

TONBRIDGE & MALLING BOROUGH COUNCIL



EXECUTIVE SERVICES

Chief Executive

Julie Beilby BSc (Hons) MBA

Gibson Building
Gibson Drive
Kings Hill, West Malling
Kent ME19 4LZ
West Malling (01732) 844522

NB - This agenda contains proposals, recommendations and options. These do not represent Council policy or decisions until they have received proper consideration through the full decision making process.

Contact: Committee Services
committee.services@tmbc.gov.uk

13 February 2015

To: MEMBERS OF THE ECONOMIC REGENERATION ADVISORY BOARD
(Copies to all Members of the Council)

Dear Sir/Madam

Your attendance is requested at a meeting of the Economic Regeneration Advisory Board to be held in the Civic Suite, Gibson Building, Kings Hill, West Malling on Wednesday, 25th February, 2015 commencing at 7.30 pm

Yours faithfully

JULIE BEILBY

Chief Executive

A G E N D A

PART 1 - PUBLIC

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The Chairman to move that the press and public be excluded from the remainder of the meeting during consideration of any items the publication of which would disclose exempt information.

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Any other items which the Chairman decides are urgent due to special circumstances and of which notice has been given to the Chief Executive.

MEMBERSHIP

Cllr C P Smith (Chairman)
Cllr Miss S O Shrubsole (Vice-Chairman)

Cllr R W Dalton
Cllr M O Davis
Cllr S M King
Cllr R D Lancaster
Cllr Mrs S Luck
Cllr M Parry-Waller

Cllr T J Robins
Cllr A G Sayer
Cllr Miss J L Sergison
Cllr Mrs E A Simpson
Cllr R Taylor

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Apologies for absence

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Declarations of interest

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TONBRIDGE AND MALLING BOROUGH COUNCIL

ECONOMIC REGENERATION ADVISORY BOARD

Wednesday, 3rd September, 2014

Present: Cllr C P Smith (Chairman), Cllr M O Davis, Cllr S M King, Cllr R D Lancaster, Cllr Miss J L Sergison and Cllr R Taylor

Councillors Mrs J A Anderson, J A L Balcombe, P F Bolt, M A Coffin, D J Cure, N J Heslop, Mrs S Murray and M R Rhodes were also present pursuant to Council Procedure Rule No 15.21.

Apologies for absence were received from Councillors Miss S O Shrubsole (Vice-Chairman), R W Dalton, Mrs S Luck, M Parry-Waller, A G Sayer and Mrs E A Simpson

ERG 14/19 DECLARATIONS OF INTEREST

There were no declarations of interest made in accordance with the Code of Conduct.

ERG 14/20 MINUTES

RESOLVED: That the notes of the meeting of the Economic Regeneration Advisory Board held on 3 June 2014 be approved as a correct record and signed by the Chairman.

ERG 14/21 KENT BUSINESS PERCEPTION STUDY

A presentation was received from Mandy Bearne of Locate in Kent regarding the key findings of a business perception study for the county. Ms Bearne provided an introduction to the work of Locate in Kent and gave details of the results of the survey of some 300 participants on the attractiveness of Kent and its sub areas to business. The results were compared to similar research undertaken in 2006, 2008 and 2010.

The recommendations arising from the survey highlighted the need to continue to promote Kent especially regarding its proximity to London and access to high speed rail and financial assistance. Members asked a number of questions and were encouraged to note the positive comments about the helpful approach of local authorities. It was requested that a copy of the presentation be made available to members of the Advisory Board with more statistics specific to Tonbridge and Malling where possible. The Chairman then thanked Ms Bearne for her contribution to the meeting.

MATTERS FOR RECOMMENDATION TO THE CABINET**ERG 14/22 CORPORATE PEER CHALLENGE - ECONOMIC REGENERATION ISSUES**

Decision Notice D140098MEM

The report of the Chief Executive set out the key recommendations on economic regeneration issues contained in the Borough Council's Corporate Peer Challenge Report and consideration was given to a suggested response in each case.

It was noted that the Peer Challenge Team had made a number of positive observations on the Council's current approach to economic regeneration but had recommended production of an integrated strategy based on joined up working across all services.

RECOMMENDED: That the suggested responses to the economic regeneration issues raised as part of the Corporate Peer Challenge, as set out in the report, be endorsed.

ERG 14/23 SOUTH EAST LOCAL ENTERPRISE PARTNERSHIP - GROWTH DEAL

Decision Notice D140099MEM

The report of the Chief Executive gave details of the key components of the recent South East Local Enterprise Partnership (SELEP) 'Growth Deal' bid, how the funding had been awarded and the implications for local projects relevant to Tonbridge and Malling. Whilst welcoming the funding of two key transport schemes in the Borough, the challenges associated with local revenue funding of business support services were highlighted.

RECOMMENDED: That

- (1) the outcome of the Growth Deal for the SELEP area and for West Kent be noted; and
- (2) the proposed position on the provision of future business support services, as set out in section 1.4 of the report, be endorsed and a further progress report be made to the next meeting of the Advisory Board.

ERG 14/24 WEST KENT LEADER PROGRAMME 2015-2020: UPDATE

Decision Notice D140100MEM

The report of the Chief Executive provided an update on the development of a further LEADER programme for West Kent,

specifically addressing the geographical extent of the new LEADER area and proposed local priorities upon which comments had been requested.

RECOMMENDED: That the further progress in relation to the new LEADER programme be noted and the suggested priorities for the new programme, as set out in the report, be supported.

MATTERS SUBMITTED FOR INFORMATION

ERG 14/25 WEST KENT PARTNERSHIP MINUTES

A copy of the minutes of the meeting of the West Kent Partnership held on 25 July 2014 were presented for Members' information. The main business of the meeting had been the outcome of the Growth Deal for Kent and during an update on the Escalate loan fund it was noted that high levels of interest were now being shown by local businesses.

MATTERS FOR CONSIDERATION IN PRIVATE

ERG 14/26 EXCLUSION OF PRESS AND PUBLIC

There were no items considered in private.

The meeting ended at 8.40 pm

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**TONBRIDGE & MALLING BOROUGH COUNCIL
ECONOMIC REGENERATION ADVISORY BOARD**

25 February 2015

Report of the Chief Executive

Part 1- Public

Matters for Recommendation to Cabinet - Non-Key Decision (Decision may be taken by the Cabinet Member)

1 CONSULTANT'S REPORT – THE CASE FOR WEST KENT

To set out the key findings of a report into the importance of the West Kent economy which has been commissioned by the West Kent Partnership.

1.1 Background

- 1.1.1 As Members will be aware from previous reports to this Board, the creation of the South East Local Enterprise Partnership, covering Essex, Kent and East Sussex, has meant that external funding to support growth and enterprise is now being channelled from Government to that Partnership. Given the wide area that it covers, a 'federated' model has been adopted where by separate partnerships exist for different county areas. The Kent and Medway Economic Partnership (KMEP) is the relevant federated partnership for Tonbridge and Malling. The Borough Council has a seat on that Partnership which is alternated with Sevenoaks District Council.
- 1.1.2 Competition for funding is therefore at two levels: first we must seek to secure a high priority for our local projects with the Kent and Medway Partnership and then, help seek to secure a priority for Kent and Medway projects at the SELEP level. There remains strong competition for funding both across Kent and Medway and across the wider SELEP area.
- 1.1.3 Local projects and funding bids are mainly led by the West Kent Partnership. As a relatively affluent area with a strong local economy, compared to East Kent, for example, the needs of our area can sometimes be regarded by some to be less significant and our subsequent ability to attract funding for important local projects can be challenging.
- 1.1.4 For this reason, the West Kent Partnership agreed to commission a study of the West Kent economy to help demonstrate its benefits to Kent as a whole and how on-going investment in the West Kent economy was needed to sustain local growth. The consultants were also asked to report on ways in which the West Kent Partnership could best secure additional LEP funding in the future.

1.1.5 Wessex Economics Ltd were commissioned to undertake that study and a copy of the executive summary and recommendations are attached as Appendix 1. A full copy of the study can be circulated on request.

1.2 Key Findings

1.2.1 Whilst the study highlights a number of existing strengths of the West Kent economy , it recommends that West Kent partners should not be complacent about the future and that action is now needed to address a number of issues including:

- A need to demonstrate and promote the positive contribution that the West Kent economy makes to the Kent economy as a whole
- More to be done to attract and retain inward investment from higher value, knowledged-based businesses
- Better promotion of the West Kent area to inward investors is required as other parts of Kent appear to be more favourably regarded
- A need to address a relative lack of choice of new sites for business use across West Kent (although this is perhaps less so for Tonbridge and Malling)
- A need to re-assess the bids for funding that have recently been made to SELEP by West Kent with a view to developing a pipeline of projects which are then ready to take forward when new funding becomes available
- A need to engage the local business community to help promote the West Kent area and its economic benefits
- The current membership and structure of the West Kent Partnership needs to be refreshed.
- District Local Plans need to make adequate future provision for both local employment and housing needs.

1.2.2 At the district level, the publication of this report has also been timely in relation to the publication of the draft Borough Economic Regeneration Strategy which is dealt with elsewhere on this agenda. Where relevant, actions have been included in the draft to address the consultant's recommendations, for example, the need to more actively promote opportunities to attract additional inward investment.

1.2.3 The consultant's study also draws attention to the need for local councils to invest additional resources in economic regeneration. As reported recently to General Purposes Committee, savings made elsewhere via changes to the Council's establishment are being re-invested in the creation of a new post of economic

regeneration officer to support the delivery of actions as set out in draft Strategy with a particular focus on increased engagement with our local business community. An appointment to this new post will be made shortly.

1.3 Next Steps

- 1.3.1 The West Kent Partnership has agreed to assess, in detail, the recommendations of the study and to prepare an action plan to take these forward. A review of the structure and membership of the Partnership is also to be undertaken with a view to attracting greater representation from local businesses. The report is also being shared with MPs, SELEP, KCC and other key partners to explore how we can jointly address some of the issues which have been highlighted. A further report relating to the adopted West Kent action plan will therefore be made to a future meeting of this Board.

1.4 Legal Implications

- 1.4.1 None

1.5 Financial and Value for Money Considerations

- 1.5.1 As addressed within this report.

1.6 Risk Assessment

- 1.6.1 n/a

1.7 Equality Impact Assessment

- 1.7.1 The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

1.8 Recommendations

- 1.8.1 That the Case for West Kent report **BE NOTED** and that further report to this Board **BE MADE** on actions arising.

The Chief Executive confirms that the proposals contained in the recommendation(s), if approved, will fall within the Council's Budget and Policy Framework.

Background papers:

contact: Mark Raymond

Nil

Julie Beilby
Chief Executive

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The Case for West Kent

Final Report – Executive Summary, Conclusions & Recommendations

Client:

West Kent Partnership

January 2015

Wessex Economics Ltd
Berkshire House
252-256 Kings Road
Reading RG1 4HP

T: 0118 938 0940

Contact: chris.cobbold@wessex-economics.co.uk

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Executive Summary

1. The West Kent Partnership needs to communicate the evidence that economic development is not a zero sum game in Kent and Medway. The success of West Kent is good for Kent and Medway as a whole. This is a message that the West Kent authorities and its partners, particularly business, need to convey to decision makers in Kent, notably KCC and the Kent and Medway Economic Partnership.
2. West Kent is clearly more prosperous and more buoyant economically than other parts of Kent and Medway, but it is also more constrained in some dimensions – for example, its ability to accommodate space-hungry businesses and in its capacity to accommodate new homes. Along with North Kent, West Kent has the best prospects for securing output and employment growth over the next 20 years.
3. It is important to Kent and Medway as a whole that West Kent remains successful and capitalises fully on its strengths. It has a stronger relative representation of higher value, knowledge based businesses than other parts of Kent and Medway, and has a capacity to attract inward investment from other parts of the Greater South East in such sectors. All of Kent and Medway are likely to benefit from such inward investment through supply chain linkages and additional job creation.
4. West Kent has enjoyed strong job growth and is anticipated to continue to experience job growth. Already West Kent provides large numbers of jobs for those from outside West Kent and it is likely to provide more jobs in the future. Compared to other areas in Kent, West Kent provides relatively large numbers of high skill, better paid jobs. Retaining and boosting the number of people in Kent and Medway with high level skills is important to the long term growth of the Kent and Medway economy.
5. However, there is evidence from analysis by Locate in Kent that that West Kent is less favourably regarded as an inward investment location than Maidstone and Ashford. Locate in Kent staff have commented that a key factor in West Kent being less favourable regarded as an inward investment location is the relative lack of choice of good quality sites and premises for modern business operations compared to Maidstone and Ashford. This means that Kent is probably less able to compete with other locations in the eastern M25 corridor.
6. A successful and growing West Kent economy will contribute to economic development in Kent and Medway as a whole. It is important to nurture those features of the business environment that make West Kent an attractive place to do business. West Kent is primarily competing for business growth with other similar locations to the south, north and west of London, not with the rest of Kent and Medway.
7. At the same time market pressures will encourage employers who do not derive competitive advantage from being located in West Kent to consider relocation. The authorities responsible for economic development in the County – KCC and Locate in Kent – need to ensure that such businesses find a home elsewhere in Kent and Medway. Such relocation is good for West Kent and good for Kent and Medway as a whole.
8. The biggest threat to the success of West Kent is neglect or complacency about the future of West Kent. In a modern economy there is a need continually to look to improve the environment for business if an area is not to lose its competitive edge. Such a programme of continuous improvement has to be adequately resourced. That resource has both to come from within West Kent and to be supported at County level.

9. KCC's capital expenditure on regeneration on a per capita basis Maidstone receives more than twice the investment identified for West Kent; North Kent receiving almost three times as much investment as West Kent; and East Kent receiving 3¾ times as much investment as West Kent. The capital programme may well have been reshaped in the light of the outcome of LGF Round bids.
10. In terms of LGF Round 1 expenditure on transport schemes, North Kent and East Kent will receive more than double the level of per capita expenditure of West Kent, and Maidstone more than three times the per capita expenditure in West Kent. From an external perspective it is particularly the differential between West Kent and Maidstone that is most marked.
11. The analysis presented in this report would indicate that potentially West Kent has been disadvantaged in the allocation of KCC and LGF resources. However, care must be taken in automatically accepting these benchmarks as suggesting that West Kent is deliberately disadvantaged in the allocation of funding. The allocation of funding through the LGF process has been based on project outcomes and deliverability, without any weighting applied to where projects are based.
12. WKP needs to recognise that the most obvious possible reasons why West Kent has secured proportionately less funding through the LGF process than other parts of Kent and Medway was that it submitted proportionately fewer bids measured by value, and the bids submitted scored less well than competing bids from elsewhere in Kent and Medway. It is important that WKP learn lessons from the unsuccessful bids submitted.
13. One possible reason for lack of success in LGF bids could be that a key criterion in the appraisal of LGF bids is the certainty of match funding. To the extent that KCC gives different priorities to expenditure in different parts of Kent this could be a factor in skewing LGF resources in favour of those areas other than West Kent, because KCC is the key source of LGF match funding. District Councils have relatively limited capital resources for economic development.
14. However, the West Kent authorities also need to consider whether they are also doing everything they can to provide match funding for projects that they are putting forward for competitive bidding programmes such as the Local Growth Fund. This match funding may come from their own resources, but private sector match funding, or resources secured through Section 106 agreements or through the Community Infrastructure Levy can act as match funding.
15. Another possible reason for lack of success in LGF bids may be that the West Kent authorities have devoted fewer resources in terms of people and money than other authorities. This could have constrained the ability to undertake the preparatory work necessary to develop funding-ready projects, which impacted on the number and quality of bids. However, despite on-going financial challenges affecting all three Councils, there are now plans in place to strengthen staff resources for economic regeneration and therefore, West Kent Authorities should be better placed in the future to secure further funding from the LGF and other funding streams.
16. While this report has focused on the distribution of capital expenditure for economic development and transport, it is important to acknowledge that KCC incurs significant revenue expenditure on running Kent and Medway wide-projects. It has not been possible to analyse the relative spend under these programmes by Kent and Medway sub-region. West Kent is likely to benefit proportionately more than other sub-regions in Kent and

Medway from business support programmes because of relatively high representation of growth businesses and high levels of business start-up.

17. Discussion around what is an equitable distribution of resources between the different sub-regions of Kent and Medway is also complicated by other major infrastructure investments, not captured by the analysis of KCC and LGF Round 1 programmes. The planned expenditure of £70 million by the Highways Agency on the dualling of the Tonbridge–Pembury section of the A21 is not included in the analysis – but neither is the Highways Agency scheme for improvements to the A2 at the Bean and Ebbsfleet junction in North Kent.
18. Making the case for West Kent should be a part of the economic strategy for West Kent; but as important is having well-developed projects that fit the criteria that external funding bodies are looking for, and which can realistically use the funding available and deliver outputs in the timescale required.
19. A number of recommendations flow from the findings of this study, focusing on communicating clearly to decision-makers why growth in West Kent helps the Kent and Medway area as a whole, and actions to be taken by WKP itself to improve its success rate in bidding for external funding. These are summarised below:
 - WKP should review the bids submitted in Round 1 of the LGF process, identify where they fell short in terms of the scoring matrix and see what lessons can be learnt for future bids. KCC should be asked to provide the scores given to the bids submitted.
 - This report has set out why securing the on-going prosperity and growth of West Kent is good for Kent and Medway as a whole. This message needs to be refined into a format that can readily be communicated to the Kent and Medway Economic Development Board, KCC members, and KCC officers.
 - WKP should galvanise the business community in West Kent to identify clearly what is good about being based in West Kent, to articulate clearly what needs to be improved, and the risk of failure to take appropriate action. WKP should help the ‘Voice of West Kent’ businesses to be heard.
 - In helping WKP and the business community communicate how growth in West Kent works to the benefit of Kent and Medway as a whole, WKP should identify case studies on how West Kent businesses, including inward investors, deliver benefits to other parts of Kent and Medway.
 - Given the likelihood of continuing central government reliance on competitive funding programmes, the three West Kent authorities should review and further develop its strategy (The West Kent Priorities for Growth report) for securing external funding. Wessex Economics recommend that this be undertaken on a collective basis rather than an individual authority basis.
 - The core of a successful funding strategy is an adequately resourced programme which identifies priority projects to deliver local economic development goals, and uses a pipeline approach to project and programme development. This report identifies the key elements of such a process.
 - Given the increasing need to work closely with the Kent and Medway Economic Partnership and SELEP in future years, it is suggested that a review of the role and structure of the West Kent Partnership be undertaken to ensure this is fully fit for future and is representative of local business needs.

20. The West Kent authorities also need to ensure that robust and up to date Local Plans in place to identify new employment sites suited to the future needs of the economy and business. The local authorities should also set out in their Local Plans and economic development strategies how they will promote the retention and re-use of key existing employment sites and redevelopment of older sites to accommodate new modern accommodation.
21. It is also important that robust and up to date Local Plans are in place. These should identify the scale of additional housing required to ensure the future supply of labour for local employers. This is not to deny the significant constraints that exist on new development in West Kent.

Conclusions and Recommendations

This section of the report brings together the conclusions of the analysis undertaken. In the light of these conclusions Wessex Economics make a number of recommendations. These should be regarded as the starting point of a discussion with WKP. Wessex Economics would be pleased to contribute to this debate and bring the firm's experience from elsewhere to bear.

Wessex Economics believe there is much that the members of WKP, particularly the three local authorities, can do to enhance their success in attracting external funding to West Kent. There is nothing in the scoring matrix for the allocation of LGF moneys that has a bias against West Kent; but there may be a presumption among different funding partners about the relative priority of expenditure in different parts of Kent.

Conclusions

West Kent Partnership needs to communicate the evidence that economic development is not a zero sum game in Kent and Medway. The success of West Kent is good for Kent and Medway as a whole. This is a message that the West Kent authorities and its partners, particularly business, need to convey to decision makers in Kent, notably KCC and the Kent and Medway Economic Partnership.

West Kent is clearly more prosperous and more buoyant economically than other parts of Kent but it is also more constrained in some dimensions – for example, its ability to accommodate space-hungry businesses and in its capacity to accommodate new homes. Along with North Kent, West Kent has the best prospects for securing output and employment growth over the next 20 years.

It is important to Kent and Medway as a whole that West Kent remains successful and capitalises fully on its strengths. It has a stronger relative representation of higher value, knowledge-based businesses than other parts of Kent and Medway, and has a capacity to attract inward investment from other parts of the Greater South East in such sectors. All of Kent and Medway are likely to benefit from such inward investment through supply chain linkages and additional job creation.

West Kent has enjoyed strong job growth and is anticipated to continue to experience job growth. Already, West Kent provides large numbers of jobs for those from outside West Kent and it is likely to provide more jobs in the future. Compared to other areas in Kent, West Kent provides relatively large numbers of high skill, better paid jobs. Retaining and boosting the number of people in Kent and Medway with high level skills is important to the long-term growth of the Kent and Medway economy.

At the same time, market pressures will encourage employers who do not derive a competitive advantage from being located in West Kent to consider relocation. The authorities responsible for economic development in the County – KCC and Locate in Kent – need to ensure that such businesses find a home elsewhere in Kent and Medway, probably in locations with lower property and labour costs, rather than move out of Kent. Such relocation is good for West Kent and good for Kent and Medway as a whole.

A successful and growing West Kent economy will therefore contribute to economic development in Kent and Medway as a whole. It is important to nurture those features of the business environment that make West

Kent an attractive place to do business. West Kent is primarily competing for business growth with other similar locations to the south, north and west of London, not with the rest of Kent and Medway.

The biggest threat to the success of West Kent is neglect or complacency about the future of West Kent. In a modern economy there is a need continually to look to improve the environment for business if an area is not to lose its competitive edge. Such a programme of continuous improvement has to be adequately resourced. That resource has to come both from within West Kent and to be supported at County level.

It is clear that in terms of both KCC capital expenditure and the distribution of planned funding under approved Local Growth Funding projects, West Kent will receive significantly less funding per capita, per household, per '000 jobs and per '000 anticipated job creation than the other sub-regions.

KCC's capital expenditure on regeneration on a per capita basis results in Maidstone receiving more than twice the investment identified for West Kent; North Kent receiving almost three times as much investment as West Kent; and East Kent receives 3¾ times as much investment as West Kent. The capital programme may well have been reshaped in the light of the outcome of LGF Round bids.

In terms of LGF Round 1 expenditure on transport schemes, North Kent and East Kent will receive more than double the level of per capita expenditure of West Kent, and Maidstone more than three times the per capita expenditure in West Kent and East Kent. From an external perspective it is particularly the differential between West Kent and Maidstone that is most marked.

It is likely to be deemed reasonable that the less economically advantaged sub-regions of Kent should receive proportionately more funding on any of these benchmarks than West Kent. The real issue is whether the scale of differential funding is appropriate. This is properly a matter for discussion between the West Kent authorities and KCC; and within business forums including the Kent and Medway Economic Partnership.

The analysis presented in this report would indicate that potentially West Kent has been disadvantaged in the allocation of KCC and LGF resources. However, care must be taken in automatically accepting these benchmarks as suggesting that West Kent is deliberately disadvantaged. The allocation of funding through the LGF process has been based on project outcomes and deliverability, without any weighting applied to where projects are based.

WKP needs to recognise that the most obvious possible reasons why West Kent has secured proportionately less funding through the LGF process than other parts of Kent and Medway was that it submitted proportionately fewer bids measured by value, and the bids submitted scored less well than competing bids from elsewhere in Kent and Medway. It is important that the WKP learns lessons from the unsuccessful bids submitted.

One possible reason for lack of success in bids could be that a key criterion in the appraisal of LGF bids is the certainty of match funding. To the extent that KCC give different priorities to expenditure in different parts of Kent, this could be a factor in skewing LGF resources in favour of those areas other than West Kent, because KCC is the key source of LGF match funding. District Councils have relatively limited capital resources for economic development.

However the West Kent authorities also need to consider whether they are also doing everything they can to provide match funding for projects that they are putting forward for competitive bidding programmes such as the Local Growth Fund. This match funding may come from their own resources, but private sector match funding, or resources secured through Section 106 agreements or through the Community Infrastructure Levy can act as match funding.

Another possible reason for lack of success in LGF bids may be that the West Kent authorities are devoting fewer resources in terms of people and money than other authorities. This will constrain the ability to undertake the preparatory work necessary to develop funding-ready projects, which will impact on the number and quality of bids. It may also result in bids where the level of local funding levered is less than many other competing bids.

It has not been part of this study to compare the resources that all the lower tier local authorities in Kent and Medway devote to economic development. Wessex Economics would note, however, that the level of staffing resource and available revenue and capital funding devoted to economic development by the three West Kent authorities appears to be modest. With economic development relying increasingly on external funding, there is a closer relationship between the resource authorities are willing to invest themselves and success in attracting external resource.

While this report has focused on the distribution of capital expenditure for economic development and transport, it is important to acknowledge that KCC incurs significant revenue expenditure on running Kent and Medway-wide-projects. It has not been possible to analyse the relative spend under these programmes by Kent and Medway sub-regions.

However, West Kent is likely to benefit proportionately more than other sub-regions in Kent and Medway from business support programmes that are delivered throughout Kent and Medway and are demand-led, because it has a proportionately larger and more dynamic business base than the other sub-regions of Kent and Medway. The rapid take up of business loans through the Escalate scheme is indicative that West Kent businesses are likely to be more ready to access business support services than in other parts of Kent.

It is also important to recognise that West Kent has been comparatively successful in securing HCA funding under the 2015-18 Affordable Housing Programme. This appears to be associated with two particularly large Extra-Care schemes in Tunbridge and Malling so the allocations may not be indicative of past or future HCA allocations. However, it serves as a reminder that the analysis does not indicate West Kent has lost out in every aspect of Government supported funding.

Discussion around what is an equitable distribution of resources between the different sub-regions of Kent and Medway is also complicated by other major infrastructure investments, not captured by the analysis of KCC and LGF Round 1 programmes. The planned expenditure of £70 million by the Highways Agency on the dualling of the Tonbridge–Pembury section of the A21 is not included in the analysis – but neither is the Highways Agency scheme for improvements to the A2 at the Bean and Ebbsfleet junction in North Kent.

Making the case for West Kent should be a part of the economic strategy for West Kent; but as important is having well-developed projects that fit the criteria that external funding bodies are looking for, and which can realistically use the funding available and deliver outputs in the timescale required. Often funding does not

flow to the projects identified as those that are strategically the most important; rather it flows to those that are funding-ready in the sense that the funding provided can be spent and deliver the promised outputs in the required timescale.

Data from Locate in Kent shows that that West Kent is less favourable regarded as an inward investment location than Maidstone and Ashford. Locate in Kent staff have commented that a key factor in West Kent being less favourable regarded as an inward investment location is the relative lack of choice of good quality sites and premises for modern business operations compared to Maidstone and Ashford.

Thus, it is of great importance to the economic health of West Kent that the three local authorities in West Kent have robust and up to date local plans in place to identify new employment sites suited to the future needs of the economy and business, supplemented by policies which promote the retention and re-use of key existing employment sites, redevelopment of older sites to accommodate new modern accommodation along with a focus on promoting the use of redundant rural buildings for employment use.

Recommendations

A number of recommendations flow from the analysis and findings of this study, and particularly West Kent's relative lack of success in securing funding support in Round 1 of the LGF process; and the analysis that shows that West Kent secures, on a pro rata basis, very much less of KCC's capital spending than other parts of Kent and Medway.

1. WKP should review the bids submitted in Round 1 of the LGF process, identify where they fell short in terms of the scoring matrix and see what lessons can be learnt for future bids. KCC should be asked to provide the scores given to the bids submitted.
2. This report has set out why securing the on-going prosperity and growth of West Kent is good for Kent and Medway as a whole. This message needs to be refined into a format that can readily be communicated to KCC members and to the Kent and Medway Economic Development Board.
3. WKP should seek to galvanise the business community in West Kent to identify clearly what is good about being based in West Kent, but also to articulate clearly what needs to be improved, and the risk of failure to take appropriate action.
4. In helping WKP and the business community communicate how growth in West Kent works to the benefit of Kent and Medway as a whole, WKP should identify case studies on how West Kent businesses, including inward investors, deliver benefits to other part of Kent and Medway.
5. Given the likelihood of continuing central government reliance on competitive funding programmes, the three West Kent authorities should develop a strategy for securing external funding. Ideally, this would be undertaken on a collective basis rather than an individual basis.
6. Wessex Economics' would regard the core of a successful funding strategy to be an adequately resourced programme which identifies priority projects to deliver local economic development goals, and uses a pipeline approach to project and programme development. The steps to developing such a process are set out below.
7. The West Kent authorities need to ensure that robust and up to date Local Plans in place to identify new employment sites suited to the future needs of the economy and business, supplemented by policies which promote the retention and re-use of key existing employment sites and redevelopment of older sites to accommodate new modern accommodation.
8. In a similar fashion it is of considerable importance that robust and up to date Local Plans are in place that identify the need for housing to ensure the future supply of labour for local employers. This is not to deny the significant constraints that exist on new development in West Kent.

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**TONBRIDGE & MALLING BOROUGH COUNCIL
ECONOMIC REGENERATION ADVISORY BOARD**

25 February 2015

Report of the Chief Executive

Part 1- Public

Matters for Recommendation to Cabinet - Non-Key Decision (Decision may be taken by the Cabinet Member)

1 DRAFT BOROUGH ECONOMIC REGENERATION STRATEGY

To present a draft economic regeneration strategy for consideration by the Board and to agree consultation and adoption arrangements.

1.1 Draft Economic Regeneration Strategy

1.1.1 As an initial step, this Board approved an informal economic regeneration action plan at its meeting in February 2014 to assist with the then forthcoming peer challenge review. We subsequently reported the recommendations of the peer challenge team in respect of economic regeneration issues to your meeting in September 2014. The peer challenge team felt that a more formal economic regeneration strategy was required which 'links and guides the council's investment across a range of services and projects, jointly owned by elected members and officers across the Council'. That recommendation was accepted by the Board and a draft strategy is now presented for your consideration and is attached as Appendix 1 to this report.

1.1.2 We have purposely avoided creating a long and complex document. The key issues we have sought to address are:

- to set out in clear terms our priorities for economic regeneration in the Borough including a need to focus on engaging more with our local business community;
- to ensure that all activities and functions of the Borough Council which impact on economic regeneration are fully reflected in the strategy;
- to clearly state how we will interact with key partners and local business to deliver the actions set out in the strategy; and,
- to address issues related to the local growth agenda and a need for Tonbridge and Malling to 'pull its weight' in securing external funding, for example, from funding available from SELEP, working across West Kent as necessary.

1.1.3 Members of the Board are invited to consider the draft text of the strategy and to suggest any amendments that they think might be necessary.

1.2 Consultation and Adoption

- 1.2.1 It is important that we expose the draft strategy to external scrutiny prior to its formal adoption. It is suggested, therefore, this consultation is undertaken in March/April. We will seek the views of our key economic partners including members of the West Kent Partnership, local business support providers, business representative bodies such as the local Chambers and the Federation of Small Businesses and individual local businesses in the Borough.
- 1.2.2 The intention will be to report on the outcome of that consultation and to seek formal adoption of the Strategy at the first meeting of the Board in the new cycle of meetings following the local elections in May.

1.3 Legal Implications

- 1.3.1 None

1.4 Financial and Value for Money Considerations

- 1.4.1 As addressed by the draft strategy.

1.5 Risk Assessment

- 1.5.1 n/a

1.6 Equality Impact Assessment

- 1.6.1 The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

1.7 Recommendations

- 1.7.1 That, subject to any comments from the Board, the draft Borough Economic Regeneration Strategy **BE APPROVED** for the purposes of local consultation.

The Chief Executive confirms that the proposals contained in the recommendation(s), if approved, will fall within the Council's Budget and Policy Framework.

Background papers:

contact: Mark Raymond

Nil

Julie Beilby
Chief Executive

Tonbridge & Malling Borough Council

Draft Economic Regeneration Strategy

2015/16 - 2018/19



www.tmbc.gov.uk

Economic Regeneration in Tonbridge and Malling: The need for a Strategy

Promoting economic regeneration in Tonbridge and Malling was adopted in 2012/13 as one of the Borough Council's seven Key Priorities as a response to the continued national and local economic challenges facing the Borough. Working with our partners across the County and in West Kent, a range of new, local initiatives to support business growth have been introduced since then. With the local economic recovery now firmly established, there is a need to look ahead and set out what the Council intends to do over the next three years to build on what has been achieved and to focus on those actions and activities which will continue to support the local economy, achieve further growth in employment, and promote business competitiveness.

What is the purpose of this strategy and why bother preparing one? We believe there are six key objectives:

We need to set out clearly what actions and activities we plan to undertake across the Borough and ensure that these focus the support the Borough Council can give where it is most needed and is targeted at the local business sectors who would benefit from it.

We also need to set out how the Borough Council intends to work with, and engage, local partners to strengthen services and avoid any overlap in the provision of economic support services undertaken by other agencies.

We need to consult and engage with our local business community to help identify local business priorities and needs.

As a Borough Council, we are committed to adopting an 'open for business' approach across all of our council services.

We need to focus on local job creation, training and apprenticeships, particularly aimed at helping those who are workless and in need of support to get back into the local job market and to meet the needs of our businesses who have unfilled vacancies and labour shortages

To ensure we can provide the support needed, we need to work with partners to secure resources to enable our planned local initiatives and projects to go ahead and deliver the outcomes we wish to see.

Our Local Economy

To ensure we can provide the right support to local businesses most in need and to address any economic weaknesses, we need to understand the key components of the Borough's local economy. Analysis of the Borough's current economic profile highlights the following:

- There has been sustained local growth in employment in recent years. Between 2009 and 2011, the total number of employees in the Borough increased by 3% to a total of 57,400. Over this period, West Kent districts experienced overall growth in employment whereas North and East Kent suffered reductions. On this indicator, Tonbridge and Malling has the second biggest local economy in the County second only to Canterbury. Our current rate of unemployment is 1.2%, a 32.4% reduction from the previous year. This strong economic position indicates that there is considerable potential to achieve on-going future growth. The challenge will be, however, to identify and focus future business support on those parts of the local economy which might be under-performing relative to other areas in the County.
- Small businesses continue to form the backbone of the Borough's economic community. In 2013, 69% of Tonbridge and Malling businesses were run by less than 5 employees and a further 14% run by 5 -9 employees. Only 1.36% of local businesses employed more than 100 or more employees. There clearly needs to be a focus on supporting our entrepreneurs and our smaller businesses and helping them to develop and grow. The number of recorded new business registrations in 2009 in Tonbridge and Malling was significantly lower compared to both Sevenoaks and Tunbridge Wells. Although above the Kent average, new business survival rates for the Borough after 1 year and 3 years are also slightly lower for Tonbridge and Malling compared to the other West Kent districts.
- Key sectors in Tonbridge and Malling include construction, wholesale and retail, health and social activities and education. The main key issue for our larger firms who employ 20 or more people is the lack of affordable business funding to aid expansion. Further support from the public sector to offer 0% interest financing to firms with growth potential is needed to sustain local employment and create new jobs.
- Compared to the Kent average, the Borough has a highly skilled workforce with 27% of the working-age resident population having qualifications at level 4 and above compared to 24% for the county as whole. There remains, however, 22% of the Borough's population who have no formal qualifications. To improve workforce skills and employability, further targeted support and training including work experience and formal apprenticeships needs to be given to those without qualifications. There are also lower levels of skills attainment within the Borough's more deprived communities.
- Along with West Kent generally, the Borough is an attractive location for business close to the M25 and London markets. The on-going success of Kings Hill is a good example of what the Borough is able offer those firms looking to relocate to Kent from elsewhere.

- Rural businesses, including farming and forestry enterprises, are also an important element of our local economy. Over the past 4 years, we have been able to support many rural businesses and to help them expand and develop new products via the West Kent LEADER grant scheme which has been funded by the EU. A new programme starting in 2015/16 is now being developed.
- The local tourism sector continues to be a major asset to our local economy. A recent impact study for 2013 has indicated that total tourism spend in that year in Tonbridge and Malling exceeded £129M. The Borough Council will therefore continue to support this important sector via its partnership with Visit Kent and will organise and help promote events to increase visitor numbers to the Borough.

Whilst our local economy has many strengths, and is continues to be a key economic driver the Kent economy as a whole, a recent economic report commissioned by the West Kent Partnership has highlighted the need for additional investment to be made. The report has highlighted a number of key issues that need to be addressed including:

- The need to encourage additional inward investment and market available vacant sites and business premises
- On-going problems of local traffic congestion which affects local businesses in terms of delivery times and aid commuting
- A need to nurture additional, high-value businesses linked to local research, technology development and further/higher education provision
- Investment to prevent local flooding which affects businesses in Tonbridge, East Peckham and the Medway Gap
- Continued support for new and small businesses to help them grow and expand
- The development of higher levels of skills within the local workforce focusing on meeting the employment needs of the Borough's key sectors
- Further investment in our key retail areas to improve local access and bring forward additional retail and mixed use development.

Working with Our Partners

The Borough Council has a key role to play in supporting the local economy, bringing forward employment-generating new development at the right locations, and addressing specific local issues, for example, in relation to the viability of its main town and local retail centres. Increasingly, however, achieving sustained economic regeneration will need to rely on joint working with partner organisations, particularly regarding the need to secure funding for locally delivered, key infrastructure and business support projects. We are therefore committed to working with a wide range of partners to achieve the actions set out in this Strategy. These include the following:

South East Local Enterprise Partnership and Kent and Medway Economic Board – Government is seeking to devolve responsibility for the funding of new infrastructure and business support initiatives to Local Enterprise Partnerships. Tonbridge and Malling is part of the South East LEP area which covers all of Kent and Medway, Essex and East Sussex. Operating under a federated model, the Borough's interests fall within the remit of the **Kent and Medway Economic Partnership**.

Kent County Council takes a lead on economic matters across the County and helps fund and deliver a number of wider business support programmes.

The West Kent Partnership is a private/public partnership covering Tonbridge and Malling, Sevenoaks District and the Borough or Royal Tunbridge Wells. Its remit is to focus on those key economic and transportation issues which affect West Kent as a whole. The Partnership has been successful in obtaining funding for a number of projects including the successful rural grant programme – LEADER. More recently, funding has also been secured from the Local Enterprise Partnership for a number of key infrastructure projects.

Business Support Partners – The Borough Council works with a range of partners who deliver support to the business community. **Locate in Kent** provides property information and advice for companies wishing to relocate to the County or existing Kent businesses who are looking for alternative premises. Local Chambers of Commerce, including the **Kent Invicta Chamber of Commerce and Industry** and the **West Kent Chamber of Commerce and Industry** provide a range of services to their members, organise business networking events and seminars and deliver support and advice services. A similar role is undertaken by the **Federation of Small Businesses** who work to promote the needs of, and act as an advocate for, this important sector.

In addition to local schools, the Borough is home to **West Kent College** and **Hadlow College** (both now operated by the Hadlow Group) who provide a range of courses and training up to degree level. Other key partners include the **Centre for Micro Business**, currently providing specialist support to local businesses operating from home and mentoring for people currently out of work who are considering self-employment as an option.

Local groups focusing on promoting retail vitality including the **Tonbridge Town Team**, and a wide range of **local Chambers and groups** for the Boroughs larger local centres.

The Local Business Community in Tonbridge and Malling. Feedback from existing businesses and engagement both generally and on specific issues of concern such as the flooding problems in late 2013/early 2014 will be an important element in shaping future service delivery.

Planning for Growth

The Borough Council's planning function and the delivery of local economic regeneration are inextricably linked. In preparing a development plan for the area the Local Planning Authority has to set out a vision for future development looking 15 years ahead and be in accordance with the National Planning Policy Framework (NPPF). One of its roles is an economic one:

'contributing to building a strong, responsive and competitive economy, by ensuring that sufficient land of the right type is available in the right places and at the right time to support growth and innovation; and by identifying and coordinating development requirements, including the provision of infrastructure.' (NPPF - Paragraph 7).

One of the 12 core planning principles set out in the NPPF builds on this by stating: 'Planning should proactively drive and support sustainable economic development to deliver the homes, business and industrial units, infrastructure and thriving local places that the country needs. Every effort should be made objectively to identify and then meet the housing, business and other development needs of an area, and respond positively to wider opportunities for growth.' (NPPF - Paragraph 17)

In responding to these, the forthcoming Tonbridge and Malling Local Plan will need to assess the needs of local businesses and encourage inward investment by allocating land and preparing policies to facilitate sustainable economic regeneration across the borough. A sufficient amount and range of housing, including affordable housing, also ensures a good source of local labour supply to meet the needs of local business. The new plan will also promote and support our town centres and the rural economy through policies that reflect the NPPF. An initial draft of the Local Plan will be available for consultation in late 2015.

The Borough Council is the first point of contact for businesses seeking planning permission, for example, to expand or redevelop their existing premises. The philosophy that underpins our general approach is to seek to facilitate economic development where this is appropriate. We adopt a corporate approach in assessing new development proposals involving joint working and information sharing between relevant Council services. This enables us to assess the acceptability of new development and then help negotiate solutions to any issues that may arise. We are also committed to ensuring that any additional consents and approvals for new business development, such as licensing controls and building regulations, are brought to the attention of applicants at an early stage to avoid future delays and to help businesses get up and running as soon as possible after planning permission has been granted.

We also need to do more to promote the availability of vacant sites and premises to those businesses looking to expand locally or relocate to the Borough. We will therefore work with Locate in Kent, the county's inward investment agency to explore additional ways in which local development opportunities can be promoted.

Funding for key infrastructure

A successful local economy depends on effective local transport infrastructure to enable business to access markets, make timely deliveries to clients and for commuters to get to and from their place of work. Excessive road congestion, and cancellations and delays to public transport services can all have an adverse economic impact. The West Kent economy, although generally buoyant, does suffer from the impact of congestion on our motorway and A road networks at major 'pinch points' in the system. The Borough Council therefore needs to work with partners to make the case for greater local investment to protect local jobs and create the right opportunities for businesses to expand and create additional employment.

A significant level of public sector funding for transport infrastructure is now being devolved to the South East Local Enterprise Partnership. The Borough Council, working with our West Kent Partners, needs to ensure that timely and persuasive bids are submitted when funding rounds are launched to maximise infrastructure investment in the West Kent area. For Tonbridge and Malling, we have already had some success with £2.19M allocated for much needed improvements to Junction 4 on the M20, £2.37M to improve Tonbridge High Street and a further £4.89M allocated to West Kent to fund sustainable transport projects.

Out future infrastructure funding priorities include the following:

Investment of over £13M is needed to improve the Leigh Flood Storage area to provide better flood protection to Tonbridge, Hildenborough, and East Peckham. During the floods in late 2013/early 2014, over 100 local businesses were directly affected by the floods.

A programme of improvements to the Borough's local stations to improve access and provide better facilities for users.

Further improvements to the A21, south of Pembury, to improve journey times south towards Hastings.

Improvements to existing motorway junctions on the M20/M25 to relieve local congestion and address adverse environmental impacts.

Investment to enhance and develop new research facilities and promote new bio-tech businesses at East Malling Research.

M2 junction 3 improvements at Blue Bell Hill to increase capacity and support development outside the borough in Medway.

Improvements to the A227, A228 and A229 contingent upon the construction of the new lower Thames Crossing.

Support for the Colts Hill Strategic Link to improve access between the A21 and the M20/M2.

Supporting Business

There is an extensive range of support already available to local businesses ranging from private sector professionals to on-line advice from national business portals. Larger businesses tend to use professional support whereas smaller businesses and those looking to set up in business for the first time seek free advice from various sources and public agencies. Businesses tell us that the number and range of those agencies can be confusing and often difficult to navigate.

The Borough Council has successfully delivered a range of free business support activities as part of the West Kent Partnership with funding support from Kent County Council. We need to continue to focus that support, given the limited resources available, to those areas of the local business community who would receive most benefit. Our future priorities will therefore be:

- Providing free one-to-one advice for start-up businesses and micro businesses. These form the major part of our local economy, they are the businesses who tend to rely most on free support and we need to ensure that their survival rates are improved to enable them to expand and grow. A particular sector which requires specialist advice and opportunities to network with others are businesses which are home-based.
- Our medium-sized firms employing between 10-50 people need less direct support but a key issue for those firms wishing to expand is the difficulty in accessing loan funding. We will therefore work with partners to build on, and extend, the highly successful ESCALATE programme which offers 0% interest business loans with funding from Government .
- Local businesses need to attract employees with the right skills and experience to enable them to be competitive. Currently, many highly skilled workers commute out of the Borough to outer London and the city. We need to work with local training providers, including Hadlow and West Kent Colleges, to ensure young people undertake courses linked to the local skills needs of our businesses. More involvement from businesses in course design and business engagement with local schools is needed. We will also seek to promote the further development of local apprenticeships and expand local programmes to provide work experience opportunities to local school-leavers.
- Whilst levels of local unemployment are very low, there remains a need to address the needs of those residents who are not in work and remain benefit dependent. We will work with partners to address these issues with a focus on supporting people to become more 'work-ready'. Support for those out of work wishing to explore self-employment as an option will also be provided.
- We will support the establishment of a new 5 year LEADER programme to provide grant support for local farmers, foresters and other rural-based businesses from 2015

Our Town and Local Retail Centres

We need to ensure that our town and local retail centres continue to be viable, generate sufficient trade and footfall, provide good access and car parking, ensure any vacant retail premises become quickly re-occupied and provide shoppers and tourists with a positive visitor experience.

Tonbridge is our key town centre and will continue to be a focus for our support. There remains considerable scope to enhance the retail appeal of the centre by attracting further investment to provide accommodation for additional retail development, local housing, leisure facilities and car parking provision. We will explore the potential scope for developing our own land holdings in partnership with others and seek the investment required to achieve this. Initially we will invest in townscape improvements to the lower High Street to create a more pedestrian-friendly environment and will encourage other landowners to invest where appropriate.

A suitable mix of different uses is a vital element of any successful town centre. In addition to attracting new retail outlets to Tonbridge, other uses such as additional restaurants, leisure facilities, for example, a cinema or bowling alley, and new visitor hotel accommodation will also need to be considered as part of any major new development. We also need to build on Tonbridge as a key tourist destination making more use of the existing attractions in the town including the River Medway, recreational facilities and Tonbridge Castle. Events can also attract new visitors to the town.

Engagement with retailers, other town centre businesses and with the Tonbridge Town Team will be a vital element in our future approach to the town centre. We need to ensure that all local retailers are engaged and involved in helping to develop future plans for the town and we will support initiatives and events that help promote trade and visitor awareness.

We are already working closely with local Chambers, traders' groups and Parish Councils to support and help fund initiatives that enhance our more major local retail centres. We will continue to engage with these groups and also wish to extend the initiative to our smaller neighbourhood centres .

A good example of joint working is the Safer Towns initiative in Tonbridge and local centres which is helping to make those centres a more safer place. 46 local businesses are currently signed up to the scheme which provides a radio network for users to share information about potential shoplifters and other community safety issues. Further expansion of the scheme is being planned.

Tonbridge & Malling Borough Council - Open for Business

The Borough Council has a key role to play, individually and in partnership with others, to provide positive support and advice to the local business community. In addition to this, the Council also must, at the same time, undertake a number of regulatory functions some of which are relevant to, and will impact on, local businesses.

The Borough Council is committed to undertaking such regulation with regard to local businesses in a measured, consistent and constructive way and to seek to reduce the burden of regulation where possible. Where necessary regulation impacts adversely on a local business, we will take time to communicate clearly why this is necessary and what measures might be open to business to overcome any barriers or problems they face. Based on work already being undertaken by the Council's Food and Safety team, and adopting the Better Business for All model being promoted by Better Regulation Delivery Office, we will aim to adopt an 'open for business' approach across all council services in the form of a 'one stop shop' where contact between businesses and the council is full joined up regardless of whether that contact relates to regulation or offering support. We are committed to recognising the challenges which face businesses, particularly smaller businesses, and do as much as we can to assist them when some form of regulation is required.

As part of 'open for business' approach, we will:

- Do more to engage and consult positively with the local business community in the Borough to ensure it has a voice over Council matters and is able to influence our approach to business issues. We will make use of existing networks and organisations and hold specific engagement events to supplement these.
- Ensure local businesses are fully informed of any discounts or reliefs that may be available to them include business rates reliefs, and one-off support such as flooding relief funding
- Continue to hold free training events for local businesses to explain regulatory processes including, for example, food law, licensing regulations and planning matters.
- Ensure that local businesses have an equal opportunity to bid for Council contracts, working within the legal procurement framework set by the EU.
- Help local businesses by promoting the Borough generally, supporting tourism and holding events which generate visitors to the borough.

Action Plan for the Future

Action	Resources	Partners	Success Measure
Deliver free business advice and support focusing on the needs of entrepreneurs, micro businesses and home based businesses	Borough Council funding WK Partnership funding	WK Partnership Local Providers	The number of local businesses supported. Target: 75 per year
Secure additional 0% interest loan funding to support local businesses with growth potential	Local Growth Fund	South East LEP Kent County Council	New fund established. External funding successfully obtained by 20 local businesses successfully applying for funding per year.
Help broker engagement between local employers and local training providers across the West Kent area	-	WK Partnership Hadlow/West Kent Colleges, Local schools	Establishment of an active West Kent Business Skills Forum
Work with partners to promote greater work readiness via training, apprenticeships and support for self-employment	European Social Investment Fund	Job Centre Plus Community Partnerships Circle Russet Homes Local Providers	15% reduction in the number of ESA clients over the strategy period
Identify a 'pipeline' of potential schemes to secure capital and revenue funding to support key transport infrastructure, flooding attenuation and meet business support needs .	Local Growth Fund European Social Investment Fund European Regional Development Fund	West Kent Partnership SELEP DEFRA	2 priority schemes funded over the strategy period
Bring forward further retail and mixed use developments and town scape improvements to strengthen the retail appeal of Tonbridge town centre	Regional Growth Fund Private investment Borough Council assets	Private investors	Planning permission in place by end of the strategy period
Engage effectively with town centre and local centre traders and extend support to neighbourhood centres	Innovation Grant monies	Town Team Local Chambers/Traders Groups FSB	Establish a town centre business forum Launch a grant scheme for neighbourhood centres
Promote the take up of LEADER grants by rural borough businesses	DEFRA TMBC/WK Partnership	LEADER Local Action Group	10 grants per year awarded to borough businesses

Work with partners to improve local broadband services to local businesses and address areas where the current service is poor	-	KCC TMBC Broadband providers	Extent of Borough covered by superfast broadband services
Continue to promote tourism destinations, accommodation and local events in the Borough.	TMBC Visit Kent	TMBC/Visit Kent Local providers	The value of tourism to the Borough's economy
Promote additional inward investment to secure the take up of available employment sites and premises	TMBC	TMBC Locate in Kent	The number of local enquiries for sites/premises (Locate in Kent data)
Adopt a corporate 'open for business' approach across all council services	-	-	100% positive feedback from businesses engaging with the council.

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**TONBRIDGE & MALLING BOROUGH COUNCIL
ECONOMIC REGENERATION ADVISORY BOARD**

25 February 2015

Report of the Chief Executive

Part 1- Public

Matters for Recommendation to Cabinet - Non-Key Decision (Decision may be taken by the Cabinet Member)

1 BUSINESS LOAN FUNDING SCHEMES – UPDATE

To review the local take up of the ESCALATE loan fund and to set out options for future support.

1.1 Background

1.1.1 Members will be aware from previous reports to this Board that the ESCALATE business loan fund has been operational from December 2013 and has provided 0% interest loans to local businesses with growth potential. The scheme has covered the districts of Tonbridge and Malling, Sevenoaks, Tunbridge Wells and Maidstone in Kent, and Wealden, Rother and Hastings in East Sussex.

1.1.2 This update report covers the following issues:

- The overall take up of the scheme and the take up by businesses in the Borough
- Efforts to secure additional funding for ESCALATE and the options now available to deliver further loan funding in the future.

1.2 Take up of Escalate Loans

1.2.1 The availability of business loan funding across the West Kent/East Sussex area has proved to be very popular. It became clear by September 2014 that all of the available £5.5M funding pot would be taken up well before the formal end date of the programme in April 2015. Efforts were made by Kent County Council, who administrate the ESCALATE scheme and also the TIGER fund (in north Kent) and Expansion East Kent , to secure additional Government funding to enable all three schemes to continue given that other similar loan funds operating elsewhere in the country were known to be under performing in terms of projected take-up. Unfortunately, Government refused this request. On that basis, the ESCALATE fund was closed to all new applicants in December 2014.

1.2.2 To date, a total of 38 loan awards have been made to businesses across the ESCALATE area with an overall value of approximately £5.3M. Given the number of outstanding bids currently in the 'pipeline' (ie bids submitted but not yet reached the stage where a formal decision can be made), the remainder of the loan funding will easily be taken up over the coming months. Indeed, with approximately 25 businesses still in the pipeline generating bids to a total value of c£4.6M, there will be many businesses who will be unable to secure a loan via the current programme. Proposals to address this shortfall are dealt with below.

1.2.3 The following table prepared by Kent County Council sets out the spread of ESCALATE loans awarded (and pending) across each participating district along with the total value of loans awarded and the jobs created/protected data.

Escalate Programme	Funding per Local Authority £ m	Private Investment £ m	No of Companies	No of Jobs to be created	Protected Jobs	Total number of Jobs
Maidstone	2.7	2.9	10	136	94	230
Hastings	0	0	0	0	0	0
Rother	0.1	0.1	1	82	17	99
Sevenoaks	0.6	0.7	6	30	16	46
Tonbridge & Malling	0.85	0.85	9	69	18	84
Tunbridge Wells	1.0	1.3	11	143	10	153
Wealden	0.3	0.3	3	17	7	24
Total Funding Committed	£5.5m	£6.1m	39	473	162	635

1.2.4 There has been a fair spread in the number of loans offered across the area. In terms of the overall value of loans awarded, Maidstone has benefitted from two very large loans. Nine businesses in Tonbridge and Malling have successfully applied for loan funding totalling £850,000. Whilst this is not as high as some districts, the pipeline of projects yet to be funded includes 5 Tonbridge and Malling businesses with bids totalling just over £1.9M. Whilst not all of these bids might be progressed, it does indicate a strong need for additional loan funding to be found.

1.2.5 A good range of businesses in the Borough have obtained loan support. These have included:

- A digital marketing agency that work primarily with SMEs in Kent to accelerate commercial growth through the effective use of best practice digital practices. The Escalate Fund will be used to aid the business to move to larger offices in the Borough and create 4 additional jobs

- A business providing security products and installations for public, private and commercial sectors. Expansion of the business will enable 9 new jobs to be created.
- A provider of engineered solutions to a wide range of water treatment problems who have recently relocated to the borough creating 19 new local jobs.
- A wood fuel producer whose Escalate loan will be used to invest in a new biomass fired furnace creating 2 new jobs.

1.3 Future Funding Options

- 1.3.1 There are two principal sources of potential future loan funding which could enable the current application pipeline to be supported along with any new applicants.
- 1.3.2 The ESCALATE loan fund is, of course, recyclable. As businesses repay the loans offered as agreed by the terms of their individual contracts, that finance can then be used to support further loans.
- 1.3.3 The table below provides details of the projected repayment profile. There is one equity investment and a number of repayment schedules still to be confirmed but once agreed, the total repayment profile will be £5,150,000. This will be invested in ongoing loan support to local businesses in the ESCALATE area.

2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
£141,445	£688,301	£895,240	£899,890	£814,394	£528,626	£255,365

- 1.3.4 In addition to this, loan funding from the South East LEP is also likely to be available. An initial award of £6M for Kent and Medway has been made via the Local Growth Fund to be spread over the next 6 years. Kent and Medway partners are currently considering how best to utilise this modest, but welcome, additional funding.
- 1.3.5 A further proposal to establish a £28M recyclable fund to support business growth was included in the Kent and Medway bid in round 1 of the Local Growth Fund. Whilst that initial bid was not supported, further work is in hand to promote this proposal further with a view to a resubmission to a future LGF funding round.

1.4 Future Funding Priorities

- 1.4.1 Discussions are in hand with regard to how future loan schemes might operate locally. There are two possible options under consideration:

- continue the scheme on the same terms of the original ESCALATE programme
- introduce a more focused element of loan funding aimed at smaller businesses with a more streamlined application process. This has operated successfully in East Kent as a 'Small Business Boost' programme running alongside the Expansion East Kent scheme where grants of up to £50,000 have been offered to companies of less than 50 employees.

1.4.2 Given that the West Kent economy is dominated by small and medium sized businesses, it seems a sensible option to introduce a small business boost programme as part of any new business loan funding programme for this area. Analysis of the size of firms accessing Escalate loans indicate that the majority of these were firms had less than 50 employees. Such an approach would therefore continue to meet local needs and would potentially encourage more local firms to apply given the small business focus and an easier application process.

1.5 Legal Implications

1.5.1 Dealt with by Kent County Council who administer the business loans schemes.

1.6 Financial and Value for Money Considerations

1.6.1 As set out in the report.

1.7 Risk Assessment

1.7.1 n/a

1.8 Equality Impact Assessment

1.8.1 The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

1.9 Recommendations

1.9.1 That the success of the Escalate business loan scheme **BE NOTED** and that the County Council **BE INFORMED** of the Borough Council's preference for the introduction of a 'small business boost' element in any future loan programme.

The Chief Executive confirms that the proposals contained in the recommendation(s), if approved, will fall within the Council's Budget and policy Framework.

Background papers:

contact: Mark Raymond

Nil

Julie Beilby
Chief Executive

**TONBRIDGE & MALLING BOROUGH COUNCIL
ECONOMIC REGENERATION ADVISORY BOARD**

25 February 2015

Joint Report of the Cabinet Member for Economic Regeneration and the Chief Executive

Part 1- Public

Matters for Recommendation to Cabinet - Non-Key Decision (Decision may be taken by the Cabinet Member)

1 GRANT SUPPORT SCHEME – LOCAL NEIGHBOURHOOD CENTRES

To set out proposals for extending grant support for local neighbourhood shopping centres building on the district centre grant scheme launched in 2013.

1.1 Background

1.1.1 Members of the Board will be aware that a grant scheme to support traders' groups in the Borough's larger district retail centres was launched at the end of 2013 with the aim of encouraging local initiatives to help boost local trade. Grants of up to £7,500 were offered to each centre with funding being drawn from innovation grant monies. The scheme has generated a good deal of positive engagement with local traders and a wide range of proposals were developed by local traders' groups. Where such groups did not exist, a number of parish councils took a lead in consultation with their local traders. Proposals which have been supported included better signage, promotional materials including new websites and visitor information, and improved street furniture. Formal bids from two centres, West Malling and Kings Hill, are outstanding.

1.2 Grant Support for Neighbourhood Centres

1.2.1 It is now proposed to introduce a similar grant scheme aimed at supporting trade in the Borough's larger neighbourhood centres. Suggested criteria for the proposed scheme are set out in Appendix 1 to this report.

1.2.2 In most cases, the neighbourhood centres will not have any formal traders groups in place through which grant support could be channelled. Outside of Tonbridge, it is suggested that we engage with relevant parish councils (as has been undertaken with some district centre grants) to promote and take forward the grant scheme. For those neighbourhood centres in Tonbridge, we would envisage making direct contact with the traders in those centres and seek to encourage them to form a local traders group if one does not currently exist.

1.2.3 The following centres are suggested for inclusion within the new grant scheme:

Parished Areas:

Oxley Shaw, Leybourne
Greenacres, Aylesford
Twisden Road, East Malling
Woodland Parade, Ditton
Wateringbury
Hildenborough
Plaxtol

Tonbridge:

Martin Hardie Way
York Parade
Derwent Road, Trench

1.3 Legal Implications

1.3.1 None

1.4 Financial and Value for Money Considerations

1.4.1 Funding will be drawn from innovation grant monies which have been awarded to the Borough Council by Government to help boost retail trade.

1.5 Risk Assessment

1.5.1 None

1.6 Equality Impact Assessment

1.6.1 The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

1.7 Recommendations

1.7.1 That the proposed grant scheme to support neighbourhood retail centres, as detailed in this report, **BE APPROVED**.

The Cabinet Member for Economic Regeneration and the Chief Executive confirms that the proposals contained in the recommendation(s), if approved, will fall within the Council's Budget and Policy Framework.

Background papers:

contact: Mark Raymond

Nil

Julie Beilby
Chief Executive

LOCAL NEIGHBOURHOOD CENTRES FUND - CRITERIA

There will be a single funding round only with maximum grant that can be applied from any one centre being £3,000.

Grant will only be provided for projects that seek to support and boost trade in the local centre. A number of different items of spend can be included in the bid if required that can be either capital, revenue or both.

A fully costed bid (with quotes if applicable) will need to be submitted with the application showing how the grant is intended to be used.

Bids for funding should normally be led and submitted by local traders' groups or the relevant local Parish Council.

Prior consultation with the Cabinet Member for Economic Regeneration is required prior to any application being submitted.

Grant will be paid in advance and each centre will then be required to provide information on how the grant has been spent and the benefits achieved.

Decisions on applications will be made by the Cabinet Members for Economic Regeneration and for Finance. Their decision will be final.

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**TONBRIDGE & MALLING BOROUGH COUNCIL
ECONOMIC REGENERATION ADVISORY BOARD**

25 February 2015

Report of the Chief Executive

Part 1- Public

Matters for Information

1 WEST KENT PARTNERSHIP - MINUTES

To receive the minutes of the West Kent Partnership meeting held on 23rd January 2015.

1.1 Minutes of the Meeting

- 1.1.1 The minutes of the WKP meeting held on the 23rd January 2015 are attached as Annex 1 to this report.
- 1.1.2 The main item of business related to the Case for West Kent report which is reported separately on this agenda.
- 1.1.3 Ross Gill of Kent County Council outlined progress with the Kent and Medway Growth Strategy and drew attention to a need for partner organisations including the West Kent Partnership, to develop a pipeline of local investment projects which would be ready when future funding rounds are launched by the South East LEP.
- 1.1.4 An update report from Paul Hannon, Principal of the Hadlow Group, was also given and members of Partnership welcomed the positive progress being made at West Kent College and the recent news that the college had completed its first unqualified financial audit in 5 years.

Background papers:

contact: Mark Raymond

Nil

Julie Beilby
Chief Executive

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**West Kent Partnership Meeting
Friday 23 January 2015**

Minutes

Present

Cllr Brian Luker
Cllr Roddy Hogarth
Cllr Peter Fleming (Chair)
David Candlin
Tudor Price (for Jo James)
Lesley Bowles
Mark Bradbury
Mark Raymond

Cllr Nicolas Heslop
Paul Hannan
Roger House
Ross Gill
Wayne Peet
William Benson
Wendy Wood
Chris Cobbold
Wendy McGeachy (for Caroline Shaw)

Apologies

Cllr John Balcombe
David Godfrey
Cllr Jane March
Paul Bentley
Pav Ramewal

Jon Regan
Jonathan Macdonald
Julie Beilby
Cllr Mark Dance

1. Minutes of last meeting and matters arising

The Minutes were approved. Matters arising are covered in the agenda.

2. Presentation – The Case for West Kent – Chris Cobbold

Following on from the October presentation on analysis and emerging findings Chris presented his conclusions and recommendations.

Discussion followed and covered the following:

- Lack of investment in West Kent is a long-standing issue. There is a perception at County Hall and by MPs that West Kent will continue to deliver with low levels of investment. This external complacency is the biggest threat to West Kent.
- West Kent was constrained in accessing LGF1 as it was focused on S106 match and unlocking regeneration sites for which there are limited opportunities in West Kent. LGF is about growth which West Kent can deliver

- West Kent can and does deliver jobs for the rest of Kent – this is not reflected in the low level of LGF investment in the area
- Maidstone fares significantly better than West Kent in terms of public sector investment. This enables them to invest in economic development resource and strengthens ability to bid for further investment.
- West Kent has been underfunded but despite this has over delivered. There is an external assumption that this can continue without additional investment but it is not sustainable
- West Kent economic performance has a significant impact on Kent's overall economic position
- West Kent is the key to Kent competing with high performing areas in the South East
- West Kent commuters are driving Kent's economy but are not receiving any compensation for the 3 years ahead of disruption at London Bridge. At the end of the works other areas will have faster access to London but the West Kent service will not be improved. This will undermine the attractiveness of West Kent as a commuter location
- Opportunities to 'compensate' West Kent for disruption with other improvements to infrastructure such as enhanced rural broadband are not being implemented
- Land in West Kent is in short supply and has a higher value for housing than for commercial development which has an implication for the type of developments that can be brought forward to stimulate growth.

3. Action Plan

The Case for West Kent provides an excellent framework from which to develop growth opportunities for West Kent. WKP needs to consider its structures, access to resource for bid development and engagement with the business community so that their voice is strongly represented. William offered to lead on this.

WB

The 3 Chief Executives and Leaders to produce an action plan to follow up on the recommendations in *The Case for West Kent*. Draft plan should identify resource requirements and be brought to Partners to consider how they could support.

Issues to be considered include:

- West Kent Priorities for Growth document to be revisited and priorities ranked
- Growth priorities to be embedded in local plan process
- Pipeline of projects produced
- Business engagement
- Business champions identified to give a clear message about opportunities and needs in West Kent.
- Case studies demonstrating that prosperity in West Kent is good for Kent as a whole to be produced.

- Inward investment attraction strategy
- Explore opportunities to support delivery of higher education in West Kent and retain more graduates in the local economy – perhaps looking outside of traditional models and focussing on local economic base to feed graduates into local business, particularly on STEM subjects
- Report to be sent to MPs, SELEP and Cllr Mark Dance inviting comments and registering West Kent disappointment at low levels of investment. Also important to be clear about the opportunities and challenges in West Kent and how they differ from the rest of Kent, particularly the East.
- Potential resource for developing bids to be identified. Hadlow Group offered to be involved

4. Future Funding for Growth Update – Ross Gill

Announcement on Local Growth Fund round 2 expected at the end of January. It is not yet known how much flexibility there will be on the funds and whether they can be reallocated if any of the nominated schemes prove undeliverable in the time scales.

Partners agreed that as part of the prioritisation of schemes in West Kent, having projects that could be brought forward should any of the allocated schemes not be feasible would be beneficial.

5. European Regional Development Funds

There will be a launch call for projects on 1 March. The call will be fairly open but larger bids are anticipated. Guidance is anticipated soon. It is probable that for the South East, projects are likely to be all revenue and around innovation and business support. There is potentially scope for West Kent to benefit through ERDF projects.

6. Project pipeline – Ross Gill

A paper was taken to KMEP which looks at reviewing how schemes could be prioritised and ranked. In early rounds this was driven by the numbers of jobs and homes as Government scoring criteria were not known. With several funding rounds now having taken place it will be possible to assess what kind of schemes secure funding and what outputs are sought. The paper will be further developed at KMEP in March. There will be no further funding rounds until post election.

Short time scales to submit bids has been a county wide issue. Hence the need to have a pipeline in place. KMEP agreed that pipeline and prioritisation was a sub county job. A template, based on RGF rounds 1 and 2 was circulated with the Agenda papers. It is proposed that this template will be used across the county

as useful to have all projects presented in a consistent format.

Partners agreed that using the same template county side demonstrates a fair and open process. However, a request was made to build in additional metrics to part 9 on outputs so that figures on jobs and housing created are evidenced and demonstrated to be deliverable. RG

Partners indicated that the prioritisation of schemes and how they can move on the KMEP list has not been transparent in previous rounds and that clarity and confidence in the process will be important going forward so that the process has the full support of both county and districts.

5. Updates

Hadlow Group

A strategic and operational plan has been launched and all new group assistant directors and assistant principals have been appointed. Going forward there is a continual emphasis on teaching and learning. The college has also had its first unqualified audit in 5 years and has completed a self assessment report under Ofsted. A capital bid has been submitted for Ashford College. Further education provision in Tunbridge Wells at the site in North Farm is being considered and liaison is underway with planning officers.

Partners registered their thanks to Paul and his team for the work achieved at West Kent College which has an important role in our local economy and community.

There was some discussion around the difficulty in attracting young people to horticulture training. The sector has good job opportunities and the college offers a range of courses at different levels from entry through to degree but the image of the sector seems to be a barrier.

Escalate

Partners noted the written update and registered frustration that despite a strong pipeline of projects BIS did not support the bid for funds to support them and did not replace the £5.5M.

The success of Escalate in West Kent evidences the appetite for growth in West Kent from its strong SME sector. This is significant in making the case to Government that West Kent delivers well on investment and has strong growth potential. Partners were keen to see this come through in County analysis of Escalate. RG

Transport Group – the report was noted.

Co-ordinator

Partners agreed that the WKP sponsored Business Breakfast at the West Kent B2B event would be an excellent opportunity to engage with businesses on *The Case for West Kent* and invitations will be sent to key local businesses to hear the findings of the report and contribute to the development of an action plan.

WW

WK Leader – although there continue to be delays from Europe to the start of the new programme, Leader is a valuable resource for the local rural economy and the ongoing support of the Partnership has enabled continuity between

6. programming periods.

AOB

Andrew Maxim is leading on a KICC economic development group in West Kent and is in the process of building the group.

TP

Kent International Business – Tudor will present on this refreshed initiative including some funding and grants, to encourage international trade in Kent at the next meeting and particularly highlight opportunities for the West Kent area.

7.

Dates of Next Meetings

- WKP Business breakfast event at West Kent B2B – 27 March, 2015 – invitations will be sent
- **Delete 24 April from diaries**
- Friday 24 July, 2015

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Agenda Item 9

Any other items which the Chairman decides are urgent due to special circumstances and of which notice has been given to the Chief Executive.

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Agenda Item 10

The Chairman to move that the press and public be excluded from the remainder of the meeting during consideration of any items the publication of which would disclose exempt information.

**ANY REPORTS APPEARING AFTER THIS PAGE CONTAIN EXEMPT
INFORMATION**

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Agenda Item 11

Any other items which the Chairman decides are urgent due to special circumstances and of which notice has been given to the Chief Executive.

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