

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

**3 September 2014**

**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 SOUTH EAST LOCAL ENTERPRISE PARTNERSHIP – GROWTH DEAL**

**To set out key components of the recent SELEP growth deal and its local implications.**

**1.1 The Growth Deal**

1.1.1 In early July, the Government announced that the South East Local Enterprise Partnership (SE LEP) had secured a £442.2 million funding package to boost economic growth across East Sussex, Essex, Kent, Medway, Southend and Thurrock - with a particular focus on transport schemes that will bring new jobs and homes. This funding allocation follows SELEP's submission of its bid for funding which was informed by the Kent and Medway 'Growth Deal' bid. This was in turn influenced by more local submissions on funding needs including the West Kent Priorities for Growth document that was prepared by the West Kent Partnership.

1.1.2 The purpose of this report is to note what funding has now been awarded and what implications this has for local projects relevant to Tonbridge and Malling. The report also highlights gaps in the growth deal and how these might be addressed.

**1.2 Local Funding Awarded**

1.2.1 The SELEP growth deal includes the following allocations that are of particular importance to this Borough:

- Tonbridge Town Centre Regeneration - £2.37m
- Improvements to Junction 4 on the M20 - £2.19m
- Sustainable transport projects across West Kent - £4.89m.
- Kent and Medway Growth Hub - £6m.

- 1.2.2 It is pleasing to note that two key transport schemes in the Borough have won funding from the growth deal. Funding for Tonbridge Town Centre will enable the scheme of highway and public realm improvements focused on the High Street to be brought forward. This scheme has previously been considered by the Joint Transportation Board. Funding for capacity improvements at Junction 4 of the M20 will seek to relieve some of the congestion issues which currently affect the junction. This will provide a widen overbridge on the eastern side of the junction. Members will be aware that two previous applications for DfT 'pinch point' funding for this scheme had been rejected so this RGF allocation will now enable this important project to go ahead.
- 1.2.3 The allocation for sustainable transport projects across West Kent currently involves range of schemes related to station access, cycle parking and improvements to local bus infrastructure. Funding for 2015/16 has already been committed. Included in this is an allocation of £340,000 to contribute to the HS1 upgrade to Snodland station. For the following five years, there remains some scope to influence how the remaining funding could best be spent, taking into account the list of projects that were included in the West Kent Priorities for Growth document, perhaps focusing on a smaller number of larger scale transportation projects to maximise the impact and benefit of this funding package. As a transportation issue, this matter will need to be taken forward via the Joint Transportation Board.

### **1.3 The Kent and Medway Growth Hub**

- 1.3.1 As stated above, funding of £6m has been allocated to Kent and Medway for a 'growth hub'. This amounts to £1m per annum over the next six years. However, the growth deal announcement initially gave little extra detail about how this money could be spent and what the expectations of Government were in respect of the use of these funds.
- 1.3.2 It has now been established that this is a capital allocation and not revenue funding. The original intention was to use the Growth Hub funding to provide a range of business support programmes but, as a revenue funding requirement, this is now not possible. That said, this new source of capital funding has the potential to provide additional funds to extend the three interest-free business loan funds currently operating within Kent: Expansion East Kent, Tiger (North Kent) and Escalate (West Kent/East Sussex). As the Board will be aware, local take up of Escalate loan funding has been very strong locally and although Government funding for this current scheme is due to end in March 2015, the growth new fund monies could provide scope to extend the life of the current schemes now in place, and potentially be matched with other European funding. The Kent and Medway Economic Partnership has recently been asked by the Government to come forward with a proposal about how best this funding could be utilised and a draft of this will be presented to that Partnership in October.

## **1.4 Business Support Funding**

1.4.1 In terms of local revenue funding needs, the Board will be aware that a range of business support services across West Kent have been commissioned including one-to-one business advice, business seminars, support for home-based businesses and young entrepreneurs. In addition to funding from West Kent partners, the programme was supported by the County Council's Kent Regeneration Fund. However, that fund has now been withdrawn and funding will cease from September. Some support services will be able to continue using funding from the West Kent Partnership. There is, however, an urgent need to obtain funding to ensure key business support activities across West Kent can be continued and further developed to meet the specific needs of the West Kent area.

1.4.2 A potential source of revenue funding is the European Regional Development Fund (ERDF) which must be used to support innovation and growth, SME competitiveness and low carbon economies. Government has allocated £82.5m of this fund to the SELEP which will be available from March 2015. Work is now underway to prepare an 'Innovation and Growth Statement' for Kent and Medway to highlight potential projects which could be supported through the ERDF. It is vital therefore that the future business support needs of West Kent are identified as one of the priorities in this statement.

1.4.3 Whilst there is likely to be some emphasis placed on the role of national business support agencies including UKTI, Growth Accelerator and the Manufacturing Advisory Service, an appropriate level of provision also needs to be made for business support services which are locally commissioned and which aim to meet the business needs of more specific areas including specifically, for West Kent. Available funding therefore needs to be devolved to the West Kent level to facilitate the local commissioning of those key business services. This was the basis on which our existing business support programme has been developed and successfully implemented. Further work will therefore be required to influence emerging priorities with regard to business support provision. A recommendation for the Board has been set out below to ensure there is clarity with regard to the Borough Council's position on this issue.

## **1.5 Legal Implications**

1.5.1 None

## **1.6 Financial and Value for Money Considerations**

1.6.1 As described above.

## **1.7 Risk Assessment**

1.7.1 As set out above. Additional external funding is required to enable important business support services across West Kent to be maintained.

## 1.8 Equality Impact Assessment

1.8.1 See 'Screening for equality impacts' table at end of report

## 1.9 Recommendations

1.9.1 That the outcome of the Growth Deal for the SELEP area and for West Kent **BE NOTED**;

1.9.2 That the proposed position on the provision of future business support services as set out in Section 1.4 of this report **BE ENDORSED** and a further progress report **BE MADE** to the next meeting of this Board.

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

Screening for equality impacts:		
Question	Answer	Explanation of impacts
a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community?	No	Funding awarded for local schemes will meet general needs.
b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality?	n/a	As above
c. What steps are you taking to mitigate, reduce, avoid or minimise the impacts identified above?		

*In submitting this report, the Chief Officer doing so is confirming that they have given due regard to the equality impacts of the decision being considered, as noted in the table above.*