

MAIDSTONE BOROUGH COUNCIL

**CABINET MEMBER FOR ECONOMIC DEVELOPMENT AND
TRANSPORT**

**REPORT OF DIRECTOR OF REGENERATION AND
COMMUNITIES**

Report prepared by John Foster

Date Issued: 19 January 2012

1. Growth Point Revenue

1.1 Key Issue for Decision

1.1.1 To consider the allocation of the uncommitted Growth Point revenue grant.

1.2 Recommendation of Assistant Director of Regeneration and Cultural Services

1.2.1 That the priorities in the order set out in Table 1 are agreed as the focus for the Council's work in supporting economic prosperity.

1.2.2 That the actions as set out in Appendix 3 be approved.

1.2.3 That up to £30,000 of uncommitted Growth Point revenue grant is used to commission a programme of actions responding to the Council's priorities in Table 1 and bringing together and updating the Council's Economic Development Strategy 2008, draft Tourism Strategy and Regeneration Statement 2009 into a single document, as set out in paragraph 1.3.15.

1.2.4 That the remaining uncommitted Growth Point revenue grant of £215,000 be used to fund the actions identified in the single Regeneration and Economic Development Plan, the detail and recommendations of which will be subject to a further report.

1.3 Reasons for Recommendation

1.3.1 In 2006 Maidstone achieved Growth Point status, a government designation, which required the Borough to deliver more homes in exchange for government funding to support the delivery of infrastructure.

- 1.3.2 Communities and Local Government (CLG) advise that Growth Point funding should be focused on delivering physical, social and cultural infrastructure projects to support the early delivery of housing as the main priority, but also in the creation of sustainable communities.
- 1.3.3 The grant does not have to be spent in the year it is allocated. CLG have stated that the grant is not ring fenced and not project specific. Which projects are funded is a matter to be decided locally.
- 1.3.4 The council has received a total of £555k Growth Point revenue grant since 2009/10. The allocation of Growth Point revenue funding for specific projects was agreed by Cabinet in December 2009 for the 4 year period 2009/10 to 2012/13 and is set out in Appendix 1.
- 1.3.5 During 2010/11, the Cabinet agreed to undertake a comprehensive review of its strategic priorities, which included a review of the programme of projects to be funded by Growth Point revenue. In addition to this, a number of planned projects required less funding than originally estimated, some no longer required funding or were funded from alternative sources. The reasons for each are set out in more detail in Appendix 2.
- 1.3.6 Appendix 2 shows that there is £245k of uncommitted growth point revenue funding.
- 1.3.7 Prioritisation of funding to meet current Corporate priorities
- 1.3.8 The Maidstone Strategic Plan 2011-15 has three strategic priorities. The first is:
- Priority 1: Maidstone will have a growing economy, with a range of employment and business opportunities. In essence, Maidstone is a good place to work and do business.
- This Priority has two stated outcomes by 2015:
1. a transport network that supports the local economy;
 2. a growing economy with rising employment, catering for a range of skill sets to meet the demands of the local economy.
- 1.3.9 It is this priority that the Strategic Plan goes on to state is the only one which should benefit from additional Council investment. It is therefore proposed that the uncommitted Growth Point Revenue grant should be targeted at actions that support this priority.

- 1.3.10 The first outcome is being addressed through the Core Strategy. It is proposed that the uncommitted growth point revenue grant be used to support the second outcome.
- 1.3.11 At a series of Cabinet Away Days during the summer of 2011 the Cabinet discussed which areas the economic development team should focus on to achieve a growing economy, with a range of employment and business opportunities.
- 1.3.12 The order of preference according to the choices the Cabinet made is set out below, and these form the basis of prioritising actions:

Table 1 Prioritisation of High Level Actions to deliver Economic Prosperity

Prioritisation results	
1	Creating the right planning environment
2	Develop Infrastructure - broad band, public realm etc
3	Business Expansion
4	Inward Investment
5	Develop Stronger Business Relationships
6	Worklessness
7	Improve Skills and Knowledge
8	Foster the knowledge and creative industries
9	Business Start Up
10	Riverside Regeneration
11	Low Carbon Economy
12	Town Centre Regeneration - including the market

- 1.3.13 Although there are 12 priorities for driving forward economic prosperity, resources are limited, so they will be committed on the basis of the order of preference, primarily the top 6 priorities.
- 1.3.14 However Economic Development requires a flexible approach to take account of government policy changes, new funding sources and developer interest. Therefore actions supporting the lower ranked priorities listed in Table 1 will be pursued and addressed on an opportunistic, pragmatic basis if by doing so it would help achieve the Council's Corporate Priorities
- 1.3.15 Since the council's Economic Development Strategy 2008 and Regeneration Statement were produced the economic context has changed greatly. In order to respond to the Council's 12 priorities, and ensure actions are developed within the current economic

environment it is proposed to update and bring together in to a single document the Economic Development Strategy (EDS) and Regeneration Statement and Tourism actions. This document will be action focused and set out proposed expenditure relating to the uncommitted Growth Point Revenue grant. It will draw together the research and market intelligence commissioned since the EDS was published in 2008. This, together with an updated position regarding the state of the local economy and wider economic context, will help to ensure the work of the Economic Development Team is focused on delivering actions that support the Corporate Priorities and create the right conditions for economic prosperity. Consideration will also be given to defining actions in the Community Development Strategy (if adopted in time) relating to worklessness. It is anticipated that this commission will cost up to £30,000 and be funded from uncommitted Growth Point revenue grant.

1.3.16 This action focused plan will set out the medium to long term work programme for the Economic Development team. It will be commissioned in February 2012 and be completed in June 2012.

1.3.17 In the short term it is proposed that the actions set out in Appendix 3 will be delivered using the Economic Development base budgets and the remaining committed Growth Point Revenue expenditure set out in Appendix 2. A summary of the expenditure in Appendix 2 is set out below in Table 2.

Table 2

Priority cross ref Appendix 3	Project/Service	Funding source	Revenue Cost estimate
1.2	Commission Economic Development and Regeneration Action Plan	Uncommitted Growth Point Revenue	£30,000
1.4	Develop and maintain local economic intelligence. Available through CoStar, staff time. Costs shared with Property Services	Already committed Growth Point revenue over two years	£7,561
3.2	Support the evolution of Media Tree into an industry led social enterprise.	Within existing Economic Development budgets. Officer time 2011/12	£5,000

3.5	Property Search and site finding service	Within existing Economic Development budgets. Officer time 2012/13	£500
4.2	Produce Guide to Investment in Maidstone, highlights the capital investment already made, being made currently and planned.	Within existing Economic Development budgets. Officer time 2011/12	£15,000
4.4	Undertake marketing, editorial and advertisement attendance at business exhibitions	Within existing Economic Development budgets. Officer time 2011/12 and 2012/13	£15,000
5.3	Kent Invicta Chamber of Commerce SLA, Business Support Service, Business Awards, access to intelligence, networking and membership benefits.	Within existing Economic Development budgets. Officer time 2012/13	£19,000
5.4	Town Centre Management SLA and town centre related activities	Within existing Economic Development budgets. Officer time 2012/13	£15,000
TOTAL			£107,061

1.3.18 Staffing issues

1.3.19 It should be noted that the existing budgets and officer time being used to deliver some of the proposed actions relate to the 2 fixed terms posts within the Economic Development team, one is already funded from Growth Point revenue until February 2013 and the other is funded from grants including HPDG until March 2012. Proposals to address the short term nature of their funding

1.4 Alternative Action and why not Recommended

1.4.1 Investment in Economic Development is supported in the Strategic Plan. The proposed approach offers flexibility to respond to uncertain economic conditions and changes in emphasis within the

Strategic Plan going forward to ensure that the Corporate Priorities are achieved.

1.5 Impact on Corporate Objectives

1.5.1 This report supports the corporate priorities for Maidstone to have a growing economy and to be a decent place to live and supports the objective of tackling disadvantage. It also fulfills the actions to review the Economic Development Strategy and to maximise the economic contribution of our leisure and cultural offer to enhance the quality of life for our residents whilst attracting visitors, new residents and businesses.

1.6 Risk Management

Risk Description	Likelihood	Seriousness or Impact	Mitigation Measures
The Medium Term Financial Plan does not dedicate resources for permanent ED staff	C	2	In the short term Growth Point Revenue funding could be used to fund posts and enable more time to find alternative funding sources.
Regeneration and Economic Development Plan exceeds funding allocation	D	3	The market will be tested and value for money sought from a number of consultants.

(Likelihood: A = very high; B = high; C = significant; D = low; E = very low; F = almost impossible) (Seriousness or Impact: 1= catastrophic; 2 = critical; 3 = marginal; 4 = negligible)

1.7 Other Implications

1.7.1

1. Financial	X
2. Staffing	X
3. Legal	
4. Equality Impact Needs Assessment	
5. Environmental/Sustainable Development	
6. Community Safety	

- 7. Human Rights Act
- 8. Procurement
- 9. Asset Management

1.7.2 Financial: Expenditure will be contained with the existing Economic Development Budgets and Committed Growth Point revenue grant. It is proposed that at this time only up to £30,000 of the uncommitted New Growth Point funding be spent and the rest will be carried forward to 2012/13 and 2013/14 to respond to the actions identified in the Regeneration and Economic Development commission. Additional expenditure will only be incurred if alternative, additional sources of funding are identified and secured.

1.7.3 Staffing: The Economic Development team currently comprises 3 staff. The Economic Development Manager post is permanently funded from the Council's base revenue budget. However, the two remaining posts are currently on fixed term contracts, one ending in March 2012 and the other in February 2013. A review of the funding requirement to establish a permanent team will be undertaken as part of the Medium Term Financial Strategy considerations in 2012/13.

1.8 Relevant Documents

1.8.1 Appendices

1.8.2 Appendix 1: Growth Point Revenue Expenditure Plan December 2009

1.8.3 Appendix 2: Growth Point Revenue expenditure commentary on expenditure

1.8.4 Appendix 3 Immediate Actions to be carried out in support of Priorities 1 -6.

1.8.5 Background Documents

1.8.6 None

IS THIS A KEY DECISION REPORT?

Yes

No

If yes, when did it first appear in the Forward Plan? December 2011.....

This is a Key Decision because: Effects one or more wards

Wards/Parishes affected:All.....

How to Comment

Should you have any comments on the issue that is being considered please contact either the relevant Officer or the Member of the Executive who will be taking the decision.

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Appendix 1: Growth Point Revenue Expenditure Plan December 2009

GROWTH POINT	2009/10		2010/11		2011/12		2012/13		Total
	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£000
REVENUE EXPENDITURE:									
Staff/consultant costs									
Economic Development Officer	10		50		50		40		
Revenue in support of Arts Development Strategy	5		15		15		15		
Project Management	20		30		30				
Sub Total		35		95		95		55	280
Develop and promote sites									
Town Centre (e.g. King Street, Peugeot)	20		20						
Riverside - development plan			30						
Sub Total		20		50		0		0	70
Regeneration									
Develop employment and skills schemes	5		15		20				
Response to economic downturn	10		15						
Neighbourhood Planning	5		15		20				
Pump priming transport improvements	10		20		20				
Sub Total		30		65		60		0	155
Growth Point strategies									
Integrated Water Strategy	40								
Green Infrastructure Strategy	10								
Sub Total		50		0		0		0	50
Overall Total		<u>135</u>		<u>210</u>		<u>155</u>		<u>55</u>	<u>555</u>

FUNDING AVAILABLE	2009/10		2010/11		2011/12		2012/13	
	£,000	£,000	£,000	£,000	£,000	£,000	£,000	
Growth Point		135		210		155	55	555

Appendix 2: Growth Point Revenue expenditure commentary on expenditure

		Estimate 2009 to 2013	Expenditure to 10/10/11	Committed to 2013	Uncommitted
Staff/consultant costs	Commentary	£	£	£	£
Economic Development Officer	An Economic Development Officer has been appointed on a fixed term contract to February 2013.	150,000	68,995	57,460	23,545
Revenue in support of Arts Development Strategy	In October 2010 the Cabinet reset the priorities for the Council and subsequently in March 2011 Council adopted a new Strategic Plan. Arts Development was not included in the strategic priorities and outcomes. Consequently work on the Arts Development Strategy was stopped the Arts Development Officer post was deleted.	50,000	1,068	0	48,932
Project Management	Project Management: Project Management costs have been incurred during the production of the Local Investment Plan with West Kent partners and the Homes and Communities Agency	80,000	1,999	0	78,001
Develop and promote sites					
Town Centre (e.g. King Street, Peugeot)	The brief relating to the planning/redevelopment potential of King Street Car Park was commissioned. Options analysis will be undertaken by Property Services early in 2012 which will not require funding from Growth Point.	40,000	12,000	0	28,000
Riverside - development plan	Work on the river plan focused on securing the Section 106 money to create the tow path going north of Scotney Gardens and improvements to the High level bridge (this £300,000 has just been received from the developer). Moreover other work with KCC Public Rights of Way section on a walking cycling plan for the whole of the River Medway has been undertaken with partners.	30,000	2,500	0	27,500
Regeneration					
Develop employment and skills schemes	Develop Employment and Skills: Expected joint work with UCA to establish broadcast media courses at Maidstone Studios in the end did not need an MBC contribution. Mid Kent College has focused on their capital refurbishment plans and their initial challenge to identify temporary education accommodation during the refurbishment, which may have required MBC support, has not materialised as they will now have UCA's Oakwood campus.	40,000	0	0	40,000

Response to economic downturn	Response to Economic Downturn: Costs include Make it Maidstone Make it Independent initiative in partnership with TCM and KM which was a success, together with property market intelligence from data from Focus Costar. This work will continue considering the flat state of the economy.	25,000	17,439	7,561	0
Neighbourhood Planning	Neighbourhood Planning: Funding has been provided to support the work in Parkwood and Planning for Real delivered by The Neighbourhood Resource Centre for South East England and internal staff costs.	40,000	20,000	0	20,000
Pump priming transport improvements	Pump priming transport: Work to support the transport evidence base for the Core Strategy exceeded the budget	50,000	63,645	0	-13,645
Growth Point strategies					0
Integrated Water Strategy	Integrated Water Strategy cost less than originally estimated	40,000	17,584	0	22,416
Green Infrastructure Strategy	Green Infrastructure Strategy will be funded from the LDF budget	10,000	0	0	10,000
High Street Project Manager	Funding agreed separately in Cabinet Member report 19th August 2011			40,000	
Total		555,000	205,230	105,021	244, 749
Uncommitted expenditure					244, 749

Appendix 3 Immediate Actions to be carried out in support of Priorities 1 -6

1.	Creating the right planning environment				
	Project/Service	Status	Resource implication	Outcome	Revenue Cost estimate
1.1	A Peer Review of planning services will be undertaken.	Planned March 2012	Funded by Planning Advisory Service	To ensure that we have a planning environment that supports our over arching aim of economic prosperity and benefit from an opportunity to learn from best practice	£0*
1.2	Board Member for Core Strategy project	January 2012 onwards	Officer time	Ensure the Core Strategy creates the right conditions for economic prosperity	£0*
1.2	Commission Economic Development and Regeneration Action Plan	Planned between February 2012 to June 2012	Growth Point Revenue uncommitted	To ensure actions carried out by Economic Development Services support Corporate Priority 1	£30,000 Growth Point Revenue
1.3	Explore the potential for a Local Development Order for a major industrial estate e.g. Parkwood Ind. Est.	Planning concerns have been identified and need investigating.	If implementable an additional resource is needed including staff and consultation expenses.	Signal to business our intention to facilitate business growth, and cut red tape where possible, provide greater certainty and reduce risk to business investment and expansion, thereby creating jobs and wealth.	£0*
1.4	Develop and maintain local economic intelligence. Available through CoStar, staff time. Costs shared with Property Services	Ongoing	Committed Growth Point revenue over two years	Inform planning and economic policy and development control decision making through the use of property availability data.	£7,561

2.	Develop Infrastructure - broad band public realm					
	Project/Service	Status	Resource implication	Outcome	Revenue Cost estimate	
2.1	Implement Phase 1 of the High Street Improvement Project	September 2011 to May 2012	Staff time. Within capital programme	Increase consumer expenditure in the High Street and create around 100 jobs	£0*	
2.2	Investigate other funding sources for Phase 2 of High Street Improvement Project	Funding being sought through Local Investment Plan and Infrastructure Delivery Plan.	Staff time estimated capital required is £2 million.	Increase consumer expenditure in the High Street and create jobs	£0*	
2.3	Broadband, tackling not spots in areas of market failure and encouraging investment in faster speeds.	Work ongoing with KCC and MBCs IT services on mapping not spots, investigating likely commercial investment plans and identifying gaps in availability,	Working with KCC it is likely that match funding will be needed to develop the Council's Broadband Strategy and trial different technical solutions to delivering broadband across the Borough where market failure exists.	Wider broadband coverage will make the Borough more attractive to business, help business expansion and enable communities to benefit from online services.	£0*	
2.4	To deliver elements of the Infrastructure Delivery Plan (IDP) such as improvements to the High Level Bridge and complete the missing link riverside walk between Power Hub and Whatman Park.	IDP is being produced as part of the Core Strategy	Within existing budgets. Officer time	To ensure growth in Maidstone is adequately served by infrastructure	£0*	

3.	Business Expansion					
	Project/Service	Status	Resource implication	Outcome	Revenue Cost estimate	
3.1	Work alongside businesses intent on expansion, and where appropriate submit supporting information to Development Management.	Ongoing	Within existing budgets. Officer time	Businesses expanding generate wealth, create jobs, and do not relocate elsewhere. The customer experience is a good one.	£0*	
3.2	Support the evolution of Media Tree into an industry led social enterprise.	Report to Cabinet Member in February 2012	Within existing Economic Development budgets. Officer time 2011/12	Networking and collaborative working, training to support the expansion and growth of the Creative sector in Maidstone and Kent	£5,000	
3.3	Signpost services regarding access to finance, import/export opportunities, trade missions, tender opportunities e.g. Olympics	Locate in Maidstone website and e newsletter	Within existing budgets. Officer time.	Businesses become more competitive, productive, expand, create jobs.	£0*	
3.4	Provide advice service to businesses struggling to pay business rates	Pilot being trialed between Business Rates and Economic Development	Within existing budgets, staff time	Early intervention with private sector expert advice is designed to avoid, court action and winding up orders, help businesses survive	£0*	
3.5	Property Search and site finding service	Ongoing	Within existing Economic Development budgets. Officer time 12/13	Existing and relocating businesses find suitable property more easily, reduce time and costs searching, thereby increasing the likelihood of choosing Maidstone.	£500	

4.	Inward Investment					
	Project/Service	Status	Resource implication	Outcome	Revenue	Cost estimate
4.1	Proactively engage with businesses to unlock sites and premises, and generate interest	Ongoing	Within existing Economic Development budgets. Officer time 2011/12	New businesses relocate to Maidstone creating jobs and wealth.	£0*	
4.2	Produce Guide to Investment in Maidstone, highlights the capital investment just happened, happening and about to happen.	Complete March 2012	Within existing Economic Development budgets. Officer time 2011/12	Marketing tool to agents and developers boosting investor confidence. A launch event attracting agents from across Kent and London would require additional resources.	£15,000	
4.3	Inward investment website promoting Maidstone's sites and quality of life offer	Ongoing	Officer time	New businesses relocate to Maidstone creating jobs and wealth.	£0*	
4.4	Undertake marketing, editorial and advertisement attendance at business exhibitions	Ongoing	Within existing Economic Development budgets. Officer time 2011/12 and 12/13	New businesses relocate to Maidstone creating jobs and wealth.	£15,000	
4.5	Proactively engage with businesses to unlock sites and premises, and generate interest	Ongoing	Officer time	New businesses relocate to Maidstone creating jobs and wealth.	£0*	
5.	Develop Stronger Business Relationships					
	Project/Service	Status	Resource implication	Outcome	Revenue	Cost estimate
5.1	Develop sustainable relationship with up to 20 of the biggest employers in Maidstone.	To be commenced in April 2012	Officer time- some funding may be needed to react to issues raised.	Understand views of the key large employers investment needs and decisions to reduce the circumstances where by a	£0*	

				key local employer relocates from the Borough. Develop tangible actions to translate Big Society ideas into community action and support.	
5.2	Work with existing Business representative organizations such as FSB, Marden Business Forum, IOD etc...	Ongoing	Officer time	Ensure policies and actions remove barriers to businesses growth. Understand views of the local business community on what is contributing to and what is hindering business investment and economic growth in general and issues specific to their business. Develop tangible actions to translate Big Society ideas into community action and support.	£0*
5.3	Kent Invicta Chamber of Commerce Service Level Agreement (SLA), Business Support Service, Business Awards, access to intelligence, networking and membership benefits.	Ongoing	Within existing Economic Development budgets. Officer time 12/13	To maintain strong relationships with the business community and raise Maidstone's profile in Kent. Offer self employment opportunities and create business start ups.	£19,000
5.4	Town Centre Management SLA and town centre related activities	Ongoing	Within existing Economic Development budgets. Officer time 12/13	To maintain strong relationships with the retail and wider business community in the Town Centre, lever in private funding to promote and animate the town centre.	£15,000

6.	Worklessness				
	Project/Service	Status	Resource implication	Outcome	Revenue Cost estimate
6.1	Map and promote Work Programme providers.	Lead organisation to be identified in January 2012	Within existing budgets. Officer time is needed in 2012	To improve referral outcomes for job seekers through to training and employment.	£0*

* It should be noted that the existing officer time being used to deliver some of the actions relate to the 2 fixed terms posts within the Economic Development team, one is already funded from Growth Point revenue until February 2013 and the other is funded from grants including HPDG until March 2012.