

Unlocking Kent's Potential: Opportunities and Challenges (090312/CAB008)

To: Cabinet
12 March 2009

Main Portfolio Area: Planning & Development

Author of report: David Candlin

Classification: Non-Exempt

Ward: All

Executive Summary

The report outlines the key points to note in Unlocking Kent's Potential: Opportunities and Challenges, KCC's framework for regeneration 2009 –2020

Corporate Priorities

- A1 : Promoting and maintaining a thriving and diverse local economy
- A2 : Care for our environment
- A3 : Have housing suitable for local people
- A4 : Develop safer and stronger communities

Report status

For decision

Route to Implementation/Timetable:

Formal consultation on the document closes on 17 April 2009. A formal response from the Council regarding the paper and its implications is proposed subject to members consideration of this report.

Report of David Candlin, Head of Economic Development and Regeneration Continued

Background/Introduction

1. Unlocking Kent's Potential: Opportunities and Challenges, KCC's framework for regeneration 2009 –2020 was released towards the end of January. The Framework is a consultative document that outlines the opportunities and challenges facing the county from the KCC perspective. It should be noted that consultation was originally to close on the 27 February but as a result of concern being expressed by a range of partners as to the rushed nature has now been extended until Friday 17 April 2009.

Relationship to the Sub-National Review

2. During 2007 and 2008 the Government has consulted on the Sub-National Review of Economic Development (SNR) and a number of related documents covering for example Supplementary Business Rates and Local Authority Business Growth Incentive (LABGI). KCC has already decided that at this point it will not introduce supplementary business rates – especially given the current economic climate. It should also be noted that consultation on LABGI will result in two-thirds of LABGI going to the County Council and one-third to District Councils reversing the current split of this incentive.
3. The results of the Sub-National Review are the abolition of the Regional Assembly and the creation of the new "South East England Councils" (SEEC) arrangements. The responsibility for spatial planning transfers to South East England Development Agency (SEEDA) who will be responsible jointly with a 'Local Authority Leaders' Board' for the preparation of a Single Regional Strategy.
4. The SNR also introduces a statutory economic assessment duty on upper tier local authorities to prepare an economic strategy and to consult with District Councils. It is anticipated that increasingly functions and programmes currently held at regional level will be devolved to County Councils, giving greater ability to influence the local economy. This will include the creation of an Economic Improvement Board (EIB's - statutory sub-regional authorities for economic development). KCC have indicated they will work with partners to create one for the county. Alongside the SNR will be the transfer to the County Council of Learning and Skills Council powers, functions and expenditure on education and training provision for 16-19 year olds.
5. 'Unlocking Kent's potential' therefore forms a potential building block of the new South East Single Regional Strategy, following the abolition of the Regional Assembly.

Unlocking Kent's Potential

6. 'Unlocking Kent's potential' is not in itself a strategy but rather an overarching framework, setting out priority areas of action for the County Council over the medium term and in KCC's words their "contribution to delivering our aspirations for the county, working with our partners". The framework is to form the baseline for a broad policy approach including a series of further strategies, which will be developed with the District Councils and the Kent Partnership.

7. Unlocking Kent's potential aims to:
 - a. be forward looking. It looks at the future challenges and opportunities facing Kent in global and domestic contexts;
 - b. set out the key questions and choices that flow from these challenges, and;
 - c. be a statement of commitment to tackle the big issues facing the county;
 - d. scope the essential infrastructure needs for public capital investment for the next 20-25 years.

Six Key Challenges

8. The document is broken down into sections identifying the key challenges under six headings
 1. Building a New Relationship with Business
 2. Unlocking Talent to Support the Kent Economy
 3. Embracing a Growing and Ageing Population
 4. Building Homes and Communities, not Estates
 5. Delivering Growth without Transport Gridlock
 6. Meeting the Climate Challenge

Response to the Document

9. There is much within the document that should be welcomed and is a positive approach to taking forward a joint strategy. The foreword identifies the document as looking "ahead 20/25 years as we develop our vision for the wider regeneration of the county. We want to attract more businesses and professionals to Kent that will reduce current gaps in GVA. To us, regeneration is not simply economic growth - vital though this is - it is also about transformation in education and skills, the culture renaissance in the county and an efficient transport system that supports both the economy and residents. It is about improved housing conditions, particularly for the most vulnerable both young and old."
10. There is little within that statement that we would not endorse and support as an overall objective. The document seeks to set out priority areas of action for the County Council, however there appear to be some areas of omission and some aspects that overlap with District Council responsibilities. The document is often caught between being a KCC only document in terms of what KCC will do and being a wider framework document for Kent as a whole. There is clearly an important role for the District Councils and the need for engagement and partnership working across the public sector as well as with the private sector.
11. While looking forward the lack of reference to the current economic challenges are perhaps a surprise. There is for example no assessment of the impact of the recession on housing delivery, in gross terms and of affordable homes. There is only a fleeting reference to "The challenge of an economic downturn and effect on the development industry" on page 47.

12. The focus of the document in terms of regeneration is clearly to the north and east of the county. The major economic opportunities 'transformational investments' are all identified in these locations with little reference to West Kent. Indeed the Tunbridge Wells and Tonbridge urban areas are identified in the Regional Economic Strategy and the South East Plan as a Regional Hub as a focus for new development and investment. This is not recognised in the Framework and would appear to be a serious omission.
13. Smaller investment opportunities and support that could provide continued growth rather than stagnation and possibly decline of the West Kent are not addressed. The document does recognise the diversity of the Kent economy though this does not come through as strongly as within the 2002 review of Kent Prospects which outlined "a '20-year' mosaic economy scenario of - thriving, diverse enterprises, towns and neighbourhoods; where existing strengths and new opportunities would be developed". Another area of concern is the lack of referral to the rural economy and the need for regeneration in the rural area. The focus appears to be more on the urban opportunities despite 76% of the County being classed as rural.
14. There is a comparative economic performance of West Kent and East Kent on page 16 which attempts to demonstrate the gulf between the East and West of the County. However it is noticeable that West Kent while being in a better position than East Kent is clearly not performing as well as other parts of the South East and is merely average (with the UK) on a number of indicators. The statement on page 34 that "even the proximity of West Kent to London does not provide the County with the advantage shared by other similar 'doughnut' areas bordering London." The comparative gulf between Kent and other South East counties needs to be addressed which means recognising and supporting West Kent to grow.
15. Also within this table some clarity as to what the figures represent would be beneficial. Currently the table identifies Unemployment Rates in West Kent as being 56.2 and East Kent 30.7. It is not clear what this actually refers to?

A new relationship with business

16. This chapter particularly page 21 is most noticeably focussed on KCC and that KCC becomes the most business friendly Council in England. The objective for KCC here really should be on Kent as a county becoming the most business friendly in the country. We do not dispute the objectives being identified for KCC to address and opening up their tendering procedures but to have any real value to the business community this must be all of the public sector and not just one authority.

17. While nothing intrinsically wrong with the objectives the relationship to existing structures and delivery mechanisms needs some clarification. The government has sought to establish the Business Support Simplification Programme to simplify public sector support for the business community and establish Business Link as the public sector branding for advice and support. Tunbridge Wells has already signed a Memorandum of Understanding to improve our relationship with the Business Link Service in the County, with the express aim of improving support to our businesses. It is therefore unclear for example how the suggested Kent Business Support Centre links to this national approach and whether or not the County is committed to this national approach. In addition the recognition of developing business incubation units is welcomed but needs to be carried through in practice. Also achievements appear to blur the distinction between what is KCC and Kent and Medway.
18. The focus is towards high value sectors and identifies communications, engineering, and banking and finance as areas where Kent lags behind the national average. However there is no real mention of wider infrastructure such as broadband and other IT and technology infrastructure for Kent to remain competitive.

Unlocking talents to support the Kent Economy

19. In terms of approach to unlocking talents we support the approach being taken here. However the Chapter is focussed solely on the sector up to age 19 and perhaps should identify better links being developed to our Independent and private schools in the county.
20. There is a wider skills agenda here that is absent from the framework. While this may not be in KCC's control the stated aims of working with partners and influencing needs to be addressed in this chapter. Despite references in the preceding chapter to the unlocking talents chapter addressing skills issues, lifelong learning and upskilling of the existing work force are noticeable by their absence. The one line referral to upskilling in the ageing population chapter does no justice to the existing workforce nor address what is required to ensure that all the working age population, currently in or out of work, has the skills to support the Kent economy.
21. The existing population of Kent must be able to compete for new employment being created locally to reduce the need for the in and out migration of labour. This in turn would aid the agenda in delivering growth without traffic gridlock and meeting the climate challenge.

Embracing a growing and ageing population

22. The report highlights the variations between life expectancy across Kent and highlights that Tunbridge Wells has the lowest variation. It is recognised in the report that this is not an acceptable position.

23. KCC on page 40 identify the “need to ensure that attractive housing options are available to encourage older people living alone to leave large family houses.” We would be concerned if this means a presumption that the majority of new house building will be smaller units (one and two bedroom units, especially flats), as we have probably seen too many developments of such accommodation over the last five years. Social landlords already offer cash incentives to existing tenants who are under-occupying social housing to downsize, but this is something that could be expanded if more funding is available. Support services to 'handhold' vulnerable particularly older people through the moving process, such as arranging removals, utility company supplies, etc would also assist, and this could apply to both social tenants and owner-occupiers. Some additional clarity is required as to what is meant here.
24. KCC state (page 45) they will “support independent living at home wherever possible and lobby government for resources to promote this policy in innovative ways”. It is assumed that this will include lobbying with district councils for more Government funding of Disabled Facilities Grants (DFGs) to assist disabled households undertake disabled adaptations to their homes. DFGs are a district council responsibility and are mandatory, i.e. if an applicant submits a valid application then they have a statutory right to have their application approved within six months. Central Government does provide some capital grant funding towards district councils' expenditure on DFGs, but we also have to fund a significant element, and demand is increasing due to the ageing population and an increase in the maximum grant limit from £25,000 to £30,000 introduced by Government in 2008. There is little suggestion that KCC will actually support district councils with extra funding for this purpose.
25. The document highlights (page 45) that KCC will “improve the quality of private rented housing; supporting asset-rich, cash-poor older homeowners to undertake home improvements. We will develop attractive housing options to encourage single older people to vacate family-sized homes”. There are a number of issues here. Regarding the first part of this statement, Housing Renewal is primarily a district council function enabled under the Housing Acts. Most district councils in Kent support improvements in the private rented sector and the owner-occupied sector through Housing Renewal Assistance Policies and make available funding (now mainly through loans repayable on sale of the property) to private landlords and owner-occupiers to carry out home improvements. This activity is also currently supported by the South East Regional Housing Board which has awarded capital funding to Kent district councils for the three-year period 2008-2011. We would be very interested to know what KCC is proposing to do and how this will fit with what district councils do. Also, are KCC intending to provide funding for this area of work, and if so will they consider making this available to district councils to support our work?
26. There is acknowledgement in this chapter (page 41) that “older workers may need upskilling and retraining particularly in new technologies” and that KCC will “work with businesses and public agencies to identify any specific actions”. However this only makes the absence of support for upskilling and referral to life long learning of anyone over the age of 21 in the Unlocking Talent in the Kent Economy chapter all the more obvious.

27. A key issue and perhaps one that links to the disparity between average life across Kent is supporting the elderly communities particularly in rural areas. The approach to transport and rural services issues for elderly needs further consideration.

Building Homes and Communities not Estates

28. In general, we are supportive of the areas that KCC wish to support (e.g. extend housing options, including equity share, supported housing, lifetime homes and sheltered housing) as all of these are targets under our Housing Strategy, and are likely to be supported by the majority of if not all Kent district councils. However there needs to be some clarity as to how KCC intends to do this and how it will fit with what district councils already do.
29. We are supportive of KCC's proposal to produce a Kent Housing Strategy (page 48 and page 52). This needs to be carried out with district councils, as it is the responsibility of district councils to produce Housing Strategies for their areas, and other stakeholders. A Kent wide strategy could be an effective and credible sub-regional document which would have greater influence in addressing the issues in West Kent.
30. On page 52 the document identifies that KCC will “encourage home improvement and energy efficiency measures to reduce living costs” - as stated above, Housing Renewal is primarily a district council function enabled under the Housing Acts, as is promoting home energy efficiency. We would be interested to know what KCC is proposing to do (and how). Again, are KCC intending to provide funding for this area of work, and if so will they consider making this available to district councils to support work that we already carry out?
31. In addition on page 52, KCC state they will “seek to return to use all empty homes in Kent, working with the district councils”. We are supportive of this proposal though in reality there will always be a proportion of empty homes due to the normal operation of the housing market. We support KCC's 'No Use Empty' campaign and would encourage KCC to provide additional funding for this area of work, working in partnership with district councils.

Delivering Growth without Transport Gridlock

32. A list of challenges to be met are listed on page 53 many of which we would be supportive of including:
- New strategic routes are required to ensure traffic flows across and through the county
 - Essential road schemes must be completed in the shortest possible time
 - Greatly improved public transport in our urban centres and better services between our major towns
33. However the document refers to rural community transport being a “vital link as villages grow and demography changes”. Yet this appears to omit those villages where growth is unlikely yet accessibility remains as challenging. There needs to be support here to maintain the current and future vitality of villages throughout the County.

34. One of the challenges is that “high-speed domestic services must support growth in Kent County Council” It is assumed that this should read “in Kent”. Apart from the typographical error here there is a focus on the high speed link as a catalyst for regeneration rather than the wider rail network. There is little here that would suggest supporting West Kent and in particular access to the High Speed Rail Link from West Kent is an issue for our regeneration and inward investment.
35. Under strategic routes and the completion of essential infrastructure schemes, the dualling of the A21 at Tonbridge to Pembury and Kippings Cross to Lamberhurst is highlighted. This recognition is welcomed however other strategic schemes such as Colts Hill and the Lamberhurst to Flimwell section of the A21 are not referred to as they appear not to be deemed a congestion hotspot yet in terms of access between principal urban centres and significant employment areas with potential regeneration would seem to be a major omission. Even more so given the development of the Pembury Hospital. It is also perhaps surprising that the A21/M25/M26 junction at Sevenoaks is not mentioned as a strategic issue. Again the lack of reference to the Regional Hub is a concern.
36. In addition while freight traffic is a major aspect of this chapter, with references to operation stack, Dover port, the M2-A2 corridor for example the promotion of rail freight and distribution investment does not feature.
37. While the concentration on Kent is understandable there needs to be some recognition of Kent within the South East and the opportunities for linkages and improvements in transport and other infrastructure between Kent and East Sussex for example. The upgrading of transport linkages to Hastings for example would be beneficial to the Kent economy.
38. KCC will seek to lobby government (page 59) for the establishment of the “Kent Passenger Transport Authority, allowing Kent to run more CTRL trains during rush hour, bring down fares for Kent commuters and ensure transport in the county is truly integrated”. We are supportive of the opportunity that this could create for the county. However the statement appears to be placed under “rail infrastructure: getting on the right track” which is probably not the intention.
39. The document makes no reference to the Local Transport Plan though it is assumed that this will be the delivery mechanism from the Transport Strategy when it is published. Input by the Council into the Kent Transport Strategy to be published this year will therefore be essential.

Meeting the Climate Challenge

40. It is somewhat surprising given the focus that KCC are starting to place on meeting the climate challenge that this chapter appears light in comparison to the other five areas. Although the management of natural resources to enable regeneration is referred in the document this is not taken that extra step in ensuring that sufficient resources are available to sustain the regeneration for example water supplies and capacity within the electricity supply system. In addition it is not clear what practical support to businesses will be available to help to achieve Kent’s carbon reduction targets. In addition the actions to meet the challenge appear weak. For example through promoting Kent as a rural destination and area of outstanding natural beauty it is not clear how this actually enables a low-carbon economy.

Cross cutting issues

41. *Legal* - There are no direct legal issues in responding to the consultation document. However implementation of the KCC Framework may well have significant issues for the Council and its legal requirements.

Finance and other resources, including ICT – There are no direct financial or resource issues in responding to the consultation document.

Staffing – There are no direct staffing issues in responding to the consultation document.

Value for money – There are no direct value for money issues in responding to the consultation document.

Risk Management – There are no direct risk management issues in responding to the consultation document.

Equalities - An EIA has not been carried out on the consultation document. There are no specific issues at this stage related to equalities.

Safer & Stronger Communities – It is key to ensure that regeneration opportunities are delivered across Kent and that in particular West Kent is not ignored or omitted from consideration to ensure that communities within Tunbridge Wells are also supported and benefit from the KCC framework.

Health and Well-Being - It is key to ensure that regeneration opportunities are delivered across Kent and that in particular West Kent is not ignored or omitted from consideration to ensure that communities within Tunbridge Wells are also supported and benefit from the KCC framework.

Environment / Sustainability – The approach within the Framework identifies Responding to the Climate Challenge. This is addressed in the report.

Human Rights Act - There are no specific issues at this stage related to the Human Rights Act.

Communication and Consultation - The report is a response to a KCC consultation on the Framework.

Conclusion

42. Members are asked to note the main aspects of the Unlocking Kent's Potential: Opportunities and Challenges document and consider the response from the Council to the Consultation.

Recommendation(s):

43. Members are requested:
- i) Note the report and the contents of Unlocking Kent's Potential: Opportunities and Challenges, KCC's framework for regeneration 2009–2020.
 - ii) agree to a written response based on the contents of this report

Reason(s) for recommendation(s):

44. Members are asked to note the main aspects of the Unlocking Kent's Potential: Opportunities and Challenges, KCC's framework for regeneration 2009 –2020 document and consider the response from the Council to the consultation. The Council needs to state its case clearly.

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Name of Director

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Appendices: [Appendix A](#) – Local Economy & Housing Select Committee

Background Papers: Unlocking Kent's Potential: Opportunities and Challenges, KCC's framework for regeneration 2009 –2020