

REGENERATION, CULTURE AND ENVIRONMENT OVERVIEW AND SCRUTINY COMMITTEE

22 JANUARY 2019

ATTENDANCE OF THE PORTFOLIO HOLDER FOR INWARD INVESTMENT, STRATEGIC REGENERATION AND PARTNERSHIPS

Report from: Portfolio Holder for Inward Investment, Strategic
Regeneration and Partnerships Councillor Rodney
Chambers, OBE

Summary

This report sets out progress made within the areas covered by the Portfolio Holder for Inward Investment, Strategic Regeneration and Partnerships Councillor Rodney Chambers, OBE which fall within the remit of this Committee.

1. Background

1.1 The areas within the terms of reference of this Overview and Scrutiny Committee covered by the Portfolio Holder for Inward Investment, Strategic Regeneration and Partnerships Councillor Rodney Chambers, OBE are:

- Inward investment
- Strategic Regeneration and Planning
- Strategic Partnerships
- Local Growth Fund
- Medway Ambassadors
- Heritage Champion

1.2 Achievements for 2018 are detailed by service area below:

2. Inward Investment

- 2.1 Medway Council increased its level of financial support for inward investment in 2015 in order to raise its profile as a desirable location for businesses. Medway Council and Kent County Council (KCC) worked in partnership to procure a new inward investment contract worth £3 million over three years, which commenced in August 2016. Medway Council was fully involved in the tender assessment to select Locate in Kent as the preferred service provider. In agreement with KCC the contract has now been extended by 12 months to August 2020. Medway Council will contribute £280,000 over the contract period. KCC and Medway Council Economic Development Officers hold monthly contract management meetings with Locate in Kent to monitor performance. The Director of Regeneration, Culture, Environment and Transformation and Deputy Chief Executive is a Board Member on Locate in Kent.
- 2.2 A significant inward investment attractor to businesses has been the award of Enterprise Zone status for Innovation Park Medway (Rochester Airport). Companies that locate to the site will benefit from up to £55,000 in business rates relief per year, for a maximum period of five years (total maximum incentive £275,000 per business). Central government will reimburse the cost incurred by Medway Council in providing this discount and in addition the Council will retain 100% of business rates uplift for 25 years. The first Enterprise Zone business, Kent, Surrey & Sussex Air Ambulance (KSSAA) relocated to the site this summer, bringing 30 jobs to the area. Innovation Park Medway was launched at the newly built KSSAA facility on 18 September 2018 and subsequently 15 serious enquiries have been received from businesses wishing to invest in new premises.
- 2.3 Overall, 2018 was a good year for Medway for successful investments and jobs created and retained. London Medway Commercial Park at Kingsnorth saw two significant new investments with three of the nine plots on the 102 acre site now occupied and planning applications submitted for the remaining six. Sicame, a French high voltage electrical manufacturing company relocated from Erith bringing 60 jobs with plans to expand at the new site. Amazon have built a new distribution centre with the creation of around 200 jobs (of those jobs filled so far, the vast majority are Medway residents, and the agency recruiting future posts are aiming to recruit as many Medway residents as possible). Inward investment companies that were assisted by Locate in Kent to invest in Medway during 2018 are given in Table 1 below.

Table 1: Companies investing in Medway, January to December 2018

Company	Nature of Success	Jobs Created (3 Years)	Jobs Retained	Sector	Sq. Ft.	Country of Origin
Sicame	Relocation to Medway	40	60	Manufacturing	65,000	UK Erith
D & G Assist	Expansion to Medway	35		Service	8,000	UK Essex
Amazon	Expansion to Medway	200		Distribution	300,000	UK

- 2.4 In addition to the companies assisted to relocate, Locate in Kent assisted seven Medway businesses with specialist manufacturing and skills advice.
- 2.5 During 2018 a total of 532 jobs were created and retained (394 created + 138 retained) compared to 607 in the previous year.
- 2.6 The balance of jobs created (i.e. those not stemming from the Locate in Kent contract) arise from our in-house business support work, including grants and loans, and the services offered at the Innovation Centre Medway.

3. Strategic Regeneration & Planning

- 3.1 As part of my Portfolio I am responsible for securing strategic investment to aid the delivery of the Local Plan and regeneration vision (Medway 2035).

Medway 2035 has been widely consulted upon, including public consultation from March to June 2018 in line with the Local Plan consultation.

In December 2018, the Cabinet noted the publication of a number of evidence based documents supporting the preparation of the Local Plan, including Medway 2035 Regeneration Strategy.

The following provides an update on current strategic regeneration schemes in Medway:

3.1.1 Rochester Riverside

In March 2017, a Development Agreement was signed between Medway Council, the Homes and Communities Agency and Countryside Properties, (working with The Hyde Group) to take forward the development of Rochester Riverside. Planning permission was received in October 2017 and the related Section 106 agreement was signed in January 2018. Up to 1,400 homes are scheduled to be built, as well as a new school, nursery, hotel, restaurants, gym, office space and a number of retail units. Construction began on site in November 2017 and Phase 1 transferred in April 2018, with Phase 2 completing in November 2018, almost 1 year ahead of schedule.

The marketing suite, show flat and station square are now open to the public and the show houses available in December 2018 and February 2019. A topping out ceremony is planned for February 2019 with the first homes becoming available in Q2 2019. The Travelodge hotel started on site in September 2018 and is due for completion in September 2019.

3.1.2 Chatham Waterfront Development Site

The Council has now acquired all of the necessary interests to bring forward Chatham Waterfront Development site. Outline planning permission was granted in March 2017.

The Council has also completed its negotiations with Richard Watts Charity in regards to the option agreement for the site to enable the site to be transferred to Medway Development Company Ltd.

Medway Development Company Limited are currently completing their planning designs for submission and aim to receive transfer of the site in February 2019.

3.1.3 Chatham Placemaking

Works related to the £4 million Local Growth Fund investment began on site in June 2017 and are now complete, with the exception of the Paddock which was postponed until after the Christmas holidays; these works should be complete by April/May 2019. Works on improvements to Chatham station forecourt, being led by Network Rail, have begun and should also be complete by April/May 2019.

The Energy Performance Certificate (EPC) works to the old Fire Station are underway, and a tenant has been appointed; they will be starting the fit out of the premises early 2019.

3.1.4 Strood Waterfront

£3.5 million LGF funding was awarded for flood risk management works to enable the regeneration of the former Civic Centre site in February 2018. The flood defences will enable the development of the brownfield Civic and Riverside sites. All of the funding has now been spent to profile, and the works are expected to be complete in February 2019, six weeks earlier than expected. The flood works on the Riverside site on Canal Road will be complete in May/June 2019.

The Strood Development Brief was adopted by Cabinet in June 2018; the illustrative masterplan details the potential for 564 homes on the Civic site and 602 on Riverside.

It is expected that the Civic site will be marketed early 2019, followed by Riverside in 2020; it is intended that this approach will increase the interest in Strood and avoid saturating the market.

3.1.5 Innovation Park Medway

£4.4 million LGF funding was awarded for the Phase 1 Rochester Airport Improvement works in 2016. These works are due to begin March 2019 for a period of 12 months and will include two new hangars, two refurbished hangars, a new control tower and hub building and upgraded runway lighting and parking facilities. The delivery of the works will release the land required for the creation of Innovation Park Medway. This phase of the project will deliver the enabling infrastructure required to bring forward development on the newly released land, which will form Innovation Park Medway (Phase 2).

SELEP awarded £650,000 from the Growing Places Fund in order to deliver the enabling infrastructure required to bring forward development of the southern site at Innovation Park Medway. The Southern Phase of the development will be completed by March 2020.

A bid for £3.7 million of LGF funding has been agreed by SELEP, and the final Business Case will be determined in February 2019.

The 2014 Rochester Airport Masterplan has been reviewed and refreshed and is due to be adopted in March 2019. The following benefits are expected to be achieved through this LGF investment:

- To bring forward 1,365 new highly skilled employment opportunities in engineering and technology, with the first jobs being delivered in 2021. These jobs will facilitate the upskilling of the local workforce.
- Development on the site will deliver commercial workspace totalling approximately 38,500m² (gross external area).
- The site will be enabled for future occupants, and this project will deliver the first section of the enabling infrastructure and take advantage of the benefits offered by the Enterprise Zone. The site will be enabled by the end of 2020.
- The project will encourage businesses to the site where they can benefit from being within an Enterprise Zone. The site will be actively marketed in 2019, with an emphasis on the benefits available to companies who invest within an Enterprise Zone.

Initial benefits will be realised by 2021, with the vision that in the long-term the site is extended to include the southern site to deliver a thriving innovation park.

Work is also underway on the development of a Local Development Order, which is a simplified planning mechanism with truncated approval timescales, and companies are expected to occupy the site by 2021/22, prior to Enterprise Zone expiry in March 2022. The Local Development Order is due to be adopted in July 2019.

The final two planning applications for the LGF2 works were submitted to Planning Committee in December 2018 and the Committee resolved to approve both. The heliport application approval has been issued. With regards the hub building, we are awaiting formal confirmation from Highways England that they have no objection which is expected shortly. Works are due to start in March 2019 and complete in March 2020

4. Strategic Partnerships

4.1 Medway Council has since 2015 been successful in securing £40.2 million of LGF funding for eight projects. In October, a bid for a further £1.89 million for the Britton Farm Mall in Gillingham passed to the second stage of consideration, with a decision expected early 2019.

4.2 The North Kent Enterprise Zone (NKEZ) consists of three sites at Ebbsfleet, Kent Medical Campus and Innovation Park Medway. The NKEZ strategic board is chaired by Bernard Spring and continues to meet with Medway Council represented by myself and the Leader. The Board oversees the governance arrangements for the overall Enterprise Zone, and reports on key

performance indicators. NKEZ administrative support is provided by Thames Gateway Kent Partnership and NKEZ marketing through Locate in Kent.

5. Medway Ambassadors

- 5.1 The Medway Regeneration Ambassadors have continued to meet, with an annual programme developed capturing regeneration activities linked to the future of town centres (with a specific focus on Gillingham), regeneration and air quality and finally, regeneration's contributions to the Local Plan. There are currently 21 Community Ambassadors. In 2019, Ambassadors will be encouraged to work with the Communications team to raise awareness of the scheme to both re-engage existing Ambassadors and to recruit new ambassadors.

6. Heritage Champion

- 6.1 Operational responsibility for heritage lies with the Deputy Leader and Portfolio Holder for Housing and Community Services.
- 6.2 The role of Heritage Champion is a strategic role, promoting heritage in Medway and working with key partners to ensure a joined-up approach and to encourage links between heritage, regeneration, planning and inward investment. The Fitted Rigging House Project within the Historic Dockyard is an excellent illustration of this approach.

Appendices

None

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Background documents

None