

TONBRIDGE & MALLING BOROUGH COUNCIL
ECONOMIC REGENERATION ADVISORY BOARD

07 September 2016

Report of the Chief Executive

Part 1- Public

Matters for Information

1 UPDATE ON PRIORITIES FOR 2016/17

This report provides an update on the Economic Regeneration priorities for 2016/17 as agreed in Report ERG 16/5.

1.1 Background

1.1.1 At the Economic Regeneration Advisory Board in February 2016, it was agreed that the priorities for 2016/17 would be as follows:

- Subject to funding, to help co-ordinate submissions to the Local Growth Fund Round 3 for infrastructure projects, including the Leigh Flood Storage Area.
- To work with Kent County Council to effectively market and promote the ESCALATE Programme in the Borough once it becomes operational.
- In an effort to address the small rise in ESA clients during 2015, to place a greater focus on work readiness initiatives – specifically expanding on the Jobs and Training Fairs and working with Circle Housing Russet on Jobs Clubs.
- To promote the new LEADER Programme to Tonbridge & Malling businesses and to co-ordinate business advice for prospective applicants.
- To build upon the existing town and retail centres activity, specifically through further phases of the Tonbridge Town Centre public realm works and re-engaging with businesses in the district centres.
- To further develop the skills development discussions in the Borough and feed these in to the West Kent Partnership to create a skills action plan.
- To work with Kent County Council in addressing remaining broadband issues and mobile blackspots in the Borough.

1.1.2 Over the course of the last 6 months, a number of these priorities have seen strong progress, with others seeing some progress but requiring further work.

1.2 Update on Priorities

1.2.1 **Local Growth Fund Round 3:** This area has been the main work priority over the past 6 months, given the pressing need to meet funding deadlines.

- 1.2.2 At the Economic Regeneration Advisory Board meeting on 09 September 2015, Report ERG 15/19 provided information on West Kent Priorities. It was agreed that the transformational priorities set out in the West Kent Priorities for Economic Growth document be endorsed and the scheme for enhanced capacity to the Leigh Flood Storage Area and flooding works at East Peckham be identified as Tonbridge and Malling's highest priority.
- 1.2.3 On 22 March 2016, the Communities Secretary announced the launch of the Local Growth Fund Round 3 – a £1.8 billion national pot of funding to support projects that boost local economic growth and create jobs.
- 1.2.4 Working closely with the Environment Agency and Kent County Council, the borough council has taken the lead in developing a strong bid for the Leigh Flood Storage Area (including Hildenborough) and East Peckham Flood Alleviation Scheme. Just over £4.5m has been requested from this fund to increase the capacity of the flood defences, not only protecting existing homes and businesses, but also unlocking new sites for new homes and jobs.
- 1.2.5 Indeed, it is estimated that this investment (as part of a scheme costing £24.7m) will deliver the following:
- Completion of East Peckham Defences by April 2019
 - Completion of Leigh Flood Storage Area (including Hildenborough) works by July 2022

Leading to:

- 2,308 homes defended from the 1 in 100 year event by 2022
 - 283 businesses defended from the 1 in 100 year event by 2022
 - 200 homes completed by 2022 (1,950 new homes completed by 2031)*
 - 70 direct jobs created and safeguarded by 2022
 - 500 associated jobs created by 2022 (2,900 new jobs created on unlocked employment sites by 2031)*
 - 2.5ha of new employment land by 2022 (Over 13ha of new employment land in use by 2031)*
- 1.2.6 In addition, the borough council has also supported NIAB EMR in the submission of a bid which supports the other transformational priority in the borough – the creation of a biotech hub at East Malling. The submission asks for just over £6m to build new industry standard greenhouses, an energy centre and laboratories in order to help expand their horticultural research. This investment would lead to:
- Support for more than 30 companies
 - The launch of 8 new fruit varieties
 - The introduction of 1 new crop to the UK
 - 4 new engineering products being supported to market

- 4 new chemical or bio products being supported to market
- 25 trials to support product development
- 25 new innovative projects.

Using

- 3,154m2 of state of the art facilities created by 2019
- 25 FTE high skilled jobs created by 2019
- 87 FTE high skilled jobs safeguarded by 2019

To Catalyse:

- 950 indirect jobs created nationally, with the largest impact in the South East by 2025
- 7,500 indirect jobs safeguarded in Kent in horticultural businesses by 2025
- £47m boost to industry per annum by 2025

1.2.7 At the time of writing this report, both of these bids have so far gone through the following process so far:

Stage in Process	Timescale
Submission of outline project proposal	05 May 2016
Submission of draft business case	02 June 2016
Kent & Medway Economic Partnership prioritisation – with only prioritised business cases proceed to full business case.	14 June 2016
Submission of finalised business cases	22 June 2016
Following an invitation by the West Kent Partnership, a visit by the South East LEP Chair, Christian Brodie, and other board members to West Kent to get a better understanding of our priorities.	08 July 2016
Independent technical appraisal of business cases completed.	11 July 2016
South East Local Enterprise Partnership (SELEP) prioritisation of all priority bids from Kent & Medway, East Sussex and Essex.	15 July 2016
Submission of any final minor amendments to business cases.	20 July 2016
All business cases submitted by SELEP to Central Government.	28 July 2016

1.2.8 In addition to inviting the Chairman of the South East LEP to come and see our priorities, the Borough Council has also ensured that our local MP and

Government Ministers have a good understanding of potential impacts of these projects (See Appendices 1 and 2).

1.2.9 Central Government will notify the South East LEP regarding successful funding awards in advance of the Autumn Statement in December 2016.

1.2.10 **ESCALATE Programme:** Having distributed £20 million of 0% loans to 70 businesses across parts of Kent, East Sussex and Thurrock, and creating over 2,300 jobs, the ESCALATE Programme closed in November 2014. The programme, or a similar 0% loan scheme, was expected to re-open in Spring 2016, however the pay back of loans to Kent County Council was slower than expected and as such this has been delayed.

1.2.11 However, in preparation for the new programme, consultants Regeneris were commissioned by Kent County Council to undertake an assessment of the demand for financial instruments in Kent and Medway in order to inform future strategy on how best to use recycled funds. This report was completed in July 2016, with the re-launch of a 0% loan scheme scheduled for November 2016.

1.2.12 **Work Readiness Initiatives:** the Borough Council has been working closely with JobCentre Plus, Housing Associations and adjoining Local Authorities to deliver more Jobs and Training Fairs in order to help break down barriers between job seekers and local businesses and training providers, and helping to boost confidence. The next event in the series is a West Kent Jobs and Training Fair which will take place on 15 September in Tunbridge Wells, a further Jobs and Training Fair is scheduled for March 2017 in Tonbridge.

However, despite limited resources, it is clear that there are opportunities to do more in this area, especially in partnership with the Skills and Employability Team at Kent County Council.

1.2.13 **LEADER Programme:** through the West Kent Business Advice and Support Programme, external funding has been used to provide businesses that are looking to apply for LEADER grants with extra support in filling out the application forms. This support came about as a direct result of the fact that the application process has evolved to become more difficult for businesses to understand. To date 6 businesses have taken advantage of this support.

In addition, the borough council has helped to promote the scheme through the dissemination of flyers, links on the TMBC website and through social media.

As the LEADER Programme is funded through EU finance, there is currently a moratorium on the allocation of grants until the implications of the United Kingdom leaving the EU are clearer.

1.2.14 **Town and Retail Centres Activity:** over the past 6 months the borough council has supported the following activities:

- Tonbridge Town Centre – building upon Phase 1 of the High Street works, which were completed in June 2016, work is now underway on the designs for River Walk and Tonbridge Station forecourt.
- District Centres – support is ongoing to Snodland, West Malling and Quarry Hill in the development of their initiatives.
- Local Centres Schemes – most of these have now been substantially completed.

1.2.15 **Skills Action Plan:** A draft skills action plan has now been produced which includes the following initiatives:

- Engagement with Guilds to help tackle negative perceptions of some sectors amongst young people.
- Work on Jobs and Training Fairs, Skills Festivals and Jobs Clubs.
- Research into Higher Education Provision in West Kent
- Development of softer skills, through engagements with schools and colleges on interview programmes.

This action plan is scheduled to be presented to the Tonbridge & Malling Local Strategic Partnership on 16 September 2016.

1.2.16 **Broadband Issues:** The implementation of Superfast broadband across Kent is being led by Kent County Council, with the support of the borough and district councils. Over the past 6 months, the borough council has provided support on the following issues:

- Complaints of slow broadband speeds in **Kings Hill** – having been raised with Kent County Council, in this instance it proved to be that the Digital Subscriber Line checker was not showing that a ‘fibre to the cabinet’ (FTTC) service was available when the premises were with 500m of a cabinet. This was subsequently rectified by BT and a FTTC solution offered.
- Complaints of slow broadband speeds in **Ivy Hatch** – initially Gigaclear stated that they would be delivering ‘fibre to the premises’ (FTTP) to this area and as such, because of this, it was demonstrated that this area was not subject to market failure and would therefore not benefit from public sector intervention. As such, the fibre upgrade for Plaxtol PCP3 (which serves Ivy Hatch) was not included in the KCC programme.

Unfortunately, Gigaclear subsequently announced that they will not be deploying their FTTP solution in Ivy Hatch because they have encountered significant costs in the locality (specifically through Stone Street) and they cannot afford to complete the network they were intending to build. This has left Ivy Hatch in limbo in that they are not being dealt with by Gigaclear and they are not included in our BT contracts.

Discussions are ongoing between KCC and BDUK to allow BT to consider modelling this area for inclusion, and this would require a formal approval from Central Government. At present funding is all committed for upgrades in other areas, however this could possibly change as the current contract develops, potentially allowing some scope to deliver an upgrade in the future.

1.3 Legal Implications

1.3.1 There are no legal implications arising from this report.

1.4 Financial and Value for Money Considerations

1.4.1 The programme is funded through existing budgets.

1.5 Risk Assessment

1.5.1 Not applicable.

1.6 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.

Background papers:

None

contact: Jeremy Whittaker,
Economic Regeneration
Officer

Julie Beilby
Chief Executive