

EXECUTIVE SUMMARY

The link between infrastructure and growth is well known. Robust infrastructure can fundamentally unlock the viability of development. Infrastructure frameworks such as the Kent and Medway Growth and Infrastructure Framework (GIF) should be at the forefront in spatial planning considerations, but freedoms and flexibilities need to be extended to allow for a tighter and more collaborative response to barriers to infrastructure delivery.

PURPOSE OF THE GIF

There is value in having infrastructure and growth requirements considered over a wider geography to provide a spatial perspective. The GIF has been prepared by Kent County Council (KCC) to provide a view of emerging development and infrastructure requirements to support growth across Kent and Medway. KCC has worked closely with Medway Council, districts and boroughs, and key strategic partners in the preparation of this framework.

The GIF provides a strategic framework across the County, for identifying and prioritising investment across a range of infrastructure, for planned growth up to 2031. It draws together information and data from a range of sources, including district Local Plans, Infrastructure Delivery Plans (IDPs) and infrastructure and service providers. The framework is also fundamental in providing robust evidence to attract investment and engagement, and in supporting the case for public funding bids and packaging projects for major private sector investment.

Ultimately, the GIF will help to ensure that Kent residents enjoy a good quality of life through well-planned, sustainable development that is supported by the right infrastructure and services. By planning strategically, it enables Kent and Medway to respond to the growth pressures on the County's housing and infrastructure needs, while supporting growth pressures from London.

A COUNTY UNDER PRESSURE

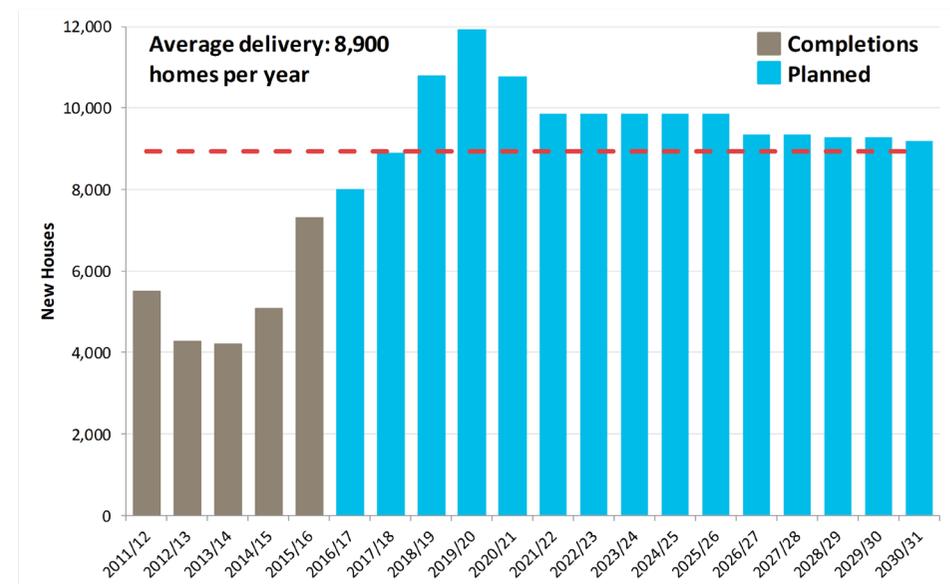
Over recent years, Kent and Medway have delivered some of the highest rates of housing delivery in the country; however, the infrastructure has not kept up with the pace of growth. Growing congestion on roads and in towns, overcrowded trains and ever longer waiting times to access health facilities have meant a continued challenge to the quality of life for residents and businesses. For years, housing

and population growth has far outpaced the delivery of the infrastructure required to sustain it. Combined with unprecedented funding challenges, local services across the County have been brought to breaking point. Nonetheless, the County remains critically important to national productivity and is strategically located as the main international gateway into the UK from Europe, being a key link to the investment being made in the Midlands Engine and Northern Powerhouse. The County holds important connections in relation to London, as well as already having made crucial contributions to the Government's housing agenda.

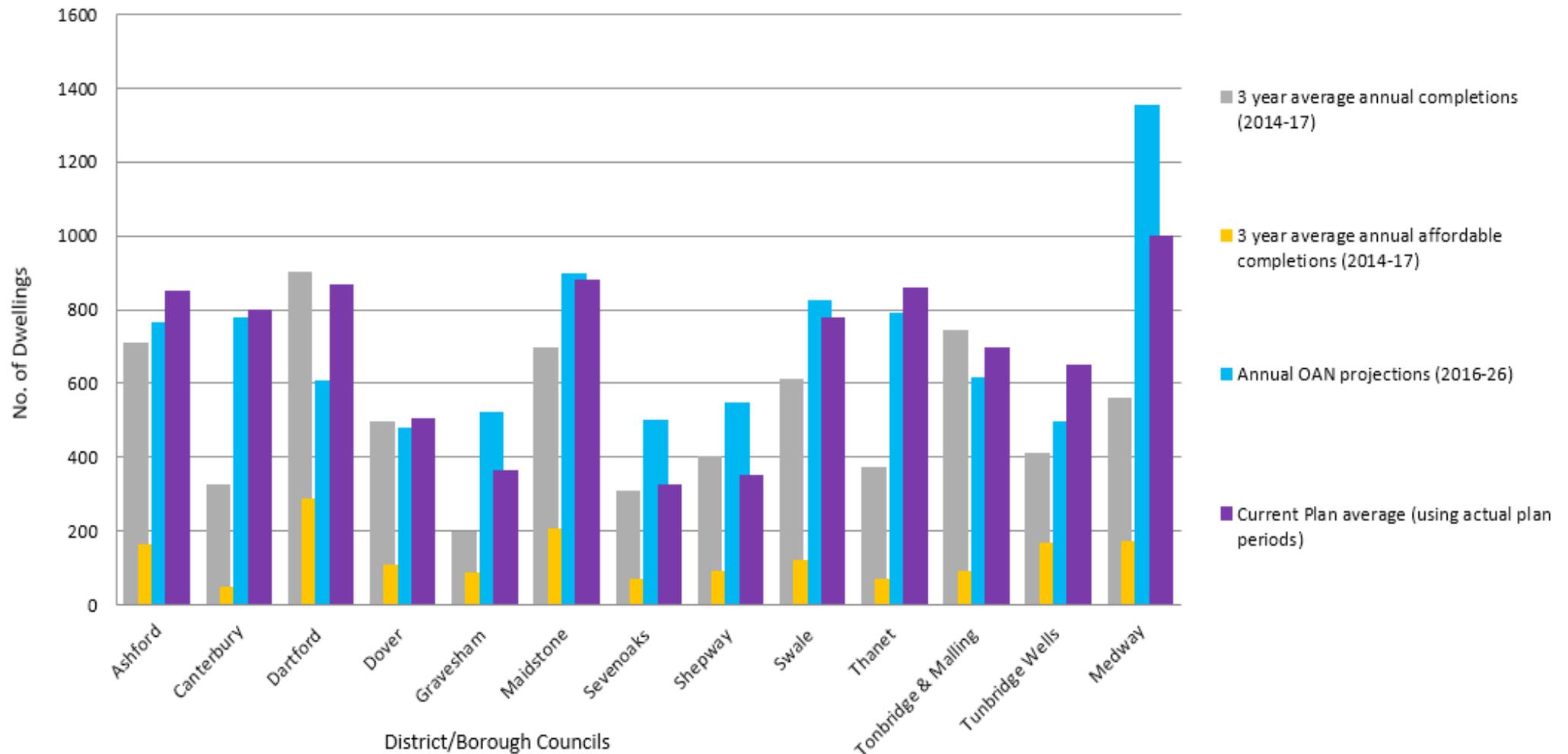
The UK is the third worst country for congestion in Europe in terms of peak hours spent in congestion, with the most traffic hotspots¹. There was a 14.3% increase in the number of vehicles on major roads in Kent between 2006 and 2016². Additionally, there has been an increase of 42% in people using train stations in Kent in the past ten years³. In 2016/2017, 1.8 million people used Ebbsfleet International Station, whilst the passenger usage of Canterbury West has almost doubled in the last ten years.

THE GROWTH CHALLENGE

Kent and Medway's growth aspiration up to 2031 is equivalent to building another town the size of Faversham every year, for 20 years! Our ambition is high. In 2016/17, we delivered the highest completion rate of all the shire areas in the country*. However, the scale of the challenge cannot be underestimated - the pace of development remains behind an average requirement of **8,900 homes per annum to 2031**.



Kent and Medway Housing Delivery and Projections



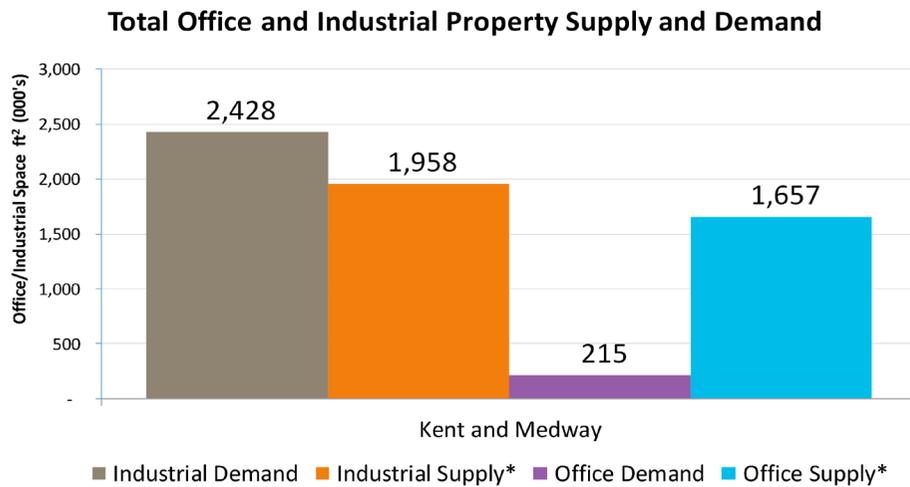
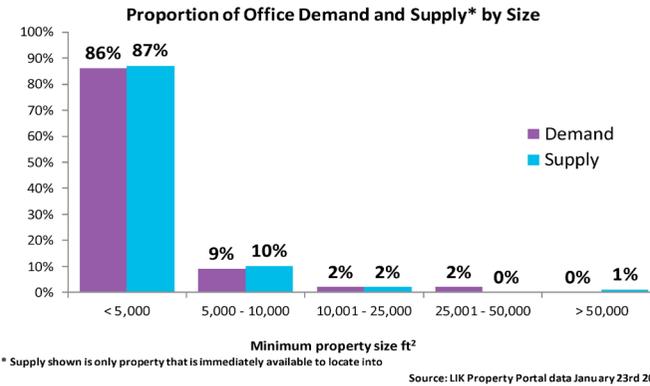
1 <http://inrix.com/press-releases/traffic-congestion-cost-uk-motorists-more-than-30-billion-in-2016/>; 2 <https://www.dft.gov.uk/traffic-counts/area.php?region=South+East&la=Kent>; 3 Office of Rail and Road

*Shire Counties exclude all Unitary Authorities within each geographical county

There are approximately 770,000 existing housing units across the County. To accommodate the forecast increase in population, local authority housing forecasts indicate that some **178,600 housing units are planned** across Kent and Medway between 2011 and 2031. **Between 2011/12 and 2016/17, a total of 30,537 houses were constructed across Kent and Medway.**

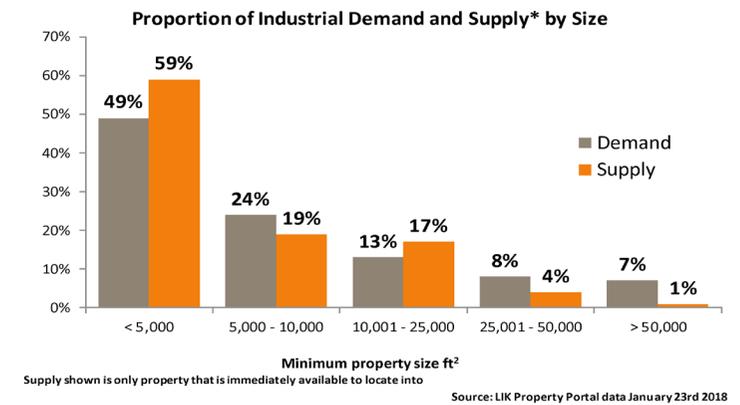
Despite increases in housing delivery over recent years, there remains a significant challenge in delivering at the planned rate of required growth. The pressures facing local authorities across Kent and Medway in meeting current Objectively Assessed Needs (OAN) remains significant.

A key challenge facing the growth agenda is how to attract inward investment and employment opportunities that enable the area to grow economically. There is a need for the local economy to provide the right space in the right location, to encourage businesses to set up and grow. Evidence indicates that suitable commercial space is in limited supply and with a Government agenda focused on the housing crisis, the challenge of delivering suitable commercial space links back to viability challenges.



* Supply shown is only for properties that are immediately available

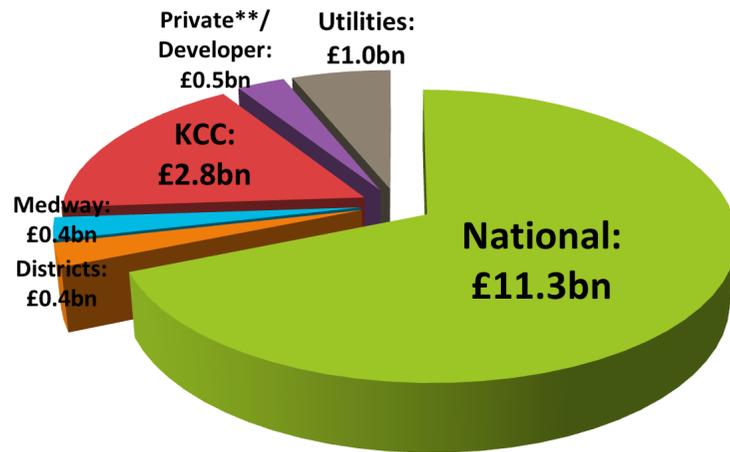
Source: Locate in Kent Property Portal 23rd January 2018



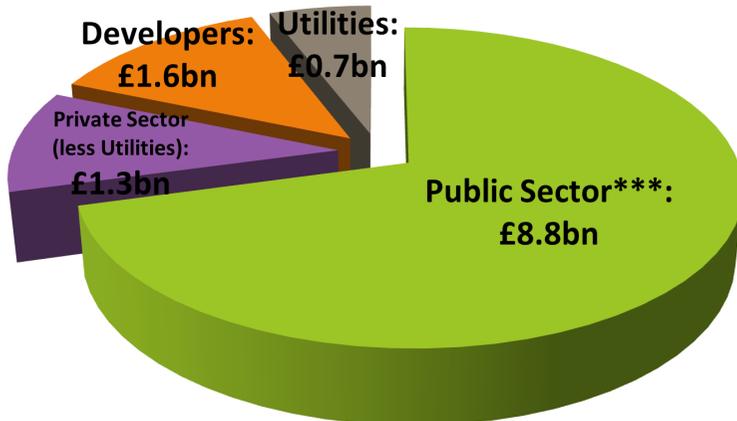
THE BURDEN OF RESPONSIBILITY

The GIF identifies that 76% of the infrastructure required for growth will be funded. Only 5% of the total requirement has funding that is secured. The remaining funding is “expected” based on previous rates of attracting developer contributions and at which other infrastructure providers are able to invest in the relevant infrastructure – which means that even where we expect funding, there is a significant risk that such funding may not materialise to the amount or the timescale required. A total of 24% of the total infrastructure required is neither secured nor expected – leaving a funding gap of **£3.96bn**.

Based on the total infrastructure requirement, further analysis identifies the following breakdown for who is the principal body responsible for delivery*:



Based on total identified funding, further analysis identifies the following breakdown for infrastructure funding*:



*Estimated based on GIF project lists

WHAT HAVE WE ACHIEVED?

Since the original publication of the Kent and Medway GIF in September 2015, the authorities and infrastructure providers across Kent and Medway have worked collaboratively to secure the following private and public investments:

- Securing almost **£120mn** of Local Growth Funding from Central Government for transport schemes, including the new junction 10A scheme on the M20 at Ashford;
- Securing **£27mn** of funding under LGF3 (2016) to deliver:
 - Dartford Town Centre transformation;
 - Ashford International Rail Connectivity (Ashford Spurs);
 - Fort Halstead;
 - A2500 Lower Road Improvement;
 - Kent & Medway Engineering and Design Growth and Enterprise Hub;
 - Leigh Flood Storage Area and East Peckham - unlocking growth;
 - A2 Off-slip at Wincheap, Canterbury.
- A commitment from Government to deliver a new Lower Thames Crossing and identification of significant private sector interest in its financing;
- Government support and funding of **£155,000** for Otterpool Park Garden Town;
- Since 2015, **£121,449,009** has been secured through s106 contributions;
- Delivered **15,068** new dwellings from 2015/16 to 2016/17 in Kent and Medway.

**Private Sector/Developer Bodies:

- *Highways contractors*
- *Bus companies*
- *Rail franchises*
- *Dover Harbour Board*
- *Broadband providers*
- *Social care providers*
- *Academy/Further Education groups and organisations*

***Public Sector:

- *DfE*
- *DfT and Highways England*
- *National Rail*
- *NHS England*
- *Local Government Capital Budgets*
- *Skills Funding Agency*
- *South East LEP grants*

KEY MESSAGES TO GOVERNMENT

- **There is a need for more forward funding of strategic infrastructure by Government** – like the Housing Infrastructure Fund;
- **Government funding needs to be easier and less costly to access** – local authorities currently spend hundreds of thousands of pounds on the preparation of business cases for every round of funding that is announced, often with different requirements, objectives and timescales;
- **There should be a mechanism for enabling local authorities to bring forward sites with unimplemented planning permission** – in some cases, planning permissions are not implemented for good reason, but where there is unnecessary delay in new development being brought forward, local authorities should have the ability to intervene;
- **The Government should unlink infrastructure funding from specific growth proposals** – too often, strategic infrastructure goes under-funded, as the impact of that infrastructure is shared by many development sites and existing settlements. It is therefore difficult to attribute entirely to specific settlements;
- **The Government should establish greater power of direction over utility companies where practices are stalling development** – utility companies across the board create some of the most costly and time-consuming barriers to development, with the risk and cost of new utility provision often falling disproportionately on developers. The Housing Finance Institute (HFI) paper “*How to build homes, fast*” was partly informed by the GIF and highlights the importance of improving the timely provision of utilities. It also recommends the need for Infrastructure Dependencies Mapping to understand the requirements for utilities within an area, and for direct intervention to force improvement performance.

NEXT STEPS

Tackling these challenges will require innovative thinking and proactive collaboration between local authorities, Government and industry. The Government is already reviewing its model for the Community Infrastructure Levy (CIL) and exploring the issues leading to unimplemented planning permissions. In working with the Government to further develop solutions, Kent and Medway has set out the following action plan:

- 1. Defining the investment gap:** We will make clear the shortfall in capital investment identified for delivering planned, high-quality growth across Kent and Medway;
- 2. Pioneering a “place-based” approach:** We will pioneer an approach that sees greater co-ordination of investment in homes, infrastructure and jobs to build quality communities, and new ways of working with Government and its agencies across Kent and Medway. In this, we will work with the local planning authorities to enable coherent new towns and settlements where infrastructure is available to support, but recognise where infrastructure is insufficient to accommodate further growth;
- 3. Exploring innovation in financing the funding gap:** We will explore new ways of closing the funding gap and ways of working with Government and other potential funders in addressing the shortfall in capital funding;
- 4. Commercial supply and demand:** We will work with local partners to develop key actions to respond to the gaps identified between the supply and demand of commercial space, such as through encouraging speculative commercial development or funding incentives;
- 5. Future-proofing Kent and Medway’s infrastructure:** We will future-proof the infrastructure we deliver today to the greatest extent possible, building in resilience, innovation and flexibility;
- 6. Creating well-designed communities:** We will work with local partners and the industry in ensuring high-quality, innovative and inclusive design across the County;
- 7. Collaborating with infrastructure providers:** We will work and liaise with the utilities companies, the health sector and other providers to ensure that their medium- to long-term planning aligns with Kent and Medway’s growth agenda;
- 8. Creating an increasingly robust evidence base:** 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.

KENT AND MEDWAY SUMMARY

The Growth and Infrastructure Framework identifies the following headlines for Kent and Medway to 2031:

178,600

Additional homes 2011-2031 **(24% growth)**

396,300

Additional people 2011-2031 **(23% growth)**

170,300

Additional jobs* 2011-2031 **(21% growth)**

TOTAL INFRASTRUCTURE REQUIREMENT 2017-2031:

£16,376,314,000**

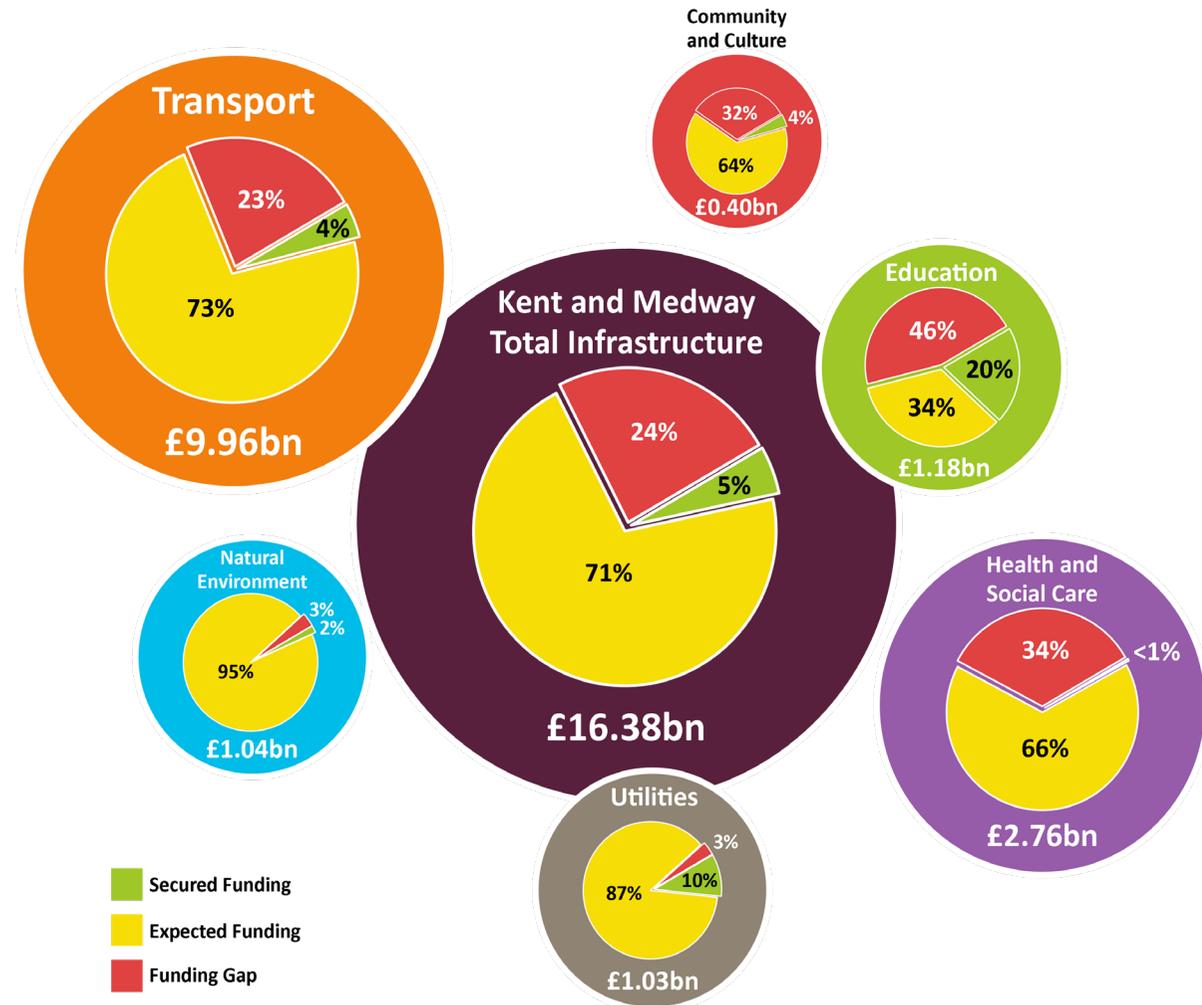
TOTAL SECURED FUNDING: £820,174,000

TOTAL EXPECTED FUNDING: £11,599,146,000

TOTAL FUNDING GAP: £3,956,994,000

(£2 billion allocated to C2E extension)

% OF INFRASTRUCTURE FUNDED: 76%

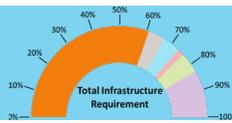


* Residents in employment means jobs created will not necessarily be taken up within Kent and Medway

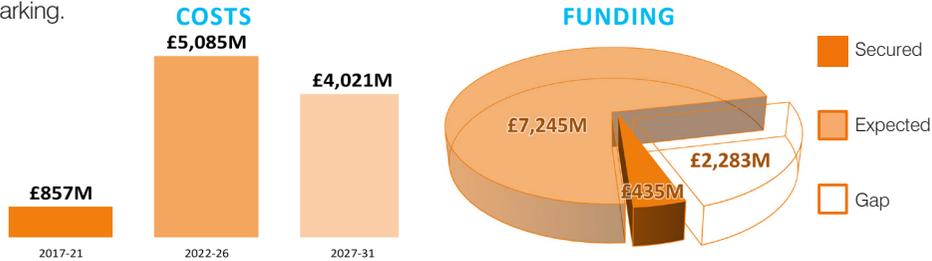
** Includes Lower Thames Crossing and C2E costs and funding



TRANSPORT: £9.96BN



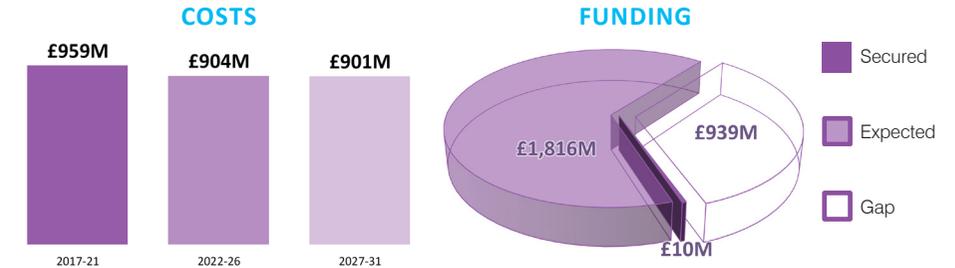
Major projects include the Lower Thames Crossing and associated strategic road corridor through to the Channel ports, Crossrail extension to Ebbsfleet, a solution to Operation Stack and lorry parking.



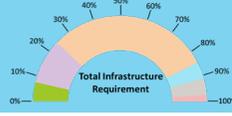
HEALTH & SOCIAL CARE: £2.76BN



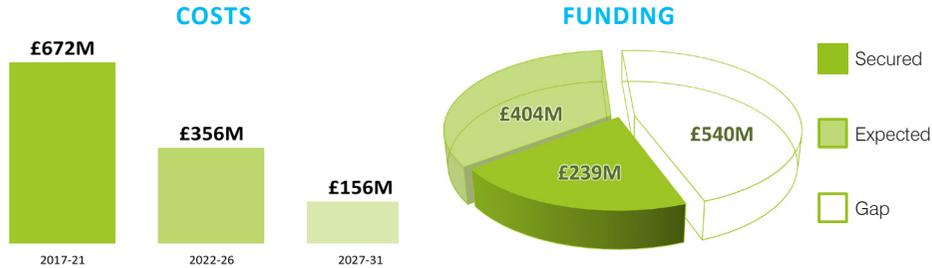
Major projects include transformation of the health estate and implementing KCC's Accommodation Strategy.



EDUCATION: £1.18BN



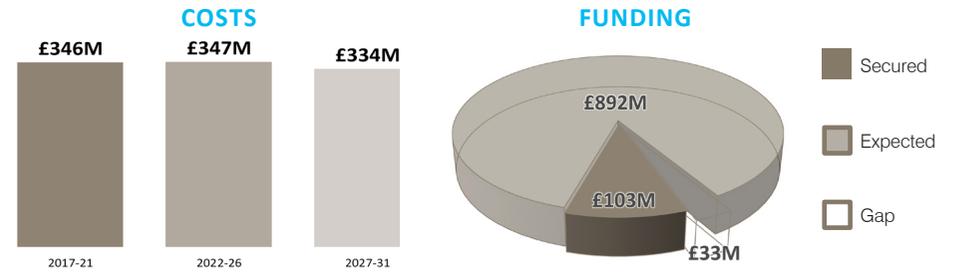
Major projects include providing sufficient education places caused by growth, especially in secondary education.



UTILITIES: £1.03BN



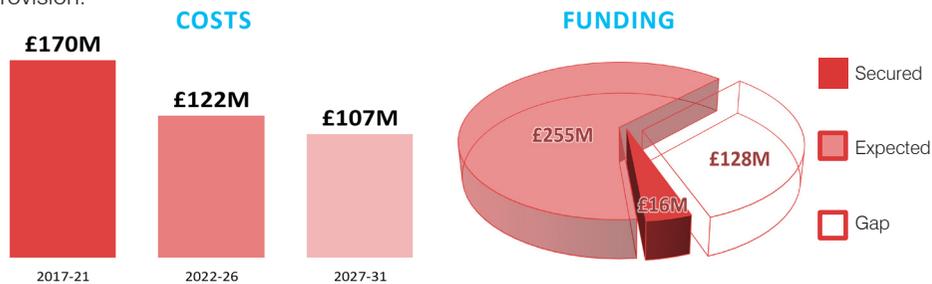
Major projects include sufficient county-wide energy and water provision.



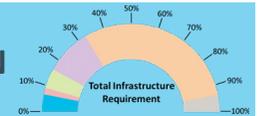
COMMUNITY & CULTURE: £0.40BN



Major projects include Tunbridge Wells Cultural Hub and county-wide sports and recreation provision.



NATURAL ENVIRONMENT: £1.04BN



Major projects include the Thames Estuary flood risk management programme and flood risk and coastal erosion protection for the Romney Marshes.

