



Unlocking the Potential

A proposal for a Kent and Greater Essex
Local Enterprise Partnership

This proposal includes the support of:

Basildon District Council
Braintree District Council
Brentwood Borough Council
Castle Point Borough Council
Chelmsford Borough Council
Colchester Borough Council
Epping Forest District Council
Essex County Council
Harlow District Council
Maldon District Council
Rochford District Council
Southend on Sea Borough Council
Tendring District Council
Thurrock Council
Uttlesford District Council

AND Technology Research Ltd
Anglia Ruskin University
BAE Systems
Basildon Business Group
Boddingtons Ltd
CML Microsystems
East of England IDB
Essex Business Consortium

Essex & Suffolk Water
Essex Association of Local Councils
Essex Chambers of Commerce
Essex Federation of Small Businesses
Essex Rural Community Council
Essex Rural Partnership
Harlow Renaissance Ltd.
Haven Gateway Partnership
Institute of Directors – Essex branch
Shergroup
South Essex Society of Chartered Accountants
Stobart Group
Swan HA
Thames Gateway South Essex Partnership
University of Essex

Kent County Council
Canterbury City Council
Dover District Council
Shepway District Council
Thanet District Council

KEB Business Advisory Board
Pillory Barn Creative

Canterbury for Business (C4B)
Barretts Motor Group
Bax, Thomas & French (BTF)
Kent Wool Growers Association Ltd
BBP Regeneration
Denne Construction Ltd
Brachers
SEA Ltd
Avante Partnership
Locate in Kent
Trenport Investments Ltd
CBI South East Council
Federation of Small Businesses (Kent and Medway)
Kent Invicta chamber of Commerce
South Eastern
Maxim PR & Marketing
The Maidstone Studios
Kent Economic Board
Skanska Infrastructure.
Development UK Ltd
Hugh Lowe Farms Ltd. & Weald Granary Ltd
BLPS Consulting Limited
Locate in Kent

3rd September 2010

Cllr Peter Martin
Leader of Essex County Council
County Hall
Chelmsford
CM1 1LX

Dear Peter

Essex/Kent Local Enterprise Partnership

The Essex Business Consortium overwhelmingly supports the Essex and Kent proposal to form a Local Enterprise Partnership, incorporating the Counties of Kent and Essex.

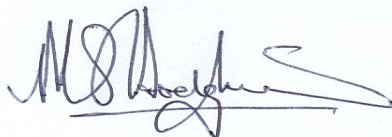
The unique importance of the Sea Ports in the South East of England to London and the growth of the UK economy as a whole has always been recognised in the EBC agenda, since its inception in 2003. The transport links with Kent and the rest of the UK are, therefore, of equal National importance. With this in mind, the concept of a strategic public/private sector partnership, bringing stakeholders together to shape economic thinking and encourage investment in Essex and Kent is a very significant innovation.

It is evident that the proposal builds on much successful joint working through the Thames Gateway over recent years. Equally we see it as essential that the Haven Gateway, M11 economic corridor and Heart of Essex are represented in the LEP to ensure that full attention is given to investing in the transport and logistics infrastructure that is so essential to the development of the combined economic geography. The LEP must therefore develop working relationships that add significant value to the existing partnerships serving the sub-regions.

The range and scale of this economic geography, together with its national relevance, means that stakeholder inter-relationships will need to be very carefully worked out to realise the aspirations of the partnerships. Likewise, recognition by Central Government of the significance of this innovation will be essential in it achieving its economic potential. The EBC, therefore, will be committed to the success of this proposal and the resulting LEP.

I am confident this bold proposal promises yet deeper business and public sector cooperation; as ever, should you require any further support, please do not hesitate to ask.

Yours sincerely



Sir Michael Hodgkinson
Chairman Essex Business Consortium



6th September 2010

Rt Hon Vince Cable MP
Secretary of State
Department for Business, Innovation and Skills
1 Victoria Street
London SW1H 0ET

Rt Hon Eric Pickles MP
Secretary of State
Communities and Local Government
Eland House
Bressenden Place
London SW1E 5DU

Dear Secretaries of State

Business Support for the Kent and Essex Local Enterprise Partnership (LEP) proposal

A special meeting of the Kent Economic Board Business Advisory Board was convened on 2 September to discuss the emerging Local Enterprise Partnership (LEP) proposition for a Kent and Essex LEP.

Despite the short notice the meeting was very well attended with 19 members of the Board present – see list of attendees here appended.

After a briefing from Paul Carter, Leader of Kent County Council, on the background and developments that had given rise to the proposal for a Kent & Essex LEP and a short presentation outlining the strategic case for the Kent & Essex LEP the Business Advisory Board unanimously gave their endorsement and support to the proposal.

I invited each member of the Business Advisory Board to individually give their views and without exception each and every member present gave their encouragement to swiftly moving forward with this proposal. The following issues were consistently identified as being particularly important by those present:-

- The recognition that through this proposal Kent is positioning itself to effectively compete with the city regions.
- The need to respond decisively and positively – to inspire confidence and to have in place arrangements that will enable investment and spending in the growth areas and for priority projects to resume/commence.
- The compelling opportunity this alliance offers to redress the East West prosperity imbalance around London and exploit the underutilised economic capacity of Kent and Essex – via developing strategic sites, creating employment, developing skills and maximising labour market capacity.

•••Invicta House Maidstone Kent ME14 1XX Tel 01622 221940 Fax 01622 221635•••

- The opportunity, with the weight of combined forces to, champion and tackle the key strategic infrastructure issues such as a new Lower Thames Crossing, resilience and capacity on routes to strategic ports, port and airport policy etc.
- Business representatives from a variety of sectors, namely Food production, Construction and Creative all identified that the proposal had merit for their industries in expanding and supporting business activity between Kent and Essex.

The Business Advisory Board also expressed the view that maintaining strong Kent & Medway networks to effectively feed into a Kent & Essex LEP would be critical and that particular importance must be placed on the communication and relationship management aspects of Kent & Essex LEP to ensure its operational success.

I hope you take account of these strong sentiments of support from the Kent & Medway business community when considering the Kent & Essex proposal.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Geoff Miles', with a horizontal line underneath.

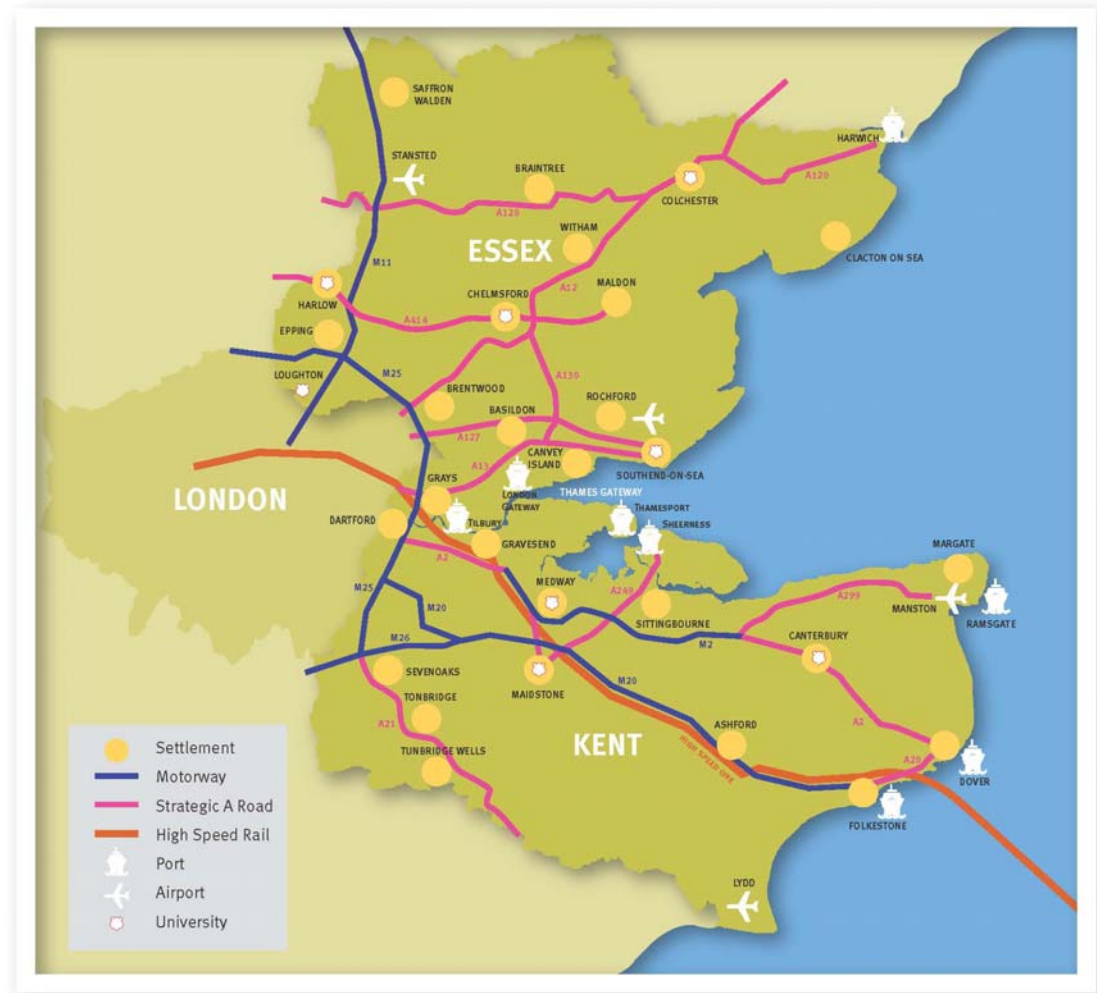
Geoff Miles
Chairman

KEB Business Advisory Board Attendees 2 September :

Paul Barrett	Chairman Managing Director	Canterbury for Business Barretts Motor Group
Michael Bax	Senior Partner Director	Bax, Thomas & French Kent Wool Growers Association Ltd
Rob Bennett	Director	BBP Regeneration
Graham Brown	Managing Director	Denne Construction Ltd
Miranda Chapman	Director	Pillory Barn Creative
Philip Cunningham	Partner & Head of Corporate & Commercial Services	Brachers
Simon Edridge	Managing Director	SEA Ltd
Cedric Frederick	Chief Executive	Avante Partnership
Sir Brandon Gough	Chairman	Locate in Kent
Douglas Horner	Director Member	Trenport Investments Ltd CBI South East Council
Roger House	Regional Chairman	FSB
Jo James	Chief Executive Commerce	Kent Invicta Chamber of
Vince Lucas	Commercial Director	South Eastern
Andrew Metcalf	Director	Maxim PR & Marketing
Geoff Miles	Managing Director Chairman	The Maidstone Studios Kent Economic Board
Terry Mitchell	Project Director	Skanska Infrastructure. Development UK Ltd
Jon Regan	Director	Hugh Lowe Farms Ltd. & Weald Granary Ltd
Bernard Spring	Managing Director	BLPS Consulting Limited
Paul Wookey	Chief Executive	Locate in Kent

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1. INTRODUCTION: A NEW WAY OF DOING BUSINESS

A new model for growth

The Kent and Greater Essex Local Enterprise Partnership will provide a new impetus for economic growth in the South of England.

These are not easy times. As we slowly emerge from a severe global recession, our clear national priorities are to reduce the budget deficit and promote a lasting, private sector-led recovery.

In Kent and Greater Essex, we now have a unique opportunity for a strategic partnership for prosperity. With the dismantling of the old regional architecture, we can now create a new partnership of the ‘best in business’ and the ‘best in local government’ to deliver more creative solutions to unlocking our potential.

Our goals are clear: the Kent and Greater Essex Local Enterprise Partnership will drive forward prosperity by enabling and facilitating the right environment for business to flourish – where possible delivered by private enterprise, not public subsidy. We will create new opportunities for the residents and businesses of Kent, Essex and the UK, striving to increase employment for the short and long term.

We are also clear in our approach. Bringing together local government and business leadership, we will work with businesses to better understand the opportunities for growth and the inhibitors to

development and employment creation and take action at a strategic level to overcome them: planning for the infrastructure we need, developing innovative approaches to private finance and ensuring a regulatory environment that enables growth. Our approach will be lean, pragmatic and business focused, supporting investment to secure the best return for Kent, for Greater Essex and for the whole country. It will build on national coalition policy to increase value and impact.

The Kent and Greater Essex area covers five upper tier authorities, Kent, Essex, Medway, Southend and Thurrock. The Kent and Greater Essex LEP will focus power and decision making within existing strong sub regional partnerships and growth areas, while providing a strategic overview and leadership on pan county issues and initiatives.

The Kent and Greater Essex Local Enterprise Partnership priorities:

- **Unlocking infrastructure** for business growth
- **Unlocking investment** for job creation
- **Unlocking skills** for the economy
- **Unlocking innovation** and business support
- Unlocking the potential of the **Thames Gateway**
- Unlocking delivery in **Growth Areas and Growth Points**
- Unlocking the opportunity of **Coastal Kent and Greater Essex**
- Unlocking the potential of **Rural Kent and Greater Essex**

The Kent and Greater Essex opportunity

Kent and Greater Essex are England's gateway. Combined, our two counties are larger than any UK city region outside London, with a population of 3.4 million and some 115,000 businesses. We also have extraordinary economic similarities. For example, our ports are critical for the nation, and our strategic location between London and the markets of Europe is of national importance. We have huge potential to harness the opportunities presented by common objectives, including the Thames Gateway, major growth points, coastal renewal, the potential of offshore renewable energy and our internationally-important transport infrastructure.

The old centralist system and confused regional architecture stopped this from happening, imposing artificial regions and drawing a red line down the middle of the Thames. We now welcome the opportunity to do things differently. Our Kent and Greater Essex Local Enterprise Partnership

finally lays to rest the previous regional structure focusing on a truly dynamic and growing economic area, not arbitrary administrative boundaries.

About this prospectus

In this prospectus, we set out our proposal for a Kent and Greater Essex Local Enterprise Partnership. In the next section, we consider the case for Kent and Greater Essex: why we need a Partnership, what we aim to achieve and how it fits in with wider strategy. The third section sets out what the Partnership will do, what we aim to achieve and how we will deliver it, yielding maximum return on investment and demonstrating the case for additional powers where we need them. Finally, we set out how we will make it happen, based on local solutions where possible and joint working with our neighbours where it adds value.

Working together, we will create employment opportunities, improve our quality of life and support the growth of the nation.

2. THE CASE FOR KENT AND GREATER ESSEX

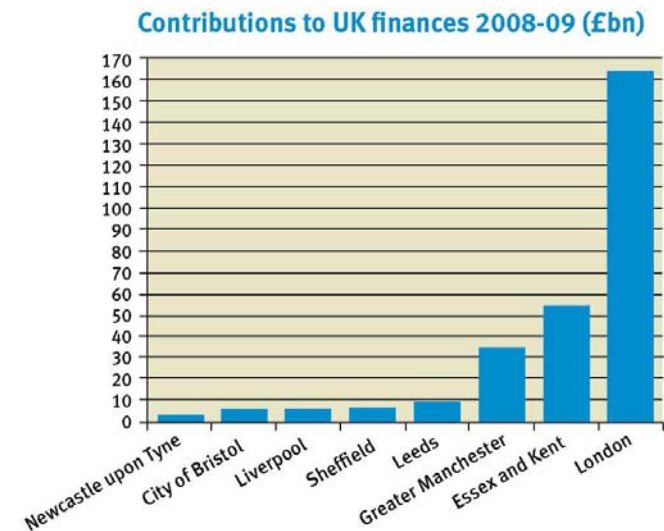
Kent and Greater Essex have the potential to be the economic powerhouses of the Greater South East, although this potential is untapped at present. Our economic scale, extraordinary similarities and nationally important opportunities call for an ambitious approach. In this chapter, we set out the business case for a Kent and Greater Essex Local Enterprise Partnership.

We have economic scale of national importance

Combined, our population of 3.4 million makes us larger than any UK city region outside London and larger than 13 European countries, contributing £55 billion to the national economy every year. Already, our contributions to the national exchequer are greater than the Leeds and Manchester city regions combined.

We are essential to national growth

Kent and Greater Essex contain the country's most significant locations for job creation and housing growth. We're already a place where business increasingly wants to invest and people want to live and there are strong prospects for the future. Traversing the two counties, the **Thames Gateway** has the potential to create 225,000 additional jobs over the next twenty years. As London expands as the hub of the nation's economy, the Thames Gateway will have to absorb the pressure, through Europe's largest economic development area.



Beyond the Thames Gateway, we also contain growth areas of national importance, such as **Ashford**, **Haven Gateway** and the **M11 Corridor**, as well as Growth Points at **Dover** and **Maidstone** and areas of expansion at **Colchester** and **Chelmsford**. We have already delivered 190,000 new homes over the last decade; the scale of our projected growth over the next twenty years is among the most significant in the country.

We have nationally critical transport assets

The transport system in Kent and Greater Essex is essential to the whole Greater South East and indeed the whole country. Britain's largest ports cluster is set to expand with massive investment at **London Gateway** in South Essex, **Harwich** and at **Dover**, putting Kent and Greater Essex at the heart of Britain's trade with continental Europe. Freight volumes are rising fast: at Dover alone, freight traffic is forecast to double over the next twenty years, while at London Gateway, container capacity will increase by 3.5 million TEUs (twenty foot equivalent containers) per year. Last year, 20 million passengers used the UK's third largest airport at London **Stansted**, Southend is set for expansion, and we have capacity to accommodate further growth in South East air traffic at London **Manston**. Linking all this together, Kent and Greater Essex contain the **entire strategic transport network east of London**, including the only crossing of the Thames east of the Blackwall Tunnel. Furthermore, Stansted airport connects us to more European destinations than any other European airport and the M11/A1 link is one of only two major North/South routes for the entire country.

In the long term, we need **new investment in our transport infrastructure**, including a new Lower Thames Crossing, and Crossrail. We cannot plan for this as Kent and Greater Essex alone: we need to respond to the demands of an integrated system, developing a clear transport strategy to keep commerce moving, delivering economic prosperity and inward investment. Nor can we be reliant on the public purse: we need creative solutions to funding transport infrastructure – such as tolling HGVs in return for reduced journey times, added value to the economy and reduced environmental impact. Our close links with London also

mean that we need a stronger relationship with the capital in transport planning.

We can deliver skills to support the growing economy

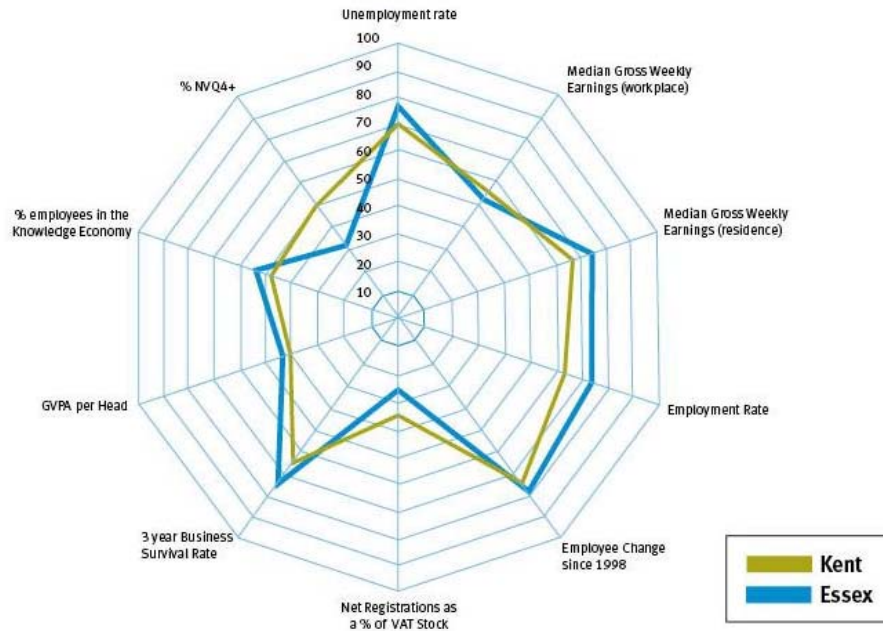
We are already home to six major universities: Anglia Ruskin University (Chelmsford, Harlow and Cambridge), Canterbury Christ Church University (Canterbury and Medway), University of Essex (Colchester and Southend), University of Greenwich (Medway), University of Kent (Canterbury, Medway and Tonbridge and with campuses in continental Europe) and the University for the Creative Arts (Canterbury, Medway and Maidstone). Internationally renowned in a number of fields, including economics, engineering and electronic systems, higher education in Kent and Greater Essex provides a learning environment for over 50,000 students and through links with business and research expertise is a key driver of economic growth.

It will be a key task of the Local Enterprise Partnership to link education providers to the needs of the economy, supporting our existing and emerging sectors.

We have remarkably similar economies

In Kent and Greater Essex, we have remarkably similar economic opportunities and challenges, as illustrated in the chart over. We have key **sector strengths** in the development of offshore renewable energy, the construction and development industry, advanced manufacturing and finance and business services. Our **rural economy** is among the largest in the country, with new opportunities associated with food technology and the development of tourism. We have similar **relationships with London**, with over 200,000 Essex and Kent residents commuting to the capital daily.

Comparison Chart



We also have similar **challenges**. Raising skills levels at all levels in the Kent and Greater Essex workforce will be essential to delivering growth: despite gradual improvement, we need to up-skill faster to deliver what business needs.

Parts of Kent and Greater Essex – especially but not exclusively in our coastal communities – remain overly dependent on public expenditure

for employment and continue to lag behind in economic output, business creation and growth and workforce skills. Unemployment and deprivation remain persistently high in parts of communities such as Margate and Clacton: we need to harness the untapped opportunity in these places.

Across Kent and Greater Essex, **many key schemes have stalled**, with worldwide recession leading to credit constraints and falling property values. Together with increased regulation and over-zealous intervention, this is affecting viability and appetite to develop. This presents a barrier to growth, and we need to find solutions to the viability gap and get development under way.

Unlocking the potential

We are all too aware that the economy of the country is only slowly emerging from recession. We need to unlock our economies' potential. The Kent and Greater Essex Local Enterprise Partnership will strive to do this.

The role of national and local government must be to work with business to understand the opportunities for growth and the inhibitors to progress, working together to overcome the blockages to economic development often imposed by well-intentioned public agencies and delivering pragmatic and flexible solutions.

A strategic Kent and Greater Essex Local Enterprise Partnership provides a new opportunity: working together where there are real returns to scale, taking a strategic view and devolving wherever possible.

3. A FOCUS ON GROWTH: WHAT WE'RE GOING TO DO

Clear priorities

The Kent and Greater Essex Local Enterprise Partnership will focus on creative and innovative ways to:

- **Unlock infrastructure** for business growth
- **Unlock investment** for job creation
- **Unlock skills** for the economy
- **Unlock innovation** and business support

We will also focus on our key areas of opportunity, to promote well-managed, balanced growth that recognises environmental and economic value. In particular, we will concentrate resources to:

- Unlock the potential of the **Thames Gateway**
- Unlock delivery in **Growth Areas and Growth Points**
- Unlock the opportunity of **Coastal Kent and Greater Essex**
- Unlock the potential of **Rural Kent and Greater Essex**

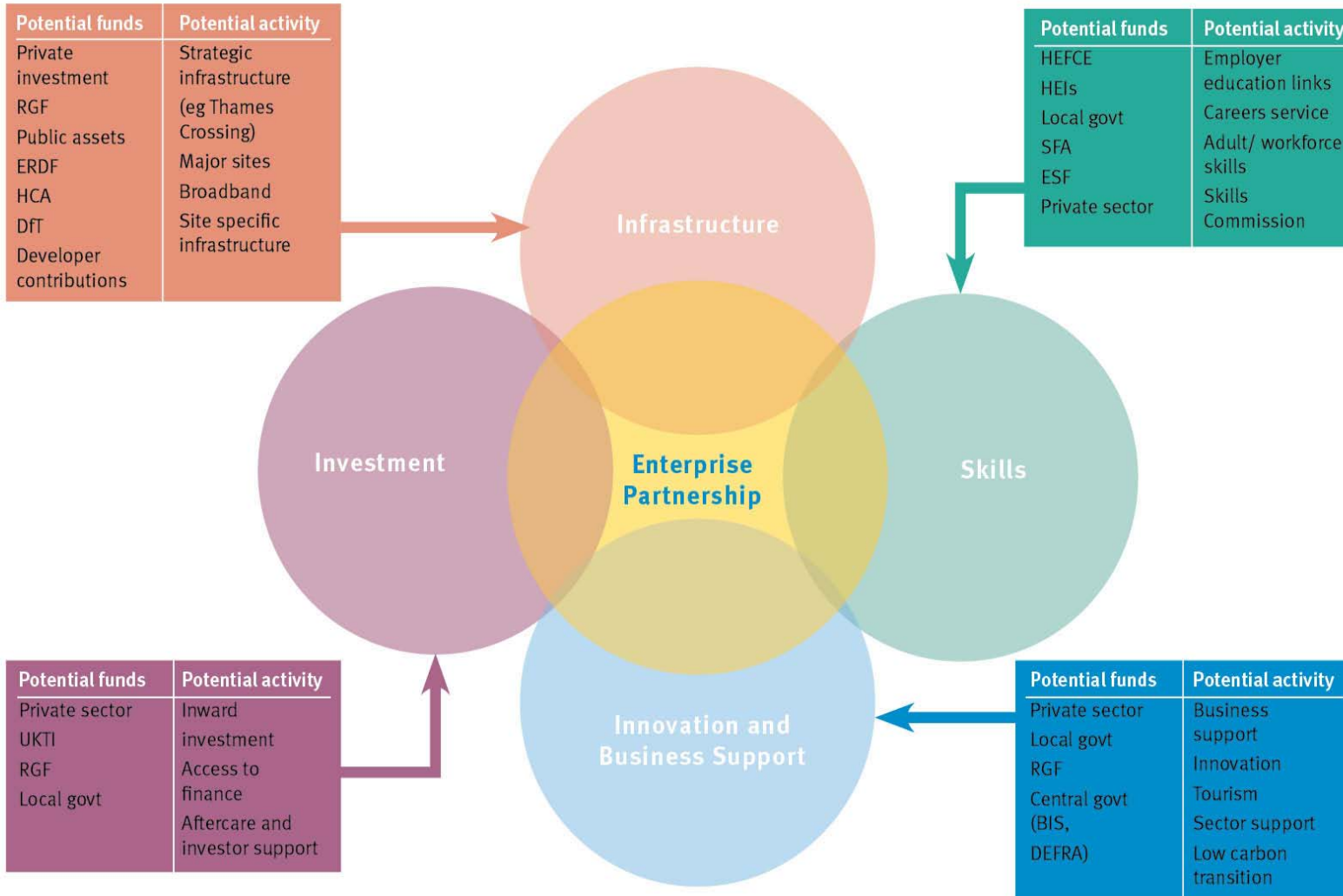
The **diagram below** sets out how we will make this work, recognising the overlaps and interrelationships between our core themes. This will be a dynamic model: businesses' skills needs change rapidly; new partners emerge; new opportunities become available. The LEP's dynamism will reflect that of our business community: focused, flexible and responsive.

It is essential that we also work **pragmatically with our neighbours** in London, East Sussex, Surrey, Hertfordshire, Cambridgeshire and Suffolk – as well as with partners in continental Europe – across porous boundaries.

Linking action with strategy

Intelligent, commercially-oriented strategy will be at the heart of the LEP's approach. In Kent and Greater Essex, we already have a strong strategic platform from which to develop. We will produce strategic infrastructure plans to set out how we will create innovative ways to facilitate growth. For example, we believe the Lower Thames Crossing can be delivered without recourse to public funds and we will work with national government to streamline regulatory processes to make it happen.

This will be part of our new way of doing business: not developing undeliverable strategic plans in abstract, but listening to business, understanding its needs, identifying blockages, developing solutions and making sure they are implemented. Because we believe so fundamentally in the opportunity created by the LEP proposition we intend to go further than any other LEP in the country and use our LEP status to work towards integrated delivery of our collective economic development, regeneration, business support and tourism activity at a strategic level.



4.1. UNLOCKING INFRASTRUCTURE FOR BUSINESS GROWTH

Strategic transport infrastructure: The key to growth

If it's heading to or coming from continental Europe, chances are it's going through Kent and Greater Essex.

As England's Gateway, we need to ensure that our transport infrastructure can support local demand, has the resilience that its national importance demands and keeps commerce moving.

At present, there are significant risks. The Dartford Crossing is already one of Britain's worst bottlenecks with 150,000 vehicles crossing every day. Delays alone cost the economy £40 million per year and the absence of viable alternative routes exacerbates the disruption. In addition, poor connectivity across the estuary means that Essex and Kent fail to operate as a coherent economic area, denying jobs and business opportunities to those on opposite sides of the river. The current situation will only get worse as freight volumes rise and local growth generates demand.

Providing a new **Lower Thames Crossing** would provide a new route from the North to Dover and the Continent, taking traffic off the M25 and improving network resilience. Locally, this would generate around 6,000 jobs and would open up new and higher value employment activities, but the national effect would be much greater. The Crossing would also

support **improved strategic access to Dover** through better use of the M20 and M2/A2 corridors.

A Lower Thames Crossing and improvements to Dover are a long term project – but we need to start planning for it now, developing creative, private sector led funding solutions to enable it to be delivered without public subsidy. Options include the use of current and future crossing tolls as well as charges on overseas hauliers.

In the shorter term we seek to agree a package for the Dartford Crossings, including transferring management of the Dartford Crossings to the Local Enterprise Partnership, reducing toll charges and introducing no-stop tolls or removing them entirely; and maintaining investment in rapid transit schemes such as South Essex Rapid Transit (SERT) and Fasttrack.

We will also work to realise the opportunities presented by the Kent and Greater Essex rail and air infrastructure. By making the most of the economic asset of **Stansted Airport through** its already consented expansion, alongside expanding air services at **London Manston** and **London Southend**. We can also create employment where it is most needed: we aim to increase passenger movements at Manston to 6

million per year, with every million passengers creating 1,000 new jobs. We will support the growth of London Southend airport to 2 million passengers per year, with associated business development of some 7,000 jobs in its specialised aviation cluster. We will make the case for investment at Southend and Manston, investigating solutions to infrastructure provision. Building on Kent's experience in taking advantage of High Speed One, we will also consider the long term potential of **Crossrail** and seek to gain oversight of Transport for London's operations as they impact on Kent and Greater Essex. Enhanced rail connectivity is key to our ability to attract inward investment and therefore increase job creation.

A number of key targeted transport investments will also be essential for growth, in particular taking forward improvements to **Junctions 30/ 31** of the M25 to support growth in South Essex and the **Homes and Roads** package of transport investment essential for major employment and housing in North Kent.

Bringing forward priority sites for business development

We will seek to **combine public and private investment to facilitate delivery of new sites for commercial development**. In some cases this may involve public/ private sector joint ventures, making best use of former RDA and other public sector land holdings, but in others it will require innovative approaches, which we will support and facilitate. We will **work with developers and landowners** to understand the inhibitors to development, help them navigate the obstacles and develop creative solutions utilising available funds via the Regional Growth Fund, HCA, the

European Union and the private sector. Specific measures that we will seek to take forward include:

- **Tax increment financing:** Widely used in the United States, tax increment financing uses future gains in taxes to fund current infrastructure improvements. Government is interested in exploring the potential of TIF mechanisms and we are aware that other prospective Local Enterprise Partnerships are keen to use them to bring forward infrastructure. We have already investigated the potential in Kent and Greater Essex, and we are keen to work as a pilot, subject to Government legislation.
- **New business growth incentives:** Previous business expansion schemes have only provided weak incentives to support closer working between local authorities and the development industry. We are keen to improve these and will develop proposals through the Local Enterprise Partnership to pilot new incentives.
- **Incentives for the operation of the private rented sector:** Improved incentives for the operation of the private rented sector could provide new housing options and support delivery on major sites. This would require tax incentives and legal changes to encourage investment by pension funds and other investors in the private rented sector: while we are unable to deliver these on our own, we will work to bring them forward by working with developers through the Kent and Greater Essex Local Enterprise Partnership.

Broadband communications

We will seek to develop creative solutions to secure the right infrastructure for business, especially where it has the most significant business impacts. We will seek to secure in particular widespread high-speed **broadband connectivity** both to rural Kent and Greater Essex and to key investment centres, recognising the additional value that this will deliver in opening up new opportunities for business growth.

Working in partnership with the Homes and Communities Agency

Through the development of Local Investment Plans identifying investment needs in housing and community infrastructure provision (such as the capital needs for future skills), local partners in Kent and Greater Essex have a strong relationship with the Homes and Communities Agency.

Although the Kent and Greater Essex Local Enterprise Partnership will not have a core role in relation to housing provision, we will seek to ensure that HCA investment supports the delivery of economic outcomes in priority locations as identified through the Local Investment Plan process. We would wish to create a programme of delivery, based on the priorities outlined in the Local Investment Plans for the areas, and funded through a dedicated Thames Gateway allocation from the Regional Growth Fund.

Using public assets to unlock delivery

SEEDA and EEDA currently have ownership of a number of key regeneration assets, especially in South Essex, North Kent, East Kent and Ashford.

With the abolition of the Regional Development Agencies, these assets will need to be vested elsewhere. This presents a great opportunity to link RDA, local authority and other public assets with private investment, maximising the attractiveness of the property portfolio to the market.

At present, the Regional Development Agencies enjoy specific compulsory purchase powers not currently available to local partners. To maximise our ability to bring sites forward, it will be important that these additional powers are transferred to the local authorities, to support our more commercially-led approach to development.

4.2 . UNLOCKING INVESTMENT FOR JOB CREATION

Catalysing investment

The private sector craves certainty, and to unlock their desire to invest we seek a **per-capita allocation** to the Kent and Greater Essex LEP over the two years of the Regional Growth Fund. We believe this ought to provide **in excess of £65m for the LEP area**, which we will seek wherever possible to recycle for ongoing investment in economic growth. As the LEP is established, this will create a powerful incentive to deliver against our priorities for the greater good of the UK – particularly if it is time limited, geared towards maximising private sector leverage and the funding is dependent on the achievement of key outcomes designed to support the rebalancing of the economy. To ensure that funding is allocated strategically, we also propose that there is **flexibility in the profiling** of Regional Growth Fund across the two year funding period.

Selling to the world: the need for inward investment

Our proximity to London and continental Europe brings us unique benefits. Next to one of the world's largest commercial and cultural centres, we enjoy relatively easy access to key markets. We also enjoy significant advantages in land costs, with access to a skilled workforce adding to the attractions of our excellent location.

Attracting new investment is critical, for the jobs it creates directly, the supply chain opportunities for local business and the support that inward

investment gives to key strategic developments. Through the Kent and Greater Essex Local Enterprise Partnership, we will set the framework through which inward investment will be attracted to and retained in our two counties.

Locate in Kent and Invest Essex already offer comprehensive inward investment services, jointly creating around 4,000 jobs a year. Given the scale of new investment opportunities in Kent and Greater Essex associated with the Thames Gateway, our growth areas and our growing sector strengths, building on these strong inward investment services is a high priority.

With the demise of the RDAs, there is now a new opportunity to streamline the delivery of inward investment. Locate in Kent and Invest Essex have for many years had a positive relationship with UK Trade and Investment (UKTI), the national inward investment body, although the system established by the previous Government also funded the Regional Development Agencies to promote the region in overseas markets and to support potential investors entering via UKTI. We will seek to develop a new partnership between the LEP, Locate in Kent, Invest Essex and UKTI based on collaboration not competition to unlock the potential of our unique location. . We will make inward investment simpler focusing on

the needs of the inward investor and not regional devices that create unnecessary layers of process and bureaucracy created by the RDAs.

A key role for the LEP will be to improve the image and offer of all parts of Greater Essex and Kent.

Supporting continued investment

Much of the inward investment that lands in Kent and Greater Essex comes from firms that are already based here. They know that this is a great place to invest – but we need to make sure that the conditions remain right for them to stay, reinvest and grow. Through the Kent and Greater Essex Local Enterprise Partnership, we will seek to provide excellent aftercare and support, linked with our new approach to business support.

Access to finance

Ensuring that business has access to capital to grow, innovate and create jobs is essential, especially in credit-constrained times. In Kent and Greater Essex, we will seek to maximise the opportunities for our companies to draw in venture capital.

European funding

Kent and Greater Essex continue to benefit from significant European funding. We will continue to work with neighbours in the former South East and East of England regions in relation to **European Union** funding, with Local Enterprise Partnerships taking over the role formerly held by SEEDA and EEDA. However, we will press for a more informed analysis of

local need in the future, in the context of the strong business voice that the Kent and Greater Essex Local Enterprise Partnership will provide. We will also investigate the use of European funding in unlocking infrastructure to support the Local Enterprise Partnership's priorities.

4.3. UNLOCKING SKILLS FIT FOR THE ECONOMY

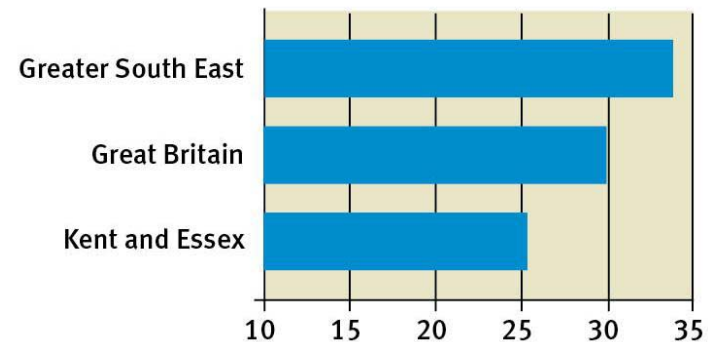
The Local Enterprise Partnership will have a leading role in ensuring that businesses in Kent and Greater Essex have the skilled workforce they need. To do so, we will seek to secure devolution of appropriate skills budgets to enable us to unlock our potential.

In Kent and Greater Essex, we have a great track record of investing in skills. In Kent alone, our network of **vocational skills** centres has been an outstanding success in equipping young people with the skills they need for work, with over 7,000 students enrolled on vocational courses. We have been in the vanguard of meeting the apprenticeship challenge, both in the public and the private sectors. Essex will deliver 1,250 apprenticeships before the Olympics through an innovative model of apprenticeship brokerage and financing. And we are also developing a strong understanding of the skills needs of Kent and Greater Essex's diverse **sector base**, with fast improving links between higher and further education providers and industry.

Nevertheless, although school results in the vocational offer have improved consistently, **skills shortfalls** remain a challenge to business in a changing and developing workforce. Many employers still report having existing staff not fully proficient in their jobs, and as well as specific technical skill shortfalls, employers regularly report persistent problems

in generic employability skills. Reflecting the similarities in the Kent and Greater Essex economies, our workforce skills levels remain below average for the Greater South East, blocking us from reaching our full potential. Dealing with these deficits effectively will make a critical contribution to our future competitiveness.

Workforce qualified to NVQ4+ (%)



Jan - Dec 2009, source ONS Annual Population Survey

Skills Commission

We will create a strategic Skills Commission to bring together employers, further and higher education providers, work-based learning agencies and other partners to analyse current and future skills demands, to ensure that provision for the existing workforce and for the workforce of tomorrow meets with real economic need to influence the use of funding streams so that they can best meet local demand.

Working with colleges and universities

For the first time, the Kent and Greater Essex Enterprise Partnership will bring further education colleges and our six universities together with business on an integrated basis across the two counties. Working together, colleges, universities, businesses and local authorities in Kent and Greater Essex will identify through the Partnership areas in which they can support each other to benefit the economy, drawing on knowledge of business demand to inform provision and providing better information and choice to learners.

4.4. UNLOCKING INNOVATION AND BUSINESS SUPPORT

In Kent and Greater Essex, we are hungry to attract business growth. The Kent and Greater Essex Local Enterprise Partnership will have a critical role in supporting business growth by setting a framework for business support provision in the county and by enabling a positive approach to business development.

A streamlined approach to business support

With employers in the lead, we will create a more streamlined, agile and business responsive support system, focused on the needs of our diverse and growing sectors. We will seek to manage the budgets for innovation and sector development previously held by SEEDA and EEDA (recognising that they will reduce over the coming years), matching them with European funding and contributions from local authorities and the private sector so that the framework for support for innovation, growth and business starts best meets business needs. By bringing our six universities into the heart of the Partnership, we will also seek to increase commercial access to university expertise and innovation.

A positive approach to business development

Across the public and private sectors, we want to make this the best place in England in which to do business. However, many businesses still report

difficulties in working with the wide range of regulatory agencies based in central and local government. Some of this is due to duplication or poor communication, which needs to be resolved. But it is also often due to a lack of mutual understanding.

The Kent and Greater Essex Local Enterprise Partnership presents an opportunity to build on a strong relationship between the public and private sectors. We will identify the blockages to business development in the county and work with developers and local authorities to secure workable solutions.

4.5. UNLOCKING OPPORTUNITY IN PRIORITY LOCATIONS

The Thames Gateway

The Thames Gateway is Britain's most important programme for economic growth. Going back to the 1980s, it has been a success story: from an empty wasteland a generation ago, Canary Wharf now employs more people in banking and finance than the whole of Frankfurt.

In the Essex and Kent parts of the Thames Gateway, there are huge opportunities. At Ebbsfleet Valley, we can create 20,000 jobs centred around the new international station. At London Gateway, the UK's newest deep-sea container port will be supported by Europe's largest logistics park. Combined, South Essex and North Kent can deliver 113,000 jobs over the next fifteen years.

Our focus on bringing forward strategic sites and developing creative solutions to deliver vital infrastructure such as the Lower Thames Crossing will be fundamental to the success of the Thames Gateway. But we recognise the need for a strategic approach to the Thames Gateway as a vital area of national importance. We are working with colleagues in London and with central Government to establish a Thames Gateway Ministerial Group to provide strategic oversight of the Gateway and to unblock obstacles to development, especially where they are caused by the over-regulation of central government agencies.

In combination with a refreshed national governance model for the Thames Gateway we recommend that our dedicated programme of delivery funding for the Thames Gateway, administered by sub-regional partnerships, is targeted to the priorities identified in Local Investment Plans.

Growth Areas and Growth Points

Outside of the Thames Gateway, major growth points in Kent and Greater Essex will help to fuel national growth. The Growth Areas of Ashford, the M11 Corridor and Haven Gateway and Growth Points at Dover and Maidstone contain some of Britain's best opportunities for private sector job creation, with Colchester the fastest growing town in the UK.

We will focus our efforts on developing solutions to bring infrastructure forward in our Growth Areas and Growth Points, working in particular with **neighbouring counties** and LEPs where Growth Areas cross administrative boundaries (for example the East Anglian LEP based on a shared vision for the Haven Gateway and Hertfordshire and Cambridgeshire in the M11 Corridor).

Town Centre Renewal

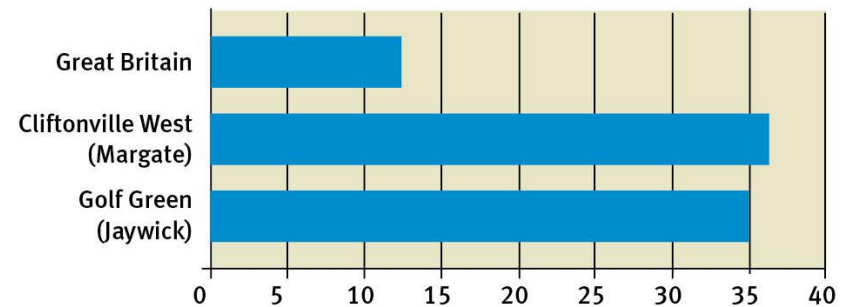
A key route to job creation, aspiration and civic pride amongst local communities will be the regeneration and development of our town centres. Providing much-needed public sector interventions into the renaissance of town centres, towns - Harlow, Colchester, Basildon and Chatham – which have ambitious plans for whole-scale renewal. The provision of fit-for-purpose office space and quality housing in Southend, the development of a new town centre at Lakeside and the delivery of Purfleet PRIDE proposals are vital to the success of the Thames Gateway, while town centre regeneration in Dover, Folkestone and Margate will make a huge contribution to the cultural vitality of the coast.

Coastal Kent and Greater Essex

Our coastlines are rightly celebrated: however, often our coast is where natural beauty and tranquillity combine with major environmental and economic challenges. In addition, parts of our coastline are vulnerable to climate change and the Environment Agency has identified that the sea defences in, for example, Southend, will need to be significantly increased along the length of its coastline. Without investment into sea defences the future viability of the Thames Gateway is at risk. Areas such as Thanet and Southend are particularly vulnerable to cuts in public expenditure, and areas once reliant on mass tourism suffer especially from problems associated with peripherality, weak private sectors and an over-supply of poor quality housing. Many coastal towns, such as Sheerness and Canvey Island also struggle with the decline of their industrial base. And in communities such as Jaywick, near Clacton and

Cliftonville in Margate, we have some of the country's most intractable concentrations of deprivation.

Concentrated worklessness: % of working age population on out of work benefits (February 2010)



We will only overcome these difficulties by building on our strengths and attracting private investment. With the opportunities associated with rising port-related investment at Dover, Tilbury and Harwich, the development of Manston and Southend airports and a cultural renaissance in towns such as Southend, Folkestone, Clacton and Margate, there is great potential for regeneration. We will focus our efforts on harnessing these to achieve real long-term change.

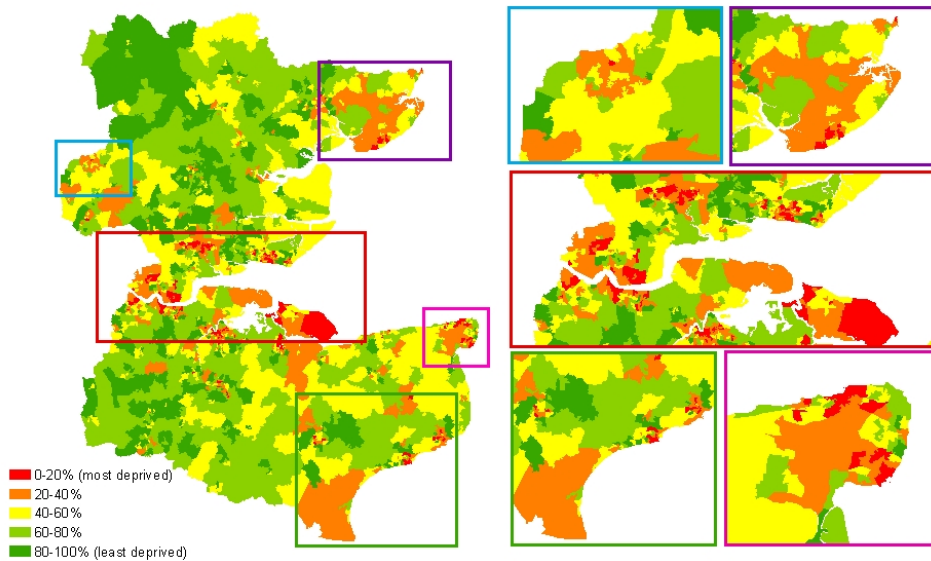
Public sector dependent towns

Parts of Kent and Greater Essex remain overly **dependent on the public sector**, despite the growth opportunities of England's Gateway – for example nearly 40% of the workforce in Canterbury is employed in the public sector – well above levels in many northern cities. Looking to the next few years, public sector expenditure cuts are likely to sharply impact on parts of the area, especially in Maidstone, Canterbury, Chelmsford, Thanet, Colchester and Southend. We need to support private sector growth, removing barriers to investment where they exist and supporting the potential of emerging sectors.

Rural

Combined, Essex and Kent will have the largest rural economy of any Local Enterprise Partnership area, worth over £10 billion per year. We have major opportunities to develop our rural assets, with food production becoming increasingly technologically advanced and demand for local production rising. Tourism also remains a crucial and growing part of the rural economy. We will establish through the Kent and Greater Essex Local Enterprise Partnership a strategic alliance for the development of the rural economy, working with neighbours and listening to business.

Indices of Multiple Deprivation



5. A PARTNERSHIP FOR GROWTH: HOW WE'RE GOING TO WORK

Working together

In Kent and Greater Essex, we have a great history of working together. We now have an opportunity to build on this: by focusing on the areas of activity set out in the previous section, we aim to build a powerful coalition for growth, reducing duplication and maximising contributions from all sectors.

For the LEP to work, it is vital that the right decisions are taken at the right spatial level. While it makes sense for some decisions to be taken at the Kent-Essex level, others are more appropriately taken by local partnerships. Sitting underneath the LEP will be a federal system for growth based on our existing, very successful, sub-regional partnerships. It is these partnerships that will take decisions, allocate funding, drive strategy and deliver programmes which naturally sit at a smaller geographic level and who will advise and guide the greater LEP area. This will mean decisions are made by those people who know the area, and are best positioned to know how to maximise its economic opportunities.

Our LEP recognises the importance of the existing local partnerships within Greater Essex and Kent. It will be built upon existing local partnership structures in the functional economic areas – this sub-regional approach enables the LEP to respond to the diversity of the area

through the efficacy of business and local authorities coming together. The existing successful partnerships and Growth Points at the heart of this LEP include: Thames Gateway Kent Partnership; Thames Gateway South Essex Partnership; Haven Gateway Partnership; Ashford; the M11 corridor and East Kent, as well as local regeneration delivery partnerships.

Governance

Robust and transparent governance arrangements for the Local Enterprise Partnership are crucial. The Partnership must be fully and properly accountable for its policies, decisions and stewardship of any devolved and pooled funding.

The Local Enterprise Partnership will operate with a Strategic Board that will address the common challenges between Kent and Greater Essex. This Board will balance democratic mandate with the strong voice of business.

The board will consist of 30 members and will comprise:

- **The business community** – 14 members, with a balance of representation from Kent and Greater Essex, including a voluntary or social enterprise sector representative, coverage of each economic

sub-region and with nomination rights for business representative organisations;

- **Universities** – two seats;
- **Essex County Council** – one seat;
- **Kent County Council** – one seat;
- **Medway Council** – one seat;
- **Southend-on-Sea Borough Council** – one seat;
- **Thurrock Council** – one seat;
- **Essex District and Borough councils** – four seats; and
- **Kent’s District and Borough councils** – five seats, determined by the Kent Senate.

Key principles

- **Localist:** devolving decision-making and control wherever possible, enabling local innovation to meet local needs and supporting businesses and organisations outside the public sector to develop solutions independently;
- **Pragmatic:** developing the institutions that we already have in our area, building on the synergies between them and cutting out unnecessary process and waste. Our proposed structure seeks to minimise complexity;
- **Practical:** focused on the delivery of real economic development to support business on the ground. Our activities will be informed by robust strategy, evaluation and appraisal – but we want to work fast to deliver real outcomes;

- **Flexible:** able to respond to new opportunities where they arise and able to change over time with the minimum of bureaucracy and without the need for complex, time-consuming restructures and reviews;
- **Collaborative:** taking advantage of the contribution of all partners from the public and private sectors. The LEP will not be dominated by any one organisation. Our collaborative approach will extend to working jointly with London and neighbouring areas where there are strategic issues of common concern; and
- **Commercial:** geared to supporting private sector growth, maximising leverage and taking advantage of industry expertise.

The role of the Board and delivery agents

Our proposal is grounded in the principles of localism and subsidiarity. Issues will be addressed at the lowest effective spatial level. This would mean local economic areas dealing with the unique challenges faced at the local level, whilst the Strategic Board will be focused on a small number of particularly significant issues across the LEP geography.

The Partnership will operate on the principle of subsidiarity: where decisions and actions can be taken at district or sub-county level, they should be.

The Board will not be directly responsible for delivery. Instead, it will focus on designing the actions that are needed in relation to the areas of activity outlined in the previous chapter, bringing together the right

partners, expertise and funding to make them happen, making sure they are delivered and overseeing a longer term strategy.

This will mean that delivery will take place through a range of agents, working with the Kent and Greater Essex Local Enterprise Partnership. In some cases, delivery agents operate at county-wide level – for example, Locate in Kent and Invest Essex in relation to inward investment. In others, the Partnership will work through local vehicles, reflecting local priorities. Where possible however, we will seek to minimise the creation of new bodies.

The Kent and Greater Essex Local Enterprise Partnership will require a small secretariat function. We will support this through existing resources.

Working with neighbours

The real economy doesn't recognise administrative boundaries. On many issues, we will need to work with neighbouring LEPs (and equivalent organisations) to achieve solutions where we have issues in common. In Kent and Greater Essex, we have a unique relationship with **continental Europe**, based on our role as Britain's gateway. In particular, there are strong economic links between the Channel ports and neighbours in France and Belgium. We will seek to build on existing economic relationships.

We are also committed to working with partners in neighbouring areas. In particular, we will work together with:

- **Greater London** in respect of the **Thames Gateway**, recognising its national importance as a cross-regional growth area.
- **East Sussex** in relation to the common issues facing our **coastal communities**, especially in Shepway, Dover and Thanet; and
- **East Sussex** and **Surrey** in relation to the cross-border economic footprint of Tunbridge Wells and the rural agenda; and
- **The East Anglian LEP** in respect of Haven Gateway; and
- **Cambridgeshire and Hertfordshire** in relation to the M11 corridor.

6. MOVING FORWARD: WHAT HAPPENS NEXT?

There is a powerful case for a Kent and Greater Essex Local Enterprise Partnership. We have an identifiable, credible and functional economic area. We have a strong track record both in delivery of economic development and in developing robust partnerships with the private sector. And we have a strong strategic base from which to work: we don't need to start afresh.

Following the submission of this prospectus to Government, we will build on the extensive consultation we have already undertaken, working with business and the public sector to develop the Partnership's organisational structure and way of working. We will also undertake further work to set out our priorities and governance arrangements, with a view to establishing a 'shadow' Board by November through full consultation and approval by all constituent partners. Meanwhile, further detail of the roles and status of Local Enterprise Partnerships is anticipated in the Localism White Paper, to be published in the autumn. Indeed, we trust our proposal will help inform the White Paper.

We expect that the full Local Enterprise Partnership Board will be up and running by 1 April. Where the Partnership takes over responsibility from EEDA and SEEDA in relation to certain priorities, we will seek to ensure a smooth transition.

Within this prospectus, we have signalled our intention to make a submission to the Regional Growth Fund. A first-round call for proposals is likely in November/ December, with decisions made before the start of the next financial year.

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The information contained in this document can be translated, and/or made available in alternative formats, on request.