

REGENERATION, CULTURE AND ENVIRONMENT OVERVIEW AND SCRUTINY COMMITTEE

22 MARCH 2022

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

Portfolio Holder: Councillor Rodney Chambers (OBE), Portfolio Holder for Inward Investment, Strategic Regeneration and Partnerships

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:

- External Funding including Local Growth Fund
- Inward investment
- Strategic Partnerships
- Strategic Regeneration and Planning.

1.2. Achievements are detailed by Service area below.

2. External Funding including Local Growth Fund

2.1 Local Growth Fund (LGF)

2.1.1 Since the introduction of LGF in 2015, the South East Local Enterprise Partnership (SELEP) has awarded over £40m investment in Medway. Successfully completed projects include Chatham Town Centre Placemaking and Public Realm Package £4.2m, Medway Cycling Action Plan £2.5m and Strood Civic Flood Defences £3.5m.

2.2 Rochester Airport LGF – Innovation Park Medway Phase 1

2.2.1 Rochester Airport was awarded £4.4m of LGF finance to improve infrastructure and enable the delivery of Innovation Park Medway (IPM), the Airport LGF has been spent. In addition, IPM was awarded £3.7m LGF finance to enable the delivery of 100,000sqm of high quality commercial floorspace. SELEP awarded a further £1.5m LGF3b for IPM to deliver Phase 3 extended infrastructure for the site.

2.3 Strood Town Centre Journey Times and Accessibility Enhancements LGF

2.3.1 The Strood Town Centre LGF project was awarded £8.6m LGF to deliver public realm, highways and accessibility improvements. Works are now complete with interventions including traffic signal improvements to facilitate faster journey times; improved public realm and architectural lighting to a number of key town centre locations; pedestrian crossing facility enhancements; and public transport infrastructure improvements. Key transformative elements included:

- Reconfiguration of the Knights Road/Commercial Road junction;
- Removal of block paving and resurfacing to High Street;
- Architectural lighting installation to St Nicholas church and x3 railway bridges;
- Linking traffic signals across the High Street to better co-ordinate traffic control;
- Review of parking & loading restrictions across High Street;
- Repaving of High Street and Commercial Road with high quality, durable materials; and
- Improvement to Commercial Road car park which can now accommodate public events with on-site power provision.

2.4 Medway City Estate Connectivity Improvement Measures LGF

2.4.1 The Medway City Estate project was awarded £2.2m LGF. Initial interventions saw the installation of traffic signals to the east of the Medway Tunnel along with works to the Anthonys Way/Berwick Way roundabout entrance splays and were completed by 2019. These improvements provided an increase in capacity during peak times and helped to provide opportunities in traffic flow for vehicles to exit the estate onto the Anthonys Way roundabout.

2.4.2 A period of extensive engagement and consultation with businesses located on the estate, to ascertain the most effective and supported proposals to improve connectivity and congestion, then followed. Additional parking and loading restrictions were installed along Anthonys Way to improve capacity on the approach to the Anthonys Way roundabout and improve road safety. The resulting, primary element of the improvement works, the installation of a dedicated traffic slip road from Anthonys Way on the Medway City Estate to the northbound Berwick Way, began construction in September 2021 with

scheduled completion Spring 2022. The LGF funding is on track to be spent by March 2022, in line with SELEP requirements.

3. Growing Places Fund (GPF)

- 3.1 Since the introduction of Growing Places Fund (GPF) loan funding in 2015, SELEP has awarded Medway Council over £8m of loan funding for three projects: Chatham Waterfront £3m GPF, Rochester Riverside £4.4m GPF and Innovation Park Medway £0.65m GPF. To date, Rochester Riverside GPF has been fully repaid. All remaining repayments are due this financial year, these include Chatham Waterfront £1m and IPM £600k.
- 3.2 Medway Council also supported a successful application for a loan of £0.55m for the Fitted Rigging House project with Chatham Historic Dockyard Trust. The project has been successfully delivered on time and budget, and the first £100,000 repayment is expected to be repaid by the 31 March 2022.

4. Getting Building Fund (GBF)

- 4.1 As a direct response to support economic recovery from the Covid-19 pandemic, Government announced Getting Building Fund (GBF) in June 2020, with an unprecedented two-week turnaround for project proposals. It required shovel-ready infrastructure projects, agreed with mayors and Local Enterprise Partnerships to boost economic growth, and fuel local recovery and jobs. The Council submitted two projects for GBF.
- 4.2 Britton Farm Redevelopment: Learning, Skills and Employment Hub
 - 4.2.1 In August 2020, SELEP's allocation of GBF from Government was announced and with support from Kent and Medway Economic Partnership (KMEP) and SELEP, the Council's Britton Farm Redevelopment Learning, Skills and Employment Hub business case was successfully awarded £1.99m.
 - 4.2.2 The Britton Farm redevelopment is being delivered by Medway Development Company (MDC), and will deliver 450sqm of skills space at the Learning, Skills and Employment hub, residential development of 44 affordable homes and public realm interventions. The GBF funding is on track to be spent by 31 March 2022, in line with Government requirements.
- 4.3 Innovation Park Medway: Smart Sustainable City of Business
 - 4.3.1 In July 2021, the Council's Innovation Park Medway Smart Sustainable City of Business project was awarded £778,000 Get Building Fund (GBF). This funding will enable the delivery of a catalytic section of the Runway Park, which will create a sustainable 'City of Business' and deliver 310 new GVA gross operational jobs as well as additional health benefits. The works include:

- Footpath and pavement;
- Landscape and public realm;
- Planting;
- Street furniture; and
- Preparatory ground works.

4.4 The GBF element of IPM is being delivered alongside the other phases of IPM. The GBF is on track to be spent by March 2022, in line with Government and SELEP requirements.

5. Strood Waterfront

5.1 In February 2018, £3.5m LGF funding was awarded for flood risk management works to enable the regeneration of the former Civic Centre site. The flood defences enable the development of the brownfield Civic and Riverside sites. Works on both sites are now complete, with the exception of the installation of the floodgate on the Civic site (which will be complete once the Rochester Bridge Trust works have ended), alongside the finalising of the car park at Strood Railway Station on the Riverside site. Both of these elements are anticipated to be complete in Summer 2022.

5.2 The Rochester Bridge Trust (RBT) has confirmed that the flood defence wall should be moved back, so that the footings sit entirely on Medway Council land. A formal agreement with RBT has been requested.

5.3 Discussions are underway to re-instate the Strood Community Trail, along with the installation of recovered historical Dragon's teeth and an interpretive panel to detail their historical purpose.

6. Rochester Riverside

6.1 In March 2017, a Development Agreement was signed between Medway Council, the Homes and Communities Agency (HCA) and Countryside Properties, (working with The Hyde Group) to progress the development of Rochester Riverside. Planning permission was granted in October 2017 and the related S106 agreement was signed in January 2018. The construction of the homes continues with a health and safety social distancing plan in place.

6.2 Up to 1,400 homes will be built, as well as a new school, nursery, hotel, restaurants, gym, office space and retail units. Construction began in November 2017, Phase 1 and 2 have both been completed and all 331 homes are occupied. Phase 3 is under construction with 51 reservations to date out of the homes currently released for sale. In Phase 4 (a) the works for the retirement homes and the school site, have commenced, with the construction of the school is underway and due to be completed in September 2022. Work is underway with regards to a deed of variation for the development agreement for Phase 7 to the next site to be drawn down, later this year. The Travelodge, a Co-op and a Costa store have opened ahead of schedule.

6.3 Countryside are in discussions with the Council’s Education Team and the Department for Education, work is continuing to complete the funding agreement, agreement for lease and lease of the school site with the DfE and Academy Trust. The following sales values have been achieved for the site:

Rochester Riverside Phase 3 – Price range		
Unit type	Price range £	Comments
1B Apartment	230,000 - 255,000	Higher values in Block 3C
2B Apartment	285,000 - 360,000	Higher values in Block 3C
2B House	400,000 - 420,000	
3B House	520,000 - 555,000	
4B House	600,000 -725,000	
5B House	740,000	

7. Future High Streets Fund (FHSF)

7.1 Future High Streets Fund (FHSF) was announced by Ministry of Housing, Communities and Local Government (MHCLG) in August 2019. The Council submitted an Expression of Interest, which was then followed by a comprehensive business case being worked up. The FHSF bid was submitted in May 2020, with a clarifications process worked through to October 2020. An in-principle award was made in December 2020, with revisions to the proposals submitted in February 2021. In April 2021 it was confirmed that Medway Council has secured £9.49m Future High Streets Fund from DLUHC (Department of Levelling Up, Housing and Communities), to deliver multiple projects in the heart of Chatham that will transform and re-shape the Town Centre by March 2024. The projects include:

- Transforming the Pentagon Centre Mountbatten Enabler: City square and Public Realm
- Transforming Debenhams
- Innovation Hub Medway
- St Johns Church
- The Brook Theatre
- Healthy Living Centre

8. Levelling Up Fund (LUF)

8.1 Levelling Up Fund Round 1

8.1.1 Three Levelling-Up Fund (LUF) bids, totalling £34m were submitted to Department of Levelling Up, Housing and Communities (DLUHC) in June 2021. The bids included: Greenway (£8.4m) for the creation of a 1.4km active travel corridor from Gillingham waterfront to the train station, following the line of the disused railway. Gateway Building Innovation Park Medway (£11m) for investment in innovative business space. Cultural and Commercial Provision in Chatham (£14.4m) for investment in workspace and business support across three sites; Brook Theatre, Fitted Rigging House and The Docking Station. LUF was a competitive process, and the Government ranked places

in three tiers according to perceived need for investment from LUF, capacity funding was allocated for tier one priority areas; Medway was in tier two.

8.1.2 In October 2021, it was announced that the Council was successfully awarded £14.4m LUF across its Chatham package of three projects. The projects aim to address the income, productivity and skills challenges Medway faces through investment in the cultural and creative industries, strengthening an existing cluster within Medway. The modernisation and refurbishment of the Brook Theatre awarded £6.5m, will deliver affordable creative workspace to sit alongside digitally enhanced and upgraded accessible performance and rehearsal space. The Docking Station project, awarded £5.7m, will creatively repurpose an historic asset through delivering an innovative business incubation, research and teaching facility, and will promote collaboration between industry and academia, delivered by the University of Kent. The Fitted Rigging House, awarded £2.2m, is to be delivered by the Chatham Historic Dockyard Trust and is the second phase of a project that will bring back into use a Grade 1 listed building, to deliver a mix of larger format office floorplates, and aims to create a pathway for growth for creative industries to establish and upscale in Chatham.

8.1.3 The three projects are progressing; an inception meeting was held with Government and Programme Management Update document submitted in December 2021. Completion of the Grant Funding Agreement and Memorandum of Understanding is expected in February 2022. Mirror funding agreements between the Council and delivery partners are to be worked up. The first payment of LUF funds is expected by March 2022.

8.2 Levelling Up Fund Round 2

8.2.1 DLUHC will provide feedback on the Council's two unsuccessful LUF round 1 submissions in January 2022. An announcement of funding for LUF Round 2 is expected Spring 2022 with decisions on bids envisaged to be made in the Autumn. Further detail on the criteria of funding is yet to be announced.

9. Inward Investment

9.1 Medway Council increased its level of financial support for inward investment to £70K p.a. in 2015, to raise its profile as an attractive location for businesses. Medway Council and Kent County Council (KCC) jointly oversee an inward investment contract with Locate in Kent, which was retendered in 2021 extending the contract to 30 April 2023. This coincides with the end of the match funding provided by the European Regional Development Fund (ERDF).

9.2 The main aim of the contract is to develop innovative and creative solutions to secure inward investment in Medway and Kent. key features are securing external investment into Medway to create jobs, promoting Medway to overseas markets and maintaining close contact with investing businesses through an aftercare programme.

- 9.3 The new contract running between August 2021 and April 2023 has a total contract value of £1,666,667, with Medway Council and Kent County Council providing £916,667 with a further £750,000 provided by the ERDF.
- 9.4 A significant inward investment attractor to businesses has been the award of Enterprise Zone status for the Innovation Park Medway (IPM). Companies that locate on the site can benefit from up to £55,000 in business rates relief per year, for up to five years. 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 on the site for 25 years.
- 9.5 Infrastructure development of IPM is ongoing with the site masterplan and Local Development Order (LDO) which offer further incentives to businesses from a streamlined planning system. Interest in the site remains buoyant and marketing agents for the site have been appointed.
- 9.6 A significant success was Amazon locating at Medway One in 2019. Locate in Kent is facilitating several businesses to move to the Medway One, Thames Port and IPM development opportunities with announcements expected during 2022.

10. Strategic Regeneration and Planning

- 10.1 The Council is undertaking an intensive programme of strategy refresh. Medway 2037 addresses development work which spans regeneration, economic development, employability and skills. This is being funded through the Additional Restrictions Grant Fund (ARG) and overseen by the Assistant Director Regeneration, with stakeholder consultancy led by SQW, who were successful via tendering process in Autumn 2021.
- 10.2 The work programme commenced in October 2021 and will be completed by 31 March 2022, except for the River Strategy, which is due to be completed in late Spring 2022. SQW have undertaken an extensive stakeholder engagement, with both external and internal stakeholders. The draft suite of strategic documents will be presented to Overview and Scrutiny Committee on 22 March 2022, before making its way to Cabinet.
- 10.3 The strategy refresh responds to key societal, socio-economic, and political agendas which are now highly material to Medway's growth agenda including Climate Change, Levelling Up and technological challenges and opportunities, whilst also ensuring the Council is positioned to capitalise on both existing and emerging funding opportunities for the economic regeneration of Medway and delivering growth for all.
- 10.4 Medway 2035, Skills and Employability Plan 2035 and the accompanying action plans were previously adopted by Medway Council, and these strategies have been refreshed as opposed to rewritten. The Innovation Strategy, which was adopted by the Council in 2014, has been substantively rewritten. There has never been a finalised Town Centres Strategy before, only a draft prepared in 2018, and the use of town centres has also evolved considerably during the pandemic, so this has also involved a considerable rewrite.

10.5 Design work on the strategies is currently under consideration and will be finalised and incorporated in advance of the strategies going to Cabinet. There is a paper elsewhere on this agenda to update Members on Medway 2037.

11. Skills

11.1 The Medway Skills Partnership Boards continue to drive forward the skills programme. Consisting of an Officers' Board, a Members' Board and a Skills Stakeholder Board, the structure is in place to ensure the delivery of the Skills & Employability Plan for Medway and to ensure that stakeholders are proactively consulted with when addressing barriers to employment. The Board is chaired by Chris Hare, Executive Director for MidKent College and its membership comprises of local businesses, DWP, FE, HE, schools, and the VCS.

11.2 The Skills & Employability Plan for Medway has been delivered against since 2019, and significant progress has been made in delivering against the action plan. Employer engagement has been strong, with a Brighter Futures event held to educate businesses on the benefits of employing care leavers, a board for Health & Social Care set up to focus on skills challenges and the Kent & Medway Apprenticeship Levy event held for businesses.

11.3 Central to ongoing work is bringing schools, college and businesses together through our Enterprise Coordinators to improve careers outcomes. The Enterprise Adviser network has developed now supporting 25 mainstream, special and PRU schools in Medway, 32 business people support those schools as Enterprise Advisers. The model has now expanded to recruit a second Enterprise Coordinator, moving to a Careers Hub model which provides even more careers support for schools.

11.4 A new Medway Apprenticeship Advice Service has been commissioned for 2020/2021 to support businesses in navigating the apprenticeship system. Skills information is now available on the Medway for Business website which enables businesses to benefit from our range of projects. The service has supported over 40 employers and assisted with the placement of over 20 apprentices to date. Medway Council has also supported the third Kent & Medway Apprenticeship Graduation which was once again online, with a record number of attendees.

11.5 Medway Council continues to support National Apprenticeship Week each year, with the Skills team working with the Medway Apprenticeship Academy. This year, an online information event was organised with BAE systems, attracting over 80 attendees, alongside a variety of schools fairs and other school activity from the likes of Lower Thames Crossing. The apprenticeship academy created a virtual wall identifying how apprenticeships were being utilised within the organisation to progress and develop careers from entry level to senior manager. An apprentice's appreciation tool was also created where managers could thank their apprentices for the valuable work they perform. Case studies were also shared on social media raising awareness of our staff.

11.6 Funding was secured from the Construction Industry Training Board, for an employability and scaffolding training programme, with guaranteed job outcomes for

those who complete. This was delivered in October in partnership between Medway Adult Education and a construction company O'Halloran & O'Brien. 4 weeks of intense training for 16 residents was delivered encompassing construction training and employability support. All 16 received a guaranteed interview, with 8 moving into work and 4 into Further Education.

- 11.7 £100,000 funding has been secured to commission a Supported Employment service, with the goal of supporting 60 people with learning disabilities or Autism aiming to move 20 into employment or positive destinations. This started in August 2020, and despite a COVID interrupted year, 15 have entered further education or training, 12 have started work experience or voluntary work and 17 have entered employment.
- 11.8 £100,000 was secured from the Modern Medway Fund to create bespoke provision for 16-18 year old NEETs. The first project is underway in partnership with MidKent College who have created a programme which includes intensive re-engagement, a carousel of vocational areas and preparation for employment. Seventeen young people attended the first open day.
- 11.9 As part of the grant fund, investment has been made in a new officer role with focus on the education, employment and training outcomes for care leavers. This is an important step to provide the right support to enable our young people to fulfil their potential.
- 11.10 Medway Council is contributing to a Kent and Medway Employment Taskforce, designed to respond to a growing employment crisis in a post-COVID-19 world. Councillor Rodney Chambers OBE is the Deputy Chairman.
- 11.11 As a response to COVID-19, a new Skills Grant was created utilising Additional Restrictions Grant funding. The grant supported the creation of apprenticeships, supported employment opportunities, supported internship opportunities, Kickstart retention and a flexible training bursary. The programme is on target to fully utilise the £900,000 assigned by March 2022.
- 11.12 The Skills & Employability Plan for Medway is currently being refreshed, with partners widely consulted and new national policy and COVID-19 impact factored in. The refreshed plan will be complete by the end of March 2022, and will also address the need for re-skilling as new employment opportunities emerge.
- 11.13 In 2020, £1.99m was secured from GBF, with £1m being spent on the development of the first floor of Britton Farm Mall, to be redeveloped into a new Learning, Skills and Employment Hub. It will be the home of Medway Adult Education in Gillingham, with a focus on work skills, English and maths and digital training, including a new training kitchen. It is on target to be ready in March 2022.

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Appendices

None.

Background papers

None.