



Progress Report 2017/18

North Kent  
Enterprise Zone



## Introduction

The North Kent Enterprise Zone (NKEZ) went 'live' on 1 April 2017. This short report highlights milestones achieved during the NKEZ's first year, some of the key issues, opportunities and challenges encountered, and looks ahead to expectations for the future.

The backdrop for the past twelve months has been characterised by uncertainty. The lack of clarity over the nature of the UK's relationship with Europe post-Brexit has undoubtedly affected market appetite and some businesses' investment decisions in the short-term.

The knock-on effect on locational and contractual decisions has slowed the pace of activity in some quarters. We have also seen political uncertainty, with a General Election and some shift of emphasis in central Government policy, for instance in Industrial Strategy between the Green Paper of January 2017 and White Paper in November 2017. Other factors affecting the delivery climate at a Kent & Medway level have included the prolonged gestation of the report and recommendations from the Thames Estuary 2050 Growth Commission and the review of Local Enterprise Partnerships.

Against this backdrop, NKEZ partners have been proactive in helping to deliver the NKEZ sites to enable businesses to move in and start to generate new jobs and growth. Different aspects of progress are considered thematically.

## Planning

Securing a robust and streamlined planning regime for NKEZ sites is a key priority for partners. Progress has been mixed. Positive developments include:

- Renewed outline planning consent granted for Kent Medical Campus for 10 years (June 2017).
- Outline planning consent granted for employment and commercial development at Northfleet Embankment East (May 2017).
- Detailed planning consent granted for modular housing factory on Northfleet Embankment (January 2018, finalised May 2018).
- Affirmative decisions by Medway Council and Tonbridge & Malling BC to prepare a masterplan for Innovation Park Medway with a preferred approach of following this with Local Development Orders.

Two key planning issues have delayed progress and affected the respective delivery timetables at Innovation Park Medway and Ebbsfleet.

- The application for reconfiguration of Rochester Airport was amended and subsequently granted consent in March 2017. A second, more substantive application was submitted in summer 2017 but required additional information before it could be determined.
- At Northfleet Embankment West, Ebbsfleet Development Corporation resolved to grant outline planning permission for a comprehensive mixed-use development scheme in January 2017 subject to a s.106 agreement. Negotiations around the s.106 have been complex and protracted and consent cannot be confirmed until all issues are resolved.





## Delivery

The first year of any initiative always presents a challenge to try and match expectation with action. Planning and implementation delays have pushed back delivery of some components, but good progress has been made with others. Highlights of delivery to date include:

- Construction and completion of the internal spine road – Gidds Pond Way – at Kent Medical Campus with associated infrastructure, opening up development plots.
- Construction of the Cygnet Hospital, due for completion in July 2018.
- Site preparation for the step-down care facility at KMC.
- Construction of the Kent Surrey & Sussex Air Ambulance HQ at Innovation Park Medway, due for final completion in June 2018.

## Jobs

It is estimated that 85 construction jobs have been provided across the schemes at KMC and Innovation Park Medway.

## Funding and finance

Initial expenditure and investment in NKEZ is relatively modest, but coupled with committed projects and proposals in development amounts to a pipeline of around **£60m** public and private investment in NKEZ sites.

All enterprise zones provide monitoring information to central government on a range of metrics including public and private capital and revenue spending on a quarterly basis.

## Capital

The table below summarises the data reported in 2017-18.

Capital Spend Reported (£)		
Public	Private	Total
186,545	3,095,000	3,786,545

Reported spend includes circa £1m relating to the 65-bed Cygnet Hospital, though it should be noted this is an **£18m** investment, substantial components of which would be expected to have been expended under contracts in 2017-18.

The remaining reported private investment relates to the Kent Surrey & Sussex Air Ambulance building at Innovation Park Medway (around **£2m**).

In addition, the landowners of Kent Medical Campus have invested **£1.5m** in providing the internal access road and associated infrastructure, completed in summer 2017. The new 70-bed step-down facility at Kent Medical Campus, due for completion in 2019, represents a further **£10m** commitment.

Public investment committed to date or pending totals around **£27.85m**:

- Kent CC and Maidstone BC successfully bid for **£4m** National Productivity Investment Fund (NPIF) for improvements to the Bearsted Road and New Cut Road roundabouts, which serve KMC and adjacent sites. WSP consultants are carrying out design work for KCC.
- A complementary bid to Highways England's Housing & Growth Fund (**£4.5m**) for improvements to M20 Junction 7 has reached stage 3 of the process and a full business case is being prepared in collaboration with Highways England and their consultants.

- Maidstone BC's bid for **£5.3m** ERDF funding towards the construction of the proposed Innovation Hub has progressed to the detailed co-development stage in collaboration with SELEP and MHCLG. This would be **matched** by a similar level of investment by Maidstone BC through borrowing against future retained business rates. As well as capital build, the ERDF bid includes an extensive SELEP-wide business support programme for businesses in the life-science and med-tech sectors which is complementary to existing provision e.g. Kent & Medway Growth Hub.
- Medway Council was allocated **£8.1m** in two rounds of Local Growth Funding (LGF) by SELEP. Draw-down and delivery of the LGF2 funded scheme (£4.4m) has been re-profiled as a consequence of planning delays, subject to approval by the SELEP Accountability Board; the detailed business case for the LGF3 funded works (£3.7m) will be submitted in Autumn 2018.
- Subject to final business case approval expected in June 2018, SELEP has provisionally agreed a loan of £0.65m from the Growing Places Fund for enabling infrastructure works on the southern portion of Innovation Park Medway.

## Revenue

The table below summarises the data reported in 2017-18.

Revenue Spend Reported (£)		
Public	Private	Total
144,390	505,000	649,390

Reported spend includes due diligence, market testing, studies and surveys, legal costs etc. It excludes staff time except where factored into specific items.

NKEZ made successful bids for DCLG/MHCLG grant for commercial consultancy support:

- **£27,000** (£18,000 Medway Council with £10,000 match, £9,000 Maidstone BC with £5,000 match) for commercial appraisal and development options assessment at Innovation Park Medway, and business rates modelling and investment strategy advice for Kent Medical Campus; and
- **£23,000** (with £5,000 match, Maidstone BC) for a feasibility study on speculative development of an innovation hub at Kent Medical Campus.

A successful bid was also made for **£161,000** funding from SELEP Sector Support Fund, to assist with costs of developing the Masterplan and Local Development Orders for Innovation Park Medway (Medway Council and Tonbridge & Malling BC), and marketing of NKEZ (led by Locate in Kent).



## Consultancy support

The revenue grants mentioned above have enabled NKEZ partners to procure commercial consultancy support to inform and refine the delivery propositions across the zone. These include:

- **31ten Consulting**  
KMC Business rates modelling
- **SQW, Oxford Innovations and BBP**  
KMC Innovation Hub Feasibility Study
- **Lichfields**  
Innovation Park Medway Development Options Study
- **LDA Design**  
Innovation Park Medway Masterplan and Local Development Orders
- **Zest The Agency**  
NKEZ website and marketing collateral

In addition, NKEZ partners have used their own resources to procure commercial advice, including business rates modelling and market appraisal undertaken by Gravesham BC and Ebbsfleet Development Corporation (EDC, with some additional input from Homes England) in relation to Northfleet Embankment. Significant investment has also been made by both the EDC and landowners (EIGP) in order to advance the planning of the commercial heart and wider development at Ebbsfleet Central, bearing on the proposition for Northfleet Rise.

With the benefit of modelling data and associated advice, Maidstone BC secured approval from its Policy & Resources Committee (July 2017) to an **Investment Strategy** for deploying retained business rates from KMC, with provision of the proposed Innovation Hub a top priority.

## Governance and Local Delivery Arrangements

The Strategic Board, established in September 2016, welcomed **Bernard Spring** as its permanent Chairman in March 2017 and Bernard has presided over the Board's meetings throughout 2017-18. Other changes to the Board were:

**Ian Piper** replacing **Paul Spooner** as Interim CEO of Ebbsfleet Development Corporation.

**Matthew Norwell** replaced **David Liston-Jones** as CEO of Thames Gateway Kent Partnership, following David's retirement.

**Carole Barron** replacing **Prof Alan Reed** as Higher Education Institutions' representative, following Alan's retirement.

**Simon Cook** being co-opted onto the Board as Further Education Institutions' representative.

**Ellie Dunnett** from Maidstone BC, representing the Accountable Body.

At scheme level, the Local Delivery Board for KMC is now well-established, with representation from most key stakeholders. Securing engagement with and representation from the NHS has proved difficult and is an ongoing priority. The Delivery Board for Innovation Park Medway was established in October 2017, chaired by the Leader of Medway Council, with representation from internal and external stakeholders including Tonbridge & Malling Borough Council, representatives from University of Kent and University of Greenwich, and Locate in Kent. Equivalent local delivery arrangements are not yet in place at Ebbsfleet, partly on account of different land ownerships and wider issues dictating the main channels of engagement between the EDC, Councils and other stakeholders. Ensuring that NKEZ delivery receives due attention as a key consideration for each site will be a priority for local partners going forward.

## Marketing and Media

The launch of NKEZ in April 2017 was supported by a dedicated new website and branding designed by ZEST and co-funded by Locate in Kent with ERDF support. As well as core information about NKEZ's overall proposition and detail on the constituent schemes, the website carries regular stories and news releases marking milestones such as announcement of new investments, key planning decisions, completion of developments (such as the opening of Gidds Pond Way) and other stories having a strategic impact on the enterprise zone. The core content was refreshed in early 2018 to improve search engine optimisation and increase traffic to the website. The website also now offers a sign-up facility encouraging visitors to subscribe (for free) to receive future quarterly NKEZ e-newsletters, the first of which was published in May 2018.

The Board's agreed marketing plan for NKEZ was underpinned by the principle of phased activity aligned with local progress. This has had to be responsive to changes in the pace of delivery and thus some more proactive PR and marketing activity has been postponed to 2018-19 to avoid prematurity. The Board nonetheless agreed the importance of maintaining momentum and awareness-raising, particularly amongst intermediaries advising businesses on investment and locational decisions. In this context, the highlight of 2017-18 was exhibiting at **MIPIM UK** in October 2017, where NKEZ had a dedicated stand with an officer presence across both days of the event, and accompanied by a new brochure and other collateral. This attracted around 180 visitors and generated a number of leads on both enterprise zone and other enquiries, and useful dialogue with Department of International Trade contacts.

NKEZ marketing collateral was also available at other events (including Medica in Dusseldorf, Medway B2B, Genesis 2017 and MIPIM Cannes) and remains available to all partners to use at suitable opportunities.





## Forward Look

2018-19 is set to be an exciting year for NKEZ. We will see the first developments completed and occupied, creating new jobs and growth opportunities. These include completion of the Cygnet Hospital, expected in July and taking first patients in September, the KS&S Air Ambulance HQ, and construction of the Berkeley Modular factory building at Northfleet Embankment East with fit-out and operational start falling into 2019-20. With effective marketing, we anticipate the southern section of Northfleet Embankment East making significant progress towards a fresh commercial and employment offer.

We expect to see substantive progress at Innovation Park Medway both in commencement of the enabling infrastructure and achieving adoption of a new Masterplan setting a clear and streamlined design and planning framework for the whole site. We look forward to the formal launch of Innovation Park Medway with new branding and signage later in the year. Good stakeholder engagement and management will be crucial for determining the phasing of development to realise the full potential of the site.

The year ahead is also crucial for exploring and shaping relationships between NKEZ and other key initiatives, in particular the very welcome proposition for a Kent & Medway Medical School opening its doors to students in September 2020. We are keen that NKEZ should complement the establishment of the KMMS for instance through clinical placements, academic training and research facilities, potential key worker accommodation and fostering the interface between medical and life science companies and practitioners and supporting the hub-and-spoke model of delivery. This is pertinent especially for Kent Medical Campus and also linking into the Health Education and Innovation Quarter at Ebbsfleet.

The pipeline of capital investments referenced above should all make significant progress during 2018-19, whether in design, planning and pre-construction phases or in actual commencement of works.

Many challenges remain, especially at Ebbsfleet where a tipping point needs to be reached on a much wider set of issues and dependencies so as to provide a clear way forward for development of Northfleet Rise in particular. Local partners will be working closely with a cross-Whitehall Group set up to bring all Government parties together in order to tackle the challenge of the Ebbsfleet Central area, as well as ongoing dialogue with the landowning consortium and their consultants. It will be vital across all the NKEZ sites that local delivery arrangements are strengthened both to support and drive scheduled activity and to provide the wrap-around business support that we want to be a characteristic of NKEZ as companies and other occupiers move in to sites.

Marketing of NKEZ will potentially step up a gear as infrastructure and development plots come on stream. A refreshed strategy will set out new phases of activity targeted at appropriate audiences, together with building up the content of tools such as the e-newsletters. We will also be looking further at how wider strategic developments such as the South East LEP's Strategic Economic Plan, a Local Industrial Strategy and responding to initiatives such as the Thames Estuary 2050 Growth Commission's report provide opportunities to raise the profile of NKEZ and catalyse market and investor interest.



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