

POLICY AND RESOURCES COMMITTEE

28th September 2016

Is the final decision on the recommendations in this report to be made at this meeting?

Yes

North Kent Enterprise Zone, Memorandum of Understanding

Final Decision-Maker	Policy and Resources Committee
Lead Head of Service	Head of Commercial and Economic Development
Lead Officer and Report Author	John Foster, Regeneration & Economic Development Manager
Classification	Public
Wards affected	Boxley

This report makes the following recommendations to this Committee:

1. That the draft Memorandum of Understanding (MOU) set out in Appendix 1 is agreed and that authorisation is given to the Chief Executive to sign it and submit it to Government.
2. That delegated authority is given to the Director of Regeneration and Place in consultation with the Chairman of Policy and Resources Committee to agree the content of the final MOU.

This report relates to the following corporate priorities:

- Promoting a range of employment opportunities: from the business and retail development on the site.

Timetable

Meeting	Date
Policy and Resources	28 th September 2016

North Kent Enterprise Zone, Memorandum of Understanding

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 The Government requires each local authority on which a new Enterprise Zone site is situated to sign a Memorandum of Understanding (MOU) with The Secretary of State for Communities and Local Government confirming their commitment to the Enterprise Zone and setting out the arrangements for its operation and development.
 - 1.2 A template form of words is provided by the Government which may be altered by agreement with all parties.
 - 1.3 This report recommends that the draft MOU attached as Appendix 1 is approved.
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2. INTRODUCTION AND BACKGROUND

- 2.1 Enterprise Zones are part of the Government's long term plan to generate economic growth. A number have already been established around the country and in July 2015 a new opportunity to bid to have an Enterprise Zone was announced by the Government.
- 2.2 Benefits of Enterprise Zones relevant to Maidstone:
 - Up to 100% business rate discount worth up to £275,000 per business over a 5 year period.
 - All business rates growth generated by the Enterprise Zone is kept by the relevant local authorities in their areas for 25 years to reinvest in the Enterprise Zone and potentially in years to come, local economic growth.
 - In addition, the Government is committed to working actively with Enterprise Zones to help to unblock any barriers to delivery, such as Department for Transport support on transport infrastructure, Department for Environment Food and Rural Affairs support on addressing environmental issues and The Department for International Trade (formerly UKTI) advice on marketing Zones to international investors.
- 2.3 One of the key projects set out in the Council's adopted Economic Development Strategy is to work to support the Kent Medical Campus, due, in summary, to the number and quality of jobs it has the potential to provide. It is this site that was put forward initially for Enterprise Zone status but working with the Kent and Medway Economic Partnership it was agreed to submit a joint bid with North Kent. Multi-site bids were encouraged by the Government. The bid was made in July 2015 and the award of this status was announced in the Autumn Statement which was reported to the Policy and Resources Committee on the 27th January 2016 when Members considered the Strategic Plan 2015-20 Refresh. Members resolved that the Enterprise Zone was one of 5 transformational actions that should be progressed.

- 2.4 The North Kent Enterprise Zone (NKEZ) is a multi-site proposal spanning five local authorities – Dartford, Gravesham, Medway, Tonbridge and Malling and Maidstone – and encompassing three schemes, namely Ebbsfleet Garden City, Kent Medical Campus and Rochester Airport Technology Park.
- 2.5 In the Autumn Statement of 2015 the Government awarded Enterprise Zone (EZ) status to the NKEZ. The EZ commences in April 2017. The most successful EZ's across the Country are ones that establish operational and implementation plans early in their life and the MOU is designed to encourage their development.
- 2.6 As stated in paragraph 2.2 one of the benefits of Enterprise Zone status is that 100% of the business rates collected must be reinvested in the Enterprise Zone. The Council could choose to borrow against this business rates income and accelerate further development on Kent Medical Campus. The options will be identified and assessed as part of the work needed to formulate a working draft Implementation Plan; this will be submitted with the MOU. In future years the business rates income from the Enterprise Zone could be used to support job creation and growth more generally in the Borough.
- 2.7 The Government's timetable requires that this submission occurs by 30th September 2016. Without an MOU in place other Government support will not be available to the Enterprise Zone. The final Implementation Plan, which needs to be submitted by March 2017, will be presented to Policy and Resources Committee for approval.
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3. AVAILABLE OPTIONS

- 3.1 It is a requirement of Government that an MOU is signed. The Council could:
- a. Ask for the content of the MOU to be amended. Any amendments would require the agreement of all Local Authorities and the Government. The NKEZ Strategic Board has discussed and reached consensus of the content of the MOU attached as Appendix 1.
 - b. Choose not to sign the MOU, however this would undermine the NKEZ partnership, potentially threaten the loss of the EZ designation and all the benefits that would flow from it.

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 That the draft MOU attached as Appendix 1 is agreed. This will ensure the MOU reaches Government by the deadline of the 30th September 2016 and that the benefits of the EZ are secured.
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5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 5.1 Members received a presentation on the delivery of the Economic Development Strategy to date earlier this year which included information on the Enterprise Zone.

6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 6.1 The MOU will be signed by all Local Authorities in the NKEZ area and submitted to Government along with a working draft Implementation Plan. A further report will be submitted to this Committee setting out the Council's Implementation Plan for the EZ.

7. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	The proposal impacts on the following corporate priority: Promoting employment.	Head of Finance & Resources
Risk Management	None arising from signing this MOU	Head of Finance & Resources
Financial	None arising from signing this MOU	Head of Finance & Resources
Staffing	None arising from signing this MOU	Head of Commercial and Economic Development
Legal	None arising from signing this MOU	Head of Legal Partnership
Equality Impact Needs Assessment	There is no specific impact arising from signing this MOU	Head of Commercial and Economic Development
Environmental/Sustainable Development	None arising from signing this MOU	Head of Commercial and Economic Development
Community Safety	N/A	N/A
Human Rights Act	N/A	N/A
Procurement	None arising from signing this MOU	Head of Finance &

		Resources
Asset Management	None arising from signing this MOU	Head of Finance & Resources
Issue	Implications	Sign-off

8. REPORT APPENDICES

The following documents are to be published with this report and form part of the report:

- Appendix I: Draft Memorandum of Understanding

9. BACKGROUND PAPERS

None