

REGENERATION, COMMUNITY AND CULTURE OVERVIEW AND SCRUTINY COMMITTEE

10 APRIL 2014

ATTENDANCE OF THE LEADER

Report from: Rodney Chambers OBE
Leader of the Council

Summary

This report sets out activities and progress on work areas within the Leader's Portfolio which fall within the remit of this Committee. This information is provided in relation to the Leader being held to account.

1. Background

1.1 The areas within the terms of reference of this Overview and Scrutiny Committee and covered by the Leader are:

- Inward investment
- Regeneration
- Strategic Partnerships
- World Heritage Site Status

2. Achievements for 2013-14

2.1 Inward investment

According to Locate in Kent's half yearly report to September 2013:

Five companies invested in Medway during the first half of 2013-14 (compared to 2 in the second half of 2012-13), which led to the creation of 196 jobs and the retention of 60 jobs. Two investments were office based and two were industrial space. 11,644 square feet of property space was occupied during the first half of the year.

One of the larger office expansion projects in Medway was Rail Simulator (now Dovetail Games) which took a lease at The Observatory at Chatham Maritime. In addition, Swedish bank, Handelsbanken, has also taken space at Victory House, Chatham Maritime. Feed Me Bottles have established in Medway with assistance from a TIGER Innovation loan of £200k with the potential to create 35 jobs in the area. The business has developed an innovative

new product for heating and feeding baby milk when parents are out and about.

During the first half year, 21 new companies showed interest in Medway. Among these new projects, 95% were UK-owned companies; there was also interest from Italy (5%). Fifty three percent of companies were new to Kent, 29% were expansions or relocations within Kent and 24% were new start-ups. There are projects from most sectors including creative Industries (3), other manufacturing (2), ICT (2), Retail & wholesale (2), Tourism and leisure (2) and life sciences (1). Most other sectors attracted one new project.

2.2 Chatham World Heritage and Great Lines Heritage Park (GLHP)

Sadly the council has been advised by Department for Communities and Local Government (DCLG) that it would not support a bid for World Heritage Site (WHS) status for Chatham. The WHS Steering Group has therefore decided not to pursue a bid for WHS. However, projects and events which support the heritage of the area continue.

WHS and GLHP achievements 2013-14:

- Command of the Oceans awarded £4.5m lottery funding (£8.75m project - supported by sub-group of steering group, and CWH Manager on secondment).
- Proposals for Heritage Lottery Fund (HLF) application for Fort Amherst and Chatham Waterfront well-developed
- Supplementary Planning Document prepared, consulted upon and ready for adoption
- Two Chatham World Heritage Partnership meetings held - just under 100 attendees at each
- Hosted EU-funded international seminar on volunteering in September (10 nations represented). "Medway and its potential World Heritage Site are exemplars of what volunteers can achieve" (quote from lead partner in newsletter)
- Letter sent to Minister re: inconsistency of Department for Culture, Media and Sports (DCMS) decision not to allocated Chatham a WHS nomination date
- Revised terms of reference for steering group are being developed, to reflect new remit

2.3 **Regeneration**

2.3.1 Rochester Riverside

Rochester Riverside is a flagship project in Medway Council's regeneration programme. The site comprises 32 hectares (74 acres) of brownfield development land, stretching from Rochester Bridge to the north and Doust Way to the south. Whilst meeting the Council's objective of providing new homes and jobs for Medway, the development at Rochester Riverside will bring other benefits including a range of publicly accessible open spaces, retail and leisure facilities

as well as improvements to the 'Gateways' between the River and Rochester High St.

Development at Rochester Riverside has so far focussed on the 'Southern Gateway', located at the southern end of the site. In 2013, 73 new homes were delivered in partnership with Hyde Housing, alongside major infrastructure improvements such as the construction of the Doust Way link road, the Southern Gateway Public Square and improvements to the Bath Hard Lane 'Gateway'. The houses are now fully occupied and the public square opened.

In March 2014, the Council was successfully awarded £600,000 of grant funding from the Treasury's Coastal Communities Fund towards the 'Creative High Street' project. £200k of this funding will be used to transform the redundant rail arches at Bath Hard Lane into creative workspace units for local businesses and start-ups. Refurbishment of the arches will take place towards the end of 2014, with businesses moving in during 2015. The project will create new jobs in a key regeneration area and will support existing and new businesses in a priority employment sector.

The next phase of housing development at Rochester Riverside, Stanley Wharf, was released to the market in autumn 2013. Developer bids were received in January 2014 and a preferred developer will be selected in April 2014. Construction of approximately 70 new homes will commence in early 2015, dependent on planning approvals.

Further phases of development on site will be released to the market in the later months of 2014. Future phases will focus on bringing forward mixed use development in the 'Station Quarter' (which is located to the north of the new Rochester rail station) and on the site adjacent to Stanley Wharf.

In 2013, the Council and HCA employed a team of urban practitioners to review and update the Rochester Riverside Development Brief and Masterplan. The Masterplan has been updated to reflect current economic conditions, planning policies and design standards and will be used as a tool to enable the continued development of the site. The new Development Brief will be subject to a period of community consultation in the spring before being formally adopted as a Supplementary Planning Document in summer 2014.

In 2013, the Council was successfully awarded £4.4m of Growing Places Funding from the South East Local Enterprise Partnership. The funding will be used to construct the main spine road through the site – from Doust Way to Gas House Road – and a new council owned car park adjacent to the station. These key infrastructure works, taking place towards the later part of 2014, will further enable the development of the site.

Chatham

Chatham Big Screen

Project Summary: Public open air digital screen to be mounted on the Chatham Waterfront Pumping Station. Providing up to date international and local news, commercial advertising and Council events/services.

Progress: Planning permission with conditions was given at Planning Committee, 4 December 2013 for a screen up to 6m by 9m operating between the hours of 7am and 9pm. The tender process for the final screen including a 5 year maintenance and scheduling plan is currently in progress. The screen is expected to be in full operation by the summer subject to the full approval of Southern Water who own the Pumping Station.

Sun Pier Pontoon Phase 1

Project Summary: Fabrication and installation of a fully operational pontoon at the end of Sun Pier, Chatham. Part of the Council's drive to rejuvenate the river walk and provide better access to the Medway, one of Chatham's greatest assets.

Progress: Pontoon complete and in place, officers in Leisure services are considering future use of the pontoon with existing and new river users. Additional Phase 2 works are to follow; including refurbishing Sun Pier and additional anti-climb measures to protect the pontoon. Completion is expected by the summer.

River Walk Phase 1

Project Summary: Refurbishment of river walk from Gun Wharf to Chatham Waterfront Pumping Station including repainting of guard rail, replacing benches, bins, light lanterns and cannon carriages. Uplifting area and encouraging positive use of the river walk and access to views on to the Medway.

Progress: Works have begun with expected completion by the summer. Additional works for River Walk Phase 2; from the Pumping Station to Anchorage House (beyond Sun Pier) are being designed and priced with the potential for a new lighting scheme and increase of quality in the surfacing of the river walk and street furniture.

Big Civic Space Master Plan

Project Summary: The Chatham Civic Space is an area encompassing part of the river walk, Chatham Waterfront Pumping Station, bus station, Paddock and the northwestern entrance to the Pentagon Centre. The new bus station and the potential for developing the Chatham Waterfront Development site partnered with improvements to the river walk create an opportunity to deliver a Chatham/Medway gateway. The proposed master plan will capture this opportunity and provide a blueprint for how the various areas within the site will function and interact with visitors and shoppers.

Progress: Tender document identifying the various workstreams and surveys needed to produce the master plan is in process. Consultants are expected to be commissioned by May/June 2014 with a master plan produced by autumn/winter 2014.

Chatham Waterfront Development Site; Land Acquisitions and Medway Street Demolitions

Project Summary: Acquisition of various ownerships and interests in the area to provide a significant town centre development opportunity. Purchase and demolition of Medway Street shops adjacent to Globe Lane Car Park to prepare the Chatham Waterfront Development Site.

Progress: Contact has been made and negotiations are underway with all the landowners and interests on the site. Subject to these 3rd part landowners being in agreement the Council is aiming to acquire the interests on the site by winter 2014.

Demolition of the Medway Street shops is complete and the site is being cleared. Options to include the area as part of the existing Globe Lane Car Park are being considered, a planning application was submitted with conditional permission granted February 2014. Completion of the final option is expected by the summer.

Invest in Chatham

Project Summary: The compilation and printing of an outward facing, Chatham specific document summarising the key Council and planning policies relating to the town centre. Aimed at potential investors and developers.

Progress: Document is now complete, diary of events through the year where Medway Council could distribute Invest in Chatham is being considered.

2.3.2 Strood

In 2013 the Council was awarded £4m of Public Works Loan Board funding from the Treasury to enable the construction of a new river wall at Strood Riverside. Subject to due process and approvals the works are scheduled to take place in 2015, and will enable the site to be taken forward for mixed used development (housing, public realm and some commercial space) in 2016.

2.3.3 Rochester Railway Station

The Council is working with Network Rail to enable the delivery of the new £26m Rochester Station at Corporation Street, in recognition of the economic benefits the new Station will bring to Rochester and Medway. The station will include a new pedestrian subway, which will link to Rochester Riverside.

Construction on the new platforms commenced in early 2014. A large area of Rochester Riverside, at the north of the site, has been leased to Network Rail. Works will initially focus on the Riverside site, before

moving over to Corporation Street towards summer 2014. The building works will take approximately two years, with the new Station opening in December 2015.

2.3.4 Third Thames Crossing

The original options for a new Lower Thames Crossing were:

- Option A at the site of the existing A282 Dartford-Thurrock crossing;
- Option B which would connect the A2 Swanscombe Peninsula with the A1089;
- Option C connecting the M2 with the A13 and the M25 between junctions 29 and 30; and a variant to Option C that would additionally widen the A229 between the M2 and M20

During 2013 the government undertook consultation on these options. Medway Council responded to consultation, with our views being:

- 1) Medway Council does not support Option B;
- 2) It would be helpful to see the effects of free flow charging on the existing Dartford crossings before determining whether Options A or C Variant merit further consideration.
- 3) Medway Council believes the Variant route should be included in either option A or Option C.
- 4) We reminded government that Medway Council does not support Options D and E being reconsidered on the basis that the Department for Transport had previously ruled out these options on value for money grounds.

On 12 December 2013, the government announced that option B was dropped. Feedback on the consultation showed that Option B received limited support and would frustrate plans for development in the area.

Medway Council is represented on the officer Lower Thames Crossing Stakeholder Advisory Panel. The last meeting was on 28 January 2014, when the Panel was updated on the future work programme. The government is carrying out further work in the light of the consultation feedback to understand the possible impacts on the local areas of the remaining options. This work will also consider improvements to the surrounding routes and look at how impact on the environment may be mitigated. I understand that a further announcement will be made once this information has been considered by government.

At present, the aim of Government is to finalise the location for a new crossing. Once a decision about the location for the new crossing has been made it is likely that a number of possible routes at the selected location will be considered and consulted on prior to a preferred route being announced. If government decides to progress with option C then there could be significant impact in terms of land use and protected sites in and around Medway.

A detailed timetable for the delivery of a new crossing, including the announcement of a preferred route, will be drawn up once the location for the new crossing has been decided.

In the meantime, the government remains committed to introducing 'free flow' charging at the Dartford-Thurrock crossing from October 2014 to alleviate congestion in the short term. The system will remove the existing toll booths and allow users to pay remotely, similar to the London congestion charge.

2.3.5 Airports

The Airports Commission Interim Report in December 2013 suggested Britain's aviation needs should be largely provided at either Heathrow or Gatwick. It sadly did not finally close down the Thames Estuary airport option and is undertaking more work on this to come to a view by September 2014. I am encouraged that we still retain strong cross-party support both in Medway, across Kent and Essex for our resistance to this idea which, I have repeatedly stated, is pie in the sky. Our efforts in the coming months are to engage with the Commission and commission work proving that you cannot move 300,000 birds from the Thames Marshes, that it will increase flooding in London and the Thames/Medway estuaries, that it will cause gridlock and that it is simply, on the Commission's own figures at £112billion – unaffordable.

2.3.6 Victory Pier and Chatham Waters

Victory Pier - a development by Berkeley Homes by Gillingham Pier and next to Chatham Waters.

Berkeley originally got consent for a residential led mixed use development on site, which following amendments proposes to deliver 775 residential units.

Despite building during the most difficult economic period in decades, Berkeley's working with Medway Council has delivered so far on site the following:

- 314 Residential units, including a 60 bed extra care accommodation
- 1106 Students beds in fabulous new student accommodation blocks
- 2,170sqm of commercial floorspace and a harbourmasters office
- Part of the open space

Berkeley is currently constructing a further 71 residential units.

2 further planning applications are currently being considered for the following:

- An 80 bed Premier Inn Hotel (the principle already approved) with restaurant
- 188 further residential units
- 964sqm of commercial floorspace

- 352sqm Crèche
- Remaining open space

In addition the new applications will trigger significant S106 contributions delivering benefits to the local community and will result in 573 of the 775 planned residential units being delivered. Berkeley have continued to build through difficult times and will continue to build, utilising local labour and providing training for local people on construction, delivering a high quality transforming development on this site

2.3.7 Chatham Waters

Outline planning permission has been granted for a mixed use development comprising up to 179.297sqm of floorspace incorporating employment, residential (up to 950 units), student accommodation, hotel, leisure, conference, events, education facilities, retail (including superstore), energy centre, petrol filling station and significant public open space.

A S106 agreement was secured as part of that which will deliver significant road improvements, £300k towards the Strand, £150k to Gillingham pier improvements, £100k to Great Lines Heritage Park, £94k to infrastructure improvements, 25% affordable homes, health care facilities, bus service, education contributions, community facilities, and public open space.

A reserved matters application for a first phase including superstore, petrol filling station, dock wall, pub and restaurant and food beverage outlet with open space was refused by the Planning Committee as it simply was not of sufficient quality for this important site. The owner appealed and before the appeal was heard a further reserved matters just for the Superstore, dock wall, petrol filling station and open space was approved by planning committee. The appeal only related to the pub restaurant and food beverage outlet and the Council's decision was upheld by the Planning Inspectorate. Work on the superstore and petrol filling station is due to commence shortly.

Pre application discussions for the delivery of a University Technical College are at quite an advanced stage and a planning application will be submitted shortly with delivery anticipated within a short timeframe.

Pre application has also commenced in relation to the next phase of development which will include some commercial and residential development. Significant interest has been shown in the site from the Development Industry.

2.3.8 Rochester Airport

The council approved the Rochester Airport masterplan in January 2014. This was a key stage in bringing forward investment in improving the airport's infrastructure and freeing up land for new employment.

The masterplan was developed by consultants who considered the potential to retain a successful airport operation on the site, together with realising the release of further employment land in this prime business location. The council consulted with residents, businesses and wider interests throughout 2013 on the emerging proposals for the site.

The plan proposes the upgrading of the airport facilities through the closure of one runway and paving the main runway to improve operations. A parallel grass runway will be provided for heritage aircraft, retaining links to the respected Medway Aircraft Preservation Society on the site. The closure of the second runway will release land that can be used for new businesses, with potential for up to 1000 jobs in the area. The plan seeks to promote a successful business location, with a distinct identity linked to the area's heritage in aviation and future opportunities.

Following a tendering process, a new 25 year lease has been issued to Rochester Airport Limited to operate the facility. The operator plans to invest in improving the airport buildings and facilities to secure a successful future and provide opportunities for new aviation related businesses on site.

2.3.9 TIGER

Of the 23 businesses awarded TIGER loans to date, six have been to Medway businesses.

The value of loans awarded to Medway businesses so far is £831,000

There are three applications pending, worth £349,000

There are nine businesses for which pre-applications have been accepted, worth £3,027,500.

There is one business for which a pre-application has been accepted for an innovation centre loan, worth £50,000, which will generate 54 jobs.

If these applications are successful, this will mean that Medway businesses have secured the greatest volume of loans across the five authorities.

The cost of loan per job created/protected is £7383 in Medway, well below the Regional Growth Fund target figure of £22,000 per job.

Promotional events include:

Wednesday 26 March at Prince's Park, Dartford - showcasing TIGER successes to date.

Tuesday 1 April - a funding workshop for Medway businesses, delivered in partnership with Business Support Kent.

Wednesday 7 May – a business breakfast for Medway businesses

The 2020 B2B exhibition in May.

The Medway and Kent manufacturing and engineering expo in October.

2.3.10 Apprentices

Medway's GAPS apprenticeships scheme started in 2011, when Medway's youth unemployment rate was 16.5%, compared to a national rate of 12.4%. Medway Council has invested £100k per year for the last three years, and attracted £150k of European funding over the same period, placing 200 apprentices in 140 businesses during that time.

The number of apprentices in Medway has doubled from 1400 in 2010 to 2870 in 2013. Together, Medway Council and partner organisations across Medway have contributed to a closing of the gap between Medway's youth unemployment rate and the national rate (it is now 2.3% higher, compared to 4.1% higher in 2010).

The scheme has focused on 19-24 year olds, targeting small businesses (20 or fewer employees) in key sectors where there are skills shortages, such as engineering, manufacturing and IT. Half of the placements have been in micro-businesses with fewer than 10 employees, and 20 of the apprentices have been recruited from long term unemployed backgrounds via the Work Programme, delivered by Employ Medway. Our activity has also enabled 70 small businesses to access further government grants, totaling £155k.

2.4 Local Enterprise Partnership (LEP)

The LEP have now submitted a bid for funding to Government. Over the whole LEP (Essex, Kent & Medway and East Sussex) the LEP is committed to build 100,000 new homes and create 200,000 jobs by 2021.

The document contains specific asks for Kent & Medway and I am pleased that the LEP has agreed a federated structure so there is, what I wanted all along, local decision-taking and delegation of budgets. In Kent & Medway we have a Kent & Medway Economic Board made up of Council Leaders (including myself) and local businesses. That is a far better way of doing business than expecting a centralised LEP to have detailed knowledge of what we want in Kent & Medway. The schemes we have submitted for funding are:

- A289 Four Elms to Medway Tunnel - upgrades to road network
- A228 Grain Level Crossing Removal
- Chatham Town Centre Improvements
- Chatham Station Upgrade

- Strood Town Centre Improvements
- Strood Station Upgrade
- Medway City Estate Accessibility
- Integrated Transport Schemes
- Capital Funding for Medway Tunnel
- Cycling Action Plan
- UCA Campus Upgrade
- Rochester Airport Business Park Development
- Rochester Riverside Managed Workspace
- Strood Civic Centre Flood Defences
- Temple Waterfront Infrastructure
- Pentagon Chatham Area Improvements
- Site Adjacent to Tesco's, Chatham Infrastructure Improvements
- Mid-Kent College Improvements

We await feedback from Government.

In total Medway is bidding for £84.05million over 6 years.

Lead Officer

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Background papers

None