

10. NEXT STEPS



Archbishop's Palace, Maidstone

Kent and Medway is embracing growth. We recognise the benefits business and housing growth brings to the County in terms of new jobs, new facilities, and new communities.

However, the GIF makes it clear that the current mechanisms in place for the planning, funding and delivery of infrastructure are not sufficient for accommodating the level of growth planned for Kent and Medway. New approaches are required to secure the additional public and private investment needed. The next steps for the County in closing this investment gap are summarised below.

A) Defining the investment gap

The evidence provided through the GIF clearly demonstrates the need for new and additional sources of finance to enable the ambitious levels of growth planned for the County. If not addressed, the investment gap will impede this growth. It will also severely limit the ability to accommodate any further growth in the form of additional pressures coming from London or from new Government policy. This includes recent proposals to increase housing targets significantly through a new approach and methodology for calculating the Objectively Assessed Housing Need.

Action 1) We will work with Government and partners to ensure that there is clear recognition of the shortfall in capital investment identified for delivering planned, high-quality growth across Kent & Medway. The evidence base presented in the GIF will be used and the approach could be a potential model for supporting improved spatial planning and delivery. Recognition will be particularly important in the context of the Government agenda on housing and emerging plans around housing requirement and delivery tests. We will also use the GIF to help package investment opportunities.

B) Pioneering a “place-based” approach

In Kent and Medway, our joint working on housing, planning and growth is both proven and impressive, including; the previous Growth & Infrastructure Framework (2015); Kent & Medway Housing Strategy and Kent & Medway Growth Plan; and our local chapter of the South East LEP's Strategic Economic Plan. We will develop new ways of working with Government and its agencies, recognising the need for increased “place-based” activity with greater co-ordination of investment in homes, infrastructure and jobs to build quality communities. We will further achieve this through new joint initiatives including the GIF, refreshed Housing Strategy and our bids for Housing & Infrastructure Fund (HIF), and a successful bid for the 100% Business Rate Retention pilot.

Action 2) Building on our co-ordinated approach to housing and growth in Kent and Medway, we will establish new ways of working with the Department for Communities & Local Government and more widely across Government and its agencies.

This may include co-production and design, as in current HIF bids, greater recognition of DCLG as a “broker” within Government, increased engagement with local agencies or the development of new devolution initiatives to support growth needs.

C) Exploring innovation in financing the funding gap

Government funding alone will never support all our infrastructure requirements – we need innovation. However, the GIF has highlighted the limitations in the current system, which is fragmented and inefficient, with local authorities and developers carrying a majority of the risk in funding critical infrastructure. Limitations and complexities associated with funding streams provided by Government and its agencies, together with a lack of effective forward funding facilities, place an additional burden on those who deliver infrastructure. There is an urgent need for reform of the wider developer contributions system to ensure that new development pays fairly for the infrastructure it requires and new, creative thinking in how additional funding can be raised or sourced.

Action 3) As a matter of urgency, we will explore existing, new and different ways of closing the funding gap and ways of working with Government in addressing the shortfall in capital funding. We will explore the potential for other mechanisms that may help fund infrastructure. This may include use of existing legislation to support new forms of finance, such as land value capture.

In addition, we will interact with the private sector to consider private sector funding options, including the development, pension, insurance and investment sectors, to explore the feasibility of establishing an ‘institutional investment’ fund for infrastructure.

D) Commercial supply and demand

The GIF evidences the increasing demand for business premises and the current lack of suitable supply. Sustainable communities need to provide both homes and jobs and there is a risk if priorities focus on housing growth alone.

Action 4) We will work with local partners, including Kent Developer Group and Locate in Kent, to develop key actions to respond to the gaps identified between the supply and demand of commercial space.

This could be through encouraging speculative commercial development through funding incentives (where there is a funding gap rather than a viability gap) or securing local agreements with Government to give greater protection to existing commercial premises.

E) Future-proofing Kent and Medway’s infrastructure

Looking ahead to 2050, we recognise that there are significant opportunities and challenges environmentally, socially and economically that we will need to accommodate over time. As the rate of adoption of new technology increases, we need to become more able to adapt our infrastructure and our communities to accommodate these advances – whether that is the increased uptake of electric vehicles, the critical transformation of health and social care, or the introduction of increasingly multi-functional infrastructure.

With these pressures and opportunities, there are likely to be demands for new types of infrastructure, different forms of

governance and new funding and financing models. Whilst such changes cannot be predicted, we can consider how to deliver infrastructure in a way that is more flexible and adaptable now, in order to enable us to accommodate the ever changing demands on that infrastructure.

Action 5) Working alongside key infrastructure providers and public and private local partners, we will use the 2050 framework developed in this GIF to future-proof the infrastructure we deliver today to the greatest extent possible, building in resilience and flexibility where possible, and proactively horizon-scanning in order to enable us to utilise advances in technology where appropriate. This will include recognition of future energy and digital connectivity needs to support a growing population, and prioritisation of investment to enable us to be more future-proofed.

F) Creating well-designed communities

Place shaping needs to be at the heart of growth and fundamentally, we want to be building not just houses, but rich and sustainable communities that residents are proud to live in and which ensure good quality of life, access to jobs, services and places that people enjoy living in.

Looking forward, we will need to make some bold decisions in planning for growth, particularly around modal shifts in transport and the role and promotion of broadband in changing lifestyle, travel and employment choices, as well as in house-building innovations, using modern technologies and skills in construction and design (such as modular housing and life-time homes).

Action 6) We will use the GIF to understand at an infrastructure-specific level the opportunities and challenges in providing higher-quality communities - and work with

the industry to identify how to deliver that higher quality. We will work with local partners such as Design South East in ensuring high-quality, innovative and inclusive design. This could include looking to pool expertise and provide best practice across the County.

Action 7) We will seek to engage with SE authorities through new mechanisms like the Transport for the South East Subnational Transport Body, where we will use the GIF to help prioritise strategic infrastructure investment at a regional level.

G) Collaborating with infrastructure providers

The identified funding gap suggests the need to work with the private sector to modernise and deliver the required infrastructure and to work with and support the utilities companies to ensure that their medium-to long-term planning aligns with Kent and Medway's growth agenda. Through our work, including with the Housing & Finance Institute, we are already beginning to explore alignment with utility investment plans.

Action 8) We will seek to engage with the private sector and utilities companies, to ensure that there is alignment in planning for future growth. This will include exploring ways to ensure better access to and sharing of data and data management information.

We will collaborate with the utilities sector to seek improved medium- to long-term planning aligned to Kent and Medway's growth plans. A key role for the public sector will be to hold utilities companies to account to make the necessary capital investment. This can be achieved by continuing the recently established County Council Utilities Sub-Committee for utility provision and matching utility companies' capital investment plans to planned growth.

H) Creating an increasingly robust and real-time evidence base

The GIF provides a snapshot in time of planned growth and the required supporting infrastructure across Kent and Medway – and is underpinned with data that provides valuable evidence to help us focus on the scale of the challenge we have in delivering and funding this growth. From its original iteration in 2015 to this refreshed version, the GIF has evolved and improved – whether through the refinement of data sources and methodologies, or through our understanding of our infrastructure provider partners. For the GIF to continue to be a valuable tool in helping us understand the county-wide growth agenda and associated delivery challenges, we will continue to develop and evolve the Framework, working with partners.

Action 9) We will work with Medway Council and the Kent district and borough authorities to review and update the GIF data, to ensure that the evidence base is robust and aligns with district and borough councils' Local Plan evidence and Infrastructure Delivery Plans. This will reflect robust partnership working across the County, to ensure that we can resist inappropriate growth in Kent and Medway, where infrastructure funding has not been secured. The GIF will be regularly updated to reflect the ongoing development of Kent and Medway Local Plans and to enable refinement of evidence, including costs and future funding assumptions.

Action 10) Using the data that underpins the GIF, we will develop a dynamic online platform that will enable users to interact, manipulate and download relevant areas of interest.



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