



# North Kent Multi Area Agreement July 2009



## NORTH KENT MULTI AREA AGREEMENT

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## **EXECUTIVE SUMMARY**

### ***Introduction***

Over the last year the local authorities and key partners in North Kent have come together under the auspices of the Thames Gateway Kent Partnership (TGKP), to develop this Multi Area Agreement. It has been an intense, but productive, period of partnership working. The result is a substantial Agreement which sets out a road map for Central Government and local partners to deal with some of the critical issues we face; issues which must be tackled if we are to come out of the current recession and achieve our targets for sustainable economic growth.

The signatories to the Agreement are the 5 local authorities with responsibilities in North Kent (Kent County Council, Medway Council (Unitary Authority), Dartford Borough Council, Gravesham Borough Council and Swale Borough Council), Central Government, SEEDA, the Homes and Communities Agency (HCA), the LSC and Job Centre Plus.

The full text of the MAA is attached. This Executive Summary briefly describes the nature of the challenges and opportunities in the area, explains why we have opted for an MAA, summarises the proposals themselves and sets out the governance arrangements we have put in place to implement the Agreement.

### ***The Challenge, the Opportunity and the Vision***

With a population of half a million people and a workforce of over a quarter a million, Thames Gateway Kent is an ethnically and socially diverse sub-region. As well as areas of prosperity, it has some of the most deprived localities in the South East.

Over the last few decades the area has had to cope with the decline of many of its traditional industries. This has left a legacy of unemployment, a damaged environment, worn out and inadequate infrastructure, below average educational achievement and under-investment in skills.

There has been much improvement in recent years – the economy has grown and diversified. Unemployment has significantly reduced. But the proportion of higher value, knowledge based industries and the numbers of people with higher level skills fall short of what we need to transform our economy. And more recently we have the new challenge of the credit crunch and the economic downturn, with indications that some communities in the Thames Gateway have been particularly vulnerable to the impact of the recession.

The area also has great assets – its heritage, countryside, riverside, strong communities and leadership – and huge potential, thanks to its excellent strategic location, large areas of brown field sites ready for development and new high speed transport links.

### ***Strategic Context***

We are not starting from scratch. As part of the Thames Gateway the area is a national Government priority for growth and regeneration. This priority is reflected in not just the Thames Gateway Delivery plan but also in the Regional Spatial Strategy, in SEEDA's Regional Economic Strategy – where the Thames Gateway Kent is identified as one of the 'Diamonds for Growth' – and in KCC and Medway's own economic development strategies.

To make sure we had the necessary evidence base for the MAA, to ensure that our economic priorities were properly aligned and to take account of the changed economic circumstances, TGKP has recently prepared a new Economic Development Strategy, which is discussed in more detail in Chapter 2. As a result we have a clear set of thematic priorities – skills, housing and transport – which are reflected in the themes of the MAA.

We also have established spatial priorities, with making a success of Ebbsfleet Valley – the “economic transformer” for this part of the Gateway – the number one priority for North Kent.

There is therefore a clear strategic context for the MAA. There is a long history of effective partnership working in the area and there is strong track record of successful regeneration, with areas such as Chatham Maritime transformed from what they were a generation ago.

### ***Why a Multi Area Agreement for North Kent?***

So with partnerships in place, a clear set of priorities agreed and good progress on delivery being made, why is an MAA needed, what added value can it bring?

Although real progress has been made, the scale of the challenges we face, particularly in this new economic climate, requires a step change in our performance which can only be achieved by local authorities and partners working jointly, with Central Government, to devise new solutions. We need new approaches to delivery that cross organisational and administrative boundaries, both locally and in Central Government.

The MAA is a mechanism which can help us achieve that step change. As a functional economic area with a shared set of challenges and opportunities North Kent is well suited for an MAA. We believe the MAA will strengthen partnership working across North Kent so as to:

- bring more certainty, less risk, to achieving our growth and regeneration targets,
- increase the effectiveness of the delivery of Government programmes, and
- improve opportunities for local residents and businesses.

The MAA is focused on achieving our sustainable economic growth and regeneration targets. The main themes are:

- developing new 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.

The detailed proposals on each of these themes are set out in Chapter 3.

In addition, initial work has been done on a number of developing themes – business and enterprise, culture and the environment. The developing themes are discussed in more detail in Chapter 4.

### ***The MAA – Outcomes, Proposals and Asks***

The substantive content of the MAA is broken down into a series of 6 outcome objectives, 13 proposals and 16 Asks of Government. These are summarised in a table in Chapter 2 at paragraph 2.13 and explored fully in Chapter 3.

The 6 outcome objectives are:

Outcome objective 1: Alignment of investment and strategic priorities to support sustainable, economic-led growth and regeneration in North Kent

Outcome objective 2: Greater personalisation and coherent integration of support for people not in work to access training, improve skills and gain employment.

Outcome objective 3: 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

Outcome Objective 4: Swifter and more certain delivery of transport infrastructure to support sustainable economic growth

Outcome Objective 5: More sustainable and integrated transport systems and networks

Outcome Objective 6: Maintaining momentum in the delivery of new housing, particularly to meet localised priorities across North Kent.

For each of these outcomes there is a number of proposed actions and a number of “asks” of Government that are needed to facilitate the proposed action.

### **Targets**

The Thames Gateway Kent Partnership has ambitious targets for growth. These have been reviewed in preparing the new Economic Development Strategy. The key long term targets are, by 2026, to:

- support the creation of at least 58,000 jobs, particularly in high value sectors
- deliver 52,140 new homes in Thames Gateway Kent
- raise GVA per head in North Kent towards the South East average, narrowing the current £3bn prosperity gap.

In addition to these overall targets we have included targets in the MAA based on indicators which should respond to the specific proposals in the MAA. They show the added value of the Agreement, although, of course, many factors will influence these indicators including the economic situation. An important caveat needs to be accepted in relation to these targets. Many of the agreed actions and asks are for further joint programmes of work. Once those are completed it may be appropriate to review the targets to reflect the outcome of that joint work and any agreed solutions.

#### Initial targets include:

- 20% narrowing by 2014 of the gap between North Kent and South East rates of population on out of work benefits.
- 14% increase in the proportion of the resident working age population with at least a level 2 qualification by 2014.
- By 2014, reduce per capita carbon emissions by 16.7% compared with 2005 levels.
- 100% of major development sites to be served by quality public transport giving high frequency access to town centre facilities.
- Increase of around 1,700 in the number of new homes delivered by 2012 above what would be delivered without the MAA.

### **Governance and Implementation**

The TGKP Board is an informal, sub-regional strategic partnership bringing together public, private and third sector partners across Thames Gateway Kent under an independent Chairman from the private sector. The Board discusses and, where appropriate, forms a view on the strategic priorities facing North Kent. However, it has the character of a high level reference or advisory group rather than a decision making body.

In order to provide a clear decision making group for the MAA a TGK Leaders Board has been established, chaired by the Leader of Swale Borough Council who is also Vice Chair of TGKP. It comprises, at present, the Leaders of the five local authorities, KCC's Regeneration Portfolio-Holder, and senior representation from SEEDA and GOSE. Membership will be extended to include representation from other signatories such as the HCA, LSC.

The TGK Leaders Board is supported by the TGK Officers Group, chaired by Neil Davies, Chief Executive of Medway Council and with senior/Chief Executive level representation from each local authority, SEEDA, GOSE and other partners.

Once the MAA has been approved the real work begins. The arrangements for implementation are set out in Chapter 6. A detailed implementation plan will be prepared and submitted to the TGK Leaders Board for agreement in September 2009. In the meantime there are some early actions which need to be implemented immediately. These are listed in paragraph 6.2.

### **Conclusion**

The MAA is a wide ranging Agreement covering crucial issues affecting economic development. It is the product of a great deal of hard work put in by local and central Government partners over the last 12 months. However, this MAA is just the first stage in the development of a new way of working between local partners and central Government. Over the coming months we will work jointly to tackle some of the complex issues which are hindering growth and regeneration in North Kent. We will develop some of the emerging themes on business and enterprise, culture and the environment. By July 2010, or sooner, we would expect to be ready to sign a further iteration of the MAA.

As well as the MAA itself, the outcome of this work is a strengthened and more robust Partnership. There has been a greater recognition of the value and potential of joint working, and there is a desire amongst partners to work collaboratively, across local authority boundaries, on issues that go much wider than the specific proposals in the MAA.

**Thames Gateway Kent Partnership  
July 2009**

# 1 Introduction: The story of place – context, vision & objectives



## 1. INTRODUCTION: THE STORY OF PLACE – CONTEXT, VISION & OBJECTIVES

1.1 This chapter sets out the context in which the North Kent Multi Area Agreement has been developed, both in terms of policy and geography. It explains how our Vision and Objectives for the area fit within the broader strategies and objectives for the Thames Gateway, for Kent and for the South East. It describes the nature of the area, the impact of the legacy resulting from the decline of traditional industries and the new challenges we face as a result of the credit crunch and recession. Finally, it explains how achieving sustainable economic growth and regeneration is so important not just for North Kent but for the country as a whole.

### ***Vision***

1.2 The Vision for Thames Gateway Kent is:

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

### ***The Thames Gateway strategic context***

1.3 This ambitious Vision has been drawn up to reflect North Kent's status as a key part of the Thames Gateway. 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 sub-regions - Thames Gateway London, South Essex as well as North Kent – and cuts across three Government Office regions.

1.4 Today, the Gateway is crucial for supporting the continued expansion of the Greater South East (GSE) – the main economic driver of UK economic growth<sup>1</sup>. 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 and its top regeneration 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.

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<sup>1</sup> Thames Gateway RDA Economic Statement, November 2006, EEDA, SEEDA & LDA



1.5 Government's ambition for the Thames Gateway is twofold:

*"First, it is to make use of the significant potential of the area to support economic and housing growth, to contribute to the Greater South East and national economies. Second, it is to tackle deprivation and increase opportunities for the existing communities in the area. Our aim is to strengthen the Thames Gateway as a great place to invest, work and live, with a proud past, a vibrant economic future and improved quality of life."*<sup>2</sup>

1.6 These ambitions have been translated into seven high level regeneration outcomes<sup>3</sup>:

- Improvement in the performance of the Thames Gateway economy;
- Enhanced education and lifelong learning (elaborated in the "Thames Gateway Skills Framework");
- A modern, responsive and efficient transport system;
- A sustainable increase in the number and quality of dwellings;
- A sustained increase in the quality of life for communities;
- The Thames Gateway Parklands programme; and
- A showcase of ambitious environmental interventions across the board (developed further in "Thames Gateway Eco-region: a prospectus").

1.7 At the Gateway-wide level, the strategic context is provided 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) containing 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 proposes a series of strategic investments by the RDAs to stimulate economic growth, a number of which are in North Kent.

### ***Kent and the South East strategic context***

1.8 The Thames Gateway provides only part of the context for the MAA; another important perspective is of the area as part of the geographic county of Kent, and as part of the South East Region. Kent is the most populous non-metropolitan county in England and, separately, Medway is the second biggest urban area in population terms in the South East Region (after Brighton & Hove). Administratively, North Kent<sup>4</sup> covers the whole of Medway and part of the county of Kent, namely the districts of Dartford, Gravesham and Swale. These four authorities have more than one-third of the population of Kent and Medway combined and over 35% of its employed workforce. The impact of measures in North Kent is therefore significant for the wider county of Kent, both in terms of direct effect and influence on replication or application elsewhere in the county.

1.9 At the **county level**, there are a number of strategic documents which inform the North Kent 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

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<sup>2</sup> Thames Gateway Skills Strategy, HM Government, November 2008.

<sup>3</sup> Thames Gateway Delivery Plan, Communities and Local Government, November 2007.

<sup>4</sup> The terms "North Kent" and "Thames Gateway Kent" are used more or less interchangeably in this document. In strict planning terms, TGK is the area north of the A2/M2 and its eastern boundary lies between Sittingbourne and Faversham. But the TGK Partnership area covers the whole of the local authority areas of Dartford, Gravesham, Medway and Swale.

framework for influencing, guiding and coordinating the delivery of stakeholders' economic development and regeneration activities.

1.10 At the **regional level**, the *Regional Economic Strategy* (RES) prepared by SEEDA, and the *Regional Spatial Strategy* (RSS) prepared by the Regional Assembly are the key strategic documents. The 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. Thames Gateway Kent is identified as one of eight 'Diamonds for Investment and Growth' – important 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 Thames Gateway Kent will remain a regional priority.

1.11 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 Thames Gateway Kent by 2026.

1.12 Kent and Medway have both published their **Local Area Agreements** for 2008-2011 – called the Kent Agreement 2 and Medway LAA respectively. The indicators chosen show a large degree of overlap, which has been taken into account in the development of the MAA and the economic strategy for North Kent. The relevant indicators are referenced in each section of Chapter 3.

#### ***Thames Gateway Kent – the nature of the area***

1.13 Thames Gateway Kent covers the area east of the M25, bounded to the north by the Thames River and to the south by the A2, crossing five local authority boundaries, and stretching from Dartford through to Swale. In 2005, the four main authorities together had a population of about 560,000 concentrated mainly in Medway and the towns of Dartford, Gravesend, and Sittingbourne, and a workforce of over a quarter of a million. The area is an ethnically and socially diverse sub-region with areas of prosperity, but also includes some of the most deprived neighbourhoods in the South East.

1.14 Located between London and the mouth of the Thames it has long been a link between the UK and foreign markets. All of the local authorities share a history of manufacturing and industry, particularly related to the ports, still highly visible in the form of dockyards, ports, piers and warehouses across Dartford, Gravesham, Medway and Swale. The cement industry has had a significant impact on the geophysical character of North Kent, with worked-out chalk quarries and subsequent landscaping over two centuries leaving a web of chalk 'spines', tunnels and abrupt changes of level that shape local character and present development challenges. Former quarries comprise a significant portion of brownfield land whose regeneration potential is exemplified by the success of Bluewater regional shopping centre and the mixed use development proposals for the Ebbsfleet Valley.

**Figure 1: Thames Gateway Kent and its key sites**



1.15 Despite this industrial legacy, the Kent sub-region boasts significant natural assets – it has more greenspace (80% of total) than either of the two other Gateway sub-regions.<sup>5</sup> 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 greenspace includes farmland, numerous parks and woodlands, and protected areas such as parts of the North Downs, an Area of Outstanding Natural Beauty.

***Economic Change – the legacy from the past***

1.16 Like elsewhere in the Gateway, structural change in the economy, which has seen the relative decline of industry and manufacturing, has had a major impact on the physical and social fabric of North Kent. There is a significant amount of brownfield land - almost 1,903 hectares - twice as much as the London sub-region and almost four times as much as the Essex sub-region<sup>6</sup>. This previously developed land provides huge opportunities for redevelopment.

1.17 Structural change has also impacted on North Kent’s communities. Unemployment, though reduced compared with past peaks, remains above the regional average. Much of the area’s growth had been in consumption related sectors such as logistics and retail, rather than in industries with knowledge at their heart, which have greater potential for sustained high value-added growth. Growth in knowledge-intensive businesses and services depends on having a workforce with high level skills; but skills levels in North Kent are lower than the regional average with just 19.7% of residents possessing a degree-level qualification compared to 31% in the region.

1.18 With fewer jobs in wealth-creating industries than elsewhere in the South East, many people commute to London and elsewhere. An estimated 88,000 residents commute out of the Thames Gateway Kent area every day to London and elsewhere.

<sup>5</sup> *The State of the Gateway: a baseline for evaluating the Thames Gateway Programme*, November 2006, Communities and Local Government

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1.18 With fewer jobs in wealth-creating industries than elsewhere in the South East, many people commute to London and elsewhere. An estimated 88,000 residents commute out of the Thames Gateway Kent area every day to London and elsewhere.

### ***Economic Change - the Recession***

1.19 As well as dealing with the challenges and legacies from the past we now have new challenges to growth and regeneration in the Gateway. We have to respond to the economic downturn without losing sight of the long-term goals. Developments will need to be re-phased; housing targets and trajectories adjusted. But the basics have not changed. We will still need good quality new housing to meet demand and to shape more sustainable mixed communities; we will still need more and better quality jobs (and the skills to go with them) to compete effectively for trade, business and investment; we will still need better quality premises, services and facilities to meet the needs of businesses and communities.

1.20 The recession may last two or more years and the development industry will probably come out of it slowly: it will take time to restore construction sector capacity and re-skill to satisfy enhanced standards. Public sector intervention should therefore focus on how it can prepare for recovery and remove barriers that would prevent development from proceeding once markets, confidence and investment flow again.

1.21 This Multi Area Agreement is one of the ways in which partners in North Kent are responding to these new challenges. At the national level the Government has taken a number of measures to help mitigate the impact of the recession and these are being taken forward by, amongst others, the Homes and Communities Agency (HCA) with measures to kick-start stalled developments, and by SEEDA with a range of measures to assist business. At the county level, Kent CC has launched a major campaign – Backing Kent Business – to support businesses in the county.

### ***Growth and regeneration in North Kent – its importance to UK plc***

1.22 North Kent is increasingly a crucial node linking the South East with continental Europe. Its major ports remain key locations for freight arrival and processing. In addition, it is skirted by the A2/M2, which link London with Dover. Crucially, it is home to the new Ebbsfleet International station receiving regular services to Paris and Brussels, making it a key gateway to Europe. Travel times from Ebbsfleet to London St Pancras will be reduced to just 17 minutes when domestic services commence in December 2009, further improving access to London. This will also benefit travel times to/from other stations, especially Gravesend. 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 as a consequence of increasing dock capacity at Dover.

1.23 Proximity to London creates particularly acute housing pressures on North and West Kent. London's influence on house-prices and out-migration from the capital by people priced out of its market increases the challenge both of meeting indigenous housing need in Thames Gateway Kent, in particular affordable homes and accommodation for key public and private sector workers, and of providing for growth. Thames Gateway status offers the potential for future housing needs to be met using the large amounts of available land. However, these communities must also be served by a sufficient number, range and quality of job opportunities locally if commuting out of the sub-region is to be reduced, and the risk of the area becoming a dormitory for London countered. This, in turn, is crucial to creating thriving and sustainable communities in North Kent.

1.24 Thames Gateway status underlines the importance of sustainable growth as well as regeneration. The South East Plan proposes 52,140 new homes in Thames Gateway Kent between 2006 and 2026, an uplift of 22% on the existing stock of around 237,000 dwellings (2006), and 58,000 new jobs over the same period. The Thames Gateway Kent Partnership (TGKP) has adopted this jobs target as realistic. The Thames Gateway Delivery Plan's target of 80,000 new jobs remains an aspirational target, but one that will need to be revisited over time.

1.25 Success in Thames Gateway Kent is vital to the Greater South East and to UK plc. The area has some catching up to do economically: in terms of GVA performance, we aim to narrow the gap between Thames Gateway Kent and the South East so that by 2026 we will be contributing up to £3bn more annually to the economy. We believe this sub-region has the potential to achieve this, building on sectoral strengths (such as advanced manufacturing, logistics, construction, creative industries<sup>7</sup>, marine industries and pharmaceuticals) and growth in knowledge-based businesses (including financial services, downturn notwithstanding) and emerging opportunities such as environmental technologies.

### **Summary**

1.26 This chapter has set out the strategic context in which North Kent partners operate and described the nature of the area and some of the challenges we face. It has highlighted the importance of achieving sustainable growth – both for the area itself but also for the region and for the country as a whole.

1.27 We have ambitious targets for growth: over 52,000 homes, 58,000+ jobs and over 2 million square metres of employment and commercial space by 2026. And growth must be accompanied by an unswerving commitment to quality: good design in buildings and the public realm, enhanced environment, services and quality of life for residents; and high-performing transport and non-transport infrastructure.

1.28 Ultimately, economic growth will come largely from private enterprise. But all sectors – public, private, voluntary and community – have roles to play in creating the conditions for sustainable economic-led growth to thrive. If we, the partners in North Kent, are to make the most effective contribution then we need to work together. There is a good history of collaborative working across North Kent but the Multi Area Agreement, and the implementation of the Agreement, will help take this to a new level.

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<sup>7</sup> As defined by DCMS – see [http://www.culture.gov.uk/what\\_we\\_do/creative\\_industries/default.aspx](http://www.culture.gov.uk/what_we_do/creative_industries/default.aspx).

# 2 A multi-area agreement for north Kent

- Summary of our proposals and asks
- Our targets



## 2. A MULTI AREA AGREEMENT FOR NORTH KENT

2.1 This chapter examines the challenges and opportunities for North Kent in more detail and argues that a step change in performance is needed, in terms of outputs and outcomes, and in terms of the way we work. We believe the MAA is a huge opportunity – it provides the framework for us to work more effectively together with Government to help us achieve this step change in performance. So in this chapter we set out the **case for the MAA**, describe its **scope**, summarise the **North Kent Offer to Government** and explain briefly the work that has been done to pull together **the evidence base** that underpins the proposals in the MAA.

### *Issues, Challenges and Opportunities*

2.2 TGKP partners share a number of challenges and opportunities. The **challenge** is to tackle the economic, social and environmental legacies left by decades of industrial decline and to strengthen the TGK economy to catch up with other successful parts of the South East. The **opportunity** is to nurture and grow a mosaic of diverse but cohesive and confident communities enjoying a much-improved quality of life with a competitive economy, quality environment and sustainable future.

2.3 Regeneration is not just about places but also about people – particularly the quality of life and life chances of existing and future residents. TGK has many outstanding assets and latent potential. But overall its economic performance is below the South East average and a significant and sustained improvement in performance is required if TGK is to compete with more successful areas and internationally.

### **Economic Development and enterprise.**

TGK lags behind the rest of the South East on business start up rates and levels of enterprise, and continues to see the impact of industrial re-structuring and change:

- In 2006, GVA per capita in North Kent was just 76% of the UK average<sup>8</sup>.
- VAT start-ups per 10,000 population in 2006 were 35 compared with 43 in the South East.
- TGK has relatively modest sectoral specialisms: compared to the rest of the South East, only advanced manufacturing shows a significantly higher concentration (particularly the categories “pharmaceuticals” and “instruments, mechanical and engineering”).

*Providing the right environment for businesses to grow, supporting enterprise and effective business support focused on sectors with the greatest GVA growth potential will be crucial to raising prosperity and creating jobs. We also need to build on existing sector strengths and maximise the potential of other knowledge-based growth opportunities.*

### **Employment.**

- Overall employment in TGK is below the regional average, and unemployment remains worse than the regional rate.
- There has been significant employment growth – 18% between 1998 and 2005 – but the overall employment rate at 76.6% (2005) falls short of the South East (79%, which is also the RES requirement for TGK by 2016).
- 34% of North Kent’s workforce commute out of the sub-region to work elsewhere (including other parts of Kent) to work, whereas only 15% of the North Kent workforce commute into the sub-region, a net outflow of 19% (50,000 people).

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<sup>8</sup> Source: Shared Intelligence estimates, North Kent Economic Development Strategy, 2009.

*If TGK's economy is to catch up with the South East average, more higher value-added jobs need to be created within TGK, and more of these need to be filled by TGK residents.*

### **Skills**

- Relatively few TGK residents are in management, senior and professional occupations, and TGK has fewer people qualified to NVQ level 4 and above (19.7%) than the national (29%) or South East (31%) averages.
- TGK residents have only a 1 in 5 chance of attending university compared with 1 in 3 in the South East.
- 14.1% of the TGK population have low skills qualifications compared with 9.6% in the South East.

*Skills in the resident population need to be raised in order to enable access to knowledge-based jobs that require higher level qualifications and to provide access to employment and career progression opportunities; more graduates need to be retained in the sub-region to build its knowledge capital base.*

### **Transport**

High levels of commuting contribute to significant road congestion across TGK, exacerbated by traffic pressure from outside the sub-region, including international passenger and freight traffic using the A(M)2 and M20 corridors.

- The Dartford Crossing is the third most heavily congested point on the UK's strategic road network, and the most congested point in the South East.
- Traffic movements on the A2/M2 are 118,000 vehicles per day in Gravesham and 100,000 per day in Medway.
- Planned growth will increase pressure at junctions on the strategic and primary road networks that are already facing capacity issues.

*As part of integrated transport and spatial strategies, significant improvement of public transport and modal shift from car dependency need to be achieved as well as sustainable solutions for inter-regional freight movements.*

### **Housing**

- Housing affordability is a major challenge, even though prices in some parts of TGK are amongst the lowest in the South East.
- There are nearly 17,000 households on the TGK authorities' waiting lists, issues about the quality of older private sector housing and the credit crunch slowing down new development.
- Growth targets in the South East Plan require an additional 52,140 homes between 2006 and 2026: the economic downturn has slowed delivery to well below the South East Plan average annual requirement.

*Maintaining the supply of new housing and creating the conditions for a stable, diverse and high quality housing market to support economic growth is a high priority.*

### **Environment**

Maintaining and enhancing the quality of the environment is vital to improving the economic competitiveness and attraction of investment in TGK as well as benefitting the well-being of new and existing residents. The Parklands programme is already demonstrating effective partnership working to deliver a coherent package of projects to enhance the green infrastructure and public realm.

- More needs to be done to address long-term challenges such as climate change and flood risk, and more immediate issues affecting residents such as air quality and fuel poverty.



*The Government's ambitions for a Thames Gateway 'eco-region' pose a number of challenges to partners, but also opportunities to reduce the carbon footprint through greater thermal efficiency in existing and new buildings, more sustainable transport, and maximising economic benefits particularly from renewable and low-carbon energy production and growth in environmental technologies.*

### **Why a Multi Area Agreement for North Kent?**

2.4 There is already well established partnership working in North Kent, including Thames Gateway initiated work on Parklands, *Employ North Kent*, through the Kent Economic Board and TGKP itself. Partners will continue to work collaboratively on a wide range of issues. However, responding to the challenges outlined above requires a step change in performance and shared solutions and approaches that cross organisational and administrative boundaries both locally and in Central Government. In May 2008, the Leaders of the local authorities on TGKP concluded that an MAA offered potential for strengthening collaboration on key aspects of economic development and regeneration, and that TGKP should work with partners to develop a North Kent MAA as part of the "third wave" signed off in 2009.

2.5 We believe the MAA provides a major opportunity to respond to these challenges at a sub-regional level: to make delivery of change more robust; to add value by re-shaping existing activity, resources and capacity; and to secure the commitment of a wide group of partners to agreed outcomes and the actions needed to deliver them. The MAA is underpinned by a robust evidence base, at the heart of which are emerging economic development, housing and transport strategies covering TGK.

2.6 North Kent is a strong candidate for delivering MAA policy objectives:

- It comprises a functional economic sub-region. Key economic drivers – Higher Education sector, advanced manufacturing base, innovation centres, logistics capability and the 'spatial transformer' of Ebbsfleet as a hub for knowledge-based businesses – are located in North Kent.
- Overall, about 69% of North Kent's resident workforce are employed in North Kent<sup>9</sup>. Over 62% of those who work outside North Kent work in Greater London.
- The local authorities face similar issues where a joined-up approach is advantageous: the growth and regeneration agenda of Thames Gateway; reliance on shared transport infrastructure, notably the main road and rail corridors; ongoing industrial change and restructuring; high levels of economic inactivity; low skills base; and housing pressure, particularly for affordable housing.

2.7 The MAA is focused on achieving our sustainable economic growth and regeneration targets. Its scope therefore covers economic development in its widest sense. The main themes emerging from our work are:

- 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.

2.8 In taking forward development of the MAA it was decided to give priority to **three themes – skills and employability, transport and housing**. These themes, together with the cross-cutting issue of integrated approaches to infrastructure investment, are the main focus of this MAA, and it is in these areas that we are seeking flexibilities. Each theme is examined in detail in the next Chapter.

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<sup>9</sup> Census 2001

2.9 In addition, initial work has also been undertaken on a number of **developing themes** – business and enterprise, culture and the environment. However, work on these themes has not yet developed to the point where we are ready to put specific proposals to Government. We intend to develop these themes in more detail over the coming months with a view to including them in the next iteration of the MAA. These are described in more detail in Chapter 4.

2.10 We currently propose that the time horizon for the MAA should be 2014. This will be kept under review in future iterations and refresh processes. The initial targets therefore look ahead, where possible, to 2014 with intermediate milestones. Our long-term (2026) over-arching targets on homes and jobs, in particular, provide the backdrop for the shorter term targets.

**The North Kent Offer**

2.11 The MAA will strengthen partnership working across North Kent so as to:

- bring more certainty, less risk, to achieving our growth and regeneration targets for the Thames gateway;
- increase the effectiveness of the delivery of Government programmes in the area; and
- improve opportunities for local residents.

2.12 In signing the MAA North Kent Partners will **commit to undertake the specific actions on employability, skills, transport and housing** set out under each outcome in Chapter 3. More generally, North Kent partners will:

- implement actions arising from the Economic Development Strategy, Transport Strategy and other strategic sub-regional initiatives, to strengthen the drivers of competitiveness in the economy and support sustainable growth;
- act jointly to tackle employability and skills, for example, through a new Employment and Skills Board, a stronger role in DWP Welfare to Work contracting and other agencies’ programmes for workless people, and through initiatives such as Employ North Kent;
- promote enterprise and jobs growth, especially high value jobs, through supporting key industry sectors and encouraging innovation;
- work with the HCA and other partners to maintain delivery of high quality housing and other developments;
- collaborate on innovative mechanisms to secure necessary infrastructure to allow development to proceed;
- promote the Thames Gateway as an eco-region, for example through implementing Parklands and encouraging environmental technologies.

**Summary of our proposals and asks**

2.13 The content of this MAA has evolved around six outcomes, and our broad proposals and asks of Government are clustered under each of these outcomes. The following table gives a summary:

Outcome Objective 1: Alignment of investment and strategic priorities to support sustainable, economic-led growth and regeneration in North Kent	
Proposal 1: North Kent should be a priority area for a “Single Conversation” with the Homes and Communities Agency to agree a draft Local Investment Plan and draft Local Investment Agreement by the end of 2009.	
Proposal 2: Building on the “Single	Ask 1: Government Departments, the HCA and other

Conversation”, proposals should be developed for a Joint Investment Board and Joint Investment Plan, to coordinate and align more effectively all relevant infrastructure funding streams in North Kent, particularly covering housing, regeneration and transport.	relevant Government agencies will work with North Kent partners to develop proposals for a Joint Investment Board, and to prepare a draft Joint Investment Plan, by the end of 2009.
Proposal 3: TGK Partners will pursue an integrated programme approach to transport & regeneration funding	Ask 2: Government departments and their agencies will consider robust proposals from North Kent partners, submitted by December 2009, for specific changes to the framework and rules governing individual funding streams supporting regeneration in Thames Gateway Kent.
	Ask 3: Government and its agencies agree to work with North Kent partners to develop, by end 2009, a robust analysis of the investment needed to achieve North Kent growth objectives and consider how innovative and existing funding programmes and mechanisms can be maximised and combined to secure the investment.
<b>Outcome Objective 2: Greater personalisation and coherent integration of support for people not in work to access training, improve skills and gain employment</b>	
Proposal 4: TGK partners will establish a provider forum to support improved joint working on information, advice, guidance, training and employment services	Ask 4: JCP and North Kent partners will establish a North Kent consortium of nationally funded and local employment and skills providers to encourage a more collaborative, flexible, integrated and shared approach to the delivery of services and targets, enabling clients' longer-term needs to be addressed in the context of JSA conditionality.
	Ask 5: Government Departments will establish an action learning set with North Kent partners to review current market conditions and the barriers to more effective integrated worklessness and skills provision focused on clients' needs, reporting its findings to Ministers and Leaders by the end of 2009.
Proposal 5: The North Kent MAA area to be utilised as a pilot to accelerate introduction of Skills Accounts.	Ask 6: The early introduction and accelerated piloting of the Skills Account concept and employer training accounts to incentivise and facilitate uptake of training by individuals.
<b>Outcome Objective 3: 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.</b>	
Proposal 6: Delivering more employer-focused skills training provision by the creation of an employer-led North Kent Employment and Skills Board.	Ask 7: BIS, DWP, the LSC / successor bodies and Jobcentre Plus will work with Thames Gateway Kent partners to develop an Employment & Skills Board capable, if so decided, of taking on section 24A powers by July 2010.
Proposal 7: To make learning and skills funding streams more locally responsive.	Ask 8: The Government and its agencies will work with TGK partners to review evidence of barriers to locally responsive provision and explore potential flexibilities, by the end of 2009, to enable quick and effective response to employer demand and regeneration needs in North Kent.
<b>Outcome Objective 4: Swifter and more certain delivery of transport infrastructure to support sustainable economic growth</b>	
Proposal 8: Closer collaboration with	Ask 9: Under the Memorandum of Understanding between DfT, Highways Agency and TGK Partners, the Parties will in

Government and key transport bodies	<p>particular:-</p> <p>(a) collaborate in establishing consistent and compatible modelling methodologies; and</p> <p>(b) adopt a 'whole network' approach to consider the interface between local and strategic road networks in North Kent in developing traffic management options.</p>
	<p>Ask 10: DfT will facilitate dialogue between Network Rail and Thames Gateway Kent partners to assist in developing and implementing a Memorandum of Understanding or other approaches to encourage more coordinated working to optimise the contribution of the rail infrastructure to support sustainable regeneration objectives in North Kent.</p>
	<p>Ask 11: Government will work with TGK partners to pilot streamlined appraisal frameworks and processes building on the work initiated by 1<sup>st</sup> Wave MAAs.</p>
<p><b>Outcome Objective 5: More sustainable and integrated transport systems and networks</b></p>	
<p>Proposal 9: Develop and promote transport networks that serve the social, economic and regeneration needs of North Kent and improve connectivity</p>	<p>Ask 12: CLG and DfT will provide technical support to North Kent partners to help shape sustainable future arrangements for Fastrack, including the applicability of Fastrack for Kickstart funding</p>
	<p>Ask 13: DfT will involve the Thames Gateway Kent partnership informally on the scope of future work to consider the feasibility of a Lower Thames Crossing, recognising that the final decision on the scope of such work rests with DfT.</p>
<p><b>Outcome Objective 6: Maintaining momentum in the delivery of new housing, particularly to meet localised priorities across North Kent</b></p>	
<p>Proposal 10: Sub-Regional Strategic Housing Action Plan</p>	
<p>Proposal 11: Facilitating delivery of existing and new developments</p>	<p>Ask 14: Government and the North Kent partnership will establish a time limited task-and-finish group (to include an RSL and developer) to review evidence about the North Kent housing market and the totality of products and policy levers available to partners to develop the market and subsequently prepare recommendations for Leaders and Ministers by December 2009 on any further actions, products or policy flexibilities that might add value.</p>
<p>Proposal 12: Bringing forward small derelict sites for new housing and bringing empty properties back into use</p>	
<p>Proposal 13: Regeneration and retrofitting of local authority estates</p>	<p>Ask 15: CLG and HCA (which has responsibility for securing delivery of Government's Thames Gateway ambitions) agree to work with North Kent partners to review the quality of local public and private housing. This is with a view to developing jointly a business case, by March 2010, for a programme of refurbishment of local estates and exploring levers to encourage private sector landlords to improve the quality of their property, including options for how CLG, HCA and North Kent partners might share the risk of taking a</p>

	refurbishment programme forward.
	Ask 16: CLG agree to have a discussion with North Kent partners about Housing Revenue Account finance issues after Ministers have made an announcement on the Review of Council Housing Finance.

### Our targets

2.14 Delivering the Government’s and local partners’ shared ambitions for Thames Gateway involves comprehensive action at all levels and across all sectors. Much of that activity is outside the MAA. Interventions impact across domains: for instance, provision of transport infrastructure enables housing and business development which translates into the provision of new homes, location and creation of jobs generating wealth and consumption of goods and services; enhancing the environment and cultural offer can improve quality of life which attracts inward investment and business retention; better planning of new development can reduce the need for, or length of, journeys to access facilities, reducing transport congestion and carbon emissions and improving air quality and health.

2.15 The focus in measuring and monitoring the MAA is on the added value of the MAA rather than the totality of actions by partners and others. We are therefore looking at a ‘basket’ of indicators that most directly reflect the actions covered by the MAA and the interconnectedness of actions across the themes. Because of the dependencies between different elements, our approach is to look at these indicators and the associated targets in the round, but where there is a correlation between particular themes and targets these are drawn out in the relevant sections of the next chapter.

2.16 At this stage we must sound a note of caution in seeking to define precise targets for the outcomes the MAA will help achieve:

- The economic downturn presents difficulties in forecasting wider trends for the purpose of setting a trajectory for closing the gap between North Kent and regional and national comparators;
- The outcome negotiated on several asks involves commitment to further work, mostly on a task and finish basis, to flush out issues, agree findings and, where possible, agree solutions. Once these programmes of work are completed it may be appropriate to review the targets to reflect the outcome of that joint work and any agreed solutions.

2.17 Summary of initial targets:

Description of target	Baseline	By 2011	By 2014	By 2026	NI	PSA / DSO
<b>1. Narrowing the gap in GVA per capita between NK and South East</b> Target is to narrow the gap on SE figure to 90% by 2026 and to achieve 78% by 2016.	73% of SE GVA per capita (2006)	74%	76%	90%	N/a	PSA 1, 7 DSO 1 (BERR) <sup>10</sup>
<b>2. Working Age People on out of work benefits</b> Target is 20% narrowing of the gap between NK and SE rates of working	10.40% (August 2008) SE = 7.8%	8% reduction in gap	20% reduction in gap	-	152	PSA 8 DSO 2 (DWP)

<sup>10</sup> Now DBIS (Department for Business, Innovation & Skills)

Description of target	Baseline	By 2011	By 2014	By 2026	NI	PSA / DSO
age population on out of work benefits by 2014						
<b>3. Working age population (19-59/64) qualified to at least level 2 or higher</b> LAAs aim for 4/6/8% over baseline in 2008/9-2010/11. MAA will help make delivery of those targets more robust and maintain upward trend to 2014 and beyond.	63% (2007)	Baseline + 8% (71%)	Baseline + 14% (77%)	National target is 90% by 2020	163	PSA 2, DSO 2 (DIUS) <sup>11</sup>
<b>4. Accessibility</b> Percentage of new residential units within developments in Thames Gateway Kent of 50 units or more accessible by a public transport service (located within 500 metres of the development) with a frequency of 30 minutes or better that connects to a town centre (and, where appropriate, key employment destinations) during the morning and evening peak periods, Monday to Friday.	TGK area: Medway = 50% Swale = 50%, Dartford = 100% Gravesham = 62.5%	100%	100%, plus: (a) Improvement in frequency of services to 20 minutes or better (b) Residential Travel Plans for all major residential developments (c) All routes serving major new developments completed 2009-14 to have Real Time Information systems	-	175	DfT DSO
<b>5. Net Additional Homes</b> Overall target for new homes set in SE Plan: no uplift. Initial MAA target matches existing LAA targets.	Medway LAA = 2,240 KA2 (TGK area of Dartford, Gravesham & Swale) = 5,466	7,706	15,617 <sup>12</sup>	52,140	154	PSA 20, DSO2 (CLG)
<b>6. Per capita CO<sub>2</sub> emissions in North Kent</b> Reduction in per capita carbon emissions from all sectors (industry and commercial, domestic and road transport) across Thames Gateway Kent.	Tonnes per capita 2005   2006 Kent 7.2   7.2 Dartford 8.0   8.1 Gravesham 6.8   7.7 Swale 8.6   9.5 Medway 4.9   4.9	Kent KA2 target is 11.2% reduction (+/- 2.5%) Medway LAA target is 13.9% reduction NK = 12.1% reduction	16.7% reduction on 2005 baseline		186	PSA 27 DSO 1 (DEFRA) <sup>13</sup>

<sup>11</sup> Now DBIS.

<sup>12</sup> Subject to confirmation: this includes LAA 2008-11 and SEP requirement 2012-14.

<sup>13</sup> Now DECC.

Description of target	Baseline	By 2011	By 2014	By 2026	NI	PSA / DSO
	TGK Composite					
	6.8    6.9					

**The Evidence Base**

2.18 TGKP and its partners have undertaken a significant amount of research to provide a robust evidence base to shape strategy and action planning. Some work has been undertaken as inputs into pan-Gateway wide documents, such as the Thames Gateway Delivery Plan, Skills Framework and the Economic Development Investment Programme (SEEDA, EEDA, LDA – 2008). Other commissions have been undertaken specifically to inform the MAA.

2.19 Relevant documents include:

- Thames Gateway Interim Plan North Kent Submission – TGKP & SEEDA, 2006
- Economic Priorities Study – Genecon, 2006
- The Learning & Skills Plan for North Kent 2006-2012 – Gateway Knowledge Alliance, 2006
- Thames Gateway Kent Sectors Study – Regeneris, 2008
- Thames Gateway Kent Economic Development Strategy: Stage 1: Economic Evidence Base – Shared Intelligence, November 2008
- Thames Gateway Kent Economic Development Strategy: Stage 2, June 2009
- North Kent Transport Strategy – Jacobs, June 2009
- Strategic Housing Action Plan for North Kent (ongoing, for completion Autumn 2009).
- North Kent MAA: Housing Theme Information – Analysis & Information Team, KCC, 2008
- Mapping of Information, Advice & Guidance – Kingshurst Consulting, March 2009

2.20 The development of the MAA has been informed, in particular, by the Economic Evidence Base which in turn has shaped the Economic Development Strategy developed in parallel with the MAA. This identifies ten high level objectives that will shape the actions that are taken forward by TGK partners. These distil many of the key messages from the documents listed above, and go wider than the MAA: but it can be seen how the focus of the MAA corresponds with the majority of these objectives:

- (i) Raise GVA per head in North Kent to the South East average, closing the current £3bn prosperity gap.
- (ii) Support the creation of at least 58,000 jobs by 2026, particularly in high value sectors.
- (iii) Attract and grow the number of knowledge intensive companies in North Kent’s economy.
- (iv) Improve skills attainment at all levels and tackle concentrations of worklessness.
- (v) Increase the rate of new business start-ups, closing the gap with the South East average.
- (vi) Maximise the economic benefits of our universities, strengthening the links with industry and retaining more graduates in the area.
- (vii) 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.
- (viii) Lobby Government for continued investment in transport and infrastructure needed to facilitate sustainable economic growth.

- (ix) Deliver 52,140 net additional homes in Thames Gateway Kent by 2026 of a balanced type and tenure in sustainable communities, to attract highly skilled labour and to support employment growth.
- (x) Ensure that all new development is of the highest possible quality.

2.21 The approach in the Economic Development Strategy is to translate these objectives into measures to strengthening seven key drivers of competitiveness. These in turn map fairly closely with our approach in the MAA:

<b><i>“Driver of competitiveness”</i></b>	<b><i>Relevance in MAA</i></b>
Specialisation and key sectors	Chapter 3.2 – local responsiveness
Innovation: enterprise and creativity	Chapter 4 – business support and enterprise
Attracting and retaining investment	Chapter 3.1 – delivering infrastructure
Skills	Chapter 3.2 – aiding progression
Connectivity	Chapter 3.3 – transport
Quality of Life	Chapter 3.4, Chapter 4 – housing; culture and environment
Governance and Leadership	Chapter 5



# 3 The MAA proposals and requests for enabling measures

1

Investment and funding mechanisms



### 3. THE MAA PROPOSALS AND REQUESTS FOR ENABLING MEASURES

#### 3.1 Investment and Funding Mechanisms

3.1.1 This chapter examines the key MAA proposals thematically. However, one of the common strands that connects all themes is investment and funding. This first section examines some issues that are generic across a range of funding streams, notably transport and regeneration funding. Our proposals focus on:

- establishing the right relationships and channels of communication for looking at investment issues in an integrated fashion; and
- finding new funding mechanisms and flexibilities that will ensure infrastructure is in place to unlock development and accelerate recovery from the economic downturn.

***Outcome objective 1: Alignment of investment and strategic priorities to support sustainable, economic-led growth and regeneration in North Kent***

***Proposal 1: North Kent should be a priority area for a “Single Conversation” with the Homes and Communities Agency to agree a draft Local Investment Plan and draft Local Investment Agreement by the end of 2009.***

***Proposal 2: Building on the “Single Conversation”, proposals should be developed for a Joint Investment Board and Joint Investment Plan, to coordinate and align more effectively all relevant infrastructure funding streams in North Kent, particularly covering housing, regeneration and transport.***

***Ask 1: Government Departments, the HCA and other relevant Government agencies will work with North Kent partners to develop proposals for a Joint Investment Board, and to prepare a draft Joint Investment Plan, by the end of 2009.***

3.1.2 There are myriad funding streams from central Government and other sources that flow into North Kent. But those that have most direct bearing upon regeneration and economic growth involve certain key players – in particular, CLG, Department for Transport, DWP, BIS and the Regional Development Agency (SEEDA). Responsibility for several key funding streams and mechanisms now rests with the Homes & Communities Agency (HCA), which has signalled its intention to engage with places through a “Single Conversation”, preferably at a city-region or sub-regional level.

3.1.3 In the South East Region, North Kent makes a natural grouping for the “Single Conversation”, reinforced by the potential to link this with the MAA and the economic growth and regeneration agenda of the Thames Gateway. HCA has indicated that North Kent authorities should be one of the groupings for the purposes of the Single Conversation. The TGK Leaders Group has agreed that it wishes to engage with HCA on the Single Conversation at the North Kent level. We are therefore well placed to make an early start and we are keen that North Kent should be a priority area, in terms of HCA’s timetable for carrying out its programme of Single Conversations across the region.

3.1.4 The Single Conversation process for North Kent commenced in early July. The HCA envisages a 8 month process to final sign-off of an approved Local Investment Plan and Local Investment Agreement with HCA. Our aim, with HCA, is to have substantially completed the work and to have a draft Local Investment Plan by the end of 2009.

3.1.5 The HCA has stated that the Single Conversation should be broad in scope covering “the totality of housing and regeneration priorities in a local area, including growth, renewal, affordability

and sustainability with a strong focus on the interconnectedness of these at the local level". It is important that the Single Conversation brings together the right people across Government Departments and Agencies to ensure there is shared ownership of Agreements and Plans that come out of the process. Relevant policies and programmes need to be aligned through this process to ensure that implementation is not hindered by conflicting objectives or requirements from Government. Participants in the Single Conversation might therefore include Highways Agency, Environment Agency, GOSE, SEEDA, DWP and LSC/Successor Bodies.

3.1.6 We welcome this broad approach. Indeed, we believe that there is the opportunity to broaden the process further to include, and align more effectively, all relevant infrastructure funding streams and investment priorities in North Kent. This could lead to the drawing up of a single Joint Investment Plan for North Kent and to proposals for a Joint Investment Board. Our ask is that Government Departments, the HCA and other relevant Government agencies work with us jointly to develop these proposals.

3.1.7 The target date we have set ourselves for developing proposals for a Joint Investment Board and for concluding a Joint Investment Plan is the same as that for the "Single Conversation" process. This is a challenging deadline. Over the coming months, as we work with HCA on the "Single Conversation", it will become clearer what additional work would be needed over and above that for the preparation of the Local Investment Plan and Agreement. At that stage we will review the target date. Our priority will be to reach a successful conclusion with HCA on the "Single Conversation" with a comprehensive draft by the end of 2009. The necessary approval processes for the Agreement would be concluded by February/March 2010; we would hope the target date for the broader exercise would match this.

3.1.8 There are also governance implications covered in Chapter 4. North Kent Partners have an established policy of not setting up new groups or boards unless there is a clear-cut case for doing so. Once proposals for a Joint Investment Board have been developed, the added value of such a Board will be rigorously assessed before any decision to establish the Board is taken.

## **Proposal 2: TGK partners will pursue an integrated programme approach to transport & regeneration funding**

### ***General considerations***

3.1.9 Any funding programme for the provision of transport infrastructure, and for major regeneration schemes more generally, needs to be sufficiently long-term to deal with the typically long lead-in times for the design and delivery of projects. In many cases, a funding stream needs to be secured before an infrastructure project can be clearly identified and costed, because the process of scheme identification, assessment and design is itself expensive.

3.1.10 When the transport infrastructure in question is needed to support a development programme, as in North Kent, the investment programme has to be not only long-term, but also sufficiently flexible to allow the delivery plan to respond to changes in the pace or geographical focus of development.

3.1.11 The current funding regime for transport and regeneration investment does not match these requirements particularly well.

**Ask 2: Government departments and their agencies will consider robust proposals from North Kent partners, submitted by December 2009, for specific changes to the framework and rules governing individual funding streams supporting regeneration in Thames Gateway Kent.**

3.1.12 Building on the preceding section and Ask, in looking at the concept of a Joint Investment Board, we would want this to examine alignment, consistency and flexibility, wherever possible, of conditionality around funding streams. The objective is to ensure that the requirements of aligned funding streams are designed in such a way that one does not undermine the efficacy of another.

3.1.13 There are two particular issues here, which inter-connect with each other and a number of associated matters:

- the funding horizon of various Government programmes; and
- the constraints associated with specific funding streams and agreements and annual spend targets.

### **Funding horizons and flexibilities**

3.1.14 Mainstream DfT funding programmes including the trunk road programme and the Regional Funding Allocation provide a reliable degree of certainty over a ten-year horizon. This enables projects to be identified, evaluated, designed and implemented (including, if necessary, land acquisition), against a reasonably secure funding background.

3.1.15 Other funding streams are limited by the three year horizon of the (Comprehensive) Spending Review. These include former CLG funding provided through the Thames Gateway Delivery Plan programme (now with HCA), the Community Infrastructure Fund (CIF), and the new Regional Infrastructure Fund. All of these funding streams operate on essentially a three year cycle, one year of which – as in the case of CIF – can be taken up by scheme identification, bidding processes, and project selection and appraisal, leaving only two years or less for delivery.

3.1.16 The outcome of this regime is that funding tends to find its way to projects which can be brought forward within the programme timescales, rather than to the projects which are the most needed, and which would add the greatest value to the North Kent regeneration programme.

3.1.17 These effects are made worse by the current practice of annualisation of the three year spending programme, whereby annual delivery and spending targets have to be met with the risk of unused funding being redirected in the third year of the programme. The prospect of funding being lost if projects are not completed within the Spending Review period can prejudice commencement of projects at all. This rigidity does not recognise the difficulty in programming transport spending against a background of uncertainty in private sector development programmes and other factors, and further strengthens the incentive to target schemes which can be more easily delivered rather than schemes which will deliver the greatest benefit.

#### **Example: Gravesend Transport Quarter**

A mixture of funding is required to deliver the elements of a public transport interchange at Gravesend Station. The wider project includes a new multi-storey car and bus interchange, a new road link, major enhancements to Gravesend Station (including a new platform, platform lengthening and track layout alterations), public realm works and some enabling development. The total project cost is in excess of £70 million, and involves contributions from HCA (£8m but only available to March 2011), Network Rail (variety of funding pots including NSIP, Access for All and North Kent Line 12 car programme), and Kent Thameside Strategic Transport Programme.

Each of the potential funding streams is subject to external pressures and timetable issues (including, for

example, the requirement for track possession). Time is required to bring the various funding opportunities into the most advantageous alignment, taking into account competing factors. This will optimise value for money and the achievement of regeneration objectives.

However, the requirement to commit the HCA funding within a short and inflexible timeframe, and the risk of it being withdrawn even within the three year period if the annual spend profile is not achieved, work against this approach.

The resultant risk is that a piecemeal, sub-optimal, or partial project could result.

3.1.18 The above example is typical of regeneration schemes where a cocktail of funding has to be assembled. Annual funding and delivery targets introduce an artificial constraint which can be counter-productive and which in the worst cases can lead to underspend and non-achievement of programme objectives. Delays or uncertainty about any element of funding, and particularly future years, can jeopardise the whole package, not least because partners are unlikely to be able to accept the risk of proceeding with contractual commitments without all elements being in place and assured.

3.1.19 A better approach would be to develop a longer-term, more strategic and more flexible approach to funding allocations based on well-evidenced strategic plans and programmes. Robust financial, programme and project management are a better and sufficient means of ensuring delivery and preventing slippage, rather than annualised funding agreements.

3.1.20 There are precedents for different models that offer flexibility and/or long-term funding commitments besides the RFA process:

- New Deal for Communities: Government committed 10-year funding allocations on the basis of strategic delivery plans. The programme management regime associated with the NDC programme was relatively onerous, and perhaps not to be emulated; but this is an example of long-term allocations that become future Spending Review commitments.
- Growth Areas Funding: CLG has made allocations to Growth Areas and New Growth Points based on assessed Programmes of Development. Allocations for future years were provisional, with final allocations determined in light of refreshed Programmes of Development (which takes account of performance). Subject to observing the distinction between capital and revenue, allocations are fully flexible (with no annuality) and are paid as a single pot lump sum at the start of the financial year. This approach is an example of flexible funding paid in advance of need on the basis of a strategic programme of development. To date this has not been extended to the Thames Gateway growth area.

3.1.21 It is recognised that particularly in a cycle of public expenditure constraint, entering longer-term funding commitments that go beyond 3-year spending cycles present difficulties for central Government. It is therefore all the more important that the maximum flexibility is achieved within shorter term funding horizons Government and local partners have to work with.

3.1.22 In the context of complex regeneration programmes that involve various funding streams, delivery would be helped by:

- Greater flexibility and control put in the hands of local partners to determine funding priorities, project allocations and delivery of outcomes within a strategic programme approach, including freedom to commingle funds or move funds between elements of an overall agreed programme or broad project head; and
- Greater consistency and relaxation of annuality rules to enable spending to reflect the needs of programme and project delivery on the ground.

### **Funding agreements and annuality**

3.1.23 CLG (and now HCA) has hitherto managed various programmes through project-specific funding agreements. Many aspects of these are reasonably straightforward, but they can be an inefficient and inflexible tool for securing delivery of policy objectives and, at worst, they can hamper delivery either for procedural reasons or because of the mismatch between the financial mechanism and the realities of project delivery. Annuity rules, whilst offering an element of financial discipline, can impede effective project delivery and impact on value for money. There are examples where delays caused by other bodies' procedures have resulted in loss of both allocated Government funding and match funding from other partners because annuity restrictions prevented re-timetabling of the expenditure.

### **The flexibility sought**

3.1.24 We welcome the signals from the HCA that the Single Conversation would lead to an agreed local investment plan and we will explore through that process the approach to be taken in the distribution of HCA investment. Our first Ask looks to take that further by seeking the alignment of other relevant funding streams and investment with the local investment plan. This Ask is about Government taking a fresh look at the rules governing the funding streams that support regeneration and being prepared to flex those rules where this would better secure agreed outcomes. It is particularly important that funding streams aligned with agreed investment plans operate within a consistent framework, incorporating principles such as:

- funding should be outcome-based;
- funding agreements should be set at programme level rather than at the level of individual projects, to enable active and responsive management in the delivery of complex schemes;
- relaxation of annuity restrictions within the overall timeframe agreed for programmes or projects.

3.1.25 A programme-based approach with central government funding aligned with the local investment plan to deliver agreed outcomes over an agreed time horizon would deliver:

- better match between projects and need;
- increased confidence from partners;
- more timely delivery of infrastructure;
- better performing transport network and better relationship between transport investment and development outcomes;
- improved value-for-money through closer alignment of mutually supportive project elements and better responsiveness to opportunities;
- reduced transactional and bureaucratic overheads through a programme-based approach rather than project-specific funding agreements.

3.1.26 It is recognised that the process of aligning the requirements and administration of different funding streams could take time, and it is incumbent on TGK partners to provide further evidence of specific barriers. Further issues may emerge from the Single Conversation process. We undertake to submit our initial evidence in September / October and any supplementary evidence, taking account of any specific issues arising from the Single Conversation process, by the end of 2009.

**Ask 3: Government and its agencies agree to work with North Kent partners to develop, by end 2009, a robust analysis of the investment needed to achieve North Kent growth objectives and consider how innovative and existing funding programmes and mechanisms can be maximised and combined to secure the investment.**

3.1.27 Securing the infrastructure to support sustainable development needs investment up front. In the market conditions prevailing over many years, developer contributions have provided part of the necessary income stream. Those contributions rarely cover the full costs particularly for major infrastructure that is required to support future growth. But in the present economic downturn, falling land values, squeeze on credit and other market uncertainties have drastically affected investor confidence. Pre-lets are rare and speculative development all but ceased; key schemes are delayed. None of this alters the expectation that development will happen and new businesses will come, but timing and phasing are uncertain.

3.1.28 This poses two challenges. We know that having infrastructure in place will facilitate development and enable a swifter economic upturn than if investment is postponed until developer confidence returns. The first challenge is having clear priorities when phasing is uncertain; the second is forward funding the infrastructure ahead of an identified income stream to recover the costs and ahead of “need”.

3.1.29 Currently the only model for advance funding of transport schemes (or other major infrastructure) is the Regional Infrastructure Fund being developed by SEEDA. Once established, this will only allow for forward funding of transport projects where the clawback is guaranteed (i.e. where there is an extant planning permission with an enforceable obligation for a developer contribution for infrastructure).

#### **Regional Infrastructure Fund**

3.1.30 The proposed RIF is a welcome innovation, but the present criteria against which bids were invited only allow for advance provision of infrastructure whose eventual delivery is in any event more or less guaranteed. In this sense it would not add significantly to the overall scale of transport or other infrastructure investment in North Kent. Nor does it add significant regeneration value, since it does not enhance development potential but only assists in those cases where development potential is already secured.

3.1.31 The North Kent MAA partners consider that a more flexible and less risk-averse model is required, capable of forward funding transport and other infrastructure to create new development opportunities not yet captured in the planning system as well as to unlock existing schemes. A means would have to be found to claw back such investment in the event that a planning permission is subsequently granted, or to identify other beneficiaries of added value (for instance bus operators and rail companies) from whom clawback might be secured.

Example: Rapid Transit link for Chattenden regeneration site

Major redevelopment sites in Medway, including Chattenden, will require a rapid transit link similar to Kent Thameside’s Fastrack. Sites can only be promoted for development in the LDF if it can be shown how their transport demands can be sustainably managed.

A rapid transit link will probably require public and private sector contributions. The scope for private sector contributions is significant, but their scale is difficult to judge at the time the LDF considers the site for development, and public sector funding will probably also not be identified at this time. Hence the development proposals may be found not to be robust.

This situation could be eased if a RIF-style approach could be extended to offer forward funding to projects

where developer contributions are not yet secured, but where a policy is put in place to require them. This would not deal with the overall funding gap, but would enable the developer contribution to be secured in advance, leaving only the net deficit to be funded from other sources.

Alternatively, funding could be offered in advance in return for an equity share in the development, to enable the full cost to be recovered once value had been realised.

3.1.32 North Kent local authorities are also examining flexibilities around s.106 contributions, to see where development can be facilitated (and also with a view to taking a consistent approach across the sub-region). The main options are:

- Deferring contributions. The infrastructure would be forward-funded via the local authority, and developer contributions collected at a future date when the development can be expected to yield a return on the investment;
- Conditional contributions. Contributions would be dependent upon a viability threshold above which the developer would be judged to make sufficient return on his investment to pay the contributions.

3.1.33 The benefit in both cases is that development could proceed with all the infrastructure or associated investment coming forward at the appropriate time. The risk is that the clawback is not 100% guaranteed. One of the principles of the RIF is that repayment contributions can be recycled to support other forward-funding. Deferring contributions effectively precludes recycling the RIF, with knock-on implications for other forward-funding opportunities. With conditional contributions, it is possible that the viability threshold may not be exceeded, or not sufficiently to secure payment of contributions in full. Whilst this would result in a net loss to the RIF, it would nevertheless mean that the development proceeds without there being an infrastructure deficit and the benefits of the development are realised where otherwise they might not be.

3.1.34 The key issue is whether the wider benefits of development where clawback is not 100% guaranteed warrant the risk that full cost recovery may not be achieved. Those benefits include the wealth generated, not least in tax revenues, by the businesses brought to the area by the development and supporting infrastructure. At present the structure of the proposed RIF mechanism does not allow that wider value element of judgement to be exercised. Moreover, the quantum of funding available through the RIF is insufficient across the South East Region to support either a significant number of schemes or major schemes. To put it in perspective, the cost of improvements to the A2 Bean Junction alone has been estimated at £50m<sup>14</sup>, far exceeding the £35m total revolving fund envisaged for the RIF.

#### ***Borrowing, Tax Increment Financing (TIF) or Accelerated Development Zones (ADZ).***

3.1.35 Even if the RIF could be enhanced, which is unlikely given cuts in RDA budgets, this will have limitations: the present fund is heavily over-subscribed and competition for funding will remain high. Other forward-funding mechanisms therefore need to be identified, particularly for major schemes, whatever mechanisms may then be used to claw back funding or recover the costs of investment from the beneficiaries.

3.1.36 The Government has recently invited local authorities to submit proposals for piloting **Tax Increment Financing (TIF)** or **Accelerated Development Zones (ADZ)**. John Healey's letter referred to the 22<sup>nd</sup> April Budget Report which stated:

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<sup>14</sup> [http://www.southeast-ra.gov.uk/southeastplan/key/infrastructure/delivering\\_the\\_south\\_east\\_plan-final\\_for\\_eip-annexes.pdf](http://www.southeast-ra.gov.uk/southeastplan/key/infrastructure/delivering_the_south_east_plan-final_for_eip-annexes.pdf)



*“the Government is interested in developing new opportunities for innovative financing mechanisms to support locally driven investment in growth and regeneration. The Government will work with interested local authorities and city-regions to assess the scope for accelerating development by allowing investment in infrastructure to be financed from the increased property tax base that could be enabled by the existence of improved infrastructure. As part of that, the Government will explore with local authorities the potential benefits, costs and feasibility of piloting such an approach. In the 2009 Pre-Budget Report, the Government will report on this analysis, and the options for taking it forward.”*

3.1.37 John Healey’s letter goes on to list some criteria by which appropriate pilot projects might be identified:

- (a) “be relatively small scale (the permitted level of capital investment to be determined);
- (b) already be mature enough for there to be an early start on the ground;
- (c) aim to deliver an enhanced non-domestic rating tax base in a well-defined area;
- (d) be dependent on the delivery of public infrastructure as part of the overall development;
- (e) be unlikely to find funding by another route; and
- (f) be helpful to the Government in thinking through the issues.”

3.1.38 The TGK partners have begun to give some consideration to this invitation. Thames Gateway Kent is a clearly defined area in planning and strategy terms, but in its totality could not be considered small scale (criterion (a)). The other criteria can potentially be satisfied: in particular, this is an area where business growth as part of our strategy for raising economic prosperity in North Kent would yield an enhanced non-domestic rating tax base. We are therefore looking at the options for identifying one or more smaller areas that are high priorities, including Ebbsfleet Valley, where a TIF/ADZ pilot bid might be feasible.

3.1.39 Whether or not an ADZ or TIF is the most appropriate solution for Thames Gateway Kent as a single identified area, or for a series of smaller schemes, the fundamental issue remains that infrastructure will need to be forward-funded “ahead of need” and that a funding source is needed for this ahead of the income streams from which costs can be clawed back. In principle, this forward-funding could be financed through prudential borrowing, provided there is a guaranteed income stream to repay the capital and interest. In practice, for major capital investment programmes, and with the issues outlined above regarding identified sources for recoupment of costs, this poses serious challenges. TGK authorities have already invested heavily to bring forward Thames Gateway projects and the present time do not have the revenue streams to support further prudential borrowing.

3.1.40 We are therefore looking to Government to help identify a mechanism that could unlock the investment and deliver the forward-funding needed. A mechanism to kickstart key infrastructure is urgently required to enable transport and other critical regeneration projects to proceed, and in turn release other new regeneration opportunities. Further work is needed to refine and develop the initial analysis undertaken by TGK partners, to explore alternative assumptions, sensitivity-test the impact of different options and priorities, and assess the potential impact of other financial contributions including capital receipts. This would provide the platform for exploration of models and mechanisms that would deliver a forward-funding and cost-recovery model for an area and programme on the scale of Thames Gateway Kent.

3.1.41 In the first instance, our ask is jointly to work with HM Treasury, CLG and other partners (including HCA) on a task and finish basis to refine and develop this analysis and potential forward-funding models and mechanisms. The findings and recommendations from this work should, amongst other benefits, inform the next spending review.

***Impact and measurement***

3.1.42 Indicators to capture the impact of the measures proposed for this outcome pose a number of challenges. Potentially, the unlocking of infrastructure to support economic growth, business location and investment, housing growth and employment would impact positively on a wide range of indicators. But these also reflect the impact of many other activities interventions that are not covered by this MAA. We will explore and agree appropriate performance measures in the light of the outcomes from the proposed task and finish group.

# 3 The MAA proposals and requests for enabling measures

## 2 Skills and employability



## 3.2 Skills And Employability

3.2.1 In Thames Gateway Kent we have high ambitions to grow the economy so as to match and compete with the rest of the South East. Our headline target is 58,000 new jobs between 2006 and 2026, with particular emphasis on knowledge-based sectors. Our economic development strategy identifies high level measures to strengthen the drivers of competitiveness, particularly through specialisation in key sectors, promoting innovation, enterprise and creativity and attracting and retaining investment. The sectors where jobs growth is expected to be concentrated include:

- **Existing sector strengths of regional importance:** ports & logistics, advanced manufacturing and construction;
- **Opportunity/policy driven sectors:** environmental technologies, business and financial services (particularly at Ebbsfleet Valley), creative industries, tourism and leisure; and
- **Population driven sectors:** public sector (including health) and higher education.

3.2.2 One of our key objectives is that job opportunities should be accessible to existing as well as new (incoming) residents, and the Economic Development Strategy therefore identifies actions for raising skills and employability. Achieving our ambitions presents a number of challenges.

3.2.3 We need to raise skills levels:

- Only 19.7% of NK residents have a level 4 qualification compared with 31% in the South East and 29% in Great Britain.
- Level 3 skills are broadly in line with national rates, but 32.6% of residents have either no qualifications or level 1 only (compared with 23.6% in the South East and 26.7% nationally).
- Only 63% of NK working age residents (19-59/64) have at least a level 2 equivalent qualification compared with 72.6% in South East (ONS, 2007).
- Whereas 91% of those with level 4 qualifications are employed, the rate falls to 53% for those with no qualifications. The demand for lower skilled labour is likely to decline further with the decline of general manufacturing and primary industries such as quarrying.
- The highest value added jobs are particularly those in the “knowledge economy” requiring level 4 and above qualifications. Around 30% of anticipated job opportunities in Thames Gateway are expected to require level 4 qualifications.
- Relatively fewer NK residents are currently in managerial and professional occupations (24%) than in the South East (33%) or England (28%).

3.2.4 In order to attract and retain knowledge-based businesses, we need to raise the skills of NK residents already in work, aid progression across the skills spectrum and diversify the skills base both to support existing key sectors and to foster innovation in new and emerging industries. In the short term we may need to attract talented and qualified people into the sub-region to meet the requirements of knowledge-based businesses. In the medium and longer term we must aim to increase the number of NK residents with those skills, in order that the opportunities arising from economic activity and growth benefit the resident population.

3.2.5 North Kent is also a net exporter of labour. In part this reflects its proximity to London which exerts a strong influence (including higher average pay levels) over travel to work patterns; there are also strong labour flows between, in particular, North Kent and Maidstone (as the County Town and location for several key public service organisations), and Tonbridge & Malling, which has significant manufacturing and service sector employment. Labour mobility must continue – this is not a closed economy – but part of our ambitions for more sustainable communities must be that

people should be able to access appropriate job opportunities in closer proximity to where they live, and that means more jobs in North Kent.

3.2.6 If we are not able to bring about this step-change in skills attainment, to close the qualifications gap between NK and the South East illustrated in 3.2.3, individuals will not be able successfully to compete for jobs in the current and future job market. This would significantly undermine the success of the Government's regeneration strategy in Thames Gateway. Slow progress in raising skills will hamper business retention and the attraction of inward investment. Where higher level jobs are created it will also increase the likelihood of higher-skilled jobs being taken by non-residents. This in turn will increase pressure of commuting into the sub-region (or additional housing pressure from people moving into the sub-region) and leave existing residents and communities disenfranchised, with consequential impacts on community cohesion.

3.2.7 Raising skills is only one part of increasing employability. We also need to raise economic activity and reconnect more North Kent residents with the labour market:

- Employment rates (74.5% in 2007/8) continue to lag behind the South East (78.2%)<sup>15</sup>.
- Economic inactivity (19.5%) is higher than the South East (17.2%), though below the national rate.
- The unemployment rate<sup>16</sup> for North Kent rose from 2.1% in April 2008 to 4.1% in April 2009 and remains above the South East rate (which rose from 1.4% to 3.0% in the same period) and now matches the national rate having been below it 12 months ago.

### ***Kent and Medway Local Area Agreements***

3.2.8 In the area of economic development and skills, both KA2 and the Medway LAA include the objective to decrease the number of working age people on out of work benefits – National Indicator (NI) 152. They share an aspiration to increase the number of learners achieving low-level skills - they both include NI 161 - learners achieving a Level 1 qualification in literacy – and NI 163 - working age population qualified to at least Level 2 or higher. The Kent Agreement also includes an indicator on increasing learners achieving an entry Level 3 qualification in numeracy (NI 162) - supporting a desire to increase progression in education – and on decreasing 16-18 year olds who are not in education, employment or training (NEET) – that points to the local importance of pathways from school to work.

### ***Skills & Employability in the North Kent MAA***

3.2.9 To help develop the skills and employability strand of the MAA, a stakeholder workshop was held in September 2008 involving all sectors including local authorities, DWP prime contractors and sub-contractors, private sector providers, voluntary and community organisations and agencies.

There was strong consensus around four issues where it was considered the MAA could add value:

- Improving skills progression and labour mobility for residents in work;
- Ensuring that the skills needs of existing and incoming industries and employers are met;
- Improving the skills and employability of those with low skill levels; and
- Reducing economic inactivity among residents of North Kent.

3.2.10 A multi-agency theme group was formed to explore these further and develop proposals for closer collaboration. The group's work swiftly identified two key outcome areas:

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<sup>15</sup> Source: NOMIS

<sup>16</sup> Source: NOMIS – Proportion of resident working age population claiming working age benefits, April 2009 compared with April 2008. NK 2.1% - 4.1%; SE 1.4% - 3.0%; GB 2.2% - 4.1%.

- Improving the customer journey to help people not in work to gain the support, training and skills they need to get into employment – summarised as “integrated case handling”; and
- Making training provision more responsive to employers’ needs and enabling people in work to improve their skills to aid career progression and equip the North Kent workforce to meet the demands of knowledge-based industries – “future-proofing” both the workforce and the economy.

3.2.11 These became the basis for the two outcomes included in this section of the MAA. A second stakeholder workshop was held in February 2009 to validate the outcomes from the Group’s work and to consult on emerging proposals. Other consultations have included business breakfasts organised with the Thames Gateway Chamber of Commerce.

3.2.12 Throughout the Group’s work, the national context has of course not stood still. Thus, considerable early attention was given to desired flexibilities in Train to Gain programmes. A succession of flexibilities introduced at national level have effectively removed the need for several proposals developed by TGK partners, and these have been deleted from this MAA. Similarly, various changes to the benefit system and programmes administered through Jobcentre Plus, including packages introduced in response to the economic downturn, have gone a significant way towards providing flexibilities along the lines of proposals developed by TGK partners. We will wish to monitor the impact of these changes.

3.2.13 It was agreed at the outset that the focus of the MAA should be on adult skills so as not to interfere with the transfer of the LSC’s responsibilities for 16-19 year olds to local authorities in 2010. There is, nonetheless, a number of issues around the interface between pre- and post-19 provision, particularly relating to apprenticeships and the artificial split between 16-18 and 19+ funding which have had a bearing on the sub-groups’ work and recommendations.

3.2.14 The emphasis of this section of the MAA is more on progression in and into training and work and less on growing the higher level skills (e.g. level 4 plus) that are also crucial to the future economic prosperity of TGK. This is partly a reflection of the priority given in the MAA process to measures that will benefit the hardest to reach and most disadvantaged residents in North Kent. In the long run, action on lower level skills will feed through into progression to higher levels, but this will take time. The Economic Development Strategy identifies a number of measures to address the higher level skills deficit and these will be developed further in the skills and employment strategy developed by the proposed Employment & Skills Board (paragraph 3.2.51 onwards). A future iteration of this MAA may offer additional proposals and seek further flexibilities relating to higher levels skills provision.

**Outcome objective 2: Greater personalisation and coherent integration of support for people not in work to access training, improve skills and gain employment**

**Proposal 4: TGK partners will establish a provider forum to support improved joint working on information, advice, guidance, training and employment services**

3.2.15 The partners in the North Kent MAA recognised that a series of problems existed with the support given to people in North Kent seeking to make the transition from benefits to work. In particular, there is a lack of personalised and coherent approaches across the current holders of the large contracts e.g. Pathways to Work, Flexible New Deal (FND) and LSC pre-employment programmes. These have not to date aligned their funding or activity: organisations tend to work in

‘silos’, a pattern of delivery that is both reinforced and further complicated through sub-contracting arrangements. This results in duplication of activity and confusion for clients.

3.2.16 TGK partners commissioned Kingshurst Consulting to look at the Information, Advice and Guidance (IAG) services that currently exist and to make recommendations for improvement<sup>17</sup>. They found that:

*“Current provision of IAG to jobseekers and those disengaged from the labour market in North Kent is complex with a myriad of overlapping activities and duplication of effort. Maintaining this approach is both counterproductive and confusing for clients who are less likely to be able to navigate through the system and re-enter the job market. This is compounded by the relatively small number of contractors delivering ‘back to work’ programmes commissioned by DWP/JCP, complementary programmes commissioned by LSC (Skills for Jobs/Employability Skills Programme) or alternatively, SEEDA-funded programmes such as Employ North Kent.”*

3.2.17 Kingshurst made a series of recommendations, many of which echo the conclusions emerging from the MAA stakeholder workshops and theme group work:

*“Consideration should be given to establishing a provider forum to support joint working on a range of issues relating to quality assurance and control, models of support, information sharing, referral protocols and other operational activities. For example:*

- *common professional standards and the value of in-house training in relation to formal qualifications;*
- *agreement on a standard framework for IAG;*
- *the mechanism for monitoring and enforcing standards;*
- *common processes that could be linked in recording work done with clients through Individual Learning Plans (ILPs) or other documents;*
- *information sharing agreements, backed up with web-based collation of information;*
- *protocols on the referral of clients to other agencies and signposting;*
- *protocols on employer engagement;*
- *support to clients extending from being unemployed, to sustaining them once in employment (e.g. through Train to Gain).”*

3.2.18 They also made three other recommendations, all of which will be delivered by the partners:

- Establishing a central conduit for information on the local labour market and employment opportunities.
- Establishing case managers with whom clients can establish a long-term, ongoing relationships, with referral to appropriate specialist help, as required.
- The development of Individual Learning Plans would encourage clients to take ownership of their learning activities and provide a framework for support and referral across the provider network.

3.2.19 The bulk of the work needed to provide an integrated system of support will need to come from the partners. It will take us at least a year to establish an integrated system. The following table summarises the partner actions responding to the recommendations from Kingshurst and priorities identified by the Theme Group:

Action 1	Establishing a provider forum	July 2009
Convene a conference of North Kent guidance providers to establish a North Kent Guidance Forum. The aim of the forum will be to enhance co-operation and knowledge transfer across provider		

<sup>17</sup> Information, Advice and Guidance Services in North Kent. Kingshurst Consulting, March 2009.

networks and facilitate:

- The establishment of common mechanisms for referral, data sharing etc., and
- Agreement to common professional standards based around the national matrix standards.

A detailed work programme will be developed with partners to progress these key elements.

<b>Action 2</b>	<b>Labour Market Information</b>	<b>October 2009</b>
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Determine how LMI is currently gathered and disseminated.

Work with providers including Jobcentre plus, Employ North Kent, Councils and others to ensure that there is an effective mechanism for disseminating good quality information about the labour market to all providers.

An ongoing action will be to monitor and evaluate this system

<b>Action 3</b>	<b>Joint working</b>	<b>Summer 2009 onwards</b>
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Partners will use the forum to establish protocols covering information sharing, signposting, referral, employer engagement, performance management and common record keeping. These protocols will be used with providers, and ensuring that this is reflected in their Data protection registration, etc.

This activity will be ongoing throughout the life of the MAA

<b>Action 4</b>	<b>Common Individual Learning and Employment Plans</b>	<b>by summer 2010</b>
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All providers to agree on common documentation for Individual Learning and Employment plans, preferably by the summer of 2010 at the latest. This will facilitate referral of clients and will be related to the data protection registration of the partners.

***Ask 4: JCP and North Kent partners will establish a North Kent consortium of nationally funded and local employment and skills providers to encourage a more collaborative, flexible, integrated and shared approach to the delivery of services and targets, enabling clients' longer-term needs to be addressed in the context of JSA conditionality.***

***Ask 5: Government Departments will establish an action learning set with North Kent partners to review current market conditions and the barriers to more effective integrated worklessness and skills provision focused on clients' needs, reporting its findings to Ministers and Leaders by the end of 2009.***

3.2.20 The establishment of long term, integrated case management will only be feasible if organisations work differently and, in order to work differently, if we move towards greater flexibility in the contracting and targeting regime within which partners operate.

3.2.21 We understand that the Personalised Employment Programme (PEP) pilots are looking at similar issues in bringing together Pathways to Work and Flexible New Deal (FND) Phase 2 from 2011. In effect, our aspiration is to deliver a “PEP plus” service in the context of FND Phase 1 but with other programmes (including non-DWP contracted programmes) involved.

***The customer base in North Kent***

3.2.22 Across North Kent approximately 14,500 working age people (4.1%) are currently claiming Job Seeker’s Allowance (JSA), of whom about 7% have been claiming for more than 12 months.



Around 20,000 people in North Kent are on Incapacity Benefit or Employment and Support Allowance (IB/ESA) of whom 5,747 were new claimants in the 12 months to March 2009; and 5,500 are claiming lone parents' benefit. Trends suggest that when FND comes into operation in October 2009 around 1,015 customers – only about 2.5% of all benefits claimants – will qualify for support in North Kent<sup>18</sup>.

3.2.23 Individuals with complex needs require significant levels of support:

Illustration:

Female, aged 25, recovering alcoholic, problem drug user, disengaged from family and social networks (no contact with 3 year old daughter), recently taken to street living; no vocational skills, no work experience, low confidence and poor self-esteem; some GCSE successes. Referred to Re Ignite by housing provider.

3.2.24 Experience and knowledge gained from Employ North Kent and Jobcentre Plus suggests that a high proportion of clients present multiple barriers which are only being addressed in silos by separate agencies and separate funding regimes. This prolongs the journey for individuals into the world of work.

**Provider engagement**

3.2.25 Currently, a large number of different organisations are providing work-related programmes, information, advice, guidance and other support to workless people, the majority of whom are on benefits. According to the report from Kingshurst Consulting, the non-DWP funded projects surveyed saw 6,138 customers on benefits last year – allowing for double-counting of people seen by more than one project, this is estimated to be around 5,000 individuals<sup>19</sup>. In 2009/10 the caseload across the partners in North Kent identified in the table below is expected to total nearly 6,200<sup>20</sup>.

3.2.26 This suggests that non-DWP funded projects will be providing help to more than 12.5% of the people in North Kent who are on benefits; and even though the caseload is split between different kinds of claimants, it can be seen that this is considerably more than the number and proportion (2.5%) expected to receive enhanced support through FND.

Project	Funded by	Description	Number of individuals to be contacted 2009/10	Number on benefits (approx)	Number to be offered Job related training	Number of businesses to be contacted
<b>Employ North Kent</b>	SEEDA	Local Labour market Project, matching individual skills to jobs available and providing work related training as appropriate	520	400	300	105

<sup>18</sup> Source: Jobcentre Plus

<sup>19</sup> See footnote 17. Not all providers in North Kent participated in the survey, therefore the actual number of people accessing services would be higher.

<sup>20</sup> Source: Gateway Knowledge Alliance. The total individuals involved will be fewer than the case contacts because of duplication where the same individual presents to more than one organisation. All the organisations listed in the table above (except FND Contract) are members of the North Kent MAA Employment and Skills Group.

Project	Funded by	Description	Number of individuals to be contacted 2009/10	Number on benefits (approx)	Number to be offered Job related training	Number of businesses to be contacted
<b>Re ignite</b>	Medway Council / Diocese of Rochester	Project giving holistic advice and employability to people in deprived areas and job related training	270	230		
<b>Next Steps</b>	LSC	Universal guidance service - overall guidance for people specialising in dealing with educationally deprived	4,000	3,200		
<b>NLDC</b>	LSC	Provision of training in deprived communities, including Educational and work related guidance	800	527	782	
<b>Routeways to Employment</b>	LSC	Provision of training and finding	100		50	
<b>Response to Redundancy</b>	LSC	LSC funded contract to train newly unemployed people for employment	500	500		100
<b>Totals</b>			<b>6,190</b>	<b>4,857</b>	<b>1,132</b>	<b>205</b>

Source: Gateway Knowledge Alliance

### ***The need for new ways of working***

3.2.27 Each organisation has its own performance targets. Output targets can create a perverse incentive to organisations to focus on those who are easier to help – i.e. the quicker wins. This ensures their output targets are met but disenfranchises the harder to reach from the labour market as they receive little or no support through this contact. This further disadvantages people with complex and long-term needs; it also impacts on attainment of targets by other organisations that ‘pick up the pieces’ and try to provide a more holistic service.

3.2.28 As indicated above (paragraphs 3.2.19) our aim is to provide a more integrated and customer-focused service. This would be a first step towards our aspiration for integrated budgeting and pooling of funding and targets, further to the recommendations of the Houghton Review. The underpinning rationale for this direction of travel is that the closer funding and targets are aligned, the more duplication and waste can be eliminated, outputs increased and outcomes improved for customers including a shorter ‘customer journey’.

3.2.29 This will bring individuals closer to the job market and improve their ability to compete, thus increasing opportunities and chances of finding and sustaining employment. The impact to the customer is that at entry point all their needs will be assessed and wherever possible addressed. A work and skills assessment will be completed listing the specific needs, and providers will be incentivised to take an holistic approach to address all the needs that the individual presents rather than just the need that provides that organisation’s contracted output and funding.

### **Localisation of DWP contracting**

3.2.30 Partners have signalled their interest to work with DWP on a greater degree of localisation in the commissioning of future DWP contracts. We are keen to engage with DWP to influence new Welfare to Work contract parameters and, through our relationship with appointed contractors, to shape provision to meet local needs. But we propose to progress beyond this to co-commissioning (level 2) which would be a natural extension of existing sub-regional collaboration on programmes that complement DWP provision, such as *Employ North Kent*. In the longer run we might wish to proceed to a level 3 role in commissioning insofar as this was consistent with local governance arrangements and broader developments in Kent and Medway. We look forward to building upon discussions with DWP scheduled in June.

3.2.31 The intention is to align the relationship with FND and other W2W contractors to that which would exist under an Employment & Skills Board that has powers to set the strategic framework within which skills training is commissioned (see paragraphs 3.2.49 to 3.2.61 below).

### **Integration across different funding streams**

3.2.32 DWP contracted provision is only part of the picture of support for people on work-related (and other) benefits. As indicated above, many services are provided by both DWP- and non DWP-funded organisations, including LSC and RDA funded training and employment support services.

3.2.33 The principle on which we wish to work is that provision should be matched to the needs of individuals rather than providers. Clients should be able to access whatever kind of provision will help them progress into work, whether these are DWP programmes under New Deal (or, in future, FND) or Pathways to Work, or non-DWP provision such as through *Employ North Kent* and LSC Skills for Jobs.

3.2.34 Current JSA conditionality can restrict people's ability to undertake non-DWP programmes, even where the alternative provision could improve the clients' opportunities to undertake training and/or enter work. Mandatory programmes frequently determine whether clients remain eligible for benefits but currently do not necessarily address the clients' complex needs. The motivation behind clients' participation in mandatory programmes may therefore be to avoid penalties rather than necessarily to gain skills that will get them into work. In future, FND should enable JCP to take a more flexible approach towards other provision that may help clients into work; but as already indicated, FND will only be available to a relatively small proportion of the clients being assisted by providers.

3.2.35 We therefore want to see flexibility for advisers to be able to refer clients to the programmes that best meet their requirements; and for JCP and all providers dealing with workless clients to work more collaboratively and flexibly to enable clients' longer-term needs as well as JSA conditionality to be addressed. Partnership Engagement Meetings led by JCP would be the starting point for exploring how that more holistic and flexible working can be achieved locally.

3.2.36 To support this objective, ***our first related ask is that Government should facilitate the consortium approach, including through contracting and guidance mechanisms.*** This particularly applies to DWP but also BIS in respect of LSC and RDA funding streams.

3.2.37 ***Our second ask is for Government to work collaboratively with TGK partners to explore the perceived barriers to more effective and integrated worklessness and skills provision.*** Throughout the extensive process undertaken in preparing and collecting evidence for this MAA, stakeholders

have maintained that there are barriers both for providers in trying to provide a coherent service and for customers who encounter obstacles trying to negotiate 'the system' and accessing the form of support that best suits their needs or circumstances. Exploring these issues in a structured way provides an opportunity both for knowledge transfer between local partners and central Government, and for shared learning that may complement pilot processes and inform policy and programme design.

**3.2.38** This could take the form of an **action learning set** or task and finish group, and would involve selected TGK partners and policy lead officers in relevant Departments including DWP and BIS. This would be a time-limited arrangement, and the timetable – bringing findings and recommendations to Ministers and TGKP Leaders by December 2009 – is intended to maximise the opportunity to reflect outcomes in ongoing W2W contracting processes and frameworks. **Although this is conceived as an arrangement between TGK partners and central Government, the action learning approach might deliver added value if it included representatives from other MAA partnerships who have identified similar issues in the course of MAA preparations and negotiations.**

#### ***Training and the 16 hour rule***

3.2.39 Through the course of work on this MAA, the Skills & Employability Group has considered a number of proposals aiming to overcome the negative side-effects of the "16 Hour Rule". The rule can serve as a disincentive for people on JSA and other benefits to undertake more intensive training that may exceed 16 hours per week. Our proposals included the development of a "Learning into Work Allowance" to enable people temporarily to suspend their "actively seeking work" status, without loss of benefits, whilst undertaking approved training that would exceed the 16 hour limit.

3.2.40 The new 8 week training allowance, within the framework of JSA, that came into effect on 6<sup>th</sup> April 2009 seems likely to address the overwhelming majority of cases that the proposed Learning into Work Allowance was designed to assist. We are therefore removing this proposal from the MAA. We will, however, wish to monitor the take-up and effectiveness of this new flexibility in terms of sustainable employment outcomes. We will also want to monitor the caseload of claimants unable to access this provision until after 6 months unemployment, to see what effect this is having on individuals and on the North Kent economy and whether there is sufficient evidence to justify earlier intervention.

#### **Proposal 5: The North Kent MAA area to be utilised as a pilot to accelerate introduction of Skills Accounts.**

#### ***Ask 6: The early introduction and accelerated piloting of the Skills Account concept and employer training accounts to incentivise and facilitate uptake of training by individuals.***

3.2.41 Thames Gateway Kent needs a step change in raising skills, particularly at higher levels (including level 4+) to close the performance gap compared with the rest of the South East and to equip a workforce able to access opportunities in the knowledge economy. Mechanisms that support and incentivise this step change are therefore a high priority, particularly given the importance of raising skills to support economic growth that lies at the heart of Thames Gateway objectives.

3.2.42 Our objective is to provide a more client-centred and joined up service:

- to cover all aspects of information, advice and guidance;
- to support for individuals to undertake skills training to improve their employability;

- for employers to support employees to improve their skills and strengthen business resilience.

3.2.43 The Skills Account concept enables individuals to take a greater responsibility for their own learning and development, with funding attaching to individual learners rather than institutional providers, facilitating a portfolio / modular approach to training that is tailored to the individual's needs.

3.2.44 The initial stakeholder workshop in September 2008 identified the Skills Accounts concept as a method of improving the motivation of individuals to train and enable them to recognise the value of training interventions. When fully realised, Skills Accounts will also give individuals the responsibility for making decisions about work related Training and Learning. Skills Accounts also need to be underpinned by a consistent system for guiding, tracking and recording individual progress: this reinforces the value of the North Kent MAA partners' concept of integrated case handling.

3.2.45 The strong local partnership created through the MAA provides a local platform that will enable us to trial the co-operative use of a more developed form of Skills Accounts in North Kent.

3.2.46 This request will involve close collaboration between LSC / Successor Bodies and Thames Gateway Kent partners to plan, develop and implement the logistics to support the development of Skills Accounts, Advanced Network Partnerships and other developments. We have had initial discussions with the LSC to discuss ways in which the MAA group can help to deliver the objectives of Skills Accounts locally, and agreed with them that our local network of partners could contribute to the roll out of Skills Accounts across the South East from 2009 onwards.

3.2.47 Two of our partners, North West Kent College and Next Step, are already partners in the trials of Skills Accounts. We understand from the LSC that discussions are taking place with BIS concerning the nature of the roll-out of skills accounts and the trial of new ways of delivering the programme. We would like these discussions to consider the possible ways in which the local MAA partnership could contribute to the success of this programme, drawing on the collective approach suggested above.

### **Impact and measurement**

3.2.48 As indicated in paragraph 3.2.22, North Kent has a significant caseload of residents on out of work benefits, with JSA claimants in particular rising steeply (virtually doubling in the last 12 months). It also has pockets of multiple deprivation with concentrations of individuals with complex needs. The target to reduce the proportion of people on out of work benefits to nearer the South East rate is therefore challenging. Our aim is for a 20% reduction in the gap by 2014, with a milestone of 8% reduction by 2011. This will be tracked relative to the South East rate, so a reduction in the South East rate will call for a proportionately greater reduction in the North Kent rate.

Employment	Proposed Target	Baseline	2011	2014	NI	PSA / DSO
<b>Working Age People on out of work benefits</b>	Target is 20% narrowing of the gap between NK and SE rates of working age population on out of work benefits by 2014.	10.40% (Nov 2007 to Aug 2008) SE = 7.8% Gap = 2.6%	8% reduction in gap	20% reduction in gap	152	PSA8 DSO 2 (DWP)

**Outcome objective 3: 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.**

3.2.49 To grow and strengthen the skills base in North Kent, we need colleges and other skills training providers to become more responsive to the needs of employers. This requires both better intelligence about the requirements of the economy, new ways of working to shape the training provision commissioned, and changes to the funding mechanisms within which providers operate to enable more locally-responsive provision to be offered.

3.2.50 Feedback from businesses has also reinforced the need to simplify the offer to employers trying to access training advice and provision. The offer across the public sector is dispersed with too many points of entry, web portals and tendency towards silo working even within partner organisations. We are therefore committed to developing a more coherent and accessible offer to employers, “hiding the wiring” necessary to connect organisations and join up advice services and provision.

**Proposal 6: Delivering more employer-focused skills training provision by the creation of an employer-led North Kent Employment and Skills Board.**

3.2.51 To support the skills and employability strand of our MAA, one of our proposals is the creation of an employer-led North Kent Employment & Skills Board (ESB), to ensure that training provision in North Kent is focused on the particular needs of existing and incoming businesses in the TGK economic area, and addressing the training needs of the resident population.

3.2.52 Business input into shaping skills training at a strategic level is currently not systematic. Provision tends to be determined more by historical pattern than forward-thinking about the needs of the economy. Businesses need a forum in which they can make direct, evidence-based input into shaping the strategic framework within which provision is commissioned. Business leadership in the ESB would ensure it retains a focus on provision that supports sustainable economic growth and the vision and agenda of Thames Gateway Kent partners. The ESB would bring together employers from the private, public and third sectors. It would also engage and consult more broadly with stakeholders including local authorities, Universities and Colleges, and the voluntary and community sectors in identifying priorities and developing a strategic response.

3.2.53 The creation of an ESB is an important structural change to support delivery of employer-responsive training provision. Existing arrangements, partly because of the way national funding and programmes work, tends to be provider-focused. To complement a more client-focused approach to help individuals to access training opportunities, we also need a more employer-focused, demand-driven approach to skills training design and provision: a mechanism that identifies more clearly (though not exclusively) what skills are needed to grow the North Kent economy both in the short and long term, and to ensure that this is met by an appropriate and effective provider response.

3.2.54 We envisage that the ESB will set the strategic framework for adult learning and skills provision in TGK, refreshed annually. Commissioning would continue to be done through existing channels. The ESB would then hold commissioning bodies and providers to account for their performance in delivering the training required and the quality of outcomes. The aim is for the Board to become a “specified body” under section 24A of the Learning and Skills Act 2000<sup>21</sup>.

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<sup>21</sup> As inserted by section 4 of the Further Education and Training Act 2007 (c. 25).

3.2.55 Without section 24A powers, the ESB would be essentially an advisory body and not therefore be able to give strategic direction to the funding that comes from LSC / Skills Funding Agency / National Apprenticeships Agency and DWP to best effect to support the particular requirements of the North Kent economy.

**Ask 7: BIS, DWP, the LSC / successor bodies and Jobcentre Plus will work with Thames Gateway Kent partners to develop an Employment & Skills Board capable, if so decided, of taking on section 24A powers by July 2010.**

3.2.56 Establishing such a Board would mean satisfying various criteria specified by BIS, because such Boards can only take on these powers where designated by the Secretary of State. Definitive criteria and associated guidance have not yet been published, but it is understood that BIS would expect such a Board to represent all key stakeholders and have an influential role in determining the skills agenda for North Kent. We therefore wish to work with BIS to develop the Board so that it would have the capacity formally to take on this strategy-setting role by July 2010.

3.2.57 The ESB would sit alongside the MAA Leaders' Board as a strategic, decision-making body. The governance arrangements are described in more detail in Chapter 5.

3.2.58 The North Kent Employment & Skills Board would also have direct links to the Kent & Medway Employment & Skills Board (Skills Commission). The same secretariat will provide support for both the North Kent ESB and the K&M ESB, part funded by TGKP and the Kent Economic Board. This will help maintain coherence between the strategy developed for TGK and approaches developed for other parts of Kent. The North Kent ESB is seen as an opportunity to pilot new and innovative approaches which, if successful, could be rolled out elsewhere in Kent under the auspices of the Kent & Medway ESB.

3.2.59 The North Kent ESB would absorb the major part of what is currently overseen by the Gateway Knowledge Alliance Strategic Board. So one consequence of creating the ESB would be to dissolve the GKASB, at the same time ensuring continued provider group engagement.

3.2.60 Whether to proceed to section 24A status is a matter for future decision by the TGKP Leaders' Board. We want to prepare the ground by establishing the ESB as soon as possible in 'shadow' form, to build confidence and demonstrate capacity to fulfil the requirements of formal designation. The indicative timetable for evolving the formalised arrangements is as follows:

Action	Timetable
ESB Management group established, Terms of Reference, membership and chair agreed.	Summer 2009
Membership invited to attend first meeting	Sept 2009
TKESB consider draft action and delivery plan	Nov 2009
Strategic proposals agreed, and providers invited to make proposals	Spring 2010
TGK Leaders' Board decision on whether to seek formal powers for ESB	

3.2.61 The proposed terms of reference for the ESB have been set out in a supplementary paper<sup>22</sup>.

<sup>22</sup> Supplementary Paper 4: North Kent Employment & Skills Board – outline terms of reference.

**Proposal 7: To make learning and skills funding streams more locally responsive.**

3.2.62 In seeking to make training provision more locally responsive, TGK partners have identified three potential barriers:

- Restrictions around funding streams that prevent genuinely responsive provision;
- Restrictions about the kind of provision or supporting activities that can be funded; and
- Aspects of the performance management and inspection regimes for colleges that stifle innovation.

***Ask 8: The Government and its agencies will work with TGK partners to review evidence of barriers to locally responsive provision and explore potential flexibilities, by the end of 2009, to enable quick and effective response to employer demand and regeneration needs in North Kent.***

3.2.63 The development of an Employment and Skills Board will, in due course, influence the way mainstream resources from BIS and DWP, through the LSC / Successor Bodies are used to support adult skills development in North Kent. This will enable the various funding streams with a local responsiveness element to be utilized in accordance with North Kent partners' priorities. In parallel, but also in the shorter term, there is potential to deliver better outcomes and value from the local responsiveness element of various funding streams. This would not require additional funding from Government, but require flexibility in the way existing funding is used so that it can be better aligned with local needs and priorities, such as:

- Strategic and demand-driven employers' needs;
- Strategic needs identified through the Economic Development Strategy for North Kent;
- Increasing the skills of individuals to meet projected economic needs and opportunities;
- Improving training to support business start-ups and enterprise.

3.2.64 The LSC/Skills Funding Agency (including the National Apprenticeship Service) have committed to explore with TGK partners evidence about specific skills needs in the sub-region and whether current funding arrangements (including Train to Gain, Employer Responsiveness, Adult Responsiveness, PCDL and NLDC) are hampering the responsiveness of providers to the ongoing business needs of employers. This exercise will also provide evidence as to how the SFA could best fund skills in North Kent alongside the strategy to be prepared by the ESB.

3.2.65 Where this joint working identifies convincing evidence of particular barriers, the Government will consider what flexibilities between existing funding streams in TGK would be possible to overcome these barriers. Subject to the findings of that joint working, TGK partners' suggestion is that the flexibilities explored include:

- the parameters for existing funding streams that are meant to support responsive provision (including Train to Gain, Employer Responsiveness, Adult Responsiveness, PCDL, NLDC, etc). The aim is that these should be flexed where appropriate to enable local employer demand and regeneration needs in North Kent to be met quickly and effectively;
- The use of such funding for activities not included on the Learning Aims Database where this accords with strategic priorities; and
- Adjustment of the Minimum Levels of Performance and Ofsted inspection regimes in respect of funding used to support higher risk, innovative courses provided in response to strategic needs identified by the ESB (or its forerunner).

3.2.66 The following paragraphs explain the issues in more detail.



### **Restrictions within and between funding streams**

3.2.67 Currently, the funding methodology of the LSC is not sufficiently flexible to meet local needs. Although Train to Gain has become increasingly flexible, it only accounts for 2% of LSC spending in North Kent. This leaves us with a number of inflexibilities connected to current LSC funds:

- Colleges cannot use LSC “Employer Responsiveness” funding to respond to requests for courses by employers unless they request specific types of courses such as NVQs or apprenticeships. This is a particular problem in some of the more specialised areas such as Maritime skills where no NVQ or apprenticeship framework has been agreed nationally. North West Kent College, for example is therefore unable to use the “Employer Responsiveness” funds to put on courses requested by the Port of London Authority and other employers.
- Whilst flexibilities announced by LSC are welcome, we consider there are still too many different programmes with different criteria and rules. ‘Real Help for Individuals’ and ‘Real Help for Employers’ comprise 8 different schemes (not all available in every area). We would ideally like to see these rationalised into a single mechanism that much better facilitates local responsiveness. Providers need to be in a position to respond directly to requests from local employers.
- Funding cannot be effectively used to support local initiatives. For example, while Employ North Kent is increasingly able to identify courses that employers want, colleges cannot fund all of them. Evidence has come from ENK’s work and the recourse to SEEDA funding to provide NVQs in construction.
- A great deal of training for future employment needs takes place on the initiative of individuals, not employers. This kind of training is of particular importance in an area that is expecting major structural changes in the local economy, with a new emphasis on knowledge based industries. More of the available funding needs to be channelled to support individuals who want to re-train themselves but who are unlikely to receive support through their existing employer.

### **Kinds of provision and supporting activities**

3.2.68 The present basis on which LSC funding can be drawn down, in particular whether or not courses appear on the Learning Aims Database (LAD) and the weighting of courses, can also restrict providers’ capacity to respond to employer demand:

- Whilst Business Start Up training workshops are available through Business Link, deeper and more academic SME management training is only fundable if it is NVQ based. Business Link finds that shorter courses and individual competency-based modules are preferred and can be more appropriate to those actually running a micro-business for the first time;
- It is not economic to provide courses for small numbers of learners even if these courses are vital to the local economy;
- Courses provided in response to employer demand may require a mix of skills (e.g. servicing offshore wind farms which would require a particular mix of marine and engineering skills) not yet included on the LAD. It is recognised that there is a process for designing courses and putting them on the LAD, but the process itself takes time and potentially delays the commencement of training.

3.2.69 Ahead of a statutory ESB being in place, greater flexibility between local responsiveness funding streams would enable the shadow ESB and providers to respond to specific local strategic high risk priorities. These might include:

- Working with difficult and hard to reach clients;

- Providing narrow or specialist activity of value to the NK economy and/or particular key employers or sectors (e.g. creative industries or working with emerging technologies such as sustainable construction or wind power);
- Working with small groups/cohorts where there might be high capital costs;
- Enabling courses not yet on the Learning Aims Database (LAD), if these meet strategic priorities;
- Providing 'thin' or 'single' unit courses of study;
- Supporting students 'out of hours' (e.g. to provide ancillary assistance to help adult learners overcome barriers to accessing learning, such as childcare and transport).

3.2.70 Subject to joint work on the evidence, we envisage that more flexible funding arrangements might:

- support accredited and non accredited courses, and/or accept accreditation by recognised bodies of courses on a local basis without going through Sector Skills Councils and QCA;
- be outcome rather than provider focused, hence supporting level 3 and 4+ outcomes rather than defined in terms of FE or HE provision and providers;
- facilitate out-of-hours learning.

### ***Performance Management and Inspection Regimes***

3.2.71 Colleges and other providers are concerned that high risk courses where success rates might initially be weak or numbers small would reflect negatively against the 'minimum levels of performance' (MLP) used by Ofsted in assessing providers' performance. This places the risk on providers rather than all or some of that risk being carried or shared at the level of the commissioning or strategy-setting body.

3.2.72 When colleges start new courses, there is obviously a risk in that the level of completion and achievement by students may not be as strong as those on existing courses. Staff and learners may take time to understand a new curriculum, and there may also be teething troubles connected with the use of resources. Further, the development of new courses imposes its own cost on a college in terms of staff development time, the need for new resources, new procedures etc.

3.2.73 Guidelines on the proportion of funding that is dependent on completion and achievement by learners vary from college to college, but can be as high as 50% of the funding attached to each learner.

3.2.74 Currently, new courses form a small proportion of the offer from any college – under 1% of the offer in almost all cases. At this point, colleges are therefore prepared to bear the risk of new courses themselves. In the future, colleges may find that the demands of new technology – such as sustainable construction and environmental technologies – increase the proportion of new, innovative courses that they are called upon to offer. Whilst these courses are unlikely to exceed 3% of the total offer of a college in any given year, they may form a substantial element of the offer in some sections of the college. Where the risk of offering a new course is added to the cost that the college will incur, it may stifle innovation.

3.2.75 There is also a reputation risk for colleges committed to innovation, illustrated by the following scenarios:

- Innovative courses form a high proportion of the courses offered in a single area of learning. This may be the case if a college is called upon to provide a suite of courses (e.g. on finance or sustainable construction) to support a local development. Since

Ofsted grades each area of learning separately, colleges might be reluctant to risk a poor grading which would necessitate re-inspection and inhibit any further change in that particular subject area.

- Colleges are asked to bring in new courses in response to a strong demand for skilled labour. Until recently, colleges found it difficult to recruit lecturers with, for example, skills in construction because potential or existing lecturers were offered high salaries by construction companies. The demand for new, innovatory courses is likely to be accompanied by competition from industry for the services of potential lecturers. This carries the risk that colleges will be unable to recruit well qualified staff and thus find it difficult to deliver courses of high quality.

3.2.76 The kinds of flexibility we want to explore cover two aspects: the MLP regime as it relates to funding; and the inspection regime.

3.2.77 On funding, we will be seeking that where innovatory courses created in response to strategic needs identified by the ESB meet demand in a single area of learning, these should be excluded from the Minimum Levels of Performance in year 1; included on a 50% weighted basis in year 2; and included fully in the MLP from year 3 onwards.

3.2.78 On inspection, we are looking to Ofsted to take account of the higher demands new and innovative practices place on providers when grading teaching and learning in areas where innovative courses are provided in response to strategic needs identified by the ESB..

### **Impacts and measurement**

3.2.79 Flexibilities in the areas identified would allow providers to provide courses appropriate to local needs and respond directly to local employers and residents within a framework of strategic leadership at the sub-regional level. This would permit a greater number of Learning Outcomes to be achieved and there would be major improvement in the impact these have on the local economy.

3.2.80 We are proposing that NI 163 (working age population qualified to at least level 2) would be an appropriate measure of the effect of these measures in this MAA. This is an indicator on which there is a significant gap between North Kent (63%) and the South East (72.6%)<sup>23</sup>. A target relating to closure of the gap would reflect, amongst other actions, the impact of assistance and training to get people job-ready (where level 2 skills are frequently a pre-requisite).

3.2.81 Without intervention, the proportion of working age residents with at least a level 2 qualification will increase by around 1%: therefore the LAA targets of 4/6/8% above baseline (2008/9-2010/11) are extremely challenging given the funding restrictions. Our initial focus is therefore on how to make delivery of these challenging targets more robust.

Description of target	Baseline	2011	2014	2026	NI	PSA / DSO
<b>Working age population (19-59/64) qualified to at least level 2 or higher</b>	63% (2007)	Baseline + 8%	Baseline + 14%	National target is 90% by 2020	163	<b>PSA 2, DSO 2 (DIUS)</b>

3.2.82 We are continuing to look at whether complementary indicators would better reflect changes in the effectiveness of employer responsive provision and may be able to agree additional targets in the light of the joint work proposed above

<sup>23</sup> Thames Gateway Kent figures to be confirmed by LSC/ONS

### **Capital investment in learning**

3.2.83 The Thames Gateway Skills Framework emphasises the importance of “21<sup>st</sup> century buildings for 21<sup>st</sup> century skills”. The actions in the Framework focus in particular on delivering co-location of further and higher education, joint centres of excellence and extending the ‘multiversity’ concept to include schools.

3.2.84 Both the FE capital programme and Building Schools for the Future programme face particular challenges which cannot be ignored in the context of this MAA. Raising skills and learning depend upon having the right infrastructure to support delivery. Colleges in Kent have been badly affected by the freeze in capital funding to progress re-building and new projects. This could undermine providers’ capacity to deliver employer-responsive training, as well severely impacting upon the attractiveness of the offer to young people in North Kent entering pre-19 training and qualifications, and to adults seeking to enhance their skills and undertaking lifelong learning. Developing a culture of learning and raising aspirations is harder to sustain in substandard infrastructure or where provision is some distance away.

3.2.85 TGK partners therefore wish to emphasise how essential it is that the regeneration, economic development and partnership objectives of the Thames Gateway carry due weight in BIS/LSC in determining priorities for unfreezing college rebuilding programmes.

# 3 The MAA proposals and requests for enabling measures

3 Securing sustainable transport and connectivity



### 3.3 Securing Sustainable Transport And Connectivity

#### **Introduction**

3.3.1 Transport is a means to an end, not an end in itself. Looking at transport systems, infrastructure and usage is therefore not just about movement of people and goods, but about how these assets support delivery of sustainable development outcomes:

- sustainable growth of the economy, by providing the transport infrastructure businesses need to flourish and that people need to access employment opportunities;
- supporting housing growth in locations that are well served by a range of transport modes and with access to facilities that reduce reliance on the private car; and
- changing travel behaviours to reduce carbon impact and to combat climate change.

3.3.2 Much work has been done in North Kent, particularly through the local regeneration partnerships, to identify transport schemes already under way or proposed to support the broad growth objectives of Thames Gateway: this is described in the Transport Business Plan of March 2007.

3.3.3 Through development of the MAA, partners concluded that a more strategic approach was needed to integrate transport more fully with our other ambitions for North Kent, and to create a framework against which to determine investment priorities and programmes. We therefore commissioned a North Kent Transport Strategy (NKTS) as a complementary strand of the Integrated Transport Strategy being developed by Kent County Council.

3.3.4 Following the principles of DASTS<sup>24</sup>, the NKTS identifies five objectives for transport that seek to address wider social, economic and environmental challenges and opportunities to deliver the vision for North Kent:

#### **Objective 1 – Economic Regeneration & Competitiveness**

- The NKTS will support sustainable economic regeneration, competitiveness and growth by promoting measures to secure a reliable, efficient and integrated transport and making more effective use of the existing transport network.

#### **Objective 2 – Natural Environment**

- The NKTS will seek to promote a healthier environment and tackle climate change by reducing transport's emissions of carbon dioxide, other greenhouse gases and pollutants.

#### **Objective 3 – Connectivity**

- The NKTS will support measures that enhance inter- and intra-regional connectivity and directly contribute towards achieving the overarching vision for TGK.

#### **Objective 4 – Equality of Opportunity & Improved Quality of Life**

- The NKTS will support equality of opportunity in order to improve quality of life for local residents by enhancing access to key services by sustainable transport modes, through integrated services and ticketing, and by creating new opportunities for all.

#### **Objective 5 – Safety, Security & Public Health**

- The NKTS will support the creation of a safer, more secure community and contribute towards improving public health, by reducing the risk of death, injury or ill health arising from transport and by promoting the travel modes that encourage active lifestyles.

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<sup>24</sup> Delivering a Sustainable Transport System, DfT 2008

3.3.5 These objectives focus particularly on supporting sustainable economic growth and raising the bar in terms of environmental performance, lowering emissions of carbon and other greenhouse gases and supporting ambitions for the Thames Gateway eco-region. We are looking to develop innovative and forward-thinking solutions to deliver these goals. 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.

3.3.6 Our approach is congruent with the Kent Agreement 2 and Medway LAA: both documents place firm emphasis on developing alternative means of transport than the private car and aim to improve access to services and facilities by public transport, walking and cycling (NI 175). The Medway LAA includes an additional target to ensure that average journey times per mile during the morning peak (NI 167) do not increase.

### ***The issues 1: Infrastructure and associated funding mechanisms***

3.3.7 A key factor for long-term success and response to economic downturn is to invest in the transport infrastructure: to improve the connectivity of the sub-region, to maximise the capacity of networks through better management and to enable the growth in alternatives to the private car that will help deliver changes in travel behaviour and modal shift.

3.3.8 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 so that infrastructure works can proceed and the costs recovered at a much later stage from the beneficiaries of the investment. We are looking to develop an agreed approach in collaboration with DfT, CLG and HM Treasury. Our proposals and 'Ask' are set out in section 3.1 of this MAA.

3.3.9 Some of the infrastructure priorities will be identified / confirmed through the North Kent Transport Strategy processes; many are already well-known, including key junction improvements. We need to look at these holistically, particularly on the London-Dover Corridor, and ensure an integrated approach to both strategic and local roads networks (including appropriate management measures).

### ***The Issues 2: Integrating and Streamlining Programmes and Appraisals***

3.3.10 These 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 could potentially tie in with the proposal for developing a Joint Investment Plan in paragraphs 3.1.6 and 3.1.7.

3.3.11 A programme level approach to investment would not obviate the need for specific scheme appraisals; but we would like to see it 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.

3.3.12 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).

### ***The Issues 3: Effective Networks, Securing Sustainable Public Transport and Modal Shift***

3.3.13 Infrastructure investment is not all about highways. We need to maximise the potential of the heavy rail network, 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 (BRT) 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.

3.3.14 Fastrack is a crucial element. The success of Ebbsfleet – one of 4 “spatial transformers” in the Thames Gateway eventually comprising up to 10,000 homes, 20,000 jobs, commercial, business, retail and leisure space – depends on the sustainability and extension of Fastrack. Moreover, it is crucial to the successful implementation of HS1 domestic services commencing in December 2009. Therefore whenever the developments finally happen, we need to ensure the Fastrack system is there. We are therefore asking Government to work with us to ensure that a self-sustaining future can be assured for the existing system, for further extension and laying the foundations for replication of the model elsewhere in Kent. The model will only succeed if the integrity and quality of the service can be assured. We therefore intend to work with bus operators to ensure high quality vehicles, infrastructure and services through a Quality Partnership Scheme, with a view to possibly proceeding to a Quality Contract if this is appropriate.

#### ***Our Proposals***

3.3.15 The proposals in this MAA have therefore been developed in the light of the emerging NKTS and are designed to facilitate its successful delivery. The proposals and enabling measures sought to support this strand of the MAA relate to two outcomes:

- Swifter and more certain delivery of transport infrastructure to support sustainable economic growth; and
- More sustainable and integrated transport systems and networks.

**Outcome 4: Swifter and more certain delivery of transport infrastructure to support sustainable economic growth**

**Proposal 8: Closer collaboration with Government and key transport bodies**

***Ask 9: Under the Memorandum of Understanding between DfT, Highways Agency and TGK Partners, the Parties will in particular:-***

***(a) collaborate in establishing consistent and compatible modelling methodologies; and  
(b) adopt a ‘whole network’ approach to consider the interface between local and strategic road networks in North Kent in developing traffic management options.***

3.3.16 The first pre-requisite of adopting an integrated programme approach is close collaboration between partners both within Thames Gateway Kent and with national and regional agencies, notably the Highways Agency and Network Rail. In both these specific cases, it is considered that a Memorandum of Understanding setting out a mutual commitment to ways of working will provide a constructive basis for long-term relationships in developing solutions by more consensual means than has sometimes been the experience in the past.



3.3.17 Good progress has been made in preparing a draft Memorandum of Understanding between TGK partners, DfT and Highways Agency. **This has been agreed in principle and will be concluded alongside the MAA.** This does not therefore require an enabling measure in itself, as the MOU reflects parties' commitment to constructive collaboration. This present 'Ask' is to highlight the importance, within that collaboration, of joined up approaches to traffic modelling and a coherent, 'whole network' approach to both strategic and local roads in and affecting North Kent.

### ***Modelling Methodologies***

3.3.18 Experience has shown that significant delays, additional costs and wasted resources can arise from different bodies using incompatible modelling methodologies to support transport and other development proposals. There are potentially two issues:

- First, agreeing consistent and compatible modelling methodologies between local authorities and DfT / Highways Agency; and
- Second, involving a wider group of stakeholders, development of a common information base and protocols to support improved information sharing between transport organisations.

3.3.19 The first of these could in practice be pursued under the auspices of the proposed Memorandum of Understanding (paragraph 3.3.17). We have already agreed in principle sharing of information about models used in Kent and further discussion with DfT. The purpose of including this as a specific ask is to ensure this receives priority as a practical measure to streamline the delivery process. The second issue goes beyond the boundaries of the MoUs referred to in 3.3.16 and 3.3.22, but in the first instance could be pursued via that mechanism. The public sector (at all levels) could give a strong lead here and facilitate engagement with arms length and commercial bodies such as Network Rail and South Eastern Railways. Whatever level of information sharing is achieved, all parties need to use the same baseline assumptions to shape strategic transport planning decisions.

### ***'Whole Network' Approach***

3.3.20 The key issue here is the need to look in a holistic and integrated manner at strategic, primary and local road networks in more integrated way, particularly to join up the financing of junction improvements that affect both Highways Agency and non-Highways Agency roads.

#### *Example: Bean Junction (A2 / A296 / B255)*

This important junction on the A2 currently serves the Bluewater Regional Shopping Centre as well as eastern access to Crossways Business Park and other towns and villages; in future it will be the main access to the major development at Eastern Quarry, adjacent to Bluewater. The A2 is Highways Agency (HA) responsibility; other roads and bridges are the responsibility of Kent County Council. The HA may programme the junction for upgrading to address its current capacity constraints and anticipated future growth, particularly at Eastern Quarry, But unless funding can also be secured for the non-HA elements of the interchange, the scheme cannot be progressed. Therefore the whole package needs to be looked at holistically with close collaboration between all parties to secure the necessary funding.

3.3.21 In looking to develop strategic responses to the pressure of traffic, particularly freight, using the A2/M2 (and A20/M20) corridors to the Channel Ports, and to take full account of the regeneration priorities of the sub-region, we also need DfT and Highways Agency to work with Thames Gateway Kent partners to take a 'whole corridor' approach to these challenges. This will require new ways of improved working to address these issues and to consider any appropriate options for traffic management measures.

**Ask 10: DfT will facilitate dialogue between Network Rail and Thames Gateway Kent partners to assist in developing and implementing a Memorandum of Understanding or other approaches to encourage more coordinated working to optimise the contribution of the rail infrastructure to support sustainable regeneration objectives in North Kent.**

3.3.22 In the same way that we have concluded a Memorandum of Understanding with Highways Agency and DfT, we would like to develop a comparable arrangement with Network Rail. Our aim is to facilitate a more joined-up conversation across Thames Gateway Kent authorities regarding service capacity, station improvements and public transport interchanges in the context of sub-regional strategy objectives for improving both economic growth and connectivity. Moreover, in parts of North Kent, Network Rail has significant strategic land holdings and we are keen to explore how Network Rail's role as a regeneration partner could unlock the broader potential of sites without compromise to railway operational requirements.

3.3.23 Network Rail are already represented on the MAA Transport Group and as stakeholders in the development of the NKTS. The North Kent authorities are also collaborating in responding to consultation on the Kent Rail Utilization Strategy.

**Example: Existing partnership working – Network Rail and Medway Council**

Medway is well served by railway stations on the mainline from the coast to London. South Eastern Trains has predicted significant growth of patronage through Medway stations as a result of CTRL domestic services and the regeneration of the area – e.g. 45% predicted increase in passengers through Strood station by 2014.

The railway stations act as a gateway to visitors to the Medway area, but they put the area at a disadvantage in terms of their quality and accessibility for passengers. Medway Council and Network Rail have been informally meeting every six weeks and this partnership working has successfully secured £1.5m of CIF funding to augment the National Station Improvement Programme at Gillingham station, which will result in an improved station environment and passenger satisfaction.

The partnership has also jointly funded GRIP2/3 studies for Rochester and Strood stations, which current both have 10 car capacity platforms. These have identified the cost of undertaking improvements at both Rochester and Strood stations based on either: bringing the stations up to the required operational standards (in effect making them 12 car compatible); or bringing the stations up to the required operational standards, together with appropriate passenger and interchange improvements for the stations to support the major regeneration of the area. For Rochester station, this includes a proposal to relocate the station. The estimated budget gap for these two projects totals £5.6m. It is anticipated that this process will also be undertaken for Chatham station (budget gap not yet identified).

3.3.24 Network Rail's capital works approval process is focused on operational requirements within the confines of rail operations. The early 'optioneering' stages of the GRIP<sup>25</sup> studies disregard the context of the area, which may disadvantage options that favour wider benefits such as contribution to regeneration, walk distance, etc. Whilst the latter stages of the GRIP studies consider these wider benefits, this is after the preferred option has been determined and as a result some options will have been discarded earlier.

3.3.25 It is our view that the early stages of the appraisal process to identify the most appropriate station upgrade should take full account of the needs of the area, including contributing to its regeneration and opportunities for public transport interchange. However, the present method to determine the most appropriate station solution generally results in a funding gap because Network Rail will only fund station improvements up to the required operational standard.

<sup>25</sup> Guide to Rail Investment Projects.

3.3.26 Whilst there are a number of funding opportunities to contribute to station improvements, such as s.106 and Local Transport Plan funding, there is no joined-up processes fully to secure funding for Business Case development and implementation.

3.3.27 We would therefore want to encourage Network Rail:

- To modify the GRIP appraisal process in Thames Gateway to take into account other benefits and policy drivers, including regeneration objectives shared by Government and TGK partners; and
- To review funding mechanisms to test the value for money of options that reflect regeneration opportunities beyond the operational needs of the existing infrastructure.

3.3.28 This is one example of how structured involvement by Network Rail and North Kent partners through a Memorandum of Understanding would enable all partners to progress the most appropriate design solutions. We recognise that Network Rail is a not for dividend company regulated by the Office of Rail Regulation, and is not therefore an agency of the Department for Transport. We will therefore be pursuing this directly with Network Rail. **However, we would welcome any assistance DfT can offer to facilitate this process, and to help us take our existing good relationship with Network Rail to a new level that will help secure sustainable regeneration outcomes.**

**Ask 11: Government will work with TGK partners to pilot streamlined appraisal frameworks and processes building on the work initiated by 1<sup>st</sup> Wave MAAs.**

3.3.29 Each funding stream tends to require its own separate appraisal process, which is applied scheme by scheme before funding is released. In some cases, the appraisal criteria for one programme do not match those of another, which reduces the prospect of commingling funds from different programmes to secure an investment programme. The present systems are also geared towards demonstrating demand justification. However there are instances where provision ahead of demand, for instance, public transport networks such as Bus Rapid Transit, can influence travel behaviour (e.g. by providing a credible alternative to the private car) – but only where the provision is made before the demand arises. It is much harder to influence travel behaviour where provision arises only after a threshold of potential demand has been exceeded.

3.3.30 The North Kent MAA partners consider that an overall strategic transport investment programme is needed which can address the transport and regeneration needs of the area in a comprehensively planned way. This ties in with the proposals around the HCA Single Conversation and integrated investment (section 3.1 ). If such a programme can gain the support of funding partners, this offers the opportunity for the funding partners to build a scheme appraisal process around the programme itself, so that each project is assessed in terms of its contribution to the aims and objectives of the programme, and the relevant value for money tests which go alongside this. The objectives can subsume the economic cost and benefit tests which would normally be applied to public sector investment proposals, so far as these are relevant.

**Example: Kent Thameside Strategic Transport Investment Programme**

The KTS STIP is a 20 year programme of projects which act together to mitigate the cumulative impacts of development. It is funded by a mixture of CLG/HCA (£23m), DfT Regional Funding Allocation (£25m for A2 Bean Junction), DfT general funding (£26m) and developer contributions (circa £100m including £60m from tariff funding). It is underpinned by prudential borrowing by the Accountable Body (Kent CC).

The projects need to be brought forward at a time and in a form which corresponds to the development programme. This can vary over the 20 year timeframe for the project. It would not be practical for all the funding to be allocated from the outset against specific projects in the programme, as this would reduce the

flexibility to bring forward projects as required, or even substitute projects to achieve better performance against programme objectives.

Existing funding rules would normally require an appraisal to be made of a specific project rather than of a programme as a whole, and for any funding to be ring-fenced against that project.

If, in looking to align investment around an agreed programme, it were possible to conduct appraisal at the level of the programme as a whole, rather than on the basis of specific schemes, this approach would allow the funding to be applied as and when the funding need arises within the overall programme, rather than specific elements being separately appraised and tied to project-specific funding horizons.

3.3.31 North Kent partners are aware that proposals have already been made to CLG and HM Treasury by Tees Valley Unlimited and Leeds City Region amongst others for streamlined and integrated appraisal of transport and regeneration schemes. We understand a Treasury-led Task Group has been established to consider and respond to proposals. Our request is therefore that Thames Gateway Kent partners should be invited to participate in that work stream to facilitate knowledge transfer from the experience and proposals of existing MAAs, to offer additional evidence and input and to build on this work by piloting a streamlined appraisal mechanism. More streamlined appraisal also implies a more streamlined approach to modelling, and this can be explored further in the MoU with the Highways Agency (paragraphs 3.3.16 to 3.3.19).

#### ***Impact and measurement***

3.3.32 A more streamlined and integrated appraisal regime would lead to more certain appraisal outcomes, more predictable programme funding and improved investment confidence. This will reduce the delivery time for major schemes.

### **Outcome 5: More sustainable and integrated transport systems and networks**

#### **Proposal 9: Develop and promote transport networks that serve the social, economic and regeneration needs of North Kent and improve connectivity**

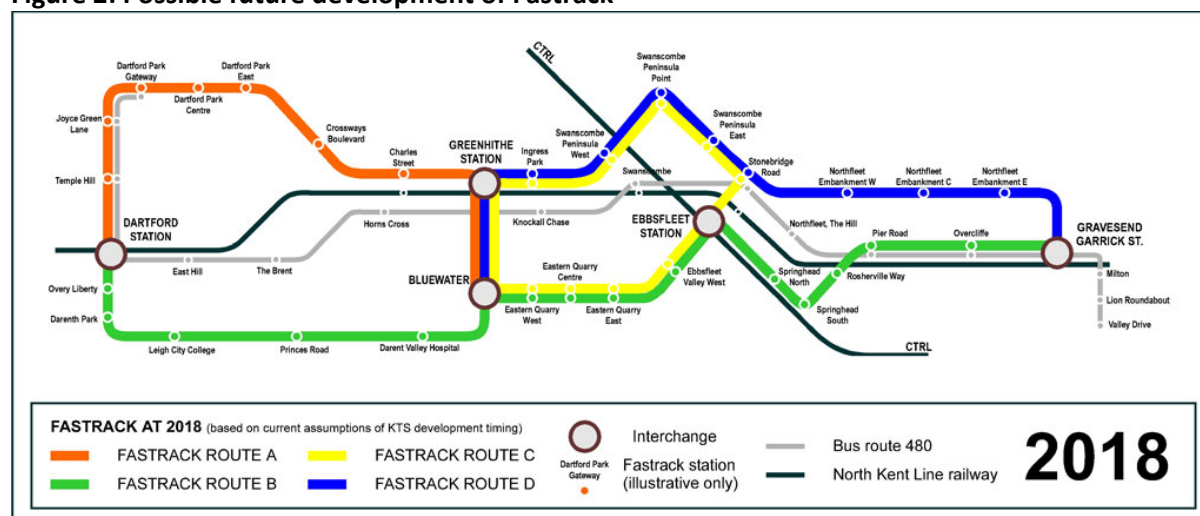
##### ***Ask 12: CLG and DfT will provide technical support to North Kent partners to help shape sustainable future arrangements for Fastrack, including the applicability of Fastrack for Kickstart funding***

3.3.33 Fastrack is a highly successful and award-winning Bus Rapid Transport system. Launched in 2006, passenger numbers in the first year were 50% higher than predicted and 19% of passengers said they had switched from using a car for their journey. Fastrack is now carrying 2 million passengers per year. It has been particularly important to the Bridge development and connecting employment and town centres with both existing and new residential developments. The availability of fast and reliable BRT system from the outset of new development means it has a formative effect on travel behaviours.

3.3.34 Fastrack, in the fully-developed form proposed, is crucial to the sustainability of key new developments in Kent Thameside including Ebbsfleet Valley and the linkage with international and HS1 rail services, Northfleet Embankment and Springhead as well as existing developments such as The Bridge and Crossways Business Park. As well as extension of the existing network, the Fastrack model also has potential to be replicated in other parts of North Kent – notably in Medway (e.g. connecting Chattenden to Rochester and Chatham) and Swale (Sittingbourne) and adoption of similar approaches elsewhere in Kent. We are therefore asking Government to work with us to

ensure that a self-sustaining future can be assured for the existing system, thus laying the foundations for replication of the model elsewhere in Kent.

Figure 2: Possible future development of Fastrack<sup>26</sup>



3.3.35 Bus Rapid Transit (BRT) is a relatively new concept in the UK and there is no accepted delivery model, particularly for situations where there is need for incremental delivery over a long period and well ahead of actual passenger demand. The Fastrack Strategic Business Case prepared in 2005 set out an innovative strategy for delivering Fastrack designed to provide the necessary certainty of ongoing service operation whilst at the same time ensuring Fastrack would become financially self sustaining through a concession arrangement. The success to date of Fastrack during the first stage of implementation has demonstrated what can be achieved. However, the business case is now complicated by the economic uncertainties and interim solutions are needed both to assure continuity and longer-term sustainability through to the concession or similar arrangements.

3.3.36 The model will only succeed if the integrity and quality of the service can be assured. We therefore intend to work with bus operators to ensure high quality vehicles, infrastructure and services through a **Quality Partnership Scheme**, with a view to possibly proceeding to a **Quality Contract** if this is appropriate.

3.3.37 We suggest that the 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. Without a high quality public transport offer based around bus rapid transit, the growth-related traffic generated by key housing and commercial developments would be unsustainable in terms of network capacity, congestion, accessibility and CO<sub>2</sub> emissions. A Quality Contract and/or Quality Partnership Scheme would break new ground and therefore need support at all levels to implement successfully.

3.3.38 Two areas are particularly problematic; both involve issues of revenue funding as well as potentially difficult and innovative use of new legislation for which there is no precedent. The first is an immediate problem: how to keep Fastrack going until the pace of development picks up again without losing Fastrack’s quality, attractiveness and overall credibility so that it will still be positioned to continue to drive up public transport mode share. We are currently exploring proposals including a Quality Partnership Scheme alongside a form of busway access charging (see

<sup>26</sup> Subject to current review of future route development options.

box), but we need expert advice to confirm the feasibility of these proposals and then support as they are taken through procedural stages.

**Fastrack: maintaining viability and future sustainability**

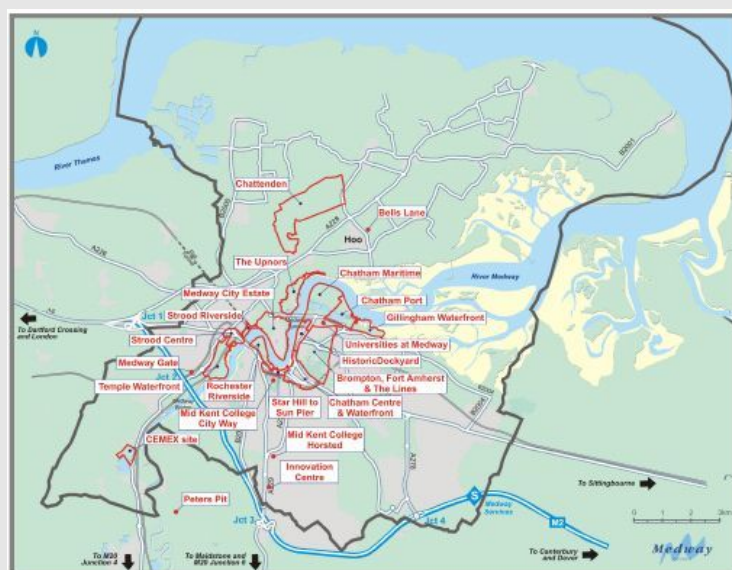
Securing revenue funding for ongoing maintenance of capital projects is always a challenge. In the case of Fastrack an innovative concession arrangement is proposed to meet this need. However, the slowed pace of development means that the point when Fastrack could be let as a profitable concession is slipping into the future. As a result, there is no longer prospect of income being available in the short term to cover ongoing Fastrack infrastructure maintenance (estimated at around £200,000 per annum).

Interim operating arrangements are therefore required to fill the ‘gap’ prior to the planned future concession arrangements. The early success of the Route B operation is such that the farebox is actually delivering greater than expected income for the operator. Work is underway to explore what might be achieved through a Transport Act 2000/Local Transport Act 2008 Quality Partnership Scheme alongside some mechanism that would, in effect, divert some of the farebox income into infrastructure maintenance (the latter perhaps through a form of busway access charges). Exploration is at an early stage, but these proposals appear to offer some prospect of safeguarding and taking forward Fastrack in the challenging circumstances that the project now faces, without the need for additional external funding.

3.3.39 The second problem is longer term but no less critical: how to secure the resources (particularly technical advice) necessary to develop and implement the future concession arrangement (estimated cost around £2 million) which, despite the current delays to our planned implementation strategy, will still be required at some future date. **We need support from Government to work with us on the technical aspects and to explore how existing Government funding streams/programmes, or innovate use of external resources, might be applicable to support the work necessary to enable successful navigation of this challenging process.**

3.3.40 As indicated above, the Fastrack model is regarded as the standard that should be adopted elsewhere in North Kent to underpin regeneration and create a step change in the quality of bus provision. This in turn will encourage the scale of modal shift that is necessary to facilitate growth without network congestion that would damage future investment in the area.

**Rolling out the Fastrack Model – Illustration from Medway**



Proposed developments

The proposed new development at Chattenden on the site of the former army base, is planned to accommodate 5,000 dwellings by 2024.

High quality sustainable access to Strood Station, Medway City Estate, Chatham Maritime, Chatham and Rochester is essential if the site is to be sustainable and the local network is to avoid major peak time congestion, particularly through Strood and Chatham town centres.

It is unlikely that the Chattenden development on its own can support a frequent and high quality bus service of a ‘Fastrack’ standard, but there are opportunities for a Chattenden service to integrate with other proposals in the local area, and potential funding streams

which will therefore help spread the cost of the initiative and add value to the local network overall. By this time the Strood Riverside sustainable link will have been built and be ready for use, providing a new direct link between Medway City Estate and Strood station and town centre. This will also provide enhanced facilities for pedestrians and cyclists as this route also forms part of NCN1.

These new service opportunities will also assist and integrate well with the proposed Park and Ride site at Whitewall Creek, the regeneration of Strood Riverside (600 residential units), Strood Town Centre and Medway Gate (up to 450 residential units) and to the east of Strood Town Centre at Temple Marsh (600 residential units).

It is then anticipated that this will be the catalyst for expansion of this approach across Medway building on the Quality Public Transport Corridors that have already been established (QPTC and Urban Traffic Management Control Project to be completed by March 2011) and others that will be emerging as part of further CIF bids.

3.3.41 Close working with CLG and DfT to develop and implement a sustainable model for Fastrack based around a Quality Partnership Scheme in the short term followed by a suitable concession arrangement in the longer term will help secure the future growth and housing delivery, particularly in Kent Thameside. Without Fastrack, projected development in Kent Thameside would lead to unacceptable levels of traffic growth, including pressure at key junctions on the strategic road network, preventing or delaying development. Furthermore, the basis for selection of schemes within the Kent Thameside Strategic Transport Investment Programme assumes that Fastrack has *already* delivered high public transport usage, so without Fastrack these assumptions would need fundamental review.

***Ask 13: DfT will involve the Thames Gateway Kent partnership informally on the scope of future work to consider the feasibility of a Lower Thames Crossing, recognising that the final decision on the scope of such work rests with DfT.***

3.3.42 The Department for Transport commissioned a study of capacity on the existing Dartford Crossings. The report by Parsons Brinckerhoff Ltd was published on 20<sup>th</sup> April 2009. This provided evidence that existing capacity is insufficient to meet projected future demand and that three possible additional crossing options have the potential to address the expected capacity constraints at the existing Crossing. The Department for Transport has indicated that three out of five possible additional crossing options identified in the first stage research will be examined in more detail to assess the suitability, deliverability and impacts of each of the three options.

3.3.43 Any new Lower Thames Crossing, the southern half of which would be in North Kent, would have profound implications for the sub-region and the Greater South East and beyond. This would not only affect transport networks but might also have much broader social, economic, regeneration and environmental implications for North Kent. Any future work must therefore take full account of these wide ranging implications. To this end, it is essential that Thames Gateway Kent partners, including all planning authorities and relevant economic development partners are closely involved throughout the process.

3.3.44 Our request therefore is that Government involve Thames Gateway Kent partners informally to discuss the scope of future work to consider the feasibility of a Lower Thames Crossing, and in appropriate forums to consider consultation proposals. Thames Gateway Kent partners attach great importance to a having a mature dialogue with Government, facilitated by this MAA, so that optimal solutions can be developed collaboratively and positively.

### **Impact and measurement**

3.3.45 Identifying appropriate indicators to measure the impact of the MAA is particularly difficult in relation to transport connectivity. The impact of the North Kent Transport Strategy will be measured through a basket of indicators but not all aspects of the strategy are reflected in MAA proposals and asks. The Kent and Medway LAAs adopt different approaches to accessibility targets (NI 175), and maintaining journey time reliability (NI 167) is an agreed target in the Medway LAA but not in KA2. On NI 167, adopting for key routes in Dartford, Gravesham and Swale a similar approach to Medway's would require significant technical work and investment to establish both a representative baseline and ongoing monitoring, the feasibility and value for money of which has not yet been explored. Moreover, modelling undertaken in Kent Thameside suggests that only if the full package of schemes identified in the STIPS / Kent Thameside Transport Business Plan is delivered, and Fastrack is extended and developed to its full potential, would congestion attributable to growth-related traffic be contained within acceptable limits. The prospects of being able to monitor congestion / journey time reliability targets across North Kent are therefore currently uncertain, but are not ruled out in the longer term as implementation of the North Kent Transport Strategy proceeds.

3.3.46 Our preferred indicator at this stage of the MAA, linking with the focus of this section on connectivity, is on access to facilities and/or employment sites by public transport and other identified means (NI 175). Our target for 2011 is to roll out across North Kent the approach in the Medway LAA, so that 100% of new residential units within developments in Thames Gateway Kent of 50 units or more will be accessible by a public transport service (located within 500 metres of the development) with a frequency of 30 minutes or better that connects to a town centre (and, where appropriate, key employment destinations) during the morning and evening peak periods, Monday to Friday. This will apply to at least 25 known sites due to come forward during this period.

3.3.47 The limitation of this indicator does not reflect actions taken under the North Kent Transport Strategy to improve transport accessibility for existing development and communities. For the purposes of the Strategy we are proposing indicators and targets relating to mode share to measure the impact of actions to improve the attractiveness of public transport options, their penetration into existing residential areas and servicing more destinations. NI 176 and the associated core accessibility data do not provide an entirely satisfactory measure, but we will explore further the feasibility of using these data and accessibility software used by TKG authorities so as to agree other indicators and targets to complement NI 175 for the purposes of both the MAA and the Strategy.

3.3.48 As a 2014 target on the present indicator NI 175, we propose to improve upon the 2011 target by:

- Ensuring that major new residential developments are served by public transport services connecting them to town centres and other key employment destinations with a frequency of at least 20 minutes at peak times;
- Agreeing a consistent site size threshold for which Residential Travel Plans will be required, and if feasible applying this to major residential developments of 50 units or more; and
- Prioritising key routes so that by 2014 all routes serving major developments coming forward in the period of the MAA will have Real Time Information systems.

3.3.49 Our aspiration is that by 2014 routes within the urban 'core' will have 10 minute frequency at peak times, and a 20 minute or better frequency connecting areas outside this core to key centres. This reflects the priority being given in our Strategy to solutions based around bus rapid



transit. A uniform frequency standard is not appropriate across the whole of North Kent given the relative remoteness and small size of some of the more rural settlements. We will review our targets and indicators annually as part of implementation of the North Kent Transport Strategy.

Description of Target	Baseline	2011	2014	2026	NI	PSA / DSO
Percentage of new residential units within developments in Thames Gateway Kent of 50 units or more accessible by a public transport service (located within 500 metres of the development) with a frequency of 30 minutes or better that connects to a town centre (and, where appropriate, key employment destinations) during the morning and evening peak periods, Monday to Friday.	TGK Area: Medway = 50% Swale = 50% Dartford = 100% Gravesham = 62.5%	100%	100%, plus: (a) Improvement in frequency of services to 20 minutes or better (b) Residential Travel Plans for all major residential developments (c) All routes serving major new developments completed 2009-14 to have Real Time Information systems		175	DfT DSO

# 3 The MAA proposals and requests for enabling measures

## 4 Fostering sustainable communities: Housing



### 3.4 Fostering Sustainable Communities: Housing

3.4.1 The provision of good quality, well designed housing of different types and tenures is a key ingredient and attraction of sustainable communities. In the context of growth in the Thames Gateway, new housing, improved environment and public realm, accessibility, skills and jobs are inextricably linked; and the ambitions for Thames Gateway to be an eco-region bring challenges and opportunities together with specific objectives including carbon reduction and growth in environmental technologies.

3.4.2 Both Kent Agreement 2 and the Medway LAA show a strong emphasis on providing additional homes (NI 154) and on delivering additional affordable homes (NI 155). In Kent these targets are underpinned by an aim to increase the supply of ready to develop housing sites (NI 159).

3.4.3 Partners are mindful that developing sustainable communities will also require initiatives to improve the quality of the existing public and, particularly, private sector housing stock, especially in terms of environmental performance. For the purpose of the present MAA we are not proposing measures relating to privately owned or rented housing, but these may be the subject of future MAA proposals.

3.4.4 Different parts of North Kent also face particular pressures, such as demand for increased accommodation options for elderly people, student accommodation and affordable housing. The two LAAs both include targets relating to independent living - Medway LAA includes NI 156 on the number of households living in temporary accommodation – and Kent Agreement 2 includes NI 141 on the percentage of vulnerable people achieving independent living. Separate work is being done on strengthening local authorities' landlord and other services, and improving value for money and efficiency. Other actions relating to these may be included in future if there appear to be proposals and asks appropriate to the MAA.

#### ***Housing Growth and Housing Supply***

3.4.5 The main focus for action in this domain of the MAA is increasing housing supply, as this relates most directly to Thames Gateway Kent's growth objectives. This emphasis also reflects the urgency of maintaining momentum at a time of challenging market conditions.

3.4.6 New development – increasing housing supply – is vital to the Thames Gateway Kent objectives of sustainable economic and housing growth. Our target remains to secure 52,140 new homes by 2026 in sustainable communities across the Thames Gateway Kent area.

3.4.7 *Housing need* remains undiminished in North Kent. Before the economic slowdown in 2008, waiting lists stood nearly 90% higher than they did in 1997<sup>27</sup>. Owner occupation and social renting were both slightly higher than the regional average, but private renting was slightly lower. Exposure to the impacts of economic downturn on market inertia could therefore potentially be greater in North Kent, and pressure for rented accommodation may impact disproportionately on the social sector because of more limited private rented sector options. Unemployment and repossessions have already increased, and could further increase, the number of households presenting as in priority need for social housing or seeking alternative solutions.

3.4.8 Between 1996/97 and 2006/7, just over 20,000<sup>28</sup> new homes were completed. Despite raising the annual completion rate by over 540 units<sup>29</sup>, annual completions prior to the economic

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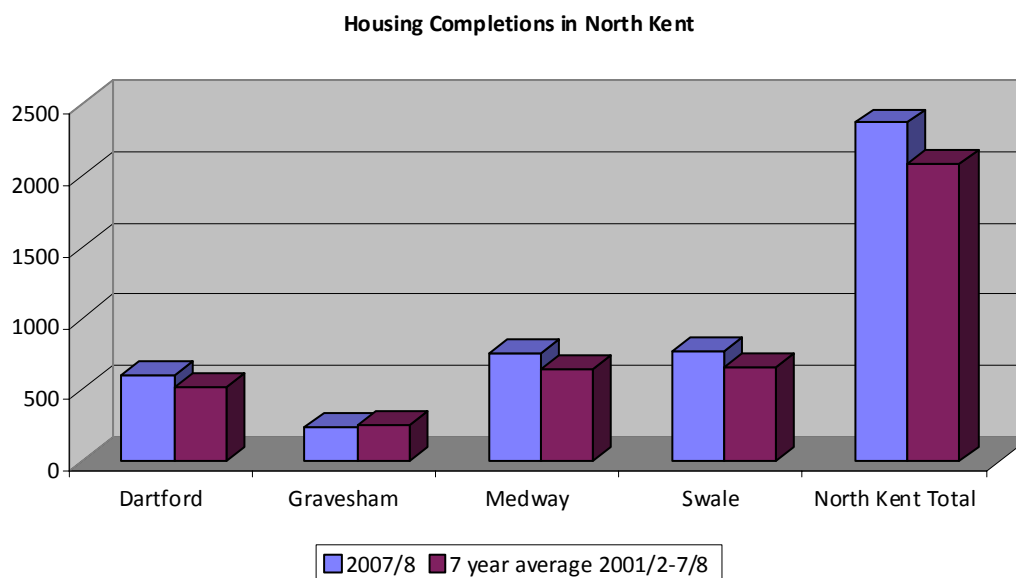
<sup>27</sup> Source: CLG (HSSA return). 1997: 8,786 households 2007: 16,671 households

<sup>28</sup> Source: KCC Housing Information Audit

downturn were still below the South East Plan targets. Moreover, there were 22,000 more households in North Kent in 2006 than in 1997, demonstrating that household growth is outstripping housing supply. Households are projected to increase by a further 12,000 by 2011 and an additional 41,000 by 2026<sup>30</sup>.

3.4.9 Immediately before the economic downturn, housing starts and completions in North Kent were running at historically high levels, with only Gravesham dipping below the 7-year average.

**Figure 4**



3.4.10 Anecdotal information from planning officers ahead of statistical returns suggests that new build rates have drastically declined. At present companies are downsizing and skilled construction workers are being lost from the industry. Once the economy picks up, there will inevitably be a transitional period during which the workforce is increased and re-skilled before there can be a return to pre-slowdown build rates.

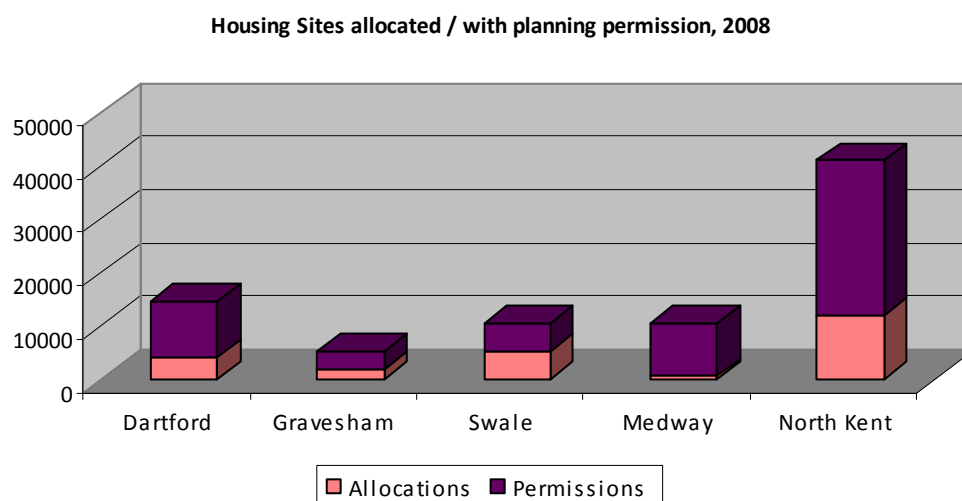
3.4.11 Sites with planning permission or allocated for housing stood at over 41,100 units in 2008 (70% of these with permission), sufficient to meet the annual requirement until well beyond 2022.<sup>31</sup>

<sup>29</sup> Source: KCC Housing Information Audit. 7 year average 1994/5 to 2001/2 was 1,543 units; 7 year average 2001/2 to 2007/8 was 2,085 units.

<sup>30</sup> Source: CLG/ONS, Household Estimates, Table 406

<sup>31</sup> Taking account of completions in 2006-2008, totalling 4,756 homes, this represents nearly 87% of the remaining requirement in the South East Plan to 2026.

Figure 5:



3.4.12 Between 2001-8, sites in plans or with planning permission have increased by nearly 8,000 units, despite the completion of over 14,600 homes over the same period. The proportion of not yet developed sites that have planning permission has risen by nearly 40% over the same period. This reinforces the point that land supply and planning permission are not constraining housing supply in North Kent; rather, the downturn is attributable to the credit squeeze impacting demand.

3.4.13 A lot of development on sites across North Kent has slowed down or stopped. On sites of >30 dwellings, the pre-downturn projections over the next three years were for around 9,800 dwellings; revised projections are now for around 4,240 dwellings over the same period. Most of the schemes originally scheduled to deliver over the next three years already have planning permission and other relevant consents.

**Outcome Objective 6: Maintaining momentum in the delivery of new housing, particularly to meet localised priorities across North Kent**

3.4.14 Maintaining momentum in new development is important:

- to contribute to housing supply;
- to retain employment and skills in the construction sector in North Kent (supporting not just housing objectives but economic and social objectives as well);
- to maintain progress on key sites that anchor or complement wider regeneration activity and benefits.

3.4.15 The expectation is that the economic downturn could last two or more years at least, and it could be several more years before markets and build rates regain lost ground. We therefore need to look at what public interventions would be most effective in responding to the downturn as well as positioning to be able to support the process of coming out of recession. There are benefits to be realised by collaboration across local authority boundaries to co-ordinate those public interventions:

- providing coherent policy approaches, particularly to uphold shared objectives and standards to help achieve high quality development and sustainable, mixed tenure communities;
- critical mass, where partners can use their capacity and assets to bring other partners to the table;
- responding to functional housing market areas;

- taking a programme approach and sub-regional perspective to investment priorities.

3.4.16 Under increasing housing supply, we are therefore proposing a practical four-part package:

- A **strategic action plan** on housing for North Kent.
- Facilitating occupation (leading to shared ownership/equity) by first and second time buyers in **existing developments** where progress at present has significantly slowed down or stopped.
- Increasing the return of **empty properties** into use and bringing forward **new housing on small derelict sites**.
- The redevelopment of existing **Council-owned housing estates** to deliver better and additional new housing, break up concentrations of deprivation by the introduction of mixed tenure, and improve the environmental performance of existing stock through retrofitting.

#### Proposal 10: Sub-Regional Strategic Housing Action Plan

3.4.17 Statutory housing strategies exist or are being revised for individual authorities. Strategic Housing Market Assessment work is underway in Gravesham, Medway and Swale (now complete) linking up with work already done in Dartford. Kent Economic Board is proposing a Kent & Medway Integrated Housing Strategy (probably based around the ‘natural’ housing market areas of North Kent (including Medway), East Kent, Mid-Kent and West Kent). The purpose of an action plan for North Kent is to:

- Articulate the consensus between the North Kent authorities as to the strategic housing priorities, sites and schemes that should be provided over the next ten years;
- Identify and express shared policies and principles to support Thames Gateway Kent objectives for sustainable housing growth, including high quality design and environmental performance;
- Set out the shared approach by North Kent authorities to maintain momentum in provision of new housing within the context of overall ambitions for mixed and sustainable communities;
- Identify and agree the actions to be pursued over the period of the MAA.

3.4.18 The action plan will need both to inform and be informed by the local development frameworks (LDFs), the proposed Single Conversation with the Homes & Communities Agency (HCA) and the emerging Economic Development and Transport strategies in North Kent. The action plan would therefore tie in with the local investment plan developed with the HCA, and follow the same broad timetable:

<b>Early summer 2009</b>	Agree project plan for developing NK Strategic Action Plan in tandem with HCA Single Conversation
<b>Summer to Winter 2009</b>	Procure further technical support where necessary to support Action Plan preparation and advise TGK partners. Action plan drafted, discussed and agreed. Early priority actions commenced.
<b>December 2009</b>	Sign off Action Plan in parallel with conclusion of Single Conversation Commence implementation. Develop proposals for implementation in 2010/11 onwards.
<b>Autumn 2010</b>	First annual review.

3.4.19 This process will secure cross-sectoral commitment, including local authorities, the HCA, RSLs and developers. The Action Plan and its implementation will increase the certainty of delivery against the trajectory for new housing delivery and therefore offer confidence to the market.

**Proposal 11: Facilitating delivery of existing and new developments**

3.4.20 The key to recovery is reopening of credit lines to both developers and customers seeking home loans. Potential home buyers currently cannot get mortgages and have concerns about getting into negative equity. Financial organisations face cash flow and supply difficulties and the risk from falling house prices. Second time buyers, particularly families needing extra space, are trapped by the dual bind of falling values of their own properties and trying to finance the price gap on the larger homes required.

3.4.21 Initiatives to restore confidence in lending are only likely to be effective at national level, and the scope for actions that require or benefit significantly from cross-boundary action is relatively limited. But authorities across North Kent have a shared commitment to assist and intervene where most benefit is likely to be delivered. A shared approach means a consistent offer to customers across the North Kent area and, where necessary, a strategic approach to priority schemes means that partners won't simply be competing for available resources. Lessons and good practice from the approach can be rolled out in other parts of Kent and elsewhere, using existing networks.

3.4.22 Public intervention in this situation is best focused on measures to facilitate intermediate solutions. The approach suggested is:

**First time buyers**

- Councils partnering or establishing relationships with selected banks, building societies and other financial providers to provide Home Buy products.

**Second time buyers**

- Developers can offer part exchange to second time buyers and provide further assistance with discounts on new properties which assist in getting mortgages. Where this represents good value for money, the houses taken in part exchange could be purchased by an RSL and intermediate rent with shared ownership made available to potential occupants.

**De-mystifying HomeBuy**

- Though there are basically only two models of HomeBuy initiatives – shared ownership and shared equity – the range of products is confusing to purchasers. There is a need both to clarify the range of products and produce impartial cross-sector information to explain in every day languages what is available. We propose to work with the Zone Agent in the first instance to improve information to customers.

**Targeting**

- NK partners will give priority in targeting support to key sites and schemes identified in the Action Plan.

**Ask 14: Government and the North Kent partnership will establish a time limited task-and-finish group (to include an RSL and developer) to review evidence about the North Kent housing market and the totality of products and policy levers available to partners to develop the market and subsequently prepare recommendations for Leaders and Ministers by December 2009 on any further actions, products or policy flexibilities that might add value.**

3.4.23 We welcome the 2009 Budget commitment of £400 million for HomeBuy Direct schemes to March 2011. The downturn will inevitably mean a squeeze on public spending in the next Spending Review. But we would urge CLG to continue to give high priority to ensuring that funding to support

first time buyers is maintained so that the recovery is not strangled at the point when the market is expected to begin to revive.

3.4.24 Rent to Home Buy provides a potential solution for some customers in difficult market conditions, and where funding is available it has been popular. However, RSLs and developers with whom we have consulted are cautious about these products for different reasons. RSLs prefer shared ownership schemes as properties continue to be available for re-letting when people move on. But at present it is financially difficult for RSLs to enter into any significant level of shared ownership schemes. RSLs are also concerned the implications with intermediate rent schemes or Rent to HomeBuy if tenants are unable to enter into a purchase arrangement after the specified period. Developers appear to prefer shared equity as they are released from involvement with the properties once the lease is paid off, but have concerns about realising a return on their investment within a commercially viable period.

3.4.25 There is no quick fix for such a profound downturn in the housing market, but TGK partners are keen to see whether there is some further initiative or impetus that could be brought to bear in North Kent by bringing the right people together, including colleagues in Government. Local authorities' role in helping progress schemes will primarily be as brokers to bring players together – developers, RSLs and lenders. The aim is particularly to find ways of re-opening credit lines to developers and home buyers and to restore confidence in markets, focusing at the level of particular sites and markets to complement measures taken by Government and lenders at the macro level. To play that role effectively, we propose bringing together a time-limited task group with Government, lenders and other key partners to review evidence about the North Kent housing market and the totality of products and policy levers available to partners to develop the market and subsequently prepare recommendations for TGK Leaders and Ministers by December 2009 on any further actions, products or policy flexibilities that might add value. These might be the subject of additional proposals in a future iteration of the MAA.

**Proposal 12: Bringing forward small derelict sites for new housing and bringing empty properties back into use**

3.4.26 On 1<sup>st</sup> April 2008<sup>32</sup> there were 6,946 empty homes in North Kent, about 2.8% of the total housing stock and including 2,635 private sector dwellings that had been vacant for more than 6 months. This rate is below the national average of 3.1% but appreciably higher than the South East average of 2.5%. Aside from management vacancies (but sometimes including these) vacant properties can create blight either because their poor condition depresses the area, or because they become magnets for vandalism and other anti-social behaviour.

3.4.27 In addition, there are vacant and derelict sites in urban areas, some of which could take up to 50 homes. It is estimated there are over 25 such sites across North Kent, with potential to provide at least 350 new homes plus some residential care accommodation for elderly people. RSLs have indicated a willingness to be involved in schemes to deliver additional housing on such sites, subject to clarification of the funding arrangements: this in turn ties back into the Single Conversation with HCA.

3.4.28 Bringing empty properties into use would make a positive contribution to increasing housing supply, notably of affordable housing. However, these schemes would likely have a significant proportion of rented accommodation which could work counter to Council's aims to create sustainable communities with a mix of housing types and tenures.

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<sup>32</sup> Source: KCC Information and Analysis Team + CLG



3.4.29 Kent County Council successfully trialled a scheme to tackle empty homes with East Kent authorities under Kent Agreement 1 during 2005 to 2008. Medway Council has also developed a similar scheme. We propose three actions to build upon these foundations:

- To identify small brownfield sites involving derelict/empty properties and to establish a rolling programme across north Kent involving RSLs and developers. This would follow a similar model to one successfully pursued by the Leeds Partnership in the 1980s. We will explore potential partnership with the Brownfield Land Assembly Company to tackle difficult sites that unlock the regeneration potential of wider areas. Each authority is committing to bringing forward at least 2 sites per year over the next 3 years, with potential to deliver 350 extra homes over that period.
- Work in Dartford, Gravesham and Swale with RSLs and HCA to roll out in North Kent the approach developed by the County Council for East Kent (possibly as part of a wider initiative across Kent) through to 2010/11, with a parallel scheme running in Medway. This would include RSLs purchasing empty properties which owners decide to sell.
- Through a planned approach across Kent, work with RSLs through the Purchase and Repair scheme progressively to bring empty properties in a reasonable state of repair back into occupation.

3.4.30 It is not envisaged that these actions will require enabling measures from Government. However, we will explore the RSL funding implications entailed with regenerating small derelict sites in the Single Conversation with HCA.

#### **Proposal 13: regeneration and retrofitting of local authority estates**

***Ask 15: CLG and HCA (which has responsibility for securing delivery of Government's Thames Gateway ambitions) agree to work with North Kent partners to review the quality of local public and private housing. This is with a view to developing jointly a business case, by March 2010, for a programme of refurbishment of local estates and exploring levers to encourage private sector landlords to improve the quality of their property, including options for how CLG, HCA and North Kent partners might share the risk of taking a refurbishment programme forward.***

3.4.31 Significant action is needed to improve the quality of housing across all sectors. Although the social rented stock in North Kent is only a little over 15% of the total, there are significant opportunities to improve quality, increase the number and type of stock through selective redevelopment, and improve environmental performance through retrofitting water and thermal efficiency measures. Such a programme would need to be part of wider action to tackle quality issues in the private sector stock. Action will require both financial and other resources for delivery. In the first instance, we need to review the options that will bring the greatest benefit and look at how robust delivery can be secured. Our ask of Government is therefore to undertake a joint piece of work with TGK partners to develop a business case for a programme of refurbishment across both social and private sector housing. The following paragraphs explain some of the issues we would want considered through that joint work.

#### ***Estate Regeneration***

3.4.32 There are several local authority owned estates, particularly in Gravesham and Medway, characterised by mediocre, low density 1950s/60s development. Redevelopment offers the potential for additional new and better quality housing, the introduction of mixed tenure and scope to tackle crime and other anti-social factors in multi-faceted ways. We estimate that across a small number of estates in Gravesham and Medway, net additional housing totalling over 300 units could be provided between 2009 and 2016. (Swale BC has already transferred its stock; Dartford has

significantly higher levels of Right To Buy properties on its estates, which make them less amenable to wholesale redevelopment schemes.)

3.4.33 Redevelopment of estates to provide additional council owned and managed properties would have to meet local need in terms of size and location whilst meeting code 4 for sustainability in newly built homes. The social benefits of redevelopment, including crime reduction, might potentially attract other funding streams to support complementary activities.

**Example:**

In the ward containing the Christian Fields estate in Gravesham, Phase 1 of which is complete and Phase 2 is about to commence, there has been an overall 28.5% decrease in recorded crime and some very significant reductions in the most commonly reported crimes (56% reduction in burglaries from dwellings, 41.1% reduction in criminal damage). Source: Recorded Crime Statistics, Singlewell Ward, April 2007 to March 2008 compared to April 2006 to March 2007.

3.4.34 There are also opportunity savings to be made. Effective programmes of redevelopment would avoid the need to embark upon repairs programmes where the quality of life the repaired stock offered to residents would still fall short of what it should be. A repairs programme would not address existing problems with vandalism and anti-social behaviour because it would not address the fundamental form and design of the estates. Timely redevelopment enabled under a rolling programme would therefore pre-empt wasted resources in repairing time-expired stock.

3.4.35 Redevelopment on this scale is often led by special purpose vehicles such as local housing companies. These have the benefit of all parties, including the government, signing up to the proposals but they can involve significant delays in putting the arrangements in place. The challenge is to avoid such delays by an alternative approach. We are proposing that Gravesham and Medway councils work with appropriate partners to establish the redevelopment selected estates over the next five to six years without the creation of an SPV. The benefits of a rolling programme across more than one authority include sharing appropriate capacity and expertise, continuity of activity as preparations for the next site are undertaken whilst physical works are underway on the previous one, and efficiencies and value for money in delivering schemes through partnership arrangements.

3.4.36 This proposal would be included in the Single Conversation with HCA and if included in the local investment plan we would look to the HCA to provide expert advice and technical support to develop the programme.

<i>Proposed timetable</i>	
<b>Spring 2009</b>	Phase 2 of the redevelopment of the Christian Fields estate (Gravesham) commenced
<b>Summer – Autumn 2009</b>	Assessment of options and agreement as to the way forward in collaboration with HCA
<b>Summer – Autumn 2011</b>	Redevelopment of a second estate commenced

***Retrofitting***

3.4.37 There is significant potential to invest in retrofitting measures to improve the thermal performance, energy and water efficiency of existing local authority housing stock. These measures would support North Kent partners’ objectives deliver on ambitions for the Thames Gateway Eco-Region, reduce the carbon footprint of North Kent and to combat fuel poverty amongst disadvantaged residents. This could include all three stock-holding authorities (including Dartford),

and we will be exploring collaboration with housing associations in Swale and Medway (where part of the local authority stock has been transferred).

3.4.38 An initiative of this kind would require a capacity-building and planning phase followed by an implementation phase. It has potential to link with the skills and environmental technologies agendas linking with other parts of the MAA and the Economic Development Strategy.

3.4.39 Thermal, energy and water efficiency solutions already exist and are continually evolving. Delivering effective retrofitting programmes at scale will involve product and supply chain development to achieve increasingly cost-effective solutions. This aspect would be led by the Institute for Sustainability based in Dartford, which is undertaking pioneering research and development work. Pilot projects have been identified for trialling of retrofit packages in 500 RSL and private sector properties in Queenborough (Swale) and Dartford, and the results of these will be used to refine the retrofit concept and develop it for mass application. The scheme in Swale provides the foundations for closer working with RSLs to develop environmental retrofitting programmes and possible collaboration on further training and capacity-building aspects of the proposal outlined below. Commercialisation of new technological solutions would also potentially provide opportunities for North Kent advanced manufacturing enterprises.

3.4.40 Physical delivery of retrofitting schemes involves new construction skills and techniques for which the existing workforce would need additional training; there is also scope to develop new apprenticeships in sustainable construction techniques. It is proposed that this aspect would be led by SUSCON, the sustainable construction academy being developed in association with the Institute for Sustainability.

3.4.41 The focus of this programme would be public sector housing, but the goal – alongside the carbon reduction and fuel poverty benefits - is to boost the development of effective and affordable retrofitting solutions that could then be taken up, perhaps supported by appropriate incentives, in the private sector housing stock. Any works undertaken would be over and above the government's prescribed Decent Homes Standard Criteria. And works programmes would be required to provide an improved degree of thermal comfort and performance and comfort for tenants that in turn deliver savings in relation to fuel costs, an increase in overall SAP rating and a decrease in carbon emissions.

***Ask 16: CLG agree to have a discussion with North Kent partners about Housing Revenue Account finance issues after Ministers have made an announcement on the Review of Council Housing Finance.***

### ***Council Housing Finance***

3.4.42 There is already experience in redeveloping estates through partnership between councils, lead RSLs and developers; and councils are systematically working to improve the environmental performance of their stock. However, negative subsidy severely restricts the action Councils can take and the pace at which schemes can be brought to fruition. Part of rental income that councils could plough back into redevelopment or retrofitting is instead surrendered to CLG as negative subsidy. For the authorities most directly concerned, the negative subsidy amounts to £6.2m in Gravesham, £5.4m in Dartford and £1.5m in Medway (2009/10 figures).

3.4.43 These sums, totalling over £13m per year, are of sufficient magnitude to provide significant leverage for RSL and developer investment to embark upon ambitious retrofitting of existing retained stock. There is also potential to embark upon an element of new council house building.

3.4.44 It is recognised that CLG and HM Treasury are nearing the end of their joint Review of Council Housing Finance and the report is expected in Summer 2009. The North Kent authorities<sup>33</sup> share the position taken by Campaign for Fair and Local Housing Finance calling for wholesale reform of the housing revenue account system. Clearly we want to see the outcome of the joint review and how the Government intends to proceed. **We will be looking to meet with CLG as soon as a consultation document has been issued on the outcome of the Joint Review to consider the position of the North Kent authorities and the opportunities for going forward.**

**Impact and measurement**

3.4.45 The MAA will not increase the overall quantum of housing delivered in North Kent. The long-term target remains the 52,140 specified in the South East Plan between 2006 and 2026. The proposals in the MAA are designed to reinvigorate the pace of new house building.

3.4.46 New housing completions will be reported in LAAs under NI 154 (net additional homes) and NI 155 (number of affordable homes). The LAA targets (2008-11) are for 5,466 dwellings in the TGK area of Dartford, Gravesham and Swale and 2,240 units in Medway, totalling 7,706 for TGK. The LAA targets pre-date the downturn and are subject to renegotiation over the next few months, not least to reflect the changed economic situation.

3.4.47 We do not want to pre-empt the outcome of those negotiations, so for the present purposes of this MAA our targets mirror the LAA targets. Paragraph 3.4.13 indicates that estimated completions in current circumstances would total around 4,240 units in the three years 2009-12 (43% of the number anticipated before the downturn). We estimate that implementing the package outlined above (particularly proposals 10 and 11) could facilitate the earlier delivery of a further 1,655 homes across North Kent in the next three years<sup>34</sup>. As part of the conversation with Government Office for the South East about the LAA targets, we will explore with them whether there are further measures that might be taken to boost supply and gain traction on the steep uplift in new housing delivery that will be needed to make up lost ground. The outcome of those discussions would be reflected in the revised LAA targets and MAA added value element including suggested targets for 2014.

Description of Target	Baseline	By 2011	By 2014	By 2026	NI	PSA / DSO
<b>Total New Housing Completions</b>	Medway LAA = 2,240 KA2 (TGK area of Dartford, Gravesham & Swale) = 5,466	7,706	15,617 <sup>35</sup>	52,140	154	PSA 20 DSO 2 (CLG)

3.4.48 We are also proposing a per capita carbon reduction target to reinforce TGK partners' commitment to a low carbon future and, in particular, the aspirations of the Thames Gateway Eco-Region. The relevant indicator NI 186 reflects national, regional and local actions across carbon emissions from industry, transport and housing; so it is not specifically a measure of the impact of proposals on housing alone. Both Medway's LAA and KA2 have extremely challenging CO<sub>2</sub> per capita reduction targets (respectively 13.9% and 11.2% (+/-2.5%)).

3.4.49 The LAA baselines used 2005 Defra data; 2006 data show no significant change in per capita emissions in Medway and in Kent overall, but at district level, Dartford, Gravesham and Swale are all

<sup>33</sup> Excluding Swale, which has transferred its housing stock.

<sup>34</sup> Based on local authorities' analysis of housing sites, January 2009.

<sup>35</sup> Subject to confirmation: this includes LAA 2008-11 and SEP requirement 2012-14.

showing an increase. Moreover, MAA measures are unlikely to impact significantly before 2011. The LAA per capita carbon reduction targets are therefore going to be challenging without suggesting the MAA could necessarily deliver any quantitative increase.

3.4.50 Our short-term aim, reflecting partners' shared commitment to reduce CO<sub>2</sub> emissions, is therefore on how the MAA can make delivery of existing LAA targets more robust by identifying where partner action can be most effective.

3.4.51 For North Kent the combined effect of KA2 and Medway LAA targets would be a 12.1% reduction by 2011. We are proposing that the 2014 target should be a 16.7% reduction on the 2005 baseline.

Description of target	Baseline		2011	2014	2026	NI	PSA / DSO
<b>Per capita CO<sub>2</sub> emissions in North Kent</b> Reduction in per capita carbon emissions from all sectors (industry and commercial, domestic and road transport) across Thames Gateway Kent.	Tonnes per capita		Kent KA2 target is 11.2% reduction (+/- 2.5%)  Medway LAA target is 13.9% reduction  NK = 12.1% reduction	16.7% reduction on 2005 baseline		186	PSA 27 DSO 1 (DEFRA)
	2005	2006					
	Kent						
	7.2	7.2					
	Dartford						
	8.0	8.1					
	Gravesham						
	6.8	7.7					
	Swale						
	8.6	9.5					
	Medway						
	4.9	4.9					
TGK Composite							
6.8	6.9						

3.4.52 We propose to review the 2014 target in the light of further examination of potential collaborative action, including the issues mentioned below, and further data reported by Defra. The target proposed also assumes that traffic growth at the Dartford Crossing (over which local partners have no control) will be no greater than national trends. However, if further data indicate otherwise then we would want our review of the 2014 target to take this into account.

3.4.53 In the longer-term, the contribution of the MAA depends in part on successful implementation of a programme of environmental improvements to the existing housing stock, including the proposals described above relating to retrofitting, and on proposals in the North Kent Transport Strategy to achieve modal shift away from car use towards public transport and other low or zero carbon modes including walking and cycling. The outcomes and proposals in sections 3.2 and 3.3 above are relevant to this, particularly securing the future of Fastrack and roll-out of Bus Rapid Transit elsewhere in North Kent based on the Fastrack model (to which the TIF proposals for Ebbsfleet Valley are also relevant, paragraphs 3.1.36 to 3.1.39).

3.4.54 Other areas we have identified in principle for further exploration include:

- strengthening the collaboration between TGK authorities on initiatives to tackle domestic CO<sub>2</sub> emissions, building the critical mass to stimulate more robust supply chains for innovative technologies;
- procurement;
- promoting eco / green skills and training to build industry capacity (e.g. in construction) to deliver new technologies;

- sustainable design in new housing linked to accelerated delivery of higher code levels;
- facilitating knowledge transfer between authorities to deliver consistency and better practice;
- joint initiatives to tackle emissions from the commercial and industrial sector, where shared expertise / capacity might enable authorities to make more significant inroads to help businesses tackle their emissions and fuel consumption;
- collaboration with Business Link to increase take-up of advice on energy and other eco matters by existing businesses and new enterprises;
- future collaboration on retrofitting programmes, starting with local authority own stock but extending to private sector (subject to finance); and
- better energy management in the public sector (not just local authorities).

# 4 Developing themes

- Business & enterprise
- Culture
- Eco-region, environment and public realm



## 4. DEVELOPING THEMES

4.0.1 TGKP partners consider this MAA to be just the start of a process of strengthening collaborative working across North Kent. A number of the proposals in the MAA relate to further joint work between TGKP partners and Government. So, over the coming months, we want to build on the 4 existing themes in the MAA. The focus of the next phase of the work will be on implementing the measures in the MAA and on developing the proposals further through a number of focused task and finish groups.

4.0.2 However, in addition, there are other areas of cross-boundary collaboration where initial partnership discussions and stakeholder consultations have indicated potential for added value from inclusion in the MAA. These developing themes include:

- business and enterprise
- culture, and
- the Eco-Region, environment and public realm.

4.0.3 All 3 areas are, of course, integral to the sustainable future of North Kent, and are inextricably woven into to our work on the 4 existing themes. But we also want to explore these themes in their own right, with a view to seeking agreement to firm proposals and enabling measures in a future iteration of the North Kent MAA. This chapter therefore signals areas under consideration.

### 4.1 **Business & Enterprise**

4.1.1 The Thames Gateway initiative has the aim of achieving sustainable economic growth at its core, and the promotion of business and enterprise is central to that aim. This MAA therefore is framed within an economic development agenda and, as mentioned in Chapter 2, part of the evidence base to support the MAA is a new North Kent Economic Development Strategy. The new Strategy was developed through a number of workshops and partner meetings and the ten high level objectives which emerged are set out in paragraph 2.20 .

4.1.2 A number of these objectives relate specifically to business growth, key sectors, innovation, enterprise and creativity, for example:

- support for growth of our key sectors, prioritising knowledge intensive industries and in particular positioning North Kent at the forefront of the green economy
- maximise the economic benefits of our universities, strengthening the links with industry and retaining more graduates in the area.
- Increase the rate of new business start-ups, and support our businesses to be more creative and innovative.

4.1.3 In the course of partners' work in developing the Strategy a number of promising ideas for actions emerged which involved collaborative working and which, potentially, could form part of the MAA. However, these ideas have not been worked up to the point at which they could be included as firm proposals within the MAA. There are several reasons for this:

- the need to focus our limited resources on working up the themes originally identified;
- the fact that the mechanisms for delivering business support in North Kent are going through a period of significant change through the creation of the new SEEDA funded Innovation and Growth Team, the introduction of the Business Support Simplification Programme and the re-tendering of the Business Link contract. These need a chance to bed down and be assessed.



- The need to monitor the impact of the recession and to develop a stronger evidence base for any potential MAA 'asks' relating to business support and enterprise.

4.1.4 The following are examples of the recommended actions emerging from the Economic Development Strategy:

- piloting a North Kent wide scheme offering finance for small businesses based on a scheme currently operating in Medway;
- raising the profile of the marketing of existing sources of finance;
- monitoring the penetration of the new Innovation and Growth Team (IGT) in North Kent and undertaking a review to assess whether a special programme to get businesses 'IGT ready' is needed;
- exploring opportunities for enhancing the core Business Link enterprise offer;
- testing with DWP potential freedoms and flexibilities for benefits claimants setting up in business;
- ensuring adequate provision of flexible incubation and grow-on space for SMEs;
- exploring opportunities for a wider Enterprise in Schools programme for North Kent;
- developing a more integrated network of innovation and enterprise infrastructure, including exploring the notion of a North Kent 'innovation corridor';
- harnessing the expertise of universities, supporting research and development, knowledge transfer activity and business development activities.

4.1.5 Many of these actions could be carried out by local partners without an MAA. Some would clearly need the granting of MAA 'asks' or 'flexibilities'. By end of September 2009 North Kent partners will have agreed an Action Plan to develop these ideas further into robust, evidence based recommendations. By March 2010 we intend those actions which require an MAA 'Ask' will have been developed to the stage where each 'Ask' is fully evidenced and ready for inclusion in the next iteration of the MAA.

## 4.2 Culture<sup>36</sup>

4.2.6 Culture and creativity can contribute enormously to successful place-making, both in terms of the quality of life for residents and the offer to visitors, businesses and investors. North Kent already has substantial cultural assets and raising the quality and diversity of the offer is an important strand in regeneration and growth proposals. There are exemplars of good practice in embedding art and culture into regeneration planning with the emphasis being on a highly practical approach with measurable success.

### **Example: Art @ the Centre – Swale (Queenborough and Rushenden)**

Art @ the Centre was an Arts Council England South East initiative, which sought to embed creativity in regeneration practice across the South East region. It involved artists at the outset of proposals in design teams, master planning and community engagement projects with the aim of achieving more innovative, robust and sustainable regeneration outcomes - including active involvement of Young People in regeneration, and creative responses to the development of green spaces in our towns and cities.

At Queenborough and Rushenden, Art @ the Centre was embraced as an opportunity to recognise and capture the existing qualities and identity of the area, to establish a venue for arts events, to increase the number of people involved in arts activities, to engage the community within the

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<sup>36</sup> There is no single definition of 'culture', but the scope of this section is probably best captured by the definition used on the Living Places website, which refers to "...'culture and sport' as a range of activities, resources, facilities and expertise that include arts, sport, heritage, museums, libraries and archives, and the creative industries including film and media."

development process and to tell a good news story about Queenborough and Rushenden. By generating a sense of creative vibrancy through community engagement, commissions, design competitions and support networks for practitioners, Art at the Centre has helped to demonstrate the value of the arts to community cohesion, and by association, its relevance to the built environment. This has been reflected in the progressive alignment of the arts and regeneration in the local authority strategies.

4.2.7 The cultural landscape of North Kent has been under scrutiny for several years. The South East cultural agencies and SEEDA have jointly funded the function of Thames Gateway North Kent Cultural Co-ordinator, whose brief was to help integrate culture into the regeneration and growth of Thames Gateway Kent. Outputs from this collaboration have included a 'Cultural Framework and Toolkit' in July 2006 and more recent work assisting with cultural strategies in the North Kent local authorities. Separately work has been undertaken looking at the role of creative and cultural industries both to quality of life and their contribution to the Thames Gateway Kent economy.

4.2.8 In 2007 the Living Places initiative was launched by the national cultural agencies, DCMS, CLG and the Academy for Sustainable Communities (now part of HCA), with the aim of ensuring that all communities, particularly those experiencing housing-led growth and regeneration, can benefit from cultural and sporting opportunities. As part of this, the Living Places Alliance announced five "priority places", looking at the role of culture and sport within communities of differing scales. The Thames Gateway is one of these five priority places.

4.2.9 The TGNK Culture Group decided in early 2009 that it should be reconstituted as a closer partnership between the South East cultural agencies and the Thames Gateway Kent local authorities, under the auspices of Thames Gateway Kent Partnership. This new partnership grouping therefore provides the basis for exploring further the potential for sub-regional collaboration and development of future MAA proposals.

4.2.10 Initial ideas for further examination include:

- Committing to preparing a North Kent cultural strategy (and building on the audit and toolkit work already carried out);
- Bringing the TGNK cultural partnership into TGKP and MAA governance arrangements;
- Integrated ticketing / admission rights across NK authorities' cultural and leisure facilities for all NK residents;
- Looking at the opportunities arising from the London 2012 Games and the draft Thames Gateway Olympic Legacy Plan;
- Analysing transport and accessibility in connection with existing facilities and potential locations for new facilities to see where transport improvements might improve access and viability and enable rationalisation and upgrading of leisure assets;
- Assessing the case for sub-regional level cultural provision (i.e. facilities that would genuinely serve a sub-regional catchment in an accessible and sustainable manner) and national level facilities and services;
- Undertaking a review of the potential to establish North Kent as a prominent tourism destination for both leisure and business visitors.
- Ensuring cultural opportunities and implications are considered in a cross-cutting manner across other themes, including economic contribution (e.g. through creative industries) and how cultural intervention can help deliver other sustainable communities outcome objectives, including healthy living;
- Shaping the debate with cultural agencies about how the Living Places initiative responds to the sub-regional dimension of NK, and how cultural agencies' investments align with and support the vision and objectives of TGKP.

### **4.3 Eco-region, Environment and Public Realm**

#### ***The Eco Region and TGK***

4.3.6 At the Thames Gateway Forum in November 2007 the Prime Minister set out the Government's belief that the Gateway has the potential to become an eco-region – an exemplar that stands to raise the quality of life for all communities in the Thames Gateway. At the Forum in November 2008 Government published the eco-region prospectus, expanding on this high level ambition, and describing in more detail current activity and next steps which will help to work more coherently towards establishing the Gateway as an eco-region.

4.3.7 Key proposals in the prospectus include:

- Parklands projects, to improve the green and open spaces available to the public in the gateway;
- Eco-assessments, the first of which – in Kent Thameside – is under way;
- Accelerating retrofit programmes;
- Creating an eco-quarter;
- An Environmental Infrastructure Fund;
- A Renewables Challenge Fund; and
- Exploring district heating networks as part of an integrated energy infrastructure strategy.

4.3.8 An internationally recognised Institute for Sustainability (IFS) is being established to help deliver these proposals. One campus is located within North Kent, at Dartford, and the IFS is already planning and developing significant retrofit programmes at Dartford and in Swale. The IFS has also initiated a study with E.On, on an extended heat network from Kingsnorth to Barking, and several other projects in North Kent. The Thames Gateway Institute for Sustainability will significantly advance the UK's capability to deliver practical solutions for a sustainable future, by forging research collaborations, regionally, nationally and internationally.

4.3.9 Working with the Thames Gateway Innovation Champion, Peter Head, the IFS and the RDAs are making the business case for substantial investment in reducing the carbon footprint, while driving economic development through increasing the number of high value jobs and enterprises. Part of the approach proposed is identification of demonstrator locations which will undergo intensive transformational change, to provide the learning for the rest of the Gateway. There would be perhaps about a half dozen of these across the Gateway, with three proposed in North Kent (Kent Thameside, the Hoo Peninsula and the A249 Sittingbourne / Sheppey corridor). These would build on local opportunities, recognizing the unique circumstances and qualities of each:

- Within Kent Thameside, the Ebbsfleet Valley around the CTRL station has a unique mix of commercial, residential, new build and existing development to deliver a practical and sustainable community demonstrator. This would include a connected and smart infrastructure; decentralised renewable energy from waste; low carbon; and intelligent logistics;
- The Hoo Peninsula will become a significant Parkland attraction and a centre of excellence for reducing carbon footprint through both Carbon Capture and Storage and providing a major heat grid node.
- At Queenborough and Rushenden (adjacent to the A249 corridor in Swale) smart infrastructure will be used both to reduce carbon footprint and create assisted living support in these more isolated communities. The aim is to allow chronic sufferers to remain mobile and economically active and reduce the dependence upon care services.

4.3.10 Collectively these demonstrators will complement others across the Thames Gateway to create real and deliverable solutions. These locally relevant exemplars will gain buy-in from their communities and promote an economically vibrant, high quality and low carbon lifestyle.

4.3.11 Delivery of these ambitions will require an unprecedented level of coordination, which is where tie-in to the governance mechanisms of the MAA might be beneficial by ensuring that this is squarely on the agenda in implementing and further developing the MAA. But they also support the economic ambitions that are at the heart of the MAA. The outstanding quality of life, space and infrastructure will:

- attract international businesses and foreign direct investment;
- increase research and development and innovation-driven processes, products and services;
- encourage new businesses with global potential; and
- stimulate the demand for highly skilled jobs in high value-added, knowledge-based businesses.

4.3.12 Success will encourage the growth in the Gateway of a new business sector in integrated ecological systems, staffed by a new breed of professional - with the opportunity to market and services globally on a massive scale. North Kent is particularly well placed to take advantage of these opportunities and we wish to explore whether the MAA can help advance collaboration to realise these.

#### ***Environment & Public Realm***

4.3.13 There is already well-established cross-boundary partnership working on environmental issues under the auspices of Greening the Gateway Kent and Medway (GGKM, part of the CLG-funded Greening the Gateway initiative). This brings together the key national, regional and local organisations involved in different aspects of the environmental agenda. In particular, the partnership manages the Parklands Programme of projects to enhance the water and 'green' infrastructure of Thames Gateway Kent. The GGKM Steering Group and other key stakeholders have therefore provided the starting point for examining whether the MAA can add value to advance the environmental objectives of TGKP.

4.3.14 This is a high priority for TGKP. As is clear from our vision statement, an enhanced natural environment is a crucial ingredient to providing a high quality of life to residents of North Kent and an attractive offer to visitors, businesses and inward investors. But the environment is also itself an area of economic opportunity, particularly the development of environmental technologies (where North Kent has potential sector strengths and geographic advantages). There is also exciting potential to blend cultural and environmental initiatives in shaping and animating the public realm and the community benefits of environmental enhancements.

4.3.15 The Kent Agreement 2 and Medway LAA recognise the importance of achieving sustainable prosperity. This includes reducing the per capita emissions in the local authority area (NI 186) and reducing the waste going to landfill (NI 191 – kg of residual household waste per household). In addition, Kent Agreement 2 includes NI 188 – planning to adapt to climate change.

4.3.16 The GGKM Steering Group has agreed to set up a task group to explore the MAA-related possibilities in more depth. This coincides with broader steps outlined in the next chapter to bring the work of TGKP and GGKM even more closely together.

4.3.17 Initial discussions have explored whether an environmental strand in the MAA would be best served as a free-standing theme or as a cross-cutting thread, or both. We retain an open mind on this. Clearly there is an environmental or sustainability dimension to each of the existing main themes, as well as a set of issues that might merit focused attention in their own right. Our aim is to ensure that the environment is properly integrated into the MAA where this will add value to delivery.

4.3.18 Initial ideas for further examination include:

- Unpacking the implications of the Thames Gateway Economic Development Investment Plan's emphasis on quality of life – sustainability, and the eco-region ambitions articulated in the Government's Eco-Region Prospectus (November 2008) – which links to retrofitting proposals in section 3.4;
- Including environmental implications in the Single Conversation with HCA focusing on the MAA area;
- Application of shared / common quality standards incorporated into planning policy documents and included in local development frameworks (ensuring policy principles are thoroughly evidence-based);
- Embedding knowledge and understanding about delivery of higher environmental standards in the skills and practice of front-line staff;
- Include consideration of issues beyond green infrastructure: e.g. air quality (linking in with objectives in the North Kent Transport Strategy).
- Carrying out an environmental appraisal / audit of the whole MAA and/or other MAA work streams;
- Promoting the European Landscape Convention with NK as a candidate area for "award" status;
- Developing performance measures using the emerging eco-region indicators and linking these to improvement targets.

4.3.19 Preliminary discussions have also identified a few potential areas where we may want to request enabling measures. These include:

- Government to develop and publish clear criteria and principles to establish endowment arrangements to cover long-term maintenance of capital-funded assets;
- Removing match-funding requirements that inhibit and delay schemes;
- Government to review PPG17 policies relating to urban green spaces.

4.3.20 Further work on these and any other emerging themes will be undertaken over Summer and Autumn 2009 with a view to seeking agreement to additional MAA proposals and enabling measures before the end of 2009.

# 5 Working together: partnership and governance



## 5. WORKING TOGETHER: PARTNERSHIP AND GOVERNANCE

5.1 The Thames Gateway Kent Partnership is an informal, sub-regional strategic partnership bringing together public, private and third sector partners across Thames Gateway Kent under an independent Chairman from the private sector. It is governed by a constitution setting out the membership and terms of reference. The local authorities are represented, under the present constitution, through the three Local Regeneration Partnerships – Kent Thameside, Medway Renaissance and Swale Forward. In practice, representatives on the TGKP Board play a dual-headed role:

- The Chair of Kent Thameside Regeneration Partnership is the Regeneration Portfolio-holder at Kent County Council;
- The Leaders of Dartford and Gravesham Borough Councils sit on the Kent Thameside Regeneration Partnership and they and/or their deputies also sit on the TGKP Board;
- The Chairman of Medway Renaissance Partnership is also Leader of Medway Council;
- The Chairman of Swale Forward is also Leader of Swale Borough Council;
- The Leader of Kent County Council also has a seat on TGKP Board.

5.2 The TGKP Board includes representatives from SEEDA, DCLG, Homes and Communities Agency, Environment Agency, Highways Agency, GOSE, private sector businesses and community and voluntary sectors. The TGKP Board has the character of a high level reference and partnership body than a decision-making body. Its membership continues to broaden as new business and other sector representatives are invited to join. It makes sense for TGKP Board to retain this inclusive character, overseeing the broad agenda of the partnership, which goes beyond the MAA.

### ***TGK Leaders' Board***

5.3 Within TGKP there is a Leaders' Board comprising the Leaders of the five local authorities, Kent County Council's Regeneration Portfolio-Holder, SEEDA's Area Director for Kent & Medway and GOSE's Area Manager for Kent & Medway. The governance of the MAA needs focused Board-level arrangements. It is therefore proposed that MAA governance should rest with the TGK Leaders' Board, as follows:

- Each of the local authorities should be represented by their Leader or alternatively by an appropriate Portfolio-Holder/Cabinet Member. This reinforces the local authorities' democratically accountable leadership role in sustainable place-making and economic development;
- Senior level representatives from GOSE, SEEDA and HCA and the Chairman of the proposed Employment and Skills Board would attend Board meetings (the Chairman of TGKP would also have a standing invitation);
- Senior level representatives of other public sector agencies (e.g. Jobcentre Plus, LSC) would also attend where appropriate;
- Subject to clarification of the constitutional position of each authority, Leaders and/or representatives would be covered by suitable delegations to allow them to conduct business relating to the MAA;
- Meetings of the TGK Leaders' Board would be open to the public, except where matters of commercial or other confidentiality indicate otherwise.

5.4 The TGK Leaders' Board will be supported by the TGK Officers' Group, which will provide advice to the Board and to which the Board can delegate implementation of decisions and other day to day responsibilities. The Officers' Group would include Chief Executives and/or key officers from organisations responsible for the delivery of MAA outcomes (such as Jobcentre Plus, Learning & Skills Council, Business Link and SEEDA). Thematic sub-groups, comprising officers and partners with

specialist expertise, may be formed (on a task-and-finish basis) to provide advice to the TGK Officers' Group and the Leaders' Board. The Officers' Group would performance manage achievement of the MAA outcomes.

### ***Employment and Skills Board***

5.5 As set out in paragraph 3.2.51 onwards, we are proposing to create a North Kent Employment and Skills Board to drive employer-focused skills and training provision in TGK. The ESB would sit alongside the TGK Leaders' Board as a strategic, decision-making body. The Chairman of such a Board would sit on the TGK Leaders' Board, and all participating local authorities would be represented on the ESB. This would help ensure the ESB operates within a strategic context determined by the TGK Leaders' Board without compromising its formal status as and when statutory powers are conferred upon it (paragraph 3.2.54). The ESB would be employer-led and chaired by a private sector businessman.

### ***The HCA Single Conversation***

5.6 As indicated in section 3.1, we are seeking and expecting a Single Conversation with the HCA to focus on North Kent area, and to be facilitated under the auspices of TGKP. At a working level the TGK Officers' Group would bring together the majority of senior officials who would be involved in the Single Conversation. We are therefore proposing that the TGK Officers' Group should be reconstituted to cover both support for the MAA and management of the North Kent input into the Single Conversation process. Similarly, at the political level the TGK Leaders' Board will also be the strategic decision-making forum for issues relating to the HCA Single Conversation, in which case its composition might require appropriate adjustments to reflect the dual role. The proposals to be developed for a Joint Investment Board and Joint Investment Plan will include any adjustments needed to governance and support arrangements.

5.7 Notwithstanding what is said in 5.2 about the character and remit of the TGKP Board, we are conscious of the potential for overlap and duplication between the partnership Board and the proposed TGK Leaders' Board, and these arrangements will have to be kept under review. Possible options include reconstitution of the TGKP Board with voting and non-voting rights, and/or separating MAA and Single Conversation-related business from other matters. However, these arrangements will need to be examined in the light of experience implementing the present proposals, which remain partners preferred option.

### ***Transportation Board***

5.8 This MAA makes various proposals about adopting a strategic, programme-based approach to delivering transport infrastructure and other measures to support the vision and objectives of TGKP. Ultimately that strategy should be owned by the Leaders' Board; but it will also depend upon working closely with organisations such as the Highways Agency, Network Rail and transport providers. One option to ensure robust governance to underpin strategy and delivery is creation of a Transportation Board, with representation from local transport authorities, local planning authorities, and key public and private sector transport bodies. Present thinking is that these matters would be handled by the Leaders' Board; however, partners are open to establishing a non-statutory Transportation Board if it appears that this would enable more effective conduct of business with agency and other transport partners.



### **Financial Accountability**

5.9 There needs to be strong financial management and accountability arrangements associated with the MAA, particularly where direct or delegated funding or management of pooled budgets might emerge.

5.10 The arrangement of working with a lead Accountable Body is a proven mechanism used by many existing MAA partnerships. This is regarded as a workable arrangement for the North Kent MAA for the foreseeable future.

5.11 Medway Council is currently the Accountable Body for TGKP (and also for Greening the Gateway Kent & Medway / Parklands Programme). It is proposed that Medway should be the default option for any Accountable Body arrangements associated with the MAA, but with scope to vary this for any particular programme or funding stream where alternative arrangements would be more efficient.

### **Executive Arrangements**

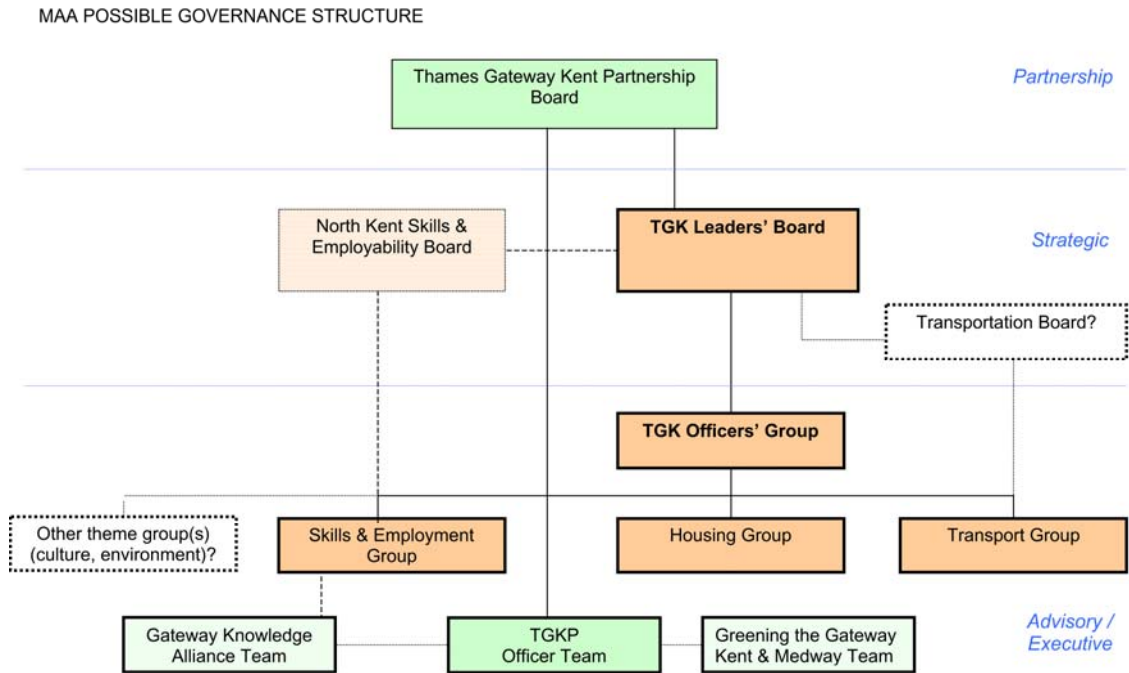
5.12 Establishing robust governance arrangements for the MAA also provides an opportunity to review whether existing structures can be streamlined or rationalised.

5.13 Our work on skills and employment has emphasised the value of closer working between TGKP and the Gateway Knowledge Alliance. GKA will be responsible for taking forward specific MAA actions, and supporting its ongoing development. The GKA Team, whilst having separate management board and Accountable Body arrangements, is therefore working more closely with the TGKP core team with appropriate reporting and accountability arrangements. As indicated in chapter 3, we envisage the Gateway Knowledge Alliance Strategic Board will be dissolved with the creation of an Employment and Skills Board. Support for the ESB would come from both GKA and resources part-funded by the Kent Economic Board and TGKP. We will also be exploring with Jobcentre Plus and LSC what support will be required from agencies.

**Structure**

5.14 The figure below illustrates what the MAA governance arrangements would look like.

**Figure 7**



# 6 Making it happen: Implementation and resources



## 6. MAKING IT HAPPEN: IMPLEMENTATION AND RESOURCES

6.1 Once the MAA has been signed the real work begins. Over the coming months the focus of the Partnership's work will be on implementing the measures in the MAA set out in Chapter 3 and on developing work on the developing themes discussed in Chapter 4. The governance arrangements for managing this work are described in Chapter 5.

### Work Programme

6.2 The first task is the preparation of a **detailed Action Plan and Work Programme** in July (to be submitted to the TGK Leaders' Group for agreement in September). This Work Programme will set out a clear timetable for each of the actions agreed as part of the MAA. Responsibility will be assigned to individual partners for leading on each of the actions. But some **early actions** need to be implemented immediately, in parallel with the preparation of the Work Programme, including:

- Engaging with HCA on the 'Single Conversation' so that we can meet the target of agreeing drafts of a Local Investment Plan and Local Investment Agreement by the end of 2009.
- Establishing the provider forum on skills by late Summer 2009.
- Setting up the action learning set with Government departments and agencies to review barriers to more effective integrated worklessness and skills provision focusing on customers' needs.
- Agreeing and signing the transport MoU with Highways Agency.
- Work collaboratively with CLG and HM Treasury and other partners on the options around a forward funding model
- Finalising and publishing the North Kent Economic Development Strategy and Transport Strategy.
- Establishing the joint Government/North Kent partners task and finish group which will review evidence about the North Kent Housing Market and the totality of products and policy levers available to partners to develop the market, so as to be able to make recommendations to Ministers by December 2009.

### Partnership Resources

6.3 The implementation of the MAA will be directed by the TGK Leaders' Board and the TGK Officers' Group. The Officers' Group in particular direct and manage the overall Work Programme. The 3 theme groups on Skills and Employment, Transport and Housing, chaired by local authority Chief Executives, will remain in being to oversee the detailed implementation of measures in the MAA.

6.4 There is dedicated officer support for the Leaders' Board and Officers' Group provided by the TGKP Officer Team, led by the TGKP Chief Executive. In addition to the Chief Executive, TGKP has secured resources to fund the continuation of the North Kent MAA Director post until March 2010. It also has funding in place to fill an additional post to support work on the MAA and HCA Single Conversation, as well as TGKP work more generally. In addition, SEEDA is funding the Director of Gateway Knowledge Alliance to provide strategic advice and support on the skills and employability elements of the MAA, again through to March 2010. Finally there is a small budget available for consultancy support where needed.

6.5 Where staffing or other resources are needed over and above this dedicated support, the TGK Officers' Group will take the lead in securing those resources. The TGK Officers' Group includes senior level representation from the local authorities, SEEDA and GOSE and therefore has the

authority to identify and assign staff resources to undertake specific MAA implementation tasks where required.

# Appendix

North Kent MAA: Summary Agreement,  
signed 9th September 2009



# MULTI-AREA AGREEMENT

## North Kent

<b>Name of Partnership:</b>
Thames Gateway Kent Partnership
<b>Participating local authorities:</b>
Dartford Borough Council, Gravesham Borough Council, Kent County Council, Medway Council, Swale Borough Council
<b>Other non-Central Government partners:</b>
Jobcentre Plus, Learning and Skills Council, SEEDA, Homes and Communities Agency

### Introduction

The full Multi-Area Agreement (MAA) dated July 2009 sets out the supporting evidence and detail for the outcomes to be delivered by North Kent partners and the freedoms and flexibilities from Government which will be delivered in return, as set out below.

### Outcomes

North Kent partners will deliver:

Performance Indicator	Baseline	2011	2014	2026	National Indicator	PSA or DSO
<b>1. Narrowing the gap in GVA per capita between NK and South East</b> Target is to narrow the gap on SE figure to 90% by 2026 and to achieve 78% by 2016.	73% of SE GVA per capita (2006)	74%	76%	90%	N/A	PSA 1, 7 DSO 1 (BIS)
<b>2. Working Age People on out of work benefits</b> Target is 20% narrowing of the gap between NK and SE rates of working age population on out of work benefits by 2014	10.40% (August 2008)  SE = 7.8%	8% reduction in gap	20% reduction in gap	N/A	152	PSA 8 DSO 2 (DWP)
<b>3. Working age population (19-59/64) qualified to at least level 2 or higher</b> LAAs aim for	63% (2007)	Baseline + 8% (71%)	Baseline + 14% (77%)	National target is 90% by 2020	163	PSA 2, DSO 2 (BIS)

Performance Indicator	Baseline	2011	2014	2026	National Indicator	PSA or DSO
4/6/8% over baseline in 2008/9-2010/11. MAA will help make delivery of those targets more robust and maintain upward trend to 2014 and beyond.						
<b>4. Accessibility</b> Percentage of new residential units within developments in Thames Gateway Kent of 50 units or more accessible by a public transport service (located within 500 metres of the development) with a frequency of 30 minutes or better that connects to a town centre (and, where appropriate, key employment destinations) during the morning and evening peak periods, Monday to Friday.	TGK area: Medway = 50%, Swale = 50%, Dartford = 100%, Gravesham = 62.5%	100%	100%, plus: <ul style="list-style-type: none"> <li>Improvement in frequency of services to 20 minutes or better</li> <li>Residential Travel Plans for all major residential developments</li> <li>All routes serving major new developments completed 2009-14 to have Real Time Information systems</li> </ul>	N/A	176	PSA 5 DSO 1 (DfT)
<b>5. Net Additional Homes</b> Overall target for new homes set in SE Plan: no uplift. Initial MAA target matches existing LAA targets.	7,706	7,706	15,617	52,140	154	PSA 20, DSO2 (CLG)
<b>6. Per capita CO<sub>2</sub> emissions in North Kent</b> Reduction in per capita carbon emissions from all sectors (industry and commercial, domestic and road transport) across Thames Gateway Kent.	6.8 tonnes per capita	-12.1 %	-16.7%	N/A	186	PSA 27 DSO 1 (DECC)



## Freedom and flexibilities

To facilitate the delivery of these outcomes the Government agrees that it will:

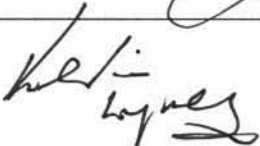
<b>Action</b>	<b>Timescale</b>	<b>Direct implementation responsibility</b>	<b>Other interested partners</b>
Government Departments, the HCA and other relevant Government agencies will work with North Kent partners to develop proposals for a Joint Investment Board, and to prepare a draft Joint Investment Plan, by the end of 2009.	December 2009	CLG, BIS	DfT
Government departments and their agencies will consider robust proposals from North Kent partners, submitted by December 2009, for specific changes to the framework and rules governing individual funding streams supporting regeneration in Thames Gateway Kent.	December 2009	CLG	HMT
Government and its agencies agree to work with North Kent partners to develop, by end 2009, a robust analysis of the investment needed to achieve North Kent growth objectives and consider how innovative and existing funding programmes and mechanisms can be maximised and combined to secure the investment	December 2009	CLG	HMT
JCP and North Kent partners will establish a North Kent consortium of nationally funded and local employment and skills providers to encourage a more collaborative, flexible, integrated and shared approach to the delivery of services and targets, enabling clients' longer-term needs to be addressed in the context of JSA conditionality.	From September 2009	DWP, JCP	BIS, LSC / SFA
Government Departments will establish an action learning set with North Kent partners to review current market conditions and the barriers to more effective integrated worklessness and skills provision focused on clients' needs, reporting its findings to Ministers and Leaders by the end of 2009.	September - December 2009	DWP	BIS
The early introduction and accelerated piloting of the Skills Account concept and employer training accounts to incentivise and facilitate uptake of training by individuals.	To be agreed September 2009	BIS	LSC / SFA
BIS, DWP, the LSC and successor bodies and Jobcentre Plus will work with Thames Gateway Kent partners to develop an Employment & Skills Board capable, if so decided, of taking on section 24A powers by July 2010.	By July 2010	BIS, DWP	LSC / SFA
The Government and its agencies will work with TGK partners to review evidence of barriers to locally responsive provision and explore potential flexibilities, by the end of 2009, to enable quick and effective response to employer demand and regeneration needs in North Kent.	December 2009	BIS	LSC / SFA
Under the Memorandum of Understanding	From July	DfT	HA

between DfT, Highways Agency and TGK Partners, the Parties will in particular:-  (a) collaborate in establishing consistent and compatible modelling methodologies; and,  (b) adopt a 'whole network' approach to consider the interface between local and strategic road networks in North Kent in developing traffic management options.	2009		
DfT will facilitate dialogue between Network Rail and Thames Gateway Kent partners to assist in developing and implementing a Memorandum of Understanding or other approaches to encourage more coordinated working to optimise the contribution of the rail infrastructure to support sustainable regeneration objectives in North Kent	From September 2009	DfT	
Government will work with TGK partners to pilot streamlined appraisal frameworks and processes building on the work initiated by 1 <sup>st</sup> Wave MAAs.	To be agreed September 2009	DfT	HMT
CLG and DfT will provide technical support to North Kent partners to help shape sustainable future arrangements for Fastrack, including the applicability of Fastrack for Kickstart funding	March 2010	CLG, DfT	
DfT will involve the Thames Gateway Kent partnership informally on the scope of future work to consider the feasibility of a Lower Thames Crossing, recognising that the final decision on the scope of such work rests with DfT.	To be agreed September 2009	DfT	CLG
Government and the North Kent partnership will establish a time limited task-and-finish group (to include an RSL and developer) to review evidence about the North Kent housing market and the totality of products and policy levers available to partners to develop the market and subsequently prepare recommendations for Leaders and Ministers by December 2009 on any further actions, products or policy flexibilities that might add value.	December 2009	CLG	HMT
CLG and HCA (which has responsibility for securing delivery of Government's Thames Gateway ambitions) agree to work with North Kent partners to review the quality of local public and private housing. This is with a view to developing jointly a business case, by March 2010, for a programme of refurbishment of local estates and exploring levers to encourage private sector landlords to improve the quality of their property, including options for how CLG, HCA and North Kent partners might share the risk of taking a refurbishment programme forward.	March 2010	CLG	HCA, HMT
CLG agree to have a discussion with North Kent partners about Housing Revenue Account finance issues after Ministers have made an announcement on the Review of Council Housing Finance.	October 2009	CLG	

**General elements**

The full Multi-Area Agreement dated July 2009 sets out the supporting evidence for the outcomes and freedoms and flexibilities outlined above. In signing the Multi-Area Agreement the Government confirms that it is not only content with the outcomes and actions contained above but also the economic vision and supporting evidence for them, as well as the partnership's chosen governance model, contained in these documents. The Government also gives a commitment to pursue negotiations on any extensions of the MAA that may be desired by the North Kent partnership in the future.

**Signed by:**

<p><b>Councillor Jeremy Kite</b> Leader Dartford Borough Council On behalf of Dartford Borough Council</p>	
<p><b>Councillor Mike Snelling</b> Leader Gravesham Borough Council On behalf of Gravesham Borough Council</p>	
<p><b>Councillor Kevin Lynes</b> Cabinet Member, Regeneration and Economic Development, Kent County Council On behalf of Kent County Council</p>	
<p><b>Councillor Rodney Chambers</b> Leader Medway Council On behalf of Medway Council</p>	
<p><b>Councillor Andrew Bowles</b> Leader Swale Borough Council On behalf of Swale Borough Council</p>	
<p><b>James E. Braithwaite, CBE</b> Chairman, South East England Development Agency On behalf of SEEDA</p>	

<p><b>David Edwards</b> Regional Director, South East On behalf of the Homes &amp; Communities Agency</p>	
<p><b>Greg Harrison</b> District Manager On behalf of Jobcentre Plus</p>	
<p><b>Tony Allen</b> Director of Area, Kent &amp; Medway On behalf of Learning and Skills Council</p>	
<p><b>Rt Hon John Denham MP</b> Secretary of State for Communities and Local Government On behalf of Her Majesty's Government</p>	
<p><b>Jonathan Shaw MP</b> Minister for the South East On behalf of Her Majesty's Government</p>	

9 September 2009

## **Photography**

Thanks to the following organisations for providing the photographs used in this document:

- Crest Nicholson
- Dartford Borough Council
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- Swale Borough Council
- SEEDA
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- University of Kent

