



Plan for Growth 2014-2020

Main Report FINAL

THAMES GATEWAY KENT PARTNERSHIP

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FOREWORD

These are exciting times in the Thames Gateway. In North Kent, the great potential at Ebbsfleet has been recognised by the Government's announcement of a new Garden City with its own development corporation. At Swanscombe Peninsula, we look forward to massive investment in a world-class leisure resort, bringing jobs and visitors boosting the North Kent economy. And on the north bank of the Thames Estuary, the largest container port in the UK has opened at DP World's London Gateway. As each month goes by, more businesses in North Kent are reporting a positive outlook, and many are being helped in their growth ambitions by interest-free loans from the TIGER programme set up by this Partnership.

As the wider economy shows positive signs of growth, it has seemed right that we review our own strategy for how we as a Partnership can support and facilitate sustainable economic growth that will benefit residents and businesses in North Kent. In the second half of last year we comprehensively reviewed the evidence underpinning our strategy, last updated in 2012, and consulted on this revised Plan. Of course, we cannot look at North Kent in isolation, so we have been closely involved in the development of the South East Local Enterprise Partnership's European Structural and Investment Fund Strategy (January 2014) and Strategic Economic Plan (March 2014).

Those documents reflect our key propositions and this Plan gives more detail on the rationale and proposals that we as a Partnership will be pursuing to help deliver sustainable economic-led growth in North Kent. This document however is just a milestone on the journey. In the months ahead we will translate this strategy into concrete actions to which we and our partners can commit, and get on with the important business of actually delivering those actions.

I commend this Plan to you and at the same time invite any feedback, suggestions or proposals that will help deliver our vision – to make Thames Gateway Kent the place to be.



Rob Bennett

Chair of Thames Gateway Kent Partnership

1 OUR AMBITIONS AND OBJECTIVES FOR GROWTH

- 1.1 This Growth Plan sets out the ambitions of the Thames Gateway Kent Partnership for sustainable economic growth and prosperity in North Kent. Regeneration of the Thames Gateway is a 70 year endeavour: our long-term horizon is 2040 and beyond. But the immediate focus of this Plan is the next three years to 2016, also looking ahead to 2020 (the end of the EU Structural and Investment Funding period and South East Local Partnership's Strategic Economic Plan) and 2026 (the time horizon set out in previous versions of the TGKP Growth Plan).
- 1.2 **Now is the time to invest in North Kent.** Investment over the past couple of decades makes North Kent better connected than ever before, both to London and Europe, with first class development sites, transport and digital infrastructure and a rising skills base to support growth. To inject further momentum, the Government is supporting development of Ebbsfleet, North Kent's flagship opportunity site, as a new Garden City backed by a further £200 million investment in essential infrastructure and delivered through a dedicated development corporation¹. Now is therefore the time to reap the benefits of both past and new investment, to help London to grow and thrive as a global city and to realise the potential of North Kent by creating the quality jobs, homes and communities that we need as Britain returns to growth.
- 1.3 Our ambitions are expressed in 10 objectives that underpin the rest of this Plan.

Objective 1. Improve the productivity of the North Kent economy

Overall Gross Value Added (GVA) in North Kent shrank by 17% between 2008 and 2012. GVA per capita in North Kent is currently 70% of the South East average.

- **Our ambition is to raise productivity in North Kent to between 75% and 80% of the South East regional average by 2020, and above 90% by 2026. This could add over £800 million per year to the North Kent economy by 2020 and over £2 billion per year by 2026.**

Objective 2. Attract and retain investment in our priority employment locations, ensuring the development of new employment sites and provision of high-quality marketable business premises

Developing new employment and residential sites is crucial for achieving sustainable economic growth in North Kent. This remains a key priority for the Partnership, which is looking at new ways to bring forward sites by the private sector in view of the public sector funding constraints.

- **We will continue working with partners across the Thames Gateway to remove barriers preventing sites from coming forward for development.**

¹ Budget 2014, HC 1104.

Objective 3. Represent North Kent's interests to government and the Local Enterprise Partnership to secure the necessary investment in transport and infrastructure to assist connectivity and sustainable economic growth

Investment in transport and infrastructure continues to be the key to unlocking new employment and residential sites across Thames Gateway Kent.

- **We will work with Government, the South East Local Enterprise Partnership and other partners to ensure that key schemes are prioritised for investment, reflecting the Thames Gateway's importance as both a national and regional economic and regeneration priority.**
- **We will work with partners to ensure a pipeline of ready-to-go priority schemes to maximise utilization of allocated funds, including recycled loan funding.**

Objective 4. Support the delivery of at least 50,000 new homes between 2006 and 2026

Delivering new homes, as well as new jobs, continues to be important for achieving sustainable economic growth across North Kent. Whilst our target reflects local authorities' revised or emerging Core Strategies, we remain ambitious to achieve more.

- **Over 14,000 homes have been built since 2006²: we will encourage increased delivery of new homes, aiming for an average of over 2.750 per year.**
- **We will work with Government, the South East Local Enterprise Partnership and other partners to implement a programme of measures to accelerate delivery in the Thames Gateway.**
- **We will support the creation of a new development corporation to lead the delivery of a new Garden City at Ebbsfleet.**

Objective 5. Ensure that all new development is of the highest possible quality

New housing and employment provision must be of a high quality if we are successfully to attract new people and high-value business to North Kent, and integrate new development into sustainable communities.

- **We will ensure that attention to the quality of new development and investment in environmental and cultural assets enhance North Kent's reputation as a desirable location to live, work, invest and enjoy leisure.**

Objective 6. Improve the skills of North Kent's workforce and tackle unemployment

Both residents and workforce in North Kent require skills to meet the needs of existing and future employers. High-level skills are particularly needed to successfully attract inward investment from Knowledge Intensive industries. This will bring growth to the North Kent economy and ensure that local residents benefit from the new job

² 2006/7 to 2012/13, completions in Thames Gateway Kent totalled 14,252 – Source: DCLG Live Table 244

opportunities.

- **We want to increase the proportion of working age residents with at least NVQ2+ qualifications, and in particular raise the proportion with NVQ4+ qualifications, and the proportion of employed residents in level 4+ occupations, to at least 90% of the national average by 2020.**
- **We want to reduce the unemployment rate to at least 2% below the national average by 2020.**

Objective 7. Support the creation of at least 58,000 jobs between 2006 and 2026, particularly in high-value sectors

A strong supply of high quality employment and commercial sites will provide capacity for an additional 58,000 jobs in Thames Gateway Kent. As well as premises suitable for new and expanding businesses, and attractive to inward investors, we will support jobs growth through excellent business support services.

- **We will maximise the use of Regional Growth Fund (e.g. the TIGER programme) and other resources to support job creation and retention in North Kent. By 2015, TIGER funding will have supported the creation and retention of at least 910 jobs in North Kent.**
- **We will ensure a coherent, comprehensive and readily-accessible network of business support across North Kent.**

Objective 8. Attract and grow knowledge-based employment in North Kent

Attracting knowledge intensive employment will help the North Kent economy to flourish as these industries have the greatest potential for productivity growth through their capacity to innovate and to create new products and markets.

- **We want to grow the number of people employed in the “knowledge economy” (currently 11.2% compared with 19.4% in England) to the national average by 2020.**

Objective 9. Increase the rate of new business start-ups

Increasing the rate of new business start-ups is vital to economic growth and a diverse and sustainable economy. Creating a new business also offers opportunities for out of work residents to get back into labour market, improve their standards of living and contribute productively to the economy.

- **We want to increase the rate of business start-ups by an average of +0.5% per year to exceed the national average before 2020, and to reduce business “deaths” to at least 1% below the national average.**
- **Building on the success of the TIGER programme we will maximise resources to support job creation and retention in North Kent beyond 2015.**

Objective 10. Maximise the economic benefits of our universities by strengthening the links with industry and retaining more graduates in North Kent

There are four universities in Thames Gateway Kent whose research could benefit businesses in North Kent. Strengthening the links between the universities and business is particularly important given the recent nature of higher education's expansion in the area. This will benefit both businesses and the higher education institutions and help create more job opportunities to attract and retain graduates in North Kent.

- **We will help build stronger links between the HE/FE institutions and the North Kent business community.**
- **We aim to increase participation in higher education by North Kent residents to at least the national average by 2018, and at least to match the national average in terms of Apprenticeships Achieved, particularly at Advanced and Higher Level.**

2 THAMES GATEWAY KENT: OUR VISION FOR CHANGE

Strategic Context

2.1 In 1995, the Government of the day published the Thames Gateway Planning Framework. This set out a number of objectives for the Thames Gateway:

- to improve economic performance, enhancing London's position as a major World and European city;
- to maximize the opportunities for new economic activity and jobs, created by the improving transport connections to continental Europe;
- to work with the market; building on existing economic and community strengths, reinforcing the economic base, and at the same time attracting new economic investment; strengthening existing communities as well as attracting new residents;
- to encourage a sustainable pattern of development, optimizing the use of existing and proposed infrastructure and making the fullest possible use of the many vacant, derelict and under-used sites which previously supported other activities;
- to safeguard and enhance natural and man-made environmental assets and, where necessary, raise the quality of the local environment; to encourage the highest quality in the design, layout and appearance of new developments.³

2.2 These objectives remain valid because they remain to be entirely fulfilled. We are about 20 years into a 70 year journey to realise the Thames Gateway's full potential. But we have not stood still. Huge progress has been made across the Gateway, despite the challenges of the economic downturn. Achievements in North Kent include:

- Major new infrastructure, including Ebbsfleet International Station, the Channel Tunnel Rail Link and High Speed 1 providing outstanding connectivity to London and continental Europe, the Sheppey Crossing, widened and re-aligned A2 and M25 interchange, and rail freight link at Northfleet.
- The creation of Britain's most successful regional shopping centre at Bluewater;
- New house-building has outstripped the national and South East average, with nearly 25,600 new homes built since 2000.
- A new University Campus at Medway, a centre of learning for 10,000 students and four Universities;
- Major regeneration at Chatham Maritime, new and expanded business parks including Crossways-Dartford and Eurolink-Sittingbourne and innovation centres at Kent Science Park, Innovation Centre Medway, The Nucleus and The Base at Dartford;

³ Thames Gateway Planning Framework, 1995: summarised in Seminar Paper, "The Thames Gateway: building a new city within an old one?" London School of Economics, April 2008.

- The highly successful Parklands programme, including around £30 million HCA and match-funding in seven major environmental improvement projects across Thames Gateway Kent;
- Significant improvements in residents' skills at all levels and in secondary school attainment;
- Rising numbers of business starts and better than average business survival rates.

2.3 Regeneration of the Thames Gateway is a long-term project, requiring long-term commitment from Government and local partners alike. Lord Heseltine's report *No Stone Unturned* described the Thames Gateway project as "crucial to UK competitiveness", a conclusion endorsed in the Government's response⁴. Similarly, the South East Local Enterprise Partnership's (South East LEP's) Mission and Vision Statement sets out four strategic objectives, the first of which reads:

*OBJECTIVE 1: Secure the growth of the Thames Gateway: This is the largest single regeneration area in Europe and the strategic focus of our wider LEP area... As a national priority, the growth planned in the Thames Gateway provides significant opportunities for new businesses in new sectors and new employment opportunities.*⁵

2.4 Regeneration of the Thames Gateway thus continues to be both a national and regional priority, and rightly so. The economic rationale for the Thames Gateway remains as strong as ever, both as a focus for investment and growth in its own right, and in support of London's role as a global city.

- The Thames Gateway lies at the heart of the South East Local Enterprise Partnership area, and reaches into East London as far as Deptford in the south and Stratford in the north.
- The 17 local authorities covered wholly or partly by the Thames Gateway boundary have a population of 3.3 million, of which North Kent comprises 0.6 million.
- The Thames Gateway provides space, services, logistics and people that are vital for London's economy to grow. The Gateway is integral to the economic and social fortunes of London and the Greater South East.
- Regeneration of redundant industrial sites, the creation and expansion of flourishing new industries, creating and restoring high quality environments and investment in skills and employment opportunities are transforming the life chances of residents and making the Thames Gateway a highly competitive location in which to live and do business.

2.5 We aim to ensure that the Government's and South East LEP's political and strategic commitment to the Thames Gateway, and to the North Kent in particular, is translated into effective support, through investment programmes and the negotiation of

⁴ Lord Heseltine's report, *No Stone Unturned: in pursuit of growth*, was published on 31 October 2012, BIS/12/1213. Government's Response to the Heseltine Review, Cm 8587, para 1.64.

⁵ South East Local Enterprise Partnership, December 2011: <http://southeastlep.com/images/pdf/about/selep-vision.pdf>

appropriate freedoms and flexibilities in the context of a ‘growth deal’, to help deliver the Partnership’s priorities set out in this Growth Plan.

Vision, challenges and opportunities

2.6 The Thames Gateway Kent Partnership (TGKP)⁶ agreed the following Vision for North Kent at its formation in 2001:

North Kent will be recognised as:

- *An area of exciting towns and cities complemented by an **outstanding natural environment**, providing an exemplar of urban regeneration;*
- *A thriving business centre **attracting leading investors and businesses** through its diverse and skilled workforce, high-quality commercial sites and local services, and accessibility to transport links and strategic routes to UK and continental markets.*
- *An area of strong, integrated communities with **harmony between new and existing business and residents** – where the benefits of development and investment are shared by the whole community*
- *A vibrant cultural hub with a **thriving social scene and civic pride** – attracting a growing student population, bringing youth and vigour to the community*

*These will all contribute to **making Thames Gateway Kent ‘the place to be’.***

2.7 Delivering this vision means addressing challenges and seizing opportunities. Our *challenges* include:

- We need to improve the performance and productivity of existing businesses, grow new enterprises and attract new companies especially in high growth potential sectors;
- Our labour force is less skilled and under-utilised compared with much of London and the Greater South East;
- We need to build stronger links between the drivers of innovation and the wider economy;
- Investor perception may lag behind the reality of change, reflecting a lack of continuity and coherence in marketing the Thames Gateway;
- We have much but not yet all of the infrastructure we need to unlock the full development potential of some key sites, and some funding gaps remain especially for some transport schemes;
- Viability of development schemes is squeezed in the face of lower rates of return than can be achieved in London and some other sub-regions. The economic downturn has slowed various schemes that, whilst they can still happen, are taking longer than originally conceived;

⁶ The composition and governance arrangements for TGKP are summarized at Annex 1)

- Short-term austerity risks impacting negatively on the quality, sustainability and longer-term community benefits to be derived from development schemes;
- Welfare reforms, particularly impacting in London, may increase pressure on affordable housing in lower-cost areas bordering the capital.

2.8 Set against these challenges we have *great opportunities*:

- **Ebbsfleet** offers potential for transformational development, capitalising upon the international railway station's high speed connectivity to London and Europe. The proposed **Paramount Resort** on the adjoining **Swanscombe Peninsula** augments this potential still further. This would be a nationally significant leisure and tourism attraction, bringing £billions of investment during the construction phase, and once operational £billions of spending annually by up to 14.5 million customers, an estimated 27,000 new jobs and £billions of exports in new products and services. The economic benefits would reach far into Kent, London and the wider south east in terms of supply chains, enhancement of the leisure, hospitality and tourism offer and co-location of associated creative and digital industries. The impact on employment, training and career opportunities for North Kent residents would be transformational, and the boost needed to incentivise complementary investment, development and economic growth across Thames Gateway Kent. The Government has recognised the potential of Ebbsfleet-Swanscombe by announcing its support for a new Garden City⁷, with delivery led by a dedicated development corporation supported by up to £200 million of capital investment in infrastructure. **Our top priority as a Partnership is to support and facilitate the success of Ebbsfleet-Swanscombe, to secure the maximum benefits from these once-in-a-lifetime investments for the people of North Kent.**
- The **Medway Superhub** is a network of major sites totalling over 340 hectares, with outstanding land-side connectivity by road and rail and port facilities connecting to both national and international markets. It is the focus for the Kent **Centre for Offshore Renewable Engineering (CORE)** and, building on its existing strengths in manufacturing and engineering, provides an ideal location for businesses involved in renewable energy, alternative fuels and low carbon environmental goods and services (LCEGS) – a market currently worth £3.4trillion globally and forecast to grow by over 4% annually. The Superhub also lies at the heart of the Medway-Swale Arc, designated as an Assisted Area to strengthen incentives for business investment and employment growth. **Increasing North Kent's share of the LCEGS market, centred around the Medway Superhub, will bring economic and environmental benefits across Thames Gateway Kent and beyond.**
- North Kent has relatively large amounts of previously developed land with potential for new housing and economic development compared with other parts of the Greater South East;

⁷ Announced by the Chancellor for the Exchequer, Budget 2014 (HC 1104), 19th March 2014.

- We have some key focal points for innovation – notably the universities at Medway, Kent Science Park and Innovation Centres such as The Nucleus – and proposals to expand provision;
- There are solid and progressing plans for regeneration of our town centres at Dartford, Gravesend, Chatham and Sittingbourne;
- We continue to have strong buy-in from local partners, giving robustness, accountability and legitimacy to the policies, programmes and projects we are seeking to deliver.

The Plan for Growth

- 2.9 This Growth Plan sets out how we propose to address these challenges and act upon these opportunities to further our objectives for sustainable economic growth in North Kent. It has been developed in parallel with, and complements, the South East LEP's emerging Strategic Economic Plan⁸ and European Structural and Investment Funds Strategy (2014-20), and the Kent & Medway Economic Partnership's Growth Strategy "Unlocking the Potential: Going for Growth".
- 2.10 The Partnership's strategic ambitions were last set out in June 2012. Supported by a review of the evidence base⁹, mainly in summer 2013, and progress over the past 18 months, this Plan updates and brings together the Partnership's economic and investment priorities, and identifies proposed actions for partners and others that will support delivery of our ambitions. A draft of this plan was consulted upon during Autumn 2013. It has been revised in the light of responses to consultation and in parallel with the South East LEP's European Structural and Investment Funds Strategy (Final Submission, January 2014) and Strategic Economic Plan (Final Submission, March 2014) .

⁸ http://southeastlep.com/pdf/South_East_LEP_-_Growth_Deal_and_Strategic_Economic_Plan.pdf.

⁹ Thames Gateway Kent Partnership Growth Plan 2013: Review of Evidence.

3 INCREASING THE PRODUCTIVITY OF THE NORTH KENT ECONOMY

Objective 1. Improve the productivity of the North Kent economy

Issues and evidence

- 3.1 Overall Gross Value Added (GVA) and GVA per capita are key measures of economic performance, showing the productivity of the economy. Since 2008, GVA has reduced across the South East LEP area but the reduction in North Kent has been more marked. Whereas North Kent's GVA per capita was 89.5% of the South East LEP area level in 2008, it now stands at 83.1% (and is only 70% of the former South East Region average).
- 3.2 North Kent is not a closed economy but is part of a wider travel to work area with strong interchange patterns nearer to London. So the productivity of the North Kent economy and the prosperity of its residents is not solely down to the wealth delivered by economic drivers in North Kent.
- 3.3 It is estimated that around 64% of working residents in North Kent work within the TGK area. Of the remainder, 12.3% work elsewhere in Kent, 22.2% in the Greater South East, and 1% elsewhere. Of people travelling into North Kent to work, 79% are travelling within the North Kent area, 9.5% from other parts of Kent, just under 11% from the Greater South East and less than 1% from elsewhere. London is inevitably a massive influence in the west of the TGK area: 36% and 25% respectively of Dartford and Gravesham working age residents work in Greater London; and 60% of people working in Dartford come from outside the area, 28.5% of these from Greater London.
- 3.4 As noted in paragraph 8.8 below, North Kent's population is set to grow by between 7-11% by 2021. But the growth in working age population is forecast to be only 5.2%, which means that greater productivity will be needed simply to maintain the status quo, let alone achieve economic growth (this is also a challenge at a national level).
- 3.5 Key factors for increasing productivity are reducing unemployment and increasing employment in higher value occupations. Compared to the national and regional averages, North Kent residents and workforce are under-represented in higher value professional and managerial occupations, and over-represented in skilled trades and lower value occupations. There have been positive trends in growing the proportion of professional occupations, but more is needed to close the gap.
- 3.6 Overall earnings across North Kent are lower than the national and South East averages, which potentially offers a competitive advantage compared with high cost areas such as London. There are significant variations in earnings across North Kent, generally reducing as you travel from west to east. For residents, the disparity between the highest and lowest average earnings across the districts has reduced, whilst for workers it has increased; and the pattern of earnings and productivity show no strong correlation.

Partnership response

- 3.7 Increasing GVA relies on the totality of actions to strengthen the North Kent economy – through businesses improving productivity, increasing sales, exports and market share, increasing employment and earnings, and new businesses and inward investment helping to generate wealth and prosperity. The Partnership's role is to help create the conditions for businesses to prosper, ensure effective measures to tackle unemployment, attract higher level jobs and to promote North Kent's advantages as a destination for business investment, location and growth. **GVA is a moving target but it remains our long-term ambition to match the South East average, with interim targets of GVA per capita rising to between 75% and 80% of the South East average by 2020 and above 90% by 2026 (which would add over £800 million annually to the North Kent economy by 2020 and over £2billion annually by 2026).**
- 3.8 The following chapters describe in more detail our strategic focus on these key indicators and drivers for economic growth:
- Promoting the potential of key locations for investment and development and attracting inward investment (chapter 4);
 - Attracting inward investment (chapter 5);
 - Promoting high quality in all aspects of the growth agenda (chapter 6);
 - Supporting business growth with a strong focus on existing sector strengths and high growth potential (chapter 7);
 - Increasing innovation, enterprise and creativity to establish new industries and markets (chapter 8);
 - Improving the skills and employability of North Kent's residents and workforce, to shift the balance towards higher value occupations and to tackle skills and other barriers that are preventing people who want a job from entering the employment market (chapter 9);
 - The final chapter (10) summarises the Partnership's role in delivery.

4 DELIVERING GROWTH IN KEY LOCATIONS

Objective 2. Attract and retain investment in our priority employment locations, ensuring the development of new employment sites and provision of high-quality marketable business premises

Objective 3. Represent North Kent's interests to government and the Local Enterprise Partnership to secure the necessary investment in transport and infrastructure to assist connectivity and sustainable economic growth

Objective 4. Support the delivery of at least 50,000 new homes between 2006 and 2026

Issues and evidence

- 4.1 As part of the wider Thames Gateway, regeneration of North Kent is a national regeneration priority and thus presents huge opportunities to businesses and investors, supporting the growth of London and the greater south east. Unlocking these opportunities through the development of key sites is already underway, taken forward by the private sector with some sites benefiting from ongoing public sector intervention. It will be through the development of these key sites that a major portion of our targets for new jobs and new homes and economic growth will be delivered.
- 4.2 The North Kent Local Investment Plan published in 2010¹⁰ identified our key investment priorities for public sector investment to unlock these opportunities. With reduced public sector resources we have been looking at new ways to encourage the private sector to take these forward. Nonetheless, work led by TGKP under the auspices of the Thames Gateway Strategic Group (TGSG), looking at barriers to development of key sites, has highlighted the case for some form of public intervention to help address short- to mid-term funding gaps in enabling infrastructure.
- 4.3 In the summer of 2013, the TGSG's analysis of major sites (with capacity for over 100 homes or commercial space for 50 jobs) showed that out of 55 sites, 29% were progressing satisfactorily towards their aggregate target of over 9,400 homes, and 27% were at early stages and not due to come on stream within the next 4-5 years. About 44% were either making slower than expected progress or were stalled by a number of factors, with market conditions and infrastructure costs presenting the main challenge to viability of schemes. Whilst there have been positive market signals in late 2013/early 2014, viability issues remain on some key sites.
- 4.4 More positively, sites in North Kent with capacity for nearly 15,900 homes already have planning permission and 43% of these have already commenced. 14,252 homes have already been built since 2006 and land supply for a further 30,000 has already been identified in local plans. **Subject to any significant modifications that might arise from evolving local plans, our target is to create at least 50,000 new homes by 2026.**

¹⁰ TGKP and Homes & Communities Agency, July 2010.

4.5 North Kent is the focus for some nationally-important infrastructure proposals that could have significant implications for the nature and pattern of future economic and residential development, even though implementation of the proposals would in most cases be after 2020. **The Partnership will continue to press for early determination of these key schemes so as to provide a climate of greater certainty for business investment decisions and sustainable planning.**

- The Government has consulted on options for the location of a **Lower Thames Crossing** and announced in December 2013 its rejection of option B and proposed further work on options A and C, to be concluded in 2014. The Partnership seeks the closest engagement with Government, including through its membership of the Stakeholder Panel, to ensure that the local economic benefits of any chosen option are maximised and any environmental or social disbenefits minimised.
- The Government has appointed the Davies Commission to examine **airport capacity** in the South East of England. The Commission published its interim report in December 2013, shortlisting three options at Heathrow and Gatwick for more detailed evaluation and commissioning further studies on a Thames Estuary airport on the Isle of Grain in Medway. The Partnership will be submitting further observations to the Commission by May 2014.
- There remains a possibility, subject to funding and viability, that **Crossrail** could be extended beyond its proposed south east terminus at Abbey Wood to the Medway Towns, linking with major development on the Swanscombe Peninsula and served by turn-around facilities at Gillingham, Rochester and Rainham. If pursued this could be implemented before 2020.

Partnership response

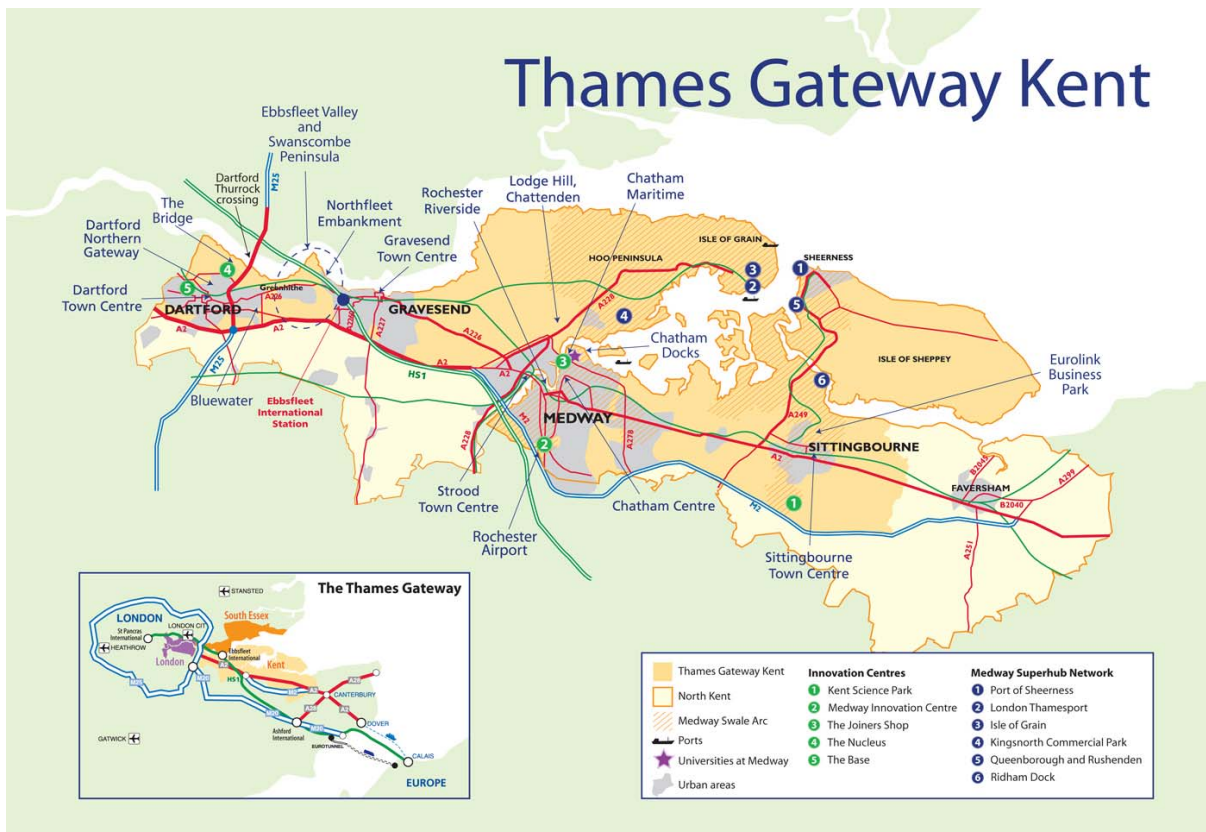
4.6 The major elements of delivering our objectives are:

- Promoting development opportunities in North Kent, in particular on key sites;
- Securing infrastructure and connectivity to support development and economic growth;
- Collaborating with partners on a programme of measures, enshrined in the South East LEP's Strategic Economic Plan, to raise the pace of housing delivery in the Thames Gateway.

(i) Promoting key development locations and opportunities

4.7 North Kent's potential for development and growth is not wholly defined by any single growth concept, but embraces a diverse set of opportunities including growth corridors, city centre regeneration and new towns. These include the game-changing opportunities for a new Garden City offering commercial, leisure and housing development at Ebbsfleet-Swanscombe Peninsula, a powerhouse of renewable energy and low carbon industries in the Medway Superhub, regeneration and reinvention of our main town centres at Dartford, Gravesend, Chatham and Sittingbourne, and innovation-driven business growth across the whole of the area.

Thames Gateway Kent: key locations and investment opportunities



4.8 We will:

- Continue to monitor progress on housing delivery against trajectories, and work with partners across the Thames Gateway, South East LEP and with Government (particularly through the TGSG) to identify strategic measures and develop any specific initiatives to tackle barriers to development.
- Collaborate with Kent Housing Group and other partners as appropriate on joint pieces of work to develop tools and innovative solutions to boost provision of new homes in North Kent, including affordable homes.
- Support the creation of a new development corporation to lead the delivery of a new Garden City at Ebbsfleet.

4.9 The following paragraphs summarise the growth potential at key sites in North Kent. **Annex 2** shows the key transport infrastructure schemes, proposed in the Kent & Medway Economic Partnership’s Delivery Programme to 2021, supporting these key developments.

Dartford

(a) Dartford Northern Gateway. This area identified for mixed-use development comprises a number of sites. It will deliver around 1,300 new homes, 1,200 new jobs and a range of supporting facilities, including a primary school and a dedicated Fastrack rapid bus transit route. Housing development has commenced to the east and west of the area. The first phase of The Base, a hub for start-up businesses, is already operational and further sites for employment development have obtained planning consent.

(b) Dartford Town Centre. Dartford Borough Council and the HCA are collaborating to bring forward marketing proposals for a portfolio of sites, including the former Co-op site and the Station Mound, served by the newly-refurbished railway station. Possible uses include Retail, Leisure and Residential and future accommodation for civic offices. At Lowfield St, consent has been granted for a major redevelopment of this part of the town centre, providing retail space of over 10,000 sq m, including an anchor store for the town centre, residential development and community facilities. Construction is expected to start in 2015.

(c) The Bridge. This mixed development to the west of the Dartford-Thurrock Crossing will provide around 1,550 homes under a number of different phases and other facilities including a business/science park and school. Around 400 homes have already been completed. The Nucleus innovation centre is completed and occupied, and the SusCon Academy for sustainable construction completed and in use. Completion of housing is expected 2022/3. Other commercial occupiers are expected to take up space in 2014 and a Technical College is to open in September 2014.

Ebbsfleet-Northfleet-Swanscombe Peninsula

In his 19 March Budget Statement, the Chancellor of the Exchequer announced a new Garden City at Ebbsfleet, with the headline figure of 15,000 new homes supported by £200 million investment in infrastructure and delivery led by a dedicated new development corporation. The precise details of which sites would be included within the development corporation's boundary is not yet decided, but it is likely to include sites described under (d), (e) and (g) below as well as a number of other smaller sites.

(d) Ebbsfleet Valley comprises a 260 hectare site between Ebbsfleet International station and Bluewater Shopping Centre, and straddles the boundary between the boroughs of Dartford and Gravesham with component sites in each area (e.g. Springhead Park in Gravesham). The original masterplan was for up to 10,000 new homes and around 800,000m² of mixed-use development, including commercial/retail development that could create up to 20,000 new jobs. The early phases of development at Springhead Park (over 200 homes) are complete, with capacity for around 700 more homes (plus business space) in later phases. Initial housing development, with the first homes due for completion in summer 2014, is underway at Eastern Quarry, as part of this major mixed use development comprising up to 6,250 homes, a business park and a range of shopping, leisure and community facilities. On the former **Northfleet West Sub-Station** site, completion of the first homes on this mixed use development of 1,000 homes is expected in summer 2015. Proposals for other sites within Ebbsfleet Valley, including the scale and nature of

commercial development, would be revisited if the Paramount scheme at Swanscombe Peninsula goes ahead. Supporting transport infrastructure is to be provided via the Homes and Roads programme: these developments are served by the A2 Ebbsfleet Junction.

(e) Adjoining Ebbsfleet and strategically placed to exploit the potential of Ebbsfleet International station is the 353 hectare **Swanscombe Peninsula**. Proposals are at pre-planning stage for a major leisure resort licensed by Paramount. The £2billion development would be twice the size of the Olympic Park in East London, featuring an indoor water park, theatres, live music venues, attractions, cinemas, restaurants, event space, hotels and ancillary development. Allied to the project will be a training academy for the entertainment and hospitality sectors, a new country park, a large science and education visitor complex and "the biggest performing arts centre in Europe". It is estimated the development would include 2,500 staff apartments, 5,000 hotel bedrooms and create 27,000 jobs. The expected timetable is for a planning application in 2014 and opening in 2019/20: this would therefore be within the time horizon of this Growth Plan. A scheme on this scale has the potential to transform the fortunes of North Kent and linkage with other major development schemes in Dartford and Gravesham, in particular Ebbsfleet Valley, Bluewater and Craylands Lane (a site for 110 homes). ***An accelerated timetable would be needed for improvement of the A2 Bean and Ebbsfleet junctions amongst other infrastructure improvements to address the significant transport implications of an expected 12-15 million annual visitors.***

(f) As a separate development, but in the same vicinity, the retail floor space at **Bluewater** regional shopping centre is being expanded by 20%, which is expected to create an additional 2,300 jobs in retail and associated occupations.

(g) Northfleet Embankment – comprises two sites (East and West) totalling around 70 hectares on the western edge of Gravesend town centre close to Ebbsfleet International. Both components have extensive river frontage with deep-water access to the Thames. The Lafarge-owned Northfleet Embankment West site has the potential to deliver around 500 houses and 1,400 new jobs through a mixed-use scheme, while the HCA-owned Northfleet Embankment East site, with its proximity to Ebbsfleet International and its extensive river frontage with deep-water access to the Thames, makes it a potential location for quality commercial development and up to 240 homes (though the residential component is not definite). There is also potential for cruise liner facilities, linking especially to the tourism potential that might be unlocked on the Swanscombe Peninsula.

Gravesend

(h) Gravesend Town Centre. Around 1,250 new homes and 1,500 new jobs will be created in and around the Gravesend Town Centre, focusing on four major sites (Heritage Quarter, Canal Basin, North East Gravesend and Clifton Slipways) capitalising on the 22 minute high-speed train service direct to London and other public transport interchange improvements in the town's new Transport Quarter (including £19 million upgrade of Gravesend station and the £8.1 million Rathmore Road link).

Medway

(i) Chatham Centre. 3,682 new homes and 2,700 new jobs (in 50,000m² of employment floor space) will be created adjoining the renowned Historic Dockyard and waterfront centre – in addition to significant retail (6,800m²) and leisure opportunities.

(j) Chatham Maritime. To complete the regeneration of Chatham Maritime there remain two outstanding development opportunities on this well established and prestigious development. St Mary's Island and the area between Chatham Maritime and Chatham Historic Dockyard will deliver a further 1,400 new homes and around 10,000m² of commercial space.

(k) Gillingham Waterfront. A private sector led scheme to deliver 775 new homes and over 2,200m² of mixed commercial space.

(l) Chatham Waters. Peel Land & Property are transforming a 10.5 hectare brownfield site adjacent to Chatham Maritime. This mixed-use scheme is expected to provide around 950 new homes and 3,500 jobs in 180,000m² of commercial space, and also includes the new Medway University Technical College opening in 2015.

(m) Rochester Riverside. The first phase of affordable housing was completed in 2012 and phase 2 (Stanley Wharf) marketed in late 2013. This prestigious site is in a prime location served by the re-located railway station due to open in 2015 and linking directly into Rochester town centre. Once complete, the site offers potential for 1,200-1,500 homes and around 29,400m² of mixed commercial space (employment, hotel and retail).

(n) Strood. The extensive waterfront area extends from the M2, through Temple Waterfront and Strood town centre, to Strood Riverside adjoining Strood station. It includes a number of distinct mixed-use development opportunities that will be complemented by infrastructure improvements in the centre and the refurbishment of the station that already offers access to HS1 services. In total these opportunities are expected to result in over 2,054 new homes, 42,300 m² of employment floor space and 22,500m² of retail.

(o) Rochester Airport - situated close to the M2 and adjacent to a major BAE Systems complex, this strategic location is to be developed as a technology and knowledge-based cluster. The Masterplan was approved in late 2013. Rationalisation of the existing airport will create capacity for up to 300 jobs in phase 1 (3,000 m² innovation workspace for advanced manufacturing R&D and prototyping) and, in phase 2, up to a further 1,460 jobs in 34,240m² of high-quality commercial space.

(p) Lodge Hill, Chattenden. This is the only proposed freestanding new settlement in the Thames Gateway, and occupies former military land on the Hoo Peninsula. The development would provide up to 5,000 new homes and a similar number of new jobs in 44,100m² mixed commercial space with associated health, education, retail, hotel and other community facilities. Part of the site was confirmed by Natural England as a SSSI in November 2013, leading to withdrawal of the submission draft Core Strategy. The future of this site remains under consideration by Medway Council in the context of preparing a revised draft local plan. A revised outline planning application was submitted by the

Defence Infrastructure Organisation / Land Securities in February 2014.

Medway – Swale Arc

North Kent has potential to become a major manufacturing hub for the offshore renewable energy industry, with the potential to create 2,000 new jobs at the Port of Sheerness alone. This potential, and the wider opportunities for growth building upon the existing concentrations of manufacturing and innovation in Medway and Swale, underpins the concept of the Medway-Swale Arc, which is included in the Assisted Areas Map 2014-20¹¹.

(q) The Medway Superhub is a cluster of sites suitably sized and positioned to accommodate the integrated manufacture of blades, gearboxes, nacelles, towers and foundations for offshore wind turbines. The Superhub includes facilities which allow for the shipping in of components; laying-down and assembly; shipping and deployment of completed turbines; associated supply chain operations; storage and distribution of parts; and warranty maintenance. Further supply chain support is available from across Kent and Medway, but particularly at the nearby manufacturing clusters at Sittingbourne and Medway along with R&D support at the Kent Science Park. Together with operations and maintenance facilities at the Port of Ramsgate, these facilities contribute towards the **Kent CORE¹²** (Centre for Offshore Renewable Engineering), one of only six such centres in England. The cluster of sites includes:

Port of Sheerness	50 hectare, port facilities, rail
London Thamesport & the Isle of Grain	224 hectare, port facilities, rail
Kingsnorth Commercial Park	46.5 hectare, water access
Queenborough and Rushenden	18 hectare, mixed commercial
Ridham Dock	4 hectare, water access

Swale

(r) Kent Science Park. This prestigious 22 hectare site provides high security, high quality accommodation for innovatory businesses, particularly in ICT and bio-sciences. A 4 hectare expansion to provide an additional 3,000 m² of floor space is underway. Ambitious plans for a further expansion to create a further 100,000 m² of floor space providing 3,000 jobs require major infrastructure investment, particularly a new motorway junction (M2 J5A) to overcome restrictions on the existing network (viewed as a first step towards providing a new link between the M2 and A2 and with potential to unlock other development opportunities beyond current planning horizons).

¹¹ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/313063/bis-14-847-an-introduction-to-assisted-areas.pdf.

¹² <http://www.kentwindenergy.co.uk/kent-core.php>.

(s) Sittingbourne Town Centre. There are a number of developments proposed for the town centre. These include the redevelopment of the Bell Centre Arcade, completion of the housing component of the Sittingbourne Mill re-development and the town centre redevelopment proposed by the Spirit of Sittingbourne consortium (which would include redevelopment of land currently occupied by Council offices). These could provide around 500 homes and significant mixed use commercial space. The **Milton Creek** site on the northern edge of the town centre offers potential for 400 homes and 700 jobs.

(t) The 17 hectare Phase 5 of the successful **Eurolink** business estate has been granted permission and is expected to provide a further 1,000 jobs in over 43,000 m² of industrial and logistics development. Eurolink already provides accommodation for over 250 companies employing around 6,500 people.

(u) Queenborough and Rushenden. This site on the Isle of Sheppey will deliver up to 1,100 new homes within a historic existing community, alongside approximately 180,000m² of commercial space at Neats Court, which could create up to 2,000 jobs. Both sites are well served by the new Rushenden Link Road connecting to the A249.

(ii) Securing Infrastructure and connectivity

- 4.10 Efficient connectivity that enables the free flow of goods, information, services and people is essential for sustainable economic growth. The infrastructure necessary to unlock key employment sites is a prerequisite for bringing forward development and this includes both physical infrastructure – road and rail – as well as digital infrastructure for high-speed broadband, to enable businesses to be highly competitive.
- 4.11 North Kent is already relatively well served, particularly in main population centres, by availability of fibre-based broadband services, with superfast broadband available in numerous locations including innovation centres such as Kent Science Park, Innovation Centre Medway and The Nucleus. By 2015 the entirety of North Kent will have at least basic broadband coverage. An important element of many businesses' growth is making the most of broadband and the internet to increase their visibility, access to wider markets and web-based transactions.
- 4.12 North Kent already benefits from a number of valuable transport assets, including the new Ebbsfleet International station and High Speed 1 services to North Kent stations, and its various seaports. Capitalising on these existing resources is vital to help attract high-value businesses to the area.
- 4.13 To improve connectivity further in North Kent we need to:
- Strengthen the area's transport links across the south east, to London and the rest of the UK and to Europe
 - Relieve congestion on local routes
 - Invest in the area's physical and digital infrastructure.

- 4.14 As well as significant past investment, including the Medway Towns Northern Relief Road (and Tunnel), Sheppey Crossing, Milton Creek Crossing, Rushenden Link Road and A2 widening and re-alignment between the M25 and junction 1 of the M2, North Kent has more recently benefitted from the Government's Growing Places Fund supporting nearly £12 million of infrastructure improvements in Ebbsfleet Valley, Dartford town centre, Dartford Northern Gateway and Rochester Riverside.
- 4.15 We need continued infrastructure investment to realise the potential of our many development sites and to support and manage growth sustainably. The key schemes serving developments in North Kent are summarised in **Annex 2** (including an indication of cost and the contribution sought from the South East LEP's Single Local Growth Fund¹³).
- 4.16 The **Homes and Roads programme** is designed to provide the transport infrastructure needed to support a network of development sites in Dartford & Gravesham, including Ebbsfleet Valley and Northfleet Embankment as well as town centre sites. The £116 million programme is a partnership between central Government, HCA and local authorities. Continued commitment by all parties to delivery of the programme is essential. There is a funding gap which, whilst it does not prevent development now, will affect future progress if the gap is not closed. Development at the Swanscombe Peninsula could have a major impact on, and make a major contribution towards, the programme. **It is essential that the South East LEP and Department for Transport give high priority to constituent schemes and addressing any unresolved funding gap. We expect these issues to be addressed via the Government's commitment of up to £200 million capital funding for infrastructure in support of the new Garden City at Ebbsfleet.**
- **The A2 Bean and Ebbsfleet junction improvements need to be prioritised by the Department for Transport / Highways Agency, including in the context of the emerging Route Based Strategy for the Channel Ports to M25.**
 - The South East LEP / Local Transport Body has already prioritised the A226 London Road / B225 St Clements Way improvements (£8.7 million scheme, with £4.2 million LTB contribution), supporting development around Dartford, Stone, Greenhithe and the western access to Ebbsfleet Valley.
- 4.17 Other infrastructure investment priorities include:
- **M2 Junction 5.** This junction with the A249 requires improvement to increase capacity to serve development around Sittingbourne and on the A249 corridor northwards towards Sheerness, improve safety and reduce congestion on local roads. Some pressure on this junction could be relieved by the creation of a new **Junction 5A** to serve the Kent Science Park (paragraph 4.9 (r)) and ultimately provide a new link between the M2 and A2 east of the town centre. Funding for a first stage motorway spur (total cost £20 million) has been identified from Local Government and the private sector (including a £12 million LGF contribution). **Highways Agency agreement is required to progress this further.**

¹³ The Local Growth Fund contribution will depend on the outcome of growth deal negotiations. The figures in chapter and Annex 2 are based on the South East LEP's March 2014 Final Submission.

- **Sittingbourne Northern Relief Road (SNRR) – Bapchild Link.** To connect with the proposed M2/A2 link (see above) a new road between Swale Way to the A2, near Bapchild, would complete the Sittingbourne Northern Relief Road. This section of the SNRR should not be completed in isolation due to the traffic impacts on the A2. The scheme would serve development in northern Sittingbourne including Eurolink (paragraph 4.9 (t)) and support regeneration in the town centre by removing traffic from town centre (total cost £28.6 million, LGF contribution sought £23.1 million).
 - **A289 Four Elms to Medway Tunnel.** Improving access to the Hoo Peninsula (paragraph 4.9 (p)), especially Thamesport and Grain (offering over 715,000m² new employment floor space), and potentially serving the Lodge Hill development at Chattenden (Total scheme £16.3 million, LGF contribution of £11.1 million sought).
 - **Strood Riverside.** Reconstruction of the river wall to enhance flood defences (Total scheme £12.6 million, contribution sought from SEFUND as part of Medway City Deal¹⁴).
 - **Chatham Railway Station and Town Centre:** £1.4 million improvements to Chatham Station and £6.9 million investment in the public realm in Chatham town centre, improving connectivity to the bus station and access to the station (LGF contribution sought £0.7 million and £4.0 million respectively, plus contributions from Network Rail).
- 4.18 A key challenge in delivering development schemes is gap funding to meet site-specific and associated infrastructure needs. This potentially impacts on a number of important schemes in North Kent, but is a broader issue for both big and small developers. **We will explore with the South East LEP any cases where a gap-funding agreement might be an appropriate use of SEFUND to enable worthwhile development schemes to proceed.**

(iii) Collaborating with partners on a programme to accelerate housing delivery in the Thames Gateway.

- 4.19 In late 2013, the Thames Gateway Minister invited the Thames Gateway Strategic Group to develop proposals that could help raise the pace of housing delivery. In response, TGKP collaborated Thames Gateway South Essex and Greater London Authority partners to agree a programme for incorporation into the South East LEP's strategic economic plan. The announcement of Government's commitment to a new Garden City at Ebbsfleet provides additional momentum, and links with asks of Government included in the Thames Gateway programme.

¹⁴ South East LEP – Growth Deal and Strategic Economic Plan, March 2014, p.151.

4.20 In outline, the suggested programme¹⁵ comprises the following seven elements:

ACCELERATING DELIVERY IN THE THAMES GATEWAY

Supporting the two transformational developments schemes in the Outer Gateway¹⁶.

- **Ebbsfleet Garden City** (potential for up to 15,000 homes and 27,000 jobs). We are **asking Government to:**
 - Bring forward commitment of funding and delivery timetable for the A2 Ebbsfleet and Bean junction improvements, to tackle existing congestion, de-risk sites and improve investor confidence (see paragraph 4.16);
 - Ensure effective cross-Whitehall coordination and cooperation to ensure positive and solution focused support for this nationally significant scheme;
 - Support Ebbsfleet Garden City as an exemplar of sustainable development, high quality future-proofed design and integration of the built environment and green infrastructure (see chapter 1).
- **London Gateway (DP World)** (the UK's biggest container port and Europe's largest logistics park providing 12,000 direct and 20,000 indirect jobs). We are **asking Government to:**
 - Include A13 as part of the strategic (Highways Agency-funded) road network and carry out improvements to alleviate congestion and support growth.

Delivering strategic transport infrastructure investment to unlock development.

- To unlock development and growth opportunities in South Essex and North Kent, we are **asking Government to:**
 - Implement a comprehensive long-term solution to M25 J30/31 capacity constraints affecting the A13 corridor;
 - grant a policy exception to permit a limited access J5A on the M2, to unlock the potential expansion of Kent Science Park (3,000 new jobs – see paragraph 4.17)

Early identification of Thames Gateway projects to access SEFUND¹⁷. The South East LEP's investment strategy for SEFUND will accord particular priority to identifying projects in the Gateway that are close to viability, and where SEFUND can make the difference in securing delivery.

Ministerial support to accelerate delivery on selected development sites. We welcome the offer from Kris Hopkins, Thames Gateway Minister, to work with partners to accelerate delivery on selected key development sites. Early priorities include: Lodge Hill, Chattenden (5,000 homes, 5,000 jobs); Strood Riverside (600 homes); Purfleet, Thurrock (2,500 homes, 1,500 jobs); and Victoria Avenue, Southend-on-Sea (2,000 homes, 6,500 jobs).

Getting more transparency on available public sector land. We ask that the HCA should administer a fully transparent portal detailing all public sector land holdings (whether or not

¹⁵ South East LEP - Strategic Economic Plan, pages 50-51.

¹⁶ North Kent and South Essex.

¹⁷ SEFUND is proposed by the South East LEP as a mechanism to fund near-commercially viable projects, primarily through loans, to support economic growth – see page 54 onwards in the Strategic Economic Plan.

authorities within the Gateway will lead by publishing full details of their own land holdings.

Accelerating new housing development. We will look for early opportunities to implement the Housing Deal asks in the South East LEP's Strategic Economic Plan to bring forward housing sites in the Thames Gateway.

Marketing the Thames Gateway. The South East LEP will enhance the profile of the Thames Gateway, and our offer to inward investors. We will continue to work with Government, through UKTI and BIS, and in partnership with Locate in Kent and Invest Essex to encourage foreign direct investment and to attract institutional and sovereign wealth fund investment.

4.21 **TGKP will collaborate with partners across Thames Gateway and the South East LEP further to develop and deliver this programme.**

5 ATTRACTING INWARD INVESTMENT

Objective 2. Attract and retain investment in our priority employment locations, ensuring the development of new employment sites and provision of high-quality marketable business premises

Issues and evidence

- 5.1 North Kent must compete at all levels – regionally, nationally and globally – to find markets for its goods and services and to attract inward investment. Securing successful establishment of Ebbsfleet and, in particular, the Paramount Resort at Swanscombe Peninsula, is our top priority, so inward investment is clearly critical to our ambitions for economic-led growth in North Kent.
- 5.2 The scale of the Paramount proposal should not divert attention from the value and importance of attracting other inward investment of whatever magnitude. Inward investments may be secured through various avenues. Looking just at those investments handled by Locate In Kent, between November 2011 and August 2013 a total of 32 inward investment successes were achieved, creating or safeguarding over 1,000 jobs, notably in the business services, financial services and ICT sectors.

Partnership response

- 5.3 We want to increase North Kent's share of UK inward investment. As Partners we are taking a number of steps to support this:
- Working with partners through the Thames Gateway Strategic Group we have created a new *Invest Thames Gateway* Inward Investment Web Portal, to capture national and international interest and to signpost potential investors to the local investment agencies (e.g. Locate In Kent, Invest in Medway).
 - Collaborating with the Department for Business, Innovation and Skills (BIS) and UK Trade & Investment on a strong Thames Gateway profile in the UKTI 'Pitchbook' that forms the basis for UKTI's activities to attract institutional investors and sovereign wealth funds to major investment opportunities.
 - We propose extending the 'Grow for it' marketing campaign / model across Kent & Medway, with early priority for the Thames Gateway Kent area.
 - Work by Partners with key stakeholders to promote the opportunities at Swanscombe Peninsula, the Medway Superhub and Kent CORE, and the North Kent 'Innovation Corridor' including Kent Science Park, Rochester Airport and our network of innovation centres.
- 5.4 Our local authority Partners will use best endeavours to secure a supply of suitable sites and premises for commercial development, offering business space across all use classes to suit various scales and types of business needs. This will include space suitable for small and micro-businesses to expand to meet their own needs and to release start-up space needed by new companies.

6 FOCUSING ON QUALITY

Objective 5. Ensure that all new development is of the highest possible quality

Issues and evidence

- 6.1 Our vision maintains the importance of quality, seeking for Thames Gateway Kent to be an exemplar of urban regeneration and benefitting from an outstanding natural environment and public realm. Quality of life is a key criterion for decision-makers looking at where to locate their business, for a mobile workforce deciding where to establish roots, and for existing communities, bearing the upheaval of change and development and deserving to enjoy the natural, physical and social benefits.
- 6.2 In physical and environmental terms, North Kent has seen huge transformation as redundant brownfield sites make way for attractive living places. Regeneration in North Kent has brought some award-winning buildings and development schemes, aided by the advice and engagement of stakeholders such as the Kent Architecture Centre¹⁸. Similarly there has been significant investment in environmental schemes, notably through activities under the auspices of Greening the Gateway Kent & Medway (GGKM) and the Thames Gateway Parklands programme of 2007-11. Since that programme came to an end, there has been no centrally-funded support for environmental and green infrastructure projects in Thames Gateway Kent; and GGKM was itself wound up in March 2014¹⁹.
- 6.3 There nonetheless remains both a valuable legacy and ongoing initiatives. The legacy includes Green Cluster Studies showing how areas can be enhanced to benefit local communities as well as landscapes and biodiversity²⁰. Some of those new and enhanced assets are benefitting from ongoing local investment. GGKM has led and coordinated a number of wider initiatives involving North Kent partners, including: the Greater Thames Marshes Nature Improvement Area; GIFT-T – Green Infrastructure for Tomorrow – Together, an EU-funded project focusing on using green infrastructure to help deliver growth; and Artlands, a contemporary art programme exploring North Kent's identity through a series of public realm commissions.
- 6.4 Other initiatives include Catchment Improvement Groups, working to improve the quality of the water environment, and the emerging Thames Gateway Local Nature Partnership. The expectation is for the LNP to work at a strategic level – in this case across North Kent and South Essex and the Thames Marshes Nature Improvement Area – to help local authorities, developers, local communities and other interested parties to factor green infrastructure and environmental considerations into development schemes from the earliest stages, to support delivery of economic

¹⁸ Now Design South East.

¹⁹ Further information is available via the Medway Swale Estuary Partnership (<http://www.msep.org.uk/index.php>).

²⁰ <http://www.gtgkm.org.uk/cluster-studies/>

growth at the same time as securing positive contributions to the quality of the environment.

- 6.5 The Medway Swale Estuary Partnership, operating since 2006, works with national, international and local partners to enhance and raise awareness about the beauty and diversity of the Medway and Swale Estuary, and helping to manage to mutual benefit the competing demands – from communities, commerce, agriculture, recreation and conservation - placed upon the estuary.

Partnership response

- 6.6 We want to reaffirm our commitment to high quality in the design and execution of new development, in the improvement of the public realm, particularly in our town centres, and in ensuring that new development and delivery of green infrastructure improvements are mutually reinforcing. As a Partnership we will seek to:
- Broker positive relationships and engagement between all stakeholders to create a pro-development culture at the same time as respecting and enhancing the quality of the built and natural environment.
 - Work with central Government, national agencies and local stakeholders to promote a positive and solution-focused approach to resolving tensions between development and conservation objectives.
 - Working with national and local stakeholders, particularly the new development corporation once it is established, to ensure that Ebbsfleet Garden City is an exemplar of sustainable development, delivering high quality, future-proofed design and effective integration of the built environment and green infrastructure.
 - As members of Kent Design, a network of professionals involved with the built and natural environment, the local authorities in North Kent are committed to and will promote best practice in accommodating change and growth through the delivery of high quality architecture, public space and infrastructure.
 - Engage positively as members of the Local Nature Partnership to champion a refreshed Parklands vision, support the development of a functional ecological network, help develop a realistic overarching plan for a greener economy and effective partnership working to secure environmental enhancements whilst delivering economic and social goals.
 - Help secure investment through EU Structural and Investment Funds and other funding streams to support ongoing investment in essential green infrastructure improvements to benefit local communities and the environment of North Kent.

7 IMPROVING SKILLS, QUALIFICATIONS AND EMPLOYABILITY

Objective 6. Improve the skills of North Kent's workforce and tackle unemployment

Issues and evidence

- 7.1 Workforce skills are a key driver of productivity and competitiveness and are vital to achieve sustainable economic growth. The skills across North Kent's residents and workforce need to be optimised to ensure that employers remain competitive and local workers can successfully fill the newly created higher value knowledge-based jobs.
- 7.2 To achieve this skills provision must:
- Meet the skills needs of existing and future employers
 - Improve skills and support skills progression for residents in work or education
 - Reduce unemployment and economic inactivity through provision of training opportunities to residents

Skills and qualifications

- 7.3 Since 2007-8 North Kent has seen improvement in higher level skills and a major reduction in the working age population without qualifications. That progress appeared to level off in 2012²¹: whilst 90% of North Kent residents had some form of qualification, the same proportion as nationally, the proportion with degree-equivalent (NVQ4+) qualification averaged only 25% compared with 34% nationally, a gap which had widened since 2005. By contrast, there had been a strong improvement in NVQ2 level attainment and employability skills.
- 7.4 At secondary education level, 86.9% of North Kent students achieve 5+ GCSEs at A* to C grades, well above the national and regional average. Measured on 5+ GCSEs at A* to C including Maths and English, North Kent students attained 59.4%, just below the regional average but above the national average. Perhaps most significant is the improvement since 2006/7: 24.6% on the first measure compared with 21.6% nationally, and 14.2% on the second measure compared with 12.5% nationally. This positive trend indicates the prospect of a better qualified resident workforce entering the jobs market in future years.
- 7.5 There are concerns about decreased enrolments of North Kent residents in post-16 education and training (between 2008/9 and 2010/11), but enrolment in Apprenticeships in that period was higher than the regional and national averages²². Participation in Higher Education increased by 6% between 2008/9 and 2010/11 but, at 18% of 18-24 year olds, was 2% below the national rate.

²¹ Data for 2013 by local authority not yet available.

²² More recent local authority-based breakdown not available at time of writing.

- 7.6 As noted in paragraph 8.15, several of the top 10 subjects studied at North Kent HEI campuses are relevant to the needs of our priority industry sectors, including subjects allied to medicine, engineering and technology, creative arts and design, biological sciences and business and administration studies. North Kent's universities have an excellent reputation in some key disciplines including engineering. We need closer engagement between employers and FE/HE providers to ensure provision at North Kent FE/HEIs is well matched to the needs of employers in growth sectors, to help attract and retain graduates to drive up the skills profile of both workforce and residents (see also 9.18).

Employment, unemployment and economic inactivity²³

- 7.7 The employment rate in North Kent (70.1%) has slipped below the national average and the regional rate. Male employment rose sharply after early 2010 but in 2012-13 fell below the regional average to 76.5%, just above the national rate; female employment remains lower. The 12.9% gap between male and female employment is far wider than the gap nationally (10%).
- 7.8 The overall unemployment rate (9.7%) exceeds the national rate (7.6%), with male unemployment identical to the national rate but female unemployment 3.8% higher. The JSA claimant rate has mirrored the generally downward trend observed nationally, and in North Kent (2.9%) matches the national figure but is higher than the regional average (2.3%). For people aged 18-24 the rate is nearly double the overall rate (5.6%).
- 7.9 Economic inactivity in North Kent was higher in 2013 than in 2007 but lower than the national rate, at 22.4% of working age residents. But more economically inactive people in North Kent want a job (33.1%) than is the case nationally (24.5%) or regionally (27.2%).

Partnership response

- 7.10 Measures to reduce barriers to employment, and an increased emphasis on acquisition of skills that will enable people to enter the jobs market, are all aspects of tackling disadvantage and inequality which are crucial for building the inclusive and cohesive communities in accordance with our Vision. Young people face particular challenges entering the employment market and we need to help improve pathways into employment.
- 7.11 Tackling unemployment is led by Jobcentre Plus, together with a tapestry of local authority, private sector and not-for-profit schemes to help people access training and work opportunities. Jobcentre Plus are represented as observers on the TGKP Board and officer working groups. **An important aspect of the Partnership's role must be to hold strategic providers to account and to ensure that collaboration with other sector partners is effective.**
- 7.12 Investment in skills progression for those already in employment is as important as training those yet to enter the jobs market. **We will seek to ensure that investment is**

²³ The analysis in the following paragraphs has been revised to reflect the data available in February 2014: Employment rates, unemployment rates, economic activity – October 2012 to September 2013, NOMIS; Claimant rates, December 2013, NOMIS.

secured through the South East LEP's European Structural and Investment Fund Strategy to support and incentivise wider employer engagement in workforce training initiatives in North Kent, notably under the "Active inclusion, transition to work and reducing youth unemployment" programme²⁴.

- 7.13 Raising attainment at degree equivalent level needs to start much earlier in the education and training process. In particular, we need to ensure that our schools perform well and equip young people not just with knowledge but also the ethos and employability skills that will stand them in good stead whether they are looking to progress into further and higher level education or into other training in employment. **We will seek to ensure effective targeting of initiatives to strengthen business engagement with schools and colleges in North Kent.**
- 7.14 The proposed Paramount development at Swanscombe Peninsula could, by virtue of its scale, have a radical impact upon training provision and career opportunities across a wide range of disciplines. The impact would be felt in schools, colleges and amongst training providers: new models of commissioning and procuring training are likely to emerge and it is important that providers engage proactively with the project as it develops. **Subject to the development proceeding, we will work with partners to design appropriate initiatives to improve the prospects for North Kent residents to take up the training and employment opportunities offered.**
- 7.15 North Kent has some high quality Further Education provision, including Mid Kent and North West Kent colleges and an extensive network of private sector providers. The Swale Skills Centre offers engineering training to students from schools, post-16 students and industry, providing an access route into higher education and successful careers in engineering. Partners have worked hard to secure new business-led University Technical Colleges (UTCs) offering a combination of the national curriculum with technical and vocational elements that will offer students clear progression routes into higher education or further learning in work. The Leigh UTC in Dartford opens in 2014 and the Medway UTC opens at Chatham Waters in 2015. **We will work with partners to ensure that mechanisms to secure more employer-responsive skills training provision deliver effectively for North Kent.**
- 7.16 To increase the number and take-up of apprenticeships, there may be scope to develop an Apprenticeship Training Agency (ATA) for North Kent, perhaps building upon models developed in Medway (through *Employ Medway* and the *Impress* project). Taking on a young person as an employee directly, possibly for the first time, can be a major barrier to SMEs providing apprenticeship opportunities. Through an ATA we can provide a service that will help address by fulfilling the employer role in return for a small fee from the company for whom the apprentice works, de-risking the recruitment of apprentices and helping manage young people towards positive outcomes. **We will explore this potential model with partners and the Skills Funding Agency.**
- 7.17 **By no later than 2020, we want to improve the qualifications and work-readiness of the working age population, in particular:**

²⁴ Pages 54-57 of the January 2014 final submission.

- to reduce the proportion with qualifications at NVQ1 and below (including no qualifications) from 35% now to 24%;
- to increase the proportion qualified to NVQ2 and higher from 65% now to 76% and, within that, to increase the proportion with NVQ4+ qualifications to at least 90% of the national average;
- to increase the proportion of working age residents in level 4+ occupations to at least 90% of the national average; and
- to reduce the unemployment rate to at least 2% below the national average by 2020.

8 SUPPORTING BUSINESSES: GROWTH IN KEY INDUSTRY SECTORS

Objective 7. Support the creation of at least 58,000 jobs between 2006 and 2026, particularly in high-value sectors

Issues and evidence

- 8.1 Our approach is to balance support for all economic sectors, which will encourage economic diversification, with sector-specific interventions to encourage greater specialisation. Competitive economies tend to be those with clearly identifiable specialisms or clusters of activities that stimulate productivity growth through collaboration and competition. However, while specialisms can provide a competitive advantage, it is also important to increase resilience in the local economy by combining specialisation with diversity.
- 8.2 A sector study commissioned by TGKP in 2008 concluded that there was limited evidence of sector specialisation in Thames Gateway Kent – in that the economy was highly diversified – and that there was relatively little employment in higher value knowledge intensive industries.
- 8.3 The diversity of the economy is borne out by recent analysis by Trends Business Research (tbr), showing the relative concentration of industries (using 5-digit Standard Industry Classification Codes) compared with England (where a concentration above 1.25 times the England rate is regarded as significant). This shows that in North Kent, 56 SIC codes have an Employment Location Quotient above 1.25, compared with 40 in Kent & Medway and 30 in the South East LEP area.
- 8.4 North Kent broadly mirrors the national and sub-regional picture in having the greatest number of enterprises in the construction sector and professional, scientific and technical services. However, whilst construction businesses are more prevalent in North Kent (nearly 20% of enterprises compared with 12.5% nationally), professional, scientific and technical services comprise only 12.8% of enterprises compared with 16.2% nationally. This reflects the occupational structure for both residents and workforce in North Kent, where a relatively high proportion of employment is in lower value occupations compared to national or regional level. North Kent has an over-representation of skilled trades compared to the occupational profile at national and regional levels.
- 8.5 Areas of relative strength are manufacturing (which delivers 20% of North Kent's GVA), accommodation and food services, transport and storage, and health. In absolute terms, ICT, retail and business administration are all significant but proportionately less than nationally or regionally.
- 8.6 In knowledge intensive industries (KII), North Kent has seen a higher rate of growth since 2008 than at a national or regional level, suggesting that the gap identified in our 2008 study is closing. Other measures of the knowledge economy suggest no change at a North Kent level compared with 2% growth nationally and 6% losses in the South East. The growing significance of the university sector in Medway offers the potential for higher growth through HE/industry collaboration. **Our aim is to grow the**

proportion of knowledge-based businesses and occupations in the North Kent economy.

- 8.7 Population growth in North Kent alone will fuel growth in services such as health and education as well as consumption-related sectors such as retail. Public sector employment in North Kent is just over 20% of total employment, significantly below the national average 22.7%. Between them, the public sector, health and education categories generate nearly 5% of North Kent's GVA, about £360 million in 2012. These services are important for also attracting people and businesses to the area as they contribute towards a high quality of life.
- 8.8 National (ONS) forecasts are for population in North Kent, which stood at 600,600 in 2011, to grow by 10.9% by 2021 (to 654,100); KCC estimate growth of 7.1% (to 643,500). Whichever scenario is nearest the mark, demand for services will increase, particularly for an ageing population. Growth in the working age population is forecast to be half the rate of increase of the population as a whole, reinforcing the need to increase the productivity and value delivered by those in work. The ageing workforce, particularly in skilled manufacturing jobs, poses an additional challenge for both large companies and SMEs.

Partnership response

- 8.9 The sectors identified as having the greatest potential for growth across North Kent, fall into three categories: those where North Kent has *existing sector strengths*; those where there are particular *growth opportunities* due to location advantages in North Kent; and the *higher education* sector.

Existing Strong Sectors

- 8.10 **Sustainable Construction.** Thames Gateway Kent has a well-established construction sector, despite being badly hit by the poor economic climate over recent years (26% loss of construction jobs in 2009-11 compared with 10% loss nationally). Construction currently contributes 16% of North Kent's GVA and accounts for about 20% of its enterprises. Rationalisation of building regulations and the Housing Standards Review (whose outcomes will supersede the Code for Sustainable Homes) should support innovation in house-building technology and industry practice; and the Government's 2016 target for new homes to be zero carbon, coupled with rising fuel prices and materials costs, provides opportunities for the sustainable construction sector in creating more energy efficient buildings, retrofitting existing homes and new methods of construction including increased pre-fabrication. The challenge is to ensure that the sector has the necessary skills and is well networked to respond to market opportunities in both residential and commercial construction sectors. The centre for sustainable construction (SusCon) at the Bridge, Dartford, provides North Kent with a unique opportunity to provide training opportunities to help up skill construction companies across North Kent, and as a focus for co-location of environmental technology businesses in the construction sector.
- 8.11 **Ports and Logistics.** North Kent's close proximity to London and its strategic location in the Thames Estuary make it a prime location for logistics and port-related activity. The area has excellent connectivity to the rest of the Greater South East and Europe via road, rail and sea. The Port of London Authority (PLA), based in Gravesend, is a

major employer in its own right and a study in 2008/9 estimated its economic impact in Dartford, Gravesham and Medway to be worth £294 million per year and supporting 3,468 direct jobs. Activity in the Medway Estuary is concentrated around Sheerness (Peel Ports: motor vehicle imports and exports, fresh produce, forest products (timber, wood pulp)), and general produce including steel and cement; London Thamesport (Hutchison Port Holdings Group: deep water facility for cargo and containers); and Medway (Peel Ports: forest products, metals). There are also under-used deep water facilities at Northfleet adjoining available employment land. Transport and storage was one of the strongest categories of employment growth in North Kent between 2009-11, with 1,100 new jobs (9.4% growth).

- 8.12 The opening of DP World's London Gateway in South Essex in Autumn 2013 offers both competition to North Kent, particularly Thamesport International, and opportunity. Once fully operational it is estimated that London Gateway could create 36,000 jobs and contribute £3.2 billion to the UK's GDP. As well as boosting the Thames Gateway's reputation as an internationally significant port cluster, this is likely to stimulate some degree of market specialisation, employment opportunities for North Kent residents (particularly using the Gravesend-Tilbury ferry link²⁵) and a strong market for training centred around North Kent's centre of excellence at the National Maritime Training Centre at Gravesend.
- 8.13 The promoters for the proposed Paramount development at Swanscombe Peninsula intend the highest level of public transport arrivals of any major leisure resort in the world including by the River Thames. There is thus real potential for increased use of the River Thames to transport visitors and employees to both these key locations via Gravesend. Further opportunities for major off-site logistics development could be associated with the Paramount development.
- 8.14 **Advanced Manufacturing.** There are significant concentrations of manufacturing companies, notably in Swale (e.g. the Eurolink Industrial Estate and Kemsley Fields) and Medway (e.g. Medway City Estate and Gillingham Business Park). Parts of North Kent have a competitive advantage in more specialist manufacturing activities, such as in pharmaceuticals, food technology, automotive, aerospace and engineering. The 2012 Growth Plan observed how these sectors are evolving and their needs changing, particularly with a shift away from the domination of large multinational companies in the pharmaceutical sector to growth of smaller SMEs. This is changing both the nature of the type of workspace required, as well as the importance of closer links to research and development with higher education institutions.
- 8.15 Between 2009-11 employment in high value manufacturing and engineering increased by 9.3% compared with less than 1% nationally. Professional, scientific and technical enterprises make up the second largest business category in North Kent, at nearly 13%, though this remains below the national average. Subjects allied to medicine are the top ranked category for higher education (HE) study both by North Kent residents and at HE Campuses in North Kent. Engineering and technology, which is the second

²⁵ Opportunities for expanding routes on the Thames from the existing Gravesend – Tilbury service will be examined in light of a market study undertaken with operators by Gravesham BC.

ranked subject category studied at North Kent HE Campuses, saw a 58% increase in enrolments between 2008/9 and 2010/11.

- 8.16 These are all signs of North Kent's strength in advanced manufacturing, the growing stature of its HE offer in relevant disciplines and a strong cadre of North Kent residents studying for qualifications in relevant disciplines. **Our aim is to foster closer linkages between businesses and the HE sector, to promote the credentials of North Kent businesses in advanced manufacturing, to ensure effective business support is available to help businesses grow and to develop efficient local supply chains, and to ensure availability of suitable sites and premises for expansion and co-location of companies.**

Sectors with Growth Opportunities

- 8.17 **Environmental Technologies.** North Kent has genuine locational advantages for the environmental technologies sector, with large tracts of available land on sites that are easily accessible by road and well served by ports. In particular, as well as sustainable construction (above), North Kent already has strengths and even greater potential for renewable energy technologies. Sheerness Port is part of the Medway 'Superhub' network of sites with potential to serve the offshore wind sector, and lies at the heart of the Kent CORE (see page 25).
- 8.18 TGKP supports the CORE, including commissioning a project in 2014 to provide interim capacity and lay foundations for industry-led development of the offshore renewables sector in Kent & Medway. It has also supported the inclusion of the 'Medway-Swale Arc' on the Assisted Areas Map 2014-20²⁶, in view of its growth potential, particularly in manufacturing and environmental technologies.
- 8.19 The Low Carbon Environmental Goods and Services (LCEGS) market is territory where North Kent businesses should be well placed to expand. The global market is estimated to be worth £3.4 trillion in 2011/12; and the UK has the 6th largest share of this global market at 3.7%, worth £128 billion²⁷. The South East has the second largest share of sales, companies and employment in LCEGS after London. BIS forecast steady and sustainable growth in LCEGS of 4.2% in the period 2011-15, with the expectation of continued growth into the future. **Our aim is to promote awareness of market opportunities, use best efforts to secure a supply of suitable sites for business location and expansion, and initiatives to support development of supply chains in the environmental technologies sectors.**
- 8.20 **Business and Financial Services.** This sector has seen considerable turmoil over the last few years and considerable job losses across North Kent (-9% between 2009 and 2011). But there continue to be opportunities to attract and support this sector, notably taking advantage of High Speed 1 rail services connecting town centres at Gravesend, Medway and Sittingbourne, as well as Ebbsfleet International Station, to the financial capital of Europe. Analysis of employment in knowledge economy sectors shows the two top-ranked sectors in North Kent's workforce are 'Monetary Intermediation' and 'Accounting, bookkeeping and auditing activities; tax consultancy'

²⁶ Assisted Areas Status was confirmed by the European Commission on 21 May 2014.

²⁷ Source: BIS, Low Carbon Environmental Goods And Services (LCEGS), Report For 2011/12, July 2013

with relatively high concentrations of employment compared with the South East average.

- 8.21 The economic downturn and re-structuring of the financial industries sector makes it less likely that the original vision of a major financial centre at Ebbsfleet Valley will be realised, certainly within the timescales necessary to act as a driver for other development and investment at Ebbsfleet. A different future for Ebbsfleet beckons if the potential for major leisure and cultural industries development on Swanscombe Peninsula is realised (paragraph 2.8 and page 22) and in the context of a new Garden City approach, announced by Government in March 2014. **Our aim is to promote the opportunities for business and financial services to locate in North Kent, taking advantage of its workforce expertise in these sectors, excellent transport links to London and lower cost base for expansion compared with the Capital.**
- 8.22 **Creative and Cultural Industries.** This broad sector is relatively small in Thames Gateway Kent at present, but its strong emphasis on innovation, accessibility to and from London, and the ever-improving cultural offer across North Kent provides diverse opportunities for business growth. In the period 2009-11, the “arts, entertainment and recreation” sector – which are only certain parts of the creative industries – grew by 400 jobs (nearly 9%), the 5th highest numerically of any sector in North Kent; and although the output from this sector shrank between 2011 and 2012 it still contributed £90 million to North Kent’s GVA.
- 8.23 The presence of four universities, including the University of the Creative Arts at Medway, offers opportunities to forge stronger links and develop this sector, as does the provision of workspace at the Joiners Shop developed specifically to accommodate businesses in the creative industries sector. Medway Council has particular ambitions to attract creative businesses to Chatham town centre to complement its regeneration of Chatham Waterfront, as part of a proposed ‘Creative Industries Innovation Hub’ centred in Chatham/Rochester (one of eight proposed across the South East LEP area); and the University of the Creative Arts is planning a creative business campus at Fort Pitt, Rochester. Gravesend is also well placed to grow the creative industries sector with its Heritage Quarter, Thames heritage riverside, and accessibility to London and the Swanscombe Peninsula.
- 8.24 The redevelopment of Swanscombe Peninsula as a leisure resort will be a huge potential catalyst for expansion of the creative and cultural industries, with associated development of a centre of excellence, training and clustered businesses linked to the film and television sectors and showcasing Britain and its creative and cultural assets. This in turn would generate significant job and growth opportunities in logistics, supply chains, the hospitality sector and as part of the broader leisure and tourism offer for South East England (including London) and Kent in particular.
- 8.25 **Our aim is to support and facilitate efforts to secure re-development of the Swanscombe Peninsula and to work with partners to resolve any impediments to rapid progress with those proposals, including the proposed development corporation that will take forward the development of the Ebbsfleet Garden City; and to support SMEs in the creative industries, by ensuring a supply of suitable premises, business support and marketing of the opportunities in North Kent and maximising the creative spin-offs from the HEIs in North Kent.**

- 8.26 **Tourism and Leisure.** North Kent has many tourism and leisure assets upon which to build to encourage growth in this sector. The rich cultural heritage of the area, mostly related to its location on the rivers Thames and Medway, can be used to promote it as a tourist destination, while the development of local leisure infrastructure to meet the needs of the population to enhance their quality of life will also act as a stimulus for growth in this sector too. There is also potential for greater marketing and growth of day visits to North Kent locations from London, including Gravesend, Rochester and Faversham, taking advantage of High Speed domestic rail services. The proposed leisure resort at Swanscombe Peninsula would further drive growth and enhance the North Kent offer to both a national and international customer base, including potential for a cruise terminal at Northfleet.
- 8.27 **Information and Communication Technologies.** ICT is not strongly represented in terms of critical mass amongst North Kent businesses. Nonetheless it contributed over £307 million to North Kent's GVA in 2012 (over 4% of the economy) which ranks it as the 7th most valuable industrial category, and it is also ranked 3rd in North Kent for employment in the knowledge economy. So whilst this is not currently a large sector in terms of concentration of businesses, it is important both in its own right and as an enabler for other businesses. Our network of innovation centres provides a particular locational focus for start-up and small ICT businesses. **Our aim is to create the conditions to support ICT businesses to flourish.**
- 8.28 A number of other sectors offer potential for high growth, in some cases not so much numerically as in the high value of jobs, the skills they demand and the GVA they can generate. One such sector is **Life Sciences**, which already has a strong cluster of companies particularly at the Kent Science Park at Sittingbourne (65 companies, 1,300 employees), but also in Dartford and Medway. This includes a diverse range of companies engaged in research & development, bio-tech, drug discovery and delivery, diagnostics, medical devices, pharmaceuticals and telehealth. North Kent also has a growing talent pool of science graduates both from Kent-based universities and the Medway School of Pharmacy as well as the benefit of proximity to London's graduate pool (see paragraph 8.15). **Our aim is to support expansion of this sector, particularly by supporting plans for the expansion of Kent Science Park and the North Kent 'Innovation Corridor' to ensure a supply of high quality premises suited to these companies' exacting demands (see also paragraph 9.20).**

Higher Education

- 8.29 Higher education has grown in importance in North Kent since the creation of the Medway Campus shared by University of Greenwich, University of Kent and Canterbury Christ Church University, as well as the University of the Creative Arts at Rochester. As a sector higher education is smaller in relative terms than in England as a whole; the contribution of education as a whole to GVA is ranked the same as for Kent & Medway and the South East LEP, and is only slightly smaller as a proportion of total GVA. **Our aim is to promote stronger links between HEIs and innovatory businesses in North Kent, particularly in specialisms related to high growth potential sectors.**
- 8.30 There is a need to up-skill many of the existing residents in Thames Gateway Kent and to equip them with the skills and training necessary for the new jobs we hope to

attract to North Kent. This in turn will stimulate growth in the education sector to meet these needs. Already in the period 2008-11, participation in higher education by North Kent residents increased by 6%. The overall upward trend in skills attainment indicates a resident workforce increasingly better equipped to respond to the requirements of employers across a wide range of sectors.

Other partnership activity

8.31 There remains more that Thames Gateway Kent partners could do to target and tailor support to all businesses but particularly those with strong growth potential. **We will:**

- **continue to work with partners and other stakeholders across the public, private and not-for-profit sectors to improve understanding of the composition of the North Kent economy and to identify opportunities for networking, clustering or other synergies that will foster growth and create jobs, including in supply chains;**
- **Promote the TIGER programme and signpost information about other local and national support to assist business growth and job creation (see 9.8);**
- **Continue advocacy for the interests of North Kent on issues affecting businesses including engagement with Government through the Thames Gateway Strategic Group.**

8.32 Our broader strategy for ensuring effective business support is outlined in the next chapter.

9 SUPPORTING BUSINESSES: INCREASING INNOVATION, ENTERPRISE AND CREATIVITY

Objective 8. Attract and grow knowledge-based employment in North Kent

Objective 9. Increase the rate of new business start-ups

Objective 10. Maximise the economic benefits of our universities by strengthening the links with industry and retaining more graduates in North Kent

Issues and evidence

- 9.1 Supporting businesses and helping them to exploit new ideas through innovation and creativity is critical for economic growth. During challenging economic times we need to ensure that viable businesses continue to thrive and take opportunities to expand their operations where they can in North Kent. More companies need to embed innovation and creativity into their everyday business activities to raise productivity. Exploiting new ideas through innovation and creativity is a critical driver for economic growth.
- 9.2 **Investment in innovation and R&D.** Company spending on innovation in North Kent is relatively strong as a proportion of turnover and, in particular, North Kent companies appear to out-perform the national and regional average in terms of turnover generated by new-to-market innovations, and adding significant value to outputs. However, companies are investing less in Research & Development (1.9% of turnover) than the national (2.4%) and regional (2.5%) average²⁸.
- 9.3 **Market penetration.** North Kent businesses appear to have less reach into regional markets than average, but greater reach beyond the region into UK markets. When it comes to overseas markets, North Kent businesses under-perform compared to the national and regional average, suggesting a need for additional support and focus on exporting and promulgating intelligence about new market opportunities.
- 9.4 **Patents registrations** are another indicator of innovation and research and development activity that might have potential for commercial application and drive economic activity and growth. Patents data are not available for smaller geographic areas; but on average over the years 2008-10, England residents as a whole filed 18 times more patents per head of population than residents in Kent & Medway, and 10 times more than in the SE LEP area. This is surprising given the cutting-edge nature of some North Kent businesses.
- 9.5 **Knowledge economy sectors.** One of TGKP's ambitions is to grow the number of companies and jobs in knowledge-intensive industries that deliver high value to the economy. Currently (2011) only 11.2% of the workforce are employed in knowledge economy sectors compared with 19.4% nationally and 13.8% in the South East LEP area²⁹.

²⁸ Community Innovation Survey, analysis by tbr.

²⁹ BRES 2011

9.6 **New business start-ups.** The new business start-up rate in North Kent in 2011 was 5.6 business births per 1000 working age population compared with 6.8 in England, 6.1 in South East LEP and 6.5 in Kent & Medway. But the death rate of businesses per 1000 working age population in North Kent is lower (4.7) than Kent & Medway (5.8), South East LEP (5.6) or England (5.8). More support for start-ups and nurturing business survival will boost both the levels of entrepreneurship in TGK and the prospects for sustainable business growth.

Partnership response

9.7 The key activities to encourage more business start-ups and innovation are:

- Streamlining businesses' access to financial support to grow
- Fostering an entrepreneurial culture amongst the population and organisations
- Strengthening links between the business community and higher education institutions to exploit and embed research, innovation and creativity
- Availability of suitable premises for businesses to start-up and grow
- Ensuring businesses can access appropriate sources of advice and support
- Strengthening exports performance.

Access to finance

9.8 The key development in North Kent has been the launch in April 2013 of the TIGER programme (Thames Gateway Innovation Growth and Enterprise), securing £20 million Regional Growth Funding to providing interest-free loans for SMEs in priority sectors to create and safeguard jobs.

9.9 TIGER is having a positive impact. By the end of March 2014³⁰, 25 proposals had already been approved worth £6.95m in TIGER loans, creating or safeguarding 778 jobs. There is a strong pipeline of projects due to complete the approval process going into 2014/15.

9.10 The current Investment Strategy focuses eligibility to the following priority categories: Manufacturing; ICT, software development and information management; Media, creative and cultural industries; Pharmaceuticals and life sciences; Technology development; Low carbon and environmental goods and services; Leisure and Tourism; Marine, Ports and Logistics (subject to restrictions to ensure compliance with EU State Aid rules). Applications in non-priority sectors are considered where these offer exceptional benefits in terms of jobs, investment or local impact.

9.11 In early 2014, a new category of assistance targeted at the establishment of further innovation centres, opened for applications. **Our target is to support at least one new innovation centre in the TGK area, providing flexible, state of the art premises for start-ups and micro-businesses, and incubation space for growing businesses, together with high quality and well-integrated business support.**

³⁰Figures relate to the whole TIGER area including Thurrock.

- 9.12 TGK partners, with colleagues in Thurrock, will extend marketing and awareness-raising activity to promote TIGER to SMEs across the TIGER area. Our targets by 31 March 2015 are:
- to spend in full the RGF allocation, creating at least 910 new jobs
 - to see repayment commenced on all loans and recycled to assist more businesses
 - Beyond 2015 we want to see continuation of support, establishing TIGER as an ‘evergreen’ fund through recycling of loans and attracting additional funding from the South East LEP’s proposed “SEFUND”.
- 9.13 **Building on the success of the TIGER programme we will maximise resources to support job creation and retention in North Kent beyond 2015. We will also work with partners to improve signposting of alternative sources of business finance, including ‘Angel’ networks operating in North Kent (such as the Kent Investors Network), and encouraging businesses to access national products such as those available through the Technology Strategy Board.**
- 9.14 As well as access to finance for growth, SMEs need to be able to compete for contracts, particularly through public sector procurement opportunities. This is an area where partners may be able to review policies and protocols governing procurement to ensure they do not present unjustified barriers to SMEs.

Fostering an entrepreneurial culture

- 9.15 Effective marketing and publicity around successful case studies under the TIGER programme will help encourage other entrepreneurs to come forward. TGKP partners will work with other bodies to strengthen the relationship and engagement between businesses, schools and colleges to raise awareness of business creation opportunities and encourage a culture of entrepreneurship.
- 9.16 Investment in innovation and R&D is another means of encouraging enterprise. We would like to see the proportion of business turnover invested in R&D in North Kent rise to at least the national average (+0.5%) and ideally to exceed the Kent & Medway average (+0.65%) to at least 2.55%. Expenditure on innovation as a proportion of turnover compares favourably with England and South East, but the picture is distorted across different categories of investment. **We will raise awareness amongst North Kent businesses of R&D Tax Credits, and would like to see North Kent companies overall investing around 2% of turnover in innovation by 2015 (and sustaining that level beyond 2015).**
- 9.17 **Regardless of sector, we would like to see more North Kent businesses, inventors and research and development institutions filing patents at a level to match the national average.**

Closer links between businesses and higher education institutions

- 9.18 We want to see a vibrant and expanding HE sector which is well engaged with business and employers, particularly SMEs that make up the vast majority of North Kent companies. Engagement is vital, both to influence the design of provision that will support the North Kent economy by training students in disciplines in which employers are seeking well-qualified graduates, and to maximise the opportunities for

commercialisation of university research and development and intellectual property through business start-ups, incubation and progression to market-readiness and through providing services to, and incubation of, other innovatory businesses. There are productive links already established between the University of Greenwich and local businesses both in direct collaborations and facilitated through Innovation Centre Medway. **We will work with partners to improve the interface between the business and HE (and FE) sectors in North Kent and the U9 group³¹.**

Premises

- 9.19 A key challenge for all businesses, but particularly those seeking to grow, is finding premises offering flexible space and terms to respond to businesses' changing needs. We are taking forward the concept of a Kent 'Innovation Corridor', which includes facilities at Kent Science Park in Swale, the Joiners Shop at Chatham Historic Dockyard, the Innovation Centre Medway, the Base at Dartford and The Nucleus at The Bridge, Dartford, as hubs fostering innovatory, high-growth potential businesses.
- 9.20 Partners have proposals to enhance this network further, notably through the expansion of Kent Science Park and creation of a new business centre through redevelopment at Rochester Airport, the masterplan for which has been approved. The first phase of redevelopment at Rochester Airport will include innovation workspace to incorporate technical workshops, data centre and laboratories for advanced manufacturing R&D and prototyping. We also support Gravesham Borough Council's aspirations to secure an Innovation Centre within Gravesend, as a further business hub along the Innovation Corridor.
- 9.21 As well as the new category of TIGER support (see 9.11), we will work with partners to develop proposals for using South East LEP property funds to enhance the network sites offering start-up, incubation and move-on premises for SMEs to incentivise and facilitate innovation and growth. **We will work with partners to ensure that strong business cases are developed in support of scheme proposals.**

Business Advice and Support

- 9.22 Since the publication of our 2009 Economic Development Strategy and the 2012 revision of this Plan, there have been enormous changes to the provision of business support and access to finance. At a national level, the main avenue of advice is the Business Link Helpline offering telephone based support for pre-start-up, start-up and existing businesses looking to improve their performance.
- 9.23 Out of 15,400 VAT- or PAYE-registered businesses in North Kent in 2011, 88.7% were micro-businesses (fewer than 10 employees), 9.2% small (10-49 employees), 1.8% medium (50-249 employees) and only 0.4% were large (250+ employees). Business support therefore needs to respond appropriately to the different needs both of different sectors and different sizes of companies.
- 9.24 In North Kent, one of the key features of the TIGER programme is the availability of application support and business advice to applicants both before and after the pre-application stage. More generally, business advice is available through a mixture of

³¹ See paragraph 2.43 of the South East LEP Strategic Economic Plan.

public, private and not-for-profit sector organisations and national provision. **There would be value in collaboration with local providers to map existing provision, identify any duplication and gaps and consider how those might be filled, and improve coordination and signposting of provision.** One outcome might be the creation (or enhancement of an existing) business information portal to help entrepreneurs and small / micro businesses access help and information to set up and grow their enterprises, with a particular focus on innovation and priority sectors with high growth potential. The South East LEP's emerging strategy refers to a "Gateways to Growth" approach to bring local authority and other agency services together through actual or virtual one-stop-shops. We will consider with partners the options for ensuring comprehensive and accessible provision of business advice.

- 9.25 **We want to increase the rate of business start-ups at an average of +0.5% per year to exceed the national average before 2020, and to reduce business "deaths" to at least 1% below the national average.**

Exports

- 9.26 North Kent businesses need to increase their share of export markets. UK Trade & Investment (UKTI) is the Government body leading on support and advice to businesses wishing to start or increase exports. Locally, Chambers of Commerce typically provide a key source of advice and expertise. Kent International Business³², led by Kent County Council in partnership with various business support organisations, is an initiative to encourage Kent businesses to access overseas markets and to provide information, advice and support to help them do so. Similarly, the Kent Export Club³³ is membership-driven non-profit organisation of companies and individuals, who seek to support each other in becoming more adept at international trade. **We want to ensure that the network of business advice and support in North Kent maintains and strengthens links with UKTI and local providers so that businesses have access to intelligence about new markets and are better equipped to seize export opportunities.**

³² www.kentinternationalbusiness.co.uk.

³³ <http://kentexport.org/>.

10 THE THAMES GATEWAY KENT PARTNERSHIP'S ROLE IN DELIVERY

- 10.1 This Plan sets out the Partnership's collective vision and contribution towards stimulating economic growth and prosperity for North Kent. As a strategic partnership, our role is in setting the frameworks for delivery, agreeing the actions that partners will take forward and monitoring delivery of outcomes.
- 10.2 The next step is to translate the aims, objectives and commitments in this plan into concrete actions through an **action plan**. This will set out more detail on specific projects and programmes that TGKP wishes to take forward, their contribution towards the outcomes that we aim to achieve and how resources will be secured. This action plan will, so far as possible, correspond with the 2014-20 horizon of the South East LEP's plan, but focusing primarily on 2014-15 in detail and 2015-17 in outline.
- 10.3 A crucial step in this process is engagement with the Kent & Medway Economic Partnership and South East LEP in shaping delivery plans and in the process of negotiating the 'growth deal' with central government, based on the final submission Strategic Economic Plan.
- 10.4 The action plan will be developed with partners in Spring /early Summer of 2014.

ANNEX 1: THAMES GATEWAY KENT PARTNERSHIP

The Thames Gateway Kent Partnership (TGKP) is a private public sector partnership, formed in 2001. Chaired by the private sector, the Partnership brings together senior business and local authority leaders in North Kent, plus senior representatives from the Homes & Communities Agency, the Environment Agency, from Higher and Further Education, and a North Kent Member of Parliament.

The aims of the Partnership are to:

- Create the best conditions possible to attract investment and deliver sustainable, private sector-led economic growth across North Kent;
- Promote and enable collaboration between the public and private sectors to help achieve growth;
- Work with partners in London and South Essex, on pan-Gateway activities, to ensure that the views of North Kent businesses are represented and that the Thames Gateway remains as a key priority for government.

Some TGKP Board members also represent North Kent on the Thames Gateway Strategic Group (TGSG), which was established in response to the Coalition Government's intention to decentralise the economic leadership of the Thames Gateway programme from central government to local authority leaders. The TGSG is currently chaired by Sir Edward Lister (GLA) and its membership includes the Government Minister with specific responsibility for the Thames Gateway (Kris Hopkins MP) and the Chair of the South East Local Enterprise Partnership.

Details of the TGKP Board Membership can be found at <http://www.tgkp.org/board-membership>.

ANNEX 2: SUMMARY OF NORTH KENT KEY DEVELOPMENT SITES AND TRANSPORT INFRASTRUCTURE PROPOSALS

(included within Kent & Medway Economic Partnership Delivery Programme 2014-2021)

Priority Locations for Development	Priority Transport Infrastructure Schemes	Delivery		Funding		
		Start Date	Delivery Date	Total Cost	Proposed LGF Contribution	External Contribution
Dartford						
(a) Dartford Northern Gateway	*					
(£) St Clement's Valley	A226 London Road/ B255 St Clements Way Junction	2015/16	2019/20	£8,700,000	£4,200,000	£4,500,000
(b) Dartford Town Centre	Dartford Town Centre Improvements	2014/15	2018/19	£9,000,000	£2,300,000	£6,700,000
(c) The Bridge	*					
Ebbsfleet-Northfleet-Swanscombe Peninsula						
(d), (e) Ebbsfleet Valley / Swanscombe Peninsula (including Northfleet West Sub-Station)	A2 Bean Junction (Highways Agency)	2017/18	2019/20	50,000,000	£ 10,000,000	£40,000,000
	A2 Ebbsfleet Junction (Highways Agency)	2017/18	2019/20	£30,000,000	£6,000,000	£24,000,000
	Northfleet station and link	2015/16	2019/20	£10,700,000	£6,400,000	£4,300,000
(f) Bluewater Expansion	A226 Thames Way Dualling	2015/16	2020/21	£8,900,000	£3,500,000	£5,400,000
(g) Northfleet Embankment	*					
Gravesham						
(h) Gravesend Town Centre	Rathmore Road Link	2014/15	2016/17	£8,000,000	£4,100,000	£3,900,000
Dartford-Gravesham						
(a) to (h) Linking Dartford, Gravesend and Ebbsfleet	Local Strategic Transport for Growth - additional investment in the Fastrack urban transport system	2015/16	2020/21	£7,541,000	£4,511,000	£3,030,000
Medway						
(i) Chatham Town Centre	Package of accessibility, place-making and public realm projects in Chatham town centre	2015/16	2017/18	£6,900,000	£4,000,000	£2,900,000
	Chatham Station improvements	2016/17	2018/19	£1,400,000	£700,000	£700,000
(j) Chatham Maritime	A289 Medway Tunnel Maintenance	2015/16	2020/21	£9,200,000	£5,000,000	£4,200,000
(k) Gillingham Waterfront						
(l) Chatham Waters						
(m) Rochester Riverside	Re-location of Rochester Station (Network Rail)	2013/14	2015/16	£26,000,000	£ -	£ -

Priority Locations for Development	Priority Transport Infrastructure Schemes	Delivery		Funding		
		Start Date	Delivery Date	Total Cost	Proposed LGF Contribution	External Contribution
(n) Strood/Medway City Estate	Strood town centre journey time and accessibility enhancements	2015/16	2018/19	£10,000,000	£9,000,000	£1,000,000
	Strood station improvement	2016/17	2018/19	£2,500,000	£1,250,000	£1,250,000
	Medway City Estate accessibility improvements (part LSTF)	2015/16	2017/18	£2,000,000	£2,000,000	£ -
(o) Rochester Airport	@					
(p) Hoo Peninsula (Including Lodge Hill, Chattenden)	A289 Four Elms roundabout to Medway Tunnel capacity enhancement	2015/16	2017/18	£16,300,000	£11,100,000	£5,200,000
# Medway-wide improvements	Integrated transport package	2015/16	2020/21	£12,000,000	£6,000,000	£6,000,000
	A2 Corridor journey time improvements	2015/16	2016/17	£2,000,000	£2,000,000	£ -
	Medway Cycling Action Plan (part LSTF)	2015/16	2020/21	£3,000,000	£2,500,000	£500,000
Medway-Swale Arc						
(q) Isle of Grain	A228 Grain Level Crossing removal	2017/18	2020/21	£15,000,000	£15,000,000	£ -
# Sittingbourne & Isle of Sheppey	M2 Junction 5 Improvements	2019/20	2020/21	£100,000,000	£ 15,000,000	£ 85,000,000
Sittingbourne						
(r) Kent Science Park	M2 J5a	2019/20	2020/21	£20,000,000	£12,000,000	£8,000,000
(s) Eurolink V ‡ Stones Farm ‡ East Hall	Sittingbourne Northern Relief Road - Bapchild Link Road	2019/20	2020/21	£28,600,000	£23,100,000	£5,500,000
‡ North West Sittingbourne (strategic allocation proposed in draft local plan, 1,276+ homes, commercial development and community facilities)	A249 Grovehurst junction	2018/19	2018/19	£2,000,000	£1,000,000	£1,000,000
(t) Sittingbourne Town Centre	Sittingbourne Town Centre Improvements Package	2015/16	2017/18	£4,500,000	£2,500,000	£2,000,000
(u) Queenborough & Rushenden	@					

* = No specific major transport infrastructure associated with these sites, but supported by improvements through the 'Homes & Roads' package

‡ = Not identified as key development location in the TGKP Growth Plan but supported by schemes in Kent & Medway Economic Partnership Delivery Programme to 2021.

= Improvements proposed in Kent & Medway Economic Partnership Delivery Programme to 2021 with area-wide benefits.

@ = No specific major transport infrastructure associated with this site.

Already SOUTH EAST LEP / LTB Priority	Highways Agency Network	Network Rail Network (wholly funded)
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May 2014

