



Council Meeting

Council Offices
White Cliffs Business Park
Dover

Wednesday, 22 July 2015

Summons and Agenda

Nadeem Aziz
Chief Executive



Democratic Services
White Cliffs Business Park

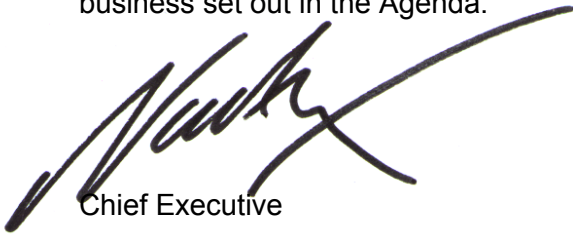
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15 July 2015

To the Members of the Council,

You are hereby summoned to attend a meeting of the **COUNCIL** to be held in the Council Chamber at these Offices on Wednesday 22 July 2015 at 6.00 pm for the transaction of the business set out in the Agenda.



Chief Executive

Members of the Council:

S S Chandler (Chairman)	M R Eddy	S M Le Chevalier
D Hannent (Vice-Chairman)	A Friend	S C Manion
J S Back	R J Frost	K Mills
S F Bannister	B Gardner	K E Morris
T J Bartlett	B J Glayzer	D P Murphy
P M Beresford	P J Hawkins	M J Ovenden
T A Bond	P G Heath	A S Pollitt
P M Brivio	J M Heron	G Rapley
B W Butcher	S Hill	A F Richardson
P I Carter	M J Holloway	M Rose
N J Collor	T P Johnstone	D A Sargent
M D Conolly	S J Jones	F J W Scales
M I Cosin	L A Keen	P Walker
D G Cronk	N S Kenton	P M Wallace
N Dixon	P S Le Chevalier	P A Watkins

AGENDA

1 **APOLOGIES**

To receive any apologies for absence.

2 **MINUTES** (Pages 9 - 15)

To confirm the attached Minutes of the meeting held on 20 May 2015.

3 **DECLARATIONS OF INTEREST** (Page 16)

To receive any declarations of interest from Members in respect of business to be transacted on the agenda.

4 **ANNOUNCEMENTS**

To receive any announcements from the Chairman, Leader, Members of the Cabinet or Head of Paid Service.

5 **LEADER'S TIME**

To receive an oral report at the meeting from the Leader (and Cabinet) on the business of the Executive or on any topic or subject that it is felt should be brought to the attention of the Council.

(Up to fifteen minutes is allowed for the Report of the Leader (and Cabinet), up to ten minutes is allowed for the Leader of the Major Opposition Group (or his nominee) to respond, up to five minutes is allowed for the Leader of any other Opposition Group (or his nominee) to respond. The Leader is allowed up to five minutes as a Right of Reply or 25% of the time given to the Opposition Group Leaders, whichever is the greatest.)

- (a) Leader of the Council – 15 Minutes
- (b) Leader of the Major Opposition Group (Labour Group) – 10 Minutes
- (c) Leader of the Other Opposition Group (UKIP) – 5 Minutes
- (d) Leader of the Council's Right of Reply – 5 Minutes

6 **SEAT ALLOCATION AND GROUP APPOINTMENTS**

To receive from Group Leaders any changes to seat allocations or appointments.

(Note: Any changes must be within the approved allocation of seats to political groups in accordance with the political balance rules (where applicable).)

7 **QUESTIONS FROM THE PUBLIC**

To receive answers in respect of questions from the public to Members of the Executive asked in accordance with Rule 11 of the Council Procedure Rules.

(A maximum of three minutes is allowed for the question to be read. Up to 15 minutes is allowed for this part of the meeting. Members of the public may ask one supplementary question in addition to their original question. Afterwards any other Member at the Chairman's discretion may speak for up to two minutes on a question or reply.)

- (1) Mr P Jull will ask the Portfolio Holder for Environment, Waste and Planning, Councillor N S Kenton:

“Will this council consult on a Public Spaces Protection Order to make the feeding of birds in Deal town centre an offence subject to a fixed penalty notice in line with littering and dog fouling, as permitted by the Anti Social Behaviour Act 2014?”

QUESTIONS FROM MEMBERS

Up to 60 minutes is allowed for this part of the meeting unless extended by the Chairman of Council on a motion moved, duly seconded and approved by the Council. Members may ask one supplementary question in addition to their original question.

(a) To Chairmen/Vice-Chairmen of Committees

To receive answers in respect of questions from Members of the Council to the Chairman or Vice-Chairman of the Council or the Chairman of any Committee or Sub-Committee asked in accordance with Rule 12 of the Council Procedure Rules.

There were no questions received.

(b) To the Executive

To receive answers in respect of questions from Members of the Council to a Member of the Executive asked in accordance with Rule 12 of the Council Procedure Rules.

- (1) Councillor A F Richardson will ask the Portfolio Holder for Environment, Waste and Planning, Councillor N S Kenton:

“Earlier this year it was reported that an individual received a formal caution after being caught on camera dumping a number of bags of waste in the River Dour. I understand this person was identified following a publicity campaign by the Dover Express.

Does the cabinet member for Environment, Waste and Planning think that a caution was an appropriate response to such a blatant and high profile case of fly tipping?

Does he accept that in fact this was widely seen as a 'slap on the wrist' which completely failed to act as a deterrent to would-be fly tippers across the District?

What assurances can he give that in future cases where fly-tippers are positively identified, a much more robust approach to dealing with them will be adopted?”

- (2) Councillor P Walker will ask the Portfolio Holder for Environment, Waste and Planning, Councillor N S Kenton:

“It is more than a year since I first referred in this Chamber to there having been over 50 separate conditions set down in relation to planning applications submitted to, and agreed by, this Council for Lydden Racing Circuit. Could the Portfolio Holder for Environment, Waste and Planning outline the progress made in checking upon the implementation of the said conditions and upon how any failures in implementation have been dealt with?”

- (3) Councillor P J Hawkins will ask the Portfolio Holder for Environment,

Waste and Planning, Councillor N S Kenton:

“It is now several years since this Council sold off the former Regent Cinema building and, despite questions in full council, nothing appears to have happened to the building. Will the Portfolio Holder for Environment, Waste and Planning tell the Council when he expects the owners of the building to submit a planning application relating to this site which is so important to Deal's seafront?”

- (4) Councillor P M Brivio will ask the Portfolio Holder for Housing, Health and Wellbeing, Councillor P M Beresford:

“Can the Portfolio Holder for Housing, Health and Well-being inform the Council of the costs of providing temporary accommodation in financial year 2014/15 for those people towards whom the Council has a statutory duty and can she confirm whether this is an increase on the costs incurred during 2013/14?”

- (5) Councillor S Hill will ask the Portfolio Holder for Housing, Health and Wellbeing, Councillor P M Beresford:

“Can the Portfolio Holder for Housing, Health and Well-being advise the Council what view Cabinet has taken on the Government's plans to extend Right-to-Buy to Housing Association tenants?”

- (6) Councillor M R Eddy will ask the Deputy Leader of the Council and Portfolio Holder for Corporate Resources and Performance, Councillor M D Conolly:

“During this May's election campaign for Deal Town Council, the Conservative Party issued a leaflet claiming that, from next year, they would initiate annual popular elections for the Mayor of Deal with the candidates being taken from among the elected town councillors. Can the Portfolio Holder for Corporate Resources and Performance inform the Council what the costs of such a Deal-wide plebiscite would be and what additional workload these annual elections would create for this Council's staff?”

- (7) Councillor P Walker will ask the Portfolio Holder for Skills, Training, Tourism, Voluntary Services and Community Safety, Councillor K E Morris:

“Tourism is a service which had a listed spend of £42,000 according to recent figures. Does the Portfolio Holder with responsibility for tourism regard this as sufficient, given that tourism provision needs expansion and further encouragement in order to enhance our regeneration efforts?”

- (8) Councillor P M Wallace will ask the Portfolio Holder for Housing, Health and Wellbeing, Councillor P M Beresford:

“What consideration has the Portfolio Holder for Housing, Health and Well-being given to the question of whether the authority should introduce a Cumulative Impact Policy covering the number of licensed premises now that public health is a local authority responsibility and Dover has its own Health and Well-being Board?”

- (9) Councillor P J Hawkins will ask the Portfolio Holder for Environment, Waste and Planning, Councillor N S Kenton:

“Will the Portfolio Holder for Environment, Waste and Planning tell the Council what action our officers are taking to ensure that the nuisance suffered by existing residents living in the area affected by Persimmon's development at Sholden are kept at the absolute minimum?”

9 **MOTIONS**

Motions for which notice has been given are listed on the agenda in the order in which notice was received, unless the Member giving notice states, in writing, that they propose to move it at a later meeting or withdraw it.

If a Motion set out in the agenda is not moved by the Member who gave notice thereof it shall, unless postponed by consent of the Council, be treated as withdrawn and shall not be moved without fresh notice.

A Motion must be about matters for which the Council has powers or duties or which affects the District.

- (1) In accordance with Council Procedure Rule 13, Councillor T P Johnstone will move:

"This Council requests that the Leader writes to the Prime Minister to ascertain the terms of his negotiations with the other member states of the European Union so that residents and businesses within this District, geographically the closest to the European mainland, are fully aware of what is at stake in the proposed referendum on continued membership."

- (2) In accordance with Council Procedure Rule 13, Councillor P M Wallace will move:

“Following the recent spate of highly publicised fly-tipping in Dover District, this council will lobby the Department for Environment, Food & Rural Affairs for more powers to tackle fly-tipping, specifically seeking

- (1) the powers that are currently available in Scotland to hand out on-the-spot fines for fly-tipping, removing the need to seek a prosecution through the Magistrates' Courts;
- (2) the income from any fines to stay in the area to help pay for the cost of cleaning up fly-tipping and enforcement; and
- (3) to tackle the culture of fly-tipping through restorative justice, by

making it compulsory for offenders to spend a set number of hours in a supervised clean-up in the district, so offenders learn about the damaging effects of spoiling the environment.”

10 **KENT AND MEDWAY LOCAL ENTERPRISE PARTNERSHIP AND KENT AND MEDWAY GROWTH AND INFRASTRUCTURE FRAMEWORK** (Pages 17 - 51)

To consider the attached report of the Head of Inward Investment.

11 **REVISION TO CONTRACT STANDING ORDERS** (Pages 52 - 71)

To consider the attached report of the Director of Governance.

12 **POLICY FOR LONG SERVICE AWARDS TO ELECTED MEMBERS OF DOVER DISTRICT COUNCIL** (Pages 72 - 77)

To consider the attached report of the Director of Governance.

13 **CONSULTATION UNDER THE LICENSING ACT 2003 - STATEMENT OF POLICY AND PRINCIPLES**

To consider the report of the Director of Governance (to follow).

14 **URGENT BUSINESS TIME**

To consider any other items deemed by the Chairman of the Council to be urgent in accordance with the Local Government Act 1972.

Access to Meetings and Information

- Members of the public are welcome to attend meetings of the Council, its Committees and Sub-Committees. You may remain present throughout them except during the consideration of exempt or confidential information.
- All meetings are held at the Council Offices, Whitfield unless otherwise indicated on the front page of the agenda. There is disabled access via the Council Chamber entrance and a disabled toilet is available in the foyer. In addition, there is a PA system and hearing loop within the Council Chamber.
- Agenda papers are published five clear working days before the meeting. Alternatively, a limited supply of agendas will be available at the meeting, free of charge, and all agendas, reports and minutes can be viewed and downloaded from our website www.dover.gov.uk. Minutes will be published on our website as soon as practicably possible after each meeting. All agenda papers and minutes are available for public inspection for a period of six years from the date of the meeting.
- If you require any further information about the contents of this agenda or your right to gain access to information held by the Council please contact Rebecca Brough, Team Leader - Democratic Support, telephone: (01304) 872304 or email: rebecca.brough@dover.gov.uk for details.

Large print copies of this agenda can be supplied on request.

MINUTES OF PROCEEDINGS

At the meeting of the Council for the District of Dover held at the Council Offices, Whitfield on Wednesday, 20 May 2015 at 6.00 pm.

Present:

Chairman: Mrs S R Nicholas

Councillors:

J S Back	A Friend	K Mills
S F Bannister	R J Frost	K E Morris
T J Bartlett	B Gardner	D P Murphy
P M Beresford	B J Glayzer	M J Ovenden
T A Bond	D Hannent	A S Pollitt
P M Brivio	P J Hawkins	G Rapley
B W Butcher	P G Heath	A F Richardson
P I Carter	J M Heron	M Rose
S S Chandler	S Hill	D A Sargent
N J Collor	M J Holloway	F J W Scales
M D Conolly	T P Johnstone	P Walker
M I Cosin	S J Jones	P M Wallace
D G Cronk	L A Keen	P A Watkins
N Dixon	N S Kenton	
M R Eddy	S C Manion	

Officers:

- Chief Executive
- Director of Environment and Corporate Assets
- Director of Finance, Housing and Community
- Director of Governance
- Solicitor to the Council
- Head of Democratic Services
- Team Leader – Democratic Support

1 **OPENING ANNOUNCEMENT**

The retiring Chairman of the Council, Mrs S R Nicholas, welcomed both new and returning Members to the meeting.

2 **ELECTION OF A CHAIRMAN**

It was moved by Councillor T J Bartlett and duly seconded, that Councillor S S Chandler be elected Chairman of Dover District Council for the ensuing municipal year.

On being put to the meeting it was

RESOLVED: That Councillor S S Chandler be elected Chairman of Dover District Council for the ensuing municipal year.

(Councillor S S Chandler, having made her declaration of acceptance of office, took the chair.)

The Chairman thanked the Council and was in turn congratulated by Members.

3 VOTE OF THANKS TO RETIRING CHAIRMAN

The retiring Chairman was presented with the Past Chairman's Badge and addressed the Council.

Councillor P A Watkins recorded a vote of thanks for Mrs S R Nicholas for the manner in which she had fulfilled the duties of the Chairman during the past four years and her time as a former Cabinet Member and District Councillor.

Councillors M R Eddy and A F Richardson, on behalf of the Labour Group and the UK Independence Party Group respectively, spoke about Mrs S R Nicholas's time on the Council.

4 APPOINTMENT OF A VICE-CHAIRMAN

It was moved by Councillor J S Back, duly seconded and

RESOLVED: That Councillor D Hannent be appointed as Vice-Chairman of Dover District Council for the ensuing municipal year.

5 APOLOGIES

Apologies for absence were received from Councillor B Gardner, P S Le Chevalier and S M Le Chevalier.

6 MINUTES

The Minutes of the meeting held on 4 March 2015 were approved as a correct record and signed by the Chairman.

7 DECLARATIONS OF INTEREST

There were no declarations of interest made by Members.

8 ANNOUNCEMENTS

The Chairman made the following announcements:

- (a) To welcome new and returning Members.
- (b) To offer thanks to those Members who did not stand or were not returned for their service to the Council.
- (c) To remind Members of the importance of undertaking the training for those serving on Committees with a training requirement as per the Constitution.

9 ELECTION OF THE LEADER OF THE COUNCIL

It was moved by Councillor M D Conolly, duly seconded and

RESOLVED: That Councillor P A Watkins be elected the Leader of the Council for a period of four years until the day of the next Annual Meeting of the Council following the ordinary election of all councillors in 2019.

10 APPOINTMENT OF DEPUTY LEADER

In accordance with Rule 1.1(viii) of the Council Procedure Rules, Councillor P A Watkins gave notice of his intention to appoint Councillor M D Conolly as Deputy Leader of the Council.

RESOLVED: That the appointment of Councillor M D Conolly as Deputy Leader be received and noted.

11 COMPOSITION OF CABINET

In accordance with Rule 1.1(vii) of the Council Procedure Rules, Councillor P A Watkins gave notice of his intention to appoint an Executive comprising of the Leader of the Council and seven members, including the Deputy Leader.

RESOLVED: (a) That the composition of the Cabinet be received and noted.

(b) That it be noted that the Leader of the Council had given formal notification to the Monitoring Officer of his intention to appoint the following portfolio structure:

Leader of the Council
Deputy Leader of the Council
Portfolio Holder for Access and Licensing
Portfolio Holder for Environment, Waste and Planning
Portfolio Holder for Housing, Health and Wellbeing
Portfolio Holder for Corporate Resources and Performance
Portfolio Holder for Skills, Training, Tourism, Voluntary Services and Community Safety
Portfolio Holder for Property Management and Public Protection

12 APPOINTMENT OF CABINET

In accordance with Rule 1.1(ix) of the Council Procedure Rules, Councillor P A Watkins gave notice of his intention to appoint the following Members to the following Portfolios:

1	Access and Licensing	Councillor N J Collor
2	Environment, Waste and Planning	Councillor N S Kenton
3	Housing, Health & Wellbeing	Councillor P Beresford
4	Corporate Resources and Performance	Councillor M D Conolly
5	Skills, Training, Tourism, Voluntary Services & Community Safety	Councillor K E Morris
6	Property Management & Public Protection	Councillor T J Bartlett

RESOLVED: That the following persons be appointed to the Cabinet:

1	Access and Licensing	Councillor N J Collor
2	Environment, Waste and Planning	Councillor N S Kenton

3	Housing, Health & Wellbeing	Councillor P Beresford
4	Corporate Resources and Performance	Councillor M D Conolly
5	Skills, Training, Tourism, Voluntary Services & Community Safety	Councillor K E Morris
6	Property Management & Public Protection	Councillor T J Bartlett

13 APPOINTMENT OF SHADOW CABINET

It was moved by Councillor M R Eddy, duly seconded and

RESOLVED: That, in accordance with notice provided by the Leader of the Opposition Group, the Shadow Cabinet be composed of the following for the ensuing municipal year:

1	Access and Licensing	Councillor S F Bannister
2	Environment, Waste and Planning	Councillor B Gardner
3	Housing, Health & Wellbeing	Councillor P M Brivio
4	Corporate Resources and Performance	Councillor P M Wallace
5	Skills, Training, Tourism, Voluntary Services & Community Safety	Councillor P Walker
6	Property Management & Public Protection	Councillor S J Jones

14 ESTABLISHMENT AND COMPOSITION OF COMMITTEES

It was moved by Councillor P A Watkins, duly seconded and

RESOLVED: That, having noted the allocation of seats calculated in accordance with the provisions of the Local Government and Housing Act 1989, the Council Committees be constituted as indicated below for the ensuing municipal year and the Boards and Forums be constituted with the membership, Chairman, Vice-Chairman and Spokespersons as shown:

<u>Planning Committee</u>		<u>Scrutiny (Policy & Performance) Committee</u>	
F J W Scales	Chairman	K Mills	Chairman
B W Butcher	Vice-Chairman	M I Cosin	Vice-Chairman
J S Back		T A Bond	Spokesperson
S F Bannister		R J Frost	Deputy Spokesperson
T J Bartlett		B J Glayzer	
T A Bond		J M Heron	
B Gardner	Spokesperson	M J Holloway	
D P Murphy		S C Manion	
A F Richardson		M Rose	
P M Wallace		P M Wallace	

Governance Committee

P G Heath Chairman
D Hannent Vice-Chairman
M J Holloway
S J Jones
A S Pollitt
G Rapley

Scrutiny (Community & Regeneration) Committee

L A Keen Chairman
P J Hawkins Vice-Chairman
T A Bond Spokesperson
P I Carter
N Dixon
R J Frost
S Hill
M J Ovenden Deputy
 Spokesperson

G Rapley
D A Sargent

Regulatory Committee

B W Butcher Chairman
P S Le Chevalier Vice-Chairman
S C Manion
B Gardner
S J Jones

Electoral Matters Committee

P A Watkins Chairman
S S Chandler Vice-Chairman
P M Brivio
M R Eddy
F J W Scales

General Purposes Committee

S M Le Chevalier Chairman
M D Conolly Vice-Chairman
P M Brivio
M R Eddy
D P Murphy

Dover Joint Transportation Board

N J Collor Vice-Chairman
T A Bond
P I Carter
T P Johnstone
M J Ovenden
D A Sargent
P Walker
7 Kent County Councillors
3 Town Council Representatives
2 Kent Association of Local Councils Representatives

Standards Committee

B W Butcher Chairman
S M Le Chevalier Vice-Chairman
S S Chandler
M R Eddy
P J Hawkins
S C Manion
K Mills

Joint Staff Consultative Forum

M D Conolly
M I Cosin
P G Heath
S M Le Chevalier
K Mills
5 Employee Representatives

East Kent Shared Service Committee

P A Watkins
M D Conolly

Joint Health, Safety and Welfare Consultative Forum

M D Conolly
M I Cosin
P G Heath
S M Le Chevalier
K Mills
5 Employee Representatives

Licensing Committee

B W Butcher
P M Brivio
D G Cronk
M R Eddy
B Gardner
B J Glayzer
D Hannent
L A Keen
P S Le Chevalier
S M Le Chevalier
S C Manion
D P Murphy
M J Ovenden
M Rose
D A Sargent

(The Licensing Committee, the Joint Health, Safety and Welfare Consultative Forum and the Joint Staff Consultative Forum each appoint its own Chairman and Vice-Chairman.)

Lead Members

	<u>Conservative</u>	<u>Labour</u>
1 Leader	M J Holloway	-
2 Deputy Leader	-	-
3 Access and Licensing	T A Bond	P J Hawkins
4 Environment, Waste and Planning	R J Frost	D Cronk
5 Housing, Health & Wellbeing	M Rose	S Hill
6 Corporate Resources and Performance	D P Murphy	D A Sargent
7 Skills, Training, Tourism, Voluntary Services & Community Safety	N Dixon	J M Heron
8 Property Management & Public Protection	J S Back	T P Johnstone

15 CALENDAR OF MEETINGS 2015/16

It was moved by Councillor P A Watkins, duly seconded and

RESOLVED: That the Calendar of Meetings for 2015/16 be approved as presented.

16 ANNUAL REPORT ON SCRUTINY 2014/15

It was moved by Councillor K Mills, duly seconded and

RESOLVED: That the report be received and noted.

17 ANNUAL REPORT OF THE STANDARDS COMMITTEE 2014/15

It was moved by Councillor B W Butcher, duly seconded and

RESOLVED: That the report be received and noted.

18 ANNUAL REPORT OF THE GOVERNANCE COMMITTEE 2014/15

It was moved by Councillor T J Bartlett, duly seconded and

RESOLVED: That the report be received and noted.

19 URGENT BUSINESS TIME

There were no items of urgent business.

The meeting ended at 7.00 pm

Declarations of Interest

Disclosable Pecuniary Interest (DPI)

Where a Member has a new or registered DPI in a matter under consideration they must disclose that they have an interest and, unless the Monitoring Officer has agreed in advance that the DPI is a 'Sensitive Interest', explain the nature of that interest at the meeting. The Member must withdraw from the meeting at the commencement of the consideration of any matter in which they have declared a DPI and must not participate in any discussion of, or vote taken on, the matter unless they have been granted a dispensation permitting them to do so. If during the consideration of any item a Member becomes aware that they have a DPI in the matter they should declare the interest immediately and, subject to any dispensations, withdraw from the meeting.

Other Significant Interest (OSI)

Where a Member is declaring an OSI they must also disclose the interest and explain the nature of the interest at the meeting. The Member must withdraw from the meeting at the commencement of the consideration of any matter in which they have declared a OSI and must not participate in any discussion of, or vote taken on, the matter unless they have been granted a dispensation to do so or the meeting is one at which members of the public are permitted to speak for the purpose of making representations, answering questions or giving evidence relating to the matter. In the latter case, the Member may only participate on the same basis as a member of the public and cannot participate in any discussion of, or vote taken on, the matter and must withdraw from the meeting in accordance with the Council's procedure rules.

Voluntary Announcement of Other Interests (VAOI)

Where a Member does not have either a DPI or OSI but is of the opinion that for transparency reasons alone s/he should make an announcement in respect of a matter under consideration, they can make a VAOI. A Member declaring a VAOI may still remain at the meeting and vote on the matter under consideration.

Note to the Code:

Situations in which a Member may wish to make a VAOI include membership of outside bodies that have made representations on agenda items; where a Member knows a person involved, but does not have a close association with that person; or where an item would affect the well-being of a Member, relative, close associate, employer, etc. but not his/her financial position. It should be emphasised that an effect on the financial position of a Member, relative, close associate, employer, etc OR an application made by a Member, relative, close associate, employer, etc would both probably constitute either an OSI or in some cases a DPI.

Subject:	KENT AND MEDWAY LOCAL ENTERPRISE PARTNERSHIP AND KENT AND MEDWAY GROWTH AND INFRASTRUCTURE FRAMEWORK
Meeting and Date:	Council – 22 July 2015
Report of:	Tim Ingleton, Head of Inward Investment
Portfolio Holder:	Leader of the Council
Decision Type:	For information
Classification:	Unrestricted

Purpose of the report: To inform Members of the proposed changes to the South East Local Enterprise Partnership (SELEP) leading to the possible establishment of a Kent and Medway Local Enterprise Partnership. Secondly, to advise Members of the work being undertaken to produce a Growth and Infrastructure Framework for Kent.

Recommendation: To note the report and the likely future engagement.

1. Summary

1.1 Extensive dialogue has been taking place regarding the future direction of SELEP. This is summarised in the report to KCC on 16 July, enclosed at Appendix 1. In addition to this, a parallel work stream has been undertaken to assess the infrastructure needs across Kent and Medway required for the delivery of a programme of future growth. Progress on this is also summarised in the report to KCC, enclosed at Appendix 2.

2. Introduction and Background

2.1 The Leader has been representing the Council, along with Thanet District Council at both SELEP and the Kent and Medway Economic Partnership (KMEP), ensuring that the interests of the area are advocated in the most appropriate manner. Among other matters, this has seen a number of designations and allocations of funding achieved since the establishment of SELEP.

2.2 It is evident that there are a growing number number of concerns around SELEP and strong desires for greater accountability at a more local level. The report at Appendix 1 highlights the issues while also setting out the case for change and the role of the districts as part of a revised Kent and Medway Local Enterprise Partnership.

2.3 In tandem with this, work has been undertaken around the infrastructure needs across Kent and Medway that are required to support a future programme of growth. Your Officers have been engaging in this process, along with the other districts. The report at Appendix 2 summarises the work in question and the scale of the funding gap.

2.4 KMEP considered the report at Appendix 1 at their meeting on 6 July, recommending that the report be submitted to Government alongside the submission from Essex on

15 July. In addition, KMEP also considered a detailed presentation on the Growth and Infrastructure Framework at an earlier meeting.

3. Identification of Options

- 3.1 Option 1 – to note the reports and continue to engage at SELEP and KMEP and any successor arrangements confirmed in due course.
- 3.2 Option 2 – to not take account of the report and the likely future engagement.

4. Evaluation of Options

- 4.1 Option 1 is the recommended course of action. It is essential that, with major designations such as the Enterprise Zone and with the expansion of the Port, the District views continue to be advocated in any emerging arrangements.
- 4.2 Option 2 is not recommended as this would place the Council at serious disadvantage in any revised economic landscape.

5. Resource Implications

- 5.1 No additional resource implications.

6. Corporate Implications

- 6.1 Comment from the Section 151 Officer: The Director of Finance, Housing and Community has been consulted in the preparation of this report and has no additional comments to make (MD).
- 6.2 Comment from the Solicitor to the Council: The Solicitor to the Council has been consulted in the preparation of this report and has no further comments to make (HR).
- 6.3 Comment from the Equalities Officer: This report does not specifically highlight any equalities implications however, in discharging their responsibilities members are required to comply with the public sector equality duty as set out in section 149 of the Equality Act 2010 <http://www.legislation.gov.uk/ukpga/2010/15> (KE).
- 6.4 Other Officers (as appropriate): N/A

7. Appendices

Appendix 1 – Report to KCC 16 July 2015 – Kent and Medway Local Enterprise Partnership

Appendix 2 – Report to KCC 16 July 2015 – Kent and Medway Growth and Infrastructure Framework

8. Background Papers

Reports to Kent and Medway Economic Partnership 6 July 2015 and KCC – 16 July 2015

Contact Officer: Tim Ingleton – Head of Inward Investment, 01304 872423

By: Paul Carter
Leader of the Council

Barbara Cooper
Corporate Director – Growth Environment and Transport

To: County Council
16 July 2015

Subject: Kent and Medway Local Enterprise Partnership

Classification: Unrestricted

Past pathway of paper: None

Future pathway of paper: None

Electoral Division: All

Summary

This paper introduces the case to change the geography of the South East Local Enterprise Partnership. It seeks the support of the County Council for the establishment of a new Kent and Medway LEP, which will be more relevant to business and will be more effective in securing resources and planning for growth.

Recommendations:

The County Council is recommended to:

- a) ENDORSE the business case for the establishment of a Kent and Medway LEP, for submission to the Secretary of State; and
- b) NOTE the implications for Kent County Council arising from the establishment of the Kent and Medway LEP.

1. Background

- 1.1. In 2010, the Government invited groups of local authorities and businesses to come forward with proposals to establish Local Enterprise Partnerships (LEPs). These were intended as public-private bodies that could set an economic vision for their areas and secure funding from Government to support growth.
- 1.2. Nationally, the majority of LEPs are based around city and county regions, reflecting established economic geographies. However, in 2010/11, the Government encouraged the establishment of a South East LEP, covering

Kent and Medway, Essex, East Sussex, Thurrock and Southend. This is currently the largest LEP in England outside London, covering a diverse area with a population of over 4 million.

- 1.3. While the Government has made funding available to the South East LEP for the delivery of transport schemes, the scale and complexity of the LEP has made the prioritisation of schemes difficult and bureaucratic. The current LEP arrangements are also widely recognised as failing the principles of localism and subsidiarity.
- 1.4. Consequently, KCC, Medway Council, the Kent Districts and business leaders have developed a proposal for a clearer, more accountable Kent and Medway LEP, which will be submitted to the Secretary of State before the summer recess. This was considered and endorsed by Kent and Medway Economic Partnership on 6 July.

2. The case for a Kent and Medway LEP

- 2.1. The proposal for a new Kent and Medway LEP is set out in *The Compelling Case for Change*, attached as Annex 1.
- 2.2. In summary, *The Compelling Case* notes that:
 - Kent and Medway is a coherent economic geography with a strong and long-standing business-led partnership. It is also already coterminous with the boundaries for a range of other institutions and public services. With a population of around 1.7 million, it would still be one of the largest LEPs in the country.
 - Faced with rapid growth, infrastructure constraints and complex skills challenges, there is a need for a stronger, locally-relevant partnership to plan for the future to unlock Kent and Medway's growth opportunities.
 - However, the current South East LEP arrangements are unable to facilitate this, since it has not proved possible to meaningfully take decisions across such a diverse geography, and the LEP has struggled to establish a clear purpose beyond its role as a distribution mechanism for Government grant.
 - The Cities and Local Government Devolution Bill currently proceeding through Parliament provides opportunities for cities and counties to bring forward proposals for devolved powers and funding. However, only those places that can demonstrate clear priorities, leadership and delivery

capacity will be able to make a strong case. A clearer, more logical geography for our economic partnership will strengthen the case for Kent.

- *The Compelling Case* therefore proposes the establishment of a Kent and Medway LEP.

2.3. The case focuses on a strategy based on three areas of activity, reflecting those set out in the Kent and Medway Growth Plan:

- Creating a more highly skilled, more productive workforce (set out on pages 11-12);
- Accelerating the delivery of planned housing by ensuring the provision of necessary infrastructure (pages 13-14);
- Supporting dynamic and innovative businesses to grow (pages 15-17).

2.4. Recognising the close links that Kent and Medway has with its neighbours, the case also highlights the need to continue to work closely with partners in Essex, East Sussex and beyond in respect of coastal renewal; with London in relation to housing growth pressures and the development of the Thames Gateway; and with partners in East Sussex along the A21 Corridor. A new Kent and Medway LEP will need to maintain and extend relationships beyond its boundaries.

3. Proposed operational arrangements

3.1. Pages 18-19 of the draft case set out an operating model for the Kent and Medway LEP. This is based on a modified version of the existing Kent and Medway Economic Partnership, the terms of reference for which are already compatible with Government guidance for LEP composition. It is proposed that all local authority leaders are directly represented on the new LEP Board.

3.2. The proposed Kent and Medway LEP structure also includes an independently-chaired Skills Commission, as a stronger evolution of the existing Kent and Medway Employment, Learning and Skills Partnership Board and a replacement of the skills arrangements that are currently in place as part of the South East LEP structure.

3.3. The proposed operating model suggests that like most LEPs, the Kent and Medway LEP will be constituted in the first instance as an informal partnership. However, a Joint Committee model may be developed to support this if required in due course.

4. Implications for Kent County Council

Financial implications

- 4.1. The direct financial implications of a Kent and Medway LEP are expected to be modest. The existing South East LEP has a budget for 2015/16 of £1.145 million. This includes a contribution from KCC of £72,000, in addition to central Government grant and contributions from the other constituent authorities.
- 4.2. As the current South East LEP involves some duplication of activity, it is envisaged that there will be an overall management cost saving, although it should be noted that Government grant contributions to LEPs from 2016/17 have not yet been confirmed.
- 4.3. In addition to management costs, there are project funds held by the South East LEP, for which Essex County Council acts as the accountable body. *The Compelling Case* sets out an approach for the transfer of these funds to new Kent and Medway arrangements.

Governance implications

- 4.4. The new Kent and Medway LEP will be an informal partnership. In advance of its launch, work will take place during the summer to put in place full operating arrangements, including the terms of reference and membership for the new Partnership and its relationship with KCC's governance structure.

5. Next steps

- 5.1. The *Compelling Case* proposes the establishment of the new Kent and Medway LEP by 1 October. Achieving this target will be important, in order to allow Kent and Medway to prepare for new Government funding programmes (and potentially to enable the development of additional devolution proposals) in the autumn.
- 5.2. Work will take place with the existing South East LEP Secretariat to ensure a smooth transition. Progress to date, including the Government's response to the proposal for a Kent and Medway LEP, the terms of reference for the new body and any Decisions required by KCC will be reported to the Growth, Economic Development and Communities Cabinet Committee on 16 September.

6. Recommendations

- 6.1. The County Council is recommended to:

- a) ENDORSE the business case for the establishment of a Kent and Medway LEP, for submission to the Secretary of State; and
- b) NOTE the implications for Kent County Council arising from the establishment of the Kent and Medway LEP.

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Attachments:

Annex 1: The Compelling Case for Change: The new Kent and Medway Local Enterprise Partnership

THE COMPELLING CASE FOR CHANGE

The new Kent and Medway Local Enterprise Partnership

July 2015

KMEP Kent
& Medway
Economic
Partnership

This document sets out a compelling case to change the geography of the South East Local Enterprise Partnership.

It proposes the establishment of a new Kent and Medway LEP – one which is highly relevant to business and which builds on a cohesive economic geography, a deep understanding of our economic challenges and opportunities and an excellent partnership between business and government.

Our new Partnership will deliver faster and better for Kent and Medway and for the UK. This document sets out how we will build a new approach to delivering the skills, the infrastructure and the innovation for a highly productive economy – and how we will work together strategically and with strong governance across the county to deliver long term growth.

The existing South East LEP slows down the delivery of our ambitions. We will be more focused and more effective through a Kent and Medway Local Enterprise Partnership. But we are committed to working together with our neighbours in Essex, East Sussex and London. We are working with our partners to ensure a smooth transition from the South East LEP to better arrangements.

It's time for change. We have a compelling case for a better future. We ask Government to back our proposals.

1. INTRODUCTION

This document sets out the compelling case to change the geography of the South East Local Enterprise Partnership. It proposes the establishment of a new Kent and Medway LEP which is highly relevant to business and will be effective in delivering growth.

This case is produced by the business-led Kent and Medway Economic Partnership, with the support of the Leaders of Kent County Council, Medway Council, the 12 Kent Districts and higher and further education. Together, the new partnership will deliver substantial benefits to businesses and communities in Kent and Medway – and will contribute to the growth of the whole UK.

We understand that partners in Essex are preparing a similar proposal. We are working closely with our neighbours to ensure a smooth transition from the existing South East LEP to new arrangements.

We are ambitious for growth. Over the next five years, the Kent and Medway LEP will:

- **Create a more highly skilled, more productive workforce**
Despite improving attainment rates in Kent and Medway, the skills system does not always work: employers find it hard to have a clear voice; funding regimes are poorly coordinated and perverse incentives within the system mean that young people frequently lack appropriate information about the opportunities that are available to them. Through better use of intelligence and funding and stronger strategic partnerships, we will improve provision of and access to vocational and technical education – doubling the number of apprentices by 2020 and substantially reducing the number of young people not in employment, education or training.
- **Accelerate housing growth through infrastructure delivery**
At present, annual housing delivery meets less than 50% of planned requirement, creating both a local and a national challenge. Our new Kent and Medway Growth and Infrastructure Framework will provide us with the evidence to effectively prioritise the infrastructure needed for planned growth and to seek new solutions.

By 2020, we aim to substantially increase housing growth to match need – with the right infrastructure to support it. **This will mean an additional 2,350 homes per year across Kent and Medway**, removing barriers to growth in areas with viability constraints.
- **Support dynamic and innovative businesses to grow**
Despite economic growth and a diverse and resilient business base, many firms are unable to access the finance and support they need. We will deliver better coordinated support to help businesses unlock their potential, focused on increasing productivity and innovation. **By 2020, we aim to eliminate the productivity gap between Kent and Medway and the rest of the UK.**

The new LEP will focus on stronger growth and stronger productivity across Kent and Medway - building on the momentum **across the Kent Coast and the Thames Gateway** and attracting new prosperity to the county.

2. CONTEXT: OPPORTUNITIES AND CHALLENGES

Kent and Medway is a coherent economic geography. It is coterminous with the boundaries for a range of public services, has a strong historic identity and forms a cohesive economic area – and we also have an excellent business-led partnership in place.

Kent and Medway is growing rapidly. It is vital that we plan strategically to deliver the infrastructure we need, working together with all tiers of local and national government and building stronger relationships with our neighbours in London and the wider South East.

To do this, we need a simpler, stronger partnership for long term growth. A new Kent and Medway LEP, linked with more robust democratic governance, will achieve this.

Opportunities

Kent and Medway is vital to the UK's growth.

In the period to 2031, the population of Kent and Medway is expected to rise by 293,300 – equivalent to a new city larger than Medway. This represents an increase of 17%, substantially higher than in the country overall.

Kent and Medway contains some of Britain's most important growth locations. Ebbsfleet will see the UK's first modern garden city, while greatly improved connectivity via High Speed One is driving the expansion of Ashford and the regeneration and growth of the Thames Gateway and East Kent. Our strategic port, rail and road infrastructure is also vital in linking continental Europe with London and the rest of the UK, and is becoming increasingly important as freight and passenger volumes rise.

Kent and Medway has the size and scale to deliver effectively.

With a population of over 1.7 million and growing, the Kent and Medway LEP will be the eighth largest in England. Our economy accounts for around £33.5 billion in GVA – larger than the economy of Northern Ireland – and the county's boundaries align with established travel-to-work and travel-to-learn markets.

The dynamism and growth of the London economy presents new opportunities.

London has always been important to Kent as a market and an employment destination. With improved transport connections, there are new opportunities to attract investment from London to the High Speed One Corridor – taking advantage of the sustained growth of Britain's only world city.

We have a strong business base and opportunities for growth in key sectors.

With over 58,000 businesses – 89% of which employ fewer than ten people – we have a strong, resilient and diverse business base. Over the past decade, our economy has become increasingly innovative, with knowledge economy employment growing at twice the national rate.

In particular, we will build on our track record in working with our key sectors to deliver growth:

Kent and Medway's key sector opportunities	
Sectors	Opportunities
Life sciences	6,000 jobs. Concentrations of activity at Discovery Park Enterprise Zone and at Kent Science Park near Sittingbourne, with emerging opportunities at the new Maidstone Medical Campus.
Creative and media	14,000 jobs; 85% sector growth over the past decade. Strengths in software and digital media, especially in Tunbridge Wells, Maidstone, and coastal East Kent.
Low carbon	21,000 jobs in renewable energy, energy efficiency and carbon reduction technologies – and underpinned by the designation of the Kent coast as a Centre for Offshore Renewable Engineering.
Land-based	Comparative advantage in horticulture, accounting for over two thirds of national top fruit production. Research-intensive growth opportunities, such as at East Malling Research.
Manufacturing	44,000 jobs, accounting for over 10% of Kent and Medway's GVA. Strong concentrations in Medway and Swale, with major businesses such as BAE Systems and Delphi supporting a strong SME base, with some that have considerable opportunities for expansion and productivity improvement.
Construction	36,000 jobs. Proximity to the London and South East market and major developments in Kent and Medway support growth in the sector, with new opportunities in sustainable construction technologies.
Tourism and leisure	64,000 jobs. Strong tourism product offer in coastal, historic and rural Kent, which will be reinforced by major investment in new attractions, including the proposed Paramount development in North Kent.
Ports, transport and logistics	27,500 jobs, supported by Kent and Medway's location between London and continental Europe. Kent's transport infrastructure is of national significance, with rising freight volumes driving major investment at the Port of Dover.
Health and social care	105,800 jobs. Demand rising rapidly, reinforced by Kent and Medway's growing and ageing population, with an growing range of providers in the public and private sectors .

We have a long and successful partnership between business and local government.

We have had an excellent partnership between local government and the private sector dating back to the 1990s. Kent and Medway Economic Partnership is chaired by business and includes business leaders from all areas and sectors of the county's economy. This is supported by:

- The Kent and Medway **Business Advisory Board**, containing over 45 strategic businesses and all the business representation organisations;
- Four strong **sub-county partnerships** in East Kent, West Kent, the Thames Gateway and Maidstone;
- The **Kent and Medway Council Leaders**, bringing together local government with a powerful democratic voice; and
- Strong partnerships with our **four universities** – Canterbury Christ Church University, University of Greenwich, University of Kent and the University for the Creative Arts; and with the **further education** sector, through KAFEC, the Kent Association of Further Education Colleges.

A clear geography for service delivery

Many services are already delivered across Kent and Medway. For example:

- **Kent Invicta Chamber of Commerce** is the single, united accredited Chamber for the whole of Kent and Medway, providing a strong voice for business with over 1,200 members;
- **Sector groups** operating county-wide in the land-based, creative and construction and development sectors;
- **Locate in Kent**, our inward investment agency, operates across Kent and Medway and is jointly funded by business and the public sector
- **Visit Kent**, the tourism promotion and development agency, builds on the county's strong brand and identity;
- **Produced in Kent** promotes Kent produce and supports the rural economy, building on the county's role as the 'garden of England';
- From this year, the new **Kent and Medway Growth Hub** will provide a coordinated point of access to all the support services for business across the county.

Beyond the economic growth agenda, Kent and Medway is also the 'default' strategic geography for a range of public services and systems, ranging from road and rail transport to the police service. A new Kent and Medway LEP will help us to better coordinate and grow these services across a credible geography that businesses, government and the public understand.

We have a strong track record of success.

We have many years of delivering complex major projects and programmes to support economic growth, on time and within budget. In recent years, this has included major transport schemes such as East Kent Access, the transformation of Chatham Maritime into a major university centre, and the continuing development of Kent's flagship business park at Kings Hill.

We also have an excellent record in delivering Government-funded programmes where management has been devolved locally. For example:

A track record of successful delivery

Growing business through the Regional Growth Fund

Before 2010, Government direct financial support to business was made available centrally from Whitehall. It was hard to access, offered as grant and had a limited impact on the local economy.

Since 2011, Kent and Medway has secured £55 million from the Regional Growth Fund to provide local programmes meeting local business need. We have taken a different approach: almost all finance is now offered as loan or equity, meaning that funds can be recycled locally, and all decisions are made locally by a business-led panel. We have focused our support on businesses with the appetite and capacity for growth, recognising that innovation and long-term potential is present in all sectors.

To date, the £35 million Expansion East Kent scheme alone has created or safeguarded over 3,500 jobs, supporting 75 businesses and leveraging £67 million in additional private investment.

Improving connectivity through superfast broadband

Kent and Medway's large and dynamic rural economy has been hampered by poor digital connectivity and improving access to broadband infrastructure was a high priority in the county's previous economic growth strategy.

The Government has devolved the delivery of superfast broadband. Funding of £9.87 million from Broadband Delivery UK has been matched with £10 million from Kent County Council and a further £20 million from BT, the infrastructure provider. By December 2015, 91% of all properties in Kent and Medway will benefit from superfast broadband of up to 24 mbps, and every property will have access to a service of at least 2 mbps. Overall, 60,000 properties will benefit, with further improvements planned for a second phase.

Delivering England's most successful Enterprise Zone at Discovery Park

In 2011, the East Kent economy was faced with a major challenge when its largest private sector employer, Pfizer, announced that it intended to exit its major site at Sandwich.

The Government asked local political and business leaders to bring together a task force to identify a new future for the site and support the wider East Kent economy

At the time of the exit announcement, Sandwich faced the prospect of 2,400 direct job losses, in addition to much wider supply chain impacts. Today, as a result of joint working between central and local government and the private sector, over 2,000 people are employed on site in over 100 companies, mostly focused on high value scientific R&D – and the Enterprise Zone at Discovery Park is now the most successful in England.

Challenges

Although we have major opportunities for growth, we are facing significant challenges:

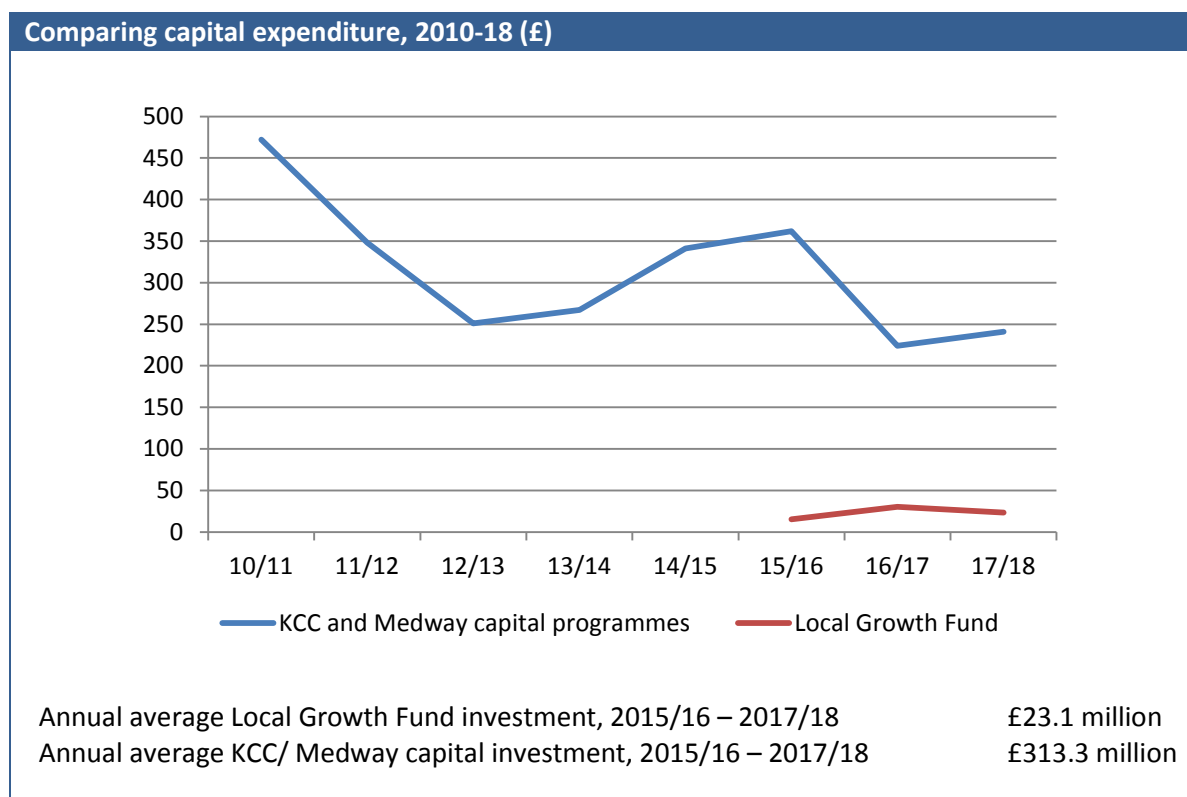
Infrastructure constraints limit our ability to unlock key growth locations.

High infrastructure costs frequently limit the viability of many of our major growth sites. This is especially the case in those parts of the county where land values are relatively low, particularly in East Kent and parts of the Thames Gateway.

We are facing a major shortfall in the projected capital investment needed to deliver housing and commercial growth.

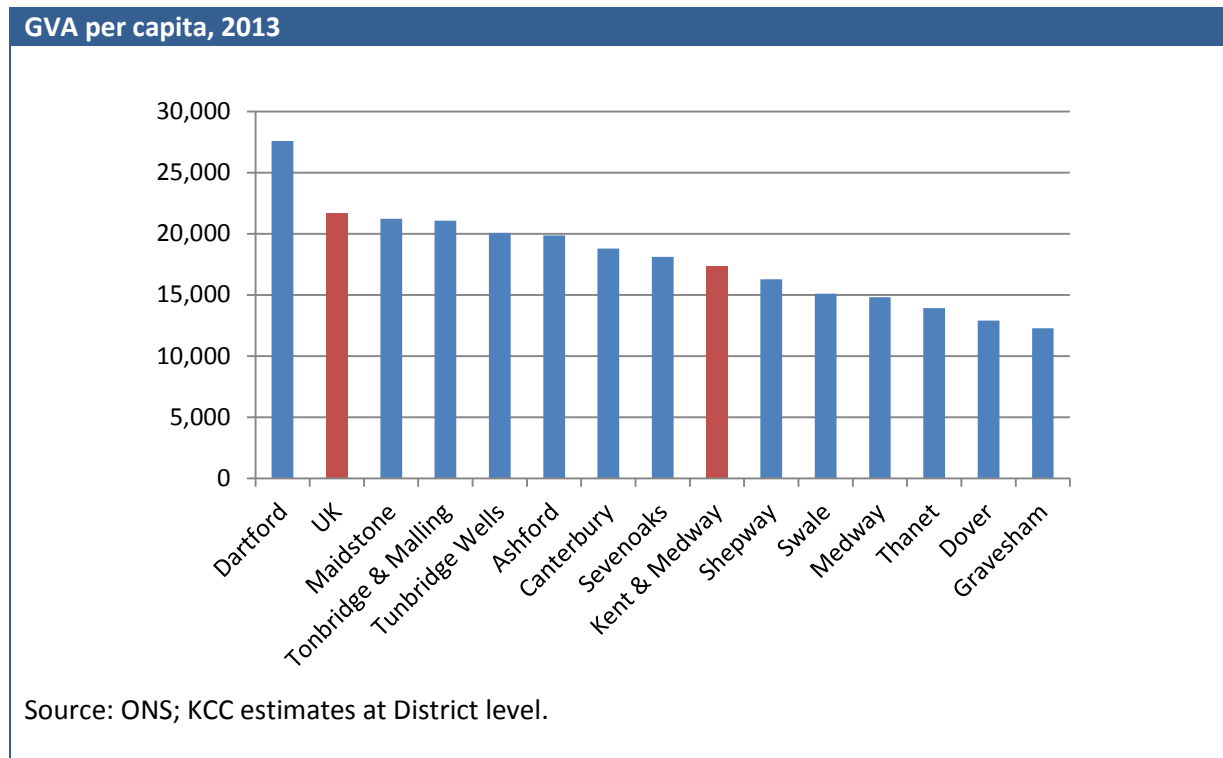
The new Kent and Medway Growth and Infrastructure Framework estimates that in the period to 2031, there is a £118 million annual gap between the costs of the county's total infrastructure requirements and the funding (from developer contributions and other sources) that is likely to be available.

Government funding will not make up this gap. The Local Growth Fund is small compared with the transport investment previously made directly available to Kent County Council and Medway Council from Government, and it is just a fraction of the KCC and Medway combined capital programmes, as illustrated below. So will need to find new, innovative solutions - many of which will be led by the private sector - to overcome the funding gap.



There are significant economic imbalances across Kent and Medway.

High Speed One will change Kent’s economic geography, as journey times to London are greatly reduced. However, economic imbalances across the county remain significant, with some high local concentrations of worklessness, especially among younger people. This impacts on our ability to deliver growth, as demand is weaker in those areas – especially in coastal Kent and in the Thames Gateway – where both the capacity and the need for new development are greatest.



Businesses face difficulties in securing the skills that they need.

In an economy dominated by small and micro businesses, it is often difficult for employers to navigate the system to aggregate demand and influence provision. At the same time, learners do not always have accurate perceptions of employment opportunities, especially in those sectors of the Kent economy with strong growth potential, and opportunities for young people to engage in vocational skills opportunities at an early stage are too frequently limited.

We need a more coordinated approach to overcome information gaps on the part of employers, learners and providers and better align provision with the needs of the Kent and Medway economy.

Kent and Medway is not fulfilling its potential for innovation and growth.

While the county has a growing stock of dynamic and innovative businesses, the county still lags behind the rest of the South East on many key indicators of innovation potential. This partly reflects our traditional industrial legacy – but our position in one of Europe’s most dynamic regions and our greatly improved connectivity gives us an opportunity to do better. This will mean improving access to the full range of business support and finance products backed by Government, as well as improving practical links between Kent and Medway businesses and the higher education sector in the county and beyond.

3. SOLUTIONS

How will the Kent and Medway LEP make a difference?

Taking into account our opportunities and challenges, we will increase growth and productivity over the next five years by:

1. Creating a highly skilled, more productive workforce
2. Substantially accelerating housing growth through the delivery of essential infrastructure;
3. Supporting dynamic, innovative businesses to grow; and
4. Building significant momentum behind the growth and regeneration of the Kent and Medway coast and the Thames Gateway.

Over the next four months, we will prepare a fresh **Strategic Economic Plan** for Kent and Medway. This will build on the detailed Growth and Infrastructure Framework that we have produced, setting out our priorities for the next five years in the context of a longer term strategy¹. It will also identify where we can deliver more effectively through the devolution of powers and resources.

Creating a more highly skilled, more productive workforce

In Kent and Medway, there is much that has been achieved in recent years. We have a strong further education sector, improving attainment rates and shared strategies for both young people and adults. Yet the skills system is often dysfunctional: employers find it hard to have a clear voice, funding regimes are poorly coordinated and perverse incentives within the system mean that young people frequently lack the right information about the opportunities that are available to them. This means that potential is too often wasted and productivity is too often compromised: employers cite skills constraints as among the biggest barriers to growth.

Labour and training markets are generally local, so it makes sense that LEPs should take a central role in driving improvements in skills provision. The South East LEP has proved to be too large and too disparate to do this effectively, so we need urgently to put this right. A new Kent and Medway LEP, focused on a clearer economic area, provides us with a new opportunity.

We will establish a new **Kent and Medway Skills Commission**, reporting to the Kent and Medway LEP. Independently chaired, the Commission will bring together key employers and providers to focus on how the needs of the county's economy can be met within a demand-led system by:

- Ensuring that we have **excellent labour market intelligence** and making sure that this intelligence is used effectively. In a diverse area, this will mean developing stronger partnerships at district and sub-county level and more effectively joining up the data and employer relationships that local partners hold.

¹ KMEP (July 2015), Kent and Medway Growth and Infrastructure Framework

- Developing a new model to **inform 14-24 pathways** across Kent and Medway. In particular, we must better manage the negative impacts of competition between providers, which often limits the real choices available to young people, especially in relation to technical and vocational learning. We will develop a model which provides much better, employer-driven information about career and training options. As part of this, we will seek the devolution of the **National Careers Service** budget to the Kent and Medway LEP, enabling us to create a more ambitious framework for careers information, advice and guidance.
- Ensuring that the **resources available for technical and vocational learning** are maximised and distributed effectively. We will establish a clear **Vocational Learning Strategy** for capital and revenue funding, sequential to the new Strategic Economic Plan, to direct the future allocation of the Skills Funding Agency's devolved capital fund and the use of mainstream LGF funds for higher and further education. Building on the devolution of capital funds, we will also seek further freedoms and flexibilities from central Government and a strong role for the new Kent and Medway Skills Commission in setting the priorities for SFA, EFA and Jobcentre Plus revenue budgets where they relate to technical and vocational provision.
- Reducing **unemployment among people aged 18-25**, substantially cutting the number of young people **not in employment, education or training (NEET)**. We will increase the supply of post-16 Level 1 courses, with clear progression routes to Level 2, ensuring that all have access to vocationally-relevant basic skills provision.
- Increasing the number of **apprenticeships**. In Kent and Medway, the number of apprenticeship positions offered by employers exceeds demand from young people, in contrast to the national trend, despite the career opportunities to which apprenticeships can lead. We aim to overcome barriers to participation (such as the frequent entry-level requirement for Level 2 qualifications), identifying beacon providers in every district linked with our improved intelligence base.
- Extending the growth of **higher education** as a key driver of innovation and productivity. Working with our four universities, we will ensure strong progression routes, especially in the scientific, technical and engineering skills that the economy needs.
- Reforming **community learning**, so that it is focused on the needs of the Kent and Medway economy, ensuring that those most distant from the labour market are supported back to work. We will concentrate resources on tackling **entrenched disadvantage**, better linking investment in skills with housing, health and social care. In Kent, we are already developing a **Social Impact Bond** to attract private and social investment in services that will reduce worklessness and we will progress discussions with prospective investors to launch the Bond in 2016.

Across the country, we have a market-driven, demand-led system. We welcome this, but we recognise that the system suffers information and coordination failures. It is the duty of the Kent and Medway LEP to overcome these. By 2020, we aim to double the number of apprentices in Kent and Medway and to substantially reduce the number of young people considered NEET. These are ambitious targets, but ones that we must achieve, and we will come forward with detailed proposals in our new Strategic Economic Plan in autumn 2015.

Accelerating infrastructure and housing delivery

It is essential that housing growth is accompanied by the infrastructure necessary to support it. Yet as the previous section outlined, much of the infrastructure required to support growth is unaffordable, with an estimated £118 million annual funding gap across Kent and Medway in the years to 2031.

A new strategic framework for growth

Last year, we commissioned the South East's most comprehensive strategic infrastructure plan through the **Kent and Medway Growth and Infrastructure Framework**. This has enabled us to identify innovative solutions for future infrastructure funding that will minimise the cost to the purse, providing:

- An evidence-based analysis to support future conversations with Government on funding options and barriers to delivery;
- Clear analysis to support consideration of how Kent and Medway – linked with other parts of the wider South East – can contribute to accommodating London's long term growth;
- Evidence to support the development of Local Plans as they evolve;
- An opportunity to co-ordinate the planning of new service delivery models for health, utilities and other community infrastructure to reduce long term costs;
- A single, strategic and more coherent voice for Kent and Medway, backed by Kent County Council, Medway Council and all the District and Borough Councils;
- An articulation of need for the right level of community infrastructure in place shaping across Kent and Medway;
- Innovative ways to fund necessary capital investment.

This will result in a clear shared set of priorities across Local Planning Authorities and infrastructure providers, helping us to future-proof major projects to avoid future infrastructure constraints. It will enable the new Kent and Medway LEP to identify demands for future infrastructure investment via the Local Growth Fund and other devolved capital funds, ensuring that public sector support is directed towards those projects that will best deliver long-term growth, alongside other sources of investment. The Framework will therefore act as the spatial basis for the new Kent and Medway Strategic Economic Plan.

Planning for growth across the South East

In a densely populated area with efficient transport links and one of the world's great cities on our doorstep, planning for the future must take account of growth across the wider South East and the opportunities that it brings for Kent and Medway. It will be important that the new Kent and Medway LEP works with our neighbours - so we will seek to create an alliance of LEPs and local authorities across the greater South East, focusing 360° around London.

In particular, we will work closely with:

- Greater **London**, as the primary employment destination for those commuting out of the county, a vital source of demand for Kent and Medway businesses and as an important (and growing) source of demand for housing, linked with the growth of the High Speed One corridor;
- The **Thames Gateway**, where for over 20 years, partners in North Kent have worked closely with colleagues in South Essex and London to deliver transformational regeneration, and which remains the South East’s most important long term growth corridor. With a clearer partnership structure, we will build much stronger relationships with London and across the Thames Gateway to drive forward growth;
- The rest of the South East to the west, including Surrey (along the M25 corridor towards Gatwick and Heathrow) and the **A21 corridor** from West Kent into East Sussex, in particular working with the emerging Surrey and Sussex partnership;
- The **South East coast**, where many of the challenges – and solutions – faced by parts of Kent are shared by our neighbouring coastal towns (see box below);
- South East-wide bodies, including South East England Councils (SEEC), the South East Strategic Leaders (SESL) and the South East 7 shared services group, linking the intelligent approach pioneered by the Growth and Infrastructure Framework with the emerging plans of our neighbouring county regions.

Through a more intelligent approach to strategic planning and by developing new solutions to infrastructure delivery and funding, we aim to accelerate growth. At present, we are failing to deliver the housing numbers that we need to meet the demands of a rising population. By 2020, we aim to have reversed this. This will mean the delivery of an additional 2,350 homes per year across Kent and Medway over actual annual delivery in the past five years, with the community and transport infrastructure needed to support them. In particular, we will need to focus on developing solutions to overcome the viability gap, especially in coastal Kent and Medway.

Unlocking the potential of the Kent and Medway coast

Coastal Kent has significant opportunities for growth. Transport connections are greatly improved through High Speed One, major cultural investment has driven new economic opportunities in places such as Margate and Folkestone, and the expansion of the Port of Dover is moving ahead.

However, Kent and Medway’s coastal and estuarial towns face significant long-term challenges associated with the decline of traditional industries and lower-value tourism. This is especially reflected in local concentrations of deprivation, linked in places such as Margate with poorly functioning housing markets.

These challenges are not unique to Kent and Medway; they are also faced by our neighbours in Sussex, Essex and beyond. As well as working locally to support coastal growth and regeneration, we will also increase our collaboration with our neighbours to develop bigger solutions – together with Government – to address the housing and labour market challenges that we cannot resolve through local action and resources alone. We will also seek to build on the opportunities presented by London’s growth to attract prosperity to the Kent coast.

Supporting dynamic, innovative businesses to grow

Kent and Medway enjoys a strong and diverse business sector. With the national economy growing, businesses report improved trading conditions and are positive about the prospects for growth. However, productivity in Kent and Medway lags behind that of the rest of the South East: in part, this is due to the skills and infrastructure challenges outlined earlier, but it also reflects capacity and resource constraints which limit businesses' ability to invest and expand.

The new Kent and Medway LEP will be more visible and relevant to business, and will take a stronger role in more effectively influencing and coordinating the government support that is available. In particular, we will bring increased focus to support for those businesses with the appetite and capacity for innovation and growth by:

- Supporting businesses in overcoming the **finance gap** that impedes their ability to invest in new products and in new processes and systems that could improve their productivity. We will build on the success of Kent and Medway's Regional Growth Fund programmes to ensure that publicly-backed loan and equity investment focus on the most innovative businesses with the greatest potential for long term growth.
- Improving Kent and Medway's **innovation support system**, working with our universities to support the role of higher education in driving growth and building much stronger links between the range of support offered by universities, innovation centres and local programmes and the national support offered via Innovate UK.

In particular, there is an opportunity for the new Kent and Medway LEP to have a central role in determining the county's future business support and innovation landscape by clearly setting the strategy for the use of all future European Regional Development Fund in Kent and Medway, ensuring that it links with and adds value to national and local provision.

- Increasing the availability of **support for business, by business, within the private sector**, through sector networks, peer support and development programmes.
- Linked with this, providing a coordinated route to clear business advice and support via the **Kent and Medway Growth Hub**, a pilot for which will be launched in 2015. This will provide a central, up-to-date web-based service for business support and financial assistance, supplemented with business advice. Alongside the establishment of the Growth Hub and to inform the new Strategic Economic Plan, we will examine the effectiveness of existing public sector support in increasing innovation and productivity, so that future programmes – whether they are delivered through local, national or European funding – are best designed to meet business need.

Through clear business leadership, the Kent and Medway LEP will ensure that our business support system is better integrated and more responsive to business need. Overall, we aim to increase productivity in Kent and Medway so that we bridge the gap with the UK average by 2020.

4. THE KENT & MEDWAY LOCAL ENTERPRISE PARTNERSHIP

The need for reform

The challenges and opportunities that we face in Kent and Medway, and the solutions that we have identified, require a Local Enterprise Partnership that reflects a credible economic geography and aligns with stable institutions and partnership arrangements.

There is therefore an overwhelming case to change the current South East LEP arrangements. In May, the South East LEP Board agreed that the geography and structure of the existing LEP impedes delivery and are no longer fit for purpose. The South East LEP Board therefore asked for alternative proposals to come forward.

Why the current arrangements are broken

Originally, partners in Kent and Medway approved the creation of a Kent and Medway LEP. However, the Government at the time encouraged the establishment of a regional LEP covering Kent and Medway, Essex and East Sussex. With a population of over 4 million, the South East LEP became the largest LEP in England, apart from Greater London.

Fundamentally, the South East LEP failed the tests of localism and subsidiarity. The LEP did not reflect a functional economic area, and the links between its three component county-regions were relatively weak. Consequently, the South East LEP struggled to establish a clear purpose beyond its role as a vehicle for the distribution of Government grant, and was never able to articulate a clear strategy for growth.

It has proved impossible to meaningfully prioritise and make decisions across the South East LEP area, as businesses and local government leaders in each county have limited understanding of the detailed priorities of their neighbours. As a result of this, the process of prioritisation has become increasingly bureaucratic: consultants have been brought in to set priorities, systems have become more and more complex, governance has been reviewed five times in as many years. This has resulted in delays to delivery.

While the South East LEP tried to adopt a ‘federated’ model, passing funding and power back to Kent and Medway, Essex and East Sussex, this was never properly embedded and it created additional complexity. Despite the best efforts of partners across Kent and Medway, Essex and East Sussex, the South East LEP has not been the most effective vehicle to support local growth. It is time to change.

Considering new arrangements: the changing policy landscape

Following the general election, there is new momentum behind a new settlement for England that will enable better, more accountable local decision-making to deliver growth. As well as the recently-announced devolutionary settlement for Manchester, the Government has also committed

to an extension of Growth Deals across England’s cities and counties and, in the Cities and Local Government Devolution Bill, is looking for local leaders to come forward with compelling proposals.

“There is clear evidence that devolution can help deliver economic growth and rebalance the economy, making clear the benefits to the nation of greater powers, not just for our major cities, but also for our non-metropolitan areas”

DevoNext: English Devolution – Local solutions for a successful nation, LGA 2015

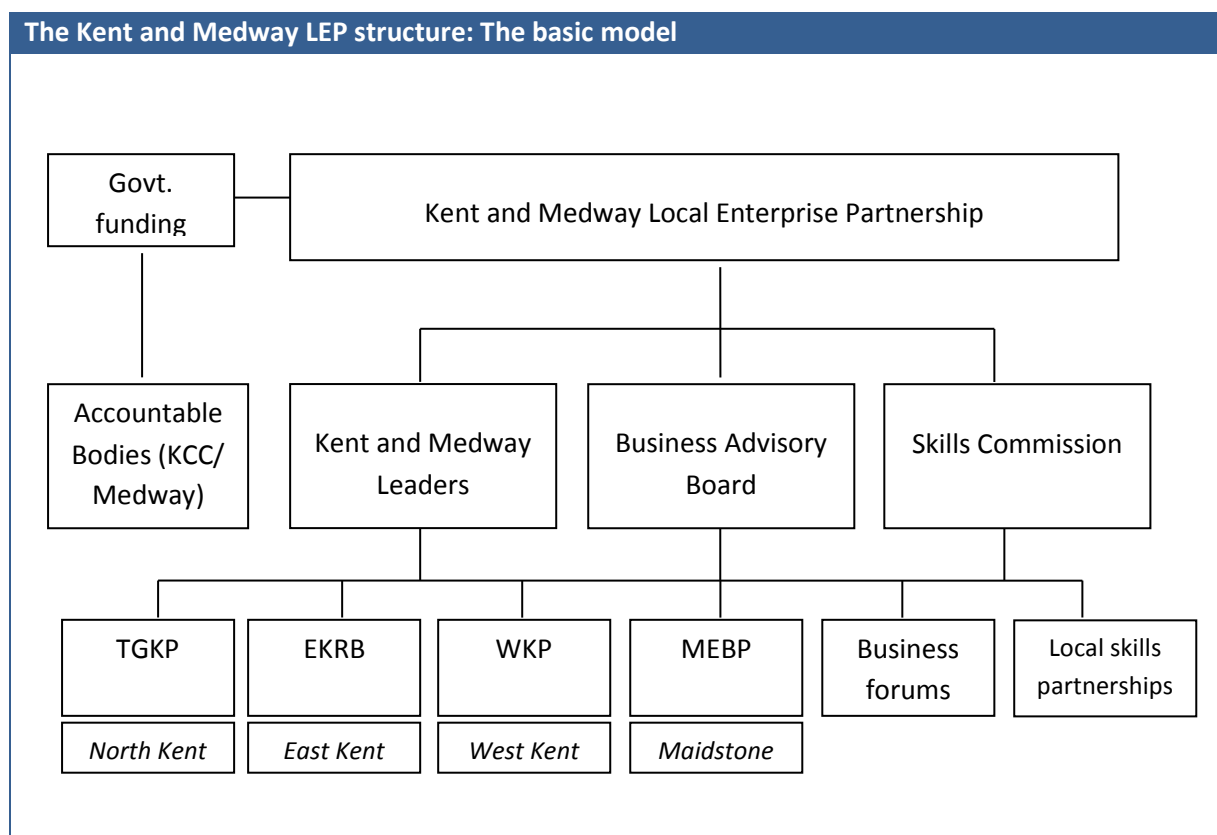
This presents a significant opportunity for cities and counties to bring forward proposals for devolution. However, only those places that can demonstrate clear priorities, clear leadership and clear delivery capacity will be able to make a credible case for devolved power and funding. In 2014, we saw that despite its growth potential, the South East LEP was only able to secure a national average per capita allocation from the Local Growth Fund, and no significant freedoms or flexibilities. This is not good enough given the scale of the challenges and opportunities that our outlined in this document – but it is not surprising.

Recognising the importance of stable and credible partnerships, the Independent Commission on Local Government Finance chaired by Darra Singh has set out **seven characteristics** that areas likely to be able to press forward in developing stronger place-based budgeting approaches should be able to demonstrate. We have analysed Kent and Medway’s economic geography and partnership structures in relation to all of these, and we believe that a Kent and Medway LEP will meet all of these criteria:

Finance Commission’s 7 criteria for place based budgeting	
Rating	Criteria
5*	A coherent and cohesive economic area
5*	An area with sufficient mass and scale to manage a wide range of public services
5*	Robust and visible leadership with real knowledge of the area
5*	Mature governance arrangements
5*	Sound risk management
5*	Strong relationships across the full range of local public services
To be judged	A well-articulated business case setting out how better outcomes will be achieved.

How the Kent and Medway LEP will work

The new Kent and Medway LEP will have a simple and straightforward governance model:



Kent and Medway Local Enterprise Partnership

The Kent and Medway Enterprise Partnership will become the new Kent and Medway LEP, chaired by a business leader and with a business majority.

The existing KMEP already meets Government guidelines for LEP composition and terms of reference and is a long-established and successful public-private partnership. However, the new Kent and Medway LEP provides an opportunity to create an even more representative partnership, bringing together all tiers of local government and businesses from all sectors of the economy. The new Kent and Medway LEP will include all Council Leaders on its Board, expanding business representation accordingly.

Building on our successful strong track record, the Kent and Medway LEP will be a genuine partnership between business and government, considering and approving all county-wide strategies and plans which impact on its objectives and will monitor progress towards the core outcomes and major projects which will affect the county's economy.

Kent and Medway Leaders

In the majority of LEPs, the business-led LEP Board is backed by a body with a clear democratic mandate. This is constituted in different ways in different places, although the Government has expressed a preference for robust and stable governance.

All Council Leaders will be represented on the LEP Board. We will also examine the business case for a Joint Committee model as the basis for more formal governance arrangements in the longer term.

Kent and Medway Business Advisory Board

BAB has existed for a decade, and brings together strategic businesses from across Kent and Medway and all the major business representative bodies and enjoys direct links with district business forums. We will expand representation on BAB, building even stronger links with the wider Kent and Medway business community and with business groups at local level.

BAB is an advisory body, providing KMEP with a wide range of commercial views, intelligence and expertise. BAB already consists of around 45 individual members, and there is a strong appetite to further expand representation.

Kent and Medway Skills Commission

As set out in Section 3, we will establish a new Skills Commission, with an independent chair, bringing together business and providers to ensure that we deliver the workforce skills that the future economy will need. The Skills Commission will report directly into the Kent and Medway LEP.

The sub-county partnerships

Successful sub-county partnerships for North Kent, East Kent, West Kent and Maidstone already exist and have an important role in developing the pipeline of local investment priorities (linked with the planning process and the Growth and Infrastructure Framework). The terms of reference for each sub-county partnership vary, recognising local diversity, and these will be supplemented with strengthened local skills partnerships, linked with the Skills Commission.

Accountable body

In the first instance, the Kent and Medway structure will not be constituted as a legal entity. A local authority will therefore need to act as an accountable body for the purposes of public funds attached to the partnership. In practice, this role is likely to be adopted by either Medway Council or Kent County Council, but there is no reason why more than one authority could not exercise this role in respect of different funds.

Kent and Medway LEP Management Team

It is vital that the new LEP hits the ground running, and that there is no gap in delivery during the transition phase. So we will put in place a small and efficient Kent and Medway LEP Management Team, headed by a Director, from 1 October, supported by the substantial resources that partners will continue to invest in delivery.

5. A SMOOTH AND EFFICIENT TRANSITION

It is important that we move quickly to new arrangements, establishing the Kent and Medway Local Enterprise Partnership and closing the South East LEP as soon as possible. However, **it is vital that transition has no negative impact on delivery**, so we will work closely with the South East LEP chairman, secretariat and accountable body, and with the successor LEPs in Essex and East Sussex to ensure a smooth transfer to new arrangements.

Managing existing funding streams and projects

There are some funds held by the South East LEP, for which Essex County Council acts as the accountable body. Most of these are allocated to specific capital projects, mainly for transport infrastructure, which are being delivered locally. During the transition phase, existing funds will need to either be transferred to the new arrangements or managed jointly, as outlined in the table below:

Fund	Suggested approach
Local Growth Fund (£450m SE LEP; £133m Kent & Medway)	<p>This funding is capital and is specifically allocated to identified projects (mostly transport-related) that have already been prioritised by KMEP.</p> <p>Project funding will transfer to the new Kent & Medway LEP via its designated Accountable Body, with decisions made locally and with direct reporting to Government from 1 October.</p> <p>As part of this, the Kent and Medway LEP will adopt the existing Assurance Framework process put in place by the South East LEP in the short term to ensure continuity.</p>
Skills Capital Fund (£22m SE LEP)	<p>This is mostly allocated and will be spent by March 2017. Future devolved funds will be transferred to the Kent and Medway LEP, with the Skills Commission playing a leading role in identifying priorities and need.</p>
European Structural & Investment Funds (£180m SE LEP)	<p>ESIF funds are not devolved, and remain under Government management, although there is a geographical allocation to the LEP.</p> <p>Later in 2015, the ESIF Strategy will have to be updated to reflect agreement to the national Operational Programme; this will provide an opportunity to develop a new Kent and Medway ESIF is consistent with the Kent and Medway Strategic Economic Plan. However, some funds may need to continue to be held jointly, given existing commitments (especially in relation to the European Social Fund) or to benefit from economies of scale), and there will still be advantages in progressing specific projects that cross boundaries.</p>
Growing Places Fund/ SEFUND	<p>GPF funding (and interest held on unspent balances) could be disaggregated to each successor LEP, potentially enabling the</p>

(£49m SE LEP)	establishment of a Kent & Medway land and property fund. We will also explore over the course of the summer whether there is value in retaining a shared fund.
Other residual funds	Transferred to new Accountable Bodies on formula basis (less residual management costs incurred by Essex CC in its current accountable body role).

The timetable for change

A new Kent and Medway Local Enterprise Partnership will be established by 1 October 2015.

Based on the submission of this business case to Government in July, work will take place over the summer to finalise terms of reference and operating arrangements for the new LEP. As our new structure is based on the existing KMEP, this should be straightforward. At the same time, we are working with our colleagues in East Sussex and Essex to ensure that the transition to new arrangements in all three parts of the LEP is consistent and that a proposal for the closure of the South East LEP in its current form can be developed with consensus. We will also work with Essex County Council as the Accountable Body for the existing South East LEP to manage the transfer of responsibilities.

The last meeting of KMEP in its current form will take place on 14 September and we will launch the new LEP on 1 October.

Core costs and management arrangements

For the past four years, the Government has provided core funding to LEPs. The South East LEP core budget for 2015/16 is £1.145 million. This is financed by £600,000 in Government grants, £200,000 in local authority contributions (including £72,000 from Kent County Council and £13,000 from Medway Council), with the remainder in underspend from previous years.

We recognise the pressure that public finances are under, both at national and local level. We will seek an overall management cost saving, ending the duplication inherent in the existing LEP model. However, it will be important that central funding, especially for project and programme monitoring, is redistributed, and we will work with the LEP Secretariat and the other county-regions to establish an equitable and pragmatic solution.

Working with our neighbours

The replacement of the South East LEP with stronger, clearer partnerships will benefit Kent and Medway, Essex and East Sussex. Colleagues north of the river are submitting a strong proposal for a Greater Essex Local Enterprise Partnership, and we are aware that partners in East Sussex are in discussion with West Sussex, Surrey and Government on the potential for a new Combined Authority. Working together with our neighbours, we will develop a solution that will work for business across the South East LEP.

Moving forward

Kent and Medway is a diverse but coherent economic geography. It is coterminous with the boundaries for a range of public services, has a strong historic identity and forms a cohesive economic area – and we also have an excellent business-led partnership in place.

It is also growing rapidly. It is vital that we plan strategically to deliver the infrastructure we need, working together with all tiers of local and national government and building stronger relationships with our neighbours in London and the wider South East.

**A simpler, stronger partnership for long term growth will help to deliver this.
We need a Kent and Medway Local Enterprise Partnership.**

By: Paul Carter, Leader
Matthew Balfour, Cabinet Member
for Environment and Transport
Barbara Cooper, Corporate Director of Growth,
Environment and Transport

To: County Council –

Subject: Kent and Medway Growth and Infrastructure Framework

Classification: Unrestricted

Summary: This report provides an overview of the work carried out to produce a Growth and Infrastructure Framework for Kent and Medway along with the key findings of that work. It also draws conclusions on further steps that could be taken to begin to address the significant challenges facing Kent and Medway in delivering its growth agenda.

FOR DECISION

Background

1 (1) Members will be aware that since the removal of Structure Plans and the Regional Spatial Strategies followed by the implementation of Local Plans, there has in effect been limited ability to plan at the strategic level for housing and jobs growth and the infrastructure needed to facilitate this. In recognition of this, Kent Leaders agreed it would be valuable to have a countywide view on:

- a) growth planned to 2031 across Kent and Medway;
- b) the infrastructure needed to support this growth;
- c) the cost of this infrastructure;
- d) likely public and private sector funding during this period: and,
- e) the extent of funding gap to deliver the necessary infrastructure.

(2) A Growth and Infrastructure Framework (GIF) has therefore been developed over the last few months working in close collaboration with Medway Council and Kent's twelve district authorities as well as the health and utilities sectors. The Kent and Medway Economic Partnership have been, and will continue to be appraised of the GIF work and its findings. The document is very much a "live" document and it is intended it will be updated annually and continually refined as part of that process. It should be noted that to date we have found that our approach is being emulated, with other

counties beginning to follow the model we have established for Kent and Medway.

Our Approach

2 (1) The approach to developing the GIF has very much relied on the principle that the infrastructure identified must be essential to delivering the countywide growth to 2031. The picture presented therefore is very much the “best case” scenario and provides an evidence base across the county both on a district by district basis as well as by infrastructure type.

(2) The development of the GIF involved establishing an in depth understanding of:

- Planning housing and jobs to 2031
- Population growth and drivers
- Economic growth and drivers
- Future funding levels
- Infrastructure requirements and costs.

(3) The broad headings for this identified infrastructure requirement is covered by 3 main sections:

a) Statutory infrastructure provided by local government – education, transport, adult social services and community facilities.

b) Utilities

c) Health care which has been considered by:

i) forecasting forwarded based on current health care models

ii) forecasting based on provision of a modern fit-for-purpose

21st century healthcare system.

(4) The GIF presents its findings by:

- Local authority area
- Infrastructure type
- Kent and Medway overall summary.

Estimating the Cost

3 (1) Costs for the statutory local government infrastructure have been assessed using a number of sources. The amount of funding anticipated as being available to 2031 has taken into account continuation of existing Government funding as well as reasonable estimates of what would be likely to come through developer contributions via S106 and Community Infrastructure Levy where that is in place. Any variation in demand and therefore infrastructure requirement will either widen or reduce the identified funding gap.

(2) Education – population growth and distribution of development was used to assess the number of additional primary and secondary school places that would be needed. Costs of these additional places were based on

an assessment of the current cost to KCC of provision as well as benchmarking on similar infrastructure projects across the country.

(3) Transport – Infrastructure requirements were established by extracting key information from Kent’s Local Transport Plan, Growth without Gridlock, KCC’s 20 year transport delivery plan, the transport strategies supporting the district authorities Local Plans, the Local Enterprise Partnership’s priority projects as well as the National Infrastructure Plan and Highways England Route Based Strategies. Costs of the identified infrastructure were again based on KCC work as well as national benchmarking on similar capital projects.

(4) Adult Social Services – KCC’s Social Care Accommodation Strategy sets out the forecast change in demand for the full range of care clients. This demonstrates the need for considerable investment in older persons nursing and extra care accommodation as well as supported accommodation for clients with learning disabilities. This provision however has been assumed as being funded by the private sector and voluntary organisations.

(5) Community – a number of key new library facilities and youth service space requirements have been identified through Local Plans in order to serve growth at various strategic development sites. For other community and sports facilities, this requirement was devised from projects identified in Local Plans as well as an analysis using Sport England and best practice standards.

(6) Utilities – Scarcity around water and sewerage provision can severely impact the capacity to deliver growth. The water companies’ 5 year plans need to be closely aligned to planned development therefore discussion with local authorities during their development to ensure a strong sense of placemaking that will deliver growth will be sought. Electricity companies similarly plan for the short to medium term only. The Long Term Development Statement for the South East considers electricity requirements plans to 2023 only. This work models demand annually based on “natural growth” in energy demand. The distributor companies require the developer to pay for the necessary new or upgraded infrastructure. Similarly for gas provision, this is determined on an application by application basis. Where there is no forward planning on infrastructure requirements, the GIF has used a per dwelling and commercial floorspace benchmark energy connection cost for the growth forecasts. The same approach was used for broadband provision. A key role for the public sector will be to hold utilities companies to account for delivery of their services to ensure growth can be delivered when and where required through potentially establishing County Council scrutiny arrangements for utility provision matching plans to actual delivery

(7a) Healthcare – continuation of existing healthcare model uses the population growth forecasts to establish level of demand for healthcare services. Future requirements and associated costs and funding assumptions for primary, acute and mental healthcare are based on benchmark modelling

and has not yet, due to time constraints, been validated or agreed by the NHS. This will form part of the ongoing development and refinement of the GIF as a live document. For acute hospital and mental health beds needed, this is based on the current UK bed to person ratios (i.e. steady state) and has been applied according to the forecast population growth.

(7b) Healthcare – this scenario acknowledges that the continuation of the existing healthcare model is unsustainable and will require a significant redesign and modernisation to move towards an integrated care model for the 21st century, such as the vanguard Estuary View Medical Centre in Whitstable. Costs for this model have been extrapolated and applied to the Kent and Medway population including growth forecasts. For the majority of healthcare capital asset provision it has been assumed that the private sector will provide.

Summary of Findings

4 (1) While the key findings below are presented at the Kent and Medway level, the GIF also breaks down this information on a district by district basis and also by each infrastructure type. In considering these findings, it should be borne in mind that the GIF is a “live” document that will continually evolve as district Local Plans develop and more detailed information becomes available.

The scale of Growth

Fact (2011-31)	Growth	Context
158,500 new homes*	21%	Equivalent to providing twice the amount of housing currently in Dartford district
293,300 new people	17%	Equivalent to 1 new person for every 6 currently in Kent and Medway or double the population of Swale Borough
135,800 new jobs	19%	Equivalent to providing twice the number of jobs Canterbury district currently has

*Note – these figures are in line with Office of National Statistics figures

The cost of Growth

Total for Kent and Medway	Total Cost	Cost per annum
Infrastructure Cost to 2031	£6.74 billion	£397 million
Secured Funding*	£0.706 billion	£42 million
Expected Funding**	£4.02 billion	£237 million
Funding Gap	£2.01 billion	£118 million

* Funding that is in the bank or signed up

** Funding that is anticipated to come in via government, developer contributions or private sector.

Conclusions

5 (1) The evidence base provided through the GIF clearly demonstrates there will be a significant funding gap in delivering the infrastructure vital to ensure we achieve sustainable, high quality communities (place shaping). This also makes clear that while across Kent and Medway we are committed to delivering this growth, it will be a real challenge and the scope to accommodate greater levels, particularly in view of the potential pressure coming from London, is severely limited. Similarly, while it will be a challenge to deliver the quantity of growth we are seeking, it will also be challenging to ensure that this is the high quality development we would want for Kent and Medway and will include a review of the Kent Design Guide.

(2) The GIF work also points to the fact that the Community Infrastructure Levy (CIL) has not been widely adopted across the County reflecting variations in land value, development viability and the amount of money that will be collected. This highlights the urgent need for a conversation with Government on potential changes to the CIL and developer contributions systems to better reflect varying viability and retail price of new homes in an area, while facing relatively fixed infrastructure unit costs. This conversation needs to ensure that any changes to the CIL system will begin to address the type of challenge we are familiar with in terms of viability across some parts of the county, for instance, in East Kent.

(3) The identified funding gap also suggests the need to work with the private sector to establish a significant 'Institutional Investment' pot that could be drawn down by private providers at preferential interest rates to help delivery of vital infrastructure. This could be particularly helpful in terms of modernising the healthcare system.

(4) An in-depth review of all other potential additional funding mechanisms and their ability to fund infrastructure is recommended, accepting the public sector borrowing requirement needs to be reduced

(5) The GIF also highlights the need to ensure wider linkage across asset management to best utilise not only the KCC estate but also more broadly the public estate via Government's One Public Estate initiative.

(6) The work of the GIF potentially provides the starting point for the provision of a single Infrastructure Delivery Plan for Kent and Medway reflecting the robust partnership working with the district authorities and Medway.

(7) A dialogue with other County Councils in the South East on strategic issues and priorities, in particular transport, to support growth. This could include linkages to London and radial routes to better connect the wider South East. Similarly, common issues such as the cost of commuting to

London linked to surrounding counties ability to bring prosperity out of the capital should be considered.

(8) Evidence to resist inappropriate growth where infrastructure funding has not been secured or planned for.

Recommendation

6. It is recommended that Council debates and provides comment on the emerging conclusions set out in Section 5 of this report.

Author: Ann Carruthers
Title: Head of Strategic Planning and Policy
Phone no: 03000 413347

Background Documents: none

Subject:	REVISION TO CONTRACT STANDING ORDERS
Meeting and Date:	Council – 22 July 2015
Report of:	Director of Governance and Monitoring Officer
Portfolio Holder:	Councillor Conolly, Corporate Resources & Performance
Decision Type:	Non- Executive
Classification:	Unrestricted

Purpose of the report: The purpose of this report is to propose revisions to Contract Standing Orders to the Council for adoption.

Recommendation: That the Council, acting on the recommendation of the Governance Committee and the Monitoring Officer, adopts the revised Contract Standing Orders appended to this report.

1. Summary

- 1.1 A requirement of the existing Contract Standing Orders (CSO's) is that they are reviewed and updated on a regular basis with any such recommendations made by the Monitoring Officer being agreed and adopted by the Council (after consideration by the Governance Committee).
- 1.2 "The Governance Committee considered the revised Contract Standing Orders at its meeting of 18 June 2015 and resolved:-

"That the Council be recommended to adopt the revised Contract Standing Orders appended to the report of the Director of Governance and Monitoring Officer"

2. Introduction and Background

- 2.1 Further to the New Public Contracts Regulations 2015 which largely came into place 26th February 15. The Council's Contract Standing Orders have been reviewed in the light of the new regulations. At the same time the opportunity has be taken to suggest further minor changes to tighten the controls operating over the Council's procurement processes and to support the governments objectives in relation to the electronic delivery of services.

Whilst there are a number of subtle amendments, the main changes of significance are:-

- Implementation of e-tendering - advertising opportunities, tender opening etc. (11. of CSO's)
- Changes in advertising requirements - derived from the new Public Contracts Regulations 2015 (7.4 of CSO's)
- Roles & responsibilities - requirement for quotations and tenders in excess of £10K to be undertaken in partnership with the Procurement Manager (5.4.6 of CSO's),

- Consultation with the Procurement Manager - contract extensions, variations etc. (3.7, 14.2, 15.2 of CSO's)

2.2 **E-Tendering** - The implementation of e-tendering not only supports the Governments overarching recommendations for electronic delivery of services and information (mandatory under the EU Regulations by 2018) but also provides the following benefits for the Council and Suppliers: -

Council Benefits: -

- Fully automates the quotation/tender process including, advertising opportunities, issuing and receiving quotation and tender responses, central contract store functionality (internally & externally facing) – ensuring all information is quickly/easily available/transmitted to Suppliers
- Opportunity to respond quickly to any Suppliers questions and points of clarification
- Can notify Suppliers in a standardised manner, ensuring there is no bias to any one Supplier
- Responses from Suppliers remain secure and privileged until the closing date (providing greater probity) and are opened 'electronically'
- All communications are tracked and recorded in the system to create a clear audit trail

Suppliers Benefits: -

- Reduced costs associated with, printing, copying, postage, administration etc. associated with a manual process
- Automatically notifies Suppliers electronically of future ITQ/ITT opportunities for all participating authorities negating the need for suppliers to continually monitor & search for future business opportunities across various council/authority websites etc.
- Ability to continually review/update their submission documentation right up to deadline
- Free of charge – web based, only requires internet access

2.3 Following a review of other South Eastern and neighbouring authorities DDC has implemented the Pro Contract e-Tendering Suite (in addition to utilising the Kent Business Portal for advertising future ITQ/ITT opportunities).

2.4 The CSO's have been reviewed to support the use of the e-tendering system for advertising, issuing and receiving quotations and tenders to the Council.

2.5 **Changes in Advertising Contract Opportunities** - As part of the Government's commitment to transparency the new Public Contracts Regulations 2015 now places additional advertising requirements on contracting authorities in relation to upcoming contract opportunities (and contract award notices).

- 2.6 Where the Council publically advertises any contract opportunities (or award notices) (over £25K) there is also a requirement now to advertise the opportunities via the Governments centralised Procurement Portal – ‘Contracts Finder’.
- 2.7 The Councils e-tendering system and Procurement Portal (Kent Business Portal) outlined at 2.2 above links directly to the Governments mandatory system and automatically populates the necessary advertisements etc. ensuring compliance with the new legislation.
- 2.8 The impact of this legislation (and Government initiative to increase opportunities across the wider SME sector) will be reviewed in a future Procurement Strategy Report that will consider (amongst other key areas) how DDC can encourage and support the local economy.
- 2.9 **Roles & Responsibilities** – Part of the new Procurement Managers role is to build upon existing working practices and provide for a more robust, effective and accountable delivery of procurement.
- 2.10 This future approach to procurement would seek to ensure the benefits of existing local knowledge and service delivery/expertise is complimented by consistent, proportionate controls, processes and procedures.
- 2.11 The CSO’s have been reviewed to ensure that Officers work in partnership with the Procurement Manager which in essence maintain Services as the delivery experts, whilst Procurement (& Legal) ensure that all procurement activity is effective, legal and not open to challenge.
- 2.12 The Service and Procurement would however be jointly accountable for the successful delivery and improvement of the goods, services and works procured.

3 Corporate Implications

- 3.1 Comment from the Director of Finance: The Director of Finance has been consulted in the preparation of this report and has no further comments to make.
- 3.2 Comment from the Solicitor to the Council: The Solicitor to the Council has been consulted in the preparation of this report and has no further comments to make.
- 3.3 This report does not specifically highlight any equalities implications however, in discharging their responsibilities members are required to comply with the public sector equality duty as set out in section 149 of the Equality Act 2010 <http://www.legislation.gov.uk/ukpga/2010/15>.

4 Appendices

Appendix 1 – Revised Contract Standing Orders

5 Background Papers

None

Contact Officer: Dean Coulls, Procurement Manager

CONTRACT STANDING ORDERS

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~~Appendix 1 Tender Opening Procedure~~

~~Appendix 2 Risk Assessment model~~

Contract Standing Orders

1. Introduction – Purpose of the Contract Standing Orders

1.1 Purchasing decisions and processes are important because the money involved is public money. The purpose of these Contract Standing Orders is to provide a structure within which procurement decisions are made and implemented (including the grant of service concessions) and which ensure that the Council:

1.1.1 Furthers its corporate objectives

1.1.2 Uses its resources efficiently

1.1.3 Purchases quality goods, services and works

1.1.4 Safeguards its reputation from any implication of dishonesty or corruption.

1.1.5 Improves the economic, social and environmental well being of the district

1.2 Procurement by the Council, from planning to delivery, shall incorporate (where appropriate) principles of sustainability, efficiency, whole life costings and cost savings.

1.3 These Contract Standing Orders are made in accordance with the requirements of Section 135 of the Local Government Act 1972.

1.4 These Contract Standing Orders do not provide guidelines on what is the best way to purchase works, supplies (goods) and services and grant service concessions. They set out minimum requirements to be followed. Further information and guidelines are set out in the Council's Procurement Guide and the guidance documents available on the Intranet.

2. General Principles – Application and Compliance with Contract Standing Orders

2.1 These Contract Standing Orders apply to the purchase by or on behalf of the Council of works, supplies (goods) and services and the granting of service concessions.

2.2 These Contract Standing Orders apply to all contracts including all purchase orders, service concessions and contractual arrangements entered into by or on behalf of the Council, except for the specific types of contracts and purchasing methods which are listed in 2.3.

2.3 These Contract Standing Orders do not apply to:

2.3.1 Employment contracts

2.3.2 Contracts relating solely to the purchase or sale of interests in land

2.3.3 Contracts for retention of legal counsel and the appointment of expert witnesses in legal proceedings

2.3.4. Service level agreements setting out the conditions which the Council applies to its funding of particular voluntary sector bodies.

3. General Principles Applying to All Contracts

3.1 All purchases however small shall be in writing.

3.2 All contracts of a value of £10,000 or more shall be made using either:

3.2.1 the Councils *Standard Terms & Conditions of Contract* or

3.2.2 a standard form of contract (e.g. NEC, JCT, etc) or

3.2.3 the Suppliers Terms & Conditions

Advice and agreement must be sought from Legal Services prior to award include contract clauses relevant to the procurement. – Contract clauses can be issued by Legal Services.

3.3 As a minimum, all contracts of a value of £10,000 or more shall include clauses which set out:

3.3.1 The works, supplies (goods), services, service concessions, material, matters or things to be carried out or supplied

3.3.2 Specify the price to be paid, the estimated price or the basis on which the price is to be calculated

3.3.3 The time within which the contract is to be performed

3.3.4 Quality requirements and/or standards which must be met

3.3.5 Requirements on the contractor to hold and maintain appropriate insurance

3.3.6 What happens in the event that the contractor fails to comply with its contractual obligations (in whole or in part)

3.3.7 Requirements on the contractor to comply with all relevant equalities and health and safety legislation

3.3.8 That the Council shall be entitled to cancel the contract and recover losses in the event that the contractor does anything improper to influence the Council to give the contractor any contract or commits an offence under the Bribery Act 2010 or s117(2) Local Government Act 1972.

3.4 Written contracts shall not include non-commercial terms unless these are necessary to achieve best value for the Council and necessary to enable or facilitate the Council's compliance with the public sector equality duty¹ imposed on it by the Equality Act 2010. In this context, "non commercial" means requirements unrelated to the actual performance of the contract.

3.5 All contracts shall include relevant specifications and/or briefs/technical requirements which are prepared taking into account the need for effectiveness of delivery, quality, sustainability and efficiency (as appropriate) and the information set out in the Council's Procurement Guide.

3.6 All contracts of a value of £10,000 or more ~~for~~ which involve a substantial risk to the Council must be subject to a written risk assessment in line with the Council's Risk Management Strategy, which shall be proportionate to the value of the contract, and which shall be kept on the contract file ~~{(and on the Council's Contract Register Database)}~~.

¹ Section 149 Equality Act 2010

4. **Regulatory Context**

- 4.1 All purchasing shall be conducted in accordance with Regulatory Provisions which are:
 - 4.1.1 All relevant statutory provisions
 - 4.1.2 The relevant EU Rules and EC Treaty Principles which are defined in the Council's Procurement Guide
 - 4.1.3 The Council's Constitution including these Contract Standing Orders, the Council's Financial Procedure Rules and Scheme of Delegation
 - 4.1.4 The Council's Procurement Guide and other policies and procedures of the Council as appropriate.
- 4.2 In the event of conflict between the above, the EU Rules will take precedence, followed by UK legislation, then the Council's Constitution, the Council's Procurement Guide and guidelines, policies and procedures.

5. **Responsibilities of Directors, Heads of Service and Responsible Officers**

- 5.1 Each Director shall have overall responsibility for the purchasing undertaken by his/her Directorate.
- 5.2 Each Head of Service shall be responsible for the purchasing undertaken by his or her service and shall
 - 5.2.1 be accountable to the Executive for the performance of his/her duties in relation to purchasing
 - 5.2.2 comply with the Council's decision making processes including, where appropriate, implementing and operating a Scheme of Delegation
 - 5.2.3 appoint a Responsible Officer in writing who shall be an authorised signatory
 - 5.2.4 take immediate action in the event of breach of these Contract Standing Orders which will include as a minimum promptly informing the Councils Monitoring Officer of such breach.
- 5.3 A Responsible Officer is an officer with responsibility for conducting purchasing processes for the purchase of works, supplies (goods) or services on behalf of the Council.
- 5.4 A Responsible Officer's duties in respect of purchasing are to ensure:
 - 5.4.1 compliance with all Regulatory Provisions (see 4.1) and integrity of the tender process
 - 5.4.2 that all relevant officers are reminded of the compliance with the relevant statutory provisions and the Council's requirements relating to declarations of interest affecting any purchasing process in order for them to comply with these requirements
 - 5.4.3 that there is an appropriate analysis of the requirement, timescales, procedure and documentation to be used

5.4.4 the purchasing process, from planning to delivery incorporates (where appropriate) principles of sustainability, efficiency, whole life costings and cost savings

5.4.5 compliance with the Council's decision making processes, in particular in relation to Key Decisions

5.4.6 that all quotations or tenders sought contracts of a value of £10,000 or more are undertaken in partnership with the Procurement Manager to ensure a corporate approach and delivery of the works, supplies (goods) or services included on the Council's Contract Register

5.4.7 that all contracts of a value of £10,000 or more are included on the Council's Contract Register

5.4.8 that proper records of all contract award procedures, waivers, exemptions and extensions are maintained, with separate files for each purchase of a value of £10,000 or more

5.4.9 that value for money is achieved

5.4.10 that adequate and appropriate security (such as a bond or guarantee) is taken to protect the Council in the event of non-performance.

5.5 In considering how best to procure works, supplies and services, Directors, Heads of Service and/or Responsible Officers (as appropriate in the context), shall consult with the Procurement Manager to take into account wider contractual delivery opportunities and purchasing methods including the use of Purchasing Schemes and e-procurement/purchasing methods, and the availability of local authority charging and trading powers under the Local Government Act 2003.

5.6 It is a disciplinary offence to fail to comply with these Contract Standing Orders and the Council's Procurement Guide. All employees have a duty to report breaches of Contract Standing Orders to the Monitoring Officer.

5.7 Any officer or Member who suspects any misconduct or corruption in relation to the purchase by or on behalf of the Council of works, supplies (goods) and services must immediately report that suspicion to the Council's Monitoring Officer.

6. **Scheme of Delegation**

6.1 Council procurement may only be undertaken by officers with the appropriate delegated authority to carry out such tasks as set out in the Council's Scheme of Delegation. Officers with delegated authority may only delegate to other officers who have the appropriate skills and knowledge for the task and such delegation shall be recorded in writing by the officer delegating the task and notified to the relevant Director/Head of Service.

6.2 Officers shall, where appropriate, be informed by their Director/Head of Service of the extent of any delegated authority and applicable financial thresholds.

7. Financial Thresholds and Procedures

- 7.1 The table below sets out the general rules applying to the choice of purchasing procedure for contracts at the stated threshold values.
- 7.2 There is a general presumption in favour of competition. Wherever possible contract opportunities should be advertised by way of a public notice. The Council must consider the potential effect of a contract on interstate trade (at a European level). If a contract may be of interest to contractors from other member states then this may result in a need to advertise in a manner which ensures that potential contractors from other member states are aware of the opportunity, even for small value contracts or contracts under the EU Threshold levels outlined below.
- 7.3 The public notice referred to at 7.2 may take the form of a notice or advertisement in an electronic or paper format, on an easily accessible website or other electronic media and/or in the press, trade journals or Official Journal of the European Union ("OJEU") (as appropriate). The Responsible Officer may choose to place one or more public notices in different media.

- 7.4 In accordance with Part 4 of the Public Contracts Regulations 2015 and guidance issued by the Cabinet Office:

7.4.1 All contract opportunities with a value of £25,000 and above must be published on 'Contracts Finder' where the Council has advertised such opportunity in the form of a notice or advertisement as set out in 7.3 above.

7.4.2 All contract opportunities for which a Contract Notice was sent to OJEU for publication must also be published on 'Contracts Finder'.

Table setting out financial thresholds and procedures

Total Value £	Type of contract	Procedure to be used
0 to <u>£10,000-9,999</u>	Works, Supplies and Services	At least one written quote in advance
<u>£10,000 to £100,000-99,999</u>	Works, Supplies and Services	At least three written quotes <u>obtained by Procurement</u> - in advance <u>using the Councils Invitation to Quote document</u>
100,000 to <u>£1723,514934* **</u>	Works, Supplies and Services	At least three written tenders <u>obtained by Procurement</u> in advance, <u>using the Councils Invitation to Tender document</u> following advertisement by public notice
<u>£1723,51934* **</u> plus ** *EU Threshold for supplies and services <u>Note: £625,050 threshold applies for social and some specific services listed within the Public Contracts Regulations 2015</u>	Supplies and Services	EU Rules apply – full competitive process following advertisement in the OJEU for supplies and <u>some Part A*</u> services. For <u>social and some specific Part-B*</u> services reduced requirements apply under the EU Rules but there is a presumption in favour of advertising and a competitive process*
£1723,51934 to	Works	Full competitive process with

£4,322,01248,350**		tenders following advertisement by public notice
£4,322,01248,350** plus **EU Threshold for works	Works	EU Rules apply – full competitive process with tenders following OJ advertisement

* ~~T~~For the purposes of the EU Rules ~~apply to services contracts -are divided into two types and the EU Rules apply to a differing ext~~ degrees depending on the service. Responsible Officers should act cautiously and seek advice when considering the procedure to be used and application of the EU Rules to services contracts

** or relevant threshold in force at the time under the EU Rules

7.5 Where contracts are of a type and value which means that they are subject to the EU Rules then there are ~~five~~our main types of EU procedures available. These are the open, restricted, competitive dialogue, ~~and~~ competitive procedure with negotiated and innovation partnership procedures. Care must be taken to ensure that the correct and most appropriate procedure is used and assistance on the choice and use of EU procedure should be sought from the Procurement Manager and Legal Services ~~or a specialist consultant~~.

8. Financial Thresholds and Processes Applying to Approval and Execution of Contracts

8.1 For contracts over the relevant EU threshold (in force at the time), the choice of purchasing procedure to be used and the decision to proceed to advertisement must be authorised in writing by the relevant Director/Head of Service in advance acting in consultation with the Procurement Manager and/or Solicitor to the Council where appropriate.

8.2 When a decision is made to award a contract then the Responsible Officer must, in addition to complying with his/her general obligations under these Contract Standing Orders ensure, in particular, that:

8.2.1 the appropriate approvals have been obtained to authorise that decision; and

8.2.2 where appropriate, a standstill period complying with the EU Rules is incorporated into the final award process.

8.3 Any contracts valued at £100,000 or above shall be ~~[executed as a deed] or [be signed by at least two officers of the council with appropriate delegated authority or made under seal of the Council and attested by at least one officer.]~~ All other contracts may be signed by officers with appropriate delegated authority. £100,000 shall be the threshold for the purposes of Regulation 8 of the Local Authority (Executive Arrangements) (Modification of Enactments and Further Provisions) (England) Order 2001.

8.4 Electronic signatures may be used in accordance with the Electronic Signature Regulations 2002 provided the sufficiency of security arrangements has been approved by the Senior ICT Manager.

9. Calculating the Contract Value

9.1 The starting point for calculating the contract value for the purposes of these Contract Standing Orders is that the contract value shall be the genuine pre-estimate of the value of the entire contract excluding Value Added Tax. This includes all payments to be made, or potentially to be made, under the entirety of the contract and for the whole of the predicted contract period (including proposed extensions and options).

9.2 There shall be no artificial splitting of a contract to avoid the application of the provisions of the EU Rules and/or these Contract Standing Orders.

- 9.3 The EU Rules can cover contracts, which are below the stated EU threshold, where they constitute repeat purchases and/or purchases of a similar type in a specified period. Responsible Officers should therefore seek advice from the Procurement Manager on the application of the EU Rules where they envisage that they may require repeat purchases and/or purchases of a similar type.

10. Principles Underlying Tendering Processes and Tender Evaluation

- 10.1 All tendering procedures (including obtaining quotes), from planning to contract award and signature, shall be undertaken in a manner so as to ensure:
- 10.1.1 Sufficient time is given to plan and run the process
 - 10.1.2 Equal opportunity and equal treatment
 - 10.1.3 Openness and transparency
 - 10.1.4 Probity
 - 10.1.5 Outcomes which deliver sustainability, efficiency and cost savings (where appropriate).

11. Submission and Opening of Tenders

- 11.1 An Invitation to Tender shall be issued by the Council for all contracts over £100,000 via the Councils e-tendering system and tenders shall be submitted in accordance with the requirements of the Invitation to Tender Document.

- 11.2 Any tenders received shall be kept secure electronically and unopened until the time and date specified for the opening (other than those received electronically, to which 11.3 shall apply) shall be:

~~11.2.1 addressed to the Democratic Services Manager~~

~~11.2.2 in a sealed envelope marked "Tender" followed by the subject matter to which it relates~~

~~11.2.3 kept in a locked cabinet by Democratic Services~~

~~11.2.4 retained unopened until the date and time specified for its opening.~~

~~11.3 Where the Council has indicated in the Invitation to Tender that a tender can or must be submitted electronically, then those tenders shall be:~~

~~11.3.1 addressed to the e-mail address as notified in the Invitation to Tender~~

~~11.3.2 in the format specified in the Invitation to Tender~~

~~11.3.3 stored in a secure mailbox, which requires a code or other appropriate security measure, to open it~~

~~11.3.4 retained unopened until the date and time specified for its opening.~~

- 11.34 No tender received after the time and date specified for its opening shall be accepted or considered by the Council unless agreed by the Monitoring Officer in exceptional circumstances. ~~is satisfied that there is sufficient evidence of the tender having been~~

~~dispatched in time for it to have arrived before the closing date and time, or other exceptional circumstances apply and the other tenders have not been opened.~~

~~11.45 Tenders shall be opened, certified and recorded electronically by an Officer appointed by the Monitoring Officer via the Councils e-tendering system, by a representative of the Democratic Services Manager, and either the Leader or the relevant Portfolio Holder, or other Portfolio Holder in their absence. An immediate record shall be made of tenders received including names and addresses and the date and time of opening. The record shall be certified by those opening the tenders.~~

~~11.6 The tender opening process is set out in detail at Appendix 1 to these contract standing orders.~~

12. Evaluation of Quotes and Tenders

12.1 All quotes and tenders shall be evaluated in accordance with evaluation criteria notified in advance to those submitting quotes/tenderers.

12.2 Tenders subject to the EU Rules shall be evaluated in accordance with the EU Rules.

12.3 Save in exceptional circumstances approved in advance by the Monitoring Officer all contracts shall be awarded on the basis of the quote or tender which represents best value for money to the Council and not on the basis of lowest price.

13. Waivers

13.1 The requirement for the Council to conduct a competitive purchasing process for contracts in excess of £10,000 may be waived in the following circumstances.

13.1.1 For contracts which are not subject to the EU Rules, the work, supply or service or grant of service concession is required as a matter of urgency and a delay would be likely to lead to financial loss, personal injury or damage to property; or

13.1.2 the circumstances set out in the Public Contract Regulations 2015~~06~~ Regulation 3214 apply (whether or not the contract is of a type which is subject to the application of the EU Rules); or

~~13.1.3 the contract is awarded under a Purchasing Scheme of a type where a competition has already been undertaken on behalf of the Council; or~~

13.1.3 if the goods or materials to be purchased are available from only one manufacturer; or

13.1.4 where the supply is for parts for existing machinery, or where the terms of supply of equipment require that maintenance be undertaken by a specified provider; or

13.1.5 where the Work is of a specialist nature, the skill of the contractor is of primary importance, and the supply market has been tested and found to be limited; or

13.1.6 where the supply is for maintenance to existing IT equipment or software, including enhancements to current software, which can only be performed by the licensed developer or owner of the system; or

13.1.7 at the discretion of the relevant Head of Service who may proceed in a manner most expedient to the efficient management of the service/Council with reasons recorded in writing.

- 13.2 A Responsible Officer who seeks a waiver of Contract Standing Orders, shall do so only in advance and only in exceptional circumstances. Further guidance on what may constitute exceptional circumstances permitting waiver of these Contract Standing Orders is set out in the Council's Procurement Guide.
- 13.3 All waivers from these Contract Standing Orders must be:
- 13.3.1 Fully documented
 - 13.3.2 Subject to a written report in an approved format to be submitted in advance to the Monitoring Officer or Section 151 Officer, which shall include reasons for the waiver which demonstrate that the waiver is genuinely required
 - 13.3.3 Subject to approval in advance by the Monitoring Officer or Section 151 Officer who shall record that they have considered the reasons for the waiver and that they are satisfied that the circumstances justifying the waiver are genuinely exceptional.
- 13.4 All decisions on waivers must take into account:
- 13.4.1 Probity
 - 13.4.2 Best value/value for money principles.
- 13.5 For contracts subject to the EU Rules, any waiver from the requirement for competition must meet the conditions set out in the EU Rules in addition to the general requirements above.
- 13.6 A waiver shall not be applied for reasons of poor contract planning.

14. **Extensions and Other Variations to Existing Contracts**

- 14.1 Where extensions or other variations to existing contracts are made the extensions must be determined in accordance with the contract terms, for a specified period and made in accordance with the principles set out in the Council's Procurement Guide.
- 14.2 Any extension or other significant variation must be:
- 14.2.1 Fully documented
 - 14.2.2 Subject to a written report in an approved format to be submitted to the Monitoring Officer and Solicitor to the Council; which shall include reasons for the extension or other variation which demonstrate that the need for the extension or other significant variation is genuinely exceptional
 - 14.2.3 Subject to approval by the Monitoring Officer and the Solicitor to the Council, who shall record that they have considered the reasons for the extension or other significant variation and that they are satisfied that the circumstances justifying the extension are genuinely exceptional.
- 14.3 Any extension or other variation must take into account:
- 14.3.1 Probity
 - 14.3.2 Best value/value for money principles.

14.4 For contracts subject to EU Rules, any extension must meet the conditions set out in the EU Rules in addition to the more general requirements set out above.

15. **Purchasing Schemes**

15.1 A Responsible Officer may use Purchasing Schemes subject to the following conditions and the Council's Procurement Guide.

15.2 Responsible Officers must check in advance with the Procurement Manager to ensure that

15.2.1 The Council is legally entitled to use the Purchasing Scheme

15.2.2 The purchases to be made do properly fall within the coverage of the Purchasing Scheme

15.2.3 The establishment and operation of each Purchasing Scheme is in compliance with the EU Rules (where they apply) and meets the Council's own requirements.

15.3 A "Purchasing Scheme" may include:

15.3.1 Contractor prequalification lists/select lists

15.3.2 Framework arrangements (including those set up by The Crown Commercial Service~~Government Procurement Service ("GPS")~~ (formerly GPS-OGG)

15.3.3 Purchasing arrangements set up by central purchasing bodies and commercial organisations

15.3.4 Consortium purchasing

15.3.5 Collaborative working arrangements

15.3.6 Formal agency arrangements

15.3.7 E-procurement/purchasing schemes and methods

15.3.8 Other similar arrangements such as the Government eLG Improvement and Development: Marketplace

15.4 Where a Purchasing Scheme is used then there shall be a whole or partial exemption from the obligations under these Contract Standing Orders in respect of the choice and conduct of procedures to the extent permitted and indicated in the Council's Procurement Guide.

16. **Review and Changes to these Contract Standing Orders**

16.1 These Contract Standing Orders shall be reviewed and updated on a regular basis. Save in the case of revisions to the EU Thresholds in Contract Standing Order 7, amended Contract Standing Orders shall be recommended by the Monitoring Officer and shall be agreed and adopted by the Council after consideration by the Governance Committee. The Solicitor to the Council will make revisions to the EU Thresholds as and when they occur.

17. **Suspension of these Contract Standing Orders**

17.1 These Contract Standing Orders may be suspended in accordance with Article 16 of the Constitution.

APPENDIX 1

**Procedure for Receiving, Storing and Opening Tenders
(See Contract Standing Orders – specifically Contract Standing Order No 11)**

The officer responsible for inviting tenders will advise officers in the Democratic Support Section of the name of the scheme which is being tendered for, the number of firms invited to tender (hence the number of documents to be expected), the date on which the tender is to be returned and an estimate of the tender total. Details may be by memo or e-mail.

Democratic Support Officers now only become involved where the estimate is over £100,000. The officer sending out details inviting tenders must supply a yellow label to each of the firms completed with the name of the scheme and the return date. When required, these labels are kept in a tray beside the metal cupboard in the Democratic Support Room and show that the tender is to be returned to Democratic Support. Tenders valued below £100,000 are received and opened by the officer who issues the invitation; they can supply their own labels which must show to whom the tenders should be returned.

When details of the expected tender are received, a sheet is completed in the yellow ring binders kept in the metal cupboard. The originating officer's memo/e-mail is also attached.

Tenders valued at over £100,000 must be opened by the appropriate portfolio holder (or the Leader or another portfolio holder) in the presence of a DS officer. Therefore the portfolio holder must be contacted to check that they can come to the office at or after 2.00pm on the day the tenders are due to be returned. It is often helpful to have the originating officer present for these tender openings as the documentation can be complicated.

As tender documents are returned to the Council offices they will be received either by the Mail room staff or the Reception staff. These officers will write the date and time of receipt on the covering envelope and their signature. Democratic Support Officers **must record** the receipt of each envelope on the numbered sheet in the folder, number the covering envelopes in order of receipt and store the tenders securely in the metal cabinet until opening. Any markings on the envelope which identify the firm or company who has tendered must be removed or blanked out.

On the due date for return of the tender documents, a Democratic Support Officer must immediately after 2.00 pm check with reception staff and post room staff to see if there are any documents received but not yet delivered.

The opening procedure is:

_____ The Portfolio Holder opens the envelopes in the order in which they have been received. On the summary of tender page, or whichever page shows the total figure, the rubber stamp

_____ *Opened by*

_____ *In the presence of*

_____ *DATE*

_____ must be imprinted together with the number from the covering envelope.

_____ The person opening signs in the *Opened by* space, completes the date and reads the name of the tendering firm and the total amount to the accompanying officer who enters these details in the numbered sheet.

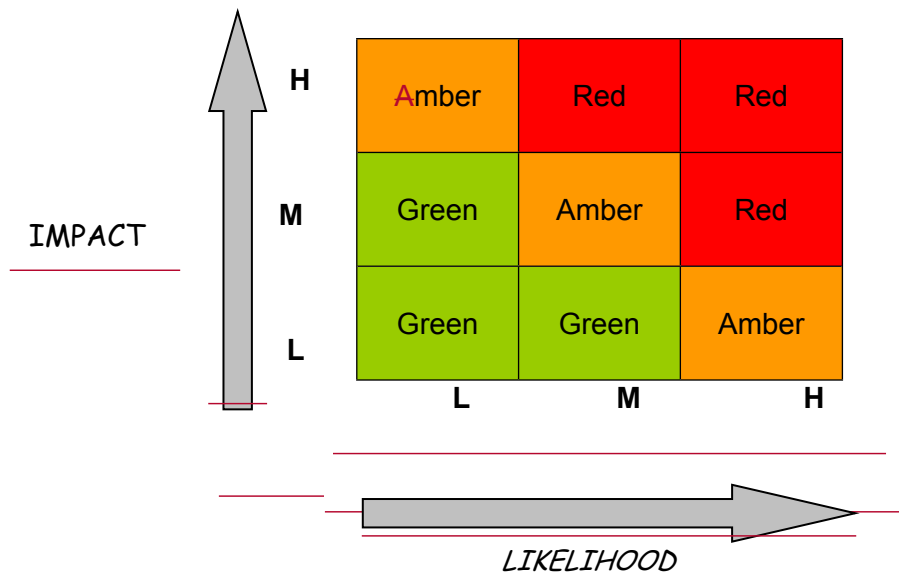
~~When all tenders have been opened and the details entered, the accompanying officer reads back to the person doing the opening the names and amounts which have been entered on the sheet for confirmation of accuracy with the original document. The person opening initials the final box on the numbered sheet against each entry and the accompanying officer signs at the foot of the page against *In the presence of*.~~

~~The originating officer must also sign at the foot of the page against *Handed to* before taking away the opened tender documents.~~

~~The completed pages and attached documents are then moved to the other yellow folder which is the register of tenders received. At the end of the Council year the register folder is emptied and the documents tied together and stored in the legal strong room.~~

~~In the event of a tender document arriving after the 2.00 pm deadline IT WILL NOT BE ACCEPTED. The envelope must be opened by a Democratic Support Officer to identify the sender and the envelope and contents returned to the sender with a covering letter stating that the document had been received after the 2.00 pm deadline and could therefore not be accepted. A note to this effect is then added on the sheet which was completed with the correctly submitted tenders.~~

Risk Prioritisation and Analysis Model



The form of assessment in use at Dover District Council is the 3 x 3 matrix. The colours red, amber, green reflect differing levels of overall risk with green and amber being acceptable and red requiring caution and ways of reducing/managing that risk.

The table below sets out suggested criteria for assessing the likelihood and impact to produce an overall score.

Ideally, scoring should be undertaken by more than one person to allow for different perceptions of risk; one person's high risk can be another's low to medium.

Where the scoring differs across the criteria for impact and likelihood, it is suggested that a cautious approach is to use the score, which is highest for any of the criteria rather than an average. However, be prepared to apply a common sense approach and score accordingly.

Likelihood

Score – 1 (Low Risk) Unlikely	Score – 2 (Medium Risk) Likely / Highly Likely	Score – 3 (High Risk) Very Likely / Definite
Previous experience discounts this risk as being likely to occur but other organisations have experienced problems in this area.	The council has experienced problems in this area in the last three years.	The council is experiencing problems in this area or expects to in the next 12 months.
There are controls in place that whilst not tested appear to be effective.	Controls may be in place but are generally ignored or ineffective.	No controls are in place.

Impact

Score – 1 Low	Score – 2 Medium	Score – 3 High
The financial impact would be extra costs or loss of income of no greater than £25,000.	The financial impact would be extra costs or loss of income of no greater than £100,000.	The financial impact would be greater than £100,000.
Some temporary disruption to the activities of one council service but not beyond this.	Regular disruption to the activities of one or more council services.	Severe disruption to the activities of all council departments.
It may cost more or there may be delay in delivering one of the council's corporate objectives.	A number of corporate objectives would be delayed or not delivered.	Unable to deliver most objectives.
Some loss of confidence and trust in the council felt by a certain group or within a small geographical area.	A general loss of confidence and trust in the council within the local community.	A disastrous loss of confidence and trust in the council within the local community.

Subject: POLICY FOR LONG SERVICE AWARDS TO ELECTED MEMBERS OF DOVER DISTRICT COUNCIL

Meeting and Date: Council – 22 July 2015

Report of: Director of Governance

Classification: UNRESTRICTED

Purpose of the report: To regularise the position in respect of recognising long service by Elected Members of Dover District Council.

Recommendation:

- (a) That the Council adopt a Policy for Long Service Awards to Elected Members of Dover District Council as set out in Appendix 1.
- (b) That the Council record their appreciation of the Long Service of the Elected Members named at paragraph 2.7 of this report and request the Head of Democratic Services to make the necessary arrangements for Long Service Awards to be presented to the Members named at paragraph 2.7 at the meeting of the Council to be held on 30 September 2015.

1. Summary

This report seeks to establish a policy to regularise the position in respect of long service awards for Elected Members of the Council.

2. Introduction and Background

2.1 Across England many local authorities provide for awards recognising the long or exceptional service by councillors. This takes a number of forms including the awarding of honorary alderman status but a common factor is often a requirement for the individual being honoured to have completed a minimum duration in office.

2.2 Dover District Council made no provision for long service awards until this year when an award was made to three retiring Members of the Council at the meeting held on 4 March 2015.

2.3 The awards presented at the 4 March 2015 meeting were presented to three retiring members of the Council, each with a minimum of 20 years of service on the Council and a combined service of 89 years. All three Members in question were current or former Cabinet Members and one was the then Chairman of the Council.

Name	First Elected	Service
Cllr G J Hood	1976	39 Years of Continuous Service
Cllr S R Nicholas	1987	27 Years of Non-Continuous Service
Cllr C J Smith	1987	23 Years of Non-Continuous Service

- 2.4 The award took the form of a plaque of the Council's Civic Crest with an engraving stating the Members' name and the reason for the award. The plaques were taken from the Council's existing civic stock and the mounting work undertaken by a local company.
- 2.5 At the time of the awards the Director of Governance gave an undertaking that a policy would be brought forward after the election to regularise the position with a view that, if adopted, a further round of long service awards would be presented at the meeting of the Council scheduled for 30 September 2015.

Long Service Policy

- 2.6 It is proposed that a Long Service Policy be introduced to present an award to Members on having reached 20 years of service as an Elected Member of Dover District Council. The award itself is intended to be ceremonial in nature and of a minimal financial cost to the Council.
- 2.7 The following Members would be eligible for receiving the Long Service Award currently (representing a combined 136 years of service):

Name	First Elected	Service (As at May 2015)
Cllr T J Bartlett	4 May 1995	20 Years of Continuous Service
Cllr B W Butcher	4 May 1995	20 Years of Continuous Service
Cllr P G Heath	2 May 1991	24 Years of Continuous Service
Cllr K Mills	2 May 1991	24 Years of Continuous Service
Cllr F J W Scales	4 May 1995	20 Years of Continuous Service
Cllr P A Watkins	5 May 1983	28 Years of Non-Continuous Service

- 2.8 In addition, one further Member (Councillor A S Pollitt) would reach 20 Years of Non-Continuous Service at the next ordinary elections of the Council (May 2019) and a second Member (Councillor N J Collor) would reach 20 Years of Continuous Service by May 2020.
- 2.9 Further awards would be made upon an Elected Member meeting the qualifying criteria.

3. Identification of Options

- 3.1 Option 1: To approve the Policy for Long Service Awards to Elected Members of Dover District Council.
- 3.2 Option 2: To not approve the Policy for Long Service Awards to Elected Members of Dover District Council.

4. Evaluation of Options

- 4.1 Option 1 is the recommended option as it regularises the position of Long Service Awards to Elected members of Dover District Council.

4.2 Option 2 is not recommended as it does not establish a framework for regularising recognition for long service by district councillors.

5. **Resource Implications**

The cost of the six long service awards would be met from within the existing civic budget.

6. **Corporate Implications**

Not Applicable.

7. **Appendices**

Appendix 1 – Policy for Long Service Awards to Elected Members of Dover District Council

Appendix 2 – Length of Service of Current District Councillors

8. **Background Papers**

None.

Contact Officer: Rebecca Brough, Team Leader – Democratic Support 01304 872304

POLICY FOR LONG SERVICE AWARDS TO ELECTED MEMBERS OF DOVER DISTRICT COUNCIL

1. Purpose

1.1 The purpose of this policy is to:

- (a) formalise the practice of recognising the commitment and dedication to public service of councillors who have served a total of 20 or more years as elected members of Dover District Council; and
- (b) describe the arrangements for the presentation of such long service awards.

2. Qualification for Long Service Awards

2.1 Any member of Dover District Council will be eligible to receive a long service award once they have served, either continuously or non-continuously, a total of 20 years on the Council.

3. Administration and Presentation of Long Service Awards

3.1 The Head of Democratic Services will administer the scheme for long service awards by maintaining a record of the length of service of all members and making arrangements for the presentation of awards to qualifying councillors.

3.2 The following arrangements will apply to such awards:

- (a) the formal presentation of a long service award will normally be made at an ordinary meeting of the Council;
- (b) the Head of Democratic Services will notify the Chairman of the Council and the Chief Executive of the name of any councillor who becomes qualified for receipt of a long service award;
- (c) the qualifying councillor will be notified of their qualification for the award;
- (d) the councillor may, if he or she wishes:
 - (i) decline to receive the award; or
 - (ii) accept the award but not at a meeting of the Council (see (h) below);
- (e) if relevant, the meeting at which any award is presented will be agreed with the Chairman and the qualifying councillor;
- (f) the award will take the form of a plaque, the exact materials to be determined by the Head of Democratic Services, engraved with the Councillors name, the date of the award and the length of service.
- (g) if the award is made at a meeting of Council:

- (i) The Chief Executive, or a representative from Corporate Management Team, will present the Award to the qualifying member.
 - (ii) The Chairman will invite the Leader of the Council and the Leader(s) of the Opposition Groups to speak about the award to the qualifying member;
 - (iii) At the Chairman's discretion other members will be invited to speak in support of the award to the qualifying member; and
 - (iv) The Chairman will invite the qualifying member to address the Council.
- (h) Should the qualifying councillor decide not to receive the award at a Council meeting, the Chief Executive, or a representative of Corporate Management Team, will present it to him/her on a date and occasion agreed between the two.

Length of Service of Current District Councillors

Appendix 2

Name	First Elected	Length of Service (@ May 2015)
Back, J S	4 May 2011	4 Years
Bannister, S F	3 September 1992 (By-Election)	12 Years 8 Months*
Bartlett, T J	4 May 1995	20 Years
Beresford, P M	4 May 2011	4 Years
Bond, T A	3 May 2007	8 Years
Brivio, P M	4 May 2011	4 Years
Butcher, B W	4 May 1995	20 Years
Carter, P I	4 May 2011	4 Years
Chandler, S S	20 July 2006 (By-Election)	8 Years 10 Months
Collor, N J	18 May 2000 (By-Election)	15 Years
Conolly, M D	24 April 2008 (By-Election)	7 Years 1 Month
Cosin, M I	7 May 2015	0 Years
Cronk, D G	7 May 2015	0 Years
Dixon, N	7 May 2015	0 Years
Eddy, M R	28 September 1995 (By-Election)	11 Years 8 Months*
Friend, A	3 May 2007	4 Years*
Frost, R J	4 May 2011	4 Years
Gardner, B	4 May 2011	4 Years
Glayzer, B J	7 May 2015	0 Years
Hannent, D	4 May 2011	4 Years
Hawkins, P J	4 May 2011	4 Years
Heath, P G	2 May 1991	24 Years
Heron, J	7 May 2015	0 Years
Hill, S	7 May 2015	0 Years
Holloway, M J	7 May 2015	0 Years
Johnstone, T P	7 May 2015	0 Years
Jones, S J	4 May 2011	4 Years
Keen, L A	3 May 2007	8 Years
Kenton, N S	1 May 2003	12 Years
Le Chevalier, P S	1 May 2003	12 Years
Le Chevalier, S M	3 May 2007	8 Years
Manion, S C	1 May 2003	12 Years
Mills, K	2 May 1991	24 Years
Morris, K E	4 May 2011	4 Years
Murphy, D P	7 May 2015	0 Years
Ovenden, M J	4 May 2011	4 Years
Pollitt, A S	2 May 1991	16 Years*
Rapley, G	7 May 2015	0 Years
Richardson, A F	18 June 1998 (By-Election)	12 Years 11 Months
Rose, M	7 May 2015	0 Years
Sargent, D A	7 May 2015	0 Years
Scales, F J W	4 May 1995	20 Years
Walker, P	4 May 2011	4 Years
Wallace, P M	2 May 2013 (By-Election)	2 Years
Watkins, P A	5 May 1983	28 Years*

(*) Indicates non-continuous service