



**TONBRIDGE & MALLING
BOROUGH COUNCIL**

Nicolas Heslop

Leader of The Council

**Cabinet Member for
Economic Regeneration**

**Borough Councillor
for Cage Green Ward**

Tom Tugendhat MBE, MP
House of Commons
Westminster
London
SW1A 0AA

13 July 2016

Dear Tom,

Local Growth Fund Round 3

I wanted to make you aware of the bids submitted to the Local Growth Fund, submitted by the Borough Council in partnership with other key organisations.

In line with our strategic priorities, submitted business cases for the increased capacity of flood defences at Leigh, Hildenborough and East Peckham and the creation of a Biotech Hub at NIAB EMR in East Malling have been put forward to the Kent and Medway Economic Partnership.

The SELEP Accountability Board will receive a technical prioritised list for consideration at a meeting this Friday (15th July 2016). The good news for Tonbridge and Malling is that the Leigh Flood Storage Area & East Peckham business case has been ranked as the 13th priority for SELEP, and the NIAB EMR Biotech Hub has been ranked as the 20th priority for SELEP. I must point out that this is still subject to change, as the SELEP Chairman, 3 SELEP Vice Chairs, Upper Tier Authority Leaders and Federated Board chairs will be asked to endorse the proposed list. Furthermore, if we assume that SELEP might get about £180M, then our two schemes are well above the cut off and have a good chance of being funded.

I hope you would be prepared to speak up for both submissions and thought it would be helpful to provide an overview of each project:

Leigh Flood Storage Area and works to East Peckham:

As you are aware, the Borough Council is at a key stage in the development of the Local Plan. Work is being undertaken to identify a supply of sites that will meet the housing and employment needs of the borough up to 2031. However, there are significant parts of the borough that fall within the flood zone and, without any new works being undertaken, will not only continue to put existing homes and businesses at risk but also prevent sites coming forward for much needed new development growth in strategically important areas.

An illustration of the very real need for this investment is the flooding that took place during 2013/14. This event followed on from previous flooding events in 1947, 1958, 1960, 1963, 1968, 1974, 1979, and 2000. During 2013/14, 311 homes and over 110 businesses suffered from direct flooding, and large areas of countryside became submerged. It is only a matter of time before another flooding event takes place in the area, causing more damage, and continuing to limit any growth potential.

Urgent work is therefore needed to increase the capacity of the storage areas across the catchment and to undertake works at East Peckham in order to achieve greater protection for both existing homes and businesses and to enable new residential and commercial development to take place to meet the objectively assessed need of the area and stimulate sustainable economic growth.

The proposal from TMBC, KCC and the Environment Agency is that Government provide capital funding of just over £4.5m for investment in the flood defences. This investment will be match-funded by DEFRA, KCC, TMBC and private landowners and businesses.

The outputs proposed are:

- Completion of East Peckham Defences by April 2019
- Completion of Leigh Flood Storage Area works by July 2022
- 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)*

*Figures for the period up to 2031 have been provided to illustrate the considerable beneficial impact the scheme would potentially have on the delivery of the emerging Tonbridge and Malling Local Plan.

NIAB EMR Biotech Hub:

You will know that East Malling was created by the regional fruit industry to provide essential R&D and remains an essential part of the sustainable economic success in the regional fruit industry and represents the key asset necessary for industry to diversify into high value markets in food and drink.

The need for R&D and new product development continues to accelerate. Downward pressure on margins from retailers, increased costs of labour, withdrawal of chemical defences and international competition all require improved productivity together with an increased focus on food security and health. The potential for fresh fruit, bio-tech and engineering products to contribute to GVA and the potential for export growth represent a very real opportunity. In all these areas NIAB EMR is the key catalyst and provides capability available to the industry necessary to seize the opportunity for significant economic growth through product and market innovation.

Despite the key role of R&D, there is a fundamental weakness in the UK economy in bridging the gap between fundamental research and the translation of that research into commercial business propositions. NIAB EMR are addressing this market failure in the biotech sector but growth of NIAB EMR's services is constrained by a lack of funding for capital investment, specifically greenhouse capacity and infrastructure, with a particular need for a modern greenhouse and energy centre that is up to the standard currently used by growers.

If such infrastructure was available, it is estimated that over a five year period an additional £2.5 million of R&D projects and services to businesses could be delivered, which will translate into improvements in productivity and development of new products amounting to some £47 million. This would, in turn, be associated with a significant uplift in industry profitability that would provide the basis for further investment by the industry.

This investment in R&D in the soft and top fruit industry at East Malling will greatly complement NIAB EMR's work in Cambridge – firstly, there is a strong concentration of soft and top fruit producers in Kent, making East Malling ideally placed to support the industry and secondly, the work in Cambridge is very much focussed on grain crops in response to the cluster of arable businesses located within that region.

The following has been submitted by EMR/NIAB in support of the business case:

"Whilst the acquisition by Cambridge-based NIAB is a much needed step that offers economies of scale, it is within Kent that the fruit and perennial crops industry is centred and relevant research and development would have to be undertaken. Over 50% of the UK's fruit production is in Kent and the south-east – much of it within a 30 mile radius of East Malling. The majority of the support businesses for the sector, including import/export organisations and the fresh produce ports, are similarly primarily located in the same area – meaning that the majority of the jobs created would be in Kent and the south-east.

It would be far from preferable to have an industry-facing centre of fruit and perennial crops based up in Cambridge, which is why NIAB have invested in the acquisition of East Malling, rather than establishing a new centre at the head office"

The proposal is that Government provide capital funding of just over £6m for investment in capital equipment at NIAB EMR, that will be match-funded by significant private sector investment by Driscolls Genetics.

The outputs proposed are:

- More than 30 companies supported in NPD or improved productivity
- 8 new fruit varieties launched with 2 subject to export
- 1 new crop introduced to the UK with EMS support
- 4 new engineering products supported to market
- 4 new chemical or bio products supported to market
- 25 trials to support product
- 25 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

I apologise for such a detailed letter but trust it provides an informative explanation of both schemes.

NICOLAS HESLOP