

SHARED INTELLIGENCE

THAMES GATEWAY KENT

economic development strategy

OCTOBER 2009

CONSULTATION DRAFT



CONTENTS

FOREWORD	i	
 Section A: Introduction, Vision And Objectives		
A.1. Introduction	2	
A.2. Context	5	
A.3. Thames Gateway Kent Today	9	
A.4. Vision And Objectives	15	
 Section B: Strengthening The Drivers Of Competitiveness		
B.1. Specialisation: Supporting Key Sectors	21	
B.2. Innovation, Enterprise And Creativity	33	
B.3. Attracting And Retaining Investment	43	
B.4. Skills And Employability	51	
B.5. Connectivity	56	
B.6. Quality Of Life	63	
 Section C: Action Plan		
C.1. Governance & Leadership	70	
C.2. Action Plan	72	
 Appendices		81

I FOREWORD

1. The Thames Gateway is a national priority for regeneration, one of four Growth Areas identified in the Sustainable Communities Plan which Government earmarked to play a key role in driving the growth of the Greater South East. In North Kent, we – the partners of Thames Gateway Kent Partnership – have articulated ambitious plans to deliver Government’s growth objectives, set out in Regeneration Frameworks and other core strategic documents. These plans entail building 50,000 new homes and creating 58,000 new jobs in town centres, urban extensions and other sustainable locations.
2. Underpinning all of our growth plans is the need to accelerate economic growth. Gross Value Added (GVA) per head of the resident population today is 76% of the South East average. If GVA per head were on a par with the South East average then it would add £3 billion to the national economy. In order to close the gap, we need to raise levels of employment and productivity, creating a more knowledge intensive economy which is competitive with UK, European and global locations.
3. The economic climate for businesses in Thames Gateway Kent, like elsewhere in the UK, is extremely challenging. Across the country, businesses of all sizes are being affected by the recession and the preceding ‘credit crunch’. Now more than ever, we need an active programme of sustainable economic development supporting our businesses through this difficult period and keeping people in employment. In the Economic Development Strategy we set out our response to these short and long term challenges.
4. We have a key role to play in creating the enabling conditions to stimulate private sector investment in the area. The public sector has already helped to attract major investors to North Kent, and supported the creation and expansion of many new businesses. There has been significant job creation at Bluewater, The Bridge, Crossways Business Park, Chatham Maritime, and Kent Science Park, to name but a few recent successes.
5. Moving forward, we need to build on these successes by creating other hubs for economic activity; the arrival of domestic high speed rail services at Ebbsfleet will provide an enormous competitive advantage over other parts of the UK, cutting journey times to London to 17 minutes. We need to ensure we are maximising the economic benefits of High Speed 1 (HS1) for all. At Ebbsfleet Valley and elsewhere in Kent Thameside, Medway, and in Swale, we have identified a significant number of sites for new employment. Some of the key sectors we expect to grow include business services, logistics, advanced manufacturing, environmental industries and creative industries.
6. The recession has inevitably put a brake on growth and caused us to re-evaluate our plans. The property market has been particularly badly hit with fewer speculative commercial developments moving forward and fewer mobile investors than before. Our long term goals remain largely unchanged but inevitably the phasing of development will be different from before. We recognise that in order to move forward with some of the key schemes there

is a need for the public sector to share more of the risk, for example by investing in infrastructure up front, and we are exploring ways to do so. At a time when public sector funding is under pressure, we need to put in place a framework for prioritising those schemes which require public intervention first, and which will come forward in later years.

7. While remaining focused on the growth agenda is critical, arguably the recession means that retaining our large companies, supporting SMEs to stay in business, and addressing unemployment are now of greater importance. Even before the recession there were major challenges in North Kent to stimulate enterprise and innovation, to raise the skills of the resident population and address concentrations of deprivation and worklessness.
8. Through the Multi Area Agreement process, we have demonstrated our commitment to working together to tackle some of the fundamental regeneration and economic development challenges. The Economic Development Strategy sits alongside our MAA proposals, providing more of the narrative and the evidence underpinning them. It sets out our vision and objectives for the area, the drivers of economic competitiveness which we are seeking to influence, and actions we will undertake at a North Kent level. These actions complement and enhance the economic development activities already underway in the area.

The image features a vibrant orange background. In the lower portion, a cable-stayed bridge is visible, with a yellow train on a track crossing it. The bridge's structure, including its cables and a tall pylon, is rendered in shades of blue and white. The text is centered in the upper half of the image.

SECTION A:

INTRODUCTION, VISION
AND OBJECTIVES

A.1. INTRODUCTION

- A.1.1. Thames Gateway Kent is a national priority for regeneration and growth and a key component of Government's overall vision for the Gateway as a whole. Regeneration has already become a reality and important investments have been made by both the public and private sector. Notable successes include the development of Chatham Maritime, The Bridge, High Speed 1 (HS1) and Kent Science Park, to name but a few.
- A.1.2. The current recession, which some independent forecasters are predicting to continue to at least 2011, has changed the immediate priorities for economic development and regeneration. All UK regions are now faced with falling employment levels, a stalling housing market, and more cautious investors. As a consequence, many regeneration projects are on hold or under review.
- A.1.3. While the economic climate has created uncertainties about how and when growth plans and key projects will be delivered, the fundamental opportunities remain the same and the continued success of Thames Gateway Kent is vital to the achievement of the Government's overall vision for the Gateway and indeed the broader economic recovery of the UK.
- A.1.4. Now, perhaps more than ever before, there is a need for sustained investment in infrastructure, skills development, business support and other key drivers of competitiveness to create the conditions for recovery and future growth. This needs to be a shared endeavour for all stakeholders, for Government and for the private sector alike.
- A.1.5. The Economic Development Strategy recognises the need to create coherent and integrated development across the North Kent area, in order to support the conditions for growth and to respond to economic uncertainties. Recognising the inherent uncertainties, created by the current recession, the strategy provides a flexible framework for responding to short term pressures, within the context of long term growth. This is a common agenda shared by all partners in the North Kent area.
- A.1.6. Partners recognise the need not only to provide physical infrastructure and site preparation ready for the upturn, but also a need to focus on business and innovation support and skills and education development. This Strategy sets out proposed actions with which to achieve and continue integrated economic development within North Kent.

Purpose of the Strategy

- A.1.7. For the Strategy to be successful there needs to be a shared understanding of why it is being prepared. We have agreed three primary purposes for this strategy:

i) Aligning economic development delivery

There is already a significant amount of activity to support economic growth underway in the area, being coordinated by local authorities, local delivery partnerships, and various agencies. A key purpose of the Strategy is to ensure that we are working towards the same goals and priorities, and that relationships are strengthened.

ii) Underpinning the MAA

In May 2008, we – the TGK Partnership - agreed to take forward a Multi Area Agreement (MAA). All of the first round MAAs were underpinned by a city-regional or subregional strategy/development plan. In most cases, these strategies and plans provided the starting point, and importantly the evidence base, by which partners were able to identify the challenges to be tackled through an MAA. The Economic Development Strategy seeks to provide a similar underpinning document for the MAA proposals in North Kent.

iii) Responding to SNR

The third purpose of the Strategy is to respond to the Sub-national Review of Economic Development and Regeneration (SNR). SNR supports the empowerment of local authorities and groups of local authorities to promote economic development, changing the way regeneration is delivered. The Economic Strategy provides an opportunity to respond to the SNR by setting out shared priorities for investment.

Process of developing the Strategy

- A.1.8. The Economic Development Strategy has been developed in partnership with stakeholders across North Kent, the county and the region. The Reference Group included representatives from the five local authorities – Dartford, Gravesham, Swale, Kent and Medway; the regeneration delivery partnerships; South East England Development Agency (SEEDA); Locate in Kent; the Kent Economic Board; the Enterprise Hubs and universities; and Business Support Kent.
- A.1.9. The Strategy was prepared in two stages: **Stage 1** identified the main issues and challenges facing the North Kent economy. These issues were defined on the basis of a comprehensive review of existing plans, strategies, Regeneration Frameworks, and a socioeconomic audit of the area. **Stage 2** entailed further investigation and refinement of the key issues and formulation of the strategy response. It was conducted over a series of individual and follow-up interviews with key stakeholders and two workshops bringing together key partners. Particular attention was paid to Enterprise, Innovation and Business Support with a view to articulating potential MAA 'asks'.

Structure of this strategy

A.1.10. The starting point for the strategy set out in Section A of the report is the policy context, the current economic climate and the established vision and growth objectives for North Kent. Section B details the main components of the Strategy and related actions. Section C sets out the governance arrangements for the Strategy and draws together the Action Plan for the Strategy.

A.2. CONTEXT

- A.2.11. The Thames Gateway is the largest single regeneration initiative in North West Europe, stretching for 40 miles from Canary Wharf in London to Sheerness in Kent and Southend in Essex. It covers three subregions¹ - Thames Gateway London, South Essex and North Kent – and cuts across three Government Office regions.
- A.2.12. Today, the Gateway is crucial for supporting the continued expansion of the Greater South East (GSE) – the main economic driver of UK economic growth². It provides the capacity to accommodate significant additional housing and employment growth, relieving pressure on other parts of the South East, and balancing development occurring to the West of London along the M4 corridor. Achieving success in the Gateway is therefore a national Government priority. The scale of growth planned is significant; the Thames Gateway Delivery Plan set targets for the creation of 225,000 new jobs and 160,000 homes by 2016.

Strategic Policy Context

- A.2.13. The Economic Development Strategy sits within a comprehensive strategic policy context. A summary of the core policy documents and their implications for North Kent was set out in the Stage 1 report. A brief summary is provided below:
- A.2.14. Government designated the Gateway a Growth Area under the **Sustainable Communities Plan (SCP)**³. The Plan described the huge development potential for the Gateway, identifying some 3,800 hectares of developable brownfield land - much of it former dock, warehousing, industrial and quarried land - located next to the economic heart of London and within easy reach of North West Europe.
- A.2.15. At the Gateway-wide level, the strategic context is set by a number of documents including the **Thames Gateway Interim Plan: Policy Statement and Development Prospectus** (CLG, 2006) setting out common ambitions and actions of the Thames Gateway Strategic Partnership. This was followed by the **Thames Gateway Delivery Plan** (CLG, 2007) setting out the proposed spending programme for the period to 2011 including the allocation of £500m for regeneration. It was accompanied by the **Thames Gateway Economic Development Investment Programme** (LDA, SEEDA, EEDA, 2008) which sets out a series of strategic investments by the RDAs to stimulate economic growth, a number of which are in North Kent and are described in the Strategy.
- A.2.16. At the regional level, the **Regional Economic Strategy (RES)** prepared by SEEDA, and the **Regional Spatial Strategy (RSS)** prepared by the

Apx 1.11 For the purposes of this Strategy, Thames Gateway Kent is referred to as a 'subregion', consisting of Dartford, Gravesham, Medway and Swale. Thames Gateway Kent is also part of the wider acknowledged Kent and Medway subregion

² Thames Gateway RDA Economic Statement, November 2006, EEDA, SEEDA & LDA

³ Sustainable Communities Plan (ODPM 2003)

Regional Assembly are the key strategic documents. In due course, both these strategies will be replaced with a **Integrated Regional Strategy**, prepared jointly by SEEDA and the region's Local Authorities, and which will bring together economic and spatial objectives into a single strategy for the South East.

- A.2.17. The current **RES** (2006 – 2016) sets out the economic vision for the South East as a world class region where economic prosperity goes hand in hand with social and environmental sustainability. The RES also describes the challenges to the region's economy and sets the course required to meet these to secure the benefits for those who live and work in the South East. The three key challenges identified are: i) becoming globally competitive, ii) raising levels of productivity and economic activity, and iii) achieving sustainable prosperity. Thames Gateway Kent is identified as one of eight 'Diamonds for Investment and Growth' – economic catalysts for the region as a whole. With the advent of the recession and changes in the role of RDAs and their funding, the priorities in the RES may change in the next refresh. Nevertheless, it is expected that TG Kent will remain a regional priority.
- A.2.18. The **RSS** (2006 – 2026), also known as the **South East Plan** (May 2009), sets out the overall scale and broad locations for housing and regeneration in the region over the coming two decades. It provides the statutory framework for the region, and Thames Gateway objectives and plans are subject to review through this regional spatial planning process. The Plan set the target of building 52,140 new homes, and for creating 58,000 new jobs in TGK by 2026.
- A.2.19. At the county level, there are a number of strategic documents which inform the Economic Development Strategy and the MAA. **Kent Prospects** – the economic development strategy for Kent – and the **Kent Regeneration Framework 2009–2020** both identify the Thames Gateway Kent as a key driver of growth for the county. They provide the Kent Partnership's framework for influencing, guiding and coordinating the delivery of stakeholders' economic development and regeneration activities. Also of relevance is the **Medway Regeneration Framework** and **Economic Development Statement**.
- A.2.20. These documents contribute to the delivery of the **Kent and Medway Local Area Agreements** for 2008-2011 -the Kent Agreement 2 and the Medway LAA respectively. The indicators in both agreements show a large degree of overlap (see Appendix for further detail of the LAAs).
- A.2.21. All of the local authorities are currently developing their **Local Development Frameworks** (LDF) and a number of authorities have also produced separate economic development strategies. In Medway, the Core Strategy is undergoing public consultation. The Medway LDF is planned to be adopted in March/April 2011. Similarly, Dartford Borough Council's Core Strategy is currently undergoing examination, to form part of the final LDF due for adoption in December 2010. Gravesham is working on its Core Strategy for consultation in August 2009, with an aim of adopting the LDF in August 2011. Swale is currently working on producing a Core Strategy for consultation, with a view to adopting the completed LDF in April 2012.

- A.2.22. The LDFs will be informed by **Employment Land Reviews** (ELRs) providing information on the availability of sites, capacity and projected demand for employment land. Gravesham's ELR is now complete, and Swale's is in the process of being completed. Dartford has yet to undertake an Employment Land Review.
- A.2.23. These documents provide a strong body of evidence and strategy which the Economic Development Strategy seeks to build on. However, while the Strategy reflects the Local Authority LDFs, it does not itself have statutory status.

The Recession

- A.2.24. Economies across the world have been affected by major global economic shocks, and the UK has been fully exposed to the slowdown. The squeeze on real incomes from higher commodity prices and the global financial crisis has pushed many economies to the brink of recession. The economic downturn is affecting UK regions and sub-regions in different ways. In response, the Government has announced a number of national policies in the Pre-Budget Report to provide a fiscal stimulus to the economy, and has pledged to work with partners in the regions via new Regional Economic Councils to develop tailored regional responses.
- A.2.25. The immediate priorities for economic development and regeneration are now quite different from before. Three of the most critical ways it is impacting on the North Kent are:
- *Rising unemployment* – the claimant count has increased by a significant proportion (60% over the last year) albeit from a low base. There is a concern that the system is not set up for redundancies from the professional services sector. Demand for enterprise is increasing.
 - *Falling business revenues and profits* – In the National Business Survey, 60% of respondents in Kent indicated that they are operating at below capacity. Officers suggest that access to finance is a problem for local businesses in the same way it is nationally.
 - *A slowdown in regeneration*– the slow-down in the residential market is making fewer mixed use schemes viable for private developers. Speculative office development is largely on hold throughout the subregion.
- A.2.26. While the achievement of the agreed housing and employment targets will be a challenge in the context of the current market conditions, North Kent remains an attractive long term proposition for investors; the opportunities for growth remain broadly as they were but will take longer to develop out. SEEDA and SEERA are currently reviewing forecasts for the South East as a whole and we will continue to monitor these forecasts and consider their implications for North Kent. As forecasts are revised, in light of worsening economic conditions, it will be important for partners across North Kent to reach a common understanding on growth trajectories and milestones for reaching agreed targets.

A.2.27. In the meantime, Public sector agencies are committed to working towards the targets and continue to deploy resources to put in place the conditions for growth now for when the market picks up. For example, investing in infrastructure and site preparation; skills and learning; and bringing forward public sector capital projects. In terms of the more immediate actions, the collation of data regarding redundancies and investments is needed. Information is already being gathered by TGKP, who will continue to develop their **intelligence gathering** role, circulating information more widely and seeking inputs from local authorities.

A.3. THAMES GATEWAY KENT TODAY

A.3.1. The Stage 1 report provided a detailed picture of the economic history, geography and state of the North Kent economy today. From this analysis, it is clear that there are a number of shared challenges that bind the local authority areas together, and which mean a subregional approach is beneficial. The headlines of the analysis are summarised below.

Strategically located

A.3.2. Home to over half a million people, Thames Gateway Kent is strategically located east of the M25, bounded to the north by the River Thames and to the south by the A2, stretching from Dartford through to Swale. This strategic location provides a sound basis for future economic growth. The area's economic history is rooted in its proximity to the Thames and to London, which led to the expansion of manufacturing and industry, still visible in the form of dockyards, ports, piers and warehouses across Dartford, Gravesham, Medway and Swale.

A.3.3. Manufacturing and industry continues to form an important part of the local economy, although employment has declined overall. More recently, North Kent's strategic location and ports have led to the growth of logistics and distribution. Crucially, it is now home to the new Ebbsfleet international station providing a node linking the South East region with continental Europe. Domestic services due to start in 2009 will cut journey times to London St Pancras to 17 minutes. Since the opening of the channel tunnel, the volume of international freight transport passing through the county has risen greatly and further growth is expected.

A.3.4. The main transport arteries which facilitate the flow of people, goods and services across the area are the A2/M2 and the A226. There are frequent Southeastern rail services to London Victoria and Charing Cross connecting the major conurbations. An estimated 88,000 residents commute out of the area every day to London and elsewhere. This level of commuting is driven by a number of factors including the strength of the London labour market combined with house prices are too high for its workforce, together with the fact that North Kent is an attractive place to live but does not provide as wide a range of employment opportunities for all residents. These factors combined create acute housing pressures across a number of the districts, particularly west towards London. For example, house prices in the Borough of Dartford are on average £24,806 more than in Swale⁴.

Key centres of activity

A.3.5. Taking each of the four main local areas in North Kent, Medway, a unitary authority, is the largest. The area covers land either side of the

⁴ Land Registry of England and Wales, figures for the period October to December 2008

River Medway which has an important maritime history. The conglomeration of the five towns: Gillingham, Strood, Rochester, Chatham and Rainham, collectively represent the size of a city. Further to the north of Medway is the Hoo Peninsula, with its open land accessible from both the River Thames and the River Medway, providing the potential base for a newly emerging energy and environmental technology cluster.

- A.3.6. The boroughs of Dartford and Gravesham are more London-facing because of their location. The parts of Dartford and Gravesham to the north of the A2 are collectively known as Kent Thameside. Again, historically, economic activity was focused around ports and port services, particularly at Gravesend. The M25 and QEII Bridge provide excellent transport links with London, and the north of the UK, and the rest of the South East.
- A.3.7. Swale is the borough furthest east in the Thames Gateway Kent area. There are several main sites of activity including Sittingbourne, the areas of Queenborough and Rushenden, and Sheerness on the Isle of Sheppey. The Port of Sheerness is currently one of the biggest employers in the borough, and takes advantage of the transport links in the area, providing connections both with London and the rest of the South East.

Outstanding natural assets

- A.3.8. Despite this industrial legacy, the Kent sub-region boasts significant natural assets – it has more green space (80% of the total) than either of the two other Gateway sub-regions⁵. On the coast, it has a number of protected environmental areas including wetlands on the Isle of Sheppey, which is a Specially Protected Area. Further inland green space includes farmland, numerous parks and woodlands, and protected areas such as parts of the North Downs, an Area of Outstanding Natural Beauty.

An underperforming economy...

- A.3.9. Like elsewhere in the Gateway, structural change has seen the relative decline of industry and manufacturing, which has had a major impact on the physical and social fabric of North Kent, as well as economic performance:
- **Output per head** - in 2006, average GVA per capita in TGK was just 76% of the UK average⁶. This reflects the relatively slow shift from a historically industrial economy to knowledge-intensive sectors.
 - **Unemployment** in TGK in 2008 stood at 6.9%⁷, and though greatly reduced over the past decade, remains above the regional average of

5 The State of the Gateway: a baseline for evaluating the Thames Gateway Programme (CLG 2006)

6 Estimates prepared by Shared Intelligence.

7 The unemployment rate is defined as the number of unemployed people expressed as a

4.2% and national rate at 5.3%. In 2008, the employment rate in TGK (75.2%) was below the regional average (78.5%) and the national average (74.5%).

- **Skill levels** are generally poor at all levels. Just 19.7% of residents in North Kent possess a degree level qualification compared to over 30% in the region. 14% of the area's residents have no qualifications at all, slightly above the national average of 13% and the regional average of 9%. However, NVQ Level 3 qualification attainment, at 15.4% in the North Kent area, is more in line with both the regional (16.6%) and national (15.6%) averages⁸. Together, this creates a mismatch between skills levels and emerging job opportunities.
- **Knowledge intensive businesses** are less well represented compared to the rest of the UK. Much of the area's growth has been in consumption related sectors such as logistics and retail. There are few identifiable sector specialisms in North Kent which mark it out from other parts of the country.
- **Rates of business start-ups** lag behind the South East average (35 per 10,000 adults compared to 43 for the region). However, there was an increase of 6.7% in this rate from 2000 to 2006, when the region as a whole saw a 4.4% decline⁹.

Raising GVA per head to the South East average

A.3.10. GVA per head in North Kent (£14,698) is considerably below the South East (£20,152) and national (£19,430) averages. However, Dartford's success over recent years is evident with output per head of £21,929, above the South East and UK averages. There is a need to gain a **better understanding of the GVA figures** for individual areas within North Kent, and the reasons for the disparities between them. GVA per head figures are not published by ONS below County and Unitary level so the figures quoted are estimates and should be treated with caution.

Local Authority	GVA per head (£)	
	2003	2006
Dartford*	19,821	21,929
Gravesham*	9,848	11,234
Medway	12,109	13,960
Swale*	12,117	13,712

percentage of the relevant economically active population, providing one measure of the potential additional labour supply available in an economy.

⁸ Annual Population Survey (2007)

⁹ NOMIS (2006)

TGK*	12,917	14,698
Kent CC	13,988	15,798
South East	17,993	20,152
UK	17,043	19,430

Apx 1.1 Source: ONS, Shared Intelligence.

Apx 1.2 Note *denotes estimates.

A.3.11. Accepting the caveat that these figures are estimates, if GVA per head today in North Kent was on a par with the South East average, it would add an estimated **£3billion** to the UK economy¹⁰. This prosperity gap is due to the industrial structure of the area and the relatively slower shift to knowledge-intensive sectors.

Employment – 58,000 additional jobs by 2026

A.3.12. Thames Gateway Kent will make a major contribution to the 225,000 jobs target for the whole of the Thames Gateway¹¹. Over the period 2006-2026, we aim to create **58,000 additional jobs** in North Kent¹². This implies a growth rate of 2,900 jobs per annum. This figure was devised by extrapolating forward from site capacity estimates in the Inter-regional Planning Statement but has not been broken down by district. The target is therefore a policy-led figure, representing a significant uplift from ‘business as usual’ economic forecasts. There is consensus that the target is of the right order of magnitude but it will need to be reviewed in light of ongoing work on LDFs including employment land reviews. **Local authorities need to work in partnership to consider the overall level of employment capacity across North Kent and whether there is sufficient employment land allocated to meet forecast growth.**

A.3.13. The recent employment growth record in North Kent has been impressive – 18,900 jobs were created between 2001 and 2005 according to ABI data¹³. This is plausible given the scale of job creation at The Bridge, Bluewater, Chatham Maritime and in some of the industrial areas.

A.3.14. However, the current economic climate seems certain to put a brake on this expansion as planned office, industrial and mixed use developments are at risk because of the constraints on credit and the downturn in the housing market. All of the targets and forecasts were predicated on significant growth in the service sector and particularly financial and

10 This is an estimate based on the difference between GVA per head in North Kent with the South East, and the mid-year population estimate for North Kent in 2006. It is not a productivity gap as it refers to GVA per head not GVA per worker, it is not directly comparable with the £12bn figure for the whole of the Thames Gateway set out by the three RDAs.

11 Note that the 58,000 target was featured in the Regional Spatial Strategy and the 180,000 figure was based on separate CLG calculations for the period 2001-2016. See discussion in Stage 1 Report. Both were derived prior to the impact of the recession.

12 See Appendix for discussion of the employment target.

13 Measuring employment growth using the Annual Business Inquiry (ABI) is subject to a number of reliability issues and the job creation figures for North Kent are highly volatile. That said, it is generally considered the best publicly available source.

business services, which is currently experiencing major difficulties. Experian Business Strategies recently revised down its forecast for regional employment growth by almost 50% from 480,750 to 250,456 for the period 2006-2006. It will therefore be important to monitor progress towards the agreed employment target.

52,000 net additional homes in sustainable communities

A.3.15. The South East Plan sets a target of 52,140 new homes in TGK between 2006 and 2026: 17,340 in Dartford, 9,300 in Gravesham, 16,300 in Medway, and 10,800 in Swale.

A.3.16. The synergies between employment and housing growth are important on a number of levels. First, the Thames Gateway is a Growth Area because of its potential to relieve pressure on the Greater South East housing market, which in turn was acting as a constraint on economic growth. For this housing to be sustainable, it needs to go hand-in-hand with employment growth. The jobs target implies greater self-containment in North Kent; changing commuting patterns will of course be a major challenge. Second, the right mix of homes for sale and rent is needed to attract a talented pool of labour to the area and to improve quality of life for all residents. Third, a significant component of the employment growth (circa 20-25%) will be fuelled by growth in the population. More residents mean more service sector employment – e.g. health, education and personal services.

Regeneration is well underway

A.3.17. There is ample evidence that North Kent is heading in the right direction. Public investment has funded major investment in infrastructure, supported the expansion of higher and further education, and put in place the conditions to attract new businesses to the area. Key successes include:

- International services from Ebbsfleet have created massive investment interest in the area.
- A £130m investment in the shared campus at Chatham Maritime is now home to the Universities at Medway, a partnership between the universities of Greenwich, Kent, Canterbury Christ Church and Mid-Kent College. The University College for the Creative Arts (UCA) is also located in Medway, and there are currently bids for it to become the location for an integrated campus. The universities are starting to provide a huge catalyst for regeneration.
- Public and private investors have created a number of facilities to support innovation and enterprise, at Kent Science Park in Sittingbourne, the Medway Innovation Centre, Nucleus at the Bridge in Dartford, and the Joiners Shop in Medway.
- Fastrack, the multi award winning Bus Rapid Transit system in Kent Thameside, is exceeding expectations in terms of the number of passengers.

- The first residents have moved into their new homes at Springhead Park, Ebbsfleet Valley.
- The road network, and access to regeneration sites, has been strengthened by the newly built stretch of the A2, M25/A2 junction at Darenth and the new Sheppey Crossing.

A.3.18. These are just some of the investments that are making a real impact on economic prosperity.

A.3.19. According to ABI figures, 19,000 jobs were created between 2001 and 2005. Workplace wages have increased significantly and are above the regional average in many areas; they are particularly high in Dartford and Gravesham, suggesting that employment being created is highly skilled and well paid. While some of these positives will have been negated by the recession, they should provide confidence that investment is having a positive impact.

A.3.20. Building on these successes, there are major opportunities for further growth. In the Regeneration Frameworks, strategies and business plans of the delivery agencies there are massive plans for the transformation of brownfield land (approximately 1,900 hectares), for the regeneration of town centres and waterfronts, for the renewal of homes, and for enhancements to the environment. The major employment sites are presented in Section B, Chapter 3 of the strategy.

A.3.21. Further discussion of these issues is provided in later chapters. These observations reinforce the need for investment to change the economic trajectory of the area, in order to raise economic prosperity and living standards. While a number of these indicators represent shared challenges, it is important to state that North Kent is not a homogenous economy; there are stronger and weaker districts in the subregion and specific neighbourhood level challenges. A key finding of Stage 1 was that Dartford is performing considerably stronger than other areas; it has benefited from the development of Crossways, the Bridge, Bluewater; and the investment potential provided by HS1 services.

A.4. VISION AND OBJECTIVES

A.4.1. Local authorities, regeneration partnerships, SEEDA, and other key stakeholders have set a bold agenda for change in North Kent. It entails the wholesale transformation of the area, including new homes, jobs, leisure facilities, green spaces and major investment in infrastructure. This chapter sets out: i) the vision for 2026; ii) a series of economic objectives and shared challenges; and iii) a framework for action built around strengthening drivers of competitiveness.

Vision for 2026

A.4.2. The vision for North Kent, agreed by partners, is to create by 2026:

An area of exciting towns and cities, with an **enhanced natural environment**, and a real civic pride that provides an exemplar of urban renaissance;

A place that **attracts leading businesses** because of its workforce, the quality of its sites, local services, the opportunities at Ebbsfleet and its wider transport links, and because North Kent is the gateway for both UK and Continental markets;

A place where there is **harmony between new and existing communities**, the benefits of development and investment are shared by all and poverty of hope and opportunity lie in the past;

A place where there is a **'buzz' generated by a vibrant cultural life** and social scene, a student population bringing youth and vigour to their communities and celebration of heritage

– all contributing to making Thames Gateway Kent **'the place to be.'**

Thames Gateway Kent Partnership

A.4.3. Each of the areas in Thames Gateway Kent is developing a distinctive role. **Kent Thameside** is set to become an international commercial centre with a major new business district being developed at Ebbsfleet Valley around the new international rail station. In line with regional strategy, the development of Ebbsfleet Valley is the top priority for the sub-region, identified as one of four "spatial transformers" in the Gateway by Government and the Regional Development Agencies¹⁴. It will complement the revitalisation of Dartford and Gravesham town centres. In these centres, regeneration is focused on quality of life improvements, expansion of the retail offer, and the development of an integrated public transport system. In both boroughs, a reconnection with the River Thames features strongly.

A.4.4. In **Swale**, the vision is to improve the economic, social and environmental profile of the area for the benefit of all. Logistics and

14 Thames Gateway Interim Plan (CLG 2006)

science-based industries are emerging as key drivers of growth. The new Sheppey Crossing will help to unlock the potential of Sheerness Port and the Isle of Sheppey, though further improvements to the A249 and network connections are needed to maximise the potential. There are ambitions to regenerate Swale communities, and improve quality of life, through environmental improvements, and the promotion of Swale's coastline and the wetlands of Sheppey, part of the Kent Downs Area of Outstanding Natural Beauty.

- A.4.5. With its superb riverside developments, historical sites and new university campus, **Medway** is rapidly developing as a new waterside city of learning, culture, tourism and enterprise. Quality and accessible learning opportunities are being delivered through the developing universities cluster; the promotion of Medway's cultural heritage including castles, a cathedral and historic dockyard, is allowing residents to celebrate the history of the area, whilst attracting higher levels of tourism. Key development opportunities include further linking of higher education facilities with enterprise, development of power generation and environmental technologies sectors on the Hoo Peninsula, and the regeneration of town centres in terms of retail and cultural facilities, and their reconnection with the riverfront.
- A.4.6. Combined, these areas represent a functional economic area, a fact recognised in the commitment of partners to work together to produce a Multi Area Agreement for North Kent. The MAA, which will be submitted to Government as part of the third wave of MAAs, is focused on achieving sustainable economic growth and regeneration targets. The scope of the MAA covers economic development in its widest sense and is focused around four main areas:
- Investment and funding mechanisms to underpin infrastructure delivery;
 - Increasing skills and employability to equip the workforce;
 - Securing sustainable transport and connectivity; and
 - Fostering sustainable communities in tandem with housing growth.
- A.4.7. The priority themes for the MAA are skills and employability, transport and housing. Consequently, there is a symbiotic relationship between the emerging MAA and this economic development strategy.

Economic Objectives for North Kent

- A.4.8. Successful towns and cities are those that drive the growth of their regional and national economies. Such places tend to be those that are competitive, productive and innovative. They are characterised by high levels of productivity, high levels of employment, and high wages. The headline objectives for North Kent area as follows:
- A.4.9. The strategy development process has identified ten shared objectives for economic development in North Kent.
1. **Raise GVA per head in North Kent to the South East average, closing the current £3bn prosperity gap** – estimated GVA per head in North Kent stood at £14,689 in 2006, just 73% of the South East average.

To narrow the gap by 2026 North Kent would have to exceed regional rates of GVA growth. The target is to reach 90% of the South East figure by 2026.

2. **Support the creation of at least 58,000 jobs by 2026, particularly in high value sectors** – In 2007 there were 270,800 jobs in North Kent. To raise this figure to 328,800 by 2026 - achieving growth of 58,000 jobs - would require the number of jobs in North Kent to grow by 1.15% per annum.
3. **Attract and grow the number knowledge intensive companies in North Kent's economy** – To raise the proportion of businesses classed as knowledge intensive by 2026 to the South East average would require the creation of an additional 2,200 businesses, an annual growth rate of 2%. In this context the strategy sets out proposals to support growth of our key sectors, prioritizing knowledge intensive industries and in particular positioning North Kent at the forefront of the green economy.
4. **Improve skills attainment at all levels and tackle concentrations of worklessness** –
 - **Raise the proportion of local residents who are qualified to level 1+ to the South East average** - 77% of NK's working age population¹⁵ were qualified to level 1+ (269,600 people) in 2007, compared with 82% in the South East. The target is to close the gap on the South East average by 2026.
 - **Raise the proportion of local residents who are qualified to level 2+ to the South East average** - 58% of NK's working age population were qualified to level 2+ (204,400 people) in 2007, compared with 68% in the South East. The target is to close the gap on the South East average by 2026.
 - **Raise the proportion of local residents who are qualified to level 3+ to the South East average** – In 2007 38% of NK's working age population were qualified to level 3+ (133,300 people) compared with 50% in the South East. The target is to close the gap on the South East average by 2026.
 - **Raise the proportion of local residents who are qualified to level 4+ to the South East average** In 2007 69,300 working age residents in North Kent held a level 4+ qualification (20%) compared with 31% in the South East. The target is to close the gap on the South East average by 2026.
5. **Increase the rate of new business start-ups, closing the gap with the South East average** – Even to reach the 2007 South East figure by 2026 would require an additional 550 businesses to be created each year (currently 1675 a year). As well as increasing the rate of new start ups the strategy is designed to support our businesses to be more creative and innovative and to foster social enterprise.
6. **Maximise the economic benefits of our universities**, strengthening the links with industry and retaining more graduates in the area.

15 Aged 16 to 59/64 (F/M).

7. **Attract and retain investment** in our priority employment locations, ensuring a steady pipeline of employment sites in the planning system and provision of high quality marketable premises.
8. **Lobby Government for investment in transport and infrastructure** needed to facilitate sustainable economic growth.
9. **Deliver 52,000 new homes by 2026 of a balanced type and tenure in sustainable communities, to attract highly skilled labour and to support employment growth**
10. **Ensure that all new development is of the highest possible quality**

A.4.10. The achievement of these objectives will be of critical importance to the successful economic growth of North Kent. The necessary actions go beyond the implementation of this economic development strategy but they provide a useful means of monitoring the overall performance of the North Kent economy. There are also important connections between this strategy and the proposed Multi Area Agreement for North Kent, as well as the activities and strategies of all partners.

A.4.11. The following sections describe the strategy and supporting actions that the Partnership has agreed to contribute to the achievement of these objectives. They are built around a framework for enhancing key drivers of competitiveness across North Kent: specialisation – supporting key sectors; innovation, enterprise and creativity; attracting and retaining investment; skills; connectivity; and quality of life.

A.4.12. In light of the above sections we will take the following action.

A: VISION AND OBJECTIVES	
Indicative Actions	
A.1.	Develop the intelligence gathering and dissemination role of TGKP to inform the activities of all partners across North Kent.
A.2.	Keep under review and monitor progress against the overall employment target and to understand the North Kent impact of revisions to employment forecasts.
A.3.	Develop a better understanding of the GVA figures for individual areas within North Kent and the reasons for disparities between areas.
A.4.	Local authorities should work together to consider the spatial distribution of the employment target in the preparation of LDFs.

SECTION B: STRENGTHENING DRIVERS OF COMPETITIVENESS



B.1. SPECIALISATION: SUPPORTING KEY SECTORS

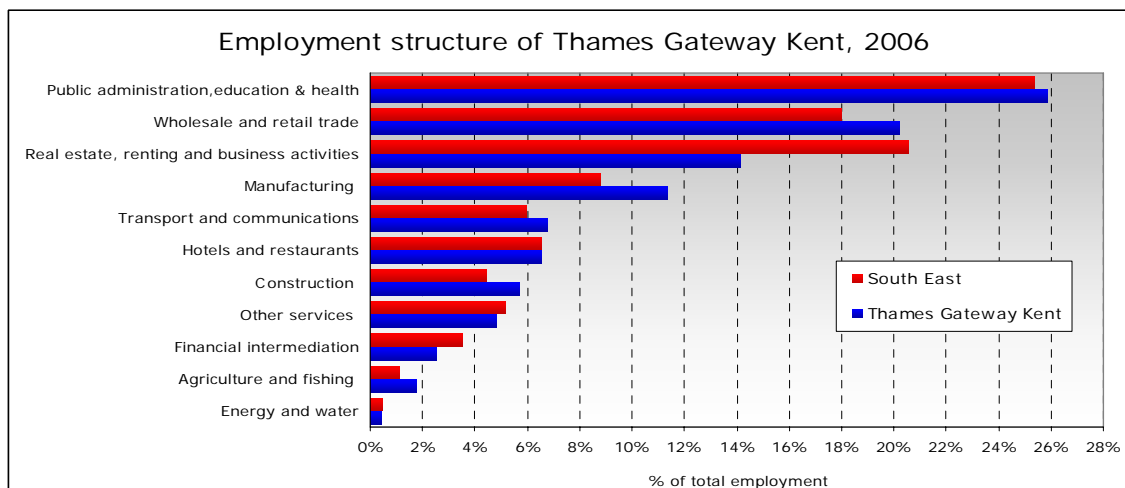
Competitive economies tend to be those with clearly identifiable specialisms or clusters of activity, which stimulate productivity growth through collaboration and/or competition. Specialised local economies are more likely to export goods or services to elsewhere based on competitive advantage. The importance of sectors has already been acknowledged, in the Sectors Study¹⁶ and the Culture and Creative Industries Study (CCI)¹⁷, both of which inform this chapter.

- B.1.1. While specialisms can provide a competitive advantage, a diversified economy is also important, to reduce the vulnerability of an area's economy to changes in competition, technology and the economic situation. This last point is particularly relevant today. The ideal position is to combine specialisation with diversity, to create 'clustered diversity'¹⁸ in an area. This involves clusters of specialised industries, which together form a diversified economy on a wider sub-regional scale.
- B.1.2. The Sectors Study concluded there was limited evidence of specialisation in the North Kent economy, and relatively less employment in knowledge intensive industries. Examining the overall employment structure compared to the South East, the North Kent economy is skewed towards public sector, wholesale and distribution and construction sectors, rather than knowledge intensive sectors.
- B.1.3. The public sector is particularly important in Medway (30% of all jobs), while wholesale and retail generates 30% of all jobs in Dartford. Construction, accounts for approximately 6% of employment compared to the South East (4%), and is strongest in Gravesham (8% of employment).

16 Thames Gateway Kent Sectors Study (Regeneris, 2008)

17 North Kent Culture and Creative Industries Study (David Powell Associates, 2007)

18 State of the English Cities, Volume 1 (ODPM 2006) p. 94



Source: ONS, ABI 2004

B.1.4. The historical importance of the wholesale and retail, distribution, and construction sectors, has stemmed from locational advantages offered by North Kent, such as access to ports and strategic road and rail networks. These sectors provide valuable employment to the North Kent economy and increasingly they require more sophisticated skills. However, to raise productivity, the challenge remains to support growth of knowledge intensive sectors and to foster specialisation where North Kent has competitive advantage.

Sectors with Growth Potential

B.1.5. The Sectors Study analysed seven sectors identified by local partners as those with the greatest growth potential. Location Quotients comparing activity in these sectors in North Kent with the South East, and the Thames Gateway as a whole, indicated that Creative, Tourism and Leisure, and Financial and Business Services have proportionally less employment, while Advanced Manufacturing and Construction have proportionately more.

B.1.6. Drawing on the analysis in the Sectors Study, it is possible to classify those sectors where there are opportunities for further growth on the following basis:

Existing sector strengths of regional importance

- Ports and Logistics
- Advanced Manufacturing
- Construction

Opportunity/policy driven sectors

- Environmental Technologies
- Business and Financial Services
- Creative Industries
- Tourism and Leisure

Population driven sectors

- Public Sector and Higher Education

B.1.7. Each sector is very different and the 'levers' for public sector intervention differ between them– some may require very little public intervention at all. There is arguably a more active role needed by public agencies in those 'opportunity sectors' identified above, where North Kent is under-represented today because of market failures, or where Government policy and regulation may drive growth.

Our Approach to Sectors

B.1.8. It is important to be clear why an appreciation of key sectors is important and what our approach to developing key sectors means for the Strategy. Partners agree it is important to build intelligence about the key sectors and to understand the future trajectory and shape of the economy. We seek to strike a balance between policies that will create opportunities in all sectors that will support diversification (see the remaining drivers of competitiveness) and sector-specific interventions that will encourage greater specialisation. The sectors analysis seeks to inform, but not to dictate, future planning of economic development, including: the provision of sites and premises, enterprise support, inward investment, and skills development. It is not about 'picking winners'.

B.1.9. There is a potential role for TGKP to play in developing intelligence about the local economy, and in particular local knowledge about the key sectors. In order to inform our approach to key sectors, **TGKP will further develop its intelligence gathering and dissemination role and will build a repository of intelligence about the key sectors to inform the activities of partners**, building on the work already undertaken.

B.1.10. A general observation is that there are mechanisms already in place to support many of the priority sectors being provided locally, regionally and nationally. These include some specialist innovation, enterprise or training facilities, for example, the Joiners Shop in Medway (creative industries), and research establishments such as the Thames Gateway Institute for Sustainability (environmental technologies and construction), a largely virtual facility operating from a number of demonstrator sites. It is important that these services join up to offer a network of intelligence, expertise and support.

B.1.11. In what follows, our approach to each sector is to consider: i) the rationale for why there is growth potential in each sector; ii) the current/planned public/private sector projects that may help to drive growth; and iii) the opportunities to support future growth and actions for partners.

Established Sectors

Advanced Manufacturing

- B.1.12. While manufacturing as a whole continues to experience relative decline in employment nationally, the UK – and parts of North Kent – has retained a competitive advantage in more specialist manufacturing activities, for example in pharmaceuticals and food technology. While only 5.5% of TGK's total employment is involved in Advanced Manufacturing, the Sectors Study suggested that it is over-represented compared to both the Thames Gateway region as a whole and the South East.
- B.1.13. There are existing concentrations of activity to build on at Sittingbourne, Medway, and Dartford. In Swale, advanced manufacturing is becoming one of the main employment sectors in the borough. The establishment of the Kent Science Park, incorporating the Sittingbourne Enterprise Hub, has demonstrated that high quality specialised workspace in Kent is in demand. The business space on offer here is fully occupied. Similarly, the Medway Innovation Centre and The Nucleus Innovation Centre at Dartford are currently successful in the renting of space to high-tech, knowledge-based companies. Already established in the sub-region are BAE Systems at Rochester, and Delphi at Gillingham – two major employers in Medway. The future growth of this sector will, in part, be tied to the development of environmental technologies, for example, Delphi undertakes R&D in the manufacturer of more energy efficient diesel engines and transportation components.
- B.1.14. A 'pharmaceutical corridor' between Dartford and Medway is also already established with Abbott Murex at Dartford, Aesica at Queenborough, and smaller companies at the Medway Enterprise Hub. However, this has seen some decline recently with the announcement of Glaxo Smith Kline's withdrawal from Dartford by 2013. In this respect, there is evidence that the manufacturing sector in North Kent is evolving from being dominated by large multi-national companies to a range of SMEs, which may require more intensive and more specialised support.
- B.1.15. Part of the strength of the Enterprise Hub Network offer is that it provides this kind of intensive support and access to a wide range of expertise from across the region. The proposed Innovation and Growth Team (see Chapter 2) should build on the expertise developed at the hubs. According to the Enterprise Hubs, there is potential for more specialist workspace, and grow-on space to support growth of manufacturing but this needs to be packaged with the appropriate support. Joining up existing assets such as the Nucleus Innovation Centre and Kent Science Park with the IGT and other programmes of support will therefore be essential. **We will continue to explore opportunities to intensify links between these centres and the Medway Universities**, for example, the School of Engineering at the University of Greenwich, to support and develop the advanced manufacturing sector and other knowledge-intensive sectors.

Ports and Logistics

- B.1.16. North Kent's strategic location in proximity to London and the Thames estuary, and its connectivity to the rest of the Greater South East and Europe via road, rail, and sea, make it a prime location for logistics and port related activities. The Sectors Study indicated that employment in the sector has been growing in North Kent, bucking the South East trend. Port and logistics is important in the Thames Gateway and the proposed London Gateway port in Thurrock Thames Gateway will consolidate its position. Although London Gateway may be seen as competition for North Kent ports, a number of operators have indicated that its development will be complementary as each port has a different specialism, and it could support complementary clusters of activity¹⁹. There are advantages to be gained by all of the ports in the Thames Gateway from improvements in infrastructure and investment in training opportunities, as well as building a reputation for the Thames Gateway area as an internationally significant port cluster.
- B.1.17. In North Kent, there is an established port at Sheerness and activity at Gravesend and Grain. Dartford is a particularly attractive location for Logistics because of its access to the River Thames, the M25, and rail connections. The sector is well established in the district, particularly at Crossways Business Park. HS1 is increasing the amount of freight being transported by rail. The Port of London Authority (PLA) has long-established roots in Gravesend and has aspirations to develop a port cluster. The Thamesport deepwater facility planned at Grain in Medway will make it the biggest importer of gas in the country. It could form an important part of the potential renewable energy and environmental technologies cluster on the Hoo Peninsula.
- B.1.18. Key drivers of future growth in the sector include skills – businesses report skills shortages in North Kent which need to be addressed. Already there are opportunities for training and education in maritime industry related operations, at the National Sea Training Centre, North West Kent College, Gravesend. Diplomas are available in Ship and Port Management, as well as qualifications in telecommunications, and health and safety. There are also possible links to be made with the planned Academy of Port and Logistics at Thurrock. In the EDIP, the three RDAs also proposed a new Innovation and Learning Centre around DP World's investment as part of a wider package of support for the port and logistics sector in the Gateway. **We will consider opportunities for the promotion of this sector within schools and colleges.**
- B.1.19. Connectivity and the availability of employment land are also paramount to the future growth of the port and logistics sector. The Sectors Study identified opportunities for intensification of activities around the main wharves and at key industrial areas. This needs to be considered in Employment Land Reviews.
- B.1.20. A capacity study of the existing Dartford Crossings, commissioned by the Department for Transport, showed they are insufficient to meet projected demand. There are now three options for a new Lower Thames

19 TGK Sectors Study (Regeneris 2008)

Crossing being considered. The crossing would link North Kent with South Essex, reducing the volume of traffic moving toward and using the existing Dartford Crossing (see Connectivity chapter).

- B.1.21. Investment in infrastructure is needed to consolidate connectivity, particularly in relation to relieving the burden on the QEII Bridge, an issue commonly cited by local businesses in the sector.

Construction

- B.1.22. Construction is an established sector in terms of relative size and Gravesham and Medway in particular have seen large increases in employment in recent years. The massive programme of investment in the Gateway should help to drive growth in the sector over the long term, but equally, current inactivity in the property market will constrain growth in the short term.
- B.1.23. There is a clear policy drive in the Gateway for more sustainable development in terms of promoting energy efficiency in new homes and retrofitting old ones, all part of the aspiration for it to become an exemplar 'eco-region', as set out in the Thames Gateway Delivery Plan²⁰. This will require more sophisticated sustainable construction techniques. A Kent Thameside Eco-Assessment is proposed, part of a wider Thames Gateway initiative of assessing the sustainability and carbon footprint of housing projects. There are opportunities for similar assessments to be undertaken elsewhere in the Gateway. The challenge is to ensure that construction businesses and new employees have the necessary skills to support more sustainable construction, positioning North Kent at the forefront of the innovation agenda.
- B.1.24. To address this issue, SEEDA and a number of other public and private sector partners have funded and supported the creation of the Thames Gateway Institute for Sustainability (TG IfS), a virtual establishment operating from a number of demonstrator sites including The Nucleus Innovation Centre at The Bridge, and a site at Dagenham. The Gateway-wide research institute is aimed at encouraging the development of green technologies. One of the key projects flowing from the TG IfS, which is itself bedding in, is the SusCon Centre. Subject to approval of funding, the plan is for the SusCon Centre to be a demonstrator for sustainable construction. The centre will house laboratories for researching and designing new energy-efficient building methods, and provide training to equip tradesmen with relevant skills such as installing energy-efficient products like solar panels. The centre could create a total of 80 new jobs, and provide training opportunities for a total of 1,250 people by 2011.
- B.1.25. Securing the **funding for SusCon** will therefore be important for developing the sector. There is a need to ensure that construction companies across North Kent are able to benefit from the Centre. When fully established the TG IfS could also help to drive innovation in this sector; the next step is to **build the capacity of the Institute and SusCon to extend their reach in the subregion and to build upon**

20 Thames Gateway Delivery Plan (CLG, 2007) p 61

the assets and opportunities that exist across North Kent and Medway.

Opportunity Sectors

Environmental Technologies

- B.1.26. Environmental Technologies is now considered to be a sector of national priority, one which Government has prioritised to lead the UK out of the recession. A recent report commissioned by Innovas, forecasts the creation of an additional 400,000 jobs by UK environmental industries in the next eight years.
- B.1.27. It is not uncommon for environmental technologies to appear as a priority sector in economic development strategies, but in the case of North Kent, there are genuine locational advantages, in terms of land availability, existing infrastructure and expertise and a good policy fit. At Grain and Kingsnorth on the Hoo Peninsula, large expanses of open land situated on the River Medway are available to accommodate power stations suitable for renewable energy production and environmental technologies firms. These sites are accessible by road and are well served by the ports.
- B.1.28. The Sectors Study found that there were around only 1,000 people employed in the sector in North Kent at that time. However, it is a sector which is difficult to define for statistical purposes, and one which is about market potential as much as existing capacity. Despite low absolute numbers of employment, Location Quotient analysis in the Sectors Study for 2006 show Environmental Technologies to be well-represented in North Kent compared with the South East, suggesting potential for sector development and specialisation.
- B.1.29. There is an opportunity for the Institute for Sustainability to drive forward the environmental agenda in North Kent. The Institute aims to demonstrate and share best practice in sustainable living to reduce negative impacts on the environment. Over the next three years the Institute aims to provide over £10 million of research and demonstration projects that will aid the delivery of the Thames Gateway.
- B.1.30. The environmental agenda is now permeating many different aspects of the economy. There are a number of growth opportunities in North Kent in relation to:
- Energy production;
 - Waste and recycling;
 - Manufacturing;
 - Sustainable construction and retrofitting (see above); and
- B.1.31. There is an emerging **renewable energy** cluster in North Kent at the Hoo Peninsula. E.ON Power is a major employer at Grain where there is also the Thamesport deepwater facility. There are currently plans to expand the existing E.ON site at Kingsnorth, with the possibility of

carbon capture through the replacement of existing coal-fired units with two new cleaner coal units, and the development of a distribution centre. E.ON is undertaking a feasibility study, supported by SEEDA, to determine the scope for a District Heating System across the South East. This will also be the focus of the Thames Gateway's first eco-assessment, being undertaken by Kent Thameside Regeneration Partnership.

- B.1.32. Further out into the Estuary, over 20km from the Kent and Essex coastlines, the London Array Wind Farm is a project being developed by a consortium of three international companies. The Farm has the potential to form the centre of substantial supply chain of activity regarding maintenance, servicing, and supplies, all connected to power networks and security. This activity provides the opportunity for the clustering of businesses and expertise which could even be expanded to include turbine manufacture and supply. When fully operational, it will make a substantial contribution to the UK Government's renewable energy target of providing 10% of the UK's electricity from renewable sources by 2010. Based on the current schedule, it is expected that the project would represent nearly 10% of this target. It would also avoid the emission of millions of tonnes of carbon dioxide over its life.
- B.1.33. Further development of larger-scale **recycling** facilities in North Kent is going ahead with the Remade Kent and Medway programme, which has recently been expanded to become Remade South East. Working in collaboration with SEEDA, GOSE, the County Council and Business Support Agencies, and responding to demand, the organisation is contributing to development of the waste market, and encouraging inward investment into the region.
- B.1.34. The **manufacturing sector** in Kent could also benefit from growth in environmental technologies. The enterprise hubs at Medway and Sittingbourne, support embryonic environmental technology companies, with the provision of specialised workspace and by providing links with universities in the vicinity. Kent Science Resource Centre offers a foundation degree in Environmental Technology in partnership with the University of Kent. Discussions with Swale Borough Council are ongoing to develop more opportunities at the Kent Science Resource Centre and surrounding universities. Elsewhere, the Natural Resources Institute at the University of Greenwich undertakes research and consultancy in the areas of natural and human resource management, in particular food security and renewables.
- B.1.35. TGK partners are exploring with Envirobusiness (one of the seven Sector Consortia for North Kent) how to build and promote opportunities for environmental technology business growth and networking in North Kent.
- B.1.36. Given the range of opportunities outlined above, there is a clear need for action to draw activities together for the benefit of North Kent and to exploit potential synergies and connections between the proposed investments. There is a golden opportunity to position North Kent at the forefront of Government's plans for the green economy, consistent with plans for the Gateway to become an eco-region.

- B.1.37. For this reason, further work is needed to develop the eco-region concept in North Kent. Consequently, **we will work together to articulate the vision, define the offer, identify the business opportunities, and support the Environmental Technology sector. We will capture all of this information and develop a prospectus for potential investors.**

Creative Industries

- B.1.38. Employment in the Sector Study is currently under-represented compared to the South East, but on a par with the Thames Gateway region as a whole. There is a body of academic evidence that suggests there are important external benefits to the economy from a healthy creative industries sector. There is a need to embed creativity in all aspects of economic development to support productivity growth. The CCI Study noted that there are few “anchor points” – or existing concentrations of activity - for creative industries in North Kent but recognised the growing concentration of firms in Medway where almost half of all of North Kent’s creative industries are located.
- B.1.39. Gravesend and Faversham are other potential focal points. The four universities at Medway, including the University for the Creative Arts (UCA), and the School of Drama, Film and Visual Art at the University of Kent; the Joiners Shop workspace at Chatham Maritime; the Nucleus Arts centres in Chatham; and the retro-fitted Town Hall at Gravesend, are all important assets for furthering development of the sector. There is also the newly established Creek Creative shopfront and studios for artists in Faversham. While there is currently creative space available, there is a need for more to meet market demand, and in particular the provision of space for companies to move from incubation to commercial growth and expansion stages.
- B.1.40. Taking this forward, in the area between Rochester and Chatham, there is potential to develop a new creative quarter. This idea of recreating Medway as a cultural and creative city is set out in the Medway Cultural Vision (2004), to help attract both visitors and investment. In support of this, Terry Farrell and Partners carried out further visioning work for Medway, expanding on the concept²¹.
- B.1.41. **Stronger links between universities and creative industries could support growth.** More students need to be encouraged through their courses to consider setting up in business, and creative industries is one potential avenue, through initiatives such as graduate placements. Longer term, there may be **potential to build links to creative industries in central London**, particularly with those businesses in the Kings Cross area, via the imminent High Speed Rail Link.

Tourism and Leisure

- B.1.42. **Cultural and leisure facilities are important to the quality of life in North Kent**, and its image, which in turn is important for attracting

21 Five Towns Make A City (Terry Farrell and Partners, 2008)

new residents, tourists and investors. Much of the work surrounding development of this sector involves place-making and improvements to the cultural and leisure facilities on offer. See also Chapter 6 Quality of Life.

- B.1.43. The North Kent sub-region has a number of **assets on which to build**, mostly related to its location on the River Thames. In Medway, they include: Rochester castle and cathedral, historic buildings in the town centres, and longstanding dockyards and industrial sites at Chatham. As part of the preservation of North Kent's cultural and historical heritage and the promotion of the area as a tourist destination, Medway has applied for World Heritage status, and there is currently a Townscape Heritage initiative on lower Rochester High Street. In terms of new developments, the new Dickens World near Chatham is proving to be a successful tourist attraction.
- B.1.44. In addition to the celebration of the cultural heritage of North Kent, the development of leisure facilities will also be important to the local economy, and is recognised as being a vital part of the infrastructure provision for an area with increasing population. Leisure facilities include sports centres, retail, hotels and restaurants. Again, there is much activity in the Medway area, with plans to build hotels along the riverfront at Rochester, as well as restaurants and a possibility of a Conference Centre for North Kent.
- B.1.45. Green public open space is important in raising the quality of life for residents in the sub-region. North Kent residents have access to an Area of Outstanding Natural Beauty (AONB) – the Kent Downs – which forms part of the Green Grid radiating out from London. North Kent will also benefit from funding for green infrastructure projects recently awarded to the Thames Gateway Parklands initiative.
- B.1.46. In the short term, as a result of a declining pound and the Olympics in 2012, there may be opportunities to develop the tourism sector in North Kent. This opportunity was identified in the Medway Economic Strategy. Hotels and restaurants will form a major part of the improved leisure and tourism offer in North Kent. There are plans to refurbish the Black Lion Leisure Centre in Gillingham, as well as the promotion of five approved training venues in Medway, including the Jumpers Rebound Centre and the Medway Badminton Association Centre, in preparation for the 2012 Olympics.
- B.1.47. Longer-term development plans include the improvement of the retail offer, primarily as part of town centre regeneration plans for Chatham, Dartford and Gravesend. There is potential to expand Bluewater Shopping Centre but the impact on town centres would need to be carefully considered.
- B.1.48. **Moving forward, we will continue to promote investment in culture, leisure, retail and tourism in town centres to enhance liveability and vitality. There are also opportunities to promote the rural areas such as AONB, to support the tourism sector.**

Financial and Business Services

- B.1.49. It is well documented that the financial services sector is currently going through considerable turmoil. Even before the recession, the Stage 1 Report showed a decline of 15.4% in employment in the financial services sector between 1998 and 2005, with Medway being the part of North Kent to lose the most number of employees. When the financial services sector eventually stabilises, commentators have suggested it may take a different form from before, as this thinking develops, opportunities may re-emerge in North Kent. Arguably, the more influential component of this grouping is the broadly defined business services category – management consultants, legal and professional services, IT, etc. There is little reason to believe that the long term of growth in business services will be reversed in favour of a return to manufacturing. Therefore, North Kent should continue to position itself to attract and support the growth of business services companies.
- B.1.50. Existing concentrations of financial and business services can be found at Crossways Business Park and The Bridge at Dartford where the market for office based services is strongest. Swale has thus far not established itself as a location for office-based services. Although there are opportunities to further develop Chatham as a business and office location.
- B.1.51. Ebbsfleet Valley remains the primary opportunity for large scale growth of office-based services such as business services in North Kent. High Speed Rail services providing a direct link with London means there remains sound long term potential for growth of the sector and for relocations out of London or elsewhere. Ebbsfleet Valley has been designated one of the four “Spatial Transformers” for the Thames Gateway. Ebbsfleet’s success will potentially provide a major boost to the economy in all parts of North Kent, raising the profile of the area, creating new supply chains and employment opportunities. These potential benefits make it important to sustain momentum of this project; immediate priorities include attracting an anchor tenant and putting in place the infrastructure to support development.
- B.1.52. The allocation of employment sites and premises across North Kent is handled through the LDF process, but clearly the **provision of high quality office accommodation across the area, and particularly within existing town centres, will be an important driver of future growth and inward investment.**

Population-driven sectors

Education and Public Services

- B.1.53. Population growth in North Kent will fuel growth of the public sector including health and education. High quality public services will be important for attracting people to the area and improving quality of life for existing residents. Some of the key challenges emerging in North Kent are the need to raise education levels of residents, to equip people with the correct skills and training for emerging specialist sectors, and

increase graduate retention in the sub-region, for the benefit of residents but also in support of a developing and diversifying economy. Analysis in Stage 1 showed that Public Services and Education is the largest sector in North Kent, with 26% of the employment total for the area in 2006. This is a particularly strong sector in Medway where it made up 30% of its employment total.

- B.1.54. Higher Education (HE) is perhaps the most important sub-sector in terms of productivity growth. The existing **Medway cluster of universities (University of Greenwich, University of Kent, University of Christchurch at Canterbury, and University for the Creative Arts)** will be supported to grow alongside developing an HE presence in Swale and Dartford.

B.1 SPECIALISATION: SUPPORTING KEY SECTORS	
Indicative Actions: Specialisation	
B.1.1.	Develop a repository of intelligence about North Kent’s key sectors, drawing on existing research knowledge and expertise.
B.1.2.	<i>Advanced Manufacturing</i> - Intensify links between the innovation and enterprise centres and the Medway universities, to support and develop advanced manufacturing and other knowledge-intensive sectors.
B.1.3.	<i>Ports and Logistics</i> – Promote future opportunities within the sector and continue to make the case for addressing infrastructure deficits that hold back growth.
B.1.4.	<i>Construction</i> - Support the development of the Thames Gateway IfS and SusCon and identify opportunities for funding to extend their reach in the subregion, and support the development of the construction and environmental technologies sectors.
B.1.5.	<i>Environmental Technologies</i> - Developing a vision for the delivery of an eco-region within North Kent, including: <ul style="list-style-type: none"> • Articulating the vision • Defining the ‘offer’ • Identifying the business opportunities • Supporting the growth of the Environmental Technologies sector • Crafting a prospectus for potential investors
B.1.6.	<i>Creative Industries</i> - Support the growth of UCA in Medway and the School of Drama, Film and Visual Art at the University of Kent, to enhance its focus on creative industries, and explore possible links with creative industries in Kings Cross.
B.1.7.	<i>Tourism and Leisure</i> - Promote investment in culture, leisure, retail and tourism in town centres to enhance liveability and to improve their vitality. In rural areas, promote the potential of tourism activity, particularly in the AONB and maximise the use of Mid Kent Downs and Marshes and Kent Leader rural funding programmes.
B.1.8.	<i>Financial and Business Services</i> - Ensure the provision of high quality office accommodation across North Kent, and particularly within existing town centres, will be an important driver of future growth and inward investment.
B.1.9.	<i>Education and Public Services</i> – Support the growth of the Medway Universities alongside longer term development of HE presence in Swale and Dartford.

B.2. INNOVATION, ENTERPRISE AND CREATIVITY

During these challenging economic times, we need to ensure that viable businesses are not lost because of the short term impact of the recession, providing routes to access finance where needed. We want established businesses in the area to see North Kent as their long term home, where there are clear opportunities to expand their operations and a supportive environment for doing so.

More generally, we want more companies to embed innovation and creativity in their business activities, by investing in Research and Development, and workforce development. We need to strengthen the enterprise culture across all groups in the community - in schools, colleges, universities, in deprived and wealthy communities. We want to put in place a comprehensive and integrated network of business support which covers every phase of a business's lifecycle, and which supports sectors with growth potential.

- B.2.1. In the face of growing international competition, the short and long term future of businesses will depend on their ability to raise productivity – to produce goods and services more efficiently and to a higher quality than elsewhere. Enterprise and the exploitation of new ideas through innovation and creativity are therefore critical drivers of economic growth.
- B.2.2. As illustrated in the Stage 1 report, Thames Gateway Kent underperforms on a number of measures of enterprise and innovation. The rate of business start-ups lags behind the South East average (35 per 10,000 resident adults compared to 43 for the region)²². But there are significant disparities between different local authorities – Dartford has a high start-up rate (44 per 10,000 resident adults) while Medway (29 per 10,000 resident adults) lags substantially behind. However, on a positive note, none of the four local authorities showed a decline in the rate of business start-ups in the period 2000 to 2006, whereas the South East as a whole experienced a decline of 4.4%. Another positive point is that the TGK area saw strong growth in business stock (16.3% increase) between 1998 and 2006, higher than that of the South East (10.7% increase)²³.

22 NOMIS; new VAT business registrations, mid-year population estimates

23 BERR, 2006

Thames Gateway Kent Business Start-up Indicators, 1998-2006

	1998 starts up per 10,000 resident adults	2000 start ups per 10,000 resident adults	2006 start ups per 10,000 resident adults	2000-2006 % Change
Thames Gateway Kent	34	33	35	6.7%
Dartford	40	39	44	12.8%
Gravesham	34	32	35	9.4%
Medway	33	29	29	0.0%
Swale	35	38	43	13.2%
South East	47	45	43	-4.4%
Great Britain	39	38	37	-2.6%

Source: NOMIS; new VAT business registrations, mid-year population estimates

Business Support

- B.2.3. There is already a comprehensive business support offer for companies in North Kent, delivered by the public, private and third sector. For the purposes of this strategy, we focus on public sector driven support. Like in all parts of the country - and in accordance with the national Business Support Simplification Programme (BSSP) - the main portal for all support is Business Link which provides a core service for pre-starts, start-ups and established businesses.
- B.2.4. From 1st April 2010 the provision of the regional Business Link service in the South East is contracted to SERCO. Business Support Kent will co-exist and continue to provide other regional and sub-regional SEEDA and EU funded services including 2012, European Enterprise Network and a number of sustainability and environmental technology programmes. Business Support Kent have also been awarded the accountable body contract for the Innovation and Growth Team (IGT) in Kent and Medway from October 2009.
- B.2.5. The current Business Link core offer for start-ups is built around a series of workshops covering the ideas stage, to business planning, marketing and finance, and enables Business Link to reach a significant volume of clients more efficiently than on a one-to-one basis. There is general support for enhancing the Business Link brand and raising awareness of the services on offer by strengthening communication between local authorities and the Business Link service provider. There is also support among partners for enhancing the core Business Link offer. Business Support Kent recognises that the model is not appropriate for everyone; a degree of outreach work is needed in deprived communities, while more intensive and specialist support may be needed for technology or science-based start-ups.
- B.2.6. In addition, North Kent is currently served by two Enterprise Hubs funded by SEEDA at the **University of Greenwich** and **Kent Science Park** in Swale. The Hubs have traditionally offered intensive support for knowledge intensive, high growth businesses, providing access to a range of Enterprise Hub expertise across the South East. The Enterprise

Hubs, together with a range of other regional support services, will soon be part of the new Kent-wide **Innovation and Growth Team (IGT)** - see below.

- B.2.7. The **Medway Innovation Centre** and **Nucleus** at the Bridge are private sector-led innovation centres. There are other smaller incubation facilities such as the Hatchery run by Basepoint in Kent Thameside, and cultural and creative industries at the Joiners Shop in Medway, and at Old Gravesend Town Hall. As well as providing relocation services for Kent businesses looking to expand, **Locate in Kent** undertakes investor development and a Grant Advisory Scheme.
- B.2.8. In this respect, North Kent is better served by business support initiatives than many other parts of the country. **The main challenge is to join up these services and to promote them as an integrated 'system' of innovation and business support.** The new Innovation and Growth Team should provide a mechanism for enhancing collaboration between the agencies. During the course of developing the strategy, a number of common issues have emerged from discussions with stakeholders which the strategy seeks to address²⁴, they include:
- supporting businesses in the recession - improving access to finance for SMEs;
 - strengthening the enterprise culture – particularly in schools and deprived communities;
 - maximising the impact of the IGT;
 - establishing a network of innovation and enterprise centres; and
 - harnessing the potential of universities.
- B.2.9. The North Kent Multi Area Agreement, including future iterations, provides an opportunity to examine how local authorities could work together differently to strengthen the business support offer, and negotiate freedoms and flexibilities with Government. Related to this, the Department for Business Enterprise and Regulatory Reform (BERR) has indicated that there is an opportunity for North Kent to be a BSSP demonstrator area. In what follows, we indicate where there is potential for MAA-type arrangements, some of which could be linked to the BSSP pilot.

Supporting businesses in the recession – improving access to finance

- B.2.10. Government has indicated it is committed to getting UK business through the economic downturn to emerge stronger on the other side. It has announced a range of initiatives to support business, particularly in relation to improving access to finance. Regional Economic Councils have been established to ensure the challenges in every region are

²⁴ There are some important caveats to this analysis. First, the Business Link contract for the South East from April 2010 has been awarded to SERCO which could lead to changes in the way it is delivered. Second, the terms of the contract for the new Innovation and Growth Teams has yet to be made public.

being considered with RDAs, Business Link providers, local authorities and other agencies.

- B.2.11. The recession is creating a number of different challenges for business; some are directly affected by the lack of available credit in the economy, while others are affected indirectly by the knock-on implications of a decline in national output and expenditure. At present we have only a partial picture of how the recession is impacting on businesses in the area; while it is comparatively easy to gather unemployment statistics, we have only anecdotal evidence of how businesses are being affected in terms of access to finance.
- B.2.12. There is obviously a limit to what public agencies in North Kent can do to mitigate the effects of the recession when the propagating mechanisms are global and national. Nevertheless, there are some ways in which subregional and local public sector agents in North Kent are seeking to make an impact²⁵.

Backing Kent Business

- B.2.13. As the largest authority with the greatest spending power, Kent County Council has prepared the 'Backing Kent Business' programme – a 10 point plan for supporting local business in the recession and beyond. It includes commitments to procure more goods and services from Kent suppliers and speed up invoice payments, to develop stronger networks of local businesses, and to drive forward KCC's considerable capital programme in roads, schools, libraries, etc. **We will explore with KCC how Backing Kent Business will impact on North Kent businesses.**

Medway Partners for Growth and Finance South East

- B.2.14. **Partners for Growth (PFG)** is a successful Medway Council scheme developed in 1994 which provides an interest free loan typically of around £10,000 up to a maximum of £25,000 for local businesses – sufficiently small to avoid State Aid regulations – for three years with a six month repayment holiday. The Council secures match funding from the business's bank. Applications are referred to Medway Council by professional Business Advisors through either Business Support Kent or Enterprise First.
- B.2.15. Careful selection – businesses need two years of successful trading behind them - and close monitoring has ensured an exemplary default rate of 3%. Partners for Growth was identified as an exemplary business support scheme when Medway Council was awarded Beacon status for "Supporting New Businesses" in 2005/06.
- B.2.16. The Council is currently revisiting the terms of the scheme because banks are no longer willing to match fund in the current climate; there have been no PFG applications processed since July. In response, the

25 The IDeA has published a Recession Handbook, which provides guidance for local authorities on dealing with the recession.

Council has approved an additional £135,000 and is considering whether it can relax the condition for match funding.

- B.2.17. There have been concerns that national schemes to get banks lending such as the Enterprise Finance Guarantee and Working Capital scheme are failing to have the desired impact. SEEDA is currently working with BERR to identify the particular issues and resolve any problems. However, new channels such as Partners for Growth, could play an important complementary role.
- B.2.18. PFG is an innovative scheme which is addressing a market failure, and there are **opportunities to roll out a similar scheme on a North Kent or County level**, building on established expertise and ensuring that it meets the requirements of the BSSP. The fund is effectively recycled on a rolling basis so the cost to the public purse is primarily in the administration of the scheme. Scaling it up might entail pooling additional funds from local authorities and sharing the administrative costs of the scheme, or leveraging in other sources of funding to increase the pot.
- B.2.19. One such agency which could provide access to other funding sources is **Finance South East (FSE)**, established to support business in the region to access debt or equity finance. The organisation is core funded by, and works in partnership with, SEEDA to serve the region. It administers a number of schemes including: the Transition Loan Fund - £150k loans for SMEs suffering from the credit crunch; Accelerator Fund – a £10m mezzanine loan fund of up to £100k for companies with a £1m+ turnover; South East Seed Fund – a £5m equity fund; Commercialisation Fund - £30,000 funding for marketing and growth. FSE also promotes Business Angels – a network of venture capitalists; and offers a programme of support for women entrepreneurs. There should be active **promotion of these existing financial grants available to North Kent Businesses**, including raising the profile of FSE, and provision of a single point of contact to direct companies as early as possible. Going forward, a number of the FSE services will also form part of the IGT offer.
- B.2.20. **Medway Council is in the process of exploring whether there are opportunities for Finance South East to assist with Partners for Growth. More generally, we will look for opportunities to engage more fully with Finance South East and there is a need to ensure that Business Support Kent and other partners are promoting the funds on offer in the area.**

Strengthening the Enterprise Culture, Maximising the Input of the Business Link offer and Business Support Kent services

- B.2.21. As unemployment increases in the recession, one route back to employment is to set up in business, but many people will not have considered this option nor will they necessarily know where to start. This is equally true in more buoyant economic times. **Creating a culture of enterprise is therefore an important objective for the strategy.** While all the initiatives in the strategy are designed to foster enterprise,

there are specific groups where attention needs to be focused, including: schools, universities, and hard to reach groups.

- B.2.22. There are a number of schemes designed to promote **enterprise in schools** being promoted by Kent County Council, Medway Council and in some of the other local authorities. Medway Education Business Partnership is a company limited by guarantee with charitable status. It provides services to young people in Medway, to ensure that they have the best possible support in developing the skills, attributes and knowledge they need to make good career and life choices. One of the key strands of the programme is work-related Learning and Enterprise. At Kent Science Park, the **Kent Science Resource Centre** hosts school visits to promote interest in science, alongside its Foundation degree courses to get graduate ready for the working environment. We will continue to strengthen the links between schools and business and consider whether a larger scale integrated programme would be beneficial.
- B.2.23. The North Kent **Enterprise Gateway**, administered by Business Support Kent as part of a regional network, undertakes outreach work in deprived communities to stimulate enterprise. As of April 2010 the Enterprise Gateway is to become part of the new Business Link contract, rather than existing as a separate funding stream. Originally a Medway-only initiative, it has been expanded to cover the whole of North Kent. Support is generally provided on a one-to-one basis and recognises that the Business Link core offer for new start-ups is not fit for all. Often this means raising aspirations, building confidence and basic skills of people at the pre-start phase. The services work well when integrated with employment and skills initiatives such as Reignite in Medway. The Enterprise Gateway is a useful service, however, with only two core staff²⁶, further resourcing from partners for its expansion would be welcomed. Enterprise support of this kind was in the past provided by enterprise agencies but Enterprise First is the only remaining agency in the area and it only covers Gravesham.
- B.2.24. Partners have suggested there is a need for more locally provided one-to-one support for deprived communities and more generally where the workshop-model is not appropriate. The issue is that it is very resource intensive, and was precisely the model BERR sought to move away from with BSSP.
- B.2.25. **There are a number of options open to partners:**
- BERR and SEEDA need to be persuaded that North Kent is an area that should be eligible for the discretionary start-up and business funding products available under Solutions for Business (BSSP)
 - Seek an MAA 'ask' for greater flexibility around the Business Link contract to enhance the level of 'intensive support' it is able to provide. A similar arrangement has been pursued in the PUSH MAA. This might also entail co-commissioning additional 'intensive support'.

26 The Enterprise Gateway has a network of associates it is able to draw upon.

- Seek other funding, or co-commission, additional services from other business support providers or the HE/FE sector to complement Business Link and Solutions for Business services.
- B.2.26. Any additional business support services provided in North Kent would need to ensure:
- That Business Link continues to be the portal for users to access these services and that the customer journey is recorded;
 - That these additional services are marketed (and branded) in such a way as to minimise any new market confusion in the perception of the customer; and
 - Adequate quality control procedures are in place to ensure that the services funded or commissioned meet Solutions for Business standards.
- B.2.27. In parallel to this Strategy, an **'Enhanced Enterprise'** study is being undertaken for the whole of the Gateway. We will consider the findings of this study when they are available.
- B.2.28. As well as hard-to-reach groups, Medway Council has reported an increase in unemployment in its more affluent areas where out-commuting to London is traditionally high. The Council's revised Economic Strategy suggests there may be opportunities to retain these highly skilled workers in the area if they can be encouraged to set up in business. By way of incentive to those being made unemployed in North Kent as a result of the recession or otherwise, **we will scope the potential for a pilot scheme enabling flexibility for benefit claimants to continue receiving support while they set up in business.** This could be linked to future iterations of the MAA.

Maximising the Impact of the Innovation and Growth Team

- B.2.29. The new Innovation and Growth Team (IGT) for Kent being introduced by SEEDA from October 2009 is welcomed by partners in North Kent. The IGT will target the 250 businesses in Kent and Medway with the greatest growth potential, providing intensive assistance to support innovation and growth. The IGT service will bring together a number of existing regional support products including Enterprise Hubs, the Innovation Advisory Service and Investment Readiness support. Together all of these products will all be delivered through the IGT under the Solutions for Business brand. These activities will be essential for raising productivity. The IGT's goal is to reach a wider group of businesses than the previous Enterprise Hub model, working across all sizes of businesses and different sectors. The awarding of the contract is still being finalised, but it is clear that there would be major benefits from bringing together a consortium of universities, Business Link and other key players. This contract has now been awarded to Business Support Kent and it is clear that there will be major benefits from bringing together the resulting consortium of universities, Business Support Kent and other key players.

- B.2.30. A key issue for partners is ensuring that the maximum number of companies across North Kent qualify for support. In this respect, the criteria which define whether a company is considered to have 'high growth' potential will be key. Related to this, some partners commented that there is a risk that IGT might miss those high growth potential pre-starts in their infancy which require intensive support, that would have been picked up by Enterprise Hubs. All partners are keen that this risk is mitigated, and that the IGT builds on the work of the Enterprise Hubs. **We will work with SEEDA, Business Support Kent and the IGT Management Group to monitor the penetration of the IGT and consider whether additional programmes of support are needed to get businesses 'IGT ready', perhaps through the MAA ask referred to above.**
- B.2.31. Linked to the IGTs, there is a need to encourage North Kent companies to access regional services that are available through Business Link. These include: the Innovation Advisory Service (to become part of the IGT); the Manufacturing Advisory Service (MAS) and the seven sector consortia: Farnborough Aerospace Consortium (aerospace and defence); Marine South East (marine technologies); South East Centre for the Built Environment (construction and the built environment); Envirobusiness South East (environmental technologies and services); South East Health Technologies Alliance (health technologies); South East Media Network (digital content); and Security Innovation & Technology Consortium (Security). **TGKP should help to foster stronger relationships with these agencies and partners and monitor their impact.**

Integrating TGK innovation and enterprise centres

- B.2.32. There have been significant efforts to put in place a series of incubator units and managed workspace for SMEs, notably at The **Nucleus** Innovation Centre at The Bridge, Dartford; the **Medway Innovation Centre** at BAE Systems, Rochester; and the Sittingbourne Enterprise Hub at Kent Science Park. Elsewhere, there are incubator units at the **Old Rectory**, Northfleet, provided by private sector specialist Basepoint. At Gravesend town hall, workspace has been refurbished for creative and cultural industries. The new **Joiners Shop** in Medway is also designed to support the birth of creative industries. Crossways Business Park in Dartford provides office space managed by a number of companies including Regus, currently offering free business space for companies for one month, which is proving successful.
- B.2.33. This network extends to elsewhere in the Gateway, e.g. the Thames Innovation Centre at Abbey Wood, and to other parts of the South East. Some stakeholders have indicated that there is a lack of grow-on space for businesses from incubator units. In particular, there is an under provision of high quality laboratory and manufacturing space, except for Kent Science Park. Kent County Council is considering preparing a Workspace Strategy. This could provide an opportunity to examine demand for different types of space, the existing stock and future needs in North Kent. **We will provide adequate flexible incubation and grow-on space for SMEs, and ensure its availability is communicated with other partners.**

- B.2.34. The challenge is ensure **that these centres operate as a system providing a network of complementary infrastructure**. There is **potential for the development of a North Kent 'innovation corridor'** through the joining-up of these centres, which should be explored.

Harnessing the expertise of universities to support innovation and business development

- B.2.35. All of the universities in Medway undertake business development of some form; the University of Greenwich and University of Kent have the most mature relationships with business. They provide business development managers, incubator units, bespoke research and consultancy, CPD course, and support knowledge transfer partnerships.
- B.2.36. KUBE, consisting of the Universities of Kent and Greenwich, the University for the Creative Arts, and Canterbury Christ Church University, was recently awarded £311,564 by the government as part of a new match funding scheme, the Economic Challenge Investment Fund (ECIF). This funding will contribute to graduate training through the provision of work placements and internships, and will be of benefit to businesses (see skills section for a discussion of the graduate retention challenges). ECIF clearly demonstrates the rewards of greater collaboration.
- B.2.37. At present, there are restrictions on how each university is able to spend its Higher Education Innovation Fund (HEIF). Subject to discussions, **we will explore opportunities to pool these resources, and to ensure they are integrated with other business support in North Kent**. If the universities wish to pursue this, it could again form part of an MAA 'ask' of Government.
- B.2.38. The universities are sometimes limited to the amount of research they can undertake for the private sector by the condition of 'full economic cost' (fEC) which factors in the opportunity cost of teaching and research not undertaken. This often makes it prohibitively expensive for companies to access support from academics. The Research Councils UK is currently undertaking a review of full economic costs of university research. University partners could consider whether there is merit in exploring an MAA 'pilot' with Government to relax these conditions to examine whether doing so would foster greater integration between business and academia.
- B.2.39. There is a strong appetite within the universities, and outside, to see higher education institutions playing a much stronger role in economic development within North Kent. Of course, this should not detract from universities' primary roles of teaching and research. **We will look for opportunities for a more collaborative approach, building on the Medway Universities Partnership and the Kent Universities for Business and Enterprise (KUBE)**.

B.2 ENTERPRISE, INNOVATION AND CREATIVITY	
Indicative Actions	
B.2.1.	Work to support businesses through the recession including maximising the impact of the Backing Kent Business Programme and of support available across Medway.
B.2.2.	Explore opportunities to pilot a North Kent wide scheme offering finance for small businesses, possibly rolling out the Medway 'Partners for Growth' scheme at a North Kent level.
B.2.3.	Promote existing financial grants available to North Kent businesses. This should include raising the profile of Finance South East, and provision of a single point of contact to direct companies as early as possible.
B.2.4.	Monitor the impact of the recession to develop a stronger evidence base, gathering richer intelligence about the availability of finance for local business.
B.2.5.	Agree with SEEDA and BSK how to Monitor the penetration of the Innovation and Growth Team (IGT) in North Kent and undertake a review after year 1 to assess whether a programme to get businesses 'IGT-ready' is required, perhaps through an MAA 'ask'.
B.2.6.	Explore opportunities to enhance the core Business Link enterprise offer, for example, via the new Start-up Framework for the South East, or by commissioning external services, e.g. enterprise agencies.
B.2.7.	Test with DWP potential freedoms and flexibilities for benefits claimants setting up in business as part of a future MAA strand and linked to the MAA skills strand.
B.2.8.	Ensure adequate provision of flexible incubation and grow-on space for SMEs is provided for, and ensure this is communicated with other partners.
B.2.9.	Explore opportunities for a wider Enterprise in Schools programme for North Kent.
B.2.10.	Join up existing innovation and business support infrastructure across North Kent and explore the notion of a North Kent 'innovation corridor'.
B.2.11.	Harness the expertise of universities, supporting R&D, knowledge transfer activity and business development activities, and encouraging collaboration and alignment of expenditure on enterprise/innovation across the universities via KUBE.

B.3. ATTRACTING AND RETAINING INVESTMENT

Investment – both public and private drives economic growth. The long term employment growth and the productivity aspirations in North Kent cannot be delivered by the organic growth of local businesses alone. Equally, in the short term, the current climate means that business and investment retention are arguably more important. This chapter sets out the strategy for attracting and retaining more investment in North Kent.

Locate in Kent and Invest Thames Gateway

- B.3.1. **Locate in Kent (LiK)** is the Investment Promotion Agency for Kent and Medway. A private limited company since 1997, its remit is to raise the profile of Kent and Medway as a location for businesses, attract companies and quality jobs to the county, and support existing companies looking to expand. The company is a not-for-profit organisation, part funded by Kent County Council and part by contracts with different public and private sector clients. The company offers a free, confidential relocation service, including information about sites and premises in Kent and Medway, location-specific research, local knowledge and specialist contacts.
- B.3.2. Locate in Kent provides a highly effective investment service, regarded by many as an exemplar in the UK. The agency handles enquiries from businesses moving in from the area from outside, new start-ups, and expansions/relocations. It is therefore an integral part of the business support infrastructure. The Agency has a good track record of attracting investment to the area. It has aided more than 530 companies in moving to or expanding in Kent, since its establishment in 1997, which has created 23,000 new jobs.
- B.3.3. Between 2006 and 2009, 3,980 jobs were created and retained in Thames Gateway Kent with support from Locate in Kent. The majority of successes in terms of new companies locating in TGK (48) from 2006 to 2009 were derived from businesses already located in Kent (29), but recently an increasing number of companies from outside the county have been attracted to TGK (12). Seven were new start-up businesses. New investments in TGK have largely been in the manufacturing, business services, distribution and retail sectors.
- B.3.4. Locations of business successes in TGK have largely been in Medway, with 22 businesses locating here between 2006 and 2009. Gravesham has not attracted so many companies, with only three in the last three years. But job numbers are also an important measurement of success in terms of economic development. Despite Swale attracting only 14 businesses over the past three years, these investments have produced the highest number of jobs (2,200) of the four districts.

- B.3.5. Looking toward future investments, Locate in Kent currently has 135 projects in the pipeline, 73% of which involve UK investment. It is expected that these developing projects will create around 6,700 new jobs for North Kent, contributing greatly to growth targets and economic development in the Thames Gateway.
- B.3.6. To enhance inward investment, partners have indicated the **need for a stronger image and identity for North Kent**. HS1 services, Parklands, potential World Heritage status, or the overall quality of regeneration plans for the area provide potential hooks. "Re-imagining the Gateway" is an assignment underway to help shape the North Kent offer in the context of the wider Thames Gateway. The research element is complete, and discussions are now needed with SEEDA to define how the project and concept are to be moved forward.
- B.3.7. HS1 services provide a potentially unique competitive advantage to North Kent, and the potential to forge a complementary offer with Ashford, to attract firms from Europe. Partners should continue to explore ways to capitalise on the arrival of High Speed services. SEEDA and Locate in Kent have introduced Launchpad UK, a programme providing a bespoke package of professional support to reduce the risks and costs for foreign companies entering the UK market.
- B.3.8. **Invest Thames Gateway** has recently been established to drive inward investment in the Thames Gateway as a whole. It will be important that the respective roles of Invest Thames Gateway and Locate in Kent are clearly communicated with local authorities who have previously expressed some confusion over the arrangements. Invest Thames Gateway's focus is on Foreign Direct Investment (FDI) and therefore it adds to current capacity and resources for inward investment in North Kent by generating enquiries abroad. These enquiries will then be handled by Locate in Kent and by local partners.
- B.3.9. According to Locate in Kent, despite the economic downturn, enquiries remain strong and the number of 'live' projects it is currently managing is only marginally down on the previous year. The key constraint to attracting more investment to the area is the availability of suitable premises; the agency could convert a far higher proportion of enquiries if there was a larger stock of suitable quality accommodation. While there is a significant amount of floorspace planned in the area in Regeneration Frameworks, it is not available to the market to meet current demand. Where quality space has been provided, e.g. Crossways, The Bridge, Chatham Maritime, it is generally well occupied. **We will ensure, through the planning process, that a steady pipeline of sufficient suitable sites and premises is provided in each borough.**

Key Employment Sites

- B.3.10. Large scale inward investment in North Kent is being planned across a number of regeneration and development sites across the sub-region. Many of these sites already exist and offer potential for further phases of expansion, while others are still at the planning stage. As discussed below, the slowdown in the economy with relatively few footloose

investors in the market, and the contraction of the property sector, means that a reassessment of the expected phasing of these developments is needed, and a degree of prioritisation is required. This reassessment needs to lead to a sharper focus on where public agencies will collectively intervene to sustain momentum in the market.

- B.3.11. In what follows, we summarise the key sites, documenting as far as possible current progress. This is also summarised in the supporting Appendix.

Ebbsfleet Valley

- B.3.12. **Ebbsfleet Valley** is the largest single development in North Kent, one of four “spatial transformers” in the Thames Gateway, and a priority for the region. The commercial workspace is planned to surround the Ebbsfleet International Station which currently provides North Kent with a direct link to continental Europe, while Fastrack offers important links across communities in Kent Thameside. The mixed-use community will be built on 420 hectare of brownfield land, including approximately 10,000 new housing units and 20,000 new jobs. These jobs will primarily be located within the planned 5.5million sq ft of commercial business space, which will be suitable for companies of all sizes, generally in the financial and business services sector. The first phase of residential properties at Springhead Park has been released. **Eastern Quarry** comprises 260 hectare of previous quarry land to be developed as a mixed use site, providing 1,291,669 sq ft of office space, in addition to that being developed around the International Station. A masterplan for the area was approved in March 2008. Work has commenced on the first phase of strategic infrastructure provision, and is due for completion in April 2009.
- B.3.13. Delivery of **Ebbsfleet remains a top priority** for North Kent. In order to support development, partners will **continue to lobby Government to secure a public sector relocation, and to offer support in finding a major private sector occupier**. In addition, progress needs to continue in securing the appropriate funding mechanism for improvements to the road network.

Dartford

- B.3.14. **The Bridge** - It is estimated that when fully complete, The Bridge development will create 7,500 new jobs in Dartford. The £500m development, managed by START International, will comprise a 107 hectare mixed-use community, with 1,500 new housing units and comprehensive social infrastructure. For businesses The Bridge will offer 1,038,000 sq ft of flexible high quality employment space, with the potential to become a leading Science Park in the South East. The Nucleus Innovation Centre, phase 1 of The Bridge, opened March 2007 and already accommodates over 25 start-up knowledge-based science and technology companies, employing 75 staff. Attracting a Higher Education partner and expansion of the Thames Gateway Institute for Sustainability, launched in November 2008, are key next steps. The SusCon Centre at The Bridge is another planned development for which planning permission has been applied, a centre to showcase sustainable

construction methods in the Thames Gateway. The founding partners of the centre are Dartford Borough Council, Kent County Council, North West Kent College and SEEDA (with the TG IFS). Funding is being sought within principle commitments at SEEDA and HCA, subject to match funding. It is estimated that 80 jobs will be created by 2011.

- B.3.15. **Crossways Business Park** - The established Crossways Business Park is the largest mixed use business park on the M25, and now includes a well established office sector, including the Head Quarters of Laing O'Rourke. It currently offers approximately 3million sq ft of commercial business space, and is estimated that 5,000 jobs have been created here, through industry and hotels, shops and restaurants. Officers report strong demand at the Park and further growth is anticipated. There are plans for expansion over the next 20 years to create nearly 10million sq ft commercial development, and an extra 50,000 jobs.
- B.3.16. **Dartford Town Centre and Northern Gateway** - Town centre regeneration plans are backed by £20million of Government funding, to improve retail, leisure and transport. This is being supplemented by regeneration plans, still under consultation, to bring in private investment in the retail sector, particularly in the Lowfield Street area. St James Investments have submitted a planning application for this site which is yet to be accepted. £9m of this funding has been allocated for land assembly and regeneration to create the new Northern Gateway mixed use site to the north of Dartford town centre. It is estimated that this site will provide approximately 600 new jobs in the long term.

Gravesham

- B.3.17. **Gravesend Town Centre** - Current plans for Gravesend are reconnecting the town centre with the river. The £100m Heritage Quarter development scheme aims to produce around 1,000 new jobs, up to 10,000 sq ft of new office space, and 600 new apartment units. This development is a joint venture between Gravesham Borough Council and Edinburgh House Estates Limited. Additional funding is being provided through the set up of a Heritage Economic Regeneration Scheme (a partnership between Gravesend Council, English Heritage and Kent County Council), and specific funding from CLG for further work on the redevelopment of the Old Town Hall has been agreed. Planning applications have been submitted for the redevelopment of two key sites. Further to the recent Employment Land Review (ELR), Officers suggest the availability of land and suitable premises for SMEs is a potential constraint to growth, particularly to the north east of the town centre. Development of a Transport Quarter is expected to create an additional 300 jobs, with HCA funding confirmed for 2008-2011. The Transport Quarter development will consist of an integrated transport network with a new railway station, pedestrian bridge, and bus interchange, improving access to residential areas and the public realm. This development will be important in capturing potential for a HS1 interchange at Gravesend, which would provide upgraded connections with surrounding areas.
- B.3.18. **Northfleet Embankment** - Another node of economic regeneration in Gravesham is Northfleet Embankment, a development which will make use of 87 hectares of brownfield industrial land along a 2.5km stretch of

the River Thames to create a high-quality mixed-use community. This will include enhancing the commercial core to ensure existing occupiers remain on site, as well as adding to the modern industrial space available and preserving wharf facilities. 400 jobs are expected to be retained at this site. The Fastrack bus route from Gravesend to Dartford will be expanded to provide a link to this Embankment development. A Masterplan for the area is currently under review due to changing priorities here, but SEEDA has received a funding agreement to begin the engagement of a private sector development partner.

Medway sites

- B.3.19. **Isle of Grain** - This largely vacant 385 hectare site is currently the location of the Thamesport deep water facility and E.ON Power generation facility, and provides an opportunity for industrial use development, port expansion and the development of Environmental Technology related companies. The site is supported by good transport links including road and rail access in addition to access via the River Medway. The Development Plan allocation is primarily for port related activities and industrial use, subject to local road improvements.
- B.3.20. **Kingsnorth (Hoo Peninsula)** - Similar to Grain, the 62 hectare site at Kingsnorth, alongside the existing E.ON Power station, presents an opportunity for further development. It has been identified for specialist energy related industry development, the Local Plan allocating industrial land usage. The recent updates to the power station contributed to infrastructure improvements and maintenance of a nature conservation area through Section 106 agreements. A masterplan for the site is currently being drawn up by the developer, and rail freight opportunities are under discussion.
- B.3.21. **Medway Town Centres** - Medway offers the potential to evolve as an international centre of culture, tourism, learning and enterprise - the Medway City²⁷. This vision involves development centred on the use of the River Medway, with the docks and riverside housing, as well as building on the historic nature of the towns, and will require the cooperation of each town. Of particular significance, Chatham town centre and waterfront development was predicted to create 3,000 new jobs from planned major retail growth and a £160m shopping centre expansion. To date, 2,581 jobs have been created. Additionally, improvements in the waterfront area, cultural facilities and transport network, has produced 995 extra jobs. Similarly, retail development plans in the other town centres are expected to add to the creation of new jobs.
- B.3.22. **Medway City Estate** – Situated on the waterfront at Chatham, this 106 hectare Estate is already the site of around 600 commercial businesses, employing more than 6,000 employees. Further development at this site is expected to produce a further 100 jobs by 2024.
- B.3.23. **Rochester Riverside** - Rochester Riverside is a large-scale mixed use development planned on a 30 hectare brownfield site, which will consist

27 Five Towns Make a City, Sir Terry Farrell, Nov 2008

of around 2,000 residential units, and is expected to create approximately 800 jobs through the provision of retail and office space, hotels, and leisure space. The project is a joint venture between Medway Council and SEEDA.

- B.3.24. **Chatham Maritime** - Major mixed use development is taking place around the former dockyards at Chatham, including expanding the tourism and leisure offer, new offices, retail, hotels and universities. This development was expected to create a total of 3,000 new jobs in the area, but this has been exceeded with over 3,500 people already located here. Recent developments include Dickens World and an Odeon multiplex cinema, as well as a successful office development. This employment area is supported by a new residential development at St Mary's Island, adjacent to Chatham Maritime.
- B.3.25. **Gillingham Business Park** – this well established 40 hectare Park offers around 1.5million sq ft of industrial, office, retail and leisure space. This includes small workshops, large distribution units, and offices suitable for Headquarters. The park currently provides accommodation for 95 businesses.

Swale

- B.3.26. **Kent Science Park** - The Kent Science Park (KSP) in Sittingbourne is a key project for the economic and environmental regeneration of the area. The aim is to specialise in the high-tech science sector, particularly in environmental research. It is one of the largest science parks in the South East with over 507,000 sq ft business space. The KSP is also the location for the Sittingbourne Enterprise Hub, another of SEEDA's network of 21 Hubs. Currently, KSP is undertaking public consultation with local residents regarding a possible £25 million investment to expand the Park, which would create an estimated 400 jobs and boost the Swale economy.
- B.3.27. **Sittingbourne Town Centre** - At Sittingbourne town centre, mixed use development is taking place on land around Milton Creek, due to be complete by 2016. This is expected to create approximately 1,000 jobs through the development of up to 430,556 sq ft of retail and leisure space, and the creation of over 2,000 homes, supported by improvements to the town's transport systems.
- B.3.28. **Gpark Sittingbourne** - Situated to the north of Sittingbourne, this logistics and distribution development is anticipated to create up to 2,000 new jobs. Here, retailers can take advantage of the transport connections including road and rail networks linking the site with London and the rest of the South East, as well as access to port facilities. Development of the 64.7 hectare site is due for completion in 2010, with outline consent having been already obtained and utility and services infrastructure currently being put in place. 920,000 sq ft of warehouse space has already been pre-let to Morrisons.
- B.3.29. **Queenborough & Rushenden** - The area of Queenborough and Rushenden is undergoing mixed use expansion, following the recent publication of the Masterplan. The plans are to create a new central community area with new shops, a marina, a school and a new Primary

Care Trust building, providing up to 2,500 jobs. This development is supported by the A249 improvements and a new Rushenden link road. Additionally, there are plans for the building of a business park which is due for completion in 2012.

- B.3.30. **Watermark Park** - previously known as Cynergy Park, this development consists of 256,181 sq ft of office floorspace, north west of Sittingbourne, and could create up to 1,000 new jobs when fully occupied.
- B.3.31. **Port of Sheerness** - this 16million sq ft port is already a major employment site, with 9 berths and good access to the transport network including rail links, and the M25, M20 and M2, connecting Sheerness to both London and the rest of the South East. There are currently plans to expand the port.

Phasing and Prioritisation

- B.3.32. There are some important conclusions to be drawn from the above review of the key sites. First, presented in this form, the scale of opportunity is clearly evident. Together, the key sites comprise over 8million sq ft of office and commercial floor space. Second, the type of space expected to be brought to the market is broadly consistent with what is required to support the key sectors. Where schemes involve public sector agencies, partners should consider whether there are opportunities to build in specialist facilities for key sectors such as environmental technologies, advanced manufacturers, or creative industries.
- B.3.33. Third - and most importantly - in the current climate, the commercial property market is weak with very little speculative development in the pipeline. If enquiries are strong as Locate in Kent suggests, then the lack of suitable sites and premises could constrain growth in the upturn. If sites are to be brought forward, the public sector will need to share more of the risk with the private sector on speculative developments. In the short term, this may mean revisiting S106 agreements and/or commitments to putting in place the supporting infrastructure. At a time when public sector budgets are under pressure, partners in North Kent need to work together to prioritise projects, to provide a sharper focus for public sector investment but at the same time maintaining quality standards.
- B.3.34. Thames Gateway Kent Partnership provides a **potential forum for bringing together relevant expertise to facilitate prioritisation and re-phasing of delivery**. Key agents needed to undertake this assessment include: local authorities, Locate in Kent, the Regeneration Partnerships, HCA, SEEDA, private developers and regeneration specialists. Clearly, the politics of any such prioritisation would be highly sensitive and challenging to overcome as the outcome could entail resources being directed to one area over another in the short term, foregoing growth in other areas to a later date.
- B.3.35. Partners in North Kent will in due course be engaging with the HCA through the 'Single Conversation' on precisely this kind of prioritisation in relation to HCA investment. Although still to be determined, the

outcome of the **'Single Conversation'** could be a single local or sub-regional investment plan which will cover a wider range of investment than just the HCA's, and this could provide a **mechanism for undertaking greater prioritisation of commercial premises**.

- B.3.36. The proposed MAA also contains a number of relevant proposals and asks which would support the outcome of *aligning investment and strategic priorities to support sustainable, economic led growth and regeneration in North Kent*.

Investor Development

- B.3.37. Locate in Kent also plays a key business retention role in North Kent, which is particularly important in the current climate. SEEDA funds an Investor Development Manager (IDM) based at the Agency to maintain relationships with some of the largest employers and recent investors. The IDM provides aftercare and support for businesses considering relocation away from the area. It signposts to business support, training, and also provides advice and signposts to available grants for financial assistance. Locate in Kent reports a significant increase in demand for investor development because of the recession with many businesses seeking advice on redundancies.
- B.3.38. **Investor development needs to form part of a holistic approach to business retention across North Kent. Businesses will stay for the same reasons they came so a comprehensive business support offer to them covering support for skills, innovation, and new premises is needed.**

B.3 ATTRACTING AND RETAINING INVESTMENT
Indicative Actions
B.3.1. Creating and promoting a stronger brand and identity for North Kent
B.3.2. Ensure that through the planning process, a pipeline of sufficient suitable and flexible sites and premises is provided in each district.
B.3.3. Agree a mechanism for the prioritisation and phasing of key sites across North Kent, in relation to private sector funding, to focus public expenditure during the downturn, as part of a 'single conversation' with HCA.
B.3.4. Clearly articulate Thames Gateway Kent's 'offer' to investors, including knowledge based employers, through Locate in Kent, and ensure this is communicated to Invest Thames Gateway.
B.3.5. Support business retention/investor development as part of a comprehensive offer to business.
B.3.6. Continue to support development at Ebbsfleet Valley as a 'spatial transformer' and priority location for attracting business services companies and continuing to seek a major private sector occupier.

B.4. SKILLS AND EMPLOYABILITY

Skills in the resident population need to be raised at all levels to empower local people to access, and to drive the creation of, new knowledge-intensive jobs in North Kent. We need our workforce to be a major asset, whose skills attract businesses to the area, providing courses which respond to their needs. Residents out of work or in employment need to be supported and encouraged to continue with their learning to higher levels; and we need to retain more graduates in the North Kent economy.

- B.4.1. Skills are widely recognised as a key driver of productivity and competitiveness. HM Treasury's analysis of the drivers of productivity shows that workforce skill levels have a positive impact on labour productivity. Skilled workers find it easier to access and retain employment, and are also more productive in employment.
- B.4.2. The Leitch Review of Skills sets out key skills challenges in the UK highlighting the need to urgently raise achievements at all levels and commit to becoming a world leader in skills by 2020²⁸. The Review makes the case for investment in skills in order for the UK to compete for high value-added industries in the face of competition from other Western countries and emerging economies such as China and India. Leitch argues that the UK needs to 'raise its game' firstly, to meet future demand for skills, and secondly to prevent the marginalisation of some groups in the labour market.
- B.4.3. Entrepreneurial and managerial ability is particularly important for improving productivity and growth. Firms with highly skilled employees and experienced managers are more likely to invest in physical capital and introduce new technologies and innovations to their business²⁹.
- B.4.4. Partners in North Kent have long seen the importance of addressing skills challenges and employability in the area and have invested significant resources. Of particular note is the Employ North Kent initiative, comprising Employ Kent Thameside, Employ Swale and Jobsmatch Medway. Employ North Kent is designed to provide a 'comprehensive solution to the employment needs of North Kent residents'. The three agencies offer services to residents to help them find a job, to identify the best career, or to become "job ready".
- B.4.5. Investing in the skills of local people continues to be a top priority for partners in North Kent. In order to support the growth of the economy we need to:
- Ensure that the skills needs of existing and incoming employers are met;
 - Improve skills progression and labour mobility for residents in work;
 - Reduce economic inactivity among residents in North Kent.

28 The Leitch Review of Skills: Prosperity for all in the global economy - world class skills, December 2006

29 HM Treasury, Productivity in the UK: The Evidence and the Government's Approach (2000)

- B.4.6. Partners in North Kent are continuing to drive the skills agenda forward in the Multi Area Agreement, while the Kent Agreement 2 and Medway LAA both place considerable emphasis on skills and employability. There are also proposals to establish an Employment and Skills Board for North Kent. It will be important that the new Board develops upon the themes identified in this strategy and within the proposed MAA.
- B.4.7. The MAA contains specific proposals and asks to deliver a outcomes for residents and for employers, specifically: *better engagement with and responsiveness to employers, investing in the skills needed to grow and “future proof” the North Kent economy and enabling working people to improve their skills and progress in a changing economic environment; and greater personalisation and coherent integration of support for people not in work to access training, improve skills and gain employment.* The MAA has intentionally concentrated on developing skills up to and including level 2. Looking forward there is also a need to focus on increasing the proportion of residents and employees with higher level skills. This should be a key priority for the Employment and Skills Board.

Meeting the skills needs of existing and future employers

- B.4.8. There is a growing skills mismatch between residents’ qualifications and employment opportunities in North Kent, which could act as a brake on economic growth. This will be a particular issue in North Kent, it has been estimated that around 30% of the anticipated job opportunities in the Thames Gateway will require an NVQ Level 4 qualification³⁰. By contrast less than 10% of the new jobs will be suitable for unskilled workers.
- B.4.9. Examining types of occupation, there are relatively few TGK residents in management, senior and professional occupations, compared to regional averages, and despite high wages in parts of the sub-region. The evidence suggests that on the demand side, the North Kent economy needs to generate more employment opportunities for managers and senior officials. On the supply side, it suggests there is a need to ensure training is tailored toward building managerial and professional skills among the local workforce.
- B.4.10. **There is therefore a need to increase the proportion of residents trained and qualified for knowledge intensive jobs**, and for growth sectors, to ‘future proof’ the economy. Changes in the local employment structure mean many people will need to change career in their lifetime, and supporting them to do so – through provision of intermediate and higher skills and transferable skills for adults – is crucial. In addition, anecdotal evidences suggests that employers commonly struggle with staff retention in North Kent, and this is linked to the effectiveness of management and the availability of in-work learning and development opportunities.

30 Based on DTZ’s own predictions of future employment growth (Thames Gateway Skills Audit, Centre for Economic and Social Exclusion and DTZ Pleda, March 2005)

- B.4.11. Basic literacy and numeracy remain key challenges, as do specific technical and job-related skills, as well as higher level skills. However, ensuring residents achieve a certain skill level isn't enough, and linking provision to employer demand and **key growth sectors** is crucial for ensuring courses have the right combination of level, content and qualification.
- B.4.12. A number of new investments have been brought forward to address the shortfall in some of these sectors. The **Universities at Medway** provide a wide range of courses that cover education (including primary education), health and social care (including nursing, midwifery, and occupational therapy) engineering (civil, electrical, and mechanical), leisure and tourism, biosciences, pharmaceutical studies, sports science and therapy, creative industries (multimedia, creative writing, creative events and music technology), business, and information technology. **UCA** in Rochester provides courses ranging from pre-degree to post-graduate covering design, fashion, and photography, and including courses on management of creative industries as well as more technical courses. The forecast demand for higher level skills means that **we will continue to build on our university strengths to attract and retain more graduates in the area.**
- B.4.13. In addition, the planned Thames Gateway **Institute for Sustainability** in Kent Thameside will help toward meeting the need for sustainable construction and management skills through its work in and involvement with local colleges and SusCon. The Kent Science Resource Centre is now up and running in the Kent Science Park, and is already providing for some of the high level skills needs of employees and employers in the science park and beyond.
- B.4.14. Additional sector-specific provision will be provided by the three RDAs through their joint **Construction Skills programme**. The intention is to scale up the existing programme in London into a Thames Gateway Construction Skills Programme with other partners including the LSC. The aim is to ensure reliability of the supply of skills and to help local people access these work opportunities, however, there is currently little clarity on the scale, type and location of provision.
- B.4.15. **Engaging with employers** more effectively will be critical for understanding skills needs now and in the future. Existing business input into shaping skills training at a strategic level is not systematic. Businesses need a forum in which they can make direct, evidence-based input into shaping the strategic framework within which provision is commissioned.
- B.4.16. The MAA **supports the development of an Employment and Skills Board** to provide a vehicle for bringing together employers from the private, public and third sectors. In parallel, and in the shorter term, we are seeking to establish a **Local Responsiveness Fund** bringing together existing local responsiveness element of multiple funding streams. The fund would respond to strategic and demand-driven employer's needs; support the growth of key sectors; and could improve training for business start-ups and enterprise.
- B.4.17. The Employment and Skills Board will have an important role to play in ensuring that employers across North Kent are able to access the higher

level skills needed to compete in the global, knowledge based, economy. The ESB will be lead the **production of an employer focused Skills Strategy**, which will bring partners together to agree shared actions for meeting employer needs and raising the skills of all residents.

Improving skills and supporting skills progression for residents in work or education

- B.4.18. Skill levels in North Kent are below the UK average at almost all levels. At school level, the proportion of students gaining 5 GCSEs A*-C (or equivalent) in is below the average for the South East, although there are disparities between the individual boroughs. At NVQ level, Level 3 qualifications in the area are more in line with the regional and national averages, but North Kent has fewer people qualified to **NVQ Level 4** and above (19.7%) than the national (29%) or South East (31%) averages. The proportion of residents with **no qualifications** in North Kent (14%) is well above the regional average (9%).
- B.4.19. **We need to encourage those in education to continue their studies to higher levels and those in employment to continue their professional development.** This means raising aspirations and ensuring that both employers and employees recognise the value of workforce development. Government has been promoting a number of schemes nationally to encourage skills development. The LSC provides **apprenticeship schemes**, and aims to increase take-up and completion of apprenticeship programmes in priority sectors. Kent County Council has also committed to a significant increase in the number of apprenticeships being taken up across the county. In addition, the LSC plans to create provision for progression to Level 4 from Level 3 Apprenticeships.
- B.4.20. **Train to Gain** is a key national programme supporting businesses to improve the skills of their workforce. We need to ensure take up of Train to Gain is maximised in North Kent. The extension of Train to Gain to Level 3 qualifications and the expansion of Foundation Degrees proposed by the LSC will broaden the level and content of available courses for those in employment seeking to develop their skills.
- B.4.21. **Skills Accounts** are personal accounts for adults, held online but also accessible offline which contain a record of a learner's achievements and future goals. It will enable learners to have a learning statement showing them the full value of their learning; detailing all contributions made to their learning from all stakeholders e.g. LSC, learning provider, employer and the individual themselves. A portal that brings together information on all relevant products and services in one place, signposting the learner to the choices and support available, including triggering ongoing targeted advice, supported by and providing a route into the Careers Information Advice Service / Adult Careers Service (AACs). In the MAA, we are **seeking endorsement from Government to pilot further work on Skills Accounts.**

Reducing worklessness and economic inactivity

- B.4.22. There are concentrations of worklessness across North Kent. Economic inactivity represents a loss in economic output contributing to the GVA gap between North Kent and the rest of the South East. Employment rates (75.3% in 2007) lag behind the South East (78.4%), and the unemployment rate (7.2% in 2007) is considerably higher than national (5.3%) and regional (4.3%) rates. Economic inactivity (18.9%) is marginally higher than the South East (18%), though below the national rate. There is a correlation between the employment rate and skills attainment. In TGK, the employment rate falls from 91% for NVQ Level 4 and above, to 53% for those with no qualifications. To address worklessness, people need to be effectively advised and guided to learning or employment opportunities.
- B.4.23. **Information, Advice and Guidance (IAG)** plays a crucial role in orienting residents back towards education, training and work. Job Centre Plus provides national programmes of information, advice and guidance working from sites in Chatham, Dartford, Gravesend, Sittingbourne and Sheerness. Connexions also provides services in Sittingbourne and Chatham providing advice, guidance, support and personal development services to all 13-19 year olds. In addition, a more comprehensive, wide-reaching recruitment, advice and brokerage service is provided in certain areas including Kent Thameside where the services includes job brokerage, training brokerage and IAG, which includes outreach work in communities.
- B.4.24. In the MAA, partners have agreed that priority should be given to **greater personalisation and coherent integration of support for people not in work to access training, improve skills and gain employment**. We are seeking to do this by breaking down the barriers between provides, enabling people to move between programmes of support; and the pooling of outcome targets across IAG providers and agencies.

B.4 SKILLS AND EMPLOYABILITY	
Indicative Actions	
B.4.1.	Establish an Employment and Skills Board for North Kent to drive forward the employment and skills agenda and help meet the future skills needs of employers
B.4.2.	Develop a North Kent Skills Strategy with a focus on higher level skills and meeting employer needs
B.4.3.	Increase the proportion of residents trained and qualified for knowledge intensive jobs
B.4.4.	Strengthen the linkages between HE establishments and private sector businesses to retain graduates at a local level.
B.4.5.	Encourage those in education to continue their studies to higher levels and those in employment to continue their professional development.
B.4.6.	Progress proposals in the MAA to pilot further work on Skills Accounts
B.4.7.	Progress proposals in the MAA to create greater personalisation and integration of support for people not in work.

B.5. CONNECTIVITY

North Kent needs a transport network that facilitates the free flow of goods, services and people in support of sustainable economic growth. We need to maximise the economic benefits of our strategic location and existing transport assets such as High Speed rail services and sea ports, to attract more businesses serving markets outside Kent. We also need to invest in infrastructure that will unlock key employment sites, and find ways to improve the flow of traffic within urban area encouraging modal shift.

- B.5.1. There has been considerable success in attracting transport investment to North Kent. The introduction of HS1 international services in 2007 and domestic services in 2009 marks a step change in the quality of the rail network in the subregion. Moreover, Fastrack – the bus rapid transit system in Kent Thameside – is exceeding expectations in terms of passenger usage. On the road network, projects such as the A249 corridor and Swale crossing, the Medway Tunnel and Wainscott Bypass have provided an important boost to port operations at Thamesport and Sheerness and to the regeneration of Chatham Maritime. However, there remain a number of key local and strategic transport issues which are constraining economic growth which mean we need to continue to invest in infrastructure.
- B.5.2. However, there remain issues of congestion on key trunk roads, poor public transport coverage in some areas and integration, traffic growth above the national average, and high levels of long distance commuting which put a strain on public transport services, as highlighted by the North Kent Transport Plan (TGKP, 2007).
- B.5.3. A **Transport Strategy for North Kent** is being developed as part of the supporting evidence for the MAA, this sets out how we intend to meet current and future transport challenges in support of our regeneration ambitions. The MAA contains proposals and asks related to two transport objectives: *swifter and more certain delivery of transport infrastructure to support sustainable economic growth*; and *more sustainable and integrated transport systems and networks*.
- B.5.4. In what follows, we focus on those transport investments that will help to underpin economic growth. The transport strategy is following the principles of DaSTS³¹, Government’s national framework for investing in transport. We are exploring both ‘hard’ and ‘soft’ measures to reduce the need to travel, to improve the management of the assets we have as well as to invest in new physical measures to enhance the transport systems.
- B.5.5. The strategic objectives in the Transport Strategy put considerable emphasis on supporting sustainable economic growth and on enhancing competitiveness. This is one of five key objectives:
- Objective 1 Economic Regeneration & Competitiveness
 - Objective 2 Natural Environment

31 Delivering a Sustainable Transport System, (DFT, 2008)

- Objective 3 Connectivity
- Objective 4 Equality of Opportunity & Improved Quality of Life
- Objective 5 Safety, Security and Public Health

B.5.6. We are looking to develop innovative and forward-thinking solutions to deliver these objectives. While clearly a number of the objectives are overlapping, for the purposes of the Economic Development Strategy, we focus on Objectives 1 and 3.

The Importance of Connectivity for Economic Competitiveness

B.5.7. The importance of transport and connectivity to economic competitiveness is well documented, and was highlighted very clearly in the DfT/HM Treasury Eddington Transport Study. Eddington concluded that economic growth is a key driver of transport demand. *“Government and the private sector need to show considerable foresight to deliver a transport system capable of supporting the continued success of the UK economy, able to continue to compete globally and meeting its environmental challenges.”*

B.5.8. The provision of high quality public transport and improvements to strategic infrastructure is considered vital to the development of the Thames Gateway and the UK economy. The RSS/ Local Transport Plans and local development plan documents all indicate that the early provision of strategic infrastructure is necessary to accelerate the delivery of homes and jobs. Of course, it should be noted that while connectivity to an area supports successful economic regeneration, it also allows residents to work elsewhere just as easily. This reiterates the need for a strong economy capable of providing highly paid jobs for people to live and work locally.

B.5.9. Within the context of supporting North Kent’s future economic growth, there are number of strategic transport challenges:

- **Strengthening links to the rest of the South East, London, the UK and Europe**, for export-led businesses serving markets outside Kent, and people commuting outside the area;
- **Relieving congestion on local routes** supporting journeys between town centres, residential and employment areas;
- Investing in **infrastructure to unlock key development sites** for regeneration and employment.

B.5.10. We consider below some of the North Kent issues around each of these challenges and the investments and interventions that will help to improve economic performance.

Access to Greater South East, UK and European Markets

- B.5.11. We need more companies in North Kent which are export orientated, the most productive companies are usually those serving international markets beyond the local area. In terms of raw connectivity, North Kent is better placed than many other parts of the UK for companies with an international and national focus.
- B.5.12. North Kent benefits from a dense transport network that provides **excellent links to the UK's motorway and trunk road network. High Speed Rail Services** to Europe and London give North Kent an enormous competitive advantage and a unique international focus. In particular, the opening of the new **domestic high speed 1 service** between Kings Cross St Pancras, Ebbsfleet and Ashford represents a significant opportunity for North Kent, with a 17 minute journey time from Ebbsfleet to Kings Cross.
- B.5.13. North Kent is also an important gateway for sea freight with deepwater seaports at Sheerness, which specialises in fresh produce, new vehicles and forest products, and also Thamesport. Medway is home to a **sub-regional airport** at Rochester. We need to maximise the economic impact of these assets to attract businesses to the area, and to support the growth of existing businesses.
- B.5.14. North Kent's **road network** plays a dual role, serving both transient international and domestic traffic and local trips. This places considerable demand on the network which is forecast to continue growing in the future. Demand will be largely driven by the scale of development planned for the sub-region, but also influenced by the scale of planned development throughout the South East region. The forecast growth of road-based port traffic could put particular pressure on the network; cumulatively, the Kent Ports, including the Channel Tunnel, handle 3.5 million HGVs per year, this figure is forecast to increase to 7.1 million trucks by 2030³², bringing greater demand for road space and an increased likelihood of congestion and delay to the strategic road network in North Kent. We need to continue to invest in the strategic road network to relieve the main pressure points, particular around the M25/A282, the Dartford River Crossing, and the A2/M2 corridor.
- B.5.15. The **A2/M2 corridor** runs through the heart of North Kent linking the M25/A282 to East Kent and the Port of Dover, via the A2. Like the M25/A282, the A2/M2 is heavily trafficked, experiencing traffic volumes of 118,000 vehicles per day at Gravesham and around 100,000 at Medway. The A2/M2 forms an important national and international link and part of the Channel Corridor that links Kent and the rest of the country with Continental Europe via the M25/M20 (A20) and the Ports of Dover, Ramsgate and the Channel Tunnel. Traffic destined for the North Kent ports also utilise part of this route, with the A249 providing an important Strategic link to A2/M2 and the Port of Sheerness. Although

32 MDS Transmodal (2008) "State of Freight Report"

the A289 and A228 form part of the local road network, they also provide a Strategic link to the A2/M2 and Thamesport.

- B.5.16. The Transport Strategy priorities identifying and securing new **highway infrastructure** across North Kent's local and strategic network to address recognised bottlenecks such as the M25/A282 Dartford River Crossing and M2 (J5) and to accommodate the high levels of planned growth across the sub-region.
- B.5.17. The **Dartford River Crossing** is widely acknowledged as a significant bottleneck on the Strategic Road Network, with frequent periods of congestion and journey time delay that stretch beyond typical peak periods. The high volume of traffic and the extensive periods of congestion and delay at, and on the approach to, the river crossing have wider impacts for North Kent. The Crossing handles some 145,000 vehicles per day. The transient nature of traffic utilising the river crossing is self-evident, with Heavy Goods Vehicles (HGVs), accounting for 12% of traffic at this location. To relieve pressure on the Dartford River Crossing, there are proposals for a **Lower Thames Crossing**. Following a study of potential options, the DfT has published proposals to examine three new potential crossing sites, whilst also considering changes to the current network serving the existing crossing.
- B.5.18. Due to its strategic location and good access to domestic **rail services**, North Kent provides a convenient location for commuters to live, providing important employment to the London economy. As a result, the peak hour demand for services into and out of London creates significant capacity problems with additional capacity needed between Abbey Wood (London). There are also local pinch points at Dartford, Gravesend and Rochester Bridge junction, used by the North Kent Rail line. Railway lines provide rail freight access to Thamesport on the Isle of Grain, and Sheerness Port on the Isle of Sheppey, these lines connect to the North Kent Railway line at Higham and Sittingbourne respectively. We need to continue to invest in our domestic heavy rail services, accepting that North Kent.
- B.5.19. Securing the extension of **Crossrail** to Ebbsfleet International Station and Gravesend Station could act as a major economic stimulus. It would provide more frequent rail services between North Kent and central London and Heathrow Airport. Better inter-regional rail connectivity has the potential to radically change perceptions of accessibility and open up future regeneration opportunities. There is also a need to include **maximise the opportunities presented by High Speed 1** from December 2009 (see below).

Improving local flows of goods, services and people

- B.5.20. National traffic on the strategic network impinges on local journeys in North Kent and vice versa. In the Transport Strategy we have prioritised the development of **Urban Traffic Management and Control** measures, in particular, the development of the capability in North Kent for the network to be monitored and managed through the County's Traffic Management Centre. This would ensure the highway network runs at maximum efficiency throughout the day, and would enable

comprehensive real time and predictive travel information to be made available to the public.

- B.5.21. We have also prioritised development of high quality, intra-urban **bus-rapid-transit** systems across the sub-region to encourage modal shift. This comprises further enhancement to the existing Fastrack system in Kent Thameside to support future development and regeneration activities. Committed Fastrack schemes include; Thames Way, Everard's Link Phase 2, Ebbsfleet International and Ingress Park. A link to Eastern Quarry is also committed in the longer term. The development of a comprehensive bus-rapid-transit system for Medway, to provide for better rapid transit across the conurbation, and the application of some bus-rapid-transit principles in Sittingbourne in support of Swale Borough Council's Masterplan for the town are also recognised as priority measures.
- B.5.22. We need to maximise the potential of the heavy rail network for local journeys, with greatly enhanced interchanges to enable **multi-modal journeys** that reduce car usage and promote more sustainable modes including walking, cycling and public transport. Successful development in parts of Gravesham, Medway and Swale depend on bus rapid transit modelled on Fastrack, as do initiatives elsewhere in Kent for which proposals are being developed as part of the Kent Integrated Transport Strategy currently being prepared.
- B.5.23. To support the vitality of local town centres, the Transport Strategy highlights the need to consider how best to **allocate and manage existing and future highway and car parking capacity** recognising the need to provide for both peak and inter-peak demand. We will identify potential opportunities to implement road-space reallocation measures across North Kent in favour of sustainable travel, including car sharing initiatives, and consider assigning "Red Route" status to principal inter- and intra-urban corridors to reduce disruption caused by inappropriate parking and enhance journey times for all road users. We need to provide sufficient car parking capacity in and around town centres to cater for peak hour, long stay commuter demand and the needs of short-stay, inter-peak demand; such as shoppers and those wishing to access town centres services.

Unlocking Development and Maximising The Economic Impact

- B.5.24. Maximising the economic impact of **Ebbsfleet International** and High Speed Rail Services is dependent on a number of infrastructure investments. As previously discussed, development at Ebbsfleet is complicated by the economic climate. When the developer is ready to move forward, a package of transport initiatives including A2 junction upgrading is needed to enable investment at Eastern Quarry and elsewhere in Kent Thameside. The 'Homes and Roads' scheme which has been developed includes a mix of public sector investment and developer contributions. Of course, the economic climate makes the scheme much more difficult to implement but it remains a priority for the subregion.

- B.5.25. **Fastrack** also has a key role to play in maximising the impact of Ebbsfleet by enhancing the links with surrounding communities. When Ebbsfleet Valley moves forward, we need to ensure the next phase of the Fastrack system is in place. The business case is complicated by the economic uncertainties and solutions are needed both to assure continuity and longer-term sustainability through concession or similar arrangements. Through the MAA, we are seeking Government has to play an active part in developing a solution to both the short- and long-term issues: if this does not happen, the risks to delivery of Government objectives in Thames Gateway would be greatly increased. A Quality Contract and/or Partnership would break new ground and therefore need support at all levels to implement successfully.

Funding mechanisms

- B.5.26. In light of the recession, we are taking stock of how developments are being slowed down, re-phased, or put on hold. **Addressing infrastructure constraints will accelerate the up-turn when it comes.** But whilst there are no developers, investors and s.106 agreements in the pipeline, there is no identified income stream from which to claw back **forward-funding**. But we know the income will eventually come. Therefore we need a mechanism that would enable forward-funding with shared risk, using supported borrowing, so that infrastructure works can proceed and the costs recovered at a much later stage from the beneficiaries of the investment. This relies upon overcoming barriers such as rules precluding funding ahead of 'need'. We are developing a proposition to discuss with DfT, CLG and HM Treasury.
- B.5.27. The infrastructure priorities will be identified in the North Kent Transport Strategy. This package of investment priorities can form the basis of a **sub-regional investment programme**, which could then be agreed at a strategic level by all relevant partners including DfT and Highways Agency. This would not obviate the need for specific scheme appraisals, but it would set the framework within which those appraisals are conducted. There should be scope to streamline appraisal processes on major schemes, backed up a more collaborative relationship between local, regional and national partners and supported by shared methodologies, information and modelling.
- B.5.28. Closer collaboration on highways matters would be matched by similar arrangements with other key bodies such as Network Rail, the train operating companies and other providers (including bus companies).

Digital Connectivity

- B.5.29. Connectivity is not just about hard infrastructure; in the digital age, high speed broadband is increasingly a factor in firms' locational decisions. Firms in knowledge intensive sectors, particularly the digital media sector, require greater bandwidth than before to transfer large quantities of data, such as high definition video and audio.

B.5.30. Countries like France and Germany have already started planning for faster networks, and Government has recognised the danger that the UK is left behind, damaging its economic competitiveness. There is a strong aspiration among partners in Kent for the county to be at the forefront of developments in broadband technology, already a key objective in Ashford. **We will therefore explore opportunities to embed high speed broadband in new developments.** There is some momentum to build on; last year, Openreach unveiled plans to install high quality fibre cable in Ebbsfleet, delivering 100mb connections.

B.5 CONNECTIVITY
Indicative Actions
B.5.1. Ensure that TGK partners support sustainable growth by implementing the recommendations of the Transport Strategy.
B.5.2. Provision of high-speed broadband connection/ infrastructure in new developments, in line with the emerging offer in other parts of Kent.

B.6. QUALITY OF LIFE

Quality of Life or 'liveability' is increasingly recognised as an important driver of competitiveness. While firms continue to rank connectivity and access to skilled labour highly when making investment decisions, they also seek good quality housing for their workers, good schools and health services, access to cultural facilities and a high quality environment with attractive open spaces. The latest European Cities Monitor saw such quality of life factors increase in relative importance for businesses.

- B.6.1. 'Liveability' is a particularly critical issue in the Thames Gateway. As the Thames Gateway Interim Plan highlighted, many people's image of the Gateway is characterised by degraded environments, rundown town centres, poor transport, and uninspiring business areas. Local areas where cultural, environmental and social infrastructure is lacking are often those which are the most deprived. Pockets of deprivation persist in some parts of North Kent, and several neighbourhoods from across the four authorities fall within either the top 10% or 20% of most deprived in the UK³³, notably in Swale.
- B.6.2. There is a twin requirement to ensure that regeneration improves quality of life in existing and new communities. The emphasis on securing **high quality development** in terms of the design of new urban areas, public spaces, and housing will be of critical importance to North Kent. High quality 'tenure-blind' design is an essential ingredient for creating sustainable, cohesive, communities. There are award-winning examples of good design in North Kent including Chatham Maritime. High quality design helps to create places that are enjoyable to live in, and safe.
- B.6.3. It is beyond the scope of this Strategy to consider all quality of life factors, but in what follows we highlight the importance of: housing; green infrastructure, and culture for economic growth.

High Quality Homes in Sustainable Mixed Communities

- B.6.4. Government has set a target for building 160,000 new homes in the Gateway over the period 2001-2016. In North Kent, the South East Plan sets a target for approximately **50,000 additional homes by 2026**. These homes need to be built in sustainable mixed communities, offering a broad range of housing at different densities, for rent and for sale, and to meet the needs of different households including the elderly and vulnerable. Alongside the development of new homes, high quality public services and community facilities are also needed to create attractive sustainable communities.

33 The English Indices of Deprivation 2007, Department for Communities and Local Government

- B.6.5. Thames Gateway Kent is playing a key role in the delivery of the Government's Sustainable Communities Plan, addressing the severe shortages of homes in the Greater South East for those on moderate or low incomes. Housing growth is important for economic growth on a number of levels. Fundamentally, the right mix of housing is needed to attract and retain skilled labour. Employers and workers need to be reassured that North Kent provides the right balance of affordable and executive housing for rent and for sale.
- B.6.6. At a national level, the Barker Review reinforced the need for new homes, not only to address matters of affordability, but also to support macroeconomic stability, stating: *"The volatility of the housing market has exacerbated problems of macroeconomic instability and has had an adverse effect on economic growth."* Housing market shortages and inflation creates rigidities in the labour market, restricting the flow of goods and services in the economy. While the housing market has slowed considerably over the last 12 months and there has been price deflation, the fundamental shortage of homes remains and the contraction in supply will only serve to exacerbate affordability challenges in the medium to long term.
- B.6.7. As discussed in Chapter 4, housing growth itself helps to drive economic growth. Housing building is important for creating employment in construction – a particularly important sector for North Kent - but more significantly, growth in population creates demand for local services. More residents mean more demand for doctors, teachers, lawyers, plumbers, electricians, etc³⁴.
- B.6.8. For the last decade, the buoyant property market – and the residential market in particular – has been a critical driver of economic regeneration. Local planning authorities have traditionally captured the increase in land values via S106 or other agreements to subsidise infrastructure, affordable housing or community projects. However, in light of the recession and the consequent weakening of property and share values, and the massive changes now underway in Britain's financial institutions, most developers are now finding it extremely difficult to proceed with any major scheme. Regeneration projects have suffered as a consequence of the development slowdown.
- B.6.9. This analysis emphasises the **importance of restoring momentum in the housing market for supporting economic growth and regeneration** in North Kent. While this cannot be achieved by public sector interventions alone, increasing the supply of new homes is a key focus for action in the MAA, and TGK partners are seeking an early 'single conversation' with the HCA. Key proposals being explored include:
- Developing a ten year strategic action plan on housing;
 - Facilitating occupation of existing developments where progress has significantly slowed or stopped, by promoting shared ownership/equity schemes with first and second time buyers;

34 In the paper 'More Residents, More Jobs', GLA Economics estimated that in London, an additional 1000 people has the potential to give rise to a further 230 jobs in the locality.

- Bringing empty properties back into use and bringing forward new housing on small derelict sites; and
- Redevelopment of existing Council-owned/social housing estates to deliver better and additional new housing and to break up concentrations of deprivation.

B.6.10. Specifically, the MAA contains proposals and asks related to the objective of *maintaining momentum in the delivery of new housing, particularly to meet localised priorities across North Kent.*

Green infrastructure / Environment

B.6.11. Enhancing the quality of the environment, both urban and natural, will be important for improving the quality of life of residents in Thames Gateway Kent, and for attracting business investment. There is now major investment in environmental improvements planned in North Kent, in particular reconnecting towns with waterfronts, providing recreation space, and enhancing urban business environments and the public realm.

B.6.12. Through the Thames Gateway Parklands initiative, partners have developed a set of strategic projects which will bring major improvements to the quality of the environment in North Kent. **By transforming the landscape of the Thames Gateway into one of the UK's first eco-regions there will be an increase in the quality of life for residents and visitors of the area.** The importance of the Parklands initiative is to increase the accessibility of North Kent's downs and estuaries while conserving the landscape and biodiversity. These areas need to be utilised to provide for the residents and growing communities and creating an improved public realm to work, live, and relax while creating identity and a sense of place.

B.6.13. The eco-region, advanced by the Parklands vision, will be delivered by encouraging networks to be built between open spaces, conservation of wildlife habitats, and the development of parks and other natural areas while promoting the preservation of clean air and water. Once the connections open up the green space the opportunity for the public to enjoy healthy living through cycling, walking and participation in sports will become a reality. These connections will integrate old and new communities which will improve social inclusion through improved access.

B.6.14. The Greening the Gateway Kent and Medway Initiative (GGKM) established in 2007 is a strategic alliance of 22 organisations set up to focus on the common economic, social and environmental regeneration interests of the North Kent area. The GGKM developed the Parkland Business Plan to identify the best parkland projects across North Kent. The Business Plan highlights work to reconnect with and conserve the Thames, Medway, Sheppey and Swale estuaries, determined by five themes: waterfront, heritage, landscape, corridors, and squares.

B.6.15. Five specific projects in Thames Gateway Kent have since been awarded funding, where the work of GGKM will be focused:

- **Dartford Greenheart** – connecting residents with bicycle and walking paths running from the Darent Valley, through Dartford, and stretching to London.
- **The A2 Activity Park** – adding 37.5 hectares of green space by building a cycling activity facility on the former A2 corridor brownfield site, and becoming a key Green Grid connection between Gravesham, the Ebbsfleet housing development, and other green grid sites of the wider area.
- **Thames Medway Canal** – regenerating waterfront spaces from Gravesend town centre to the Thames Marshes including restoration of 1,000 metres of the Thames and Medway Canal.
- **The Great Lines City Park** – enhancing Chatham’s historic legacy by promoting 75 hectares of open space of the Great Lines chalk grasslands to be made into a park.
- **Milton Creek landscape enhancement** – restoring Milton Creek connections between the Swale Marshes, the estuary, and Sittingbourne town centre; and Milton Creek itself will be improved while encouraging improved creekside heritage.

B.6.16. **Securing delivery of these five Parklands projects** will be an important step in raising the urban environmental quality of North Kent and opening up access to green spaces.

Culture

B.6.17. Culture is seen by many to be playing an increasingly important role in urban regeneration and economic development, perhaps most famously articulated by Richard Florida who identified the rise of the ‘creative class’ as an economic force³⁵. Florida uses the term Street Level Culture - cafes, galleries, music venues, open spaces - to define the kinds of stimulation that the Creative Class enjoys. Culture helps to attract creative professionals directly involved in creative industries and also knowledge workers.

B.6.18. The North Kent cultural assessment in 2006 by Locum Consulting concluded that the quality of cultural facilities across the area is generally poor. There is a need to improve the offer in order to make the sub-region a more attractive place to live, work, visit and invest. **Developing the cultural offer should continue to be a key objective of, and embedded in, the Local Development Frameworks, Masterplans and Design Briefs** which have been developed across North Kent. The Thames Gateway EDIP proposed a number of local projects including the Joiners Shop in Medway, as well as ‘Reimagining The Gateway’ – a pan-Gateway programme that will explore how the historic, industrial and urban heritage of the Gateway and its cultural and sporting assets could be rediscovered and reinvigorated.

B.6.19. SEEDA and other agencies promoting culture in the South East jointly funded a Thames Gateway North Kent Cultural Coordinator whose brief was to integrate culture into regeneration. Outputs included a ‘Cultural

35 Florida, R. (2002). The Rise of the Creative Class’

Framework and Toolkit' in July 2006 and assistance with the creation of cultural strategies among North Kent local authorities.

- B.6.20. A Thames Gateway North Kent Culture Group is being reconstituted under the auspices of TGKP, bringing together local authorities and regional partners. This new partnership grouping provides the basis for enhancing the cultural offer in North Kent.

B.6 QUALITY OF LIFE
Indicative Actions
B.6.1. Continue progress towards agreed housing and broader LAA targets and supporting, taking forward proposals in the MAA.
B.6.2. Secure delivery of the five Parklands Projects to enhance the environment.
B.6.3. Embed the provision of cultural amenities in Local Development Frameworks, Masterplans and Design Briefs.

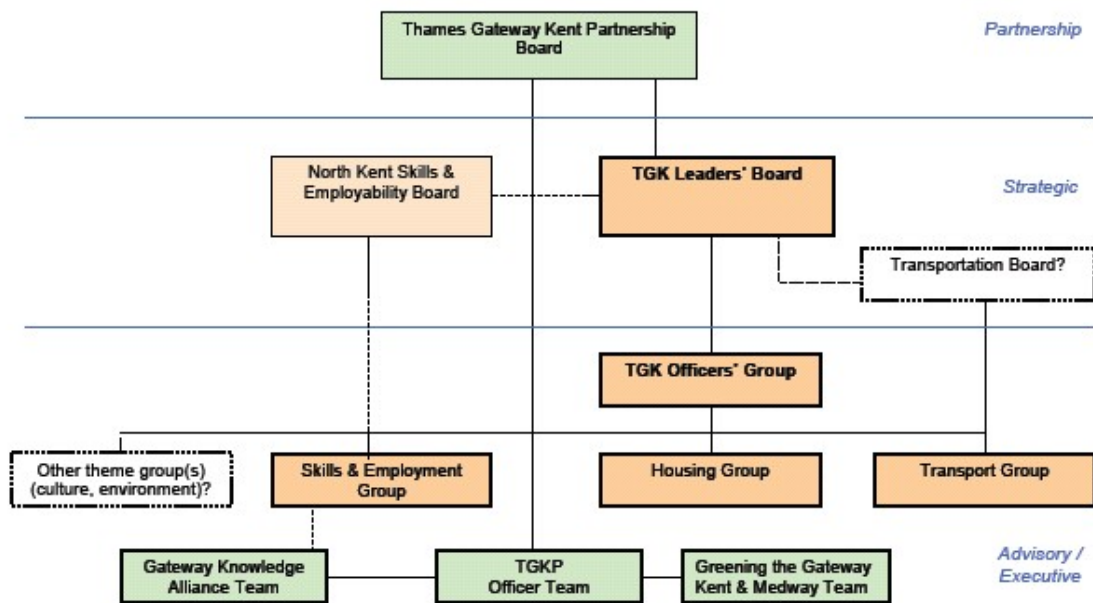
SECTION C: ACTION PLAN



C.1. GOVERNANCE & LEADERSHIP

- C.1.1. Delivering the scale of economic development and regeneration planned in North Kent will require coordinated investment and intervention by national, regional, county and local stakeholders. Places that have successfully transformed their local economies have benefited from strong leadership and governance arrangements. In this chapter, we set out the emerging proposals for governance structures for the MAA and outline governance arrangements for implementing the Economic Development Strategy.
- C.1.2. There are multiple agencies involved in economic development of some form in North Kent. Some of the key agencies include: the five local authorities of Dartford, Gravesham, Medway, Swale and Kent; the three Regeneration Partnerships in Kent Thameside, Medway and Swale; the Regional Development Agency, SEEDA, and its contracted organisation including SERCO (BL) post 2010; the inward investment agency Locate in Kent; Business Support Kent; the universities; the LSC (SFA) and other learning providers.
- C.1.3. We have a strong track record of working together, embodied in the Multi Area Agreement. In this difficult economic climate, and at a time when public sector resources are under pressure, it is imperative that we strengthen partnerships to deliver the shared objectives set out in the strategy. The Economic Development Strategy provides a document by which we can continue to align our investment and actions.
- C.1.4. The Economic Development Strategy is owned by TGKP members and the TGKP Board will be ultimately responsible for its implementation. Many of the recommended activities and actions deliberately do not require additional resources but entail greater coordination of activities. While SNR has put greater focus on economic development and delegated more responsibility to local authorities, there has been no promise of additional funding. RDA resources are also under pressure.
- C.1.5. Like many subregional partnerships across the country, the role and function of TGKP are being reviewed in light of SNR and the advent of MAAs. TGKP is expected to gain a sharper economic focus at officer level, and the Board will include stronger private sector representation. It should therefore be well placed to play a key role in coordinating the implementation of the Economic Development Strategy and ensuring the actions are taken forward. TGKP will be able to provide some limited additional officer capacity to support the implementation of the Strategy, predominantly in relation to intelligence gathering and dissemination. Economic development officers would welcome this additional support.
- C.1.6. Governance arrangements in North Kent are being reviewed alongside development of the MAA; emerging proposals – subject to further discussions with partners - are set out below:

MAA POSSIBLE GOVERNANCE STRUCTURE



C.1.7. The governance arrangements and reporting lines for the Economic Development Strategy will need to sit within this governance structure when it is finalised. One possible development would include the establishment of a business group, which would sit alongside the skills and employment, housing and transport groups to support the implementation of the Economic Development Strategy. The ownership of the Strategy would rest with the TGK Officer Group.

C.1.8. One of the most critical conclusions of the strategy is the need for greater prioritisation of physical regeneration in light of the downturn in the property market. As discussed earlier in the Strategy, we need to put in place a prioritisation framework for agreeing which schemes require public investment in the immediate term. The recession means that if schemes are to progress, the public sector will need to share a greater proportion of the risk on speculative developments, for example, by investing in infrastructure, or more favourable S106 terms. At the same time, we must not compromise on our vision for high quality regeneration and growth. The HCA 'Single Conversation' will begin the prioritisation process for HCA investment, and could lead to an investment plan covering a wider range of investment than just the HCA's funding streams. TGKP should provide a forum for supporting the single conversation process and for taking these difficult investment decisions.

C.2. ACTION PLAN

MEASURING PROGRESS AGAINST HEADLINE ECONOMIC OBJECTIVES			
Objective	Baseline figure	2026 Target	Measurement
1. Raise GVA per head in North Kent to the South East average, closing the current £3bn prosperity gap	73% of SE GVA per head (2006)	90% of SE GVA per head	ONS Regional Accounts (GVA estimated from NUTS 3 and ABI figures)
2. Support the creation of at least 58,000 jobs by 2026, particularly in high value sectors	270,800 (2007)	328,800 (CAGR 1.15%)	Annual Business Inquiry
3. Attract and grow the number knowledge intensive companies in North Kent's economy	5,480 (2007)	7600 (CAGR 2%)	Annual Business Inquiry (Working Futures definition of knowledge intensive sectors)
4. Improve skills attainment at all levels and tackle concentrations of worklessness:			
Raise the proportion of local residents who are qualified to level 1+ to the South East average	77% (2007)	South East average	APS - annual figures
Raise the proportion of local residents who are qualified to level 2+ to the South East average	58% (2007)	South East average	APS - annual figures
Raise the proportion of local residents who are qualified to level 3+ to the South East average	38% (2007)	South East average	APS - annual figures
Raise the proportion of local residents who are qualified to level 4+ to the South East average	20% (2007)	South East average	APS - annual figures
5. Increase the rate of new business start-ups, closing the gap with the South East average	47 per 10,000 working age population (2007)	South East average	ONS VAT data, Business Demography Data

SECTION A: VISION AND OBJECTIVES			
Indicative Actions	Suggested Lead(s)	Timescales	Milestone
A.1. Develop the intelligence gathering and dissemination role of TGKP to inform the activities of all partners across North Kent.	TGKP	By December 2009	Establish new Economic Analyst role at TGKP
A.2. Keep under review and monitor progress against the overall employment target and to understand the North Kent impact of revisions to employment forecasts.	TGKP and SEEDA	By December 2009	Confirm access to revised regional forecasts and modelling and determine availability for North Kent
A.3. Develop a better understanding of the GVA figures for individual areas within North Kent and the reasons for disparities between areas.	TGKP	By April 2010	Assemble existing information on disaggregated GVA and agree standard approach for North Kent
A.4. Local authorities should work together to consider the spatial distribution of the employment target in the preparation of LDFs.	Local authorities	By December 2009	TGKP to co-ordinate meeting of local authority partners in response to forthcoming SEEDA/SEERA guidance on Employment Land Reviews

ACTIONS B.1 SPECIALISATION: SUPPORTING KEY SECTORS				
Supporting Actions: Specialisation	Lead(s)	Partners	Timescales	Milestones
B.1.1. Develop a repository of intelligence about North Kent's key sectors, drawing on existing research knowledge and expertise.	TGKP		By December 2009	Audit of existing sector research
B.1.2. <i>Advanced Manufacturing</i> - Intensify links between the innovation and enterprise centres and the Medway universities, to support and develop advanced manufacturing and other knowledge-intensive sectors.	SEEDA	Universities, IGT	By April 2010	Agree project team and lead role arrangements
B.1.3. <i>Ports and Logistics</i> – Promote future opportunities within the sector and continue to make the case for addressing infrastructure deficits that hold back growth.	TGKP partners	Port of London Authority	By April 2010	TGKP to collate information on future opportunities in sector and support PLA's aspirations for a Centre of Excellence in Marine Services at Denton Slipway
B.1.4. <i>Construction</i> - Support the development of the Thames Gateway IfS and SusCon and identify opportunities for funding to extend their reach in the subregion, and support the development of the construction and environmental technologies sectors.	TGKP partners		By December 2009	Agree project team and lead role arrangements
B.1.5. <i>Environmental Technologies</i> - Developing a vision for the delivery of an eco-region within North Kent, including: <ul style="list-style-type: none"> • Articulating the vision • Defining the 'offer' • Identifying the business opportunities • Supporting the growth of the Environmental Technologies sector • Crafting a prospectus for potential investors 	SEEDA	TGKP, TG IfS, LiK, Invest Thames Gateway and IGT	By December 2010	Develop North Kent Action Plan; produce prospectus for marketing and inward investment purposes

<p>B.1.6. <i>Creative Industries</i> - Support the growth of UCA in Medway and the School of Drama, Film and Visual Art at the University of Kent, to enhance its focus on creative industries, and explore possible links with creative industries in Kings Cross.</p>	<p>Medway Council/ Medway Renaissance</p>	<p>NK Local Authorities</p>	<p>By December 2009</p>	<p>Consult with Creative Industries Group, agree project team and lead role arrangements</p>
<p>B.1.7. <i>Tourism and Leisure</i> - Promote investment in culture, leisure, retail and tourism in town centres to enhance liveability and to improve their vitality. In rural areas, promote the potential of tourism activity, particularly in the AONB and maximise the use of Mid Kent Downs and Marshes and Kent Leader rural funding programmes.</p>	<p>Local Authorities and Regeneration Partnerships</p>	<p>TGK Cultural Partners</p>	<p>By December 2009</p>	<p>Consult with TGK Cultural Partnership, agree project team and lead role arrangements</p>
<p>B.1.8. <i>Financial and Business Services</i> - Ensure the provision of high quality office accommodation across North Kent, and particularly within existing town centres, will be an important driver of future growth and inward investment.</p>	<p>Local Authorities, and Regeneration Partnerships</p>	<p>HCA, LIK</p>	<p>By December 2010</p>	<p>Undertake joint exercise to identify quantum of provision being allocated through Employment Land Reviews and LDF processes; links to HCA Single Conversation</p>
<p>B.1.9. <i>Education and Public Services</i> – Support the growth of the Medway Universities alongside longer term development of HE presence in Swale and Dartford.</p>	<p>HEI's</p>	<p>Local Authorities, PCTs, NHS Trusts</p>	<p>By December 2010</p>	<p>Consult with HEI's, agree project team and lead role arrangements</p>

ACTIONS B.2: ENTERPRISE, INNOVATION AND CREATIVITY				
Indicative Actions	Suggested Lead(s)	Partners	Timescales	Milestones
B.2.1. Work to support businesses through the recession including maximising the impact of the Backing Kent Business Programme and of support available across Medway.	TGKP	KCC, Medway Council and Local Authorities	By December 2009	Identify existing support services and how they are being accessed across North Kent.
B.2.2. Explore opportunities to pilot a North Kent wide scheme offering finance for small businesses, possibly rolling out the Medway 'Partners for Growth' scheme at a North Kent level.	Medway Council	KCC and TGKP	By April 2010	Medway to arrange presentation of P4G for TGKP Partnership Board
B.2.3. Promote existing financial grants available to North Kent businesses. This should include raising the profile of Finance South East, and provision of a single point of contact to direct companies as early as possible.	Business Support Kent	FSE, SEEDA, TGKP, LIK, KI Chamber, FSB and Local Authorities	By December 2009	TGKP to arrange presentation for TGKP Partnership Board
B.2.4. Monitor the impact of the recession to develop a stronger evidence base, gathering richer intelligence about the availability of finance for local business.	TGKP	SEEDA	By December 2009	TGKP to continue to gather economic and business intelligence for regular reporting to Partnership Board
B.2.5. Agree with SEEDA and BSK how to Monitor the penetration of the Innovation and Growth Team (IGT) in North Kent and undertake a review after year 1 to assess whether a programme to get businesses 'IGT-ready' is required, perhaps through an MAA 'ask'.	SEEDA	Business Support Kent, IGT, Chambers of Commerce, TGKP	By December 2010	SEEDA to consider and co-ordinate discussion following award of contract

B.2.6.	Explore opportunities to enhance the core Business Link enterprise offer, for example, via the new Start-up Framework for the South East, or by commissioning external services, e.g. enterprise agencies.	Business Support Kent / SERCO	TGKP, Local Authorities and SEEDA	By April 2011	Issue to be considered in future iteration of MAA
B.2.7.	Test with DWP potential freedoms and flexibilities for benefits claimants setting up in business as part of a future MAA strand and linked to the MAA skills strand.	SERCO / Business Support Kent	JCP	By April 2011	Development of evidence base to support potential asks
B.2.8.	Ensure adequate provision of flexible incubation and grow-on space for SMEs is provided for, and ensure this is communicated with other partners.	Local authorities		Ongoing	Through LDF and local planning processes, linking to B.1.8 and HCA Single Conversation.
B.2.9.	Explore opportunities for a wider Enterprise in Schools programme for North Kent.	KCC and Medway Council		By December 2010	KCC and Medway Council to review existing activity for discussion with proposed ESB
B.2.10.	Support the development of a more integrated network of innovation and enterprise infrastructure, including exploring the notion of a North Kent 'innovation corridor'.	SEEDA,	Universities and Local Authorities	By December 2010	Map current innovation and enterprise infrastructure and synergies between activities
B.2.11.	Harness the expertise of universities, supporting R&D, knowledge transfer activity and business development activities, and encouraging collaboration and alignment of expenditure on enterprise/innovation across the universities via KUBE.	TGKP	SEEDA, HEI's, KUBE, Knowledge Transfer Partnerships	By April 2010	Consult HEI's, agree project team and lead role arrangements

ACTIONS B.3: ATTRACTING AND RETAINING INVESTMENT				
Indicative Actions	Suggested Lead(s)	Partners	Timescales	Milestones
B.3.1. Creating and promoting a stronger brand and identity for North Kent	TGKP,	Regeneration Partnerships, Local Authorities and LIK	By December 2010	Work with Local authorities and regeneration partnerships to undertake an audit of existing branding
B.3.2. Ensure that through the planning process, a pipeline of sufficient suitable and flexible sites and premises is provided in each district.	Local authorities		Ongoing	Through LDF and local planning processes
B.3.3. Agree a mechanism for the prioritisation and phasing of key sites across North Kent, in relation to private sector funding, to focus public expenditure during the downturn, as part of a 'single conversation' with HCA.	TGKP	Regeneration Partnerships, Local authorities, SEEDA, HCA	Ongoing	Agree approach and lead respective roles
B.3.4. Clearly articulate Thames Gateway Kent's 'offer' to investors, including knowledge based employers, through Locate in Kent, and ensure this is communicated to Invest Thames Gateway.	Locate in Kent	Invest Thames Gateway	By December 2010	Agree primary focus for inward investment offer and marketing activity
B.3.5. Support business retention/investor development as part of a comprehensive offer to business.	Locate in Kent,	SERCO, Business Support Kent and Local Authorities	Ongoing	Review in light of new Business Link service provider from April 2010
B.3.6. Continue to support development at Ebbsfleet Valley as a 'spatial transformer' and priority location for attracting business services companies and continuing to seek a major private sector occupier.	KTRP	Dartford and Gravesham Councils, KCC, TGKP, LiK	Ongoing	Agree respective roles

ACTIONS B.4: SKILLS AND EMPLOYABILITY				
Indicative Actions	Suggested Lead(s)	Partners	Timescales	Milestones
B.4.1. Establish an Employment and Skills Board for North Kent to drive forward the employment and skills agenda and help meet the future skills needs of employers	ESB Manager and TGKP		By April 2010	Develop project plan and time scales for establishing ESB
B.4.2. Develop a North Kent Skills Strategy with a focus on higher level skills and meeting employer needs.	ESB		By April 2011	Establish ESB and set up Skills Strategy Steering Group
B.4.3. Increase the proportion of residents trained and qualified for knowledge intensive jobs	HEI's and FEC's		By April 2011	Agree approach and required interventions
B.4.4. Strengthen the linkages between HE establishments and private sector businesses to retain graduates at a local level.	HEI's	Local authorities, private sector businesses	By December 2010	Develop approach for discussion with ESB
B.4.5. Encourage those in education to continue their studies to higher levels and those in employment to continue their professional development.	KCC & Medway Council	FE, ESB, private sector businesses	By December 2010	Develop approach for discussion with ESB
B.4.6. Progress proposals in the MAA to pilot further work on Skills Accounts	LSC	Local authorities	By December 2010	Develop approach for discussion with ESB
B.4.7. Progress proposals in the MAA to create greater personalisation and integration of support for people not in work.	GKA	JCP, LSC and ESB	By April 2011	Develop approach for discussion with ESB

ACTIONS B.5: CONNECTIVITY				
Supporting Actions	Lead(s)	Partners	Timescale	Milestones
B.5.1. Ensure that TGK partners support sustainable growth by implementing the recommendations of the Transport Strategy.	TGKP transport partners		Ongoing	As specified in transport strategy
B.5.2. Provision of high-speed broadband connection/ infrastructure in new developments, in line with the emerging offer in other parts of Kent.	SEEDA	TGKP, Local authorities, Regeneration Partnerships	By April 2010	Establish baseline and identify best practice – implement through LDF processes and regeneration activity

ACTIONS B.6: QUALITY OF LIFE				
Supporting Actions	Lead(s)	Partners	Timescale	Milestones
B.6.1. Continue progress towards agreed housing and broader LAA targets and supporting, taking forward proposals in the MAA.	TGKP	HCA, GOSE and local authorities	Ongoing	Review current LAA targets and progress MAA proposals
B.6.2. Secure delivery of the five Parklands Projects to enhance the environment.	GGKM	Local Authorities, Local Regeneration Partnerships	Ongoing	Continue to identify future funding opportunities
B.6.3. Embed the provision of cultural amenities in Local Development Frameworks, Masterplans and Design Briefs.	Local Authorities	TGK Culture Group	Ongoing	Through LDF processes

APPENDICES

1 The Employment Target

Apx 1.1 There have been conflicting messages over the scale of employment growth targeted in the subregion. The Area Investment Framework (AIF)³⁶, published in 2002, set a target for 40-50,000 new homes, and 84,000 new jobs from 2001 to 2021 with employment growth in key locations: Kent Thameside (49,000); Medway and Grain (23,000); Sittingbourne-Sheerness (12,000). More recently, the South East Plan³⁷ set a target of 58,000 new jobs and 52,140 new homes³⁸ to 2026 for the sub-region. Both were based on an analysis of site capacity and represent gross job creation figures.

Apx 1.2 Our advice to partners is that the 58,000 jobs target by 2026 is a reasonable target to be adopted for monitoring purposes, in light of current economic circumstances and the recent employment creation track record. However, this should be noted as a gross additional jobs figure that will remain under review, with the possibility of a new target being arrived at based on Local Development Frameworks (LDF) and Employment Land Reviews (ELR), once complete.

Apx 1.3 This scale of growth was broadly consistent with the Kent and Medway Structure Plan which included a breakdown of the target as follows:

	2001	2006	2011	2016	2021	No.	%
Dartford	43,800				70,718	26,918	61.5
Gravesham	32,000				36,349	4,349	13.6
Medway	81,900				96,681	14,781	18.0
Swale	43,800				51,904	8,104	18.5
Kent Thames Gateway	201,500				255,653	54,153	26.9

Source: KCC

Apx 1.4 The long-term target of creating 84,000 jobs in North Kent will remain an aspirational target, but one that will need to be re-visited over time, again in relation to LDFs and ELRs.

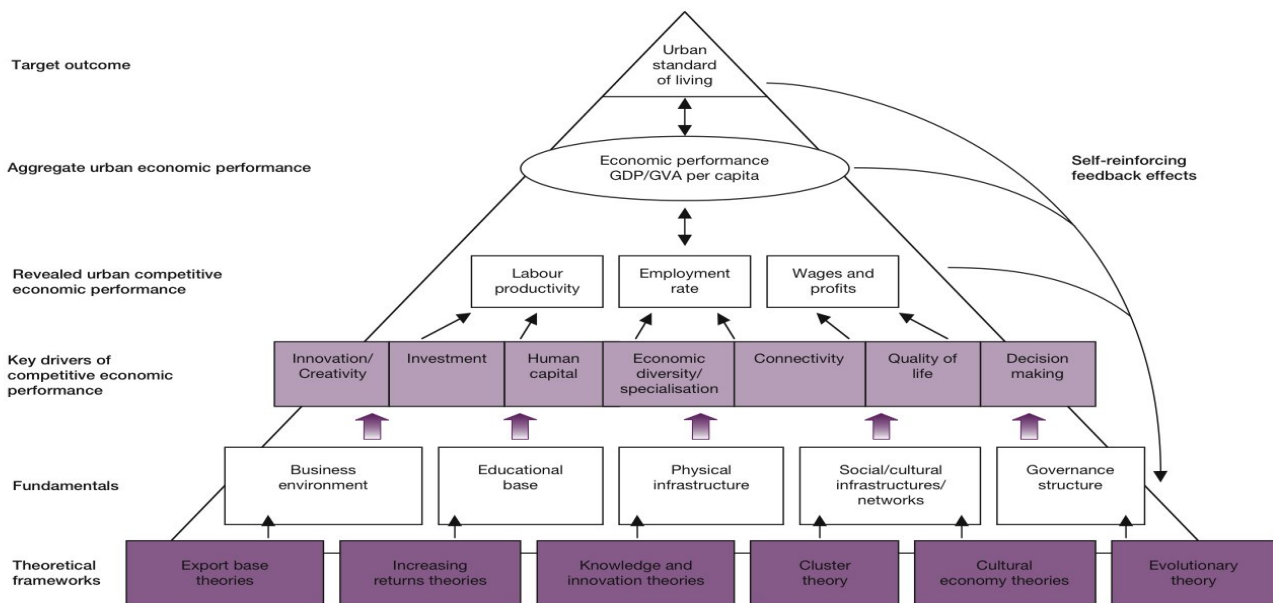
36 Realising North Kent's Potential: Area Investment Framework (TGKP, 2002)

37 Draft South East Plan (SEERA, 2006)

38 Including the changes proposed by the Secretary of State for Communities and Local Government.

2 Drivers of competitiveness – what makes towns and cities competitive?

Apx 2.1 The forces that combine to make some places more competitive than others are highly complex. Seven key drivers of urban competitiveness are often referred to in the academic literature³⁹. These drivers, together with the indicators are used here to describe the economic competitiveness of North Kent today, and related challenges, they include: economic specialisation; innovation, creativity and enterprise; human capital; investment; connectivity; quality of life; and decision making. These seven drivers were also used as a framework for the Thames Gateway Economic Development Investment Plan (EDIP).



3 Enterprise and Innovation

Nucleus Innovation Centre at The Bridge

Apx 3.1 The Nucleus Innovation Centre (32,000 sq ft) is central to a wider £500 million development, created on a 328,000 sq ft site, located next to the M25 and QEII Bridge. The Nucleus is Phase one of The Bridge development, and opened in April 2007, offering 65 units for start-up and Stage 2 companies, as well as more established companies, in the science and technology sector. The aim is to create a cluster of knowledge-based companies, with the support, structure and tools for their development provided by leading management team START International, at The Nucleus.

- Apx 3.2 Particular support and facilities provided at The Nucleus include business support services and enterprise clinics, as well as an i-Lab, funded by CLG, which is a creative space to aid learning and the development of business ideas. This brings together expertise from diverse sectors such as political science, systems analysis, psychology and sound engineering. Also, The Nucleus is home to the Hatchery – a space designed for companies to develop their business plans.
- Apx 3.3 Additionally, START can provide important links with high-profile universities such as the University of Cambridge, and a direct link with St. John's Innovation Centre, as well as working in partnership with more local institutions. A Memorandum of Understanding is held between START and a number of universities in London and the South East, including the University of Greenwich. Further to this are links with initiatives within EEDA, SEEDA and LDA regions, with companies greatly benefitting from the experience and contacts of START International. One initiative, run in partnership with North West Kent College, is the Entrepreneurs Club, meeting once a month, and open to anyone looking to discuss innovative ideas that may help their business develop. Master classes by leading experts are also offered on various topics, looking at the application of management theories to new business developments. In terms of finance, the Science Park Seed Capital Fund provides assistance for growing organizations, and there is access to financial initiatives managed by Finance South East and Locate in Kent.
- Apx 3.4 Companies which prove to be successful at The Nucleus progress to one of the self-contained building units (including office, studio and laboratory space) situated within the wider Bridge site. Additionally, The Nucleus is to provide a number of live/work units to encourage people looking to start a business from home.

Medway Innovation Centre at BAE Systems

- Apx 3.5 The £41m Medway Innovation Centre provides support and facilities, for start-up, knowledge-based, cutting edge technology and innovation companies. Additional support is offered to companies involved in homeland security and mission critical systems, in particular. The Centre represents a partnership between Medway Council, BAE Systems, the Universities of Kent and Greenwich, and the Royal Bank of Scotland, who have joined to form the management team Medway Innovation Ltd.
- Apx 3.6 Situated at the BAE Systems (Technology and Engineering Services) site at Rochester Airport, MIC forms part of a 4 hectare cluster of technology companies, creating approximately 2,000 jobs, many of which are high-skilled, and looking to attract and retain graduates from the local area. Also, there is the added goal of helping to retain BAE Systems as one of the main employers in the Medway area. Business support services are offered to all companies, and mentoring is available from an experienced team of BAE Systems staff and university researchers. Facilities and space offered at the MIC is mainly office based, with the provision of a good telecommunications service network. Financial support to help businesses cover the costs of setting-up or moving into the Medway area can be obtained from the Partners for Growth fund.

Apx 3.7 Phase 1 at the MIC site is complete, and Phase 2 was due for completion in January 2009, but is not yet open. The development has been a mixture of public and private investment with £3.5m from CLG and over £550,000 from Medway Council. Phase 1 already provides 15,000 sq ft of floorspace, the units of which will be of a slightly lower cost than those in the Phase 2 part of the Centre, in order to assist start-up and early stage companies. Phase 2, funded by CLG, will provide a further 30,000 sq ft of floorspace, and will be located at the southern end of the airport site. There is currently interest in hire of space from a potential 'anchor tenant'.

Kent Science Park, Sittingbourne

Apx 3.8 Kent Science Park is one of the largest science parks in the South East with over 507,000 sq ft business space. It caters for a range of high-tech, science-based companies including pharmaceuticals, biotechnology and high-tech engineering, giving preference to knowledge-based companies involved in the bio-sector and environmental research. KSP are working with Kent County Council, The Kent Sustainable Business Partnership and the Kent Energy Group to promote the site as a 'Centre of Excellence for Environmental Research'. The current 80 companies in residence at the Park are of all sizes, from start-ups to mature and expanding businesses. The Park provides these companies with purpose built R&D space, supported by first-class infrastructure and high-quality facilities. These facilities include:

- Sittingbourne Enterprise Hub
- Bio-Incubator facility
- KNTI Training Facilities
- Laboratories and ICT training rooms
- On-site communication infrastructure (fibre network and Ethernet Point of Presence connection)

Apx 3.9 The Sittingbourne Enterprise Hub forms part of SEEDA's network of 21 Hubs across the South East. It is working to further develop links between the ICT and Life Science sectors and a number of Kent and Medway Universities. The Hub focuses its attention on providing start-up and early stage enterprises with financial advice and mentoring. There is also the opportunity for these companies to make use of the Hub's membership of a network of 20 Technology Innovation Centres in the South East. In addition to these networks, the Science Park's Management Support Service offers introductions to potential customers and financiers through its partnerships with the University of Kent and Locate in Kent.

Apx 3.10 A number of initiatives are also run at the Kent Science Park to encourage innovation. The Kent Innovative Challenge is a competition with a £25,000 cash prize, business support package and 12 months rent-free space at the Park for the brightest entrepreneur in the region. Kent Creates is a second initiative looking to inspire and encourage entrepreneurship amongst creative 14-16 year olds through a local radio station. These initiatives demonstrate the Park's commitment to support

of the local community, in addition to the provision of employment opportunities.

Apx 3.11 Currently, KSP is undertaking public consultation with local residents regarding a possible £25 million investment to expand the Park, which would create an estimated 400 jobs and boost the Swale economy. The 4 hectare expansion will include the provision of a new Arrivals Centre, the development of Technology Units, and the provision of increased business space (approximately 129,170 sq ft) for new companies and the international headquarters of Ecologica. Construction is expected to begin within 18 months of planning permission being granted, and the development of the Ecologica headquarters will continue over the next 4 to 5 years.

4 Local Area Agreements: National Indicators

NATIONAL INDICATOR	DESCRIPTION	MEDWAY LAA	KENT LAA
Economic Development			
NI152	Working age people on out of work benefits	Y	Y
NI163	Proportion of population aged 19-64 (males) and 19-59 (females) qualified to at least Level 2 or higher	Y	Y
NI171	New business registration rate	Y	Y
NI188	Planning to adapt to Climate Change	N	Y
Skills and Education			
NI117	16-18 year olds who are not in education, employment or training (NEET)	N	Y
NI161	Learners achieving an Entry Level 3 qualification in literacy	Y	Y
NI162	Learners achieving an Entry Level 3 qualification in numeracy	N	Y
NI178	Achievement of 5 or more A*-C grades at GCSE or equivalent including English and Maths	N	Y
Transport			
NI167	Congestion – average journey time per mile during the morning peak	Y	N
NI175	Access to services and facilities by public transport, walking and cycling	Y	Y
Housing			
NI141	Percentage of vulnerable people achieving independent living	Y	Y
NI154	Net additional homes provided	Y	Y
NI155	Number of affordable homes delivered (gross)	Y	Y
NI156	Number of households living in temporary accommodation	Y	N
NI159	Supply of ready to develop housing sites	N	Y
Environment and Sustainability			
NI186	Per capita CO2 emissions in the LA area	Y	Y
NI191	Residential household waste per household	Y	Y
NI195	Improved street and environmental cleanliness (levels of litter, detritus, graffiti and fly posting)	N	Y
NI197	Improved Local Biodiversity – promotion of Local Sites where positive conservation management has been or is being implemented	N	Y
Quality of Life			
NI8	Adult participation in sport and active recreation	Y	Y
NI11	Engagement in the Arts	N	Y

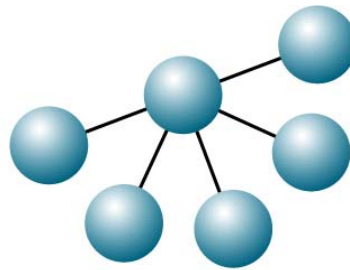
5 Key Sites

PROJECT AREA	USES	PROPOSED OUTPUTS	STATUS AS OF JUNE 2009	COMMENTS
Dartford Sites				
The Bridge	Residential and industrial	1,038,000sq. ft office space 75 jobs at The Nucleus 7,500 jobs total	Nucleus Innovation Centre opened March 2007, now has over 25 companies based there TG IfS launched November 2008	Continuing work on commercial and residential space
SusCon	Industrial	80 jobs	Working model for SusCon established, and site available; Planning permission applied for Development phased to 2011	£900,000 SEEDA funding application, LSC funding being sought
Crossways Business Park	Industrial and office	40,000sq. ft commercial space	Planning consent for 40,000 sq ft Delivery over next 20 years	
Dartford Town Centre & Northern Gateway	Residential, industrial and retail	250-300,000 sq. ft office space 376,700sq. ft total employment space 600 jobs at Northern Gateway	CLG allocated £9m for Northern Gateway land assembly; Planning application submitted for Lowfield Street – continuing public consultation Phased over next 10-20 years	
Gravesham Sites				
Northfleet Embankment	Industrial, office and residential	2,300sq. ft office space	Masterplan for area under review due to changing priorities; Earliest delivery start 2010	SEEDA received funding agreement to begin private sector engagement

PROJECT AREA	USES	PROPOSED OUTPUTS	STATUS AS OF JUNE 2009	COMMENTS
Gravesend Town Centre	Retail, office and residential	10,000sq. ft office space 1,300 jobs	Planning application submitted for 2 key sites; HCA confirmed £8m funding for regeneration of Transport Quarter for 2008-11	
Ebbsfleet Valley Sites				
Ebbsfleet and Eastern Quarry	Residential, office and retail	5.5million sq. ft office and commercial space 20,000 jobs	Residential properties released at Springhead Park Station Quarter North OMP approved May 2008	Market conditions slowing housing sales
Medway Sites				
Isle of Grain	Industrial	2million sq. ft industrial space	Potential for development of port and power generation related activities	
Kingsnorth Business Estate (Hoo Peninsula)	Industrial and office	2,791,000sq. ft industrial space	Identified for development of specialist energy-related industries	
Medway City Estate	Retail and industrial	133,800sq.ft office space 100 jobs	Development phased to 2024	
Chatham Town Centre and Waterfront	Office, retail and residential	908,100sq. ft office space 3,000 jobs	Road improvements to begin next month to increase access to key sites Development phased to 2021	
Rochester Riverside	Residential, office and retail	2,000sq. ft office space 800 jobs	Outline planning permission obtained Development phased from 2009	

PROJECT AREA	USES	PROPOSED OUTPUTS	STATUS AS OF JUNE 2009	COMMENTS
Swale Sites				
Kent Science Park	Office and industrial	193,785sq. ft office space 400 jobs from expansion Up to 1,000 jobs total	Kent Science Resource Centre now in place 4 hectare expansion under public consultation Delivery to 2026	
Gpark Sittingbourne	Industrial	3,321,300sq. ft industrial space 2,000 jobs	Outline consent obtained Services and utility infrastructure currently being put in place Development phased to 2010	Pre-let to Morrisons already secured
Watermark Park	Office	226,700sq. ft office space Potentially 1,000 jobs	Building complete, but currently unoccupied	Previously known as Cynergy Park
Sittingbourne Town Centre	Residential, commercial and retail	Over 1,000sq. ft office space 1,000 jobs	Phased from 2010 Development to be complete 2016	
Queenborough / Rushenden	Industrial, retail, office and residential	2,000sq. ft office space 2,500 jobs	Phased from 2008 Masterplan to be adopted early 2009 Development to be completed 2020	Rushenden Link Road to start early 2009

Source: LaSalle, 2008



SHARED INTELLIGENCE

1 FITZROY SQUARE, LONDON W1T 5HE
020 7756 7600

TOWER HOUSE, FISHERGATE, YORK YO10 4UA
01904 567 381

www.sharedintelligence.net
solutions@sharedintelligence.net