector and the local authorities, ACES the Alliance of Chambers of East Sussex, the Hastings and Rother Task Force (which reflects the economic cohesiveness of the two areas), the Third sector and Rural Forums and other more informal groups.

4.63

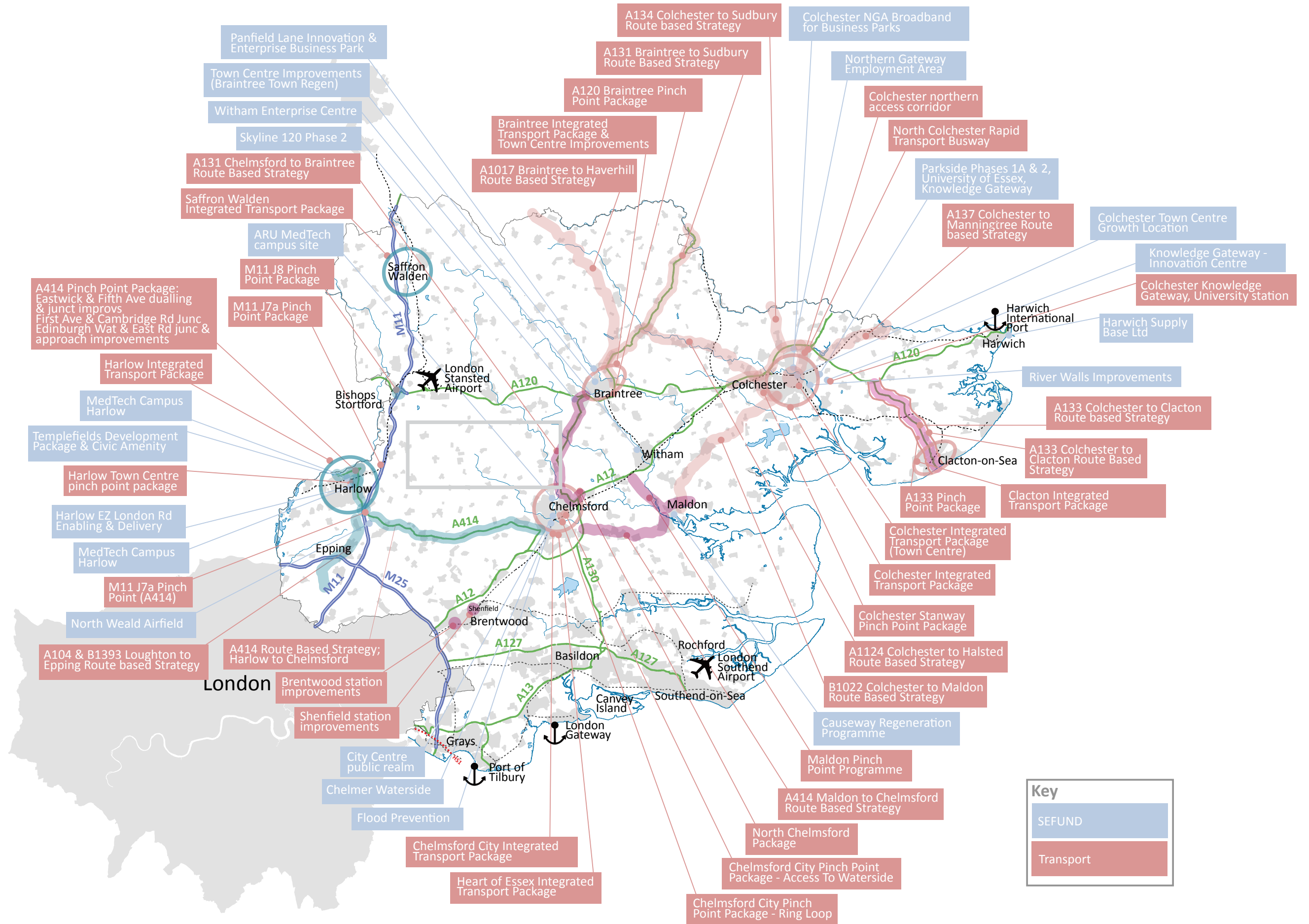
The county can clearly demonstrate the experience, the expertise and the organisational infrastructure to deliver.

Table 4.9: Summary of East Sussex LGF Asks

East Sussex	Full cost (£m)	LGF funding requirement	Match Funding	Total jobs enabled	Total homes created
Transport	102.24	81.00	21.25	19,665	30,800
SEFUND	429.19	45.64	383.55	7,478	2,065
Productivity	29.75	8.75	21.00	404	48
Skills	38.38	12.82	25.54	0	0
Total	599.56	148.21	451.34	27,547	32,913



Essex County Growth Deal



The Essex Economy

4.64

Essex has excellent business and commuting links to London, and international links via the London Gateway (in Thurrock in Thames Gateway South Essex) and Harwich ports, and Stansted and Southend Airports. The Essex economy supports 766,000 jobs, is home to over 73,500 businesses and generates over £30bn per year for the UK economy. To the north of Essex, there are important links with Suffolk via the Haven Gateway. West Essex is an important part of the London-Stansted-Cambridge Corridor (LSCC); and in the heart of Essex, the city of Chelmsford provides an important regional centre. Areas of South Essex fall within the Thames Gateway, the largest regeneration area in Europe. Information on Thames Gateway South Essex is included later in this section.

4.65

Essex has ambitious plans to realise its full growth potential. Delivering these plans means providing the right economic conditions for growth and focusing investment in priority locations within our strategic corridors. This approach also allows us to build on partners' previous successes and current investment commitments, to make use of established delivery and governance structures, and to maximise growth whilst securing best value for public money.

4.66

Overlaid upon our work in Essex's strategic growth corridors, we are advancing work across five priority sectors where local support will help businesses achieve their potential and secure transformative growth. These sectors are:

- Advanced manufacturing
- Low carbon & renewables
- Logistics
- Life sciences & healthcare
- Digital, cultural & creative

4.67

Partners in Essex are committed to growth across Essex's strategic corridors and these priority sectors. We propose to deliver a package of enabling investment in transport infrastructure and property development targeted at key sites. These sites have been selected to reflect deliverability and the

catalytic impact they will have in unlocking future investment potential and growth. We have committed to use over £100m of our own resources for the early stages of development, to increase the speed with which projects can be initiated, and to increase the likelihood of leveraging additional support. We are committed to delivering a £1bn investment in infrastructure by 2021, including the projects identified in this plan and the further projects they unlock.

4.68

Essex partners recognise the role that national government must play in delivering enabling infrastructure. We are, therefore, asking government to support our growth plans through its work on national transport schemes. There are key enabling transport projects that are part of the national road and rail national network and we want to reach early agreement with DfT on the detailed scope and timetable for investment and development. We want an active role in developing the HA's Route Based Strategies and in determining Network Rail's next Control Period investment plan. On priority projects and corridors we particularly want to reach early agreement on: the Lower Thames Crossing, M25 Junction 30/31, the widening of the A13, line capacity enhancements on the Great Eastern and the West Anglia Mainline; improvements on the A12 and A120, the provision of loops at Beaulieu Park Station at Chelmsford with line capacity enhancements as part of this work and the development of Junction 7a on the M11. We have already invested £12m in developing the transport schemes described under the following sections.

Our 12 point plan

4.69

Essex's growth deal is based on our identification and delivery of the right projects and interventions to unlock economic potential. To help to do this, we have agreed a 12 point plan:

4.70

On investment, we will

1. Use over £100m of our own resources to commit support in/for the early stages of development to increase the speed with which projects can be got off the



- ground and the likelihood of leveraging in additional support;
2. In terms of scale, commit to deliver £1bn of investment in infrastructure by 2021 on the projects identified here and the further projects they unlock. This means the implementation of a package of enabling investment in transport infrastructure and property development targeted at key sites within Essex's strategic growth corridors;
 3. Participate in the SEFUND to support the delivery of suitable projects and the creation of a longer term pipeline of development;

4.71

On joined up support for enabling physical development, we will

4. Invest £1m in creating a major infrastructure delivery unit to bring together capacity across a range of public services, underpinned by a single infrastructure plan for the county;
5. Support the work of this delivery unit by developing an Essex Planning Compact – a series of collective commitments to deliver planning decisions faster and to offer other customer-focussed support to large planning applications;
6. Develop an Essex Property Partnership Board which can work with the delivery unit to support the use of local authorities' assets to incentivise investment on a project-by-project basis; and
7. Prepare a prospectus for all major development opportunities in the county that promotes the opportunities unlocked by the projects outlined here, which points potential investors from home and abroad to the major infrastructure delivery unit;

4.72

On joined up direct support for businesses and people, we will

8. Invest in a portfolio of capital projects that will cement Essex's competitive advantage in key sectors and positions its skills infrastructure to support future growth;
9. Provide clear pathways from learning to employment by establishing employer-led skills provisions, including programmes for training; the provision of information, advice and guidance; and skills brokerage.

10. Deliver a targeted package of investment to expand and enhance innovation centres at the Knowledge Gateway in Colchester and Anglia Ruskin's Med-tech Campuses in Chelmsford, and Harlow;
11. Integrate business support provision through a joint commissioning and delivery across the county and Essex's universities – providing a single pathway to enhanced business support;
12. Develop and expand four business incubation centres across Essex, and roll out a network of 'Growth hubs' to provide integrated business space and support.

The A120 Haven Gateway Growth Corridor

4.73

The Haven Gateway Growth Corridor includes the districts of Braintree, Colchester and Tendring linking Harwich International Port in the East to Stansted Airport and the M11 in the West via the A120. It is one of the key international gateways to the UK; home to Harwich International Port, one of the UK's leading multi-purpose freight and passenger ports, and supporting the neighbouring port of Felixstowe. Consequently our growth plans will have an impact across the low carbon and renewables, offshore wind energy, manufacturing, and logistics sectors. The Haven Gateway was the fastest growing area with population growing by 31,700 between 2001 and 2011. Moreover housing completions reached 19,268 – some 37.61% of the Essex total.



4.74

In this corridor we have the opportunity to directly create 4,784 jobs and 2,953 new homes by 2021 and facilitate 24,100 jobs and 28,500 homes through our proposed transport schemes. To unlock this growth potential, local authorities and the private sector will invest £206.3m. We are requesting £122.2m of LGF to match this investment.

4.75

The table below illustrates the transport components of our growth programme in the Haven Gateway Growth Corridor.

Table 4.10: Haven Gateway Growth Corridor Transport Investment

Scheme	Start Date	End Date	Full cost (£m)	LGF funding requirement	Match funding	Total Jobs enabled	Total Homes enabled
Colchester northern access corridor; North Colchester Park and Ride and bus priority measures	2015	2015	7.50	5.90	1.60	1168	3443
Colchester northern access corridor; North Colchester Rapid Transit Busway	2019	2020	5.00	2.00	3.00	1168	3443
Colchester Integrated Transport Package: Town Centre traffic and access strategy	2015	2017	5.00	5.00	0.00	1942	3000
A133 pinch point package, Colchester	2018	2020	20.00	15.00	5.00	2148	1368
A133 Colchester to Clacton Route Based Strategy: A133 Bridges	2018	2019	6.00	3.00	3.00	1293	1368
Colchester LSTF Programme	2015	2019	2.00	2.00	0.00	1293	1368
Colchester Integrated Transport Package	2015	2017	12.00	5.00	7.00	1293	1368
B1022 Colchester to Maldon Route Based Strategy: Highway asset renewal, traffic management, congestion relief, cycling, safety & public transport measures	2017	2020	4.00	2.00	2.00	437.00	0
Colchester Stanway Pinch Point package: A12 access slips & improved access around Stanway (B1022 - Heckfordbridge)	2017/18	2019/20	12.00	10.00	2.00	437	1800
A137 Colchester to Manningtree Route Based Strategy: Highway asset renewal, traffic management, congestion relief, cycling, safety & public transport measures	2017	2020	8.00	3.00	5.00	754	665

Scheme	Start Date	End Date	Full cost (£m)	LGF funding requirement	Match funding	Total Jobs enabled	Total Homes enabled
A1124 Colchester to Halsted Route Based Strategy: Highway asset renewal, traffic management, congestion relief, cycling, safety & public transport measures	2016	2019	4.00	2.00	2.00	754	665
A134, Colchester to Sudbury Route Based Strategy: Highway asset renewal, traffic management, congestion relief, cycling, safety & public transport measures	2017	2020	4.00	2.00	2.00	754	665
A133 Colchester to Clacton Route Based Strategy: Highway asset renewal, traffic management, congestion relief, cycling, safety & public transport measures	2016	2021	6.00	3.00	3.00	1098	2687
Clacton Integrated Transport Package: Integrated Transport Measures to aid accessibility by mix of modes	2015-21	2015-21	2.00	1.00	1.00	1098	2687
A131 Braintree to Sudbury Route Based Strategy. Highway asset renewal, traffic management, congestion relief, cycling, safety & public transport measures	2018	2020	4.00	2.00	2.00	3852	1005
A1011 Braintree to Haverhill Route Based Strategy	2019	2020	4.00	2.00	2.00	3852	402
A120 Braintree Pinch Point Package: Millennium Way Slips	2018	2020	13.00	9.00	4.00	702	402
Braintree Integrated Transport Package and Town Centre Improvements	2015-21	2015-21	12.00	5.00	7.00	50	204
Colchester Knowledge Gateway, University station halt			5.00	5.00	0.00	0	1998
Total			135.50	83.90	51.60	24,093	28,538

4.76

There are significant economic opportunities located within this corridor. Planned developments, such as **Pond Hall Farm** and Tendring Europak (Horseley Cross) together with growth opportunities afforded by Offshore Renewables at Harwich (and the major port development at Bathside Bay in the longer term) will help unlock further growth around the Haven Ports to 2021 and beyond. An **Energy Skills Centre** already established in Harwich will continue to play an important role in supporting the low carbon and renewables sector.

4.77

Colchester will accommodate significant future growth, with development planned for the town centre and the **Northern Gateway**. The Northern Gateway is a 40ha site which will be developed as a leisure/sporting hub with the potential to create 3,500 jobs and 300 homes. The project has already secured total investment of £22m and significant amounts of public land. With the additional investment sought from LGF, the Northern Gateway programme is expected to result in over £180m of private sector investment.

4.78

Colchester Town Centre has seen a programme of business stimulation, inward investment and physical improvements to position the Town Centre as a key business growth location and a digital / creative hub within the East of England and SE LEP. Public sector investment to date is approximately £28m; this includes a completed regional arts gallery. This has leveraged private sector investment to date of £77m in town centre developments and land purchases.

4.79

Enabling activities in Colchester include **River Walls Improvements and Colchester NGA Broadband for Business Parks** which will be crucial in unlocking the growth potential in the area. The development of a **STEM Training Centre** will help raise local skills to support priority sectors in Colchester.

4.80

Development of the **University of Essex Knowledge Gateway** will deliver a world class resource to support the use of data analytics and data science by a range of businesses creating high value jobs. The University has already invested £9m in infrastructure to

service the Knowledge Gateway in order to create developable plots and is investing a further £21m in a new building to house its business school. This will house the Centre for Enterprise and Growth (CREG). The University has recently secured £4m from the Economic and Social Research Council to further enhance its UK Data Archive as a national resource and is now bidding for a further £7m to add a new Centre for Local Government and Business Data. This will create a world-class asset to support the Big Data sector.

4.81

Braintree will be a location for several developments including: Braintree Town Centre Regeneration, Witham Enterprise Centre, Skyline 120, Panfield Lane Innovation and Enterprise Business Park. The new expanded Ignite Enterprise Centre will open in early 2015 and is forecast to deliver 30 new jobs per year, and business start-up advice to 300 clients annually. The development of a STEM Training Centre will help raise local skills to support priority sectors in Braintree.

4.82

The development of the A120, in particular dualling sections which are currently single carriageway, will dramatically improve connectivity and access along the corridor, unlocking growth and enabling both Harwich and Stansted to realise their economic potential.

4.83

As a result, in addition to the impact of work to support business and innovation across Essex, we will, by 2021, directly deliver over 14,700 new jobs and over 16,413 homes in the Haven Gateway Growth Corridor. We will also have unlocked the potential for a further 28,200 jobs and 22,700 homes through our enabling investment in infrastructure.

4.84

The proposals to designate Harwich as a Centre for Offshore Renewable Engineering (CORE) location and securing Assisted Area Status for Tendring will help to attract additional investment and further increase economic activity across the area. There will be significant additional growth beyond 2021 as a result. Combined with developments in the life sciences and healthcare sector, Tendring is working to establish the district as a genuinely innovative 'trailblazer' for the UK.

4.85

We have identified the following potential investment opportunities in the Haven Gateway Growth Corridor.

Table 4.11: Haven Gateway Growth Corridor SEFUND Investments

Scheme	Start Date	End Date	Full cost (£m)	LGF funding requirement	Match funding	Total jobs enabled	Total housing enabled
Harwich Offshore Renewables	2015/16	2015/16	3.50	2.25	1.25	300	0
Pond Hall Farm - new sub-station required			44.00	7.00	37	1002	255
Town Centre Improvements (Braintree Town Centre Regeneration)	2016	2018	20.00	5.00	15	30	505
Panfield Lane Innovation and Enterprise Business Park	2016 / 17	2022/23	42.00	2.00	40	1122	541
Witham Enterprise Centre (G)	2018/19	2018/19	2.50	1.50	1	240	0
Northern Gateway Employment Area	2016/17	2020/21	10.00	4.00	6	468	2203
Colchester Town Centre Growth Location	2015/16	2018/19	9.35	4.80	4.6	56	78
River Walls Improvements			10.00	6.00	4	306	126
Colchester NGA Broadband for Business Parks	2015/16	2015/16	0.50	0.15	0.35	258	0
Skyline 120 Phase 2 (L)	2016/17	2019/20	43.00	1.55	41.45	840	0
Knowledge Gateway - Innovation Centre	2015	2016	8.00	4.00	4	162	0
		Total	192.85	38.25	154.65	4,784	2,953

The A12/GEML
Mid-Essex Growth
Corridor

4.86

The Mid-Essex Growth corridor runs through the centre of Essex, linking London to the Haven ports and key urban centres of Brentwood, Chelmsford and Colchester via the A12 and the Greater Anglia mainline rail services. The corridor has strong links with the London labour market, supporting substantial commuter flows to and from the capital. These links will grow and strengthen as Crossrail is completed, when new services will stop at Brentwood and Shenfield, both of which will benefit from planned improvement works to facilitate these new services.

4.87

In the Mid-Essex Growth Corridor there is the potential to create 3,126 jobs and 1,446 new homes by 2021 and facilitate 16,200 jobs and 13,800 homes through our proposed transport schemes. To unlock this growth potential, local authorities will invest £100.8m. We are requesting £81.4m of LGF to match this investment.



4.88

The table below illustrates the transport components of our growth programme in the Mid-Essex Growth Corridor. Essex County Council is committed to providing an additional £2m per annum over the six years to transport projects. While this has been taken into account in our LGF ask, this has not yet been attributed to any individual projects at this stage.

Table 4.12: Mid-Essex Growth Corridor Transport Investments

Scheme	Start Date	End Date	Full cost (£m)	LGF funding requirement	Match funding	Total Jobs enabled	Total Homes enabled
Chelmsford City Integrated Transport Package: Chelmsford Station / station square / Mill Yard	2013	2017	7.50	3.00	4.50	885	780
Chelmsford City Integrated Transport Package: Chelmsford Integrated Transport Package inc radial PT routes (inc Broomfield hospital) and LSTF	2015-21	2015-21	12.00	5.00	7.00	885	780
Chelmsford City Centre Pinch Point Package: Chelmsford Traffic and Access Strategy (Ring and Loop) (inc Army and Navy)	2018	2020	12.00	11.50	0.50	885	780
Chelmsford City Centre Pinch Point Package: access to Waterside (inc EGAR)	2018/19	2019/20	10.00	10.00	0.00	513	510
Chelmsford City Integrated Transport Package: Widford Park & Ride	2019	2021	7.00	7.00	0.00	390	416
Chelmsford Package; Beaulieu Park Station	2016	2021	34.00	12.00	22.00	4020	4002

Scheme	Start Date	End Date	Full cost (£m)	LGF funding requirement	Match funding	Total Jobs enabled	Total homes enabled
A131 Chelmsford to Braintree Route Based Strategy	2018	2020	8.00	4.00	4.00	1066	1000
A414 Maldon to Chelmsford RBS: Highway asset renewal, traffic management, congestion relief, cycling, safety & public transport measures	2016	2018	4.00	2.00	2.00	1066	1300
Maldon Pinch Point Programme: Haybridge Relief Rd	2016/17	2018/19	40.00	10.00	30.00	1066	2700
Crossrail Package: Shenfield station improvements	2018	2018	3.50	1.50	2.00	2700	0
Crossrail Package: Brentwood station improvements	2018	2018	2.00	2.00	0.00	2700	1800
		Total	140.00	68.00	72.00	16,176	13,768



The Harlow Group

Advance Manufacturing

Harlow Essex

The Harlow Group, based in Essex, is one of the UK's leading manufacturers of precision sheet metal components. The company is currently expanding its activities into the demanding aerospace and medical equipment sectors and is enjoying significant export growth. "We have built a reputation for quality and high precision," says Managing Director Bill Timpson.

The company's reputation has also enabled it to win work in the medical equipment market, a sector that is growing rapidly in the company's base in Harlow. "Our customers have a requirement for sheet metal components that are highly polished," says Bill Timpson. "We now have the capability and skill sets."

The Harlow Group benefits from the county's logistics infrastructure. The business is just a few minutes from the M11 with its links to the national motorway network, making it easy to distribute products throughout the UK. London Stansted Airport, just 15 minutes away, serves more than 200 cargo destinations worldwide, making it an important link in the company's global supply and distribution chain.



4.89

There are significant growth initiatives and new business developments within the City of Chelmsford, supported by city centre public realm improvements, **Chelmer Waterside**, an integrated transport package and a new railway station in North Chelmsford (Beaulieu Park). Flood prevention work will also play an important role in protecting existing and new developments (in particular Chelmer Waterside). Chelmsford is a major centre for higher education and secondary education and hosts the **Chelmsford Innovation Centre** (MedBIC), one of the Anglia Ruskin Med Tech campuses, supporting the growing life sciences and health care sector.

4.90

Brentwood and Maldon also make significant contributions to the Essex economy in a number of sectors, notably manufacturing and life sciences. Identified growth plans include the **Causeway regeneration programme** and significant new homes supported by improvements to key routes such as the **Heybridge Relief Road**. We are leading the development of an employer-led STEM & **Enterprise Skills Centre** in Maldon, which will provide training and apprenticeships in STEM sectors to develop a pipeline of diverse skilled labour to improve the productivity and sustainability of local firms and enable the expansion of advanced manufacturing.

4.91

In the Mid Essex Growth Corridor we will directly deliver over 10,300 new jobs and over 7,700 homes by 2021. We will also have unlocked the potential for a further jobs and homes through our enabling investment in infrastructure. The improved connectivity will also continue to unlock opportunities for development and future growth.

4.92

We have identified the following potential investment opportunities in the Mid-Essex Growth Corridor.

Table 4.13: Mid-Essex Growth Corridor SEFUND Investments

Scheme	Start Date	End Date	Full cost (£m)	LGF funding requirement	Match funding	Jobs enabled	Housing enabled
City Centre public realm	2015/16	2017/18	5.50	3.20	2.3	456	312
Chelmer Waterside	2017	2018	10.00	2.70	7.3	204	510
Flood Prevention	2016/17	2017/18	13.00	2.00	11	156	312
Causeway Regeneration Programme	2016/17	2020/21	1.08	0.08	1	114	0
ARU MedTech Campus site	2015/16	2016/17	8.00	3.00	5	1998	312
Parkside Phases 1A and 2, University of Essex, Knowledge Gateway	2015	2016	4.60	2.40	2.2	198	0
		Total	42.18	13.38	28.80	3,126	1,446

The London-Stansted -Cambridge Corridor (M11/WAML)



Visteon Engineering Services

Advance Electronics Chelmsford

Visteon Engineering Services (VES) is a leading, high-tech supplier of engineering, research and development services to the world's leading automotive manufacturers. VES is a subsidiary of the global automotive supplier, Visteon Corporation, which has facilities in 27 countries and employs approximately 30,000 people worldwide. "VES is proud of its roots in Essex and was originally part of the Ford Motor Company's UK operations. The company has three sites in the UK – Chelmsford and Dunton in Essex and Binley, Coventry - with some 360 people employed altogether. "We employ a diverse workforce of highly-qualified technical and business people," says Bob Swanston.

The company recently relocated to Chelmsford keeping VES in close proximity to customers, suppliers and business partners based in southeast Essex and mainland Europe. It also gives Visteon the opportunity to become part of the growing high-tech cluster in that part of the county. "Sophisticated electronics are an integral part of our product development programme," says Bob Swanston.



4.93

The west of Essex is part of the London-Stansted-Cambridge Corridor (LSCC), connecting London, Stansted and Cambridge, via the M11 and the West Anglia Main Line. The Corridor has enormous growth potential, building on the local strengths in life sciences and other high value sectors. In Stansted Airport, the LSCC has a key economic asset with significant potential to catalyse growth across the corridor and beyond.

4.94

In the LSCC Growth Corridor we can accommodate **1,050 jobs and 1,230 new homes by 2021 and facilitate 17,200 jobs and 19,100 homes through our proposed transport schemes.** To unlock this growth potential, local authorities and the private sector will invest £77.2m. We are requesting £86.7m of LGF to match this investment.

4.95

In support of the economic growth of this corridor, the momentum provided by the London-Stansted-Cambridge Consortium - of which the South East LEP is a member - is proving considerable.

4.96

The table below illustrates the transport components of our growth programme in the LSCC Growth Corridor.

Table 4.14: LSCC Growth Corridor Transport Investments

Scheme	Start Date	End Date	Full cost (£m)	LGF funding requirement	Match funding	Total jobs enabled	Total homes enabled
M11 J7a Pinch Point Package: M11 J7a Harlow	2014	2021	47.00	30.00	17.00	4293	6807
M11 J7a Pinch Point Package: M11 corridor junction 7 (A414 Harlow)	2017/18	2018/19	10.00	1.00	9.00	2295	2805
M11 J8 Pinch Point Package	2017	2018	1.00	1.00	0.00	2295	2805
A414 Harlow to Chelmsford RBS: Highway asset renewal, traffic management, congestion relief, cycling, safety & public transport measures	2017	2019	8.00	4.00	4.00	1440	525
A414 Pinch Point Package: Eastwick & Fifth Ave dualling & junc improvements	2015	2015	20.00	5.00	15.00	1440	525
A414 Pinch Point Package: A414 First Avenue & Cambridge Rd junction	2015	2015	5.00	5.00	0.00	1440	525
A414 Pinch Point Package: Edinburgh Way & East Road junc & approach improvements	2015	2015	5.90	5.90	0.00	1440	525
Harlow Integrated Transport Package: Integrated Transport Measures to aid accessibility by mix of modes	2015-21	2015-21	12.00	5.00	7.00	825	900



Scheme	Start Date	End Date	Full cost (£m)	LGF funding requirement	Match funding	Jobs enabled	Housing enabled
Harlow Town Centre Pinch Point Package: A1025 2nd Avenue / Velizy Avenue Junction Improvement	2017	2018	5.00	5.00	0.00	825	900
A104 and B1393 Loughton to Epping route based strategy	2017	2020	8.00	4.00	4.00	499	1500
Saffron Walden Integrated Transport Package	2015-21	2015-21	2.00	1.00	1.00	450	1250
		Total	123.90	66.90	57.00	17,242	19,067

4.97 Within the LSCC the majority of growth will be focused within Harlow, with the **Harlow Enterprise Zone** (the Zone) providing opportunities to attract and grow life sciences companies, as well as advanced manufacturing and ICT. The EZ can deliver over 5,000 jobs and could leverage in excess of £150m of private sector investment to West Essex through the development of more than 130,000 sq. metres of floor space, over 51 hectares of employment land. The EZ will also be the home of one of Anglia Ruskin University's new MedTech campuses campuses and also be supported by the University Technology College, focussing on science, engineering and computing to support medical technologies and smart environments.

4.98 At present, the site is limited to 5,000 jobs due to lack of adequate supporting infrastructure. However, if junction 7a of the M11 is built, then the site could accommodate more than 5,000 jobs. We are currently undertaking a range of actions to bring the Zone forward, including working with landowners, progressing a number of funding bids, and delivering our own public consultation and feasibility studies in order to evidence the need for the new M11 junction 7a.

4.99 The advanced manufacturing sector in Harlow will be supported by development of the Harlow **Manufacturing and Engineering Centre**. The Centre aims to provide state of the art facilities and equipment to deliver continuous learning in support of local businesses in this sector and will place employers in the driving seat through the establishment of a Group Training Association. We are also supporting a package of development at **Templefields**. At **North Weald** we are working to develop an avionics hub for the south of England.

4.100 Infrastructure development is essential to enabling these developments. In particular, the development of **M11 Junction 7a** is vital if the EZ is to reach its full capacity and to ensure that the economic potential of Harlow and the wider LSCC is achieved.

4.101 With this investment, there is capacity to directly deliver over 8,100 new jobs and over 9,000 homes in the LSCC to 2021. We will also unlock the potential for further jobs and homes through our enabling investment in infrastructure. Future plans are being consulted on that would see these numbers increase further in future years.

4.102 A specific ask of government for LSCC is that local partners would like to see a joint project involving Highways Agency, Network Rail, local authorities, Manchester Airports Group and other stakeholders, convened to determine the right package of infrastructure improvements required to support Stansted's development.

4.103 Of importance also to the LSCC is its proximity to London. This has many consequences as well as opportunities. One such opportunity relates to the quantity of land across the corridor (and indeed the rest of Essex) given over to food production and processing, in no small part directly supplying London. To keep pace with innovations in food production and agri-tech, significant public and private investment will be needed in the sector. Within this corridor,

the Lea Valley provides, without subsidy, a significant proportion of the market garden produce of the capital and the UK. Growing methods are changing and in order to keep pace with these technological innovations, a National Institute for Food Security is proposed for the Lea Valley, unifying academic and research institutions across London and the South East and involving the London LEP (as well as the Mayor of London) and the Hertfordshire LEP. The emergence of a centre of excellence in this area will provide jobs, investment opportunities, improved infrastructure as well as research centres for the existing land based colleges; Writtle, Rothamsted, Hadlow and Plumpton, as well as universities with an interest in food security. For this reason we will be progressing plans through the LEADER and ERDF programmes to develop NIFS as a national centre of excellence.



4.104

We have identified the following potential investment opportunities in the LSCC Growth Corridor.

Table 4.15: LSCC Growth Corridor SEFUND Investments

Scheme	Start Date	End Date	Full cost (£m)	LGF funding requirement	Match funding	Total jobs enabled	Total housing enabled
Harlow EZ London Road Enabling and Delivery	2015/16	2020/21	20.95	9.75	11.2	264	210
Templefields Development Package & Civic Amenity	2015/16	2017/18	8.00	4.00	4	264	210
North Wield Airfield	2015/16	2019/20	9.00	5.00	4	198	600
Medtech Campus - Harlow	2015/16	2020/21	2.00	1.00	1	324	210
		Total	39.95	19.75	20.20	1,050	1,230

Productivity

4.105

If the South East economy is to sustain growth, then our businesses will need to compete with firms from across the globe. Partners in Essex are committed to ensuring that businesses have access to the right support, particularly for firms in our priority sectors that have the greatest potential for growth in the future.

4.106

At present, different providers of support to business work on a localised basis. This generates some highly effective local outcomes, but does not benefit from the scale which a wider strategic approach can bring. Going forward, partners across Essex – including the County Council, the University of Essex and Anglia Ruskin University – propose to integrate their business support arrangements, thus providing a joined-up and coherent pathway to business support to recognise the growth of emerging markets and global trends and respond to changing demand.

4.107

Support provision will respect and complement existing private sector provision. Essex partners propose to work with business membership groups, such as Essex Chamber of Commerce, and the large network of private firms already providing professional expertise and advice to companies.

4.108

Essex partners' work to support enterprises, promote competitiveness and attract inward investment will cover four clear themes. These are:

- **Supporting Start-Ups:** supporting business start-ups and innovative spin-offs to be successful and to position themselves for growth;
- **Innovation:** creating an innovation intensive environment within Essex which is conducive to the creation and exploitation of new ideas and helping to build capacity within local firms to access, generate and commercialise new innovations;
- **Internationalisation:** helping firms to create better links internationally, whether this be through exporting, importing, or partnering with firms / institutions in other countries to facilitate economic growth in Essex; and

- **Inward Investment:** assisting firms to invest and locate their business activity in Essex, and promoting Essex to businesses in the rest of the UK and abroad as a great place to do business.

4.109

To address these priorities, Essex will work to bring forward investment in facilities that will support innovation, business growth and company creation. Through the proposed Growth Deal, Essex partners are looking to co-invest with government in Business Centres that offer provision such as business networks; mentoring support; access to expertise and facilities; and signposting to other specialist support. Special attention will be given to facilities which support our priority growth sectors.

4.110

The **Anglia Ruskin Med Tech Campus** aims to provide one of the world's largest health innovation spaces and drive business growth in the UK MedTech and Life Sciences sector. It will help to establish Essex and the UK as a global centre in this sector and will secure local and national economic growth.

4.111

The ARU Med Tech Campus will be split over three sites: in Chelmsford, Harlow, and Southend. We have already achieved significant progress and have a clear programme in place to scale up and consolidate our business services operation, our innovation support programme and the associated knowledge transfer networks.

4.112

The **University of Essex Knowledge Gateway** in Colchester will develop internationally significant assets in the field of Big Data.

4.113

We are supportive of the **Growth Hub in Southend**. We will support further growth hubs in other locations where there is clear local demand and a demonstrable business case.

4.114

With this programme of support, we can create and enable 41,700 new jobs in Essex by 2021. We are also requesting £5m in LGF to support revenue funding. This will enable us to undertake our radical proposals to jointly deliver services through a close partnership of local authorities and local universities working together.

4.115

We further request support from Government to enable us to provide integrated business support services to businesses in Essex. This will mean exploring the local integration of nationally sponsored business support provision (e.g. Growth Accelerator, MAS, UKTI), whether as part of an overarching SE LEP brand or as an extension of developing Growth Hub models, such as Southend's pilot work.

Skills

4.116

As detailed in this chapter, Essex has a significant amount of opportunity for economic and employment growth - large offshore developments off our north coast, advanced medical technologies in the mid and west, a rapidly growing care industry, a thriving creative sector and opportunity for advancements in IT and Big Data.

4.117

Accordingly, tackling Essex's skills challenge requires more than the commissioning of new skills programmes, it needs structural change of the local skills system. We currently face the following problems:

- Too few apprenticeships and vocational training opportunities are in STEM-related sectors;
- Many of our employers find it difficult to recruit, train and retain young people; and
- Low levels of literacy, numeracy and employability undermine residents' chances of sustainable employment and undermine the productivity across the local economy.

4.118

Our goal is to develop a workforce and a network of education and skills provision that is responsive to the needs of local business. This will ensure that local businesses, particularly those in STEM-related sectors, can access the skills they need to grow and that our residents can fulfil their ambitions.

4.119

- Essex has a distinguished record of achievement to date:
- significantly boosting apprenticeships in key sectors through the Essex Apprenticeships programme – 2,600 new opportunities since 2010

- establishing the highly regarded employer-led Essex Employment and Skills Board (ESB) - www.esb.essexpartnership.org - to provide a strategic forum for employers to prioritise and affect change in the system to meet changing labour market needs
- developing a multi-sectoral Skills Demand Evidence Base and the concept of the pan-LEP Supporting Workforce Skills employer portal,
- piloting a STEM in Schools programme that brings employers, schools and young people together to stimulate interest in STEM careers through real experience
- reducing 16-19 NEETs from 6.9% in March 2010 to 4.7% as at February 2014

4.120

We want to sustain and build on this success. Much of our activity to date has been in response to a mismatch between the availability of skills provision and the needs of growth sectors, and the need to create pipelines through a clear vocational pathway to employment and higher education. Essex's key sector foci include: advanced manufacturing, ports and logistics, energy generation including offshore wind and renewables, creative digital technology and the care economy – a significant amount of which depend on STEM-related technical skill sets.

4.121

Our transformational skills programme places Essex in a fabulous position to exploit opportunities. In order to go further the Essex ESB is leading the way with overarching priorities, to:

- create a balanced approach to training provision to better ensure the needs of employers and young people are met; particularly focusing on increasing the talent pool for and within STEM-related sectors
- increase the proportion of residents who hold basic literacy and numeracy qualifications and have acquired employability skills
- increase participation of young people aged 16-24 in work, education and training through enhancing employability and basic skills, raising awareness of careers in key sectors, and stimulating apprenticeships and other employer supported vocational pathways.

4.122

The Essex ESB have set a number of priorities for action that will help achieve these including a package of work and support with secondary schools; sector tutor CPD for STEM subjects; expansion of the STEM in Schools programme and financial support for SMEs to train young recruits to boost youth employment and ensure greater productivity.

4.123

In partnership with SE LEP, Essex ESB will continue to push the boundaries of what can be delivered in the employment and skills system to ensure provision better reflects needs in the economy.

4.124

Working closely with the provider network, the ESB, through the LEP, would wish to **influence the use of mainstream skills funding** (through the Adult Skills Budget) to try and address, particularly technical, skill shortages in the area. In response, Essex Adult Community Learning will place **increased focus and revenue on addressing the literacy and numeracy challenge** and enhancing the employability of, particularly our unemployed, residents.

4.125

The college estate in Essex needs significant investment; we have two colleges where over 50% of the estates is in category C/D and one just below. Essex would want to secure sufficient capital investment to ensure our skills infrastructure can deliver provision that meets the needs of employers and learners. Essex has and will continue to use its robust skills evidence base to work with all providers to determine the gaps in our infrastructure but, through competition, would seek investment into:

- Bio-Technology, Forensics and Medical, Environmental Science and Technologies, linked to the development of the new Thames Enterprise Park in south Essex
- An Advanced Manufacturing centre to support west Essex, linked with the Harlow Enterprise Zone
- STEM facilities in mid Essex, supporting engineering, manufacturing, creative and capitalising on innovation and entrepreneurial skills
- Science and technology in north Essex
- Construction, ICT and tourism in West Essex
- Specialist equipment to enable providers to deliver against our skills priorities (working to secure significant private sector match).

4.126

We request a minimum figure of £13.8m of LGF to deliver our skills capital requirements

4.127

To support its priorities and to add real value and additionally to the successful work already being delivered, Essex has clear priorities and project ambitions for European Social Funding. The Essex ESB will work with local partners, through the LEP, to commission EU funded activity, matched pound for pound by a combination of national opt ins, local private, public and third sector contributions. This will deliver the following:

4.128

We will invest in improving **Employer-led Infrastructure** to provide clearer engagement routes for employers to ensure a better match between supply and demand for skills and recruitment. We will work through the pan-LEP Supporting Workforce Skills portal to assist employers with training solutions and funding. We will also support priority sector



Wilkin & Sons

Tiptree

Food manufacturers Tiptree Wilkin and Sons, based at Tiptree in Essex, is famous throughout the world for its range of high-quality jams and marmalades, which are exported to more than 65 countries. The company has annual sales of around £20 million and has seen revenue rising annually for more than ten years, with the growth trend continuing despite the global economic recession. "The Tiptree name is now a global brand with a long history of success," says Ian Thurgood, Joint Managing Director. "The Wilkin family has been farming in Tiptree since 1711 and has produced jam since 1885."

The company holds royal warrants for preserves and marmalades and Tiptree products are endorsed by celebrity chefs like Delia Smith. They are used in top hotels and restaurants around the world. Although globally successful, Wilkin and Sons remains a family firm with traditional production methods. "We have made some major investments to maintain quality while keeping pace with demand," says Ian Thurgood. "But all our products will continue to be based on quality fruit grown locally in Essex." A worldwide business like Wilkin & Sons recognises the value of the logistics infrastructure in Essex. Ian Thurgood says, "Proximity to London is also important."

Guilds, bringing together employers and providers to support skills development.

- We will deliver **enhanced Information, Advice and Guidance (IAG) provision** to help young people and adults make informed training, qualification and career choices through local industry-led engagement programmes e.g. STEM Industry-schools project.
- We will work to **increase the number of apprenticeships & other vocational provision** by stimulating demand from employers through financial incentives to increase the number of apprenticeships at all levels in key growth sectors to meet skills shortages.
- We will improve **employer-led Skills Brokerage** to simplify recruitment and skills development at all levels for SMEs (e.g. GTA, Guilds, etc) promoting work placements, apprenticeships, graduate level internships – to increase the supply of skills to priority sectors.
- We will support the **up-skilling of the Essex workforce** through bespoke employer-led higher level skills training for employers, including leadership and management skills training. This aims to improve employer competitiveness and productivity, enables individuals to progress in work, thereby potentially increasing new employment opportunities. We will also support retraining for adults wishing to acquire skills for key growth sectors.
- We will run a series of activities aimed at **increasing inclusion, smoothing transitions to work, and reducing youth unemployment**. Support will include work experience, interventions for 15-19 year olds to reduce early entrants into the benefits system, on-going support for employers and job entrants and soft skills support packages to promote participation, access and retention.

4.129

We envisage benefiting from **£27m** of EU funding to deliver these ambitions and matching this 1:1 with a combination of national opt ins, local private, public and third sector contributions (this does not include CLLD).

Table 4.16: Essex Skills Capital Requirements

Scheme	Start Date	End Date	Full cost (£m)	LGF funding requirement	Match funding
Bio and environmental tech centre, Basildon	2015/16	2015/16	32.00	6.00	26
STEM at Braintree College	2015/16	2015/16	5.50	3.75	1.75
Harlow Manufacturing & Engineering Centre	2015/16	2016/17	6.00	3.00	3
STEM & Enterprise Training Centre, Maldon	2015/16	2015/16	1.45	1.05	0.4
		Total	44.95	13.80	31.15

Housing

4.130

As a leading pilot area in the government's One Public Estates pilot scheme, Essex authorities are actively identifying public land in their ownership to support the delivery of housing. Central to Essex's pilot work has been the design and use of the Essex Property Asset Map (EPAM). EPAM allows partners for the first time to view the majority of public property holdings in any area in Essex, allowing them to identify rationalisation opportunities and release land to housing. This identification of land is feeding into a related project being taken forward through the Whole Essex Community Budget Programme, that has seen local authorities working with housing associations, the probation service, Essex Police and Fire and Rescue services, HCA, and the government's Property Unit to identify land together for release to housing delivery. It will also provide the basis for Essex's contribution to SE LEP's 2015 in 2015 programme.

4.131

One ask of government is that local partners are keen to influence the development of regulatory frameworks with a view to shaping the behaviours of utilities companies, and more effectively facilitating the delivery of new housing and commercial space.

Coastal Communities

4.132

There are significant economic opportunities across a range of sectors located within Essex's coastal communities. However, the coastal towns, particularly in the Haven Gateway corridor, also face a number of socio-economic challenges, with deprivation levels above the national average, low levels

of economic activity and comparatively low proportions of employment in higher skilled occupations.

4.133

The east coast of Essex offers particular opportunities in relation to offshore renewables and the supply chain servicing this sector, so this is where we feel we can deliver maximum economic benefits for our coastal communities. Harwich is one of the UK's largest port complexes in the offshore renewables industry, made up of Harwich International Port (HIP) and Harwich Navyard. HIP is one of the UK's leading multi-purpose freight and passenger ports and is already at the leading edge of servicing offshore wind farm delivery. Within the same growth corridor, Brightlingsea is a minor port south of Harwich providing a well-established maintenance and operations service to the Gunfleet Sands wind farm. In addition to offshore wind and renewables, the ports also provide considerable opportunities in manufacturing, transport and logistics.

4.134

Planned developments at Pond Hall Farm and Harwich Offshore Renewables will help to unlock further growth around the ports for 2021 and beyond. Looking to the future, expansion at Bathside Bay (adjacent to HIP) could offer additional land, which would build on the experience and capacity the port already has to offer. This would maximise the port's opportunities in relation to its geographical location and would allow the port to compete for installation, service and assembly contracts in relation to the Round 3 wind farms.

4.135

There will be significant investment into the growing offshore renewables industry over the coming years and Harwich is uniquely positioned to support this sector. In order to realise these opportunities, Essex partners are seeking government support for our proposals to designate Harwich as a Centre for Offshore Renewable Engineering (CORE) location and securing Assisted Area Status for Tendring. This will help to attract additional investment and increase economic activity across the area.

Delivery

4.136

A summary of the Essex Growth Deal by theme is provided in the table below.

Table 4.17: Essex Investment and Outputs

Essex	Full cost (£m)	LGF funding requirement	Match Funding	Jobs enabled	Housing enabled
Transport	399.40	206.80	192.60	57,511	61,373
SEFUND	274.98	71.38	203.65	8,960	6,699
Productivity	5.00	5.00	0.00	41,696	0
Skills	44.95	13.80	31.15	2,163	525
Total	724.33	296.98	427.40	110,330	68,282

*Note: the sum of LGF funding requirements and match funding differs by, respectively, minus £12m and plus £12m due to local contribution to project costs.

4.137

Through the projects proposed, we can deliver a total of 110,300 jobs and 67,200 homes. We are investing £427.4m of local authority money, and requesting £296.3m in LGF to match this.

4.138

Our shared ambitions for growth are fully reflected in our commitment to delivery and the governance arrangements that underpin it. We will build on our existing robust sub-regional partnership base (Haven Gateway Partnership, West Essex Alliance, Heart of Essex and Thames Gateway South Essex) to advance investments into our economic growth corridors. We will work closely with public and private sector partners throughout Essex to ensure complementarity of investment and the maximisation of private sector leverage.

4.139

Essex County Council, working closely with local partners, will act as the primary commissioning body for the funding devolved to Essex by the South East LEP. Essex County Council will, as a voting member of the Thames Gateway South Essex Partnership (TGSEP), also work closely with partners in TGSE, ensuring alignment wherever possible.

4.140

Ensuring close alignment to the requirements of Essex businesses, the **Greater Essex Business Board** (GEBB) has become established and will perform the following function:

- Coordination of the responses of Essex, Southend and Thurrock businesses to SE LEP's proposals and initiatives;
- Development of proposals for economic growth and the advancement of business interests for submission to SE LEP;
- Advocate and promote the interests of the area by working with local authorities; and
- Work collaboratively to advance the collective interests of Essex, Southend and Thurrock.

4.141

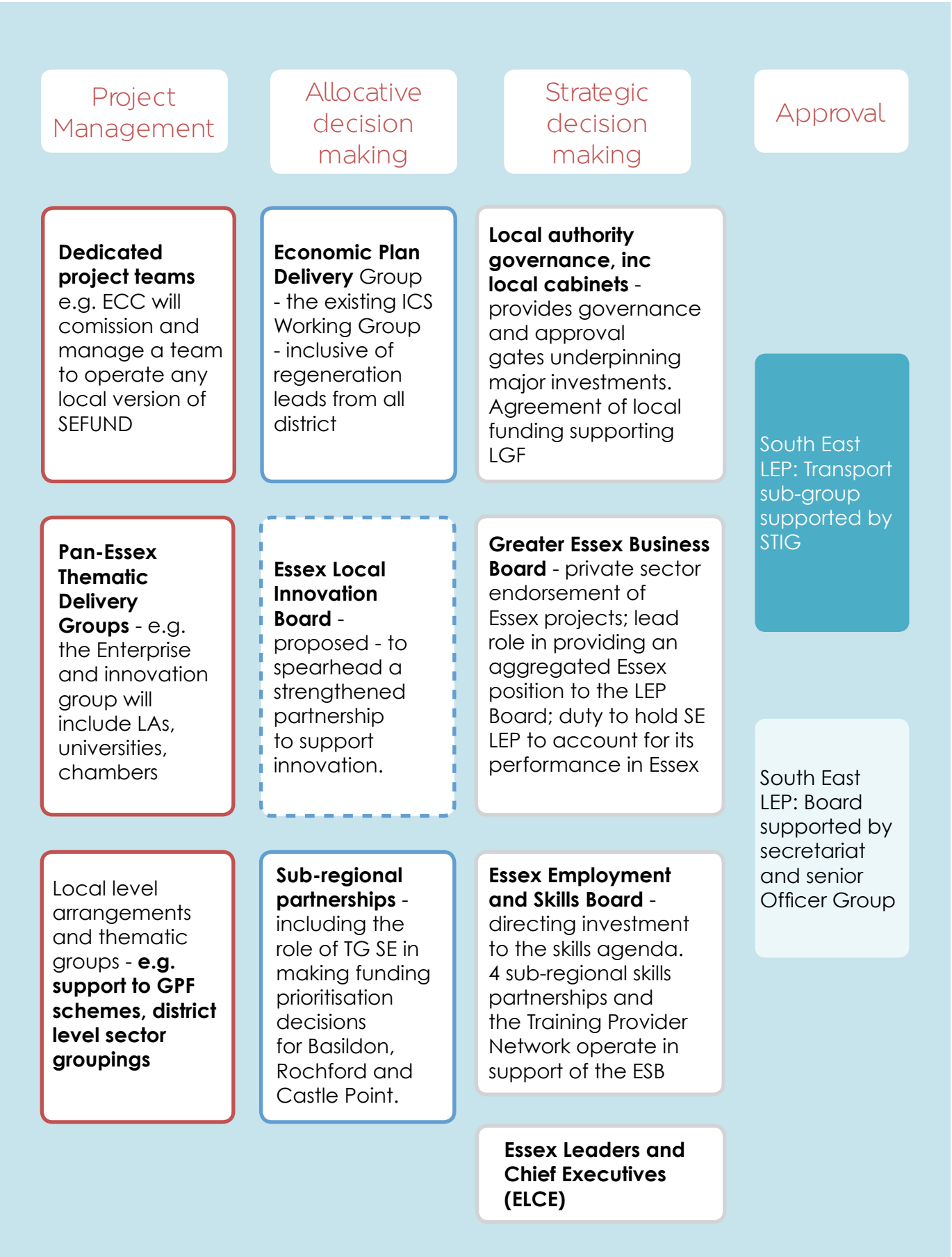
GEBB's primary role in the governance structure is one of project co-design and to ensure private sector endorsement for those decisions which are taken by local authorities for the advancement of projects underpinning growth. The Board is fully representative of the four sub-regions of Essex, of the universities and of the three main business membership organisations.

4.142

It is with this strength that it meets at least quarterly in advance of each SE LEP board meeting to form a robust Essex business view on the agenda. This arrangement is complemented by a meeting of the five GEBB representatives on the SE LEP board with the five Essex, Southend and Thurrock local authority representatives, scheduled to take place ahead of each LEP meeting. This public-private partnership meeting will provide important challenge where necessary to ensure that Greater Essex presents the strongest possible complement of investment opportunities to the LEP.

4.143

It is our expectation that Essex County Council, capitalising on its role as Accountable Body for the whole of SE LEP, will be the administrator of devolved funding from SE LEP. The governance arrangements depicted as building blocks below are simplified for the sake of confidence and clarity. While it is clear that lower-level geography specific or sector specific boards or groupings are in place to advance the agenda, what is illustrated here are the arrangements which have a clear line of sight to the South East LEP. Most are well established, though some arrangements are in their infancy. New or proposed Boards, such as the Local Innovation Board, are illustrated with a dotted line.



4.144
Decision-making requirements will generally fall into three categories, as below.

Strategic
Key group: ECEA & Leaders; Greater Essex Business Board; ECC Cabinet (for transport investment)
All local authorities will use existing partnership arrangements to ensure that the right decisions are taken by its Cabinet. For example, in the case of transport, Highways Panels and local delivery partnerships will all be involved in the decision-making process which will ultimately be the role of Essex County Council.
Allocative
Key group: Economic Plan Delivery Group (supported by businesses and HE/FE reps)
Projects which come forward for funding for consideration at either the Economic Plan Delivery Group or ECEA will all be independently and consistently appraised according to the value for money and appraisal guidance issued by the LEP. This will allow for fair comparative judgements at the requisite forum. A key task in the immediate term will be identifying the appropriate forum if partners consider that it does not exist already.
Project management
Key group: Individual project sponsors
Each Delivery Plan will stipulate the stakeholders involved in the delivery of projects and it will be expected that cross-organisational groupings will convene (potentially commissioned by Essex County Council) to advance projects. Oversight should be provided by the Economic Plan Delivery Group (current ICS working group).

4.146
It will be important to ensure that projects are advanced and approvals are achieved through individual governance arrangements within, for example, universities; district, borough and city councils; and other funding partners. This will include district-level business groupings and local level working groups which support our focus on growth corridors.

4.147
We will develop a delivery plan or plans to support our objectives and ensure that LGF and European funding is able to unlock growth as planned. Interventions will be clear, focused and integrated and will engage wider stakeholders in their delivery. We aim to have a final version of our delivery plan(s) in place by November 2014.

4.148
To support delivery of investment, we are allocating £1m to create a major infrastructure delivery unit to bring together capacity across a range of public services, underpinned by a single infrastructure plan for Essex. This will be supported by developing an Essex Planning Compact – a series of collective commitments to deliver planning decisions faster and to offer other customer-focussed support to large planning applications. An Essex Property Partnership Board will work with the delivery unit to support the use of local authorities' assets to incentivise investment on a project-by-project basis. The Property Partnership Board will prepare a prospectus for all major development opportunities in Essex.

4.149
To support the work of our major infrastructure delivery unit, local partners require streamlined routes to engage with the range of government departments and agencies that invest in, or determine, infrastructure priorities in Essex (i.e. DfT, Highways Agency, DCLG, HCA, DECC, Environment Agency). **We therefore request that government support us to achieve better engagement with core departments and agencies.**



4.150

*Kent and Medway's Growth Deal is set out in full in **Unlocking the Potential: Going for Growth**, our six-year growth strategy consistent with the Strategic Economic Plan.*

4.151

*This chapter summarises **Unlocking the Potential** and sets out our Growth Deal proposals.*

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1. Summary: The Kent and Medway Growth Deal
2. Introduction: Opportunities, challenges, solutions
3. The Growth Deal: Places for Growth
4. The Growth Deal: Infrastructure for Growth
5. The Growth Deal: Sectors for Growth
6. The Growth Deal: Skills for Growth
7. Making it happen: Delivering the Growth Deal

Summary:

The Kent and Medway Growth Deal

4.152 Through the Kent and Medway Growth Deal as part of the Strategic Economic Plan, the public and private sectors intend to invest over £80 million each year for the next six years to unlock our potential through:

- Substantially increasing the delivery of housing and commercial developments;
- Delivering transport and broadband infrastructure to unlock growth;
- Backing business expansion through better access to finance and support; and
- Delivering the skills that the local economy needs.

4.153 Alongside our investment proposals, our deal for growth sets out the actions that businesses and local authorities in Kent and Medway, together with the South East LEP and central Government will take to drive forward delivery. Together, we will deliver:

Housing growth: We will deliver 49,000 homes over the next six years – meeting the needs of our growing population and economy.

Private sector employment: We will help to create 60,000 new jobs by unlocking housing and commercial development sites and creating sector growth through better access to finance.

Increased economic value: We will increase Kent and Medway’s levels of productivity and innovation, leading to an additional 11,000 knowledge economy jobs over six years.

4.154 We will achieve this through a capital investment programme focused on:

- the **key transport projects** which will unlock our priority sites;
- the **recyclable South East-wide SEFUND investment fund**, which will invite bids from housebuilders and developers to bring forward new housing and commercial and energy infrastructure schemes;
- **Investment in our skills infrastructure** linked with the needs of our key economic sectors; and
- **Direct access to business finance and support** to back businesses in key sectors with the appetite and capacity for growth.

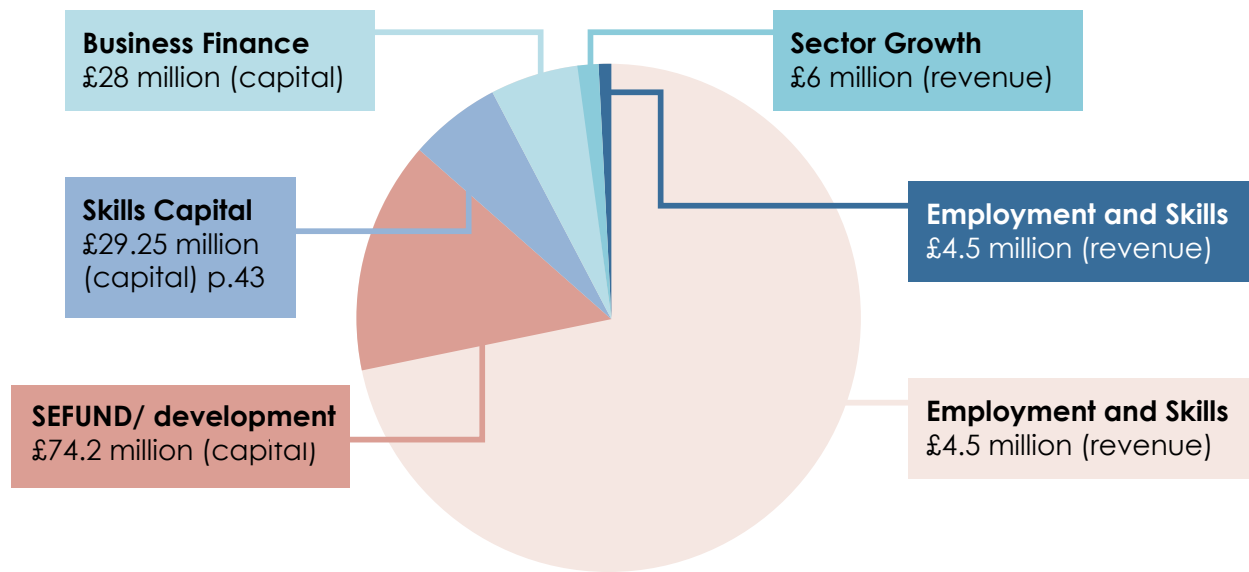
4.155 The Growth Deal sets out our case for Local Growth Fund investment in Kent and Medway as part of an intelligent funding package, alongside the new European structural fund programme, existing Regional Growth Funds, developer contributions and local authority funds.

4.156 Alongside SEFUND, **Kent County Council will provide matching funding of at least £10 million per year** to accelerate the delivery of housing and commercial developments – investing in those that are close to the tipping point of viability as well as supporting the delivery of those that are further away from the market. **We will match our transport programme 1:1** in public and private investment. **We will ensure at least 50% upfront private sector match funding on all finance directed to business.** And we will back our capital programme with new revenue investment in sector-focused careers guidance, business support and job matching. In total, our proposals for the Local Growth Fund will secure over £2.25 billion in public and private leverage.

Proposed investment

4.157 Over the next six years, we seek to secure £501 million through the Local Growth Fund, matched with other sources:

Loal Growth Fund: Six-year programme



Headline investment breakdown

Programme	Total value (£m)	Local Growth Fund contribution (£m)		Jobs and homes unlocked (all years)	
		2015-21	2015/16	Jobs	Homes
Transport Investment 6-year prioritised investment in key transport schemes to unlock commercial and housing growth and ensure the resilience of our transport network.	701.5	359.6	67.8	140,500	114,584
SEFUND/ Land and Development New recyclable fund for commercial and residential development through independently-managed loan, equity and grant support.	1,871.0	74.2	23.0	15,720	13,800
Skills Capital 6-year programme of investment in premises and equipment for further and vocational education – focused on growth and key business sectors	79.0	29.3	10.25	-	-
Business Finance Direct finance for businesses with the appetite and capacity for growth, focused on promoting innovation within our key business sectors.	80.0	28.0	8.0	8,250	-
Sector Growth A coordinated approach to helping businesses grow across Kent and Medway – linking local and national support.	9.0	6.0	1.0	1,000	-
Employment and Skills All-age careers sector-focused guidance, jobs matching and brokerage.	8.0	4.5	0.75	-	-
Total	2,576.5	501.5	110.8	165,390	128,380

Asks and offers

4.158

This Growth Deal is about an agreement with Government. Linked with our six-year investment plan, Kent and Medway Economic Partnership makes **ten commitments** and asks:

- 1 Across Kent and Medway, we will invest **£60 million in direct local authority contributions** to our proposed six-year transport programme, alongside a further £350 million in private and other contributions to match proposed Local Growth Fund investment.
- 2 As part of this, in 2014/15, we will **start delivery of transport schemes worth a combined £72 million** and which will seek Local Growth Fund support in 2015/16.
- 3 We will prioritise an element of Local Growth Fund investment in **national Highways Agency schemes**, to unlock growth on the A2-M2 Corridor, where this is accompanied by a firm Highways Agency commitment to bring forward early delivery. In exchange, we ask for **greater flexibility** in HA policy to allow us to deliver a new M2 junction unlocking significant high-value employment, and to devolve delivery where local partners can deliver cheaper and quicker.
- 4 In addition, we will invest **at least £10 million per year for six years** in local authority capital in specific projects in Kent and Medway alongside proposed SEFUND investments – unlocking new development as well as making a return to the taxpayer.
- 5 We will match our proposals for **housing market renewal in coastal Kent with £20 million future local authority investment** to bring empty and poor quality homes back into family use. We ask for **greater powers to crack down on rogue landlords** and reduce the flow of vulnerable families into areas with concentrated deprivation.
- 6 Building on our existing commitment to underwrite £40 million in infrastructure investment at Eastern Quarry and our flexibility in renegotiating developer contributions, we fully **back the Government's proposals for Ebbsfleet Garden City, including the creation of an Urban Development Corporation**. We will work with Government to create an effective, 21st century UDC for Ebbsfleet.
- 7 We will promote a further Garden City at Chilmington as part of the growth of **Ashford** and we ask Government to work with us and Natural England to unblock the stalled development of the major new community at **Lodge Hill**.
- 8 We will focus new further education on our priority growth areas – with **Ashford International College** shovel-ready for 2015 and partly match funded by Ashford Borough Council.
- 9 For all our proposed access to finance, business support and employment and skills proposals, we will **fund 100% of development, start-up and management costs from local resources in 2014/15** – so that we hit the ground running and start delivery no later than 1 April 2015.
- 10 As part of our agreement to manage Local Growth Fund capital investments in transport and development, we will ensure that **no funds are allocated without clear commitments from private sector developers to accelerate build-out**. In exchange, we ask for **freedom to determine scheme prioritisation and programme management** so that we can respond to the market and to those developers with the appetite and capacity to accelerate delivery.

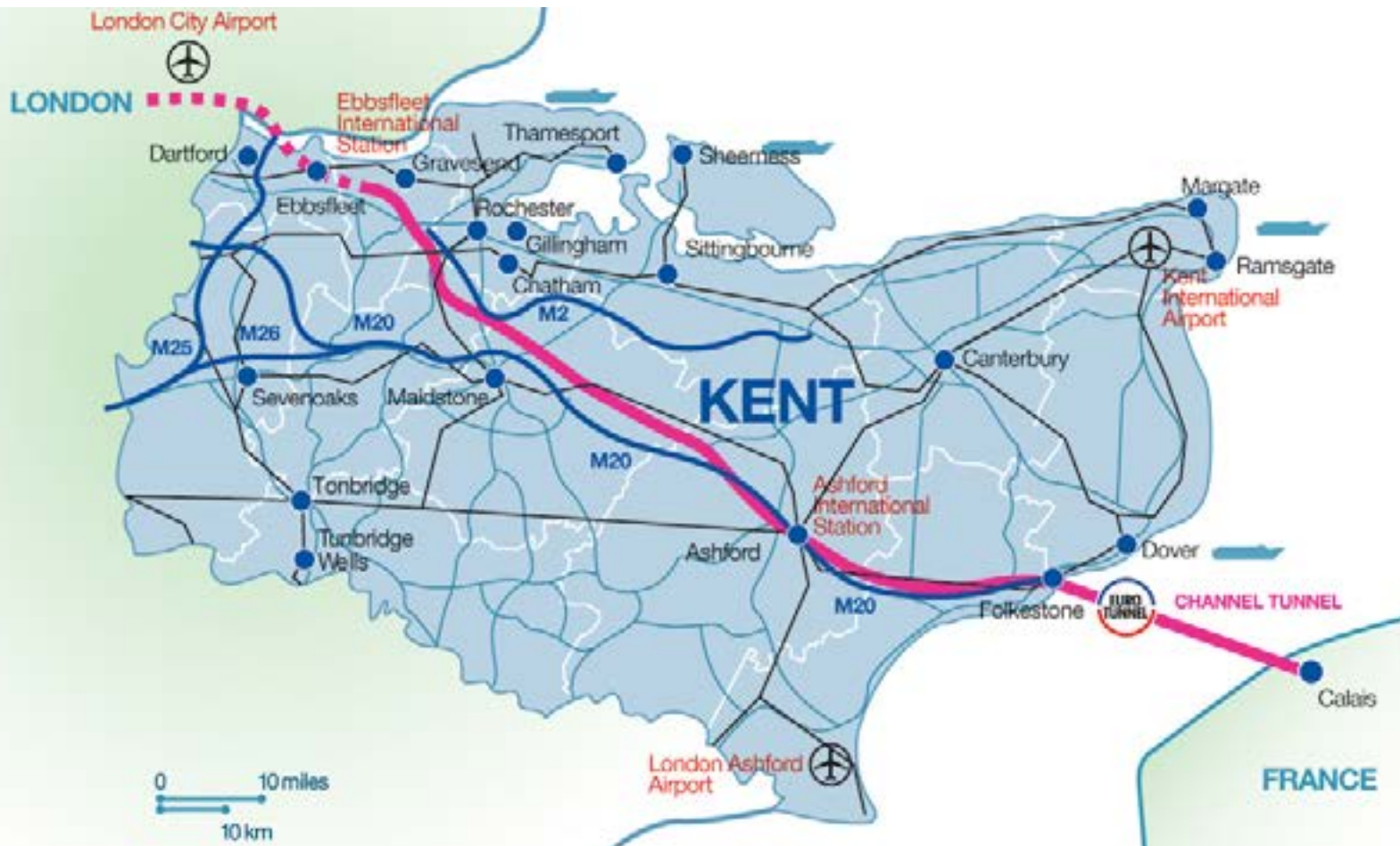
Context

Opportunities, challenges, solutions

4.159 As the national economy returns to growth, Kent and Medway has major opportunities for expansion, building on two decades of infrastructure investment and an excellent partnership between local government and business. But if we are to fully unlock our potential, we must overcome the transport and infrastructure and financing constraints that impede growth – and we must support our key business sectors in accessing the skills and support they need. This section sets out our opportunities and challenges – and the big solutions we must progress through our Growth Deal.

Big opportunities for growth

4.160 Kent and Medway is growing. Over the next twenty years, our population will increase by 13%, or around 220,000 – equivalent to five towns the size of Tunbridge Wells, with growth especially concentrated in the Thames Gateway and at Ashford and with GVA growth significantly above the national average over the past decade. This growth will be supported by the county's strategic position between London and the Continent, growth in a series of key sectors and a strong and positive relationship between local business and local government.



We have internationally important infrastructure

4.161 Kent and Medway is Britain's gateway county. Our strategic port, rail and road infrastructure is vital in linking continental Europe with London and the rest of the UK, and is becoming increasingly important as freight volumes through the Port of Dover and Eurotunnel rise and Eurostar passenger numbers continue to grow. Recent investment in major transport infrastructure has brought Kent and Medway closer to markets and employment opportunities, in particular through the dramatic reductions in journey times between North and East Kent and London as a result of High Speed One. With Kent and Medway an early adopter of national and local government investment in high speed broadband, better connectivity is opening up new business opportunities, especially in rural parts of the county.

We have a transforming economic base with opportunities in key growth sectors

4.162 For much of the twentieth century, the Kent and Medway economy was dominated by traditional industries. Proximity to the London construction market and the abundance of chalk gave rise to major building materials and quarrying industries, especially in North Kent. Naval shipyards supported extensive defence-related and engineering activities. The UK's largest concentration of paper making industries developed along the Medway, while domestic tourism, largely geared to the London market, flourished in seaside towns such as Margate, Folkestone and Herne Bay. As the 'Garden of England', Kent's high quality agricultural land and easy access to markets made the county the country's centre for fruit production.

4.163 The past twenty years have seen the economy transformed. Global economic change has meant that much of the county's traditional industrial base has been eroded, in many cases leaving a physical legacy of redundant sites and buildings and communities without their previous economic drivers – and historically, Kent and Medway has lagged behind the rest of the South East.

4.164 But today, the county's economy is rapidly changing. Increasingly dominated by small and medium enterprises, Kent and Medway has a diverse and resilient economic base – with strengths in growing sectors.

We have an excellent partnership between business and local government

4.165 In Kent and Medway, we have benefited from a strong partnership over many years between local government and the private sector for well over a decade. Our established sector-focused business networks include **Kent Developers' Group**, the county-wide **Business Advisory Board** and powerful district business consortiums. These relationships have been recently reinforced by the establishment of the **Kent and Medway Economic Partnership**, chaired by the private sector and including leading businesses from all areas and sectors of the county's economy.

4.166 Business has debated our emerging plans via our key sector groups the Chambers of Commerce and our representative organisations, local business partnerships and organisations such as **Locate in Kent**, **Visit Kent** and **Produced in Kent**. So we are confident that our plans represent both credibility and commitment in pursuit of an environment to stimulate business growth.

We have a strong track record of success

4.167 In Kent and Medway, we are committed to growth. For example:

- **We are delivering England's most successful Enterprise Zone.** Three years on from Pfizer's decision to exit its R&D facility in Sandwich, over 1,300 jobs have now been secured on site – helped by over £6 million direct investment by Kent County Council in addition to national support.
- **Our Regional Growth Fund programmes are highly successful in unlocking business finance.** With banks reluctant to lend to growing businesses, we have established three new access to **finance programmes**, securing over £55 million RGF investment so far. Already, we have

issued £27 million of this initial investment in interest-free loans to businesses with growth potential, creating over 2,250 jobs. All funds will have been issued as loans by the end of 2014/15 and we will ultimately create over 8,000 jobs.

- **We are developing new solutions to unlock housing growth.** Through the Kier Kent Initiative, we have attracted private investment to build homes for affordable and market rent and market sale on publicly-owned land, at a time when build rates remain low.
- **We are taking an integrated approach to the economic challenges faced by our coastal towns.** In 2006, Kent County Council invested £5 million to return empty properties to use. So far, this has resulted in 3,000 refurbished homes, with the fund continuing to recycle, supporting our ambitious **Live Margate** housing market renewal programme delivered as a partnership between Kent County Council and Thanet District - breaking up the concentrations of deprivation and poor quality housing that undermine our economic potential.
- **We are sharing the risks of development to unlock growth.** At Eastern Quarry, the local authorities have already committed future New Homes Bonus receipts to bring forward essential highways works which could unlock the first 1,500 homes in this vitally important location.

Challenges

4.168

- The expansion of jobs and homes in Kent and Medway is essential to the growth of the national economy. However, during recession, **housing delivery has fallen substantially short of requirement.** As we recover from the downturn, we need to deliver almost 7,000 homes a year across Kent and Medway. Yet although planning permissions are in place, the impact of recession on viability in many parts of the county means that last year, we only delivered half of our requirement.

4.169

So returning to a sustainable level of growth – for housing and employment - is essential if we are to meet the county's future needs.

4.170

From discussions with businesses and our sector partnerships such as Kent Developers' Group, we have identified four **key factors** on which our return to growth depends:

- **Our ability to unlock major development sites.** In parts of the county – especially East Kent – the gap between the costs of the infrastructure to unlock growth and the receipts that these developments will yield is wide, even as the market returns. So we need solutions to reduce costs and bridge the viability gap on identified sites.
- **The resilience of our strategic transport network.** Kent and Medway has benefited from significant investment in road and rail infrastructure. But as international traffic rises on major routes, our capacity will become increasingly limited. So we need to address bottlenecks on the strategic network, especially in the Thames Gateway. It is very welcome that the Government has now ruled out the least viable of the three options for a new motorway crossing of the Thames – and we now must find new ways to finance delivery at the earliest opportunity.
- **Our skills potential.** Over the next twenty years, the Kent and Medway workforce will grow more slowly than the population as a whole – so we will need to increase productivity and drive forward our human resource potential – ensuring business has a real role in skills planning and getting more people into work.
- **The innovative capacity of our businesses.** In a competitive world, we need more businesses to invest in R&D, new products, goods and services. So we need to make it easier for businesses to unlock the finance and support that they need to expand.

Solutions

4.171

Taking into account our big opportunities and the challenges that we face, this Growth Deal in the pages that follow identifies the solutions that we need to unlock growth in Kent and Medway as part of our Strategic Economic Plan for the South East. We will:

Invest in a strategic transport programme for growth.

4.172

We will invest £359 million from the Local Growth Fund in transport infrastructure to open up key housing and employment sites. **We will ensure that all commitments to transport funding from the public sector are accompanied by developer commitments to build within a specified period.**

Open up new solutions for housing and commercial growth.

4.173

Through **SEFUND**, we will invest alongside the private sector in bringing forward key development sites which are close to viability, but where market confidence remains weak – in particular, making support available to smaller developers where bank finance remains challenging. We will also invest in measures to **revitalise the housing market and town centres** where they remain blighted by market failure and in non-transport infrastructure where it is essential to unlocking growth.

Unlock private investment in businesses with the appetite for growth.

4.174

We will build on the success of TIGER and Expansion East Kent in creating over 8,000 jobs to make it much easier for **SMEs in our key growth sectors to access loan finance and equity investment.** For every pound from the public sector we will secure £3 in private investment, linked with support for firms with the potential for high growth and innovation, building on our successful RGF programmes – which will have invested all their original capital by 2015/16.

Take firm action to deliver coastal renewal.

4.175

We will take bold steps to **tackle housing market failures and significant concentrations of deprivation** in many parts of coastal Kent, while promoting the opportunities presented by coastal renewal. We will take draconian measures to remove landlords who put their residents at risk and we will limit the placement of vulnerable households in areas of housing market failure. We will also invest in renewal projects in partnership between the public and private sectors.

Deliver backing for business growth

4.176

We will invest in a more **coordinated approach to business support**, focused on backing businesses with the capacity for innovation and expansion, and on those sectors with the greatest capacity for growth and added value. This will include developing the Kent Growth Hub as a central point of information and access to support for business.

Places for growth

4.177

We will focus our investment on:

- **Thames Gateway Kent** – the A2/M2 Corridor
- **East Kent** (including Ashford) – the High Speed One Growth Corridor
- **Maidstone** – the M20 Corridor
- **West Kent** – the A21 Corridor and Medway Valley

Thames Gateway Kent

4.178

The Thames Gateway is a national priority for growth. Over the next six years, we will focus on unlocking the potential of the new Garden City at Ebbsfleet, the university city at Medway and opportunities at Sittingbourne and Sheppey. Our proposals for growth anticipate over £1.8 billion investment in Thames Gateway Kent over the next six years, including almost £200 million investment through the Local Growth Fund.

Opportunities

- **We have some of the UK's most important locations for growth**, including Ebbsfleet, identified as a new Garden City with potential for up to 15,000 homes and Swanscombe Peninsula, with the prospect of up to 27,000 jobs through a major leisure development. We strongly welcome the Government's announcement of support for Ebbsfleet, with the associated promise of £200 million additional investment.
- **Major transport investments have transformational potential**. High Speed One means that Ebbsfleet International is just 17 minutes from central London and Rochester is just half an hour.
- **North Kent's regeneration has been successful and profound**. Exceptional quality waterfront development in Medway, Gravesend and Dartford highlights the emphasis on quality, while the rapid growth of the Universities at Medway highlights the pace of economic transformation.
- **North Kent has significant economic growth opportunities**. There are strengths in many of Kent and Medway's priority growth sectors, including manufacturing in Medway and Sittingbourne, life sciences at Kent Science Park, and a growing creative cluster at Medway.

Challenges

- **The transport network is under pressure**. North Kent contains a large number of major sites in close proximity. This impacts on the strategic A2 and M2 as well as on

local roads – compounding the pressure imposed by through traffic from the Channel.

- **Major sites remain stalled**. Although the pace of development is accelerating as the market improves, especially in Dartford, there are still significant constraints on delivery. **Major developers remain risk averse, credit constraints continue to impact smaller developers and infrastructure costs are high** on brownfield sites.
- **Skills levels and economic output continue to lag**. Despite major improvements in recent years, North Kent's industrial legacy is reflected in comparatively low productivity and skills.

Solutions: Unlocking growth

Ebbsfleet Garden City

4.179

Ebbsfleet extends for 420 hectares between Ebbsfleet International in the east and Bluewater in the west. While the first phase of development has come forward, the economic downturn has largely stalled delivery. Despite flexibility from the local authorities in renegotiating developer contributions and sharing risks in bringing forward infrastructure, residential delivery has been extremely slow, and there has been no progress in bringing forward commercial development around Ebbsfleet International station. Meanwhile, the nearby 335 hectare Swanscombe Peninsula site has great potential for development as a major leisure destination.

4.180

We need a concerted approach to unlock Ebbsfleet and bring forward Swanscombe – so the Government's announcement that it is to create a new Garden City at Ebbsfleet, with the establishment of an Urban Development Corporation to drive it forward is entirely welcome. **As part of our Growth Deal, we will back the Government's commitment**. We will seek to bring Local Growth Fund and our own local resources to bear alongside the Government's £200 million pledge, in a comprehensive investment package, set out in the **Ebbsfleet Garden City Deal**:

The Ebbsfleet Garden City Deal

Ebbsfleet Garden City will deliver over 15,000 homes and up to 20,000 jobs. We seek £30 million in **transport** investment for:

- Two crucial **junction improvements on the A2** at Bean and Ebbsfleet. These will improve access between Ebbsfleet, Eastern Quarry, Swanscombe and the A2. However, as both schemes are on the Highways Agency network, **we expect that they will be funded and delivered by the HA**.
- Improvements to the **junction of the A226 and B255**, which already experiences significant congestion at peak times and which must gain increased capacity for development at Ebbsfleet-Paramount and at a number of other sites in Dartford and Gravesham to proceed.
- **Better links between the existing communities** at Northfleet and Swanscombe to the north of Ebbsfleet and the new employment and residential development to the south.
- Additional investment in the Fastrack urban transport system – essential in linking new and existing communities with employment opportunities and Ebbsfleet International – and in the wider public transport network.

Alongside this investment and that in the Government's recent announcement, we will:

- **Prioritise future skills capital investment for Ebbsfleet Garden City**, linked with the development of an integrated skills strategy for Dartford and Gravesham, recognising the scale of potential employment to be generated by Ebbsfleet and Swanscombe Peninsula.
- Prioritise **SEFUND investment for Ebbsfleet Garden City**, supporting the future UDC in attracting high quality development to the area.
- **Work positively alongside Government** to create an open, democratic, 21st century Urban Development Corporation, closely working with both the local District and County Councils.



Dartford and Gravesend

4.182

Dartford and Gravesend will be impacted by the scale of growth at Ebbsfleet and will benefit from the employment and investment associated with it. However, the area contains major scope for additional growth beyond Ebbsfleet itself, and we seek Local Growth Fund investment in transport programmes to support growth in Dartford and Gravesend town centres, including the extension of the Fastrack urban transport system, which links both towns with Ebbsfleet.

4.183

Major developments include the expansion of Dartford and Gravesend town centres and the large brownfield housing and commercial developments at St James's Lane Pit and Northfleet Embankment.

Medway

4.184

Medway is the largest urban conurbation in the South East LEP area, with a current population of 264,000, rising to around 300,000 over the next twenty years.

4.185 We aim to create a city of culture, learning and enterprise, with a major retail and cultural centre and a strong university presence. Achievements over the past decade in delivering against this vision are considerable: while Medway had no higher education presence at the end of the 1990s, it now houses four universities. Medway's future growth is focused on taking forward the development of:

- **Chatham city centre**, including development at Chatham Waterfront), the redevelopment of the retail core (including the redevelopment of the existing Pentagon Centre car park and Tesco site) and new investment in attracting visitors to Chatham's world class naval heritage.
- **Rochester Riverside**, one of the Thames Gateway's flagship regeneration sites, occupying 32 hectares between the River Medway and the London-Dover railway line. With capacity for 1,400 homes, extensive public investment has helped to de-risk the site for development, which is now coming forward. This will include a new station due for completion in 2015

and the development of 3,000 sq metres of managed workspace.

- **Strood**: three key regeneration sites together providing 1,600 new homes and 20,000 sq m of commercial, retail and office space. These include:
 - **Strood Riverside**, with 600 residential units and approximately 1,000 sq metres of commercial space. Medway Council is investing £3m via a Treasury loan in the construction of flood defences to unlock the second phase of this key waterfront development;
 - **Redevelopment of Civic Centre**: Mixed use development on 6.94ha site, comprising approximately 400 residential units, 2,000 sq m of retail and leisure uses and 2,000 sq m of office accommodation. Significant investment in flood defences is required to prepare the site for development.
 - **Temple Waterfront**: Mixed use redevelopment scheme, regenerating the site of a former cement works, industrial timber yard, landfill area and green open space. It will comprise 620 residential units and 15,000 sq m of commercial floorspace. Lack of enabling infrastructure is making the site unattractive to the private sector.
- **Rochester Airport**, a key site for commercial development just off Junction 4 of the M2 and adjacent to BAE Systems and the flagship Medway Innovation Centre. Over 1,000 jobs could be created on the site through the development of managed workspace, advanced manufacturing research and prototyping workshops and industrial units. Greenwich University with Medway Council will seek investment from SEFUND from 2015.
- **Lodge Hill**, on former Ministry of Defence land with capacity for 5,000 homes. At present, our ability to bring forward development at Lodge Hill is currently blighted by a Natural England decision – despite over £34 million private investment so far. However, when brought forward, Lodge Hill will be the largest residential development in North Kent outside Ebbsfleet Valley.

4.186

In addition, the Isle of Grain is a significant centre for port-related and energy generation activities. The expansion of development on land near Thamesport offers potential for around 6,000 new jobs, while the anticipated growth of the offshore wind industry offers additional manufacturing opportunities.

The Medway City Deal

We seek £58 million in transport investment from the Local Growth Fund, including:

- Improved access to **Lodge Hill** and the Isle of Grain, including road improvements on the A289 and at the Medway Tunnel, and on the A228 to improve access to **Thamesport**.
- Improvements to connections in **Chatham** town centre, including better links to the rail station;
- Improvements to the road network in **Strood**, supporting housing delivery at Strood Riverside and including improvements at Strood rail station. The package of improvements in Strood also includes measures to improve access to **Medway City Estate**, a major employment location.

In addition, prospective priorities for SEFUND investment include **Rochester Airport** and **Strood Riverside**.

We will:

- **Invest local authority resources alongside SEFUND** in Rochester Airport and Strood Riverside, subject to full independent appraisal and decision by Medway Council;
- Develop a **joint strategy for innovation and enterprise support** between Medway Council and the four universities at Medway, linked with the expansion of facilities for innovation at Rochester Airport and Chatham city centre. This will build on the successful package of business support offered by University of Greenwich at Medway Innovation Centre;
- Together with our agreed joint university innovation strategy, our capital investment in Rochester Airport, Assisted Area designation and the availability

of loans through the RGF-funded TIGER programme, we will give **Enterprise Zone status to Rochester Airport**, with the ability to offer reduced business rates to businesses locating on the site;

- Expand existing locally-based **employment brokerage services** to ensure that local residents (especially in disadvantaged communities) are able to access the employment opportunities that will be created by local and national investment in unlocking key sites.

Alongside this, **we ask Government** to:

- Remove the current blight on private investment at Thamesport and on the Isle of Grain (and throughout Medway), by conclusively **ruling out a Thames Estuary Airport**;
- Work with Natural England to permit development at **Lodge Hill**, and work with Medway Council and Land Securities to establish solutions to allow North Kent's second largest mixed-use development to proceed;
- Alongside our designation of Rochester Airport as an Enterprise Zone, **permit the local retention of 100% of business rate receipts on the site over and above the locally-determined discount rate**, ensuring that the Enterprise Zone incentive scheme can be locally funded and supporting the local contribution to essential road infrastructure;
- Provide flexibility regarding historic Thames Gateway investment in the strategic **Strood Riverside** site, where Government's first claim on eventual capital receipts currently make further local investment unviable. We ask DCLG to consider greater flexibility, allowing future capital receipts from the site to be ploughed back into the Strood Riverside scheme via SEFUND.

Sittingbourne and Sheppey

4.187

The A249 between the Port of Sheerness and the M2 contains one of the most significant concentrations of manufacturing employment in the South of England. It also contains, Kent Science Park, a major centre for life sciences and environmental technologies with plans to expand.

4.188

The area contains significant additional land for residential and commercial development, including in Sittingbourne itself and at Queenborough and Rushenden on the Isle of Sheppey. Key investments to unlock growth in Sittingbourne and Sheppey include:

- Improvements to **Junction 5 of the M2**. At present, Junction 5 is extremely congested at peak hours and is the sole point of access to the M2 from Sittingbourne and Sheppey. Future growth in western Swale therefore depends on significant capacity improvements.
- The development of a **new Junction 5a** and a link road to Kent Science Park from the M2. This would facilitate the Science

Park's expansion, with the potential creation of a further 1,800 jobs in a new phase of the successful campus.

- Improved access to residential and commercial developments in northeast Sittingbourne. This includes two key schemes: the completion of the **Sittingbourne Northern Relief Road** to provide direct access from the A249 to the A2 and improvements to the **Grovehurst Junction** on the A249 in north Sittingbourne.

4.189

Sittingbourne is the **largest town in Kent without further education provision**. Within proposals for the regeneration of the town centre, there are plans to develop a FE facility, which may come forward for potentially £4-5 million skills capital funding from the Local Growth Fund over the coming years. In the shorter term, the existing **Swale Skills Centre** (which provides skills for the engineering and manufacturing sectors, including the offshore wind industry) has an opportunity to expand vocational provision in 2015/16 and will be an immediate priority for skills capital support.

The Kent CORE

Swale and the Medway Estuary form the heart of the Kent Centre for Offshore Renewable Engineering (CORE), and is one of the most promising locations in the UK for the development of renewable energy, especially offshore wind. The strong local manufacturing base provides opportunities for supply chain development, which will be underpinned by proposed Assisted Area designation for part of Medway. Sittingbourne and Sheppey.

Key investments in the Thames Gateway

Table 4 18: Thames Gateway (A2/M2 Corridor) Transport Investments

Scheme	Start Date	End Date	Full cost (£m)	LGF funding requirement	Match funding	Total jobs enabled	Total homes enabled
A2 Bean Junction	2017/18	2019/20	50.00	10.00	40.00	36000	14000
A2 Ebbsfleet Junction	2017/18	2019/20	30.00	6.00	24.00	0	0
M2 Junction 5	2019/20	2020/21	100.00	15.00	85.00	8000	12500

A226 London Road/ St Clements Way Jct	2015/16	2019/20	8.70	4.20	4.50	5120	2440
Northfleet Station & Link	2015/16	2019/20	10.70	6.40	4.30	1300	510
Dartford Town Centre improvements	2014/15	2018/19	9.00	2.30	6.70	1500	3070
Rathmore Road Link, Gravesend	2014/15	2016/17	8.00	4.10	3.90	700	890
A226 Thames Way dualling	2015/16	2020/21	8.90	3.50	5.40	4500	2440
Sittingbourne Northern Relief Road	2018/19	2020/21	28.60	23.10	5.50	1000	2000
A249 Grovehurst Jct	2018/19	2018/19	2.00	1.00	1.00	2500	1300
M2 Junction 5a	2017/18	2019/20	20.00	12.00	8.00	1800	0
Sittingbourne Town Centre Regen	2015/16	2017/18	4.50	2.50	2.00	950	500
Kent Thameside LSTF	2015/16	2020/21	7.54	4.51	3.03	963	657
A289 Four Elms Rbt to Medway Tunnel	2015/16	2017/18	16.30	11.10	5.20	7688	4433
A228 Grain Crossing removal	2017/18	2020/21	15.00	15.00	0.00	5445	0
Chatham town centre	2015/16	2017/18	6.90	4.00	2.90	6000	3000
Chatham station improvements	2016/17	2018/19	1.40	0.70	0.70	271	682
Strood town centre	2015/16	2018/19	10.00	9.00	1.00	1000	1000
Strood station improvements	2016/17	2018/19	2.50	1.25	1.25	520	542
Medway City Estate connectivity	2015/16	2017/18	2.00	2.00	0.00	851	0
Medway towns integrated transport	2015/16	2020/21	12.00	6.00	6.00	129	87
A2 Corridor journey time improvements	2015/16	2016/17	2.00	2.00	0.00	129	87
A289 Medway Tunnel maintenance	2015/16	2020/21	9.20	5.00	4.20	5000	0
Medway cycling action plan	2015/16	2020/21	3.00	2.50	0.50	129	87
Total			368.24	153.16	215.08	91,495	50,225

Table 4.19: Thames Gateway (A2/M2 Corridor) SEFUND Investments

Scheme	Start Date	End Date	Full cost (£m)	LGF funding re-quirement	Match funding	Total jobs enabled	Total homes enabled
St James Pit	2019/20	2022/23	80.0	1.0	79.00		800
Dartford Station Mound	2015/16	2020/21	200.0	1.5	198.50	500	500
Ebbsfleet Garden City	2016/17	2030/31	200.0	5.0	195.00	2,000	2,000
Gravesend town centre	2016/17	2020/21	100.0	1.5	98.50		1,000
University for the Creative Arts Rochester Campus	2017/18	2019/20	6.0	1.0	5.00	250	
Rochester Airport Business Park	2015/16	2016/17	100.00	8.0	92.00	250	
Rochester Riverside managed workspace	2016/17	2016/17	5.00	2.0	3.00	100	
Strood Civic Centre redevelopment	2016/17	2018/19	150.00	10.0	140.00	300	400
Temple Waterfront	2015/16	2015/16	200.00	2.0	198.00	500	620
Pentagon Centre redevelopment	2015/16	2015/16	25.00	1.0	24.00	100	
Tesco site re-development, Chatham	2015/16	2015/16	10.00	1.0	9.00	100	
Sittingbourne Town Centre	2016/17	2019/20	250.0	2.0	248.00	1,570	400
Queenborough & Rushenden	2017/18	2019/20	100.0	2.0	98.00		1,100
		Total	1,426.00	38.00	1,388.00	5,670	6,820

Table 4 20: Thames Gateway (A2/M2 Corridor) Skills Capital Investments

Scheme	Start Date	End Date	Full cost (£m)	Match funding	Homes
Swale Skills Centre	2014/15	2015/16	1.00	0.75	0.25
MidKent College	2014/15	2015/16	1.00	0.50	0.50
Sittingbourne Further Education	2018/19	2020/21	9.00	4.00	5.00
Ebbsfleet Garden City FE provision	2018/19	2019/20	10.00	2.50	7.50
		Total	1,426.00	1,426.00	6,820

East Kent

4.190

East Kent contains some of Britain's most iconic natural and built landmarks and offers an excellent quality of life. But it also has significant capacity for growth, building on greatly improved connectivity, with Ashford expanding more over the next decade than any other Kent district.

Opportunities

- **East Kent is better connected.** While East Kent has always been a vital gateway between the UK and continental Europe, High Speed One services have reduced domestic journeys dramatically
- **Perceptions of East Kent are changing.** Where East Kent was once peripheral and distant, we are now closer to London than Cambridge.
- **Our cultural and tourism offer is improving.** East Kent is naturally a strong tourism proposition. But investment in facilities such as Turner Contemporary at Margate, the Marlowe at Canterbury and Folkestone Creative Quarter have expanded the tourism offer
- **There is significant capacity for growth.** East Kent retains a competitive advantage in land and wage costs, with extensive amounts of serviced employment land.
- **There are strong sector opportunities,** for example in tourism and the cultural and creative industries, in life sciences

associated with Discovery Park and in transport and logistics associated with East Kent's port-related activity. Canterbury's large higher education base.

- **Government support for growth is working.** The Regional Growth Fund-backed Expansion East Kent programme is highly successful, with over £18 million already channelled into local companies, unlocking private finance and creating jobs.

Challenges

- **Major sites are often difficult to bring forward.** Although aspirations for growth are high in East Kent, values for housing and employment land are relatively low (and become lower east of Canterbury and Ashford) and local infrastructure constraints are often significant.
- **Concentrations of deprivation are hard to overcome.** Particularly within coastal towns such as Margate and Dover, entrenched worklessness and disadvantage is reinforced by local housing market failures which require a concerted effort to tackle.
- **Infrastructure bottlenecks are significant,** and could hold back growth. While there has been substantial investment in road infrastructure, pinch points on the A2 present challenges, especially given the expansion of the Port of Dover.

Solutions: Unlocking growth

Ashford

4.191

Between 2001 and 2011, population growth in Ashford was the third fastest in the South East – with 7,500 jobs created over the same period. Ashford is ambitious to continue this rapid rate of growth, underpinned by the creation of a new Garden City.

4.192

Growth in Ashford is central to the economic expansion of East Kent, and will be focused around eight major programmes:

- **Ashford Commercial Quarter**, focused on land adjacent to Ashford International Station and offering major retail and office development;
- **Elwick Place**, a mixed use retail, office and residential development;
- **Ashford International College**, a new further education campus, which is a priority for skills capital investment in 2015/16
- The expansion of the **Ashford Designer Outlet** Centre, providing a higher quality retail offer adjacent to Ashford International Station;

- The development of the **Jasmin Vardimon International Dance Academy**;
- **M20 Junction 10a**, the development of which will directly unlock around 4,000 jobs as well as facilitating growth throughout Ashford and East Kent;
- Improvements to the A28 to facilitate access to **Chilmington Green**, a major urban extension to the south west of Ashford delivering 5,750 homes and 1,000 jobs; and
- The safeguarding of **international rail services** from East Kent through the upgrading of signalling at Ashford International station.

4.193

The scale of growth at Ashford is substantial, and requires a coordinated package. As part of our Growth Deal, we will take forward an integrated Ashford City Deal, set out below.

Ashford International City Deal

We ask Government to **consider the potential for Chilmington Green as a new Garden City** when the Government launches its consultation later this year. With a planning application already submitted and our proposed programme of investment to unlock it, Chilmington can be an early success for the Garden Cities programme.

We seek £33.7 million in Local Growth Fund transport investment to support projects including:

- A new partial motorway junction at **M20 Junction 10A**, opening up sites to the south east of Ashford and unlocking over 11,000 jobs and 9,000 homes. This scheme has already been approved by the South East Local Transport Board under earlier arrangements for the allocation of Local Growth Fund transport money;
- Improvements to the **A28 at Chart Road** to open up access to 5,750 homes at Chilmington Green;
- Delivery of new signalling to safeguard international services from Ashford.

In addition, we seek £10 million in Local Growth Fund Skills Capital funding for **Ashford International College** in 2015/16, matched with additional funding from Ashford Borough Council.

As part of our integrated approach to Ashford's development, **we will commit at least £35 million** in funding from Ashford Borough Council and Kent County Council to unlock the eight strategic projects identified as essential to the town's growth.

Canterbury

4.195

Canterbury is East Kent's leading centre for high-value employment, centred around the city's four universities. Proposals are being developed for potential SEFUND investment in additional incubator facilities, building on the success of the **Canterbury Innovation Centre** which has over 60 science and technology businesses already in place.

4.196

Wider development in Canterbury district is severely constrained by significant traffic congestion particularly along the A28 corridor, which is exacerbated by limited access from the city to the A2 road and several railway level crossings.

4.197

Development of a **new relief road on the A28 at Sturry** would enable almost 4,800 new homes to be built and 1,800 jobs to be created in new business space north of Canterbury in so doing also improving journey times along East Kent's A28 corridor from Thanet through Canterbury to Ashford.

4.198

In addition provision of a **new slip road onto the A2 at Wincheap** would support the delivery of 50,000 m² of new retail and leisure floorspace generating 1,400 new jobs thereby supporting the city's wider economic growth and underlining its status as an important regional retail hub.



Dover

4.199

The **Port of Dover** is of national significance. Already the largest passenger port in Europe, Dover is associated with a major integrated regeneration programme, including the development of Terminal 2 and associated infrastructure improvements, linked with new marina and leisure facilities and mixed use developments at **Dover Waterfront and the town centre**. As well as road infrastructure improvements funded through our proposed transport programme, there is potential for recyclable SEFUND investment to bring forward development.

4.200

To the north of Dover, the development of **Whitfield** will bring forward 5,750 new homes. However, development is constrained by high infrastructure costs. The redevelopment of the **Duke of York roundabout** and improvements to the A256 will help to accelerate delivery, as well as supporting an additional 500 homes at the Connaught Barracks development.

4.201

All development at Dover – including the expansion of the Port – will also be supported by investment in the strategic road network through the **bifurcation of the A2/M2 and A20/A20 transport corridors**, which early investments in key junctions on the M2 and A2 in Thames Gateway Kent will be important in facilitating.

Folkestone

4.202

Folkestone is developing as a major creative centre, backed by extensive private sector investment in the **Creative Quarter**. Building on this, a major regeneration scheme at **Folkestone Seafront** and Harbour will bring forward up to 1,000 new homes and up to 10,000 sqm of commercial floorspace, together with improvements to the beach and seafront facilities – unlocking around 300 jobs. Early work on the development of SEFUND indicates that this could be facilitated with a total upfront infrastructure investment of £5.1m. This investment would de-risk the first phase of this scheme, and would accelerate the start of the development onsite to 2015.

School for Creative Start-ups

The School for Creative Start-ups is an interactive support programme based in Folkestone and backing new start businesses. Starting this year, it currently supports 86 start-ups from across the county.

Francesca Rowan joined the programme with a theatre business, but quickly decided that she could make more of her current interior design business. Since she has made the transition, she has already secured an £80,000 contract with Goodnestone Park, a Stately Home in Kent.



CASE STUDY

Discovery Park/ Manston

4.203

Discovery Park is already England's most successful **Enterprise Zone**, with over 1,300 jobs secured on the site since Enterprise Zone status was granted in 2011, a Local Development Order in place and proposals being brought forward for residential and commercial development on the site alongside its scientific research and development core.

4.204

However, the area around Discovery Park has been faced with a further challenge following the decision of the owners of Manston Airport to enter into consultation on the future of the facility. Yet the area around Manston and Discovery Park contains extensive land suitable for residential and employment use, and is well connected by new infrastructure.

4.205

Through this Growth Deal, we will take a concerted approach to bringing forward growth at Manston and Discovery Park:



The Discovery Park and Manston Growth Deal

We will take forward a coordinated approach to the development of Discovery Park and Manston.

We will:

- **Consider extending Enterprise Zone** designation to Manston Business Park, Manston Airport and the Richborough Corridor. We ask Government to permit Thanet District Council to retain 100% of business rate receipts within the Zone with no impact on their baseline, in order that discounts can be fully funded by receipts above the discount level.
- Allocate £3.5 million in **Local Growth Fund finance** to support commercial development at Manston and Discovery Park.
- Support **SEFUND** investment in commercial and residential development.

Alongside this, we seek Local Growth Fund transport investment in **Thanet Parkway** station as a priority to reinforce the success of Discovery Park and support investment at Manston as well as in the **Westwood Relief Strategy**, eliminating a major bottleneck impacting on employment and commercial growth in Thanet Central Island.

Margate, Ramsgate and Broadstairs

4.206 The opening of Turner Contemporary in 2011 has had a major impact on Margate, generating over a million visitors. This has driven the regeneration of the Old Town and establishing Margate as a major cultural and leisure destination, with a growing cluster of creative businesses supported by the Regional Growth Fund-supported Success programme. New commercial interest in hotel and leisure developments in Margate are building on the town's unique location and heritage, and our proposed **transport investments**, including a series key junction improvements in central Margate, will help to relieve congestion as well as supporting new housing growth.

4.207 However, a number of key sites in Thanet remain vacant, due to an unbalanced local housing market which tends to reinforce a concentration of high benefit dependency. We must build on partnership initiatives

such as **Live Margate** and **No Use Empty** to intervene in the local housing market, alongside the **coastal housing investment programme** highlighted elsewhere in this Plan.

4.208 We will **invest £7.5 million in Local Growth Fund in to extend the Live Margate and No Use Empty programmes**, offering loans to individuals to restore homes previously used for multiple occupancy to single home ownership. At the same time, we will discuss with Government the potential for further powers to close down poor quality housing stock that puts residents at risk – reducing the benefit trap by capping placements of vulnerable families in designated 'no go' areas, restricting housing benefit payments to sub-standard landlords, and investing in housing renewal.



Table 4 21: East Kent (HS1 East Kent Corridor) Transport Investments

Scheme	Start Date	End Date	Full cost (£m)	LGF funding requirement	Match funding	Total jobs enabled	Total homes enabled
M20 Junction 10a	2015/16	2017/18	35.00	19.70	15.30	11000	9500
A28 Chart Road Ashford	2015/16	2018/19	19.50	10.23	9.27	510	2848
Ashford public transport	2017/18	2018/19	3.00	3.00	0.00	90	502
Ashford Spurs signalling	2018/19	2018/19	1.50	0.75	0.75	71	350
Sturry Link Road Canterbury	2017/18	2019/20	28.60	5.90	22.70	1700	4220
A28 Sturry Integrated transport package	2015/16	2015/16	0.50	0.25	0.25	110	300
A2/A28 off slip and link road Canterbury	2017/18	2018/19	12.00	2.00	10.00	760	500
Dover Bus Rapid Transit	2017/18	2019/20	6.00	2.00	4.00	250	3260
Dover Waterfront links to town centre	2015/16	2016/17	30.00	10.00	20.00	1685	500
North Deal improvements	2015/16	2015/16	1.50	0.75	0.75	150	150
Duke of York rbt and structural maintenance	2015/16	2019/20	5.50	5.00	0.50	250	2660
Newingreen Junction Improvements, Shepway	2016/17	2017/18	0.70	0.41	0.29	600	450
Cheriton High Street/ A20	2018/19	2018/19	0.57	0.30	0.27	120	1200
Folkestone Seafront	2015/16	2015/16	0.50	0.50	0.00	300	1000
Margate junction improvements	2018/19	2019/20	10.00	6.50	3.50	1900	5885
Westwood Relief Strategy, Thanet	2016/17	2017/18	9.00	7.00	2.00	3500	1994
East Kent LSTF	2015/16	2020/21	16.14	9.78	6.36	1712	2260
Thanet Parkway	2015/16	2017/18	14.00	10.00	4.00	5000	2000
		Total	194.01	94.07	99.94	29,708	39,579

Table 4 22: East Kent (HS1 East Kent Corridor) SEFUND Investments

Scheme	Start Date	End Date	Full cost (£m)	LGF funding requirement	Match funding	Total Jobs enabled	Total homes enabled
Ashford Town Centre	2015/16	2017/18	50.00	2.00	48.00	4200	
Chilmington Garden City	2018/19	2030/31	200.00	3.00	197.00		2400
Canterbury City Centre/Wincheap	2019/20	2020/21	100.00	2.00	98.00	1000	
University of Kent	2016/17	2020/21	10.00	1.00	9.00	200	
Canterbury Christ Church	2018/19	2018/19	2.50	0.50	2.00	50	
Discovery Park	2016/17	2020/21	100.00	1.50	98.50	2000	500
Dover Waterfront	2016/17	2019/20	100.00	2.00	98.00		400
Folkestone Seafront	2015/16	2018/19	100.00	5.20	94.80		1000
Manston Business Park/Eurokent	2015/16	2018/19	50.00	2.00	48.00	500	500
Rendezvous, Margate	2015/16	2015/16	15.00	1.00	14.00	80	20
Live Margate/Housing Market Renewal	2015/16	2021/22	30.00	5.00	25.00		500
		Total	757.50	25.20	732.30	8,030	5,320

Table 4 23: East Kent (HS1 East Kent Corridor) Skills Capital Investments

Scheme	Start Date	End Date	Full cost (£m)	LGF funding requirement	Match funding
Ashford International College	2015/16	2016/17	25.00	9.50	15.50
Thanet vocational provision	2016/17	2019/20	2.00	1.00	1.00
Dover vocational provision	2016/17	2018/19	12.00	5.00	7.00
Folkestone FE provision	2016/17	2017/18	15.00	5.00	10.00
		Total	54.00	20.50	33.50

Places for Growth: Maidstone

4.209 _____
Maidstone is Kent's county town, a major economic centre for North, East and West Kent located at the heart of the M20 corridor. With a buoyant economy, Maidstone has strong ambitions for growth, with 9,400 new homes planned between 2011 and 2021.

Opportunities

- **Central location with good road transport connections.** Maidstone's position at the centre of the county adjacent to the M20 means that developer interest and viability is high.
- **Diverse sector base.** With established strengths in business services, Maidstone is increasingly developing a presence in media-related activity and health technology.
- **Significant opportunities for growth,** especially at M20 Junction 7, which includes Eclipse Business Park and the Maidstone Medical Campus, as well as in the town centre.

Challenges

- **Relatively weak rail connectivity.** Services on the Maidstone East to Victoria line remain slow and services accessing High Speed One are limited.
- **High levels of congestion,** especially in the town centre. While this presents an obstacle to future growth, it also impacts on existing businesses.

Solutions: Unlocking growth

A transport infrastructure package for growth

4.210 Maidstone's future growth will require significant investment in **transport infrastructure**, which is also vital to sustain the town's current role as a major retail and employment centre. In particular, all the major arterial routes into Maidstone converge at the **Maidstone Gyratory Junction** crossing the River Medway, imposing significant congestion and delay. A gyratory relief scheme will help to overcome these severe constraints and is a priority for support through the Local Growth Fund from 2015/16.

4.211 In addition, to support Maidstone's wider growth (including significant growth anticipated in the smaller rural towns within Maidstone's hinterland), we propose a major **integrated transport package**, including key junction and road capacity improvements and enhanced public transport.

Bringing forward economic opportunity

4.212 Junction 7 of the M20 is already seeing major commercial expansion, with new finance and business services employment at Eclipse Park and concentration of media and creative industries at Maidstone Television Studios. This will be accompanied by the establishment of Maidstone Medical. Work on the Kent Institute of Medicine and Surgery, at the heart of the Medical Campus, is nearing completion and the Institute will open in April 2014. Potential investment via SEFUND could help to bring forward the next phase of development, supporting initial infrastructure costs.

4.213 In **Maidstone Town Centre**, there is a key opportunity for growth in the redevelopment of the area surrounding **Maidstone East Station**. Currently providing a poor gateway to the town, there is developer interest in replacing outdated office blocks and car parking with a new mixed-use extension of the town centre, which early public investment could help to unlock. Elsewhere in the town centre, opportunities to redevelop the retail core could bring forward further housing growth.

Table 4 24: Maidstone (M20 Corridor) Transport Investments

Scheme	Start Date	End Date	Full cost (£m)	LGF funding requirement	Match funding	Total jobs enabled	Total homes enabled
Maidstone Gyratory Bypass	2015/16	2016/17	5.70	4.56	1.14	2000	5049
Maidstone sustainable transport	2015/16	2016/17	3.00	2.00	1.00	350	475
Maidstone Integrated Transport Package	2015/16	2017/18	15.00	8.90	6.10	5000	4455
		Total	23.70	15.46	8.24	7,350	9,979

Table 4 25: Maidstone (M20 Corridor) SEFUND Investments

Scheme	Start Date	End Date	Full cost (£m)	LGF funding requirement	Match funding	Total jobs enabled	Total homes enabled
Maidstone Medical Campus	2016/17	2020/21	100.00	2.00	98.00	600	
Maidstone East redevelopment	2016/17	2020/21	80.00	1.00	79.00	320	300
Wren Cross/ The Mall	2016/17	2018/19	80.00	2.00	78.00		300
		Total	260.00	5.00	255.00	920	600

Rural Kent

The rural economy makes a disproportionately large contribution to Kent and Medway's economic growth, with around 36% of all jobs in Kent located in rural areas. A recognised key sector for Kent and Medway Kent's farming sector is increasingly knowledge and technology intensive, and Kent has a key centre of research excellence at East Malling Research. However, the rural business base involves a wide range of sectors, with relatively high levels of home-working.

The emerging Kent Rural Delivery Framework highlights the priorities for the growth of rural Kent as:

- Ensuring access to business critical infrastructure, including appropriate workspace and extending the reach of superfast broadband and mobile connectivity. This may include the use of Local Growth Fund to support the extension of superfast broadband to the 'final 9%', matching investment from BDUK;
- Optimising the take-up of new technologies by rural businesses;
- Fostering a resilient and profitable land-based sector, including through continued diversification and the growth of agri-tech; and
- Supporting a culture of entrepreneurship

The recent allocation of over £15 million in funding from the European Agriculture Fund for Rural Development (EAFRD) provides an opportunity to Kent and Medway to build on our success in the two existing LEADER programmes to make more funding directly available to business and we will explore the potential for this over the coming weeks.

Places for Growth: West Kent

4.214 West Kent has a strong and resilient economy, with a dynamic SME base, good connectivity and an excellent quality of life making it one of the best places in the South East in which to start and grow a business. It is essential that we maintain West Kent's success as a driving force in the South East economy.

Opportunities

- **Growth in West Kent supports the wider South East economy.** Knowledge economy employment is higher than in other parts of the county, and there is a diverse SME base of 16,000 businesses with high potential for innovation and growth. Business start-up numbers are high and businesses survive longer and grow faster here.
- **There are significant sector strengths.** The software and electronic publishing sector in Tunbridge Wells is among the largest in the South East, underpinning strengths in creative and media industries. Leisure and tourism is strong and growing.
- **Demand for development is high and flagship developments are successful.** In particular, Kings Hill, built on a former airfield and now Kent's leading business park with over 5,000 jobs, and there is further scope for growth at North Farm and Fort Halstead.
- **Connectivity is good,** with proximity to the M25 and planned improvements to the A21 between Tonbridge and Pembury. London rail links are also good from Sevenoaks, Tonbridge and Tunbridge Wells, and investment in rural broadband has important benefits for West Kent businesses.

Challenges

- **Locations for growth need careful selection.** With much of West Kent covered by metropolitan green belt, new sites must be carefully planned and supported by appropriate investment in transport infrastructure. There is scope to intensify a number of key existing sites.
- **Congestion is often high,** especially in town centres such as Tonbridge, Tunbridge Wells and Sevenoaks. Improvements in the road network have not kept pace with the rate of economic growth, particularly in relation to access to the motorway network and the lack of capacity on rail services to London (especially on the Maidstone line via West Malling).
- **Localised pockets of deprivation** – often masked by impressions of general affluence where targeted investment is required.

Solutions: Unlocking growth

4.215 With a robust economy, relatively small amounts of public investment can unlock substantial private sector leverage. In West Kent, our focus for growth is on our major town centres and business locations, with public investment helping to rationalise and intensify existing sites and bring forward new sites for development.

Tunbridge Wells

4.216 The thriving town centre of Royal Tunbridge Wells will see substantial housing growth and cultural-led investment which will drive forward growth in tourism, media and the creative industries. To support this growth, we will implement a comprehensive package of transport measures to tackle congestion hotspots, including improvements to the A26 and A264 approaches to Tunbridge Wells and measures to improve public transport.

4.217 At the key **North Farm** development, a major scheme to widen the existing railway bridge will also help to unlock the potential of a major location for employment growth, linked with additional investment in vocational further education.

Tonbridge

4.218 High congestion levels impact on the sustainability of Tonbridge town centre and we seek funding for a coordinated congestion relief package. Outside of the proposed LGF transport funding, we will explore with the Environment Agency the potential for the partial funding of improvements to the **Leigh Barrier flood defences**, given the need to protect identified areas for growth at Tonbridge and Maidstone from future flooding incidents.

Swanley

4.219 Adjacent to the M25, just 26 minutes by rail to London and close to the employment opportunities coming forward in North Kent, a package of measures to improve Swanley would enable new homes and employment space. There is emerging private sector interest in bringing forward **growth in the town centre and southeast Swanley**, including a new business and enterprise hub. Investment through SEFUND could help to unlock this growth, creating a long term change in the town's prospects.

Kings Hill and Medway Valley

4.220 In the eastern part of West Kent, there is significant growth at Peters Village at Wouldham, which will deliver around 1,000 new homes. This will require additional investment **at Junction 4 of the M20**, for which we seek partial LGF funding. Improvements to Junction 4 will also support the continued development of one of the South East's most successful business park and residential

developments at **Kings Hill** near West Malling.
Supporting research and growth

4.221 West Kent has a leading facility at **East Malling Research**, specialising in crop and horticultural research and with aspirations to develop additional businesses premises. At **Fort Halstead** near Sevenoaks, there is also the opportunity to develop business space for research-focused businesses alongside a retained presence by QinetiQ, the defence technology company. Potentially, projects at EMR or Fort Halstead could come forward for support via SEFUND.

Improving connections for the longer term

4.222 Linking all of West Kent's key growth locations – and maintaining the area's long-term resilience – requires targeted transport connections. West Kent will benefit from the planned dualling of the **A21 between Tonbridge and Pembury**, supporting growth throughout the A21 corridor between London and Hastings: it is vital that the Highways Agency progresses these improvements at the earliest opportunity.

4.223 In addition, improvements to the A228 at Colts Hill will be important in improving connectivity between Tunbridge Wells, Kings Hill and the major growth points at Maidstone, and Local Growth Fund investment is sought to secure this major scheme. In the longer term, access to the M25 from parts of West Kent is also constrained, requiring a potential assessment of the benefits and impacts of M25 junction changes.

Table 4 26: West Kent (A21 Corridor) Transport Investments

Scheme	Start Date	End Date	Full cost (£m)	LGF funding requirement	Match funding	Total Jobs enabled	Total homes enabled
M20 Junction 4 Eastern Overbridge	2015/16	2015/16	4.44	2.19	2.25	1785	4068
Tonbridge Town Centre Regeneration	2015/16	2016/17	3.87	2.37	1.50	450	1000
North Farm Relief Strategy, Tunbridge Wells	2015/16	2021/22	10.50	8.50	2.00	555	440
Tunbridge Wells P&R	2015/16	2019/20	10.00	8.50	1.50	1160	725
A228 Colts Hill Relief Scheme	2016/17	2020/21	35.00	35.00	0.00	2000	1500
A26 London Rd/ Speldhurst Rd/ Yew Tree Rd Junction Improvement, Tunbridge Wells	2015/16	2016/17	2.00	1.75	0.25	105	85
West Kent LSTF	2015/16	2020/21	9.05	4.89	4.16	405	443
		Total	74.86	63.20	11.66	6,460	8,261

Table 4 27: West Kent (A21 Corridor) SEFUND Investments

Scheme	Start Date	End Date	Full cost (£m)	LGF funding requirement	Match funding	Total Jobs enabled	Total homes enabled
Swanley Town Centre	2015/16	2018/19	50.00	1.00	49.00	500	60
East Malling Research	2015/16	2017/18	5.00	0.50	4.50	100	
Peter's Village	2016/17	2018/19	100.00	1.00	99.00		1000
Tunbridge Wells town centre	2016/17	2018/19	20.00	1.00	19.00	500	
		Total	175.00	3.50	171.50	1,100	1,060

Table 4 28: West Kent (A21 Corridor) SEFUND Investments

Scheme	Start Date	End Date	Full cost (£m)	LGF funding requirement	Match funding
Tunbridge Wells vocational provision	2015/16	2017/18	4.00	1.00	3.00
		Total	4.00	1.00	3.00

Infrastructure for Growth

4.224 For our key growth locations and corridors, we have identified the transport interventions needed to unlock growth. Combined, our transport programme will facilitate delivery of 141,000 jobs and 114,000 homes across Kent and Medway. However, our proposed transport investments will have strategic benefits as well as helping to unlock specific growth locations.

Growth without Gridlock

4.225 Growth without Gridlock in Kent and Medway, the county's transport strategy sets out our priorities for future transport investment, focused on the need for transformational change of national significance (such as a Lower Thames Crossing) and local schemes needed to unlock growth. Within our Growth Deal, we have focused primarily on securing additional 'local' investment, set out in the previous area and corridor sections, but it is essential that we also secure the resilience of our strategic network:

4.226 It is vital our national corridors of the M2/A2, M20 and High Speed 1 perform well. If they are congested the detrimental impact to not only the national economy but to Kent and Medway is huge. Basically investment goes elsewhere. Significant improvement to these national corridors is therefore the cornerstone to our plan. **We fully expect Government to fund these improvements.** However, a number of these schemes however are so strategically important to our economy we are willing to put in an element of funding to ensure they are brought forward as early as possible.

Key investments required are:

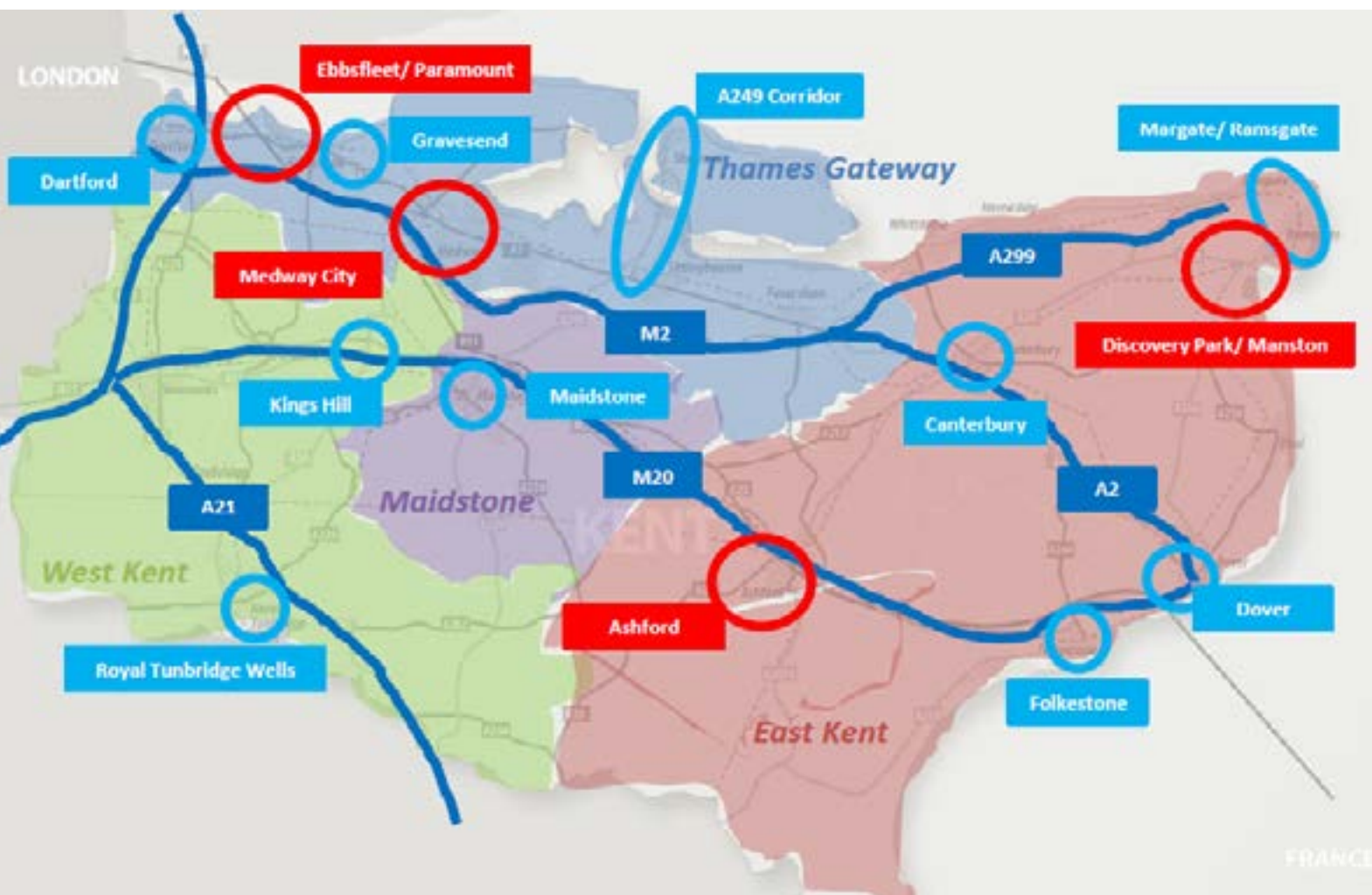
- A2 Bean Junction (with a Local Growth Fund requirement of £10 million)
- A2 Ebbsfleet Junction (with a LGF requirement of £6 million)
- M2 Junction 5 (with a LGF requirement of £15 million)
- Operation Stack Lorry Park (with a LGF requirement of £10 million)

National corridors investment supporting our growth areas

4.228 While major improvements to the strategic road and rail networks are our priority, we know there is much we need to do at the local level to make sure that our growth areas are delivered. Key to this are connections from the strategic road network that will allow us to "piggy-back" off the investment in the strategic network to unlock our full growth potential. **These schemes connecting the national network to the local, will deliver 13,500 jobs and 10,000 homes:**

- M2 Junction 5a and Link Road, supporting Kent Science Park (with a LGF requirement of £12 million)
- M2 Junction 10a at Ashford (with a LGF requirement of £19.7 million)
- A2/A28 off-slip and link road at Canterbury (with a LGF requirement of £2 million).

Our national corridors



4.227 In addition, further Highways Agency investment will be required at **M2 Junction 7**, the **dualling of the A2 at Lydden**, near Dover and M2 Junction 3 to support the further development of Rochester Airport.

County-wide priorities for Local Growth Fund

4.229 Throughout this chapter, we have highlighted the key transport interventions for which we require Local Growth Fund investment to unlock sites for employment and housing. However, a number of schemes and programmes have impacts across Kent and Medway:

Table 4.29: Kent and Medway-wide Local Growth Fund transport investments

Scheme	Start Date	End Date	Full cost (£m)	LGF funding requirement	Match funding	Total jobs enabled	Total homes enabled
Sustainable access to education and employment	2015/16	2020/21	1.20	0.90	0.30	140	
Strategic congestion management	2015/16	2020/21	4.80	4.80	0.00	2003	2292
Kent sustainable interventions supporting growth	2015/16	2020/21	3.00	3.00	0.00	1335	1528
Operation Stack and overnight lorry park	2015/16	2017/18	20.00	10.00	10.00	1000	1500
Additional Op Stack and overnight lorry park	2019/20	2020/21	18.00	15.00	3.00	928	1220
Total			47.00	33.70	13.30	5,406	6,540

Sectors for growth

4.230 We must ensure that we have a positive environment for business expansion – where businesses with the appetite for growth can secure the finance, the land, the people and the ideas to create jobs and prosperity and our key sectors have strong prospects for growth

Opportunities

- **We have an entrepreneurial economy**, driven by thousands of small and medium-sized businesses. Of 63,650 businesses across the county, 89% employ fewer than ten people.
- **We have a growing knowledge economy**. The number of people employed in the knowledge economy remains relatively small – reflecting Kent and Medway’s traditional industrial legacy. But over the past 15 years, it has grown at almost twice the national rate of growth.
- **We are benefiting from improved infrastructure**. High Speed One has transformed the travelling time between London and parts of Kent. Previously distant and peripheral, it is now quicker to reach Canary Wharf from Ebbsfleet than it is from Kensington.

4.231 We have established a strong, long-term partnership with our leading business sectors, through a continuing series of sector roundtables. We have used our sector knowledge to focus on targeted interventions where there are gaps in the market.

Kent and Medway’s key sector opportunities	
Sectors	Opportunities
Life sciences	6,000 jobs. Concentrations of activity at Discovery Park Enterprise Zone and at Kent Science Park near Sittingbourne, with emerging opportunities at the new Maidstone Medical Campus.
Creative and media	14,000 jobs; 85% sector growth over the past decade. Strengths in software and digital media, especially in Tunbridge Wells, Maidstone, and coastal East Kent.
Low carbon	21,000 jobs in renewable energy, energy efficiency and carbon reduction technologies – and underpinned by the designation of the Kent coast as a Centre for Offshore Renewable Engineering.
Land-based	Comparative advantage in horticulture, accounting for over two thirds of national top fruit production. Research-intensive growth opportunities, such as at East Malling Research.
Manufacturing	44,000 jobs, accounting for over 10% of Kent and Medway’s GVA. Strong concentrations in Medway and Swale, with major businesses such as BAE Systems and Delphi supporting a strong SME base.
Construction	36,000 jobs. Proximity to the London and South East market and major developments in Kent and Medway support growth in the sector, with new opportunities in sustainable construction technologies.
Tourism and leisure	64,000 jobs. Strong tourism product offer in coastal, historic and rural Kent, which will be reinforced by major investment in new attractions, including the proposed Paramount development in North Kent.
Higher education	Kent has one of the UK’s largest university clusters at Canterbury, as well as a large and growing university presence at Medway, with increasingly strong links with local business.

Challenges

- **Access to finance continues to be a constraint.** Bank lending is still lower than it was before the credit crunch, although there are recent signs of improvement. There are also well-evidenced gaps in the availability of equity finance on viable terms, especially for start-ups and younger micro businesses with innovative – but therefore risky – propositions.
- **The business environment is becoming increasingly competitive.** We must become increasingly productive, generating more output with fewer human resource inputs – making it more important that those companies with the ability to grow and create jobs and wealth are able to access the finance and market intelligence they need.
- **Environmental resilience is an increasingly significant issue.** Some parts of the county's economy (especially parts of the manufacturing and land-based sectors) will be affected longer term by rising environmental legislation and resource costs which will need to be managed and mitigated if Kent and Medway is to remain competitive, resource efficient and a place for green businesses to invest.
- **Employers often have challenges in accessing the skills they need.** In particular, difficulties in securing staff with the right science, technology and engineering skills are often highlighted – and this is likely to become an increasingly significant challenge as the labour market tightens.

Solutions

4.232 To respond to the opportunities and challenges faced by business, we will put in place three **major solutions** as part of our sector-focused Growth Deal. We will:

- Unlock private finance and bridge the innovation funding gap by delivering a £28 million **Finance for Innovation** programme, linked with an integrated approach to innovation and growth;
- Simplify and streamline the business support offer – creating a new Kent and Medway **Growth Hub** at the heart of a better coordinated network;

- Support increased growth **through trade and investment**; and

Finance for Innovation

4.233 Kent and Medway's existing access to finance programmes are highly successful in supporting businesses with the appetite to grow. So far, TIGER and Expansion East Kent – both of which are funded through the Regional Growth Fund – have created 2,250 jobs, and will create over 8,000 by the time all the initial investment has been utilised. With an average cost per job of around £12,000, they are delivering amongst the best value for money of any RGF-funded programmes in England.

4.234 However, all Kent and Medway's existing access to finance support will be exhausted by 2015/16, and although TIGER and Expansion East Kent money is recyclable, repayments will be limited until about 2017/18. So there will be a gap when there will be no funds available to lend.

Expansion East Kent

With £35 million secured from the Government's Regional Growth Fund, Expansion East Kent is already making a major difference to the East Kent economy.

Creabilis SA is a clinical stage European biotechnology company developing novel treatments for dermatological and inflammatory diseases. With funding of £840,000 approved from Expansion East Kent, it will create 50 new jobs in East Kent in research and product development.

0% **Expansion East Kent**
apply now
loan

CASE STUDY

4.235 We will create a new programme, **Finance for Innovation**, focused on providing loan and equity finance to SMEs seeking to invest in new products, services and processes with the ability grow and create sustainable employment. It will operate across Kent and Medway, with a focus on investment in our priority growth sectors. In particular, it will make a long term difference by investing in activities most likely to deliver added value and increase knowledge economy employment.

4.236 While Finance for Innovation will respond to the clear need for access to finance where this will unlock private investment, it must be at the heart of a wider **innovation support system**. There is much already available – so we will not duplicate the programmes of the Technology Strategy Board or initiatives such as Growth Accelerator. However, Growth Accelerator, locally-funded programmes such as High Growth Kent, the support to business offered by our universities and our network of innovation centres will be critical in developing applications to Finance for Innovation and ensuring that the businesses we back receive a wide range of additional support. So we will develop a **Kent and Medway Innovation Concordat**, signed by all innovation support organisations setting out how we will work together and add substantial local value to national programmes and initiatives.

4.237 To make Finance for Innovation work, we seek £28 million capital investment from the Local Growth Fund over six years, to be recycled locally. All Finance for Innovation investments will be made either as loans of up to 50% of project cost, or as equity investment on equal terms with a private investor. We will therefore secure private sector leverage of at least £30 million.

The Kent and Medway Growth Hub

4.238 Finance for Innovation and the Kent and Medway Innovation Concordat will help to focus the support available for those businesses with innovative capacity and in our priority growth sectors. But the wider business support landscape is often complicated and confusing.

4.239 We will establish a **Kent and Medway Growth Hub**, competitively tendered by Kent and Medway Economic Partnership and providing a central, up-to-date web-based portal to business support and financial assistance offered at local, county and national level, supplemented with start-up and generic business advice. The Growth Hub will also act as the key point for accessing Finance for Innovation and the county's existing access to finance programmes.

4.240 We seek **£6 million over six** years from the Local Growth Fund in revenue grant to support the Kent and Medway Growth Hub, which we will match in direct investment in business support products, including the High Growth Kent service for businesses with growth potential and local start-up services and the Low Carbon Kent programme. We will also expand this activity through the ERDF opt-in to Growth Accelerator and Manufacturing Advisory Service support.

Trade and investment

4.241 Next to the markets of continental Europe and the rest of the UK, Kent and Medway is well-placed to benefit from **international trade**. However, we know that Kent companies are less likely to export than firms elsewhere in the South East. Through **Kent International Business**, Kent County Council, local business support providers and UK Trade and Investment (UKTI) are helping Kent and Medway firms to access new markets. We will expand this activity, linked with the development of the county's key growth sectors, through the ERDF 'opt-in' to UKTI support.

4.242 Building on the success of Locate in Kent we will increase our promotion of Kent and Medway, recognising the opportunities at Ebbsfleet, Discovery Park and elsewhere. We seek designation of Kent as a **UK inward investment gateway**, with a commitment from UKTI to match local support for inward investment where it is focused around sectors in which the county has national strengths.

Table 4 30: Kent & Medway Investment: Business growth and productivity

Scheme	Start Date	End Date	Full cost (£m)	LGF funding requirement	Match funding	Total Jobs enabled
Finance for Innovation	2015/16	2020/21	80.00	28.00	52.00	8254
Kent and Medway Growth Hub	2014/15	2020/21	9.00	6.00	3.00	1000
		Total	89.00	34.00	55.00	9,254

The Growth Deal/ Skills for growth

4.243 _____
Growth in key sectors and increasing employment opportunities demand a motivated, skilled and creative workforce. So we must be innovative, flexible and responsive – engaging employers in designing approaches to skills and the information, advice and guidance that supports it.

Opportunities

- **We have major opportunities for new employment.** Growth is forecast in key sectors, major new developments offer prospects for large-scale job creation and opportunities in London – in commuting distance for much of the county – are set to increase.
- **Employment levels are rising.** With greater flexibility, the labour market should be able to respond as employment opportunities develop.
- **Our workforce is becoming better skilled.** Workforce skills still lag behind the national average, but long term improvement is fairly consistent.
- **School attainment levels are improving.** GCSE results have improved consistently over the past decade, but Kent and Medway now outperform England as a whole

Challenges

- **Employers report skills shortages.** Employers say that they face difficulties in recruiting people with the right skills. Linked with this, there are more apprenticeship vacancies

than there are young people to fill them, because many applicants do not have the vocational or work-ready skills to take up available opportunities.

- **This will get worse as the labour market tightens.** Over time, there will be fewer working age people as a proportion of the population, leading to pressure to increase productivity.
- **Parts of Kent and Medway still experience concentrated worklessness.** Despite falling unemployment, access to the labour market is low in places, especially in coastal and Thames Gateway Kent and especially among 18-24 year olds.
- **There is a mismatch between employment opportunities and perceptions.** In a demand-led system, we must ensure that demand is well-informed. But frequently, perceptions of many sector opportunities are outdated and inaccurate.
- **Employers do not always have the time to engage.** We need to strengthen the employer voice in the skills system. But in a local economy dominated by small and micro businesses, there is a limit to the amount of time employers can give to informing the skills system.

Solutions

4.244 _____
As part of our Growth Deal, we will put in place measures to create a better-informed skills market by:

- Enabling employers to better participate in informing skills provision;
- Delivering improved information, advice and guidance;
- Developing brokerage and recruitment services to help jobseekers and employers access work;
- Making it easier for young people to access work and training

The Guild Model: Helping employers to participate in informing skills provision

4.245 _____
We will create an infrastructure that enables employers to ensure that provision meets their needs – helping them to shape the content of courses in partnership with colleges and other providers.

4.246 _____
We will develop a ‘**Guild**’ model, following our sector-led approach. For each priority sector, we will establish a Guild. Employers and providers within the Guild would work together to give employers greater ownership of planning and delivery of information, advice and guidance for their sector. We have already established a Guild for the hospitality and tourism sector, and we will seek to develop the model for our other priority sectors.

4.247 _____
The Guild model is an innovative - and low cost - way of delivering better employer engagement with the skills system. As it proves its value in demonstrating how local employers can articulate their skills demands and translate them into provision, we believe that it could have value as a national pilot. **We therefore ask the Government to work with us in evaluating the early success of the Guild model.**

Improved information, advice and guidance

4.248 _____
We will implement a comprehensive programme to enhance the information, advice and guidance (IAG) activities of schools, colleges, training providers and the National Careers Service whilst bringing together young people and employers more effectively. This will include a significant expansion of the Kent Choices4u online portal, providing high quality IAG and labour market information.

Stronger brokerage services

4.249 _____
We will expand the existing **Kent Employment Programme and Employ Medway** into brokerage models, which will include a job matching service. This service will create tailored development plans and progression

routes for young people, matching them to jobs based on their capabilities and skills, using the Kent Choices4u platform and linked with our priority growth sectors.

4.250 _____
We will explore **new models of engagement** that bring young people and employers together. Building on the work of Youth Employment Zones, this could include short, sharp intervention programmes for 16-24 year olds, getting young people ready for the job market and enabling them to secure a job with training.

Kent Choices4u

Kentchoices4u.com is Kent's online applications and careers portal. Year 11s use the system to apply for courses and it contains information about careers and post 16 options.

The site is increasingly popular, with over 170,000 visits to the site, and over 11,000 young people making an application between September 2012 and May 2013. The site is the largest and most used of its type in the country.

We are piloting a fully interactive system to bring together web and computer-based resources and target them at young people. This will also contain a CV builder, interactive skills development portfolios and employability skills support. Using the system, we will bring students and companies together. Companies will be able to place their employment/ training offer within the site alongside resources to help young people to develop the skills and experiences they need to progress into employment



Making it easier for young people to access work and training

4.251 We will seek to establish a **Workforce Response Fund**, to be used flexibly to remove barriers for individuals, employers and providers to boost skills, employment and job creation, building on Medway's SUCCESS programme.

4.252 Employers, providers and students have also told us that high travel costs remain a barrier to work and learning. We ask Government to consider the **extension of the reduced cost travel by public transport that is currently available to young people under the age of 16 to those aged between 16 and 19**.

Skills Capital investment

4.253 The Local Growth Fund includes an allocation of £330 million in 2015/16 for capital investment in the further and vocational education estate. As part of our Growth Deal, we have considered our priorities for this investment in Kent and Medway.

Table 4 31: Kent & Medway Investment: Skills and employment revenue

Scheme	Start Date	End Date	Full cost (£m)	LGF funding requirement	Match funding
Enhanced IAG and employability	2015/16	2020/21	5.00	1.50	3.50
Sector Guild Development	2015/16	2020/21	0.60	0.60	0.00
Employability Programmes	2015/16	2020/21	2.40	2.40	0.00
		Total	8.00	4.50	3.50

Making it happen

4.257 In Kent and Medway, we have a strong track record of practical delivery, underpinned by a long track record of excellent partnership working between business and local government.

4.254 As set out in the area sections above, in 2015/16, Kent and Medway Economic Partnership will prioritise:

- As part of the **Ashford Growth Package**, the development of the new **Ashford International College**. This will provide a new further education college at the heart of Ashford, with a requirement of £9.5 million
- Expansion of existing facilities at **Swale Skills Centre** in Sittingbourne, with a combined requirement of £1 million

4.255 Over the next six years, we will ensure that funding is also prioritised for **Ebbsfleet Garden City** as part of the integrated growth package for Ebbsfleet-Swanscombe – focusing on the wide range of skills that will be required as a result of the proposed Paramount development.

4.256 The need for further education provision in **Sittingbourne** – the largest town in Kent without FE provision – will also need to be addressed, as will requirements at Folkestone, Dover and Tunbridge Wells.

Kent and Medway Economic Partnership

4.258 Within the overall context of the LEP's Strategic Economic Plan, the Kent and Medway Economic Partnership will be responsible for the delivery of the objectives set out in this Growth Plan.

4.259 The KMEP Board consists of 11 business representatives, 8 local authority leaders, and 1 representative from each of higher and further education.

4.260 The KMEP is an informal partnership. To ensure full accountability for delivery, Kent County Council and Medway Council share the accountable body role, depending on the programme or project. Both authorities have long experience of maintaining accountability for Government-funded, partnership-managed programmes.

Business voice

4.261 Kent and Medway Economic Partnership builds on an excellent track record of partnership between the business and local government. Kent and Medway's **Business Advisory Board** provides a business-led forum, with membership drawn from all key sectors of the economy, with links into local partnerships. This is supported by our sector-focused partnerships and bodies, such as **Kent Developers' Group**, **Visit Kent** and **Kent Rural Board**.

Democratic accountability

4.262 Alongside Kent and Medway Economic Partnership, **Kent Council Leaders** provides a forum for full democratic partnership accountability, bringing together the leaders of all 14 local authorities across Kent and Medway.

Project delivery

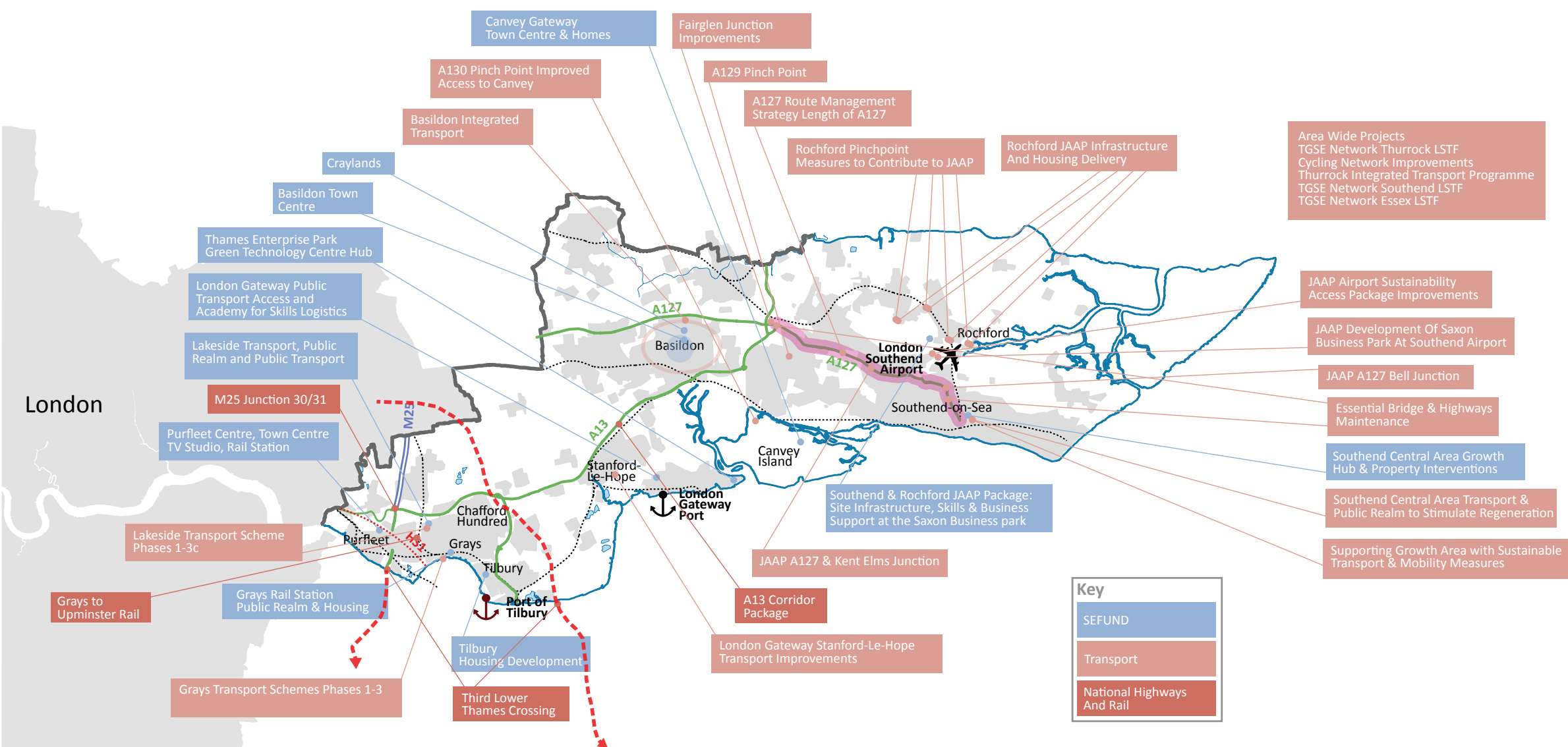
4.263 Kent County Council and Medway Council have extensive experience and an excellent track record in delivering **major transport schemes**. Most recently, examples include the £87 million East Kent Access road scheme, completed in 2012 and opening up access to Discovery Park, Manston Business Park and wider opportunities in Thanet and Dover. Both highways authorities have wide experience in managing complex and substantial projects in conjunction with developers and other key government agencies – delivering on budget and on time. Kent and Medway Economic Partnership also contains several business members with practical and senior experience in the transport industry, providing strong commercial input alongside democratic accountability.

4.264 We also have extensive experience in and capacity to deliver **business growth**. We are currently managing £55 million in Regional Growth Fund investment – delivering among the country's most successful RGF programmes, on track to help create over 10,000 jobs. We are managing the £40 million Broadband Delivery UK programme for Kent and Medway, one of the first in the UK to begin rolling out delivery.

Table 4 32: Kent Summary

Kent and Medway	Full cost (£m)	LGF funding requirement	Match Funding	Total Jobs enabled	Total Homes enabled
Transport	709.51	359.59	349.92	140,419	114,584
SEFUND	2,628.50	74.20	2554.30	15,720	13,800
Productivity	89.00	34.00	55.00	9,254	0
Skills	87.00	33.75	53.25	0	0
Total	3,514.01	501.54	3,012.47	165,393	128,384

Thames Gateway South Essex Growth Deal



The Thames Gateway South Essex Economy

4.265

Thames Gateway South Essex (TGSE) is part of the Thames Gateway; a national priority area for growth and regeneration. In his report 'No Stone Unturned' Lord Heseltine describes the development of the Thames Gateway 'as crucial to UK competitiveness'.

4.266

Bordering London to the west, TGSE stretches along the north bank of the Thames, through Thurrock, Basildon and Castle Point to Southend-on-Sea and Rochford in the east. It is already home to over two thirds of a million people, 54,300 businesses and a workforce of over 400,000 that generates £10bn GVA per annum. TGSE's excellent port and airport connectivity make it a key strategic gateway for London and the UK, enabling access to markets in Europe and across the world. With a mature and growing business environment, it contains, in Thurrock, one of the largest port clusters in the UK, in Basildon one of the largest business agglomerations in the East of England and in Southend the only expanding airport in the south east.

Map showing the main locations for growth, jobs growth and housing growth

4.267

TGSE has already seen considerable growth and investment and has ambition for more. TGSE local authorities, working in close collaboration with business, are driving growth through direct investment and supportive policy.

4.268

TGSE authorities are committed to using innovative measures to harness that growth to build the TGSE economy, address local inequalities and maximise local opportunities for the area's residents. Southend's work in recently agreeing a City Deal and efforts to facilitate the Anglia Ruskin MedTech Campus, Thurrock's development of a wholly owned housing company together with its support for the Creative and Cultural Industries at High House Production Park and Basildon's work with Thurrock on developing an NNDR pool with London neighbours demonstrates a keen desire to use the freedoms and flexibilities being afforded through the localism agenda to deliver more economic growth faster.

4.269

TGSE has identified and is already supporting a number of priority sectors which, with the right public sector support, have the potential to deliver disproportionate levels of growth both in terms of simple job numbers and GVA. These sectors are:

- Advanced Manufacturing & Engineering
- Transport and Logistics
- Environmental Technologies and Energy
- Digital, Cultural & Creative



4.270

Our approach, detailed below, looks to build on our existing strengths and make the most of a unique combination of opportunities to deliver more than some 45,000 homes and 52,000 jobs.

4.271

TGSE has two major growth corridors: the A13 and the A127 which are mirrored by two rail lines - the London Liverpool Street to Southend line and the Essex Thameside Route running from London Fenchurch Street to Tilbury and Southend. These corridors enable commuter journeys and business supply chains within TGSE and between TGSE and London. They support TGSE as a functional economic area stretching into East and Central London supporting over 69,000 daily commuter journeys. The vast majority of the area's potential £4.3bn of private sector enabled growth is at key locations along these corridors.

The A13 Corridor

4.272

Bordering London to the west, the A13 corridor links the key port infrastructure of Tilbury and London Gateway with the capital. The A13 corridor is the largest single growth opportunity in the SE LEP area and already benefits from major planned and committed private investments at London Gateway (£1.5bn), Thames Enterprise Park (£1bn), Lakeside (£1bn), Purfleet (£600m) and Canvey Gateway (£110m).

4.273

Development is currently severely constrained by the limited capacity of the strategic road network, particularly J30/31 of the M25 and the dual carriageway stretch of the A13. Whilst the M25 is likely to be addressed through the Department for Transport/Highways Agency, the A13 is considered a local road requiring a local solution. Recognising the strategic importance of the route. All SE LEP partners agree that Government should fund the £90m widening scheme to remove the barrier and unlock the full potential of the corridor, noting that if Government does not fund the scheme it is likely to be beyond the means of the partnership.

4.274

With the right investment, we have the opportunity to directly create 4,045 jobs and 3,340 new homes by 2021 and facilitate 43,610 jobs and 11,087 homes in this corridor through our proposed transport schemes.

The table below illustrates the transport components of our growth programme in the A13 Corridor.

Table 4.33: TGSE A13 Corridor Transport Investments

Scheme	Start Date	End Date	Full cost (£m)	LGF funding requirement	Match funding	Jobs	Homes
Access to Canvey and A129 Woodmans Junction	2018/19	2020/21	8.50	7.00	1.50	950	180
London Gateway / Stanford-le-hope	2014/15	2019/20	12.05	7.50	4.55	4400	700
Grays Town Centre	2014/15	2019/20	21.54	16.40	5.14	2000	2607
Thurrock Integrated Transport package	2014/15	2018/19	6.17	2.00	4.17	0	0
Thurrock Cycling Network improvements	2014/15	2018/19	6.13	5.00	1.13	0	0
Thurrock Lakeside	2014/15	2019/20	22.39	13.00	9.39	1000	1100
Thurrock Rail Package	2014/15	2020/21	24.00	12.00	12.00	16,580	4,200
Total			100.78	62.90	37.88	43,610	11,087



L.G. Networks (London Gateway Networks Ltd)

Location: Thurrock
Industry: Telecommunications

Thurrock is truly at the centre of business activity in the South East. Our corridor of work covers West End to South End, and Thurrock is right at the heart. With the development of two major docks on our doorstep, improving transport and communications, L.G.Networks is committed to being part of the business growth in the area. Business grants and loans available through different local government departments and bodies have helped us to invest more in staffing and resources, and will no doubt continue to encourage this in the future.

4.275 **London Gateway** is the most significant UK port development in more than 20 years. Occupying a 1,500 acre site, the Port opened last year and will ultimately sit adjacent to Europe's largest logistics park (nearly 1m sq. metres of accommodation). The first occupier (Marks and Spencer) was announced in 2013 with works expected to commence in 2014. Together the Port and logistics park will create more than 12,000 direct, permanent jobs and more than 20,000 indirect jobs. Funded entirely by the private sector, the site is supported by the country's largest Local Development Order, developed by Thurrock Council to give confidence to occupiers to invest. The upgrading of public transport links to the site from Stanford-le-Hope and a proposed logistics academy will provide local people with the relevant skills infrastructure to access the extensive employment opportunities.

4.276 The **Thames Enterprise Park**, located on the site of the recently closed Petroplus refinery at Coryton represents an exciting opportunity to create a 160ha Environmental Technologies and Energy Hub on the former refinery site alongside a new import/export and blending facility for oil products to serve the London and south east economies. Ultimately expected to support more than 2,000 new jobs, it is anticipated that the first application for an 18ha bio jet fuel plant will be submitted in early 2014/15. Thurrock Council is working with the owners of the site to develop a package of inward investment support to attract firms in relevant sectors, and is brokering links with HEI's to develop an innovation and skills programme for firms locating on the site. A critical component of this package is the designation of the site as an Enterprise Zone.

4.277 The **Port of Tilbury**, which covers an area of more than 340ha and hosts some 130 firms, acts as London's major gateway for bulk products including cars, timber, grain, paper and containers. Thurrock Council has historically supported a series of expansions to the port, the most recent of which is currently underway and will see a 30ha expansion to the north. Works are due to commence shortly and, once complete, the site will support more than 1,100 new jobs.

Building on the economic strength of the port, a long term regeneration programme in Tilbury seeks to increase employment levels, and improve housing mix and quality. The programme will ultimately deliver 1,000 new homes and 3,800 new jobs.

4.278 The **Lakeside Basin** is Europe's largest retail complex with a catchment area spanning much of the greater South East. Despite its obvious strengths Lakeside is constrained by the access into the basin, physical connectivity within the basin and the quality of the public realm which all provide barriers to further planned investment. Work with landowners, operators and occupiers has resulted in the development of ambitious proposals to expand and diversify the basin to provide more retail floorspace alongside greatly enhanced leisure, commercial and residential uses as part of a 'regional' Town Centre supporting 6,000 to 9,000 additional jobs and up to 3,000 new homes. The private sector have responded positively with planning consent already granted for a £143m retail expansion to Intu's (Lakeside) Shopping Centre and a separate £100m leisure scheme. Further applications are under discussion to deliver the first homes in the basin.

4.279 A new **Purfleet Centre** on a 57ha brownfield site will support the delivery of 2,500 new homes and more than 1,500 new jobs alongside a new school, local services and facilities. At the heart of the proposals are exciting plans to create a 46,000 sq. metre film and television studio complex building on the growth of the Creative and Cultural sector through the arrival of the Royal Opera House and National Skills Academy on the High House Production Park site. The Purfleet Centre site is 55% owned by Thurrock Council which has secured outline planning consent and made the first resolutions to acquire the remaining land through Compulsory Purchase. The Council selected a preferred development partner in March 2014 and work is expected to start on site in 2015/16.

4.280 As part of a programme of improvement in **Grays Town Centre**, Thurrock Council is supporting South Essex College's £48m relocation of its Thurrock Campus to the heart of the High Street. Opening in September

2014, the College will provide 2,000 post 16 student places with plans for this to increase to 3,000 in the medium term. Thurrock Council is already working up further proposals for Grays, building on the momentum created by the College. These include the first development of 50 new homes through Gloriana (Thurrock's wholly owned housing development company), the £3.5m refurbishment of Grays Magistrates Court as a business centre supporting creation of 200 new jobs, the development of £15m proposals for the reuse of the State Cinema and work with Network Rail to redevelop Grays rail station. It is anticipated that these measures

and others will create the conditions to secure the ultimate delivery of more than 2,600 new homes and 2,000 new jobs in Grays.

4.281 Investment at the **Canvey Gateway** will see the development of a £30m Business and Enterprise Park whilst the £60m development of the existing Knightswick Centre and surrounding land will be the cornerstone of a transformed Canvey Town Centre. In total it is anticipated that this will support the delivery of 1,500 new homes and 1,100 new jobs.4.282

We have identified the following potential investment opportunities in the A13 corridor. We are requesting £24.3m via SEFUND to enable this.

Table 4.34: TGSE A13 Corridor SEFUND Investments

Scheme	Start Date	End Date	Full cost (£m)	LGF funding requirement	Match funding	Total Jobs enabled	Total Homes enabled
Canvey	2015/16	2017/18	90.00	4.50	85.50	475	90
Thames Enterprise Park	2014/15	2020/21	581.50	3.50	528.00	520	0
Purfleet	2015/16	2023/24	372.50	7.50	365.00	1500	2500
Tilbury	2018/19	2019/20	181.40	4.50	132.90	1100	350
Grays Town Centre	2015/16	2017/18	68.70	4.30	64.40	450	400
Total			1,200.10	24.30	1,175.80	4,045	3,340

The A127 Corridor

4.283 The A127 Corridor is vital to the economic growth of the SE LEP area, connecting London to the manufacturing hub of Basildon, and to Rochford, Southend, London Southend Airport and surrounding employment areas. The A127 itself carries a volume of traffic comparable to a motorway in other parts of the country, but has significant capacity issues which need to be addressed, particularly around Basildon, London Southend Airport and the Southend Central Area. Southend Borough Council and Essex County Council have agreed a joint "A127 Corridor for Growth" economic plan to identify, plan and

coordinate investment decisions and manage the asset. The majority of the growth along the corridor is expected to be located in and around these three specific growth locations which will see nationally significant growth in the advanced manufacturing and medical technologies sectors.

4.284 **With the right investment this corridor there is the opportunity to directly enable the creation of 8,775 jobs and 1,451 new homes by 2021 and a further 48,927 jobs and 32,665 new homes over the longer term.**

Table 4.36: TGSE A127 Corridor SEFUND Investments

Scheme	Start Date	End Date	Full cost (£m)	LGF funding requirement	Match funding	Total Jobs enabled	Total Homes enabled
Southend and Rochford JAAP	2014/15	2020/21	251.54	8.75	242.79	3690	0
Southend and Rochford Growth Area SCAAP	2014/15	2020/21	57.85	6.75	51.10	4200	200
Basildon Town Centre Regeneration Package	2015/15	2020/21	120.00	5.50	114.50	596	1123
Craylands Development			32.76	6.00	26.76	289	128
Total			462.15	27.00	435.15	8,775	1,451

Local Sustainable Transport Fund (LSTF)

4.292
A further £5m of LGF resource is proposed for capital investments in local sustainable transport measures across the TGSE area as a whole.

Productivity

4.293
It is imperative that TGSE's businesses, irrespective of stage of their development, have access to high quality business support that results directly in both improved performance and employment growth. TGSE partners have a strong history of collaborating to provide services including the ERDF funded Low Carbon Business Programme. Alongside a strong generic support offer for start-ups and small and medium sized firms, TGSE authorities have identified four priority sectors which they are already supporting to secure high value growth; Advanced Manufacturing & Engineering, Transport and Logistics, Environmental Technologies and Energy and Digital, Cultural & Creative.

4.294
Partners in TGSE will look to provide a coordinated package of business support to encourage and sustain new starts; to promote business growth and attract new investment; and to encourage R&D, facilitating access to HE facilities where appropriate. Existing and planned initiatives to promote innovation and enterprise will be backed by support for business that is integrated, easy-to-access and tailored to their particular needs. TGSE partners will work with major established businesses and HE Institutions to join-up support and a local delivery team will be established to draw together resources and expertise from existing national and local programmes. This will provide seamless access for businesses with a particular focus on priority sectors.

4.295
The approach will be tested through the Southend City Deal Growth Hub which will have a reach across TGSE. The Growth Hub will provide businesses with a single portal via which they can access both local and national support, such as MAS, Growth Accelerator and UKTI which will be syndicated on the website. Local support will include programmes offered through the Chamber of Commerce, Higher and Further Education and ERDF funded activity.

The Growth Hub will be funded by RGF and established early 2014. The Hub will act as a pilot for Growth Hubs/Gateways to Growth for SE LEP. It will be a replicable model which can be rolled out across the LEP using the learning and experience from the City Deal funded Hub to inform further development.

4.296
In terms of specific support to start-ups and small and medium enterprises, partners in TGSE will look to build on the success of the ERDF funded **Low Carbon Business Programme** by securing new ERDF resources to deliver a three year programme. The offer of the programme will be extended to offer Knowledge Transfer Partnerships to support R&D and the implementation of innovation projects in business. The footprint of this successful programme can be extended to cover the whole of SE LEP if considered appropriate.

4.297
To cater for expanding firms or those within the priority sectors, partners will aim to secure resources to **extend the TIGER 0% loan fund**, which currently runs in Thurrock, across the entire TGSE area. 0% loan funding will be available to enable innovation and creativity and support growth.

4.298
Beyond funding and advice we will support investment in a number of specific assets that will support innovative growth in our key sectors, including:

- a **Creative Sector Innovation Hub** at the High House Production Park, which will include a new Creative Arts College in partnership with University of the Arts London.
- An **Enterprise Zone at Thames Enterprise Park** supporting research and development and targeted investment

- in green technologies and energy firms in partnership with the University of Northampton and South Essex College
- **Gateway Canvey** - development for business and commercial uses including a mix of serviced offices and workshops as incubators for new and existing micro-businesses.
 - **Innovation Warehouse** in Basildon, which will support early stage, high growth, technology start-ups in an inspiring and creative environment.
 - The **Anglia Ruskin MedTech Campus** in Southend - providing one of the world's largest health innovation spaces for companies of all sizes with on-site business support services.
 - **Saxon Business Park** - incorporating part of the Anglia Ruskin MedTech Campus and providing business accommodation with a focus on aviation, advanced engineering and servicing businesses connected to the airport.
 - **Museum of the Thames Estuary** – Development of a 30 mile cycleway linking London with the Museum of the Thames Estuary in Southend. This will link and celebrate the fascinating cultural and heritage offer along the route and increase cultural tourism.

4.299
This collective package of support can create 1,000 new jobs across TGSE by 2021. It will support an estimated 270 new start-ups, provide support to 3,500 businesses and 60 social enterprises. TGSE authorities are investing £5m locally, will be looking to secure £10m through ERDF and request £4m of match funding from LGF. This will be matched with £5m of private sector money.

Table 4.37: TGSE Productivity Investment

Scheme	Start Date	End Date	Full cost (£m)	LGF funding requirement	Match funding	Jobs enabled
Innovation, Enterprise & Productivity	2015/16	2018/19	24.20	4.20	20.00	1000

Olympus Key Med

Medical devices Med Tech

Southend-On-Sea

Olympus KeyMed, based at Southend-on-Sea in Essex, is one of the global business centres for Olympus endoscopy products and the exclusive distributor and service centre for the entire Olympus range of flexible and rigid endoscopes, accessories and ancillary products in Great Britain. Quality and innovation are at the heart of the company's success, and Olympus KeyMed recently won its third Queen's Award for the development of I-SPEED - a state of the art, high-speed video camera, which is achieving significant market success through its portability, flexibility and functionality.

"We are fortunate that Essex, with its electronics and manufacturing heritage, has an established pool of high-tech skills so we are able to tap into the local labour market. There is a good network of training schools and colleges which we can use as part of our continuous staff development programme."

Essex is also home to many of the company's component suppliers and business partners. As Mike Skelt, Head of Manufacturing - Medical, explains,

"Having key members of the supply chain so close at hand means we can rely on the daily deliveries and quick response times that are essential to our lean procurement policy."

Skills

4.300

The development of a strong growing economy, based on the availability of a high quality skills base, will be directly dependent upon the nature of the education and learning offer locally. In the case of TGSE, there is a need to develop a stronger and more effective education offer, particularly in relation to further education and vocational education. Given the nature of the existing business base and the key industries that currently account for the largest share of employment in TGSE, these industries are likely to require vocationally-oriented learning and training particularly at FE level which is currently difficult to access locally.

4.301

The skills and employment priorities in TGSE have been agreed by Local Authorities and businesses alike as:

- Employer-led infrastructure and enhanced Information, Advice and Guidance;
- Apprenticeships and other vocational provision;
- Up-skilling the workforce and supporting SME growth; and,
- Active inclusion, transition to work, and reducing youth unemployment.

4.302

To achieve these priorities TGSE will support a range of initiatives to provide growth sectors with access to the workforce that they require:

- A dedicated on-line Marketplace Portal for employers. The Portal will be a source of information, a matching of needs to provision, and a forum for sharing labour market intelligence. This will allow Providers, Local Authorities and other partners to rationalise, improve and better co-ordinate their support for businesses and young people.
- The Skills Investment Fund (SIF), which will provide individual grants to firms to support training actions where this contributes to the achievement of wider strategic aims. The ESIF will also support larger interventions and provide incentives to firms to take on NEET or unemployed individuals.

- A higher-quality Information, Advice and Guidance (IAG) offer that better meets the needs of young people and promotes career opportunities within TGSE growth sectors.
- A focused package of support (employability skills, specific training and job brokerage) targeting unemployed residents within priority locations and developing routes into employment in entry level jobs in key sectors.
- A Higher Education Sector Network which supports the skills and workforce needs of businesses in our priority sectors: Advanced Manufacturing & Engineering, Transport and Logistics, Environmental Technologies and Energy and Digital, Cultural & Creative.
- Creative & Cultural LEP-Wide Skills Programme to raise employer ambitions,

generate economic value and create sustainable and high-value employment opportunities in the local area through a programme of work experience, traineeships, apprenticeships, graduate and SME business support activity and wider CPD training, events and networking opportunities.

- An improved safety net to prevent young people becoming and staying NEET including supported access to Career advice with non-web base intensive personal support in accessible locations.
- Skills for Transport and Logistics – working closely with the FE and HE sectors to establish a centre of logistics excellence for the benefit of the sector as a whole across SE LEP and the UK building upon established expertise at Port of Tilbury and the leading edge innovation of DP World.

Table 4.38: TGSE Skills Revenue Investment

Scheme	Start Date	End Date	Full cost (£m)	LGF funding requirement	Match funding	Total Jobs enabled	Total Homes enabled
Education, Skills & Inclusion	2015/16	2019/20	18.50	3.00	15.50	1700.00	0.00

4.303

Much of the above is being carried out in partnership with Essex County Council and others in North Kent and the wider Thames Gateway, reflecting our common challenges and priorities and the existing close relationships; physically and economically

4.304

To support the training and skills needs of our priority sectors there are other projects currently being developed. These include:

- A Creative Arts College at High House Production Park to be completed in 2016/17.
- TGSE Careers College to be completed in 2016/17.
- South Essex College Construction and Motor Vehicle Training Centre to be completed in 2017/18.

4.305

This programme will create an estimated 1,700 new jobs to 2021 via apprenticeships. It will support tens of thousands of young people to access improved IAG services. It will provide hands-on employment support to over 2,000 of our residents who are long-term unemployed. We are investing £5.5m of funding from TGSE authorities, and requesting £3m of LGF funding to match this investment. This will unlock £5.5m of private sector leverage.

Housing

4.306

The provision of an appropriate housing offer is critical to the aspiration to attract, develop and support an increasingly skilled workforce to drive TGSE's priority sectors. TGSE authorities have a well-established history of seeking to facilitate housing growth. With more than 10,000 homes consented through unimplemented planning permissions, the challenge in TGSE is not to identify new locations for housing growth, but



to create the necessary conditions to secure the private investment necessary to deliver those schemes which have already been identified.

4.307
TGSE authorities are already working on a range of measures and taking on greater risk to secure the development of new homes. Chief among these is Thurrock Council's work on asset disposal (buy now – pay later) together with the establishment of Gloriana, a wholly owned development company, which will develop more than 1,000 new homes on Council owned land, and the commitment of £70m in land assets to a partnership with the private sector to secure the development of Purfleet Centre, providing more than 2,500 new homes.

4.308
Through our growth corridors we are promoting investment in infrastructure and property which will support development in a number of strategic locations where we will look to promote housing development. Ultimately, these locations will deliver more than 45,500 new homes, with more than 7,200 coming forward by 2021 through the direct investment now sought:

- 1,500 homes in Basildon Town Centre
- 1,600 homes in Lakeside
- 816 homes in Grays Town Centre
- 800 homes in Purfleet Town Centre
- 500 homes in Canvey
- 350 homes in Tilbury
- 600 homes in Rochford
- 250 homes in Southend Central
- 128 homes in the Craylands and Fryerns estate in Basildon

4.309
In total we can deliver 7,200 additional homes in these areas to 2021. We are contributing significantly to the development of these growth locations. Our ask of government is included within the growth corridor figures, above.

4.310
In total we can deliver 21,750 jobs and 7,200 homes to 2021. We are investing £300m of local authority money, and requesting £195.7m to match this. This will lever £4.4bn of private sector investment.

Delivery

4.311
The Thames Gateway South Essex Partnership (TGSEP) is a long established and successful partnership that provides a business-led governance mechanism to oversee the delivery of TGSE programmes and projects. Alongside the Leaders of each of the local authorities are business representatives from each of the area business boards within TGSE which ensures the local voice of business, training and skills providers, and transport operators is heard and acted upon.

4.312
TGSEP works strongly in collaboration with its partners. Through the Greater Essex Business Board, three business members of TGSEP represent TGSE on the SE LEP Board. Links to the rest of Essex are enabled by three TGSE business representatives being members of the Greater Essex Business Board with one of those members acting as Vice-Chair. TGSEP members are part of the Thames Gateway Strategic Group chaired by a Deputy Mayor of London and attended by the Thames Gateway Minister

4.313
This stable governance framework has an impressive history of local joint working to develop and support key interventions to support substantial growth. This collaboration has already facilitated significant private sector investment in nationally important projects including London Southend Airport and the London Gateway super-port and TGSEP has now set the framework to secure further investment in key locations including Purfleet, Lakeside, Thames Enterprise Park, Basildon Town Centre, Southend and Rochford through investment in increasing access to specific growth points along the A13 and A127 corridors.

4.314
The TGSE programmes and projects described in this section have been agreed as an integrated package recognising, as a natural economic geography, that success in one part of TGSE will bring benefits in terms of job opportunities or supply chain possibilities to communities and business across the area. The package includes skills, innovation and employment programmes for TGSE that build upon already successful joint working, such as the ERDF low carbon

business programme, NNDR pooling and the recently completed Southend City Deal. Specific project delivery will generally sit with individual local authorities, including Essex County Council where appropriate, all of whom have a strong delivery track record.

4.315
The TGSE programme reflects the key economic relationship the area has with the London LEP, in particular the vital road improvements necessary along the A13 and A127 that connect London Gateway Port and London Southend Airport to the strategic road network around and into the capital. Important sector based links have also been made through the creative industries sector and High House Production Park's work with the University of the Arts and are also developing across the advanced manufacturing sector with the Centre for Manufacturing and Engineering Excellence

in Rainham. The new NNDR economic development partnership between Basildon, Thurrock, LB Havering and LB Barking & Dagenham and Thurrock's membership of the GLA chaired London Riverside Partnership underline the strength of TGSE's joint working with London.

4.316
TGSE also has strong economic partnerships with the rest of Essex, through for example the Med Tech initiative led by Anglia Ruskin University across Southend, Chelmsford and Harlow and with North Kent through the TIGER programme offering loans to small and growing businesses in Thurrock. We will continue to build on these successful partnerships.

4.317
The table below provides a summary of the TGSE asks by theme.

Table 4.39: TGSE Summary Table

TGSE	Full cost (£m)	LGF funding requirement	Match Funding	Jobs Created	Homes Created
Transport	188.48	137.14	51.34	92,537	43,742
SEFUND	1,662.25	51.30	1,610.95	12,820	4791
Productivity	24.00	4.20	20.00	1000	0
Skills (revenue)	18.50	3.00	15.50	1700	0
Total	1,893.43	195.64	1,697.79	108,057	48,533

HW Wilson

Location: South Ockenden Thurrock

Industry: Construction

Based in Thurrock for over 80 yrs H W Wilson Ltd has seen the good and the bad times come to the area. Although never in our history have we seen the local area on the cusp of such potential growth and improvement.

With the correct investment and a steady hand Thurrock can truly become the leading light in the much vaunted 'Thames Gateway'. Whether we are to be directly involved in any of the huge construction projects is still to be seen, however we will be here to help and guide the local communities to take full advantage of the opportunities afforded to them.

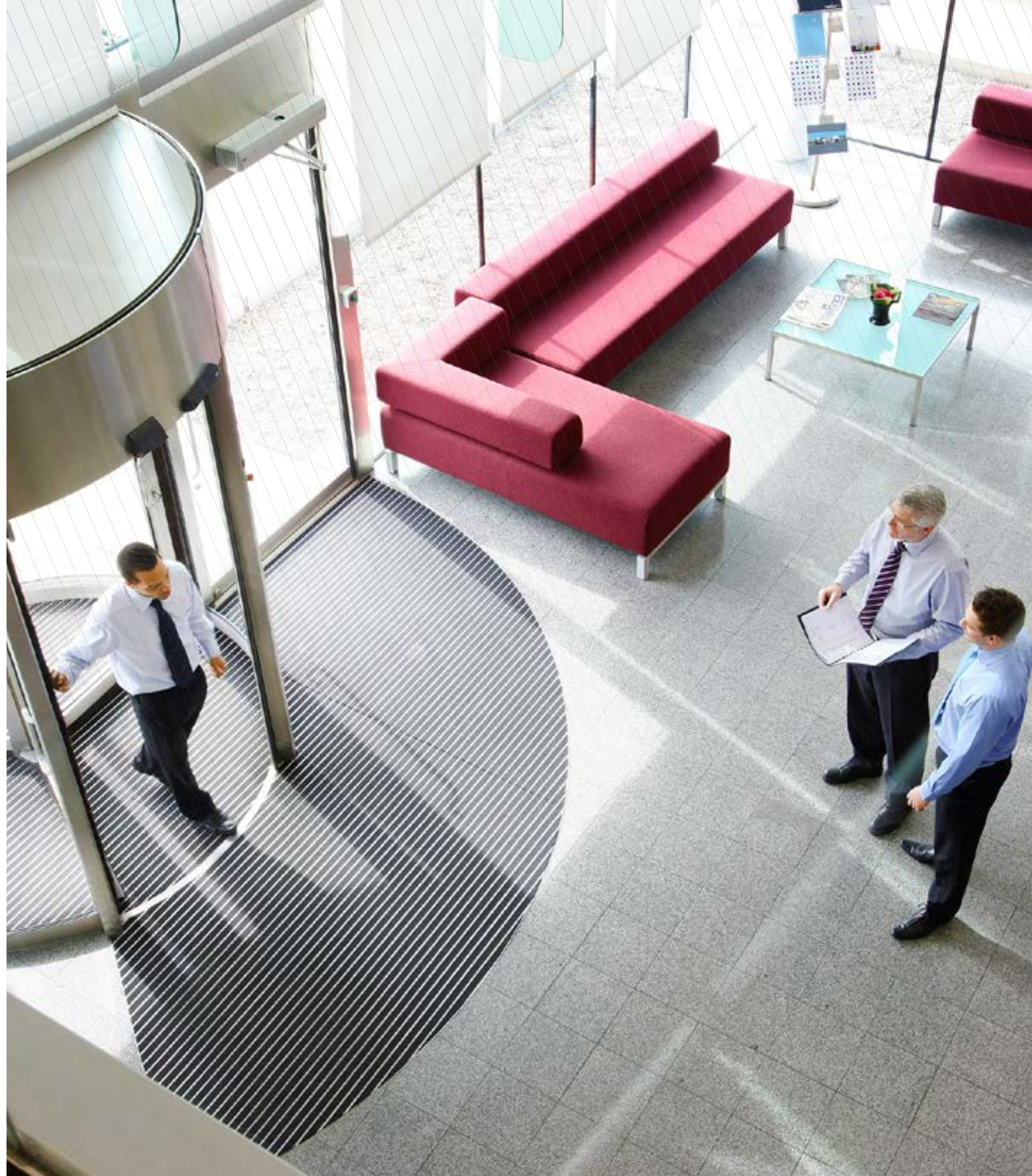


5

Federal Structure, Governance and Accountability

"What power have you got, where did you get it from, in whose interest do you exercise it, to whom are you accountable, how can we get rid of you?"

Tony Benn 1925-2014



Overview

5.1 The South East LEP has been established by Government to drive growth across East Sussex, Essex, Thurrock, Southend and Kent and Medway.

5.2 Our federal structure brings together businesses and local authorities, Higher and Further Education in partnership to create the conditions for local businesses to develop and thrive to create new jobs and new homes. The LEP's accountability derives from both the Government and local partners.

5.3 Chaired by Peter Jones, the SE LEP Board has been streamlined to reflect our new, federal way of working, recognising the increased power and potential for businesses and councils locally to engage with the LEP through these devolved arrangements.

5.4 As well as our business members, many councillors on the SE LEP Board have strong private sector business experience and our councils are amongst the most commercial and forward looking.

5.5 Our private sector model of operation is that of a holding company with several operating subsidiaries. Substantial funding will be devolved to deliver local delivery plans. Operating in this way, our business reach is extended significantly. While SE LEP working corporately adds strategic value and scale of ambition, local areas know their challenges, growth potential and local delivery solutions.

5.6 This devolved model of operation will deliver the priorities of the LEP as a whole, while reflecting the functional economic areas within it, building on long established delivery partnerships, between businesses, local authorities, universities, colleges, and civil society.

Simple and Transparent Structure

5.7 In covering such a wide geographical area, the structure, governance and accountability of SE LEP must be simple and transparent.

- **The Government** which gives SE LEP its mandate for operation and provides ultimate democratic accountability;
- **The SE LEP Board** which governs the LEP and is its ultimate decision-making body, albeit noting that local decisions will be taken within the devolved local partnerships; and,
- **The Local Area Delivery/Boards Partnerships** to which substantial funding will be devolved for local programme/ project delivery and which guarantees local accountability.

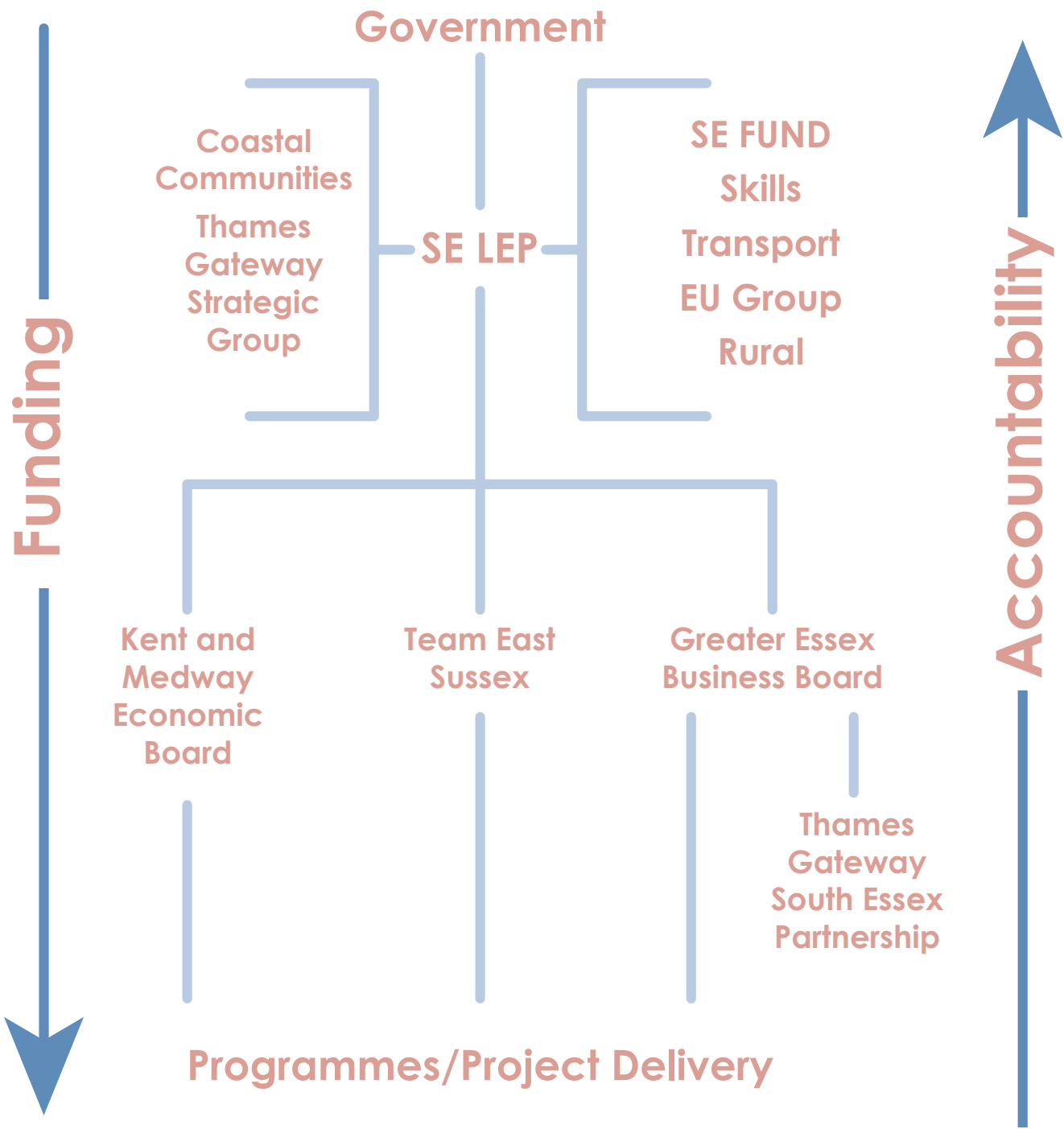
5.8 To support this operation, SE LEP will establish 5 specialist Board Advisory Groups as detailed below. In addition, there will be representative groupings for Coastal Communities and the wider Thames Gateway through the Thames Gateway Strategic Group

5.9 Local Area Delivery Partnerships/Boards may also establish similar groups according to their particular need and circumstance - this is for local determination.

Funding and Accountability

5.10 Accountability will be through a single Accountable Body agreed by the SE LEP Board. Building on feedback from Government and business, clear lines of accountability are required for funding.

South East LEP: Federal Structure, Governance and Accountability



5.11 Funding Flows: Local Growth Funding will flow to SE LEP through its Accountable Body. On decision of the SE LEP Board, funding will be invested in SEFUND and/or other LEP-wide priorities. On agreement of the SE LEP Board to Local Area Delivery Plans, funding will flow to the devolved Local Area Delivery Partnerships/Boards.

5.12 Accountability: SE LEP will have one overall Accountable Body. Accountability of SE LEP to Government is through the SE LEP Board, supported by its Accountable Body.

5.13 Accountability: Local Area Delivery Partnerships/Boards will be supported by a named council. Accountability to SE LEP is through the Local Area Delivery Partnership/Board, supported by their responsible Council

5.14 Democratic accountability of SE LEP will be through the Government and its local council members. Democratic accountability of Local Area Delivery Partnership will be through the local councils.

Risk and mitigation

5.15 In our EU Structural & Investment Fund submission we identified the risks associated with different delivery mechanisms, associated with commissioning through a limited tendering process, opt-in agreements with government agencies for ESF and separately for ERDF, and the use of financial instruments.

5.16 As part of the process for developing the Growth Deal/Strategic Economic Plan we have identified a pipeline of specific project proposals, and a process for ensuring value for money, set out in detail in the following chapter.

5.17 The management and delivery structure for the Growth Deal, including financial management arrangements for the SEFUND, have been developed in such a way as to ensure compliance with financial regulations

and effective monitoring through the accountable body structures within each of the devolved areas as well as through Essex County Council for the SE LEP as a whole.

SE LEP Board and Local Area Delivery Partnerships/Boards

5.18 The SE LEP Board will implement and monitor the delivery of our Strategic Economic Plan. It will remain accountable to Government for the ambition and delivery of our Growth Deal and EU Structural & Investment Fund strategy. Against Local Delivery Plans developed by our Local Area Delivery Partnerships/Boards, the Board will agree to devolve funding to deliver these plans.

5.19 **SE LEP Board:** The Board is SE LEP's ultimate decision-making body. The Board is accountable to Government for the Local Growth Fund and the SE LEP Growth Deal. The Board agrees all investment decisions (unless decision-making is delegated by it to a sub-Board/Advisory Group) including sign-off of Local Delivery Plans.

5.20 The SE LEP Board is constituted as follows:

- The Chairman (in addition to the representatives below);
- 5 business representatives from Essex, Southend and Thurrock;
- 4 business representatives from Kent and Medway;
- 3 business representatives from East Sussex;
- 5 local government representatives from Essex, Southend and Thurrock (including 3 TGSE);
- 4 local government representatives from Kent and Medway;
- 3 local government representatives from East Sussex;
- 1 representative of the higher education sector; and,
- 1 representative from the further education and skills sector.

5.21 **Local Area Delivery Partnerships/Boards:** Business-led local area partnerships, supported by a named Council, will be responsible for local investment and performance through their agreed Local Delivery Plans. The Local Area Delivery Partnerships/Boards, through their named councils, will be responsible for local programme/project management of devolved funds to SE LEP. The Local Area Delivery Partnerships will work closely with the Board Advisory Groups on matters concerning changes to the programme taking advice from the Groups on priorities and assurance matters.

5.22 Decisions will be taken by business partnerships and local Councils working through their Local Area Delivery Partnership/Boards.

5.23 The Local Area Delivery Partnerships/Boards, through their named councils will provide regular performance and monitoring information to the SE LEP Board to enable it to fulfill its accountability to Government supported by the Accountable Body.

5.24 Local Area Delivery Partnerships/Boards have been established for delivery as follows:

- Kent & Medway Economic Partnership
- Team East Sussex
- Greater Essex Business Board, including TGSE membership
- Thames Gateway South Essex Partnership

Board Advisory Groups

5.25 To support the Board in implementing the Growth Deal and Strategic Economic Plan, a limited number of Board Advisory Groups have been/are being established. Each Board Advisory Group will have a defined role and be chaired by a SE LEP Board member. Each will draw upon a wider or specialist membership as required. Task Groups may also be established but with clear exit strategies. In the case of transport, because of the importance and scale of transport investment, it is proposed to give this Group a role in overseeing delivery and ensuring the projects and schemes are

implemented in the most efficient manner with the minimum of bureaucratic processes. The Board Advisory Groups are described in the following paragraphs.

Transport Advisory Group

5.26 The Transport Advisory Group will make decisions through the SE LEP Board or with delegated authority to allocate delegated SE LEP capital funding to the member local Highways Authorities (or other bodies with formal responsibility for transport infrastructure where this is appropriate).

5.27 The Transport Advisory Group will:

- Oversee and monitor delivery of the SE LEP transport programme through close liaison with local Highways Authorities and Local Area Delivery Partnerships/Boards;
- Forward plan and monitor the projects and programmes allocated to it, take appropriate action to reprioritise work programmes with local Highways Authorities if required and establish the necessary assurance processes required to demonstrate value for money and achievement of SE LEP outcomes;
- Provide expert transport advice to the SE LEP Board on related transport matters of Government announcements and national policy; and

Provide support to Local Area Delivery Partnerships/Boards in coordinating transport initiatives, developing business cases and sharing expertise and knowledge and promoting cross boundary working.

SEFUND Board Advisory Group

5.28 SEFUND Board Advisory Group will constitute the SEFUND Board. It will:

- Set the investment strategy
- Appoint the Fund manager Review the performance of the Fund Manager

- Approve each investment on the basis of the due diligence undertaken by the Fund Manager and his/her recommendations
- Receive quarterly reports on the performance of the SEFUND funds

Skills Advisory Group

5.29

The Skills Advisory Group will:

- Oversees and monitors delivery of the pan-LEP Skills Capital bidding rounds;
- Agrees specifications and timetables with the Skills Funding Agency which will administer the competitive bidding rounds;
- Manages the relationship with the SFA, advising the Board as appropriate ;
- Monitors wider skills investment across the LEP;
- Provides expert Skills advice to the LEP Board; and,
- Represent the priorities, views and recommendations of the Employment and Skills Boards' – as a new bullet in the skills advisory board Governance.

EU Delivery Group

5.30

The EU Delivery Group will:

- Oversee and monitor delivery of EU SIF funding;
- Consider and endorses EU Project proposals before or during their consideration by the Managing Authority Growth Delivery Teams;
- Monitor the extent to which EU resources are being used to deliver the Growth Deal/SEP priorities and advises the SE LEP Board on a regular basis;
- Include representatives from the Managing Authority (DCLG/DEP), Local Area Delivery Partnerships, private, public and third sector nominees, as well as those with specific expertise in rural, environmental and equality issues to ensure that the EU's cross cutting themes are fully addressed; and,
- Provide expert advice to the LEP Board on EU SIF implementation and wider EU matters.

Rural Advisory Group

5.31

The Rural Advisory Group will:

- Oversees and monitors delivery of EU EAFRD funding, working closely with the EU Delivery Board above
- Co-ordinates SE LEP's relations with Local Area Delivery Partnership rural groups and LEADER programmes
- Provides expert Rural advice to the Board on EAFRD delivery and wider rural matters.

Coastal Communities and Thames Gateway Strategic Group

5.32

In addition, our SE LEP Coastal Communities Group will continue to oversee and shape schemes, working with Local Area Partnerships/Boards, that support coastal communities and provide expert advice to the Board in relation to coastal issues, including offshore renewable energy opportunities.

5.33

Wider Thames Gateway issues will be progressed through the Thames Gateway Strategic Group with the Greater London Authority.

Supporting the LEP: The SE LEP Secretariat

5.34

A small central team made up of permanent staff and secondees with specific skills drawn from across the partnership will support the devolved model.

5.35

A permanent Director has recently been appointed and, with the Chairman and Board, will reshape the SE LEP Secretariat around the Growth Deal and the federal model of operation.

5.36

The federal model recognises that vast experience and expertise lies within the partnership and the Secretariat's strength will be built upon this.

Equality and Diversity

5.37

SE LEP is committed to promoting equality and combating discrimination in line with domestic legislation and European Regulations. These objectives support the LEP and partner agency policies.

5.38

SE LEP has committed to adopt the public sector duty under the **Equality Act 2010**, as a hybrid organisation, and will establish equalities and diversity and sustainable development policies and procedures in relation to the delivery and management of the EU SIF, and Growth Deal programmes as appropriate. In the meantime, the LEP has agreed the following **equalities objectives**. These are:

- a demonstrable commitment to equalities and diversity through leadership and agreed strategies;
- equalities inputs and outputs to be mainstreamed through policies, procedures and processes;
- partnership activities will take account of the diverse needs of our stakeholders and beneficiaries; and,
- systematic information will be collected in order to monitor the impact of our projects and programmes.

5.39

We will expect the selection of projects and project assessment criteria to ensure that through **active outreach**, beneficiaries are empowered and enabled to participate in programmes, regardless of their gender, race, ethnicity, belief, disability, age or sexual orientation. The programme will include activities to ensure that economic benefits reach disadvantaged and hard-to-reach groups, and responds to their needs and any under-representation.

5.40

In accordance with the policies of our local authorities, SE LEP has taken into account each local authority equality and diversity strategic objectives. We have committed to conduct an **Equality Impact Assessment** on the EU SIF strategy prior to its final agreement and implementation, and will at the same time, conduct one on the Strategic Economic Plan and Growth Deal.

Partner Consultation and Engagement

5.41

Through its devolved model of operation, SE LEP will ensure full project fit according to priorities, confidence in delivery and best value for money. In achieving this, SE LEP has been and will continue to work with wider public, private and community sector partners to ensure that the investments are made in the most appropriate way. The detailed proposals outlined have been shaped by wide ranging engagement and consultation with public and private sector partners across the SE LEP area. Universities, Colleges, training providers, voluntary sector agencies and third sector representative organisations, business support providers, businesses, rural and environmental groups, local authorities and other interested partners have had the opportunity to contribute and feedback on the proposals and suggest projects for the EU SIF Strategy and the SEP and Growth Deal.

5.42

The South East LEP has, through its own contacts and through its devolved structures, a far reaching network to communicate and update on the progress of the developing strategies. A series of workshops was held throughout summer and autumn 2013 on a range of topics to inform the development of these proposals and the submission of the December draft.

5.43

The Draft Strategic Economic Plan has been available on the SE LEP website since early January, and all partners were encouraged to provide feedback and project ideas, which many did, either in writing or at consultation events. These comments have been taken into account in the development of the Strategy and Growth Deal submission as well as in the development of individual project proposals.

5.45

Local area partners have also taken the opportunity to consider the strategy and inform local partners at existing relevant events throughout the SE LEP area.

5.44

Engagement with MPs has primarily been through Local Area Partnerships/Boards. In addition, our draft Growth Deal was sent to all MPs in December, regular updates are provided on SE LEP activity and meetings have taken place with specific MPs. It has been agreed that further MP involvement will be co-ordinated.

6

Value For Money and Resource Requirements



6.1 All the proposals in our final Strategic Economic Plan submitted in March 2014 will focus on the specific investment opportunities identified in each of SE LEP's areas. They will demonstrate that they will generate significant economic outputs and impacts, will offer good value for money, and will leverage significant levels of private and other public sector investment. This evidence must underpin our proposed requirements for the Local Growth Fund between 2015/16 and 2020/21, as required by the government Growth Deal guidance⁵⁰.

Value for Money Appraisals

6.2 We have designed a SE LEP wide, robust, transparent appraisal framework to assess value for money for projects supported by the Local Growth Fund when this comes forward in April 2015. We will operate this on both a SE LEP wide and devolved area basis, as appropriate and it will be adapted for different types of projects. We will ensure that there is appropriate transparency and accountability in the direction of public funds, whilst also encouraging the active involvement of business. We will create arrangements that are suitably streamlined to enable prompt, yet well informed, decisions to be taken

6.3 Our general approach will include the use of 'light touch' established appraisal methodologies with a core set of output and impact indicators and standard mechanisms for forecasting performance. These appraisals will provide sound evidence for our Accountable Body to be confident that the project will offer value for money.

6.4 Our general approach to project appraisal will be based on three tests: an economic test, an efficiency test, and an effectiveness test. Our output and impact estimates and value for money assessments for individual projects will use methodologies and benchmarks, that are proportionate to the size of the project. We will also draw on other respected impact assessment research, including from the newly established 'What

Works Centre for Local Economic Growth' when this is available. For projects that are also using EU Structural & Investment Fund Strategy, we will follow guidance issued by the EU Commission, including taking account of the new set of output definitions now being prepared for ERDF and ESF.

6.5 The general principles for undertaking project appraisals, business cases and value for money assessments have been signed up to by all SE LEP partners and the key elements are summarised in Appendix 3. The extent to which these elements are part of the appraisal of a particular project will be determined by the size and type of the project. Our principles for business case appraisal will examine:

- Strategic Case – covering strategic fit, rationale and objectives
- Economic Case – covering options, value for money, sensitivity and optimism bias
- Financial Case – covering financial assessment, exit and legacy and sustainability
- Commercial Case – covering legal, state aid and procurement
- Management Case – covering beneficiaries, sustainable development, risk management and delivery activities

Transport schemes

6.6 The South East Local Transport Board (LTB) has now been decommissioned and the SE LEP Board will take responsibility for transport funding through the local Growth Deal and Local Growth Funding. The SE LEP Board has adopted the former LTB's assurance framework, since this has already been endorsed by the Department for Transport (DfT). The agreed assurance framework covers prioritisation, programme management and investment, cost control and approval and programme/risk management. We see this as an important aspect of providing Government with the assurance it needs about how public funds for transport schemes will be managed going forward. As a result, Essex County Council is going through due process to endorse the assurance framework in its capacity as the Accountable Body for the SE LEP.

6.7 Based on the processes identified in its assurance framework, SE LEP will approve budgets and decide tolerances for any responsibilities through the Transport Advisory Group which will have responsibility for overseeing the programme of transport schemes on behalf of the SE LEP Board utilising the governance and delivery capabilities of the constituent Transport Authorities and authorised to make amendments to the programme within tolerances set by the LEP Board.

6.8 Appraisals for transport schemes will be undertaken by project promoters. The promoters of transport schemes will undertake the project appraisal based on criteria that will include:

- Value for Money – based on BCR and wider Economic Benefits.
- Environmental and Community Impact – Potential benefits and adverse impacts.
- Contribution to Objectives – LTP, SE LEP and SELTB Objectives.
- Deliverability – affordability, Practicality, key risks, stakeholder and public support

6.9 Scheme Promoters will also develop the transport Business Case that will include a Value for Money (VfM) statement in accordance with DfT guidance, but with appropriate proportionality. Each business case shall set out a statement of objectives and the specific outcomes that the scheme is intended to achieve and will be signed-off by the promoting local transport authority (LTA) and its S151 Officer. As necessary, the economic cases shall be reviewed and updated to reflect changes in scheme scope and cost.

6.10 The Transport Advisory Group, on behalf of the SE LEP Board will appoint an Independent Technical Evaluator (ITE) who will provide guidance to promoters preparing business cases, will independently assess the business cases and make recommendations on individual schemes as they come forward to the SE LEP Transport Advisory Group. The ITE will ensure that the approach taken by promoters is technically robust, consistent with technical guidance and able to withstand scrutiny from government. In so doing, the ITE will collaborate with promoters to minimise the time and cost associated with preparing business cases, by adopting practices which are proportionate to the specifics of each scheme. The ITE shall assess all evidence provided by the Promoters, including VfM, to ensure that this is robust and relevant, and will report back to promoters any inconsistencies that need to be addressed for the scheme to go forward for consideration for funding.

6.11 Schemes with less than high VfM may still be considered for funding if they perform well in meeting the SE LEP priorities for economic growth. This shall be a consideration of the SE LEP Transport subgroup when such schemes are presented. The economic cases and VfM statements, following scrutiny by the ITE, shall be reported and published at each stage of approval. This input together with the business case shall be presented to the SE LEP Transport subgroup for consideration as part of the overall decision for investment/funding. Successful schemes will progress to delivery via the Promoter.

6.12 The Accountable Body will ensure that the businesses cases are published on the SE LEP web site to enable input from the public, businesses, environmental groups and other interested parties. This input together with the business case shall be presented to the SE LEP Transport subgroup for consideration as part of the overall decision for investment/funding. Successful schemes will progress to delivery via the Promoter.

6.13 A standard business case proforma has been prepared and will be completed by the appropriate stage for each transport

⁵⁰ HMG, July 2013, Growth Deals Initial Guidance for Local Enterprise Partnerships

scheme proposed for Local Growth Fund contributions. Part 1 of the business case proforma, which outlines the strategic case (project description, strategic fit and reasons why the project is needed, options and constraints), financial case and economic case (expected positive and negative impacts, mitigation measures and the benefit cost ratio – the value for money assessment) has been completed for all transport schemes proposed for Growth Funds. These will be made available for scrutiny should this be required.

6.14

In addition, a project timetable has been produced for each transport scheme proposed for Local Growth Funds which sets out the timescale and dates for achieving key project milestones. This information will also be available for government to review.

Local Growth Fund Requirement

6.15

In preparing our SEP, we have carefully considered the scale of Local Growth Fund investment that we will require to deliver our ambition. SE LEP is home to 7.9% of England's businesses, so we could suggest that SE LEP would be allocated at least a comparable share of the Local Growth Fund (circa £160m per annum; or £960m over the six years from 2015/16 onwards) – or more. As a powerhouse for the UK economy, we aim to demonstrate that we can deliver better returns and value for money and would therefore look to secure more than this share – a minimum of £1.24bn over 6 years. We understand that Local Growth Fund will be allocated on a competitive basis and the strength of our Growth Deal and Strategic Economic Plan will be key.

6.16

Working across the areas of the LEP we started the process of building our investment requirements by first identifying the 13 **primary growth corridors**. We provide an overview of these locations in Chapter 2. We then describe the overall scale of investment required in transport in our Transport Growth Deal. Then we outline the transport requirements in more detail in each part of the SE LEP area in Chapter 4. A significant proportion of the costs of the transport

schemes will be funded by local authorities and private investors; the remainder will be funded from the Local Growth Fund. We show the balance of investment on a scheme by scheme basis.

6.17

We then turn to the scale of investment required to unlock the barriers to deliver a wide range of different types of **property projects** that developers are unable to bring forward. We draw on our experience with applications for Growing Places Fund, our experience with other economic development projects (including Seachange, in Hastings, one of the most successful economic regeneration projects in the UK) and a wide range of existing plans to identify potential projects across the SE LEP area. Our proposals for the **South East Fund (SEFUND)** to accelerate the delivery of property projects across the SE LEP area are summarised in Chapter 3.

6.18

In Chapter 4, for each project in each growth corridor, we provide very high level estimates of the private investment and local authority investments in these schemes. We then provide estimates of the Local Growth Fund investment that would be required via SEFUND to unlock this private and local authority investment.

6.19

Finally, we look at funding requirements for **productivity, housing** in our coastal communities and **skills capital**. Again, we adopted the same approach in that we looked at the scale of other investment that would be unlocked by Local Growth Fund investment. As noted earlier, our investments in productivity are mainly SEFUND investments, but for clarity, we have set them out separately. Investments with our universities are an important element of this. Similarly, our housing in coastal communities are set out separately but will be mainly.

6.20

In summary, our planned profile of Local Growth Fund investment for the six years commencing 2015/16 is set out below in Table 7.1. This shows that the investment required for our transport schemes will total £1,399.6m. Of this, £615m will be private or local authority investment; this

will be unlocked with £784.5m of Local Growth Fund investment. The total value of our SEFUND investments will be £5.2bn. Some £4.8bn of private and local authority investment will be unlocked with £331.5m of Local Growth Fund investment in SEFUND. We envisage some £188.8m of investment in skills capital projects. Of this £125.4m will be from other sources leveraged by £63.4m of Local Growth Fund. The total Local Growth Fund investment required is £1.240bn over the six years.

6.21

We have also estimated the number of jobs and homes which could be “enabled” with this investment. These summary figures should be treated with some caution as they include jobs “safeguarded,” particularly by transport investments and show potential job capacity, not actual jobs created and housing capacity. We have sought to avoid double counting between transport and property schemes. These impact figures are robust at a project level.

6.22

Table 6.2 analyses this summary information by SE LEP's economic geography. It also includes the housing in coastal communities as a separate line and one SEFUND scheme with Brighton University not included elsewhere.

Table 6.1 –Local Growth Fund Proposed Investment for SE LEP as a Whole, by Theme

SE LEP	Full cost (£m)	LGF funding requirement (£m)	Match Funding (£m)	Jobs enabled	Homes enabled
Transport Total	1,399.63	784.53	615.10	310,132	250,499
SEFUND devolved areas	4,994.92	242.52	4,752.45	44,978	27,555
SEFUND Productivity (not in devolved areas)	120.00	14.00	106.00	790	0
SEFUND housing ask 8	92.40	75.00	17.40	1,108	1,500
SEFUND Total	5,207.32	331.52	4,875.85	46,876	29,055
Productivity Total	147.95	51.95	96.00	52,354	48
Skills Total*	188.83	63.37	125.44	3,863	210
Total	6,943.73	1,231.37	5,712.39	413,225	279,812

*This include indicative projects developed in our local areas which will be considered as part of a competitive process

Table 6.2 –Local Growth Fund Proposed Investment for SE LEP as a Whole, by Federal Area

SE LEP	Full cost (£m)	LGF funding requirement (£m)	Match Funding (£m)	Jobs enabled	Homes enabled
East Sussex	599.56	148.21	451.33	27,547	32,913
Kent & Medway	3,514.01	501.54	3,012.47	165,393	128,584
TGSE	1,893.43	195.64	1,697.79	108,057	48,533
Essex	724.33	296.98	427.40	110,330	68,282
Productivity (Brighton University)	120.00	14.00	106.00	790	0
Housing (housing ask 8 - coastal communities)	92.40	75.00	17.40	1,108	1,500
Total	6,943.73	1,231.37	5,712.39	413,225	279,812

6.23

In accordance with the request from government, we have considered how Local Growth Fund requirements would be “**scaleable**” and we set these out for the six years in our Transport Annex. The figures presented above show an average of just over £206.5mn per annum. In the Annex we show the impact (in terms of lost jobs enabled and houses enabled) of reducing this spend by 20%, 40% and 60%. These provide a very clear indication of our transport investment priorities on a SE LEP wide basis.

Investment Plans in Each SE LEP area

6.24

We have built our investment plans – project by project – in each SE LEP area. This has required ruthless, and difficult, prioritisation. The summary of our overall investment plans in each area, and the scale of private and other public investment unlocked by Local Growth Fund investment is set out in Chapter 4. These are summarised in the tables below.

Table 6.3 – East Sussex Summary

East Sussex	Full cost (£m)	LGF funding requirement (£m)	Match Funding (£m)	Jobs enabled	Homes enabled
Transport	102.24	81.00	21.24	19,665	30,800
SEFUND	429.19	45.64	383.55	7,478	2,065
Productivity	29.75	8.75	21.00	404	48
Skills	38.38	12.82	25.54	0	0
Total	599.56	148.21	451.33	27,547	32,913

Table 6.4 –Essex Summary

Essex	Full cost (£m)	LGF funding requirement (£m)	Match Funding (£m)	Jobs enabled	Homes enabled
Transport	399.40	206.80	192.60	57,511	61,373
SEFUND	274.98	71.38	203.65	8,960	6,699
Productivity	5.00	5.00	0.00	41,696	0
Skills	44.95	13.80	31.15	2,163	210
Total	724.33	296.98	427.40	110,330	68,282

Table 6.5 –Kent & Medway Summary

Kent & Medway	Full cost (£m)	LGF funding requirement (£m)	Match Funding (£m)	Jobs enabled	Homes enabled
Transport	709.51	359.59	349.92	140,419	114,584
SEFUND	2,628.50	74.20	2,554.30	15,720	14,000
Productivity	89.00	34.00	55.00	9,254	0
Skills	87.00	33.75	53.25	0	0
Total	3,514.01	501.54	3,012.47	165,393	128,584

Table 6.6 –TGSE Summary

TGSE	Full cost (£m)	LGF funding requirement (£m)	Match Funding (£m)	Jobs enabled	Homes enabled
Transport	188.48	137.14	51.34	92,537	43,742
SEFUND	1,662.25	51.30	1,610.95	12,820	4,791
Productivity	24.20	4.20	20.00	1,000	0
Skills	18.50	3.00	15.50	1,700	0
Total	1,893.43	195.64	1,697.79	108,057	48,533

6.25

The impacts of reductions in transport investment by 20%, 40% and 60% are set out in the Transport Annex.
Estimates of Leverage Private Investment and Other Public Sector Investment

Estimates of Leverage Private Investment and Other Public Sector Investment

6.26

All of SE LEP’s public and private sector partners recognise that high levels of Local Growth Investment will only be won if Growth Fund investments leverage significant levels of private investment and leverage/are aligned with other public sector investment from domestic and European sources.

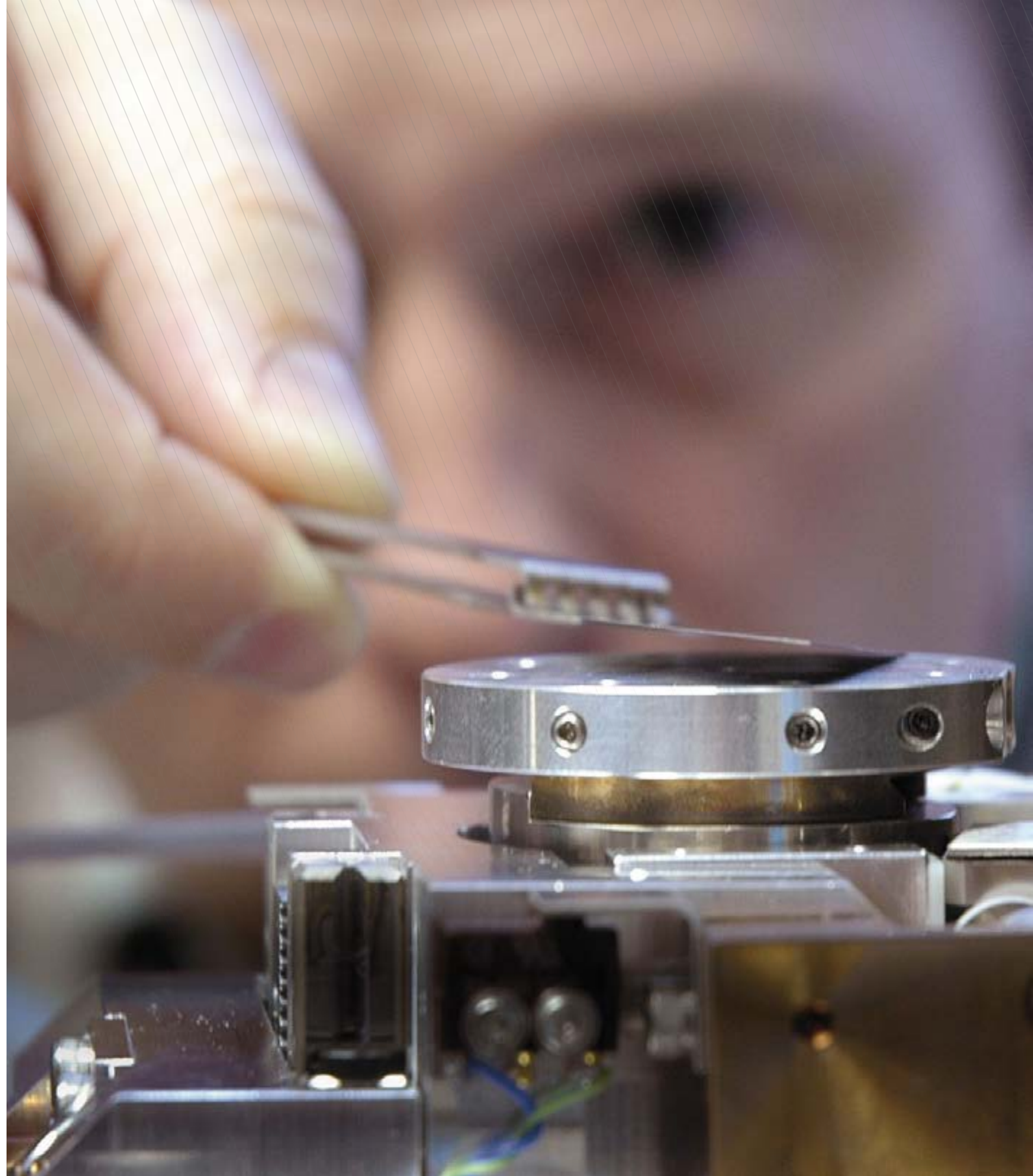
6.27

As we work up our proposals for transport projects in more detail, and for SEFUND projects, we will be carefully assessing the scale of investments that local authority partners, the European Investment Bank, private institutional investors will be prepared to make. SEFUND will be structured to maximise these investments. For each of our productivity and skills proposals, we will consider the scale of private and other public sector investment that will result from Local Growth Fund investment. Our final EU Strategic Investment Framework strategy shows how EU monies available to SE LEP will be used to support the delivery of SE LEP’s Strategic Economic Plan.

6.28

Our approach to preparing the SEP **starts** with the ambition that all Local Growth Fund investment will leverage private and other public sector investment. We are confident that an investment of over £200m per annum (£1.23bn over six years) of Local Growth Fund investment in the SE LEP area will contribute to securing, as a minimum £5.71bn over six years from private investors and local authorities in the projects specified in this plan. In addition, it is necessary to take account of the value of the investment by house purchasers (and their mortgage providers), investors in private rented housing, and registered social landlords developing additional homes and the investments made by entrepreneurs and companies creating additional jobs unlocked by the Local Growth Fund. The Local Growth Fund investment of over £1.2bn will unlock at least £10bn of private and other public investment over the six years.

Appendices



Appendix A

Trunk Road Network - Highways Agency schemes

			Details of discussions with NR/HA	Desired date of commencement	Funding Sources
Third Lower Thames Crossing Support package	The need for an additional Lower Thames Crossing is accepted by government. Congestion at the Dartford to Thurrock crossing is currently estimated to cost the UK economy £40m p.a. and must be addressed to deliver growth across the SE LEP area and beyond. There are obvious direct impacts relating to proposed development at London Gateway, Thames Enterprise Park, Lakeside, Swanscombe Peninsula and Ebbsfleet. This new Thames Crossing would form part of a new strategic transport route between Dover and the Midlands and would be delivered alongside a targeted package of measures across the existing network in both Kent and Essex (including interface with the A12/A130 and A127/A130 junction improvements). To mitigate the traffic impact of a new crossing in Kent, the following improvements are needed: the A229 improvements; A2 Lydden Dualling; M2/A2 Junction 7 Brenley Corner improvements; upgrading the A249 Detling Hill; M2 Junction 5 Stockbury and M20 Junction 7 improvements. A decision on the preferred corridor for a new Lower Thames Crossing is still awaited. The SE LEP urges that a decision on this matter is made as soon as possible.		• Ongoing	2015/16	
Newhaven Port Access Road Phase 2	This scheme would extend this strategically significant road towards the harbour mouth and help to re-establish Newhaven as an important gateway to Europe by facilitating the consolidation of improved port facilities closer to the Harbour Mouth. This would in turn release land for development to the north of the Port to support initiatives such as the Clean Tech Hub and the Newhaven Growth Cluster.		• There has been no discussions with the HA as the scheme does not tie into the trunk road network. We have discussed the scheme with Network Rail as it would need to bridge the Seaford branch line.	2015	£12m local contribution
M2/A2 Corridor Improvements	This package involves improvements along the length of the M2/A2 through Kent that will not only unlock significant local development where strategic network junctions are restricting growth, but will also help create a new high quality national corridor from Dover to the Midlands and North in conjunction with a new Lower Thames Crossings. The components of this package are: • A2 Bean and A2 Ebbsfleet Junction Improvements – increasing capacity at these junctions to support planned growth in Thames Gateway North Kent at Eastern Quarry, Northfleet Embankment, Bluewater and Paramount Park. Highways Agency assessments indicate post-2021 implementation, but SE LEP intend to work to bring this forward in order to unlock growth in the SE LEP area particularly given recent Government announcements of the Ebbsfleet Garden City • M2 Junction 3 capacity improvements - increasing capacity to support growth in Rochester and Chatham and in particular on the Rochester Airport site where 1,000 new jobs are planned. The junction is situated in Kent County Council area • M2 Junction 5 capacity improvement – will unlock growth in Sittingbourne and Maidstone • M2 Junction 7 Brenley Corner – realignment to enable straight through movement from M2 to A2 significantly improving access to Dover, supporting significant port expansion as well as growth in Canterbury and East Kent • A2 Dualling Lydden to Dover – dualling the few remaining single carriageway stretches of the A2 to Dover as part of the creation of a new national corridor and supporting significant port expansion in Dover.		• HA currently progressing business cases for both these junction improvements. Not scheduled for construction until post 2021. SE LEP willing to put LGF towards schemes if HA will not fund in order to bring schemes forward • At present the Highways Agency are minded to implement any improvement to M2 Junction 5 post 2021. SE LEP intend to work with the Highways Agency to make a case for earlier delivery. SE LEP willing to put £15m of LGF towards scheme if HA will not fund in order to bring scheme forward • HA aware of issues caused by M2 J7 and A2 single carriageway sections in terms of congestion and level of service on national corridor but have no plans to bring forward these schemes in short to medium term • Provisional discussions between HA, Medway Council and KCC regarding the existing operational problems at junction 3 causing significant delays during peak periods, and the potential for planned development to further exacerbate the situation. Scale of improvements not identified at this stage.	A2 Bean/ Ebbsfleet 2017/18; Junc 5 2019/20 Junc 3 2018 Junc 7 & Dualling 2020/21	£10m LGF for A2 Bean; £6m LGF for A2 Ebbsfleet; Junc 5 £15.0m LGF; Junc 3 – not identified

Current activity			Details of discussions with NR/HA	Desired date of commencement	Funding Sources
A249 Improvements including the widening and realignment of Detling Hill and M20 Junction 7	This scheme will provide an alternative to the congested A229 Bluebell Hill link between the M2 and M20. The scheme will support growth across Swale and improve access between the Port of Sheerness and the M20. The package will be a key element in supporting the development of a new national strategic route from Dover to the Midlands and North via a new Lower Thames Crossing.		HA are aware.	2020/21	
M25 Junction 30/31 improvements and A13/A126 Junction improvements	The current proposed scheme will only create increased capacity for a limited period – probably less than 10 years. Current modelling indicates improvement works at the A13/A126 Junction would help facilitate growth at Thurrock Lakeside and have wider strategic benefits; these have not yet been determined by the Highways Agency because of the delay to the decision on the route of the Lower Thames Crossing. We urge that this work continues once the final decision on the LTC route has been taken.		- Ongoing - HA developing detailed plans for delivery of interim scheme from 2015.	2015 for interim scheme. Full solution needed 2020s once LTX decision has been made.	
M25 Junction 5 Re-assessment	This scheme will enable traffic from the south to travel east on the M26 and M25 and support growth across West Kent. This scheme will bring significant highway and environmental benefits. Due to the restricted movement at the existing M25/M26 interchange, strategic traffic uses local roads, and particularly the A25 through villages including Borough Green, Seal and Sevenoaks. SE LEP would like to see the early delivery of this scheme and opportunities are being explored.		HA are aware of issues however do not see this scheme as a priority for HA network as prime impact from inability to access HA network is on local road network.	2020/21	
A21 dualling between Tonbridge and Pembury	This upgrade scheme has been driven forward by local work that has proven its deliverability at less than half the cost of Highways Agency estimates; it is currently the subject of a public enquiry and the inspector's decision is due March/April 2014. The improvements include the upgrade of the A21 between Tonbridge and Pembury to dual 2-lane carriageway standard with grade separated junctions at the Fairthorne and Longfield Junctions at the south end of the scheme. The improvements would directly facilitate growth in Tunbridge Wells whilst also improving access between West Kent and the A21/A259 Hastings/Bexhill growth corridor.		- Scheme identified as an HA pipeline scheme identified for delivery in next CSR period (2015 – 2019) - Awaiting outcome of PI and Inspectors Report - Expected to be funded from HA Funding programme.	April 2015	
A21 Kippings Cross to Lamberhurst	Improvements are required on the A21 from Kippings Cross to Lamberhurst to improve strategic connections and journey time savings from the A21/A259 Hastings/Bexhill growth corridor to the A21 Tunbridge Wells/Tonbridge growth corridor, the M25 and beyond. Work is currently underway to support the business case for the delivery of these schemes.		- Scheme was previously identified in Regional Transport Programme but cancelled in October 2010 CSR - Despite cancellation, scheme remains an aspiration identified in the ESCC LTP 2011 – 2026. We have continued to lobby the HA on the need for the scheme to support economic growth on the A21 Bexhill Hastings corridor including through the SEP HA engagement process in Dec 13, the HA's RBS process and the A21 reference group made up of the MPs and LA's along the A21.	April 2015	
A12 Corridor improvements	The A12 corridor is the key route extending north-east from London through eastern Essex, connecting London to Chelmsford, Colchester and on to Ipswich and the Haven Ports. Action for roads: a network for the 21st century introduced the concept of the "expressway" for key National trunk routes below Motorway standard such as the A12. Expressway status should ; - Ensure that the A12 is rebuilt to a high standard, - Route and junctions designed to give a high quality of journey, and with the capacity to handle strategic traffic. - Introducing technology, to better manage traffic and to provide more information to motorists. - Safety near motorway standard. - Good maintenance a top priority,		- Ongoing and regular discussions with HA on specific local issues and wider development of the Route Strategy - SE LEP and the local highways authority in Essex are working closely with the Highways Agency to develop a programme of improvements along the A12 to bring the entire route up to "Espressway" standard. This involves developing a detailed scalable programme through the Agency's Route Based Strategy process for the A12 Corridor to facilitate growth in Brentwood, Chelmsford, Braintree and Colchester - Packages required as early as possible, but recognition that most work is focused on preparing for delivery beyond 2021. Of particular importance in the shorter term are: Re-instatement of the A12 technology package to facilitate the efficient management of the A12; Hatfield Peverel, provision of northbound lane (Colchester bound) to aid growth at Witham; and Link improvements between junctions 28 and 29 (Colchester) in support of growth.	2015 onwards. Wider improvements from 2019	Significant potential for developer contributions

Current activity			Details of discussions with NR/HA	Desired date of commencement	Funding Sources
A120 Corridor improvements	The A120 is the only strategic east-west route in Essex. SE LEP and the local highways authority in Essex are working closely with the Highways Agency to develop detailed scalable programmes of short term safety and journey reliability improvements and longer term capacity enhancements through the Agency's Route Based Strategy process for the A120, to facilitate growth in Braintree and Colchester as well as strategic links to Harwich Port and Stansted. Of particular importance in the shorter term are improvements at: • Provision of a new roundabout intersection at little Bentley between Hare Green and Harwich to improve safety, aid accessibility and support growth in Tendring; • A120 Millennium Way slips to cater for growth in Braintree; and, • Early design and transportation assessment for A120 Braintree to Marks Tey improvements to enhance opportunities for growth in this corridor.		• Ongoing and regular discussions with HA on specific local issues and wider development of the Route Strategy • Millennium Way slips – outline feasibility and transport modelling complete • Detailed discussion re Little Bentley cross roads safety solutions with HA and local MPs • HA and ECC to re-open transport business case for wider scheme shelved by 2010 spending review.	2015 onwards. Wider improvements from 2019	Significant potential for developer contributions
M11 Corridor improvements	SE LEP and the local highways authorities in Essex are working closely with the Highways Agency to develop detailed scaleable programmes through the Agency's Route Based Strategy process for the M11 Corridor which will facilitate growth in Harlow, Stansted and West Essex generally. Of particular importance are improvements at: Junction 7 which is the only access to Harlow from the motorway; unction 7a to serve Harlow and the EZ; Junction 8 for access to Stansted particularly from the north where a new direct slip road off the M11 into the airport is required and HGV overtaking ban which need to be introduced as soon as possible following the experimental scheme.		• Ongoing and regular discussions with HA on specific local issues and wider development of the Route Strategy • Ongoing joint working with HA on M11 J7a to ensure project proceeds to timeline • Ongoing discussions with HA and developer re J7 • Local improvements at M11 J8 • M11 J8 north facing slips related to Stansted expansion and subject to discussions with HA and Airport. Designs were developed for earlier G2 expansion proposals but would need to be reassessed.	Design ongoing	Junc 7a £30m LGF; £5m ECC, £12m developer. Junc 7 £1m LGF; £9m ECC. Junc 8 LGF £1m
A27 Polegate and Lewes alignment and capacity improvements	This scheme will support growth in the A22/A27 Eastbourne/South Wealden-Brighton growth corridor centred on the Eastbourne and South Wealden areas by improving the strategic transport links westwards to the A23/M23 corridor, Gatwick Airport and London. This would ensure journey time reliability (which is vitally important for business in terms of the movement of people/goods) and that the A27 is fit for purpose to carry the long distance strategic traffic that it needs to cater for. There is a need to work with the Highways Agency to identify ways to bolster the business case; HM Treasury's recent announcements have indicated that it may be possible to incorporate benefits arising from development into the business case. This should be explored further through the A27 improvement feasibility study that the Highways Agency are currently undertaking and will be reporting on in autumn 2014.		• Original scheme cancelled in mid 1990's; subsequent improvements made to Southerhan – Beddingham section but other improvements identified in SoCoMMs have not been taken forward • Scheme remains an aspiration identified in the ESCC LTP 2011 – 2026. We have continued to lobby the HA on the need for the scheme to support economic growth on the A22/A27 Eastbourne/South Wealden to Brighton corridor including through the SEP HA engagement process in Dec 13, the HA's RBS process and the emerging A27 improvement feasibility study • There has also been recent lobbying of the DfT Secretary of State at a local level in the Eastbourne area for the need for the scheme to support.	2019 onwards	
A21 Flimwell and Robertsbridge alignment and capacity improvements	This will support growth in the A21/A259 Hastings Bexhill growth corridor centred on the Bexhill and Hastings area, ensuring journey time reliability for business and that the A21 is fit for purpose to carry the long distance strategic traffic it need to cater for. There is a need to work with the Highways Agency to identify ways to bolster the business case; HM Treasury's recent announcements have indicated that it may be possible to incorporate benefits arising from development into the business case. This should be explored further through the Highways Agency's Route Based Strategy process.		• Scheme was previously identified in Regional Transport Programme but cancelled in October 2010 CSR • Despite cancellation, scheme remains an aspiration identified in the ESCC LTP 2011 – 2026. We have continued to lobby the HA on the need for the scheme to support economic growth on the A21 Bexhill Hastings corridor including through the SEP HA engagement process in Dec 13, the HA's RBS process and the A21 reference group made up of the MPs and LA's along the A21.	2020 onwards	

Rail Network - Network Rail schemes

Current activity			Details of discussions with NR/HA	Desired date of commencement	Funding Sources
Hastings – Bexhill rail improvements	The line between Ore and Ashford is not electrified and currently consists of a single track in each direction; this limits overall speed, capacity and reliability of journey times between the Hastings/ Bexhill area and Ashford. The proposal is for the dualling and electrification of the line to support the growth proposed in the A21/Bexhill Hastings Link Road/A259 growth corridor centred on Hastings and Bexhill. Improved links to Ashford will also improve links to London via HS1. Feasibility work is currently underway.		- Have engaged with NR through consultations on the Electrification and Kent Route Based Strategies developed in 2009/2010 on the need to electrify/dual track the Hastings – Ashford line - Since Spring 2013, NR has been undertaking study into the potential for improving rail access to the Bexhill and Hastings area. This included considering the feasibility for electrifying/dual tracking of the Hastings – Ashford line. - Engaged with Network Rail in the development of our Rail Strategy adopted in November 2013 and this scheme is identified as the highest priority for delivery - NR are fully aware of our aspirations to see this scheme delivered. Meeting to be held on 23 April with NR and other partners to discuss outcomes of the study and potential way forward.	2019 onwards (CP6)	
Uckfield – London rail improvements	This line is currently not electrified and consists of a single track in each direction south of Hurst Green to Uckfield; this limits overall speed, capacity and reliability of journey times between London and Uckfield.		- Have engaged with NR through consultations on the Electrification and Sussex Route Based Strategies developed in 2009/2010 on the need to electrify/dual track the Uckfield line between Uckfield and Hurst Green - Engaged with Network Rail in the development of our Rail Strategy adopted in November 2013 and this scheme is identified as the second highest priority for delivery - NR are fully aware of our aspirations to see this scheme delivered.	2019 onwards (CP6)	
Ashford Spurs Signalling project	£1.5m scheme is essential to enable the next generation of international trains to use Ashford International, so safe-guarding its future and supporting the growth planned across Ashford and the wider Kent economy. In addition, SE LEP supports access improvements being undertaken by Southeastern at Ashford International Station to further enhance the offer.		Scheme has been discussed in great detail with Network Rail, High Speed 1 Limited, Ashford Borough Council and Eurostar.	2018/19	£0.75m local contributions; £0.75m LGF
Rail line speed improvements between Ashford and Ramsgate via Canterbury West	This Journey Time Improvement scheme is being enabled, with planning underway by Network Rail for delivery between 2016/17 (phase 1) and 2018/19 (phase 2); the scheme is being jointly funded by Network Rail and locally levered RGF funding.		Scheme has been discussed in detail with Network Rail who are now working to deliver Phase 1 of this project.	2014/15	£5m local contributions
Thanet Parkway Station	This new station will bring East Kent to within 1 hour of London making inward investment increasingly attractive and will support improved access to Discovery Park Enterprise Zone and a number of Thanet business parks.		Discussions have taken place with Network Rail who are also on the project board for this scheme.	2015/16	£4m local contributions; £10m LGF
Brentwood Crossrail Package	As part of Crossrail, improvement works are needed at Brentwood and Shenfield stations.		Ongoing discussion with NR and TfL	Completion to coincide with opening of Crossrail in 2018.	£2m from local partners and rail industry; £3.5m LGF.
GEML capacity improvements	A £349m package of improvements is being designed as part of Network Rail's Route Study Process and driven by a Parliamentary Task Force. The package aims to speed up journeys and increase capacity and reliability; this involves new rolling stock, improvements to existing rolling stock, additional lines and platform extensions. Of particular importance is the new Beaulieu Park Station to the north of Chelmsford which will directly facilitate growth in this housing and commercial growth at this location and will enable the route to maintain line speed capability for all the existing use and new growth in settlements beyond Chelmsford including those at Colchester, Ipswich and at Norwich. The Shenfield to Southend Branch provides direct access to the new London Southend Airport station supporting growth in passenger numbers.		- On-going discussions with NR (and TOC) since the establishment of the GEML Vision Group in 2009 - NR has had full involvement in the development of the vision for the line and is currently a partner in the "Norwich in 90" Parliamentary task Force established by George Osborne - NR has completed a Line Speed Study and produced options for capacity enhancements that are currently being examined under the leadership of the Task Force. Bow Junction capacity improvements in NR CP5 programme. - We ask that Network Rail works proactively with Essex County Council and Chelmsford City Council on the improvements needed to bring about a new station at Beaulieu Park and improved track capacity in the Chelmsford area. In particular we ask that NR provides passing and turn back loops in association with the provision of new station at Beaulieu Park such that the capacity of the main line is maintained. Moreover we ask that it brings forward and commits to the line enhancements north east of the new station to enable growth in the demand for travel in Essex, Suffolk and Norfolk to be accommodated.	Line speed improvement during CP5. Rolling stock improvements within new franchise from 2016. Delivery of Beaulieu Park station subject to a Memorandum of Understanding	£12m LFG (priority LTB scheme with allocated funding); NR discretionary CP5 journey time improvement budget. Funded by TOC. £22m S106 funding for Beaulieu Park

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GEML integrated transport initiatives	A series of short term measures are required to directly assist areas of growth, including: Station travel plans for Chelmsford, Braintree and Witham to assist growth in Town Centres; University station to support growth in Essex University and Knowledge Gateway; Colchester Station infrastructure (NSIP) works on northern side to support Colchester Northern Growth area, including North Station Masterplan; Manningtree Station infrastructure works to support growth in Tendring; Braintree Branch Line Loop: capacity to increase service frequency in association with growth in Braintree; Service enhancements on Colchester to Clacton Rail Branch to support growth in Colchester and Tendring; and Colchester East Gates Level Crossing works to reduce queues and delays to support growth in East Colchester.		Ongoing local discussions with NR and TOC based upon established working relationship with local partners.	Packages to be delivered from 2015 onwards	£5m LGF for University Station Halt; others funding to be determined and will vary by project - past projects have been joint funded by ECC, relevant district, TOC and NR
West Anglia Mainline (WAML) Corridor	The West Anglia (WA) route provides vital connectivity into London from Essex as well as an important international gateway for travellers using Stansted Airport. SE LEP calls for: four tracking along the Lea Valley, including securing necessary powers and purchasing land so that it can be delivered in the early 2020s; a second rail access tunnel at Stansted airport; short term improvements including enhancing the links to Stratford hub and junction and signalling improvements. This investment will directly improve access to the Harlow growth locations (including the Enterprise Zone) and support the increased use of existing capacity of Stansted Airport and their ambition to deliver long-haul flights, as well as aspirations to integrate the corridor with proposals for Crossrail 2 in the longer term.		- Ongoing discussion with partners via West Anglia Routes Group (WARG). NR has carried out feasibility and outline costing for Lea Valley 4-tracking. Lobbying from London First and Stansted Airport - Ongoing discussions with TfL in relation to Crossrail 2.	Local 3 tracking funded in CP6. 4 tracking to commence early CP6 - 2019	To be determined. Contributions from developers along Lea Valley, Stansted Airport, Crossrail 2
WAML integrated transport initiatives	A series of short term measures to directly assist areas of growth and improve access to the Harlow Enterprise Zone (EZ), including: Station travel plan for Harlow Town and Harlow Mill to support growth in the town centre and EZ; Harlow Town infrastructure works to support growth in the town including station forecourt improvements ITS, security, bike parking, pedestrian over-bridge extension to north of railway line; Harlow Mill New footbridge to EZ Templefield site, better pedestrian/cycle access from the east and improved security; Elsenham: Improved general facilities cycle parking, security enhancements in association with agreed development; and Audley end: more cycle parking in association with growth of Saffron Walden and infrastructure improvements to implement a dedicated cycleway to the station.		Ongoing local discussions with NR and TOC based upon established working relationship with local partners	Packages to be delivered from 2015 onwards	To be determined and will vary by project - past projects have been joint funded by ECC, relevant district, TOC and NR. Significant potential for developer funding associated with housing provision in Harlow

Current activity			Details of discussions with NR/HA	Desired date of commencement	Funding Sources
HS1-HS2 rail link interchange at Stratford	This would help to harness the benefits of high speed rail across the SE LEP area and deliver wider benefits to the national economy.		Lobbying from SE LEP and London Authorities	During HS2 construction	
Improvements to the Grays to Upminster rail route,	Enhancement to the single rail track between Grays and Upminster via Ockendon and Chafford Hundred, serving Lakeside Shopping Centre. Local partners will work with Network Rail to develop the case and design for this route in order to get this into the next Network Rail funding round. This is needed to support growth along the Grays-Purfleet corridor.		Identified in Thurrock Rail Plan and supported by NR.	Unknown	
Essex Thameside rail service improvements	As part of the development of a new franchise, a MOU will be entered into with the train operating company to help develop the proposed improvements in the immediate future. Initiatives being considered are: a smartcard ticket for the Essex, Southend and Thurrock area which will support growth in the TGSE area in accordance with the franchise commitments; and, the development of a smartcard linked with bus operators (Octopus Card) which forms part of the Southend LSTF programme; this will improve access to the Town Centre, Victoria Avenue, University and College including the newly opened Forum.		- Ongoing discussion with partners via West Anglia Routes Group (WARG). NR has carried out feasibility and outline costing for Lea Valley 4-tracking. Lobbying from London First and Stansted Airport - Ongoing discussions with TfL in relation to Crossrail 2.	Local 3 tracking funded in CP6. 4 tracking to commence early CP6 - 2019	To be determined. Contributions from developers along Lea Valley, Stansted Airport, Crossrail 2
Stanford le Hope interchange and station improvements	Stanford le Hope station and interchange is a vital component in providing access to 15,000 jobs at London Gateway and Thames Enterprise Park. Bus services are already funded by London Gateway and there is a need to enhance the existing interchange between bus and rail and to improve the rail station in order to accommodate growth. SE LEP supports the delivery of the required initiatives and infrastructure that will deliver an interchange fit for purpose. C2c consultants currently estimate that the work required at SLH will cost approx £12.5m and carriageway maintenance has been estimated at £2.5m. Bus services using the new interchange are likely to be delayed in congestion caused when the level crossing barrier is lowered. A £15m level crossing scheme for SLH has been identified in the Council's Rail Delivery Plan and SE LEP supports the inclusion of this as a priority level crossing closure.		NR fully engaged and supportive of SLH interchange works. C2c feasibility study undertaken.	SLH interchange will commence in early 2015	£7.5m LGF; £3m c2c £0.55m DWP £0.9m Thurrock Council £2m NR level crossing closure funds if closure is progressed.
London Underground Lines	The LU is an important transport carrier in West Essex and even after the introduction of Crossrail, the continued growth in Epping and Harlow and at other locations is expected to bring a need for further investment in the Central Line. Accordingly SE LEP would support implementation of the following initiatives: Station travel planning and interchange enhancements at Epping, Loughton, Buckhurst Hill, Chigwell and Roding Valley Stations and continued investment in rolling stock and line infrastructure enhancements.		Ongoing discussions with TfL	2020	To be determined and will vary by project but past projects have been joint funded by ECC, Epping Forest District and TfL. Potential developer funding
Level crossing removal	In addition to safety benefits, SE LEP would like Network Rail to consider the full range of economic benefits associated with the improvement, replacement or removal of level crossings. Specific main level crossing improvements/ replacement/ removals required include: Stanford le Hope, East Tilbury and Purfleet; A2100 at Battle; A259 Star and Guldeford crossings; Hampden Park and Polegate.		NR funding support for level crossing has been identified.		£12m LGF and £12m local and private for Thurrock
Rail journey time improvements	SE LEP supports the aims of the Parliamentary Rail Taskforce for a regular journey time between London and Norwich of 90 minutes while maintaining or improving current connections and service opportunities. SE LEP would also support: Use of the NR National Journey Time reduction Fund to remove speed restrictions; Raising line speed towards 125mph and Introduction via the franchise of rolling stock capable of uniform high speed performance.		NR has completed a Line Speed Study for the GEML. Ongoing discussions via Task Force covering rolling stock requirements and specification of new franchise.	CP5	NR discretionary CP5 journey time improvement budget. Rolling stock improvements within new franchise from 2016

Appendix B

LSTF Proposed Investments

Scheme Location, Name and Detail	Full cost £m	LSTF capital component of LGF requirement £m	2015/16 LGF bid 2015/16 LGF bid £m		Link to LSTF revenue bid (Y/N)	Links to the proposed LSTF revenue bid
Colchester LSTF Programme	2.00	2.00	2.00		Y	Capital component of ECC revenue bid supporting sustainable journeys along the North Colchester Sustainable Connectivity Corridor (A134 / NAR3) connecting the North Colchester Growth Area to the Colchester Town Centre Growth Area.
Colchester North Access Corridor: Park and Ride and Bus priority measures	7.50	5.900	5.90		Y	Supports ECC LSTF bid for Colchester (also addresses congestion)
Colchester Integrated Transport Package: Town Centre traffic and access strategy	5.00	5.00	5.00		Y	Supports ECC LSTF bid for Colchester by providing sustainable transport improvements in the Town Centre Growth Area.
Colchester Integrated Transport Package: measures to aid access to growth areas	12.00	5.00	0.83		Y	Supports ECC LSTF bid for Colchester - mixed modes scheme to support economic growth across Colchester
Colchester Knowledge Gateway: university station halt	5.00	5.00			N	Part of a package of measures that support sustainable development to University of Essex. Lessons learned will be embedded within this later growth phase
GEML capacity improvements: New rail station at Beaulieu Park, NE Chelmsford	34.00	12.00	2.50		N	Part of a package of measures that support sustainable development in the North-East Chelmsford Growth Area by [providing direct rail access. Lesson learned in Colchester will be applied in Chelmsford.
Chelmsford City Integrated Transport Package: Chelmsford Station/ station square / Mill Yard	7.50	3.00	1.50		N	Part of a package of measures that support sustainable access to Chelmsford station. Lesson learned in Colchester will be applied in Chelmsford.
Chelmsford City Integrated Transport Package: inc radial PT routes (inc Broomfield hospital) and LSTF	12.00	5.00	0.83		N	Package of measures that support sustainable travel throughout Chelmsford Lesson learned in Colchester will be applied in Chelmsford.
Chelmsford City Centre Pinch Point Package: Traffic and Access Strategy (Ring and Loop)	12.00	11.50	5.50		N	Combination of highway and sustainable transport improvements to support growth in the City Centre. Lesson learned in Colchester will be applied in Chelmsford.
Chelmsford City Integrated Transport Package: Widford Park & Ride	7.00	7.00			N	Sustainable transport and congestion measures to provide sustainable access to Chelmsford from the south and west
Harlow Integrated Transport Package: measures to aid access: mixed modes	12.00	5.00	0.83		N	Package of measures that support sustainable travel within Harlow including access to the Enterprise Zone and planned housing developments.
Braintree Integrated Transport Package and Town Centre Improvements	12.00	5.00	1.00		N	Package of measures that support sustainable travel within Braintree
Crossrail Package: Shenfield station improvements	3.50	1.50			N	Improved sustainable access to/from the north-eastern terminus of Crossrail at Shenfield station to maximise economic benefits associated with the introduction of Crossrail
Crossrail Package: Brentwood station improvements	2.00	2.00			N	Improved sustainable access to Brentwood station to maximise economic benefits associated with the introduction of Crossrail
Saffron Walden Integrated Transport Package	2.00	1.00	0.50		N	Package of measures that support sustainable travel within Saffron Walden
Tonbridge Town Centre Regeneration: public realm, transport interchange and pedestrian and cycle improvements in Town Centre - sustainability improvements.	3.87	1.87			Y	Tonbridge Town Centre Regeneration will be enhanced using the new website and app, as well as the marketing strategy included in the LSTF revenue bid.

Scheme Location, Name and Detail	Full cost £m	LSTF capital component of LGF requirement £m	2015/16 LGF bid 2015/16 LGF bid £m		Link to LSTF revenue bid (Y/N)	Links to the proposed LSTF revenue bid
East Kent LSTF: measures to reduce congestion, increase the capacity of the existing highway network by improving rail, public transport, walking and cycling infrastructure.	16.14	9.78	1.93		Y	The development of a website and App, promoting sustainable travel to businesses by comparing travel costs (monetary, environmentally and health benefits) over time and promoting tele-conferencing, flexible working.
West Kent LSTF: measures to reduce congestion, increase the capacity of the existing highway network by improving rail, public transport, walking and cycling infrastructure.	9.05	4.89	0.795		Y	This will amplify the benefits of the West Kent capital bid, in particular through the website and App, through providing accurate, real time information on the alternative travel options for the commute and the school run, with a view to reducing peak hour congestion.
Kent Thameside LSTF: integrated door to door journeys and measures to increase network capacity and reduce congestion by increasing use of public transport, walking and cycling. The scheme will deliver new buses on the Fastrack network, improved access to the rail network and improve walking and cycling links.	7.54	4.51	2.428		Y	This will enhance the Kent Thameside capital bid by the website and App, which will promote sustainable travel to commuters.. The marketing and brand development will be key to engaging with the public to promote the use of Fastrack, the rail network and the ferry service, therefore capitalising on the investment made through the capital bid.
Sustainable Access to Education and Employment: targeted improvement to public rights of way network that will provide traffic free links to schools and other community facilities, recreational walking and cycling routes..	1.20	0.90	0.15		Y	The website and app will maximise the use of these traffic free routes to schools and community facilities. The PROWs will be promoted as a traffic free travel option on the journey planner and marketing materials will raise awareness of the improved routes.
Sustainable Access to Maidstone Employment areas: traffic free cycle route from urban fringes into central Maidstone and involves path and bridge construction	3.00	2.00	1.00		Y	The website and app will maximise the use of these traffic free routes to schools and community facilities. Off road routes address the safety concerns of parents. Level 1 Bikeability training will increase pupils use of these routes.
Medway Cycling Action Plan : package of measures to expand and improve Medway's cycling network including a cycle hub and training.	3.00	2.50	0.10		Y	Six year funding: The LSTF revenue bid will seek funding for dedicated 'Bike It' officers for six years to undertake education and promotional campaigns in schools.
Hastings and Bexhill LSTF town centre access and improvement package: integrated transport schemes to improve access for all road users into Hastings and Bexhill town centres	6.04	3.00			Y	Targeted programmes focused on the journey to work and school; including the Sustrans Bike It/Smarter Business Travel Project - a programme of training, challenges and initiatives, to enable sustainable travel to be a viable option on routes to and within the town centres. Extension of the East Sussex Wheels 2 Work scheme; marketing and promotion.
Hastings and Bexhill LSTF walking and cycling package: development of cycle network for Bexhill and Hastings.	5.70	4.00			Y	The Sustrans Bike It/Smarter Business Travel Project will work with schools and businesses to enable sustainable travel for everyday journeys.
Hastings and Bexhill bus access improvement package.	2.98	1.50			Y	Bus marketing and promotional activity associated with delivery of Real Time Passenger Information system into Bexhill and Hastings.
Hailsham / Polegate / Eastbourne Sustainable transport corridor: to provide bus priority measures along the Hailsham – Polegate – Eastbourne corridor.	3.43	2.00	0.25		Y	Marketing and partnership working with local bus operators to encourage bus travel for journeys to work and education.
Eastbourne and South Wealden LSTF walking & cycling package.	6.96	5.00	0.25		Y	The Sustrans Bike It/Smarter Business Travel Project, will work with schools and businesses to enable sustainable travel for everyday journeys.

Scheme Location, Name and Detail	Full cost £m	LSTF capital component of LGF requirement £m	2015/16 LGF bid 2015/16 LGF bid £m		Link to LSTF revenue bid (Y/N)	Links to the proposed LSTF revenue bid
Eastbourne town centre LSTF access & improvement package: improving access into Eastbourne town centre on all approaches to cater for housing, retail and business growth within the neighbourhood.	8.65	3.75			Y	The Sustrans Bike It/Smarter Business Travel Project will provide training, challenges and initiatives, to enable sustainable travel to be a viable option on routes to and within the town centre.
Eastbourne Bus access and improvement package	3.80	2.00			Y	Marketing and promotional activity will enhance the bus priority scheme, aimed at improving accessibility and connectivity within the South Wealden and Eastbourne area, through targeted marketing and partnership working with local bus operators to encourage bus travel for journeys to work and education.
Newhaven Ring Road & Local capacity improvement package	1.80	1.00			Y	Marketing and promotional activity and subsidised Bikeability Training for adults, to support the pedestrian and cycle connectivity elements of the scheme, targeted at segmented sections of the population and designed to overcome some of the key barriers to using sustainable travel, including safety.
Newhaven area LSTF walking and cycle package.	5.44	3.00			Y	The Sustrans Bike It/Smarter Business Travel Project will provide training, challenges and initiatives, to enable sustainable travel to be a viable option on routes to and within the town centre.
Thurrock Cycling Network improvements	6.12	5.00	1.00		Y	Cycle network improvements supported by marketing, promotion, education.
Basildon Integrated Transport Package	13.00	8.98	1.00		Y	A package of measures that support sustainable travel within Basildon
Southend and Rochford JAAP (including London Southend Airport) Sustainable Access Package supporting Business Park development.	2.93	0.65	0.65		Y	Improve and provide new cycling and walking routes to the JAAP area, principally along A127 and A1159 corridors, providing sustainable access to the Business Park and London Southend Airport. Supported by marketing promotion and training to encourage usage.
Southend and Rochford Growth Area LSTF package, supporting walking and cycling network improvements focussing on linking Town Centre, JAAP and Borough development sites.	7.00	7.00	0.50		Y	Package of LSTF sustainable transport and mobility management measures: supporting walking, cycling and public transport connecting the JAAP area, Southend Central Area and east Southend development sites. Supported by tailored business PTP, social enterprise, Sustrans and "ideas in motion" website.
Joint TGSE LSTF: TG Network Thurrock Public Transport improvements across TGSE area	1.00	1.00	1.00		Y	Making better public transport connections across TGSE including the growth areas of Basildon, Southend and Thurrock. The joint project includes making use of TRIPS, an Automatic Bus Location system, to deliver accurate real time passenger information and provide traffic signal priority for buses together with the introduction of smart ticketing and local bus improvements. The revenue package includes a TGSE wide partnership with bus and train operators to establish a regionally recognised brand to market the network and increase patronage.
Joint TGSE LSTF: TG Network Essex Public Transport improvements across TGSE area	3.00	3.00	1.00		Y	
Joint TGSE LSTF: TG Network Southend Public Transport improvements across TGSE area	1.00	1.00	1.00		Y	
TOTAL	258.15	154.23	43.61			

Appendix C

Principles for Project Appraisals, Business Cases and VfM

Strategic Fit	
Strategic fit	Establish how the project fits and contribute to: the SEP and/or SIF; the regional National ERDF/ESF/RDPE Operating Programmes; other relevant regional or sub-regional strategies/initiatives; and other relevant Government/EU initiatives, Policy Objectives
Rationale	This should address: what market failure(s) or equity objective(s) is the project addressing: • why LGF or European SIF funds should be used to support the project; and • what is the the background context and evidence to justify public sector support for the project.
Objectives	The specified objectives should be Specific Measurable Achievable Realistic and Timed (SMART). Relevant indicators should be used to measure project success against those objectives. The baseline from which change is to be measured should be established.
Economic Case	
Options	Different options that could be potentially capable of meeting the project objectives should be set out and where options have been ruled out, this needs to be clearly justified. The extent and type of consultation with stakeholders (project partners and e.g. the community) undertaken during the development of the project should be set out and how this affected the design of the project explained. The short list of options for detailed appraisal should, as a minimum, include: a Reference case – i.e. do nothing or do minimum; and the preferred option
Value for money	The economic costs and benefits should be identified and the assumptions underpinning projections should be clearly set out and ranges should be used where uncertainties exist for each short listed option. For each option the following should be addressed: • A comparison of the costs and benefits to assess value for money. These should be clearly presented so that the trade-offs made between the costs and benefits of particular options are shown in order to demonstrate which option offers best value for money. Where all costs and benefits have been monetised this will take the form of an NPV comparison (see below). Where there are costs and benefits that have not been monetised, the trade-offs between them should be set out explicitly including an assessment of whether these additional benefits justify additional costs.

	• Use of weighting and scoring techniques for large projects to take other relevant factors into account. • Assessment of costs and benefits over the whole lifetime of a project. • Consideration of wider social and environmental costs for which there is no obvious market price and where costs cannot be quantified, consider whether this is justified. • Consider whether the scale or impact is justified in terms of the numbers affected. • Discounting should be undertaken on projects with costs and benefits accruing over 3 years or more to calculate the Net Present Value (NPV). The Treasury discount rate (currently 3.5% real) should be used. • Where delivery is being undertaken by the private sector the risk of default needs to be reflected in the appraisal and it may be appropriate to do that in the discount rate or by adjusting the benefits. • The measurable gross outputs and outcomes over time should be profiled to include: • total outputs, the SE LEP share direct attributable to its investment and that of all public sector funders • outcomes (these should relate to the project objectives) • strategic added value contribution • any other social, economic and environmental benefits (for large projects it may be possible to monetise some of them). • As applicable the gross outputs/outcomes should be adjusted by applying deadweight, displacement, leakage and multiplier factors to arrive at net forecast. Net Internal Space should be used in identifying job numbers in respect of commercial property • The cost and benefit components of the preferred option should be benchmarked against other similar projects and any significant variance explained and justified.
Sensitivity and optimism bias	This should consider whether: • the risks specific to each option and whether they impact on options choice; • there are risks associated with the delivery partner and are these expressly set out? • the extent to which the forecast costs and benefits are certain / realistic; • the sensitivity analysis is appropriate and does it include a worst case scenario? • optimism bias is clearly included and aligned with risk.
Competition	Is a competition assessment required? If so what is the outcome?

Financial Case	
Financial assessment	For the preferred option, determine whether the project is financially viable by assessing the credibility of the project financial plan and considering the following questions: Are all the project funding bodies and their funding contributions identified? Are all contributions secured? Who will benefit from receipts and who will be responsible for any liabilities e.g. cost overruns or shortfalls in receipts? Has an evaluation budget (where these are directly required by the project) been identified? Is non recoverable VAT is identified? Is the current market value of any land or other non-financial assets to be committed? Are the operational and management costs reasonable?
Exit and legacy /sustainability	Consider what will happen to the project after the SE LEP investment ends. If it is not a task and finish project, will it be financially self-sustaining? Is there sufficient demand for it? How will long term funding be secured? If assets are to be sold, consider whether the sale will comply with rules on disposal of assets acquired or improved through public funds.
Commercial	
Legal	Are the project activities within the SE LEP's remit to support? Is the LEP funding the project under a contract, grant award or loan or mixture of the two? Are there specific requirements/conditions to be attached to the project Agreement/contract? Are clawback/guarantees required?
Procurement	For procurement contracts what is the procurement strategy e.g. is OJEU procurement required?
State aid	• How is the proposed intervention State aid compliant? • What State aid measure(s) e.g. block exemption, de minimis or Commission approved scheme apply? • Is it within the relevant aid intensity ceilings? • If it requires notification how will this be managed and what are the implications and risks for the project programme and costs?
Management Case	
Beneficiaries	Have the beneficiaries/users/area(s) of benefit been identified? Have any possible positive and negative impacts of the project upon them been considered? Does the project have equalities implications? If so do they positively or negatively (or are neutral) in terms of the beneficiaries or non beneficiaries?
Sustainable development	Have sustainable development opportunities been tested through options selection and project design/ objectives? Will the project have a positive impact on the environment, economy and/or social sustainability? Where any adverse consequences identified? How will these be managed/ mitigated?
Risk management	Are risks, constraints, dependencies identified, costed and managed?

Delivery	• Is it the right delivery body, with a record of delivering on time? • Does the delivery body have the capability (capacity and experience) to deliver the type and scale of project? • To deliver the project will a recognised project management process be used • with clearly defined contract and project roles and responsibilities? • Are the key project delivery dates, milestones, tasks and responsibilities clearly set out in a project delivery plan?
Monitoring plan	Is there a monitoring plan that covers: • the delivery arrangements, roles and responsibilities, • what is to be delivered by when, how • costs, funding and audit arrangements, • the reporting arrangements, • how changes to project costs, outputs, key dates and variations to the contract will be managed • risk and issues management plan & provision for contingencies
Evaluation plan	Is there an evaluation plan covering: • whether it is part of a programme or a standalone evaluation. • what type of evaluation, timing costs and resources? • how it will be disseminated • how the lessons learnt will be incorporated into future projects?

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