

Approved Minutes of the Thames Gateway Kent Partnership Board Meeting held in the Sunderland Room, Innovation Centre Medway, on 20 February 2018.

Present:

Board members and observers

Rob Bennett, BBP Regeneration (Chair)
Cllr Andrew Bowles, Swale Borough Council
Cllr Rodney Chambers, Medway Council
Cllr Mark Dance, Kent County Council
Cllr Alan Jarrett, Medway Council
Cllr Jeremy Kite, Dartford Borough Council
Cllr David Turner, Gravesham Borough Council
Cllr Fran Wilson, Maidstone Borough Council
Robert Goodman, Land Securities/Bluewater
Mark Heeley, Tarmac
Ian Piper, Ebbsfleet Development Corporation
Carole Barron, University of Kent
Ann Komzolik, North Kent College

Also present:

Sir John Armit, Chair of the Thames Estuary
2050 Growth Commission
Alison Broom, Maidstone Borough Council
Adam Bryan, South East Local Enterprise
Partnership
Cllr Mike Cosgrove, Swale Borough Council
Neil Davies, Medway Council
Graham Harris, Dartford Borough Council
Richard Hicks, Medway Council
David Hughes, Gravesham Borough Council
Richard Longman, TGKP
Iain McNab, BEIS
Matthew Norwell, TGKP
Sarah Nurden, Kent County Council
Joanna Rowell, Arup
Chloe Salisbury, Arup
David Smith, Kent County Council
Emma Wiggins, Swale Borough Council

Apologies:

Prof Sadie Morgan, Thames Estuary 2050 Growth Commission (Deputy Chair)
Kamal Aggarwal, Thomson, Snell and Passmore
Paul Jackson, Dovetail Games
Rehman Chishti, Member of Parliament
Julie Foley, Environment Agency
Paul Kitson, Homes and Communities Agency

Item 1. Welcome and Introductions

- 1.1. The Chairman, Rob Bennett, welcomed those present, in particular Sir John Armit of the Thames Estuary 2050 Growth Commission and colleagues from Arup and BEIS providing support to the Commission. Owing to a domestic emergency, Prof Sadie Morgan was unfortunately not able to attend. Apologies for absence were noted as shown above.

Item 2. Minutes of the TGKP Board Meeting and AGM, 14 December 2017

- 1.2. Recognising the atypical nature of this meeting, it was agreed that we would proceed straight to item 3 of the agenda and deal with other matters either at the end of the meeting or in correspondence.

Item 3. Thames Estuary 2050 Growth Commission

- 3.1. The Chairman and Matthew Norwell gave a presentation entitled "Realising Thames Gateway Kent's economic potential". Robert Goodman and Mark Heeley were invited to give a private sector perspective and emphasized the opportunities offered by the Lower Thames Crossing and by extension of Crossrail to Ebbsfleet. They also referred to the

clear benefits realized from partnership working which we should seek to build upon; and that, going forward, it was important that growth in the Thames Estuary was jobs-led.

3.2. Sir John Armitt then summarized the state of play on the Commission's work programme and set out some initial thoughts and challenges in response to the presentation and emerging evidence about the Thames Estuary area. This then flowed into a general discussion.

3.3. The note at **Annex A** provides an informal summary of the presentation and discussion set out under a series of headings, so not necessarily following the chronology of the meeting.

Item 4. TGKP Constitution – update

4.1. To be dealt with in correspondence.

Item 5. Date of the Next Meeting

24th May 2018, 4.30pm

TGKP

26 March 2018

Annex

Thames Gateway Kent Partnership Board: Meeting with Sir John Armitt, 20 February 2018

Issues discussed and points raised

Presentation

- The key messages were about recognising the scale of growth that had already occurred (equivalent of an entire additional borough the size Dartford is now since 2001) as well as the further growth proposed. If productivity (GVA per head) could be raised to the national average it would add £4bn annually to the economy; the growth proposed to 2031, even based on current productivity levels, could add a further £6bn to the economy. Improved productivity and growth could therefore make very significant economic impact. The agenda for Thames Gateway Kent needed to be employment-led rather than housing led, especially investing in and delivering higher value jobs and sectors. Areas where the Commission could perhaps lend weight to help progress on the ground were: supporting the case for Crossrail to Ebbsfleet; joined-up thinking about freight as both a threat and an opportunity; and endorsing the Thames Production Corridor concept, extending beyond creative industries.

Status of the Commission's Report and the work programme

- The Report would have no formal status. Government had asked for a Report; it would be for Government itself to decide what to do with it and its recommendations. But the impact could also be shaped by the strength of local ownership of and lobbying about the Report, resident and business engagement, and weight of media attention and "the postbag".
- TGK Partners sought assurance that the Report would be shared in draft; it was in all parties' interests that the final version had a strong measure of local ownership.
- The final report was expected to comprise an evidence base, vision document, and recommendations. The first two at least would be consulted upon and ultimately published. Arup had been appointed to assist the Commission. They were trying to look at issues in the round, exploring available policy, fiscal and regulatory levers, identifying any areas of market failure and considering what kind of public intervention might be appropriate. Education and skills was emerging as a critical strand of the evidence-gathering, and Arup were looking at every stage from early years upwards.

Thames Gateway Kent – Vision, Ambitions, Priorities

- SJA suggested most areas seeking economic growth would set out a similar vision to TGKP. The challenge was therefore to demonstrate the distinctive offer and opportunities and to promote it effectively. Currently the footloose investor was not likely to prefer Kent over other competitor locations; and in target sectors such as advanced manufacturing, other areas were ahead of Kent. On C2E (more below), the Commission was definitely interested. The Production Corridor was also plausible, and potentially unique seen as a distinctive 'spoke' emanating from the London 'hub', but SJA queried whether creative industries were likely to deliver significant or transformational GVA uplift.
- The Thames Estuary's relationship with London was critical and it was clear that London's growth was both necessary and could not be entirely contained within its boundaries. This was both a threat and an opportunity to neighbouring areas such as North Kent.

- TGK Partners agreed the need for a clear vision and that that vision should then be pursued decisively. Above all, attention should be focused on delivering communities: hard and soft infrastructure needed to catch up with housing delivery and there should be renewed attention to quality. It was suggested Government needed to play its part more fully, for instance honouring past promises on infrastructure investment in Kent Thameside, and adopting a more joined-up policy approach on regeneration of brownfield sites such as Lodge Hill.

Governance

- There remained a question as to whether SELEP was the right LEP geography, and how the appropriate arrangements for delivering impact in the Thames Estuary related to LEP architecture.
- SJA posited that locally the status quo might be politically acceptable but unlikely either to deliver transformational change or to unlock greater devolution of funding; radical change could have greater potential to deliver results but might be politically unachievable. He expected the Commission to be looking at options in the middle ground. Officers were looking at four or five alternative models of devolution and
- North Kent Leaders were not keen on an externally imposed solution, and felt that existing structures provided a foundation for greater delivery, particularly if there were greater fiscal devolution from central Government without that being tied to particular governance models such as combined authorities or elected mayors.

Housing

- Local authorities (LAs) were challenged as to whether they caved in too readily to developers rather than holding their ground on quality. Whilst there might be instances of that, the LAs' response was that Government's pressure for housing numbers trumped other considerations:
 - Refusal of planning applications on quality grounds was invariably overturned by PINS on appeal;
 - Developers would play the 'viability card' to negotiate relaxation of quality or other requirements (e.g. affordable housing);
 - Centrally-prescribed housing number requirements, either by PINS following EIP of Local Plans or, more recently, proposed by the revised CLG methodology for calculating housing need, created constant pressure to deliver on numbers. Measures like the New Homes Bonus were structured to incentivise housing numbers above quality;
 - Appeals and re-calibration of housing requirements undermined authorities' ability to demonstrate a 5-year supply, creating open season for developers to submit planning applications on less sustainable and, typically, greenfield sites.
- LAs were invited to submit further evidence on the impact of pressure to deliver housing numbers on standards and quality.
- SJA suggested that local authorities might be able to do more with their own land to secure both the quality and tenure of housing they needed and provide employment space to support more balanced communities.

- SJA indicated the Report was likely to stress that housing growth could not be expected without all the other measures and hard and soft infrastructure needed to support communities. TGK partners urged the Report to send a strong message about re-thinking the numbers-driven approach, and echoed SJA's expressed concern about central Government's tendency (over many years) to set unrealistic policy targets.

Employment – jobs and premises

- There was a strong measure of consensus over the need for growth to be employment-led. This should be a key message in the Commission's Report.
- Various illustrations were offered regarding the chronic mismatch between demand and supply for commercial premises. Locate in Kent could provide evidence about missed opportunities in terms of potential inward investors for whom it had proved impossible to find land or premises. There was a market failure in the provision of the right mix, quality and location of commercial property.
- For all the desire to attract major employers, Kent & Medway was and was likely to remain dominated by SMEs and that diversity should be celebrated and supported, not least in the interests of resilience. The Universities at Medway were leaders in a number of STEM-related fields, including engineering, materials science and medical disciplines. SJA had cast doubt on the economic clout of creative industries, but the experience in Kent was that creatives were establishing more businesses than scientists.

Education and Skills

- The skills and qualifications of the workforce were a critical factor governing the prospects for generating higher value jobs, attracting employers into Kent and thus offering an alternative for Kent residents currently commuting to London.
- Differing views were expressed about HEIs' role in equipping people with skills training appropriate to the employment market. But it was suggested that much of the blame lay with employers, one example being the way many are using the apprenticeship levy to put existing staff through management training they would have undertaken anyway, and not generating new apprenticeship opportunities.
- In looking at the evidence around education and skills, it would be important to consider the institutional arrangements around where control and influence lay; the widespread academisation of schools had left local authorities with limited leverage, and relationships between schools and businesses varied widely.
- In various arenas – and LEPs were an example – it was difficult to get the authentic voice of businesses; who sits around the LEP Board table is only part of the issue.

Infrastructure

- NK partners placed strong emphasis on the way investment in infrastructure – including transport, but also 'soft' infrastructure essential for building communities – had not kept pace with housing growth. Government had subsequently broken promises made in the era of centrally-driven Thames Gateway programmes.

- Crossrail to Ebbsfleet (C2E) seemed an obvious, common-sense intervention and SJA saw it as worthy of the Commission's endorsement for reasons including its potential to link HS1 and HS2 as well as the other connectivity benefits. However, the business case would need to be robust and lobbying forceful to command Government attention, particularly given the investment focus on the north of England.
 - Lower Thames Crossing. It was important to keep pressing the case, including the associated network improvements required and the delivery timetable. Neglect of the wider network improvements needed could result in 'backdraft' gridlock in the event of disruption. TKG partners stressed that the M2 and M20 were arteries for the UK, and that if these were blocked the UK suffered, not just Kent. It was therefore crucial to have a coherent package of transport network enhancements – roads especially, but also rail – that will enable growth over the next two decades without the grief of the last two decades.
 - SJA referred to delays on decisions such as the Silvertown Tunnel, and concern about Mayoral commitment to other east London river crossings, as indicators that nothing can be taken for granted and lobbying should be sustained.
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