Interim Evaluation of the East Kent Coalfields for SEEDA

29th September 2008

BBP Regeneration
Appraisal • Strategy • Delivery

Contents

Annexes

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Executive Summary

Introduction

A. The East Kent Coalfield Regeneration Programme is the South East England Development Agency's (SEEDA's) largest derelict land reclamation project, involving the reclamation of land in East Kent on four colliery sites - Betteshanger, Snowdown, Tilmanstone and Chislet.

B. SEEDA's aim was to regenerate the East Kent Coalfields (EKC) in order to greatly improve the economic prospects of the area and bring lasting benefits to the wider economy – improving the physical environment and infrastructure, bringing new businesses and jobs into East Kent and assisting local business expansion.

C. The specific coalfields initiatives were to be provided by the reinforcement of the National Coalfields Programme (NCP) - delivered through English Partnerships (EP) and the Regional Development Agencies (RDAs), the establishment of the Coalfields Regeneration Trust (CRT) and the launch of the Coalfields Enterprise Fund (CEF).

D. SEEDA effectively acts as EP's agent, responsible for acquiring the sites and undertaking development, with the finance being provided by EP through the NCP. In addition to the NCP funding, SEEDA has made supplementary direct investment through the 'Single Pot' to the EKC projects – it is the total SEEDA funding in the EKC that is the subject of this interim evaluation. SRB funding has also been provided for EKC projects, but was separately evaluated and SRB funding has therefore not been included as part of this evaluation.

E. BBP were commissioned to undertake the evaluation of the East Kent Coalfields Programme as part of the national evaluation of the RDA's commissioned by BERR and being undertaken by Price Waterhouse Coopers (PWC). The purpose was to establish the impact of SEEDA's investment and activities for the period from April 2002 to March 2007 in the East Kent Coalfields.

F. The evaluation was to be compliant with the Impact Evaluation Framework (IEF) and cover, in a proportionate way, the IEF intervention categories and a sub-set suggested by PWC1. All four East Kent Coalfields projects fall within the "Regeneration through physical infrastructure" IEF category and "Capital Projects" sub-category. The methodology adopted was IEF compliant and involved analysis of project and policy data, consultations, beneficiary surveys and analysis of secondary data to assess overall impact.

G. It should be noted that this report provides an interim evaluation of the East Kent Coalfields as a number of the projects remain incomplete - an accurate assessment of outputs, impacts and outcomes can only be undertaken comprehensively once all the projects are fully established and operational.

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[1] The IEF intervention themes are regeneration, business development and people / skills. The PwC categories are sub-sets of these – Regeneration – capital projects, public realm, transport and image / culture; Business development – enterprise support, innovation infrastructure, inward investment, internationalisation support and sustainable production / consumption; and People and skills – matching people to jobs, workforce development and education infrastructure

Socio-economic Analysis

H. The geography of the East Kent Coalfield used in the evaluation contain wards in the Dover and Canterbury local authorities as shown below.

Table 1: East Kent Coalfield wards

Dover Local Authority wards	Canterbury Local Authority wards
Aylesham, Eastry, Eythorne and Shepherdswell, Middle Deal and Sholden, Mill Hill, North Deal	Barham Downs, Marshside

Source: Sheffield Hallam University English Coalfield Definitions

I. A further four wards in the Dover district have also been included – Tower Hamlets, Town and Pier, St Radigunds and Buckland – together referred to as the 4 Plus Wards. They border the officially defined coalfield area and are home to a significant number of ex miners and their families. However, due to their exclusion from the official definition, they have not benefited from the extent of regeneration funds that have been made available to the locations which are included in coalfields classification. It should also be noted that there are other distant areas (such as wards in Ramsgate and Margate) which may also house ex-miners and families but continue to be omitted from any assessment or intervention relating to the NCP.

J. The three East Kent Coalfield areas (Kent Coalfield, 4 Plus Wards and Kent Coalfield Plus, comprising the Kent Coalfield areas and the 4 Plus Wards) were used in the socio-economic analysis and the following are the key conclusions emerging from the findings:-

- The Kent Coalfield Plus wards continue to exhibit many of the socio-economic problems afflicting all former coalfields across England - low skills, high inactivity, low incomes, severe health issues and environmental degradation.
- There have been some positive developments and signs of improvement in the Kent Coalfield area. In particular, the area has exhibited stronger growth in work-based employment and number of business units than in England and the South East. Data also shows an increase in banking, finance and insurance business units, which is a sector historically under-represented in East Kent. Although the traditional sources of employment (manufacturing and public administration) have also increased, this evidence does suggest a gradual restructuring of the economy.
- Other positive signs in the area include an increase in the rate of employment and a reduction in Jobseekers Allowance claimants, whilst educational attainment data reveals that the Kent Coalfield is performing relatively strongly and improving.
- However, economic inactivity is significantly higher in the Kent Coalfield Plus areas than in the South East and there has been no significant reduction in the proportion of the working age population claiming benefits, which remains above the rate for the South East and England. Skill levels remain low and, in contrast to regional and national trends, have not improved since 1999; in fact the proportion of the working age population with a Level 4 or above qualification has decreased. Seventy per cent of the East Kent Coalfields SOAs fall within the most deprived half of all England's SOAs in terms of education, with literacy and numeracy standards at age 11 and post-

19 learning figures under-performing in comparison to the national and regional averages.

- Income levels and house prices remain lower in the East Kent Coalfields than regional averages, whilst in terms of health conditions, those with long-term limiting illness is also higher than the regional rate. Employment and self-employment rates fall below the regional rate.

- A particularly pronounced message relates to the 4 Plus Wards - evidence shows that these wards face serious social, health and economic challenges, which are consistently more acute than those in the East Kent Coalfields area itself.

K. It is important to note that the NCP funding was relatively inflexible and was restricted to addressing ‘physical dereliction’ within the red line boundary of the former collieries and spoil tips only. This has proved to be a factor restricting the effective targeting of NCP sponsored interventions. However, SEEDA did attempt to address some of these ‘wider’ issues by initiating complementary programmes outside the defined boundaries, benefitting the former coalfield communities.

L. It should be noted that for the purposes of the evaluation, the Kent Coalfields and 4 Plus Wards have been defined as the target area.

Project Objectives and Beneficiaries

M. For each of the projects, SEEDA undertook detailed assessment and analysis to ensure its specific activities and involvement were focussed on meeting its objectives. A summary of these objectives in relation to each of the projects is provided in Table 2 below.

Table 2: Objectives: Summary

Rationale	Betteshanger	Chislet	Snowdown	Tilmanstone
Reclaim brownfield land	✓	✓		✓
Improve infrastructure			✓	
Provide land for employment uses	✓	✓	✓	✓
Provide land for public open space	✓			
Create jobs	✓	✓	✓	✓
Create businesses	✓			
Provide skills / training opportunities	✓		✓	
Provide community facilities / services		✓		
Lever in public / private sector investment		✓		✓

Source: BBP Regeneration

N. In each of the projects, aside from Tilmanstone, the beneficiaries were stated as being:-

- Those without jobs
- Those hoping to secure training or work placement to assist them with accessing a job
- Those used to the long term reduced lifestyle of benefit dependency
- Low income households needing access to new local opportunities
- Local residents and communities in the surrounding wards
- Locally expanding companies

O. In respect of Tilmanstone, the target beneficiaries were cited as being simply the local community.

SEEDA's activities

P. The activities that SEEDA undertook to meet the objectives for each project can be summarised as follows:-

- Consultation with stakeholders (including local communities and EP) on the key aspirations of the project
- Undertaking scoping and feasibility studies to determine the parameters of the project – what could physically be delivered, key constraints, positive features of the site / project, timescales, broad costings, estimated end values, assessment of outputs, etc. These studies would involve the tendering, appointment and management of consultants as necessary and liaising with stakeholders and experts (eg. agents, etc.) as required
- Undertaking detailed assessments of development options and preparing reports / information for internal approval procedures
- Negotiating legal contracts / arrangements as necessary
- Appointing, monitoring and managing contractors to carry out works

SEEDA spend

Q. SEEDA's financial investment to the East Kent Coalfields projects totals £20.86m over the period 2002/03 - 2006/07; total investment to 2006/07 amounted to £30.02m, whilst the overall spend (for the period from 1999/00 to 2007/08) totals £31.12m. Table 3 below shows the profile of actual SEEDA spend for each of the four coalfield projects as well as spend allocated as 'General' (which comprised costs associated with generic tasks / items such as fees for marketing and promotion, strategy formulation, etc.).

R. The majority of the investment made in the coalfields comprised EP's National Coalfield Programme monies – of the £30m invested in total by 2006/07, only £2.29m (less than 10%) was contributed directly by SEEDA. It should be noted that this does not include SRB funds as this programme was evaluated separately – this evaluation therefore only considers EP's NCP funds and SEEDA's Single Pot monies.

Table 3: Profile of SEEDA actual spend

	Total relevant spend by SEEDA 02/03-06/07	Total spend by SEEDA to 2006/07	Total project spend by SEEDA
Betteshanger	**15,097,628**	**18,817,674**	19,317,463
Chislet	**1,532,668**	**1,802,755**	1,802,755
Snowdown	**2,892,552**	**3,015,691**	3,410,374
Tilmanstone	**713,450**	**5,713,809**	5,713,809
General	**628,551**	**678,797**	879,814
Total	**20,864,849**	**30,028,726**	31,124,215

Source: SEEDA Agresso data

S. The following key points emerge from this Table:-

- The greatest spend occurred at Betteshanger – this is due in the main, to the scale of the site (134 hectares) and resources needed to restore it to beneficial use
- There is also a relatively significant amount of spend associated with Snowdown – it is estimated that £1.2m of the total relates to abortive costs relating to an original project which was later withdrawn
- A key point to note is that the spend associated with the Tilmanstone project for the relevant period is relatively minor when compared to the total project spend – only 12% of the total project spend occurs during the 2002/03 – 2006/07 period. In the 'value for money' analysis undertaken for the evaluation, the total project spend up to 2006/07 (but prior to 2002/03) has been used to provide a meaningful assessment of value for money indicators

Summary of contracted, net achieved and forecast outputs

T. The direct output of the coalfield programme is remediated brownfield land. As a consequence of the remediation, derelict land is brought back into beneficial use, either by the development of a country park, such as Fowlmead at Betteshanger or by developers constructing commercial floorspace which provides jobs in the area (it should be noted that the delivery of public open space is not treated as an output). The floorspace, unit numbers, business creation and jobs are therefore indirect outputs of the SEEDA intervention. Table 4 below summarises the contracted outputs for each of the projects (source: EP/ SEEDA Outputs Schedule prepared in November 2004). The Table does not distinguish between direct and indirect outputs, but provides a summary of the core and non-core outputs.

Table 4: Summary of Contracted Outputs					
	Betteshanger	**Chislet**	**Snowdown**	**Tilmanstone**	**Total**
TOTAL CORE OUTPUTS					
Brownfield land reclaimed and / or redeveloped (ha)	**117**	**13.9**	**50.2**	**10.1**	**191.2**
Job creation (FTE)	**674**	**598**	**266**	**815**	**2,353**
Business creation	**Not recorded**	**Not recorded**	**Not recorded**	**Not recorded**	**n/a**
Public and private regeneration infrastructure investment levered (£m/% public)	**£17.2m / 100% private**	**£28.8m / 100% private**	**£5.4m / 100% private**	**£27.7m / 96% private (£0.9m / 4% public)**	**£79.1m private / (£0.9m public)**
TOTAL NON-CORE OUTPUTS					
New floorspace (sq m)	**22,287**	**33,153**	**13,935**	**28,581**	**97,956**
Business units	**Not recorded**	**Not recorded**	**Not recorded**	**Not recorded**	**n/a**

U. Through analysis of data, consultations and beneficiary surveys, an estimate was made of gross direct and indirect outputs actually achieved. Following this, an assessment of the net outputs was made to provide a greater understanding of the actual impact of these projects upon both the target area for SEEDA's investment, and the wider south east of England region. As mentioned previously, the target area is defined as the Kent Coalfields and 4 Plus Wards referred to in the Socio-economic Analysis section earlier.

V. In order to assess the impact of the gross outputs at a net level, a series of additionality adjustments were applied in accordance with Impact Evaluation Framework guidance. Table 5 below summarises the net achieved outputs together with any remaining forecast outputs – again it does not distinguish between direct and indirect outputs but provides the core and non-core outputs.

Table 5: Summary of Net Achieved and Forecast Outputs

	Betteshanger	Chislet	Snowdown	Tilmanstone	Total
TOTAL CORE OUTPUTS					
Brownfield land reclaimed (ha)	**134.0**	**5.6**	**1.5**	**8.6**	**149.7**
Job creation (FTE)	**417**	**71**	**37**	**576**	**1,101**
Business creation	**58**	**68**	**7**	**7**	**140 (140)**
Public and private regeneration infrastructure investment levered (£m/% public)	**£17.2m / 100% private**	**£50m / 100% private**	**-**	**£17m / 100% private**	**£84.2m / 100% private**
TOTAL NON-CORE OUTPUTS					
New floorspace (sq m)	**22,287**	**28,522**	**950**	**24,294**	**76,053**
Greenfield land used (ha)	**-**	**6.9**	**-**	**-**	**6.9**

W. The following conclusions can be made:-

- SEEDA has largely met the contracted outputs in respect of reclamation of brownfield land – there is a shortfall of 41.5 hectares but this is largely due to the withdrawal of the original Snowdown project
- In respect of the numbers of jobs created, SEEDA's contracted outputs were 2,353; when the gross level of actual and forecast jobs are calculated, SEEDA is expected to achieve in excess of this, securing 1,852 actual jobs with a further 924 forecast – a total of 2,776 jobs. When additionality and multiplier effects are taken into consideration, the net effect for the target area (the East Kent Coalfield wards) is the creation of 1,100 jobs (total of actual and forecast)
- Business creation was not an item that was recorded as a contracted output, but SEEDA is estimated to create an estimated 140 businesses in the East Kent Coalfields
- SEEDA has successfully generated a considerable amount of private sector investment – in total it is estimated that its involvement will lever in £84.2m which compares favourably to the original contracted level of £79.1m of private investment
- SEEDA's involvement was expected to have created 98,000 sq m of new floorspace – assessments of actual and forecast new floorspace suggest that there will be shortfall in this output of approximately 22,000 sq m

X. As part of the evaluation process, an assessment was undertaken to establish the regional impact that SEEDA's investment in the East Kent Coalfields has had. Key indicators such as brownfield land and employment figures were analysed over the 5 year period (2002/03 – 2006/07) and the findings are set out below.

- In respect of brownfield land, SEEDA's coalfield projects contributed 25% of the regional land which was remediated over the 5 year period
- In terms of job numbers and employment, the regional trend saw a slight deterioration in the employment numbers (an additional 10 people were unemployed over the 5 year period). The coalfield projects helped constrain this slightly increasing trend by contributing 1,117 actual net jobs, with the potential to contribute a total of 1,737 jobs to the region
- In the case of business units, SEEDA's investment had little impact on the overall increase in the region of accommodation, being at less than 1% even when the forecasted units are allowed for

Y. Further analysis was undertaken to assess value for money against key indicators. Overall, in value for money terms, SEEDA's investment in the East Kent Coalfields produced very good value for money. In respect of net cost per net job, the 4 projects in total produced a cost of £15,156 per job, which is slightly below the EP benchmark range of £16,600 – £27,800. Analysis was also carried out to assess the cost of remediating brownfield land. In terms of the net cost of net hectare of brownfield remediated, the cost of the 4 projects overall amounted to £175,786 per hectare – this is towards the lower end of the benchmark range set out in EP guidance (between £50,000 – 425,000 per hectare).

Z. Finally, analysis was carried out to assess GVA. SEEDA's interventions across the coalfields achieved more than £127m GVA outcome at the local level, which is forecast to rise to more than £205m by completion of all the schemes. At the regional level, SEEDA's interventions achieved a £265m GVA outcome, which is forecast to rise to £412m with completion of all the schemes.

AA. In terms of SEEDA's return in relation to GVA outcomes has been very good - at the local level, SEEDA has achieved 426% return on its cost investment - by the completion of all the schemes, this return is forecast to increase to 661%.

BB. As part of the consultation process, we sought to understand how SEEDA performed during its involvement in the coalfield projects. Feedback on SEEDA's role, activities and effectiveness was largely positive but there are a number of key lessons that were suggested. A summary of these follows.

Key Lessons

CC. Flexibility of funds - an important issue to consider at a Programme level, is the need to invest in community based programmes including skills training, in parallel with investment in sites. SEEDA invested in these types of initiatives with complementary funding in parallel with EP's National Coalfield Programme investment. A more appropriate structure would have been for the National Coalfield Programme to have included a ringfenced funding stream to focus on these aspects but at the time, this was regarded as the legitimate responsibility of other service providers, most notably the LSC in respect of skills training. A more comprehensive and 'joined up' approach by Central Government departments would have helped considerably to realise these objectives.

DD. Community engagement – it was widely recognised that SEEDA's early experience of engaging with the community was relatively poor but that as projects proceeded, their ability and method of engagement became more effective. At Chislet / Hersden, they channelled their communication through the community groups established as part of the SRB programs – whilst this was an efficient method to achieve their objectives, some consultees did suggest that greater direct involvement would have been of benefit. However, at both Betteshanger and Snowdown / Aylesham, community groups were established which proved effective although conflicts of interest at Snowdown / Aylesham created some difficulties. Consultees also suggest that liaison with other RDA's in areas where community engagement is more developed, may have assisted SEEDA.

EE. Targetting local beneficiaries – in all instances, SEEDA's stated objectives at the commencement of projects were to benefit the immediate local community and those in surrounding wards. Benefits which would emerge from SEEDA's investment in sites included the provision of job opportunities and increased training, but consultation feedback indicates that in all instances, the local communities do not appear to have directly benefitted in any substantial form, from SEEDA's intervention. The funding restrictions within the National Coalfields Programme limited the ability of SEEDA to deliver these aspects although it did, in some cases, provide supplementary programmes targeted at the local community, in an effort to complement the physical regeneration projects. Local communities nevertheless are considered to be disappointed that the levels of funding invested did not deliver meaningful results of direct benefit to them. Consultees recognised that in many instances the capacity building and skills and training issues which exist in local communities, limits local residents abilities to take advantage of new job opportunities, but there is a need to address this issue if these communities are to be sustainable in the long term.

FF. Capacity issues – there was mixed reaction to SEEDA's role in the process of delivery in respect of capacity issues internally within SEEDA. Consultees reported that it could be difficult to make contact with SEEDA personnel but that once contact was established, SEEDA performed well and effectively.

GG. Monitoring data – experience from undertaking this evaluation has demonstrated the difficulties in securing reliable and comprehensive data from SEEDA in respect of financial information, output data, leverage figures, etc. It is suggested that modifications to recording and monitoring procedures be considered.

Good practice

HH. Community engagement – as mentioned above, whilst there appears to be a need to further improve SEEDA's community involvement methods, SEEDA's efforts at engaging with the community, particularly at Betteshanger and Aylesham / Snowdown, were in general commended.

II. Partner engagement – all partners, private and public sector, expressed confidence and respect in SEEDA's abilities and the way in which it conducted itself during the delivery of the projects. Senior staff were given particular praise in their understanding of issues, their approach / manner and their ability to deliver on commitments.

JJ. Innovative approach to delivery – SEEDA's expertise in land and property issues and its ability to structure innovative funding arrangements, was widely praised. At Chislet and in respect of the Miners Way scheme at Snowdown, consultees reported that this approach was a key ingredient in securing the development whilst allowing SEEDA an exit route. Across all the coalfields, consultees praised SEEDA's ability to overcome issues relating to physical site difficulties and the impacts they had. At Betteshanger, there was criticism of the inability to secure the road adoption, but SEEDA was not necessarily thought to be at fault in this respect – however, it was suggested that SEEDA exercise their lobbying powers with partners to resolve this.

1. Introduction

Background

1.1 The East Kent Coalfield Regeneration Programme is the South East England Development Agency's (SEEDA's) largest derelict land reclamation project. It involves the reclamation of land in East Kent on four colliery sites - Betteshanger, Snowdown, Tilmanstone and Chislet. Three of these collieries closed in the 1980s as a result of the radical restructuring of the UK coal industry; the fourth – Chislet – had ceased mining operations much earlier in 1969. The closure of these collieries had a significant economic impact on the communities of the surrounding areas.

1.2 SEEDA's aim was to regenerate the East Kent Coalfields (EKC) in order to greatly improve the economic prospects of the area and bring lasting benefits to the wider economy – improving the physical environment and infrastructure, bringing new businesses and jobs into East Kent and assisting local business expansion.

1.3 The regeneration efforts in East Kent were part of a wider, national coalfields regeneration strategy, which was declared a priority by the Government commissioned Coalfields Task Force (CTF) in 1998. The overall programme required specific coalfield initiatives and an increased focus of attention on the coalfields from the more generic regeneration programmes and mainstream service providers on problems in the coalfield areas.

1.4 The specific coalfields initiatives were to be provided by the reinforcement of the National Coalfields Programme (NCP) - delivered through English Partnerships (EP) and the Regional Development Agencies (RDAs), the establishment of the Coalfields Regeneration Trust (CRT) and the launch of the Coalfields Enterprise Fund (CEF). In combination they were to lay the foundations for sustainable regeneration of the former coalfield areas through physical reclamation and renewal, community capacity rebuilding and human capital development, as well as enhancement of the potential for enterprise.

1.5 In East Kent, SEEDA effectively acts as EP's agent, responsible for acquiring the sites and undertaking development, with the finance being provided by EP through the NCP. In addition to the NCP funding, SEEDA has made supplementary direct investment through the 'Single Pot' to the EKC projects – it is the total SEEDA funding in the EKC that is the subject of this evaluation. SRB funding has also been provided in EKC projects but this program was evaluated as a separate exercise and SRB funding has therefore not been included as part of this evaluation.

1.6 It should be noted that this report provides an interim evaluation of the East Kent Coalfields as a number of the projects remain incomplete - an accurate assessment of outputs, impacts and outcomes can only be undertaken comprehensively once all the projects are fully established and operational.

Objectives of the evaluation

1.7 BBP were commissioned by SEEDA to undertake the evaluation of the East Kent Coalfields Programme as part of the national evaluation of the RDA's requested by BERR and overseen by Price Waterhouse Coopers (PWC). The purpose of this was to establish the impact of SEEDA's investment and activities for the period from April 2002 to March 2007 in the East Kent Coalfields area and to assess how well the targets for the East Kent Coalfields programme have been addressed.

1.8 This evaluation is one of a number of evaluations commissioned by the South East of England Development Agency (SEEDA) in order to meet the requirement laid down by BERR that some 60% of RDA relevant spend over the period 2002/03-2006/07 should be covered by evaluations of impact that are compliant with the Impact Evaluation Framework (IEF). In the round, the evaluations must also cover, in a proportionate way, the IEF intervention categories and a sub-set suggested by PwC[2]. All four East Kent Coalfields projects fall within the "Regeneration through physical infrastructure" IEF category and "Capital Projects" sub-category. In each of the four projects assessed, SEEDA's investment contributed towards the capital costs of area regeneration as a means of addressing economic and social problems.

1.9 The IEF provides a way of examining the Programme and Strategic Added Value impact of SEEDA's interventions. However all of the evaluations are also intended to advise SEEDA about progress and what is working well (and less well). In turn, this may help to inform the Agency's strategic thinking about the way forward with regard both to the evaluated interventions and future priorities.

1.10 BBP have undertaken this evaluation in association with SQW Consulting Ltd. The report is structured as follows:

1.11 This report outlines in Chapter 2, the methodology that was employed and the evaluation framework adopted. It proceeds with a detailed analysis of East Kent's socio-economic conditions and baseline data in Chapter 3. A strategic policy review is presented in Chapter 4 to allow an understanding of the context in which the projects were formulated and delivered. Chapter 5 provides an examination of each of the four projects and a summary of SEEDA's rationale, its objectives and the activities it undertook is set out in Chapter 6. Chapter 7 provides a profile of SEEDA's investment and the outputs it contracted to deliver and Chapter 8 examines the net outputs, outcomes and impacts generated. The strategic added value created by SEEDA is assessed in Chapter 9 and finally, Chapter 10 draws together the conclusions and recommendations which have emerged from the evaluation.

[2] The IEF intervention themes are regeneration, business development and people / skills. The PwC categories are sub-sets of these – Regeneration – capital projects, public realm, transport and image / culture; Business development – enterprise support, innovation infrastructure, inward investment, internationalisation support and sustainable production / consumption; and People and skills – matching people to jobs, workforce development and education infrastructure

2: Methodology

2.1 In approaching the evaluation of the Coalfields, four main strands of research and analysis were undertaken, the purpose of which was to generate enough insight and understanding to be able to make an informed judgment with regard to the achievement of net outputs, outcomes and impacts linked to the use of SEEDA funding. The methodology is IEF compliant and our main strands of investigation are described in the paragraphs that follow.

Analysis of project data and policy documents

2.2 We commenced our analysis by reviewing a suite of standard project documentation which included internal SEEDA appraisal forms (such as Stage 2 appraisals, Form F2, etc.) as well as spend and income data produced by the Agresso system. Output data produced by EP, in conjunction with SEEDA, in November 2004, was also used. This literature review was supplemented by research of strategic policy to understand the context within which the projects were progressed. Policy documents reviewed included SEEDA's RES and the Corporate Plans relevant to the period being evaluated.

2.3 A full list of key project and policy documents is attached as Annex A.

Consultations with stakeholders

2.4 In order to understand the process of project delivery and the extent and nature of subsequent impacts (both locally and regionally), we completed 15 consultations (listed in Annex B), as set out below. It should be noted that 4 of these consultations in relation to Snowdown were undertaken by WME Consulting as part of their evaluation of SEEDA's physical regeneration projects before it became evident that the Snowdown project formed part of the East Kent Coalfields evaluation. However, WME provided us with the information from their consultations. Broadly, the consultations fell into 2 groups:

- project managers within SEEDA who were responsible for the delivery of the relevant scheme and were able to provide background and context to the project, comment on the process of project delivery, discuss the key issues arising and comment on outputs, lessons learnt and good practice
- wider stakeholders who had a perspective on the local context and wider impacts deriving directly or indirectly from the relevant interventions, including SEEDA's role and Strategic Added Value functions. These consultees were also able to comment on outcomes and impacts, as well as lessons learnt and good practice

Beneficiary survey

2.5 A core part of the evaluation method involved a survey of current occupants at the four schemes. These were largely the indirect beneficiaries of SEEDA's interventions; given the original rationale for intervention (which is set out later), their assessments of the extent of any benefits on business performance arising from their location were important as a source of evidence with regard to the overall impact of SEEDA's investment. A questionnaire was prepared specific to each coalfield project which was approved by SEEDA and PWC prior to its use. It contained specific questions which attempted to secure evidence on the levels of deadweight, leakage, displacement, substitution and multiplier effects.

2.6 Across all four schemes, we attempted to contact all current occupants – 76 businesses in total. This was achieved in 2 different ways:

- with regard to Chislet, Tilmanstone and Betteshanger, we secured an up-to-date list of occupants, contacted them in advance to inform them of the survey (providing information on background to the projects, reasons for the survey, etc.) and completed a telephone survey conducted by a professional research company. In a number of instances, occupiers were contacted up to 8 times in an attempt to elicit responses and on a few occasions, emails of the questionnaire were sent. Where responses were required from particular occupiers (such as large companies at Chislet), SEEDA's private JV partner on the scheme initiated relevant contacts to take part in the survey work. All occupiers were notified that the survey was seeking to understand their views on business performance, etc. for the relevant period (eg. 2002/03 – 2006/07)
- with regard to Snowdown, SEEDA had already commissioned WME Consulting to undertake interviews with stakeholders and occupiers and the record of the consultations they had undertaken (4 in total) were provided to us. We then attempted to carry out the telephone survey mentioned above with the remaining occupiers but only succeeded in securing 1 response by this method.

2.7 Table 2-1 below summarises, for each scheme, the number of occupants, the survey method used and the achieved number of survey responses.

Table 2-1: Beneficiary Survey Details

Project	Total number of occupants	Number of survey responses	Telephone survey	Interview
Betteshanger	6	4 (66%)	✓	×
Chislet	55	31 (56%)	✓	×
Snowdown	7	4 (57%)	✓	✓
Tilmanstone	8	5 (62%)	✓	×
TOTAL	**76**	**44 (58%)**		

Source: Beneficiary Surveys

2.8 The surveys received a good response rate, both individually and at a combined level. The survey company report that the findings are representative of all the businesses in the coalfields to plus or minus 10% (at 95% confidence interval, which is the industry standard). This indicates that our analysis of outputs at an East Kent Coalfield 'global' level should be accurate to plus or minus 10%.

2.9 It should be noted that the survey company appointed to undertake the telephone surveys have reported that occupiers overall seemed willing to participate and provided thoughtful responses – they commented that the contact made prior to the survey being carried out assisted with the willingness of occupiers to respond.

Analysis of secondary data and other sources

2.10 Our final strand of work involved the analysis of secondary data and other material relating to local economic conditions. The purpose of this was two-fold:

- to understand the context into which the intervention was delivered
- to understand – post intervention – the current situation

2.11 Understanding the trend in key indicators, before, during, and after SEEDA's intervention, ought to provide a basis for making some judgement with regard to overall impact on a regional basis, particularly when considered alongside the findings from our primary research.

2.12 We have examined indicators relating to brownfield land, employment rates / economic inactivity and business units - in other words, indicators that are relevant to the original rationale for intervention. Sources for this indicator data include Office of National Statistics (ONS), National Land Use Database (NLUD), ABI and NOMIS.

Implementation of Methodology

2.13 The implementation of the methodology followed a familiar process but issues arose in accessing financial and output data from SEEDA, securing interviews with SEEDA personnel and establishing contact details to enable the beneficiary surveys to be undertaken. These were ultimately resolved but caused some difficulty in allowing the evaluation process to 'flow' in a logical manner.

2.14 A particular issue which also arose in complying with the IEF procedures concerned the treatment of outputs and their apportionment / attribution – which remains a point of debate. A similar issue arose in the use of 'Optimism Bias' and its application to achieved and forecast outputs. It is also important to note that in providing an IEF compliant evaluation, "evaluator's judgement / knowledge" is necessary to provide an overall, balanced judgement of impact, performance, etc., particularly when precise / detailed information is unavailable and conflicting responses are received during the consultation process.

3: Socio-economic Analysis

3.1 An analysis of the baseline of socio-economic indicators in the East Kent Coalfields is presented below. The analysis draws on the Interim Evaluation of the Coalfields Regeneration Programme in England undertaken by SQW in 2005-06 in order to draw comparisons with the coalfields as a whole. It also updates this analysis, using the most recently available data to provide an up to date picture of the socio-economic position of the East Kent Coalfields. This incorporates analysis of the Index of Multiple Deprivation 2007, DWP Benefit Claimant Data, the Annual Business Inquiry, the Annual Population Survey, Department of Children Schools and Families data on literacy and numeracy achievement rates and Land Registry house price data.

3.2 The geography of the East Kent Coalfield used in the baseline is as defined by Sheffield Hallam University in 2003, containing wards in the Dover and Canterbury local authorities.

Table 3-1: East Kent Coalfield wards

Dover Local Authority wards	Canterbury Local Authority wards
Aylesham, Eastry, Eythorne and Shepherdswell, Middle Deal and Sholden, Mill Hill, North Deal	Barham Downs, Marshside

Source: Sheffield Hallam University English Coalfield Definitions

3.3 At the request of SEEDA and Dover District Council (DDC), a further four wards in the Dover district have also been included within this baseline analysis. These wards – Tower Hamlets, Town and Pier, St Radigunds and Buckland – are together referred to as the 4 Plus Wards. They border the officially defined coalfield area and are home to a significant number of ex miners and their families. However, due to their exclusion from the official definition, they have not benefited from the extent of regeneration funds that have been made available in the neighbouring locations which are included in coalfields classification. It should also be noted that consultees have suggested that although the 4 Plus Wards have allowed the inclusion of wards containing coalfield families in this analysis, other distant areas (such as wards in Ramsgate and Margate) may also house ex-miners and families but continue to be omitted from any assessment or intervention relating to the National Coalfields Programme.

3.4 Following the approach in the national evaluation, the three East Kent Coalfield areas (Kent Coalfield, 4 Plus Wards and Kent Coalfield Plus (comprising the Kent Coalfield areas and the 4 Plus Wards) are compared to relevant regional and national comparators.

Demographics

3.5 The Kent Coalfield had a total population in 2005 of approximately 42,000 people. This was an increase of 1.7% since 2001, broadly in line with the national and regional comparators. However, the working age population has increased at a rate below the national average. The 4 Plus Wards area has a population of a further 20,000 and has witnessed only a small increase in total population since 2001; however these wards have witnessed an increase of approximately 2.9% in the working age population over this period.

3.6 The ward level data demonstrates significantly variable demographic characteristics, with Barham Downs, Eastry, and Marshside in the Kent Coalfield and Tower Hamlets in the 4 Plus Wards area experiencing higher rates of population increases than the remaining wards, whilst Town and Pier (in the 4 Plus Wards area) and North Deal experienced a population decline.

3.7 The latest reliable migration data (Census 2001) shows that migration both into and out of the Kent Coalfield wards is significantly below the national and regional rate, though significantly higher than the rates experienced in coalfields across England. Migration is significantly higher in the 4 Plus Wards, where the rates are more in line with the national and regional rates.

3.8 The population change since 2001 and 2001 migration data for the Kent coalfield areas and relevant comparators are contained in Table 3-2.

Table 3-2: Ward level population and migration

Geography	Total Pop 2005	Change since 2001	Working Age Pop 2005	Change since 2001	WAP proportion of total 2005	In-migration 2001	Out-migration 2001
Aylesham	4,785	0.9%	2,792	1.6%	58.35%	4.7%	4.6%
Barham Downs	2,678	4.4%	1,581	3.5%	59.04%	7.1%	8.3%
Eastry	5,067	3.8%	2,954	3.8%	58.30%	7.4%	7.0%
Eythorne and Shepherdswell	4,590	0.4%	2,807	-0.8%	61.15%	7.2%	5.9%
Marshside	3,000	11.6%	1,851	12.6%	61.70%	7.8%	8.1%
Middle Deal and Sholden	7,379	1.8%	4,206	2.2%	57.00%	6.9%	7.3%
Mill Hill	7,643	0.3%	4,453	1.4%	58.26%	7.9%	6.8%
North Deal	7,136	-1.5%	4,191	-0.1%	58.73%	9.8%	9.0%
Buckland	7,325	0.48%	4,462	1.4%	60.91%	7.0%	7.4%
St Radigunds	4,886	0.35%	2,902	4.1%	59.39%	8.0%	8.4%
Tower Hamlets	4,962	3.87%	3,058	6.5%	61.63%	10.8%	9.0%
Town and Pier	2,099	-3.89%	1,216	-2.5%	57.93%	10.3%	8.0%
Kent Coalfield	**42,278**	**1.71%**	**24,835**	**2.2%**	**58.74%**	**7.5%**	**7.1%**
4 Plus Wards	**19,272**	**0.79%**	**11,638**	**2.9%**	**60.39%**	**7.9%**	**7.4%**
Kent Coalfield Plus	**61,550**	**1.42%**	**36,473**	**2.4%**	**59.26%**	**8.6%**	**8.1%**
England	**50,465,600**	**2.05%**	**32,040,000**	**5.1%**	**63.49%**	**8.7%**	**8.0%**
England Non-Coalfield	**46,276,326**	**1.74%**	**29,458,462**	**5.0%**	**63.66%**	**8.9%**	**8.2%**
All Coalfields	**4,189,274**	**5.63%**	**2,581,538**	**6.4%**	**61.62%**	**6.3%**	**6.0%**
South East	**8,184,600**	**2.01%**	**5,139,900**	**4.4%**	**62.80%**	**9.4%**	**8.6%**
Non-Coalfield South East	**8,142,322**	**2.01%**	**5,115,065**	**4.4%**	**62.82%**	**9.5%**	**8.6%**

Source: ONS 2005, Census 2001

The economic context

3.9 This section of the baseline review includes an analysis of work-based employment and business units, both of which represent key measures of economic activity and vitality. This is supplemented with a review of the changing sectoral make up of the East Kent Coalfield areas and an analysis of the inactivity / employment / self-employment rates and qualification levels of the working age population.

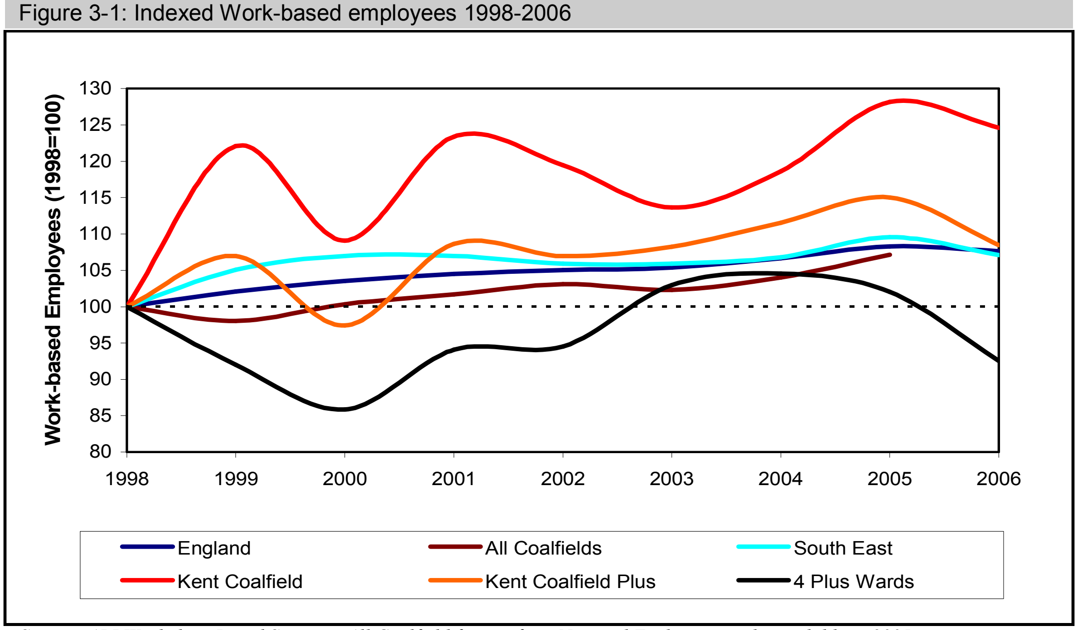
Work-based employees

3.10 The Kent Coalfield and 4 Plus Wards were significantly affected by the decline in the mining industry throughout the 1980s and 1990s. Beatty, Fothergill and Powell[3] demonstrate that between 1981 and 2004, 3,200 male jobs were lost in mining in the Kent Coalfield alone, representing 48% of the male jobs in the area in 1981 (the highest proportion across all of the English coalfields).

3.11 However, the analysis undertaken for the national coalfields evaluation by SQW in 2005-06 defined the Kent Coalfield area as demonstrating good employment adjustment with employment growth since 1998, outpacing the regional rate. This analysis has been updated with 2006 data and demonstrates a continued positive adjustment as shown in Figure 3-1 below, where the growth in work-based employment in the Kent Coalfield is significantly stronger than in England and the South East. In 1998, there were 7,700 work-based employees in the Kent Coalfield; by 2006 this figure had increased to 9,600.

3.12 However, the graph also demonstrates that employment growth has been far less pronounced in the 4 Plus Wards - in 2006, the number of employees in the area (7,200) was lower than the 1998 level (7,800).

Figure 3-1: Indexed Work-based employees 1998-2006

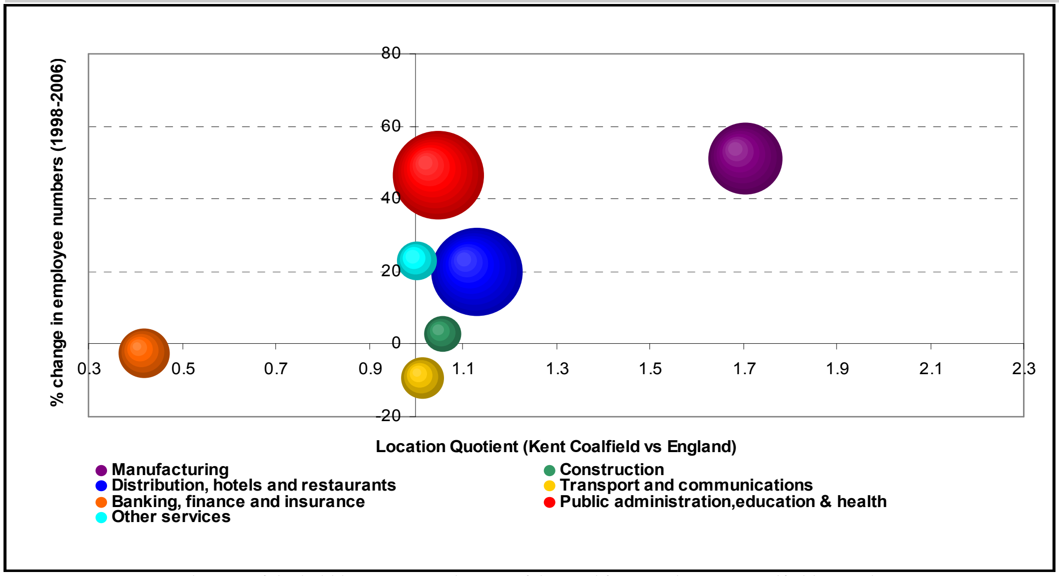


Source: ABI Workplace Based Statistics All Coalfield figures from National Evaluation, only available to 2005

[3] *Twenty Years On: Has the Economy of the Coalfields Recovered?,* Christina Beatty, Stephen Fothergill and Ryan Powell, 2005

3.13 The growth in work-based employment in the Kent Coalfield, when broken down by sector, demonstrates that the area remains dominated by manufacturing, distribution, hotels and restaurants and public administration based employment. The area retains a high concentration of these sectors (in particular manufacturing) when compared to England, as demonstrated in Figure 3-2 below. Banking, finance and insurance has a substantially lower proportion of its workforce in this sector than England and, along with transport and communication, is the only sector to witness a reduction in employees over this period.

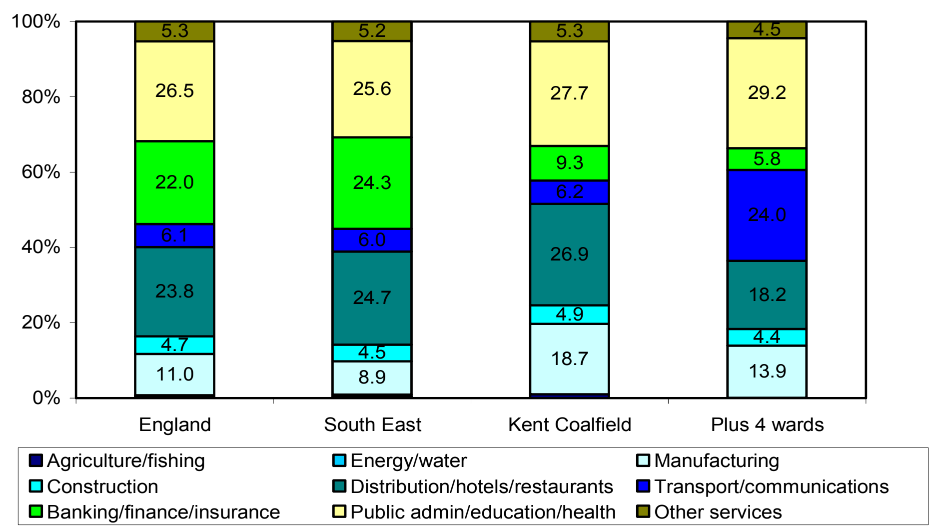
Figure 3-2: Sectoral make up of work-based employees. Kent Coalfield vs. England 2006



Source: ABI. Note: The size of the bubble represents the size of the workforce in the Kent Coalfield in each respective sector in 2006. On the x axis, a location quotient of greater than 1 equals a critical mass (i.e. higher concentration) of the sector in the workforce compared to the England average and less than 1 a lower concentration. The y axis represents the percentage change in the number of employees in each sector between 1998 and 2006. The graph excludes the Agriculture and Energy and water sectors as they employ extremely small numbers of workers in the Kent Coalfield.

3.14 This sectoral breakdown of work-based employees is accentuated in the 4 Plus Wards as demonstrated in Figure 3-3. Public administration accounts for the greatest proportion of work-based employees, though the sectoral split of employment is significantly affected by the transport infrastructure in Dover, such as the commercial and passenger ports and associated businesses, explaining the high proportion in the transport and communications sector. Nevertheless, despite this expected anomaly the 4 Plus Wards and Kent Coalfield demonstrate a continuing reliance on traditional employment sources.

Figure 3-3: 2006 sectoral breakdown of work-based employees



Source: ABI Workplace Based Statistics

Key baseline message 1

Work-based employment in the Kent Coalfield has grown strongly since 1998 in contrast to the 4 Plus wards. The 4 Plus Wards are understandably dominated by transport and communication and public administration employment and the Kent Coalfield retains a higher concentration of manufacturing in its economy as compared to England. Again in contrast to the national experience employment in this sector has grown significantly since 1998.

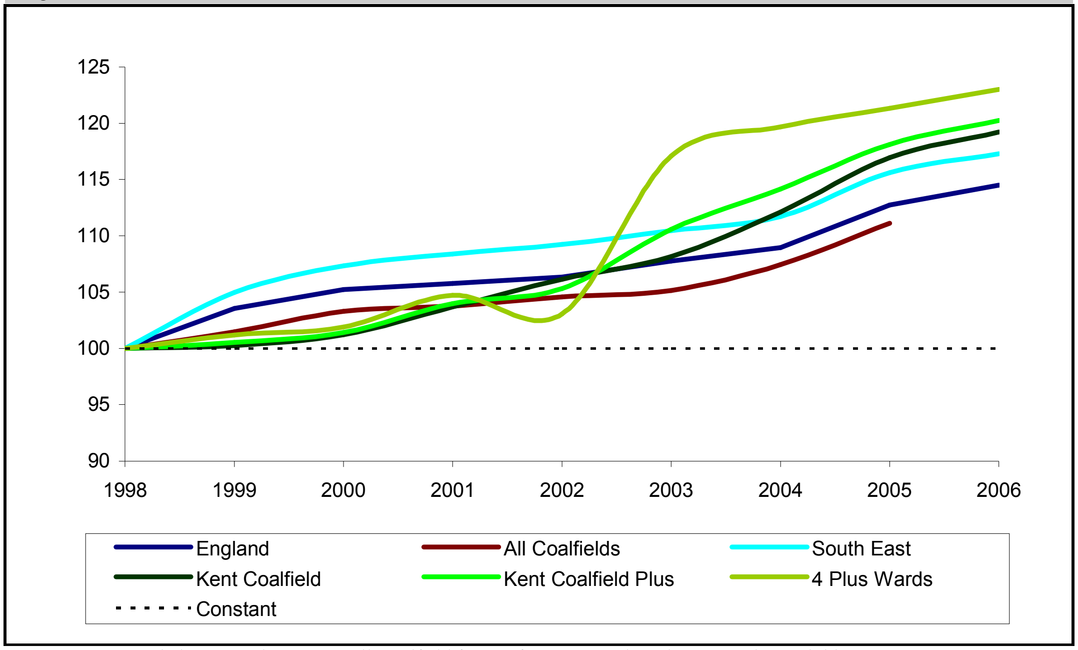
Business units

3.15 The positive trend demonstrated in employment growth, in the Kent Coalfield in particular, is mirrored by the growth of business units in the area. Between 1998-2006 business growth in the Kent Coalfield outpaced regional and national rates and was markedly higher than across the English coalfields. This was also apparent in the 4 Plus Wards as shown in Figure 3-4[4].

3.16 The discrepancy between the increase in business units growth not being mirrored by a growth in employee numbers in the 4 Plus Wards can be explained by the fact that the growth in business units occurred only from 2002 onwards and new businesses are more likely to have a limited number of employees in their first years of activity.

[4] It is important to recognise that the proportions and changes witnessed in the 4 Plus Wards are likely to be higher given the significantly smaller number of total units involved. In 1998 the areas had approximately 400 businesses so changes of 5-10 businesses particularly when broken down by sector will be accentuated when compared to the Kent Coalfield (1,100 businesses in 1998) and the national and regional data.

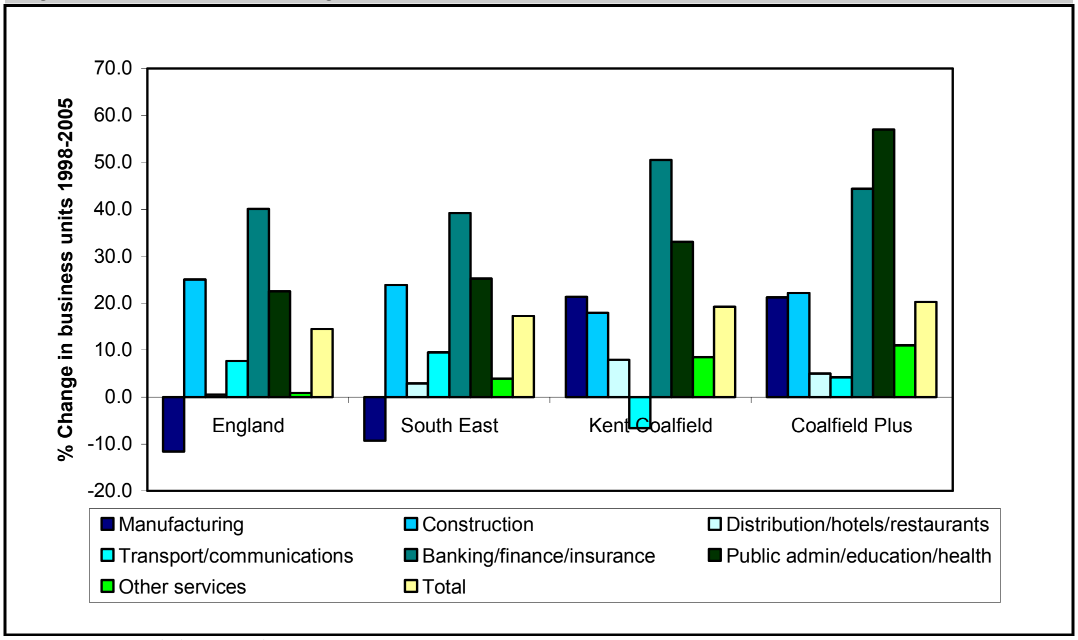
Figure 3-4: Indexed Business units 1998-2006



Source: ABI Workplace Based Statistics All Coalfield figures from National Evaluation, only available to 2005

3.17 The change in the sectoral make up of business units in the coalfield areas follows the broad pattern of that in employee numbers, with an increase in the Kent Coalfield across all sectors with the exception of the transport and communication sector as demonstrated in Figure 3-5 below. One notable exception, however, is that in the Kent Coalfield, the increase in the banking, finance and insurance sector has been the highest of all sectors and has significantly outpaced the national and regional growth rates. This does demonstrate a possible trend in the gradual restructuring of the local economy. This being said, however, in contrast to national and regional trends manufacturing business numbers have increased as have public administration numbers. Distribution / hotels / restaurants remain more prominent in the local economy than across the region and England.

Figure 3-5: Business unit change 1998-2006



Source: ABI Workplace Based Statistics

Key baseline message 2

The Kent Coalfield and 4 Plus Wards have experienced significant increases in the number of business units since 1998, outpacing the national and regional growth rates. Changes in the sectoral make-up of businesses suggest a slight restructuring of the local economy with an increase in banking / financial / insurance outpacing the national rates. However, in contrast to national and regional trends manufacturing business numbers have increased and public administration and distribution / hotels / restaurants remain more prominent in the local economy than across the region and England.

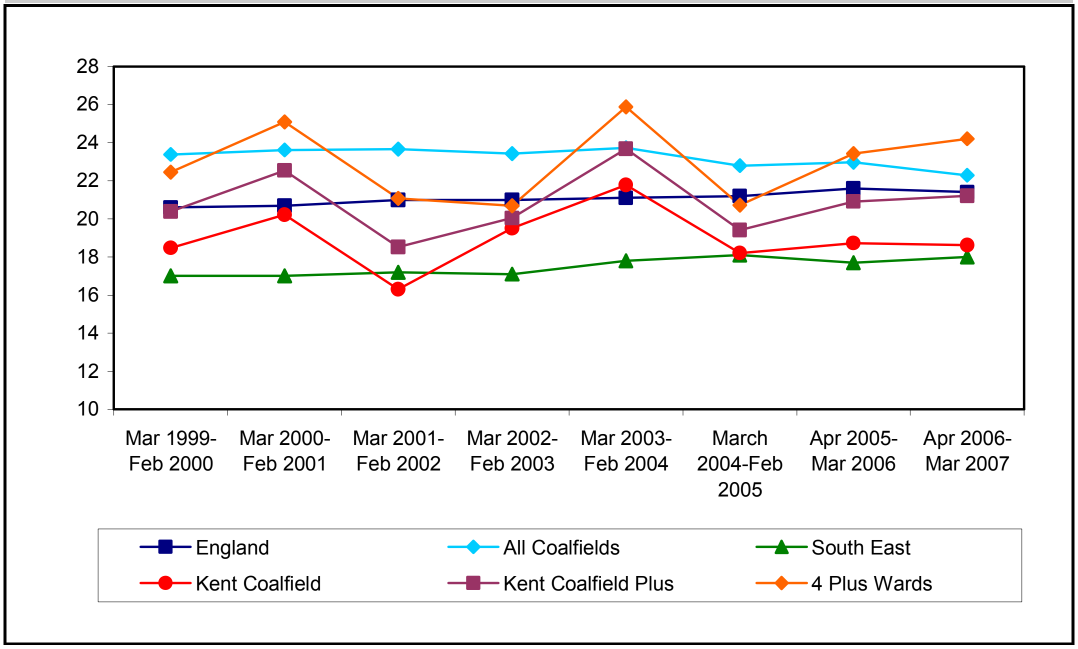
Economic inactivity

3.18 The decline of the mining industry across England not only had the effect of decreasing employment across the coalfields but also economic activity more widely, ie. people dropped out of the labour market altogether. Economic inactivity (those people who are not in work or not actively seeking employment) has remained markedly high across the coalfield areas when compared to the national average. The SQW evaluation of coalfield regeneration across England demonstrated that although since 1998 a small narrowing of the gap has occurred, coalfield areas continue to exhibit higher rates of economic inactivity than non-coalfield areas.

3.19 As Figure 3-6 shows, the trend is slightly different in the Kent Coalfield, where the rate of inactivity has been variable – at times it has been significantly higher than the South East region, but in recent years, it has managed to close the gap. The latest data show that inactivity in the Kent Coalfield stood at 18.6% of the working age population compared to 18% in the South East.

3.20 It is also evident that the rate of inactivity in the 4 Plus Wards is high; indeed this area has exhibited a consistently higher rate of inactivity than the Kent Coalfield, with 24.2% of the working age population economically inactive in 2006-07.

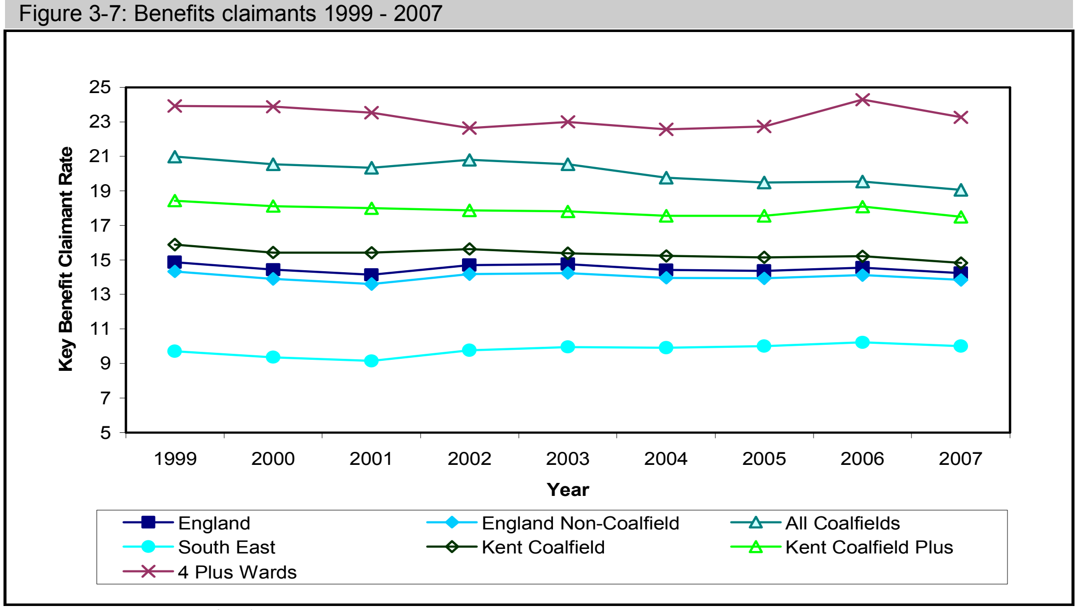
Figure 3-6: Inactivity rate 1999-2007



Source: Labour Force Survey and Annual Population Survey

3.21 The rate of inactivity in the Kent Coalfield and 4 Plus Wards is reflected in the rate of the working age population claiming benefits. Since 1999 neither the Kent Coalfield nor 4 Plus Wards have experienced a significant reduction in benefits claimants as demonstrated in Figure 3-7 below. The rate in the 4 Plus Wards in 2005 remained well over double the rate in the South East.

Figure 3-7: Benefits claimants 1999 - 2007



Source: DWP Key Benefit Claimant Data

3.22 The overall benefits claimant rate in the Kent Coalfield and 4 Plus Wards masks significant variation in benefit claimant rates as shown in Table 3-3 below. For example, in 2007 Aylesham has a claimant rate of 18% whilst Eythorne and Sheperdswell had a claimant rate of 12%.

Table 3-3: Kent Coalfield and 4 Plus Wards ward level benefits claimants' rate

	1999	2000	2001	2002	2003	2004	2005	2006	2007	Change
Kent Coalfield Wards										
Aylesham	21.3	20.6	20.7	20.4	19.8	19.5	19.3	18.6	18.2	-3.1
Barham Downs	12.1	11.1	13.1	15.1	14.4	14.4	12.4	13.4	13.1	1.0
Eastry	12.5	12.5	11.8	12.1	12.1	11.8	12.6	13.5	12.6	0.2
Eythorne & Shepherdswell	12.4	11.7	11.8	12.0	12.2	11.0	11.7	11.7	12.2	-0.2
Marshside	14.6	13.7	14.3	14.6	14.6	14.3	14.9	14.9	15.5	0.9
Middle Deal and Sholden	16.8	16.2	16.3	17.5	16.8	16.8	16.6	16.4	15.3	-1.5
Mill Hill	16.3	16.2	16.3	16.1	16.2	17.1	16.9	16.4	16.2	-0.1
North Deal	17.6	17.4	16.3	15.7	15.4	14.9	14.3	14.9	14.3	-3.3
4 Plus Wards										
Buckland	21.8	22.2	21.9	20.8	21.1	21.1	20.8	21.6	20.9	-0.9
St Radigunds	26.2	25.8	25.5	25.3	25.3	25.5	26.0	27.6	25.7	-0.5
Tower Hamlets	26.6	26.6	27.0	25.6	26.3	24.0	24.9	27.3	26.5	-0.2
Town and Pier	20.0	19.2	16.8	16.4	16.8	17.6	17.2	19.2	18.8	-1.2

Source: DWP Key Benefit Claimant Data

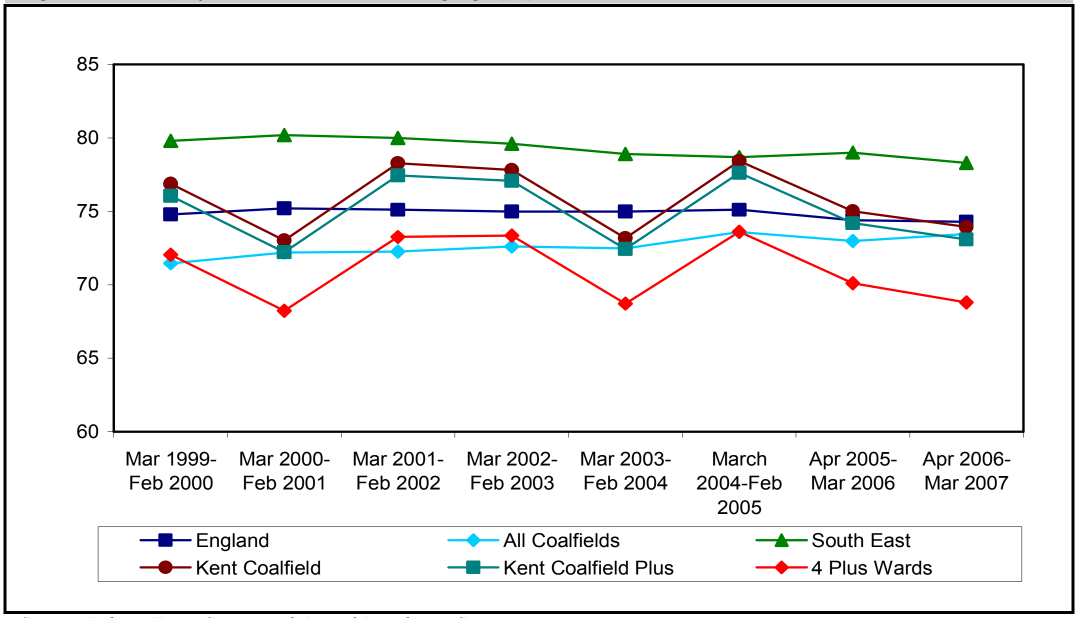
Key baseline message 3

The Kent Coalfield and 4 Plus Wards have continued to experience higher levels of benefit claimants than their region, with the rates more in line with coalfields across England, although across the areas there is a wide disparity in the rates of benefit claimants which is masked by the overall level. Additionally, whilst the 4 Plus wards continue to experience high levels of economic inactivity, the Kent Coalfields have made progress in closing the gap with the South East.

Employment

3.23 Corresponding to a higher rate of inactivity and benefit claimants in the Kent Coalfields area, employment levels also underperform in relation to the South East; however the Kent Coalfield has in the main experienced an employment rate higher than or similar to England. In contrast, as demonstrated in Figure 3-8 the 4 Plus Wards area retains an employment level significantly below the national and regional rates.

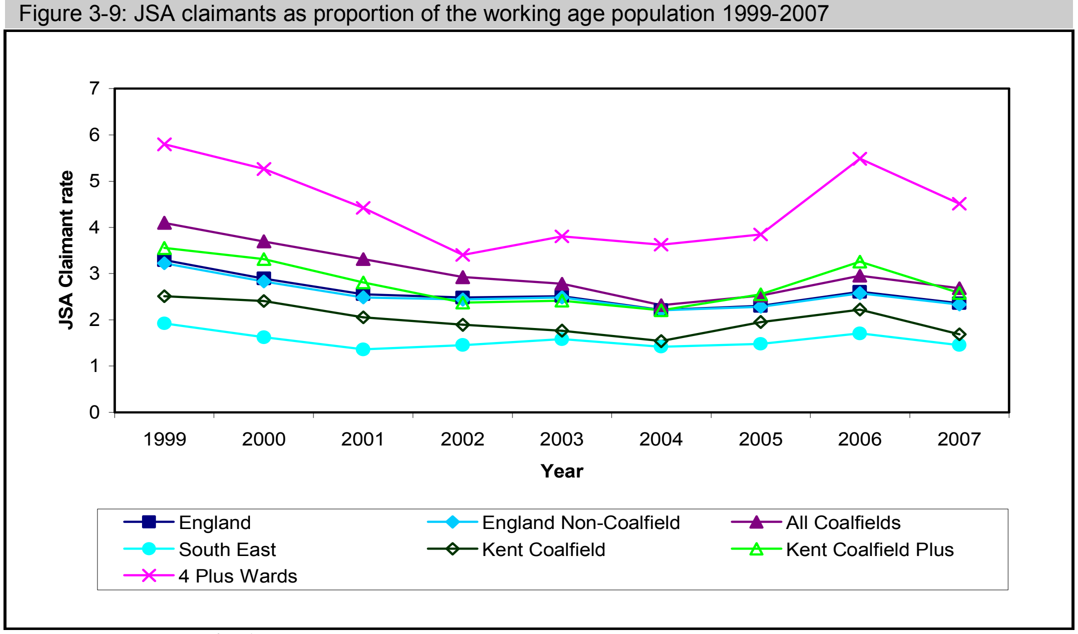
Figure 3-8: Employment rate of the working age population 1999-2007



Source: Labour Force Survey and Annual Population Survey

3.24 The proportion of the working age population claiming Job Seekers' allowance is the best proxy for unemployment at this spatial level[5]. As shown in Figure 3-9 below, there has been gradual decline in those claiming Job Seekers' allowance in the Kent Coalfield which came to an end in 2004, similar to the trend at national level. Whilst higher than the South East, the Kent Coalfield has lower levels of claimants than the national average. In contrast, the 4 Plus wards have consistently higher levels of JSA claimants than England as a whole.

Figure 3-9: JSA claimants as proportion of the working age population 1999-2007



Source: DWP Key Benefit Claimant Data

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[5] The secondary data was constructed building up from the finest grained spatial level – coalfield wards or SOAs. Any data that could not be derived in this way was not included in the dataset, as spatial levels wider than wards or SOAs (such as Local Authority Districts) would embrace areas other than the coalfield and therefore, data at this level could be misleading about the conditions prevailing in the coalfield,

Key baseline message 4

The proportion of the population claiming Job Seekers Allowance in the Kent Coalfield has decreased since 1999. The employment rate is broadly in line with the national level, though below that in the South East. The 4 Plus Wards area has a persistently low level of employment and a significantly higher rate of the population on JSA when measured against all comparators.

Self-employment

3.25 Levels of self-employment are a key indicator of the level of entrepreneurial activity in an area. The most recent data at a local level demonstrates that self-employment in the Kent Coalfield Plus area is below the regional and national average, with 8.7% of the working age population self-employed as compared to 10.5% in the South East and 9.2% in England as demonstrated in Table 3-4 below.

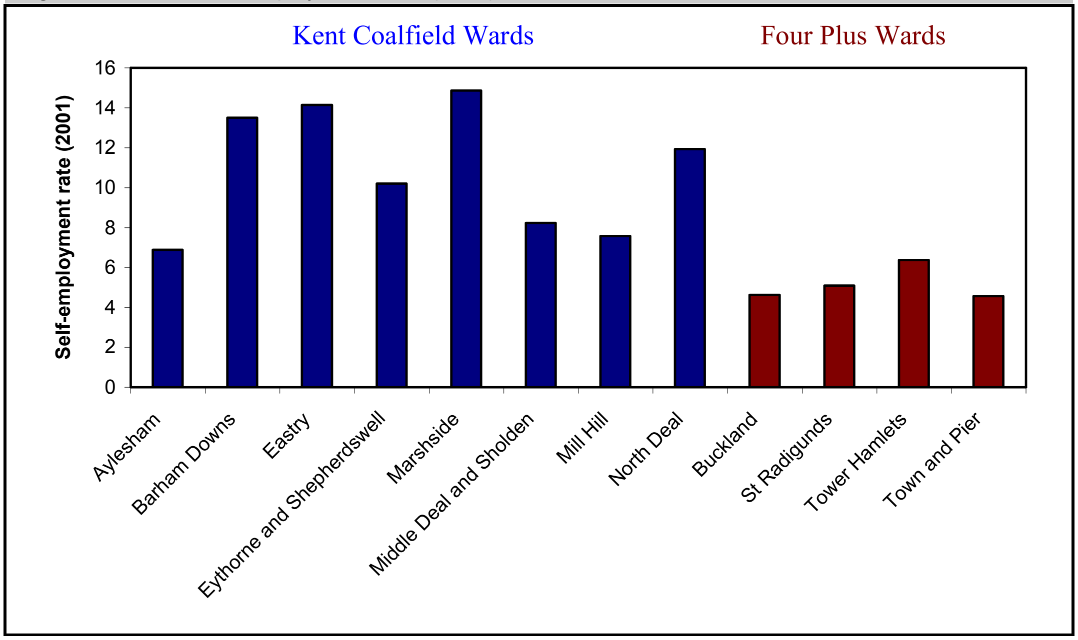
Table 3-4: Working age self employment rate, 2001

	Total self-employment rate	Male self-employment rate	Female self-employment rate
Kent Coalfield	**10.3**	**14.6**	**5.8**
4 Plus Wards	**5.2**	**7.6**	**2.7**
Kent Coalfield Plus	**8.7**	**12.4**	**4.8**
South East	**10.5**	**15.0**	**5.8**
All Coalfields	**6.9**	**10.0**	**3.5**
England	**9.2**	**13.2**	**4.9**
England Non-Coalfield	**9.4**	**13.5**	**5.1**

Source: ONS, Census 2001

3.26 Further, it should be noted that the rate of self-employment in the 4 Plus Wards is significantly below that of the Kent Coalfield and wider comparators. This contrast between self-employment levels is graphically demonstrated in Figure 3-10 below.

Figure 3-10: Total self-employment rates (2001) in the Kent Coalfield and 4 Plus Wards



Source: ONS Census 2001

Key baseline message 5

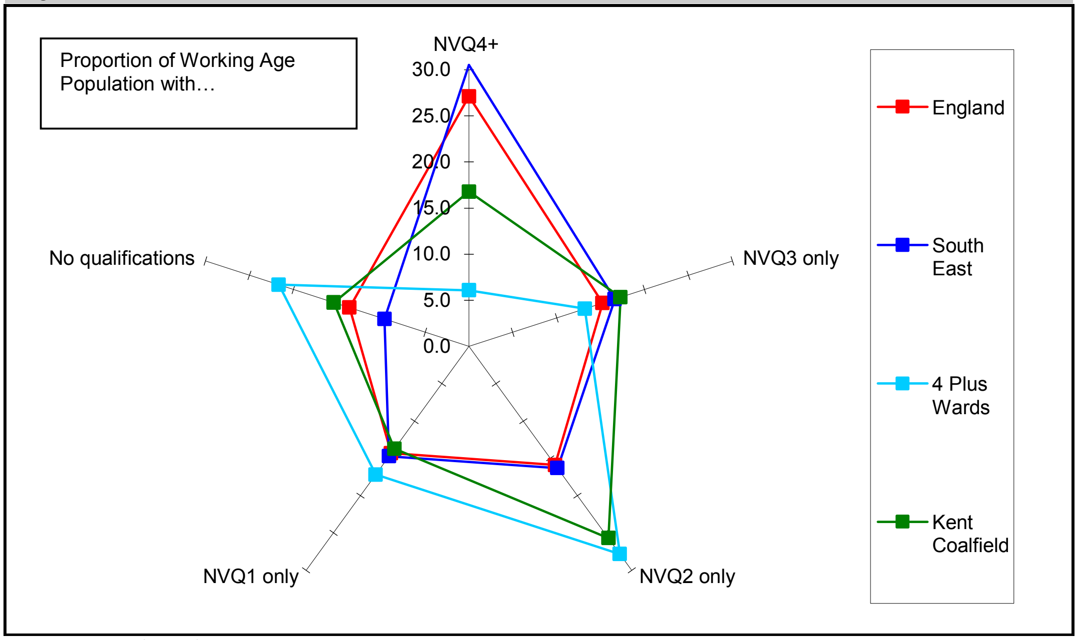
Self-employment in the Kent Coalfield is below regional and national rates. This issue is even more pronounced in the 4 Plus Wards, which demonstrate lower levels of entrepreneurial activity in the local economy.

Qualifications

3.27 The potential for increasing employment and self-employment rates and lowering economic inactivity will be heavily influenced by the skills levels in the area. However, in line with coalfield areas across England, skills in the Kent Coalfield and 4 Plus Wards are weighted towards the lower end of the skills spectrum. The proportion of the working age population with high level skills is significantly below national and regional rates, the corollary of which is that those with no qualifications are more heavily represented. This is demonstrated in Figure 3-11 below, which shows the skills levels of the working population in 2006[6].

[6] The most up to date information available at the time of writing

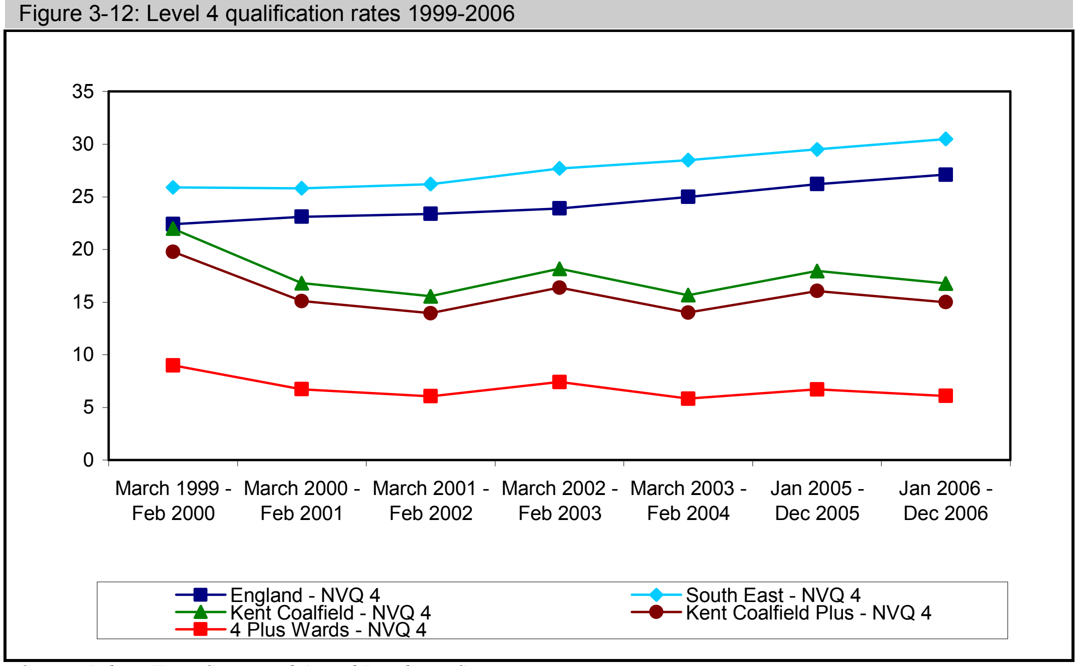
Figure 3-11: Skills levels 2006



Source: Annual Population Survey

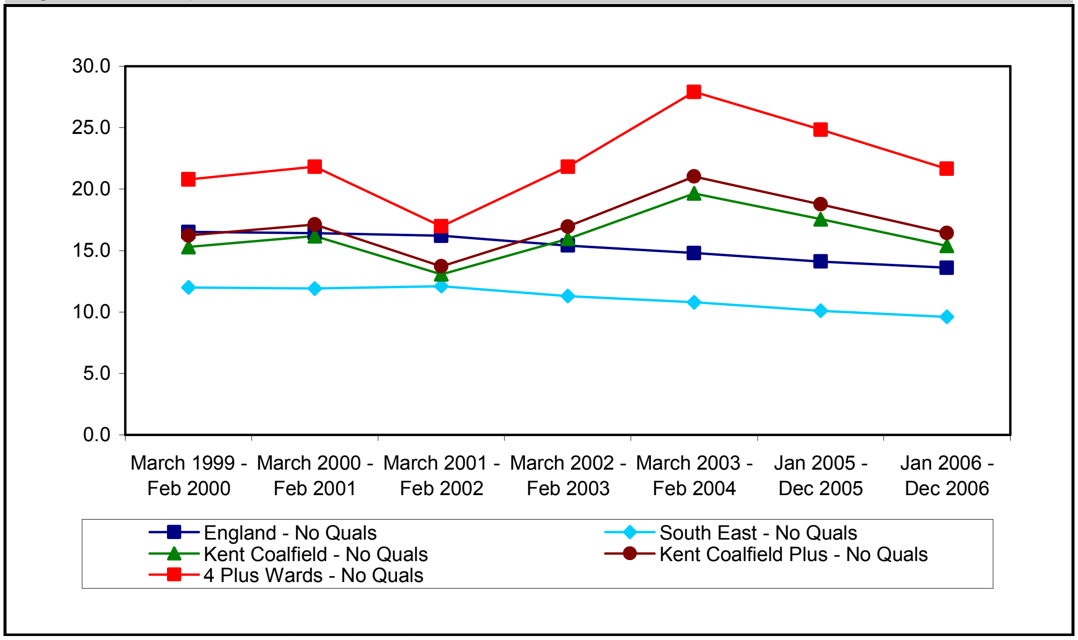
3.28 Furthermore, the skills level in the Kent Coalfield and 4 Plus Wards have not improved since 1999, indeed the proportion of the working age population with Level 4 qualifications in both areas has actually decreased. In Figure 3 -12 and Figure 3-13, the proportion of people with high level (NVQ 4) and low level (No Qualifications) skills from 1999-2006 are presented. It is apparent that, in contrast to the national and regional experiences, the Kent Coalfield and 4 Plus Wards have not witnessed a consistent pattern of the 'up-skilling' of the working age population in recent years.

Figure 3-12: Level 4 qualification rates 1999-2006



Source: Labour Force Survey and Annual Population Survey

Figure 3-13: No qualifications rates 1999-2006



Source: Labour Force Survey and Annual Population Survey

Key baseline message 6

The Kent Coalfield and 4 Plus Wards have witnessed consistently lower levels of high skills and higher levels of low skills than their regional and national counterparts. The gap between these areas and national and regional rates has not closed since 1999, rather it has widened.

Economic context summary

3.29 The data above demonstrates that the Kent Coalfield and 4 Plus Wards, together comprising the East Kent Coalfield Plus area, have shown signs of economic improvement, for example in the increase in business units and employment and a restructuring of the sectoral make-up. However, it also demonstrates that significant challenges remain with employment, skills and inactivity. Across all of these indicators, the East Kent Coalfields Plus area remains below the regional and in some cases national levels. In addition, it is worth noting that the 4 Plus wards consistently under-perform the officially defined East Kent Coalfield area.

Deprivation

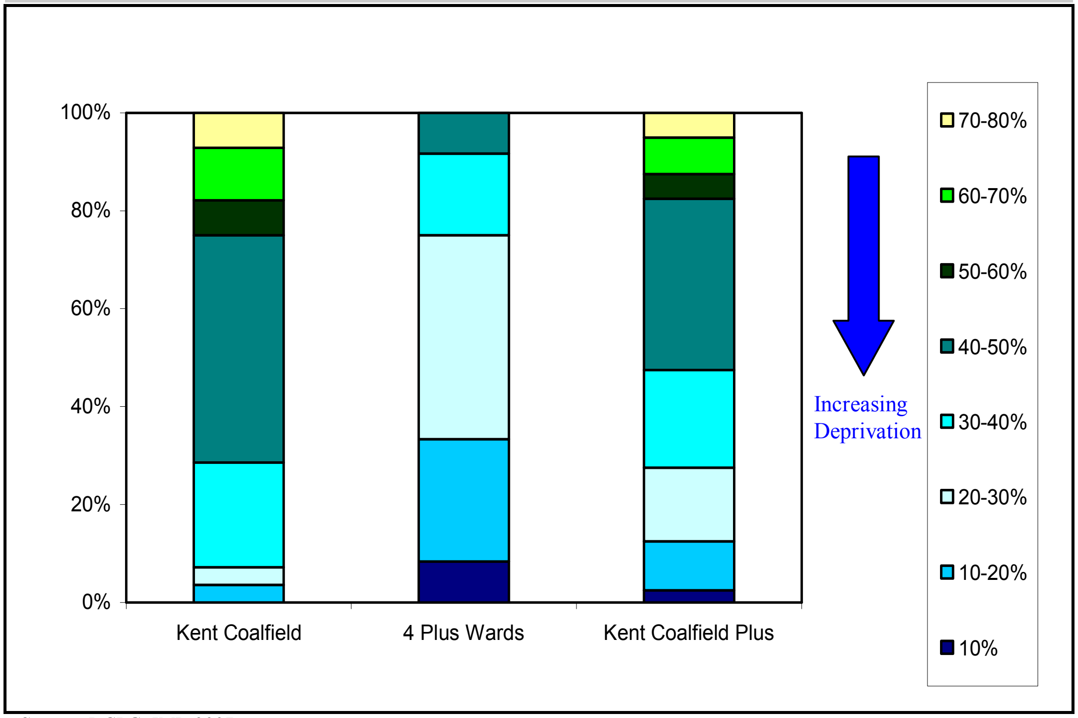
3.30 The following section turns to levels of socio-economic deprivation with an analysis of the IMD 2007, levels of household income, house prices and the wider health context.

Overall deprivation

3.31 The IMD 2007 produced by the Department for Communities and Local Government provides an analysis of deprivation. Taking into account indicators of income, employment, health deprivation and disability, education, skills and training, barriers to housing and services, crime and the living environment, the IMD provides a fine-grained 'snap-shot' of the socio-economic health of an area.

3.32 The national evaluation of coalfields regeneration undertaken by SQW in 2005-06 revealed that nearly half of all Lower Layer Super Output Areas[7] in the coalfields fall within the 30% most deprived in England, based on the IMD 2004. This analysis has been updated using the IMD 2007 and shows that the Kent Coalfield, although not as deprived as some coalfields across England, also exhibits high levels of deprivation as demonstrated in Figure 3-14 below. The chart shows the proportion of SOAs falling within each IMD 2007 'decile' i.e. the proportion in the 10% group are in the 10% most deprived in England.

Figure 3-14: Overall IMD 2007



Source: DCLG, IMD 2007

3.33 It is evident that two thirds of the SOAs in the Kent Coalfield are in the most deprived half of all SOAs across England. However, the level of deprivation is far more pronounced in the 4 Plus Wards where two thirds of SOAs are within the most deprived 30% across England.

3.34 When broken down by the domains of the IMD, the higher level of deprivation in the 4 Plus Wards is further demonstrated. 100% of the SOAs in the 4 Plus Wards are in the most deprived half of all SOAs in England across the income, employment and education, skills and training domains. 92% of SOAs are also in the most deprived half of SOAs for the living environment, a domain that includes housing conditions.

[7] Lower Level Super Output Areas are fixed geographical areas with a minimum population of 1,000, an average of 1,500 and up to 5,000. They are built from between 4 and 6 Output Areas used in the 2001 Census.

Table 3-5: Proportion of SOAs in 30% and 50% most deprived of all SOAs in England by domains of the IMD 2007

	Income		**Employment**		**Health and disability**		**Education , skills and training**		**Living Environment**	
	30% most	*50% most*	*30% most*	*50% most*	*30% most*	*50% most*	*30% most*	*50% most*	*30% most*	*50% most*
Kent Coalfield	14	64	39	82	21	68	32	61	11	39
4 Plus Wards	83	100	92	100	67	92	92	100	50	92
Kent Coalfield Plus	35	75	55	88	35	75	50	73	23	55

Source: DCLG IMD 2007

Key baseline message 7

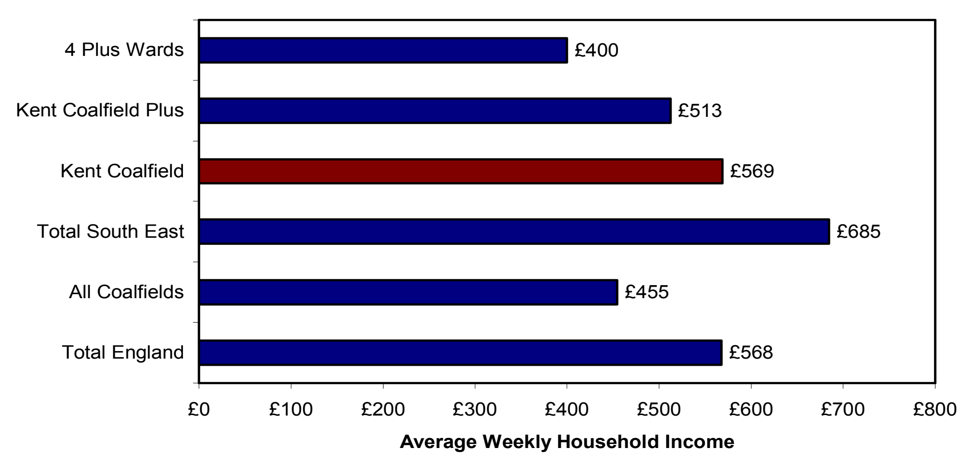
The IMD 2007 highlights the relatively deprived nature of the Kent Coalfield. The 4 Plus Wards area has an even higher rate of deprivation with two thirds of its SOAs lying within the most deprived 30% in England.

Income levels

3.35 The most recent data for low geographical levels demonstrates that the Kent Coalfield and the 4 Plus Wards in particular, have income levels significantly below the regional level.

3.36 The comparison with all coalfields and England is also presented in Figure 3-15 to contextualise the position. Given the higher cost of living in the South East as compared to the majority of coalfields in the North and Midlands of England (for example, see data on house prices below) it is the regional rate that is the pertinent comparator.

Figure 3-15: Average weekly household income, 2001



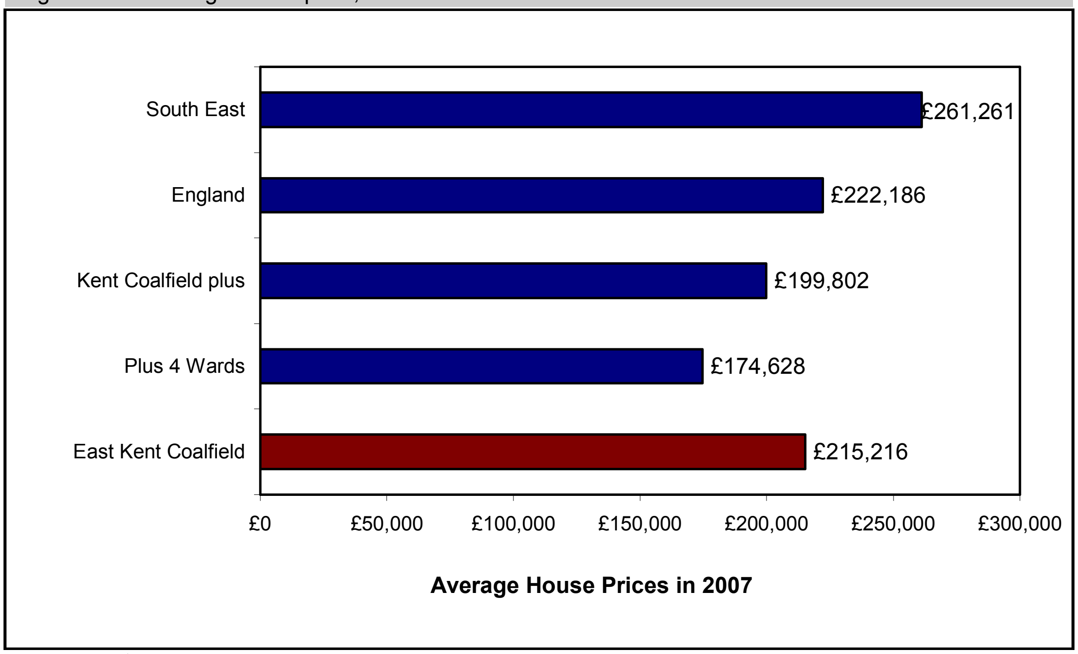
Source: ONS Census 2001

3.37 The average weekly income in the 4 Plus Wards was some 42% lower than in the South East and the Kent Coalfield 17% lower than the region. The aggregated level masks significant differences across the wards in the Kent Coalfield. The Barham Downs ward had an average weekly income of £700 and Marshside (the location of Chislet colliery) of £670. In contrast North Deal, Aylesham (the location of Snowdown colliery) and Mill Hill had incomes of under £500.

House prices

3.38 The national evaluation of coalfields regeneration found that average house prices in the English coalfields, though increasing in recent years, remain below the levels in non-coalfield areas. In 2005, the average house price across all coalfields was £131,800 and £191,200 in the East Kent coalfields compared to £191,700 across England as a whole. This trend has continued in 2007 as shown in Figure 3-16 below, which displays 2007 house price data for the East Kent coalfields and compares this to figures for the South East and England.

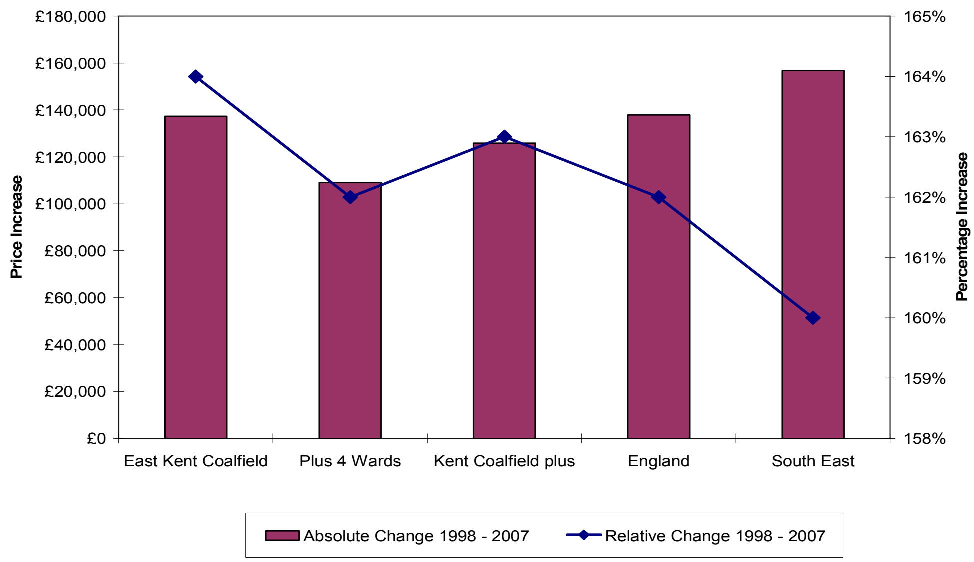
Figure 3-16: Average house price, 2007



Source: Land Registry

3.39 It is evident that in comparison to the South East, average prices in the Kent Coalfield remain relatively low and significantly lower in the 4 Plus Wards area. Despite prices remaining lower in the Kent Coalfields in 2007, in comparison to England and the South East in particular, between 1998 and 2007, the Kent Coalfield and 4 Plus wards witnessed proportionally higher levels of price rises. This is demonstrated in Figure 3 -17 below, showing the absolute and relative change in average house price between 1998 and 2007.

Figure 3 -17: Absolute and relative change in average house price, 1998-2007



Source: Land Registry

Key baseline message 8

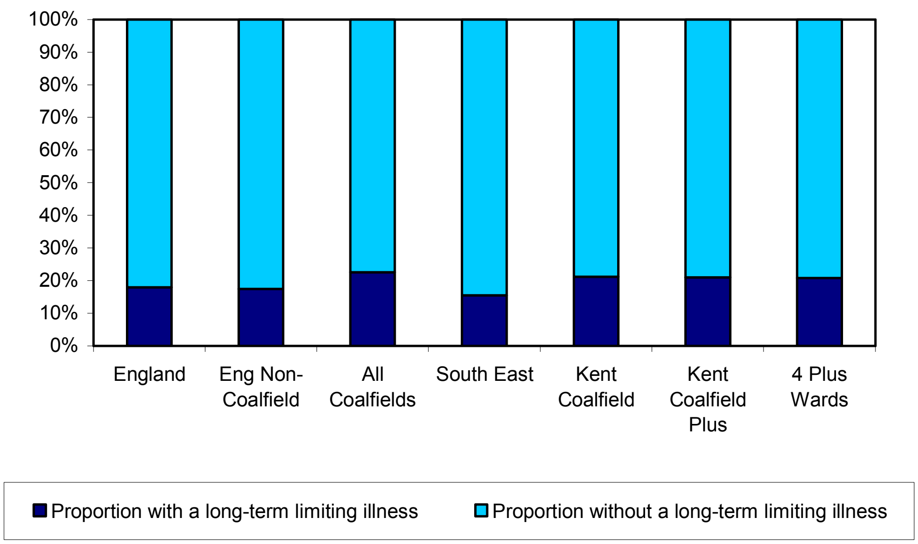
When compared to the South East, weekly incomes in the Kent Coalfield and 4 Plus Wards are low. The weekly income in the Kent Coalfield was 17% lower than the region and in the 4 Plus Wards some 42% lower. However, in the Kent Coalfield there is a significant disparity across the wards with two of the eight having weekly incomes greater than the regional rate.

House prices in the Kent Coalfield and 4 Plus Wards remain significantly below the regional level, though broadly consistent with the gap in incomes. However, the increase in prices between 1998 and 2007 was proportionally higher in the Kent Coalfield and 4 Plus Wards than the South East.

Health deprivation

3.40 The health domain of the IMD 2007 highlights health problems afflicting the Kent Coalfield and 4 Plus Wards. This issue was also highlighted in the Census 2001, which revealed that in the Kent Coalfield and 4 Plus Wards the proportion of the total population with a long-term limiting illness was over five percentage points higher than in the South East region as a whole.

Figure 3-18: Proportion of the population with a long-term limiting illness, 2001

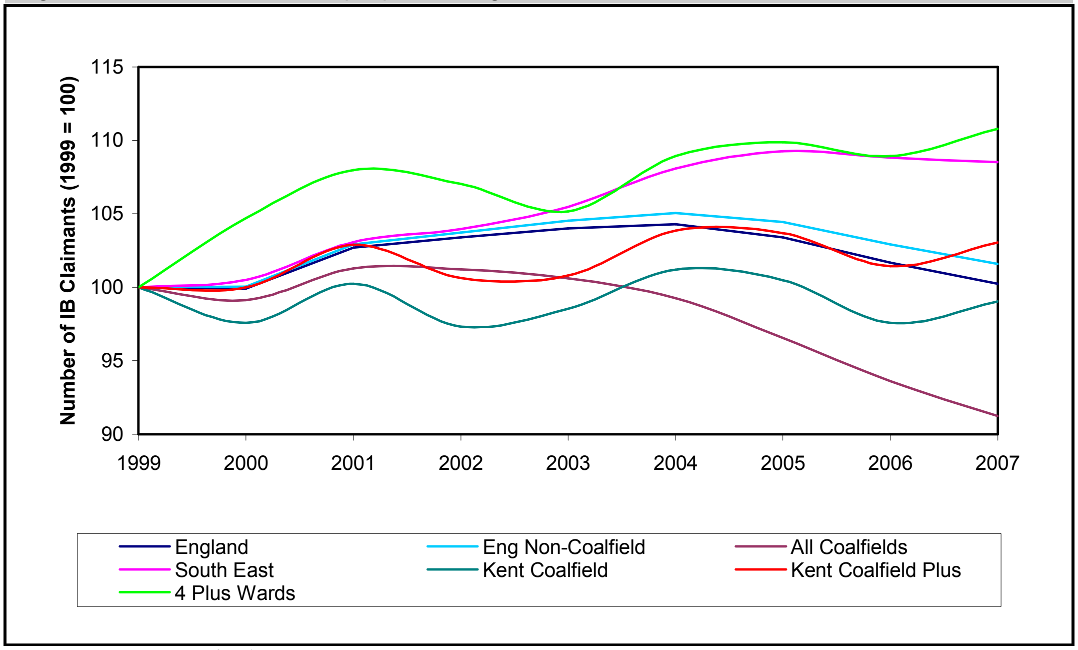


Source: Census 2001

3.41 Health deprivation in the Kent Coalfield and 4 Plus Wards is also apparent in the proportion of the working age population claiming Incapacity Benefit (IB). By 2007, 8.4% of the working age population in the Kent Coalfield and 10.4% in the 4 Plus Wards claimed IB compared to 4.9% in the South East and 7.1% in England.

3.42 The Kent Coalfield and 4 Plus Wards have experienced divergent growth rates in the number of people claiming IB. The Kent Coalfield has seen fluctuating levels since 1999 with levels in 2007 ending up much as they were in 1999, whilst the South East has seen a rise. The 4 Plus Wards have seen IB claimants increase at a rate above the regional rate with over 10% more claimants in 2007 than 1999. In contrast, all Coalfields across England have seen a significant decrease in the number of people claiming IB.

Figure 3-19: Indexed Number of people claiming IB 1999-2007



Source: DWP Key Benefit Claimant Data

Key baseline message 9

The Kent Coalfield and 4 Plus Wards suffer from high levels of health deprivation. Both have higher rates of people with a long-term limiting illness and higher rates of the working age population claiming Incapacity Benefit than England and the South East. In contrast to All Coalfields across England, the number of IB claimants in the Kent Coalfield is at a similar level to that which it was in 1999, whilst the South East has seen an overall increase in the rate of claimants.

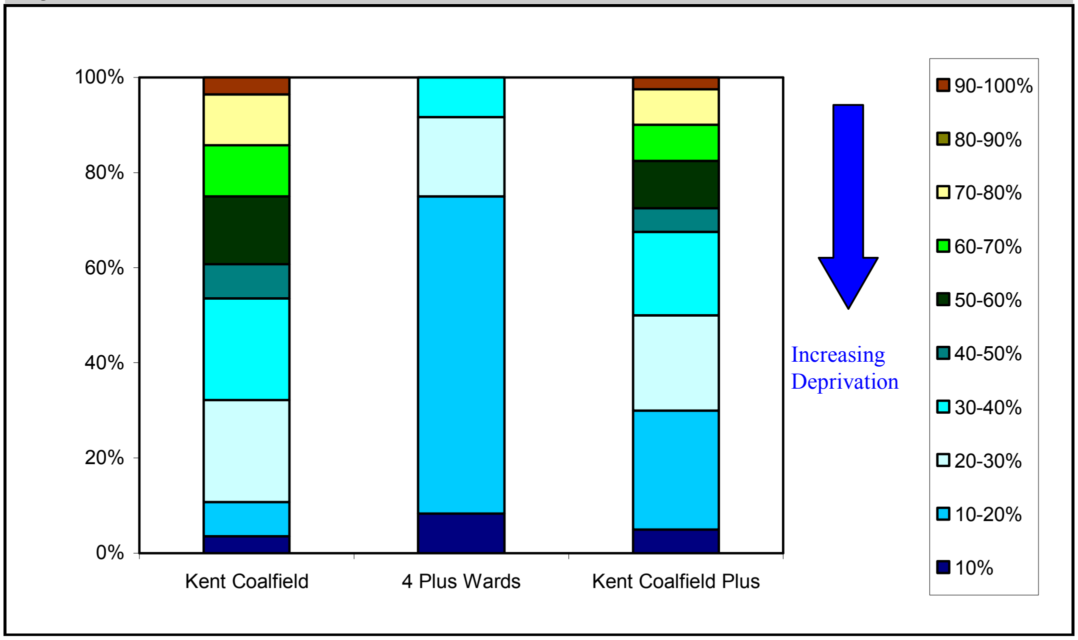
Education

3.43 Research undertaken for DfES in 2001 and 2003 highlighted the problems affecting educational performance and schools in the coalfields across England[8]. It suggested that there was both a general low achievement rate across the coalfields and that problems such as the recruitment and retention of staff and a lack of financial resources were hampering efforts to improve performance.

3.44 As demonstrated in the Table earlier, 100% of SOAs in the 4 Plus Wards were in the most deprived half of all SOAs in England. When broken down to individual deciles as in Figure 3-20 below, the extent of education (and training and skills) deprivation, in the 4 Plus Wards in particular, is evident. Ninety-two per cent of the SOAs in the 4 Plus Wards lay within the 30% most deprived SOAs in England.

[8] *Patterns of educational attainment in the British coalfields*, Sheffield Hallam University Research Report No 314, 2001 and *Raising attainment in schools in former coalfield areas*, Department for Education and Skills, 2003

Figure 3-20: Educational domain of the IMD 2007

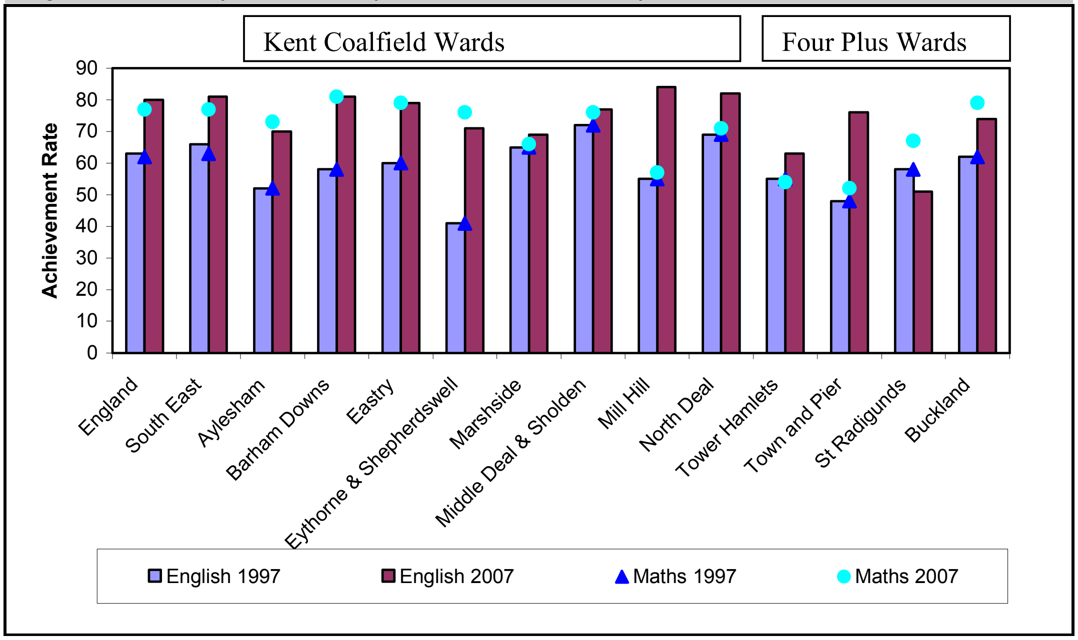


Source: DCLG IMD 2007

3.45 Data on achievement in literacy and numeracy at age 11 shows a mixed picture. In 2007, the 4 Plus wards consistently underperform against the England and South East average in English. This is also the case in Maths, with the exception of Buckland, which has seen a substantial 17 percentage point increase in achievement since 1997. The Kent Coalfields tend to underperform against the region and England, although Barham Downs and Eastry exceed the England average in Maths, as do Barham Downs, Mill Hill and North Deal in the case of English. These results can be seen in Figure 3-21 below.

3.46 The data reveals that significant improvement has occurred since 1997, with all wards in the Kent Coalfield and 4 Plus Wards increasing literacy achievement rates since 1997 (with the exception of St Radigunds in the 4 Plus Wards area) and all improving their maths results, with the exception of Tower Hamlets in the 4 Plus Wards area.

Figure 3-21: Literacy and Numeracy achievement rates of 11 year olds 1997 and 2007



Source: DCSF 2007

3.47 At the other end of the educational system, in post-19 learning, there is also evidence that the 4 Plus Wards in particular continue to underperform in comparison to the region and England. Despite the fact that retention rates (the number of learners completing courses divided by the number starting the course) in the Kent Coalfield and 4 Plus Wards are broadly in line with, and at times above the regional and national rates, achievement and success rates in post-19 learning tend to be lower than these comparators especially in the 4 Plus Wards.

Key baseline message 10

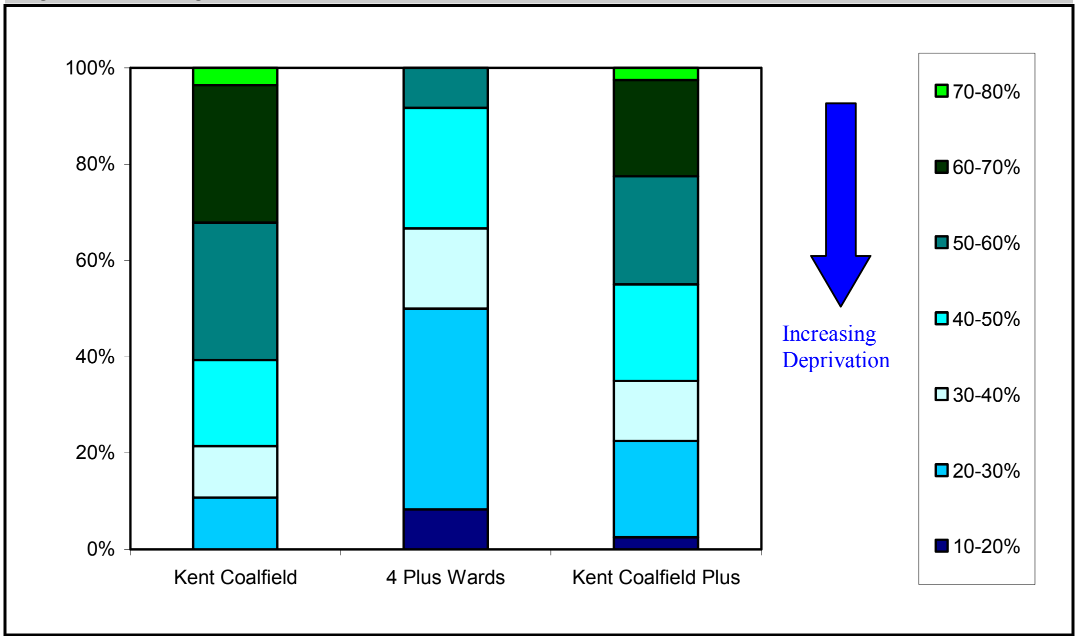
The Kent Coalfield, although performing below the regional rate on occasion, is improving performance at a similar pace to the regional and national rates, and in several cases at a much faster rate. The 4 Plus Wards tend to have significantly lower educational attainment rates compared to the South East region and England.

Environmental conditions

3.48 The IMD 2007 Living Environment indicator demonstrates that levels of environmental deprivation in the Kent Coalfield are not significantly higher than in England as a whole, with well over half of the SOAs in this area in the least deprived half of all SOAs across the country.

3.49 However, in the 4 Plus Wards environmental problems are more acute, with 92% of SOAs in the most deprived half of SOAs in England.

Figure 3-22: Living environment domain of the IMD 2007



Source: DCLG IMD 2007

3.50 Despite this, the decline of the mining industry left significant levels of derelict land in Kent Coalfield. By 2004 (the latest data at a fine-grained geographical level) there remained 182 hectares of derelict land in the Kent Coalfield. This equates to 4.4 hectares of derelict land per 1,000 of population, the highest proportion across all of the coalfields in England. Notably, the 4 Plus Wards area had no hectares of derelict land in 2004.

Table 3-6 Hectares of derelict land per 1000 of population

Geography	Hectares of derelict land per 1000 of population
Kent Coalfield	4.4
South East	0.2
All Coalfields	0.8
England	0.3

Source: Office for National Statistics, Mid-year Population Estimates Note: Population is 2003 total population figure.

Key baseline message 11

The Kent Coalfield retains a high level of derelict land in comparison to all coalfields across England. The 4 Plus Wards by contrast do not have any derelict land as measured in 2004, though serious environmental problems are apparent in the area as demonstrated in the IMD 2007.

Concluding observations

3.51 The Kent Coalfield and 4 Plus Wards areas exhibit many of the socio-economic problems afflicting all former coalfields across England. Low skills, high inactivity, low incomes, severe health issues and environmental degradation provide evidence that the legacy of the end of the mining industry has created problems still evident many years later.

Areas of improvement

3.52 Despite the remaining problems, there have been positive developments and signs of improvement in the Kent Coalfield area. In particular, the area has exhibited stronger growth in work-based employment and number of business units than in England and the South East. Data also shows an increase in banking, finance and insurance business units, which is a sector historically under-represented in East Kent. This increase has outstripped rises in any other sectors and those in England and the South East. Although the traditional sources of employment (manufacturing and public administration) have also increased, this evidence does suggest a gradual restructuring of the economy.

3.53 Other positive signs in the area include an increase in the rate of employment and a reduction in Jobseekers Allowance claimants, whilst educational attainment data reveals that the Kent Coalfield is performing relatively strongly and improving.

Remaining challenges

3.54 A range of considerable socio-economic challenges, however, remain within the East Kent Coalfields area, as it is officially classified and especially in the 4 Plus Wards. Economic inactivity is significantly higher in the Kent Coalfield Plus areas than in the South East and there has been no significant reduction in the proportion of the working age population claiming benefits, which remains above the rate for the South East and England. Skill levels remain low and, in contrast to regional and national trends, have not improved since 1999; in fact the proportion of the working age population with a Level 4 or above qualification has decreased. Seventy per cent of the East Kent Coalfields SOAs fall within the most deprived half of all England's SOAs in terms of education, with literacy and numeracy standards at age 11 and post-19 learning figures under-performing in comparison to the national and regional averages.

3.55 Whilst the East Kent Coalfields are less deprived than some of the other coalfield areas, deprivation levels are still high with over two thirds of its Super Output Areas falling within the fifty per cent most deprived in the country. Income levels and house prices remain lower in the East Kent Coalfields than regional averages, whilst in terms of health conditions, those with long-term limiting illness is also higher than the regional rate. Employment and self-employment rates fall below the regional rate.

3.56 A particularly pronounced message emerging from the socio-economic baseline analysis relates to the 4 Plus Wards, which neighbour the officially classified coalfields area but have not benefited from being included in the Programme. The evidence shows that these wards face serious social, health and economic challenges, which are consistently more acute than those in the East Kent Coalfields area itself. The following examples illustrate the extent of this trend:

- Employee growth has been lower, with an actual reduction in employees between 1998 and 2006

- Economic inactivity is higher than in the East Kent Coalfields area and significantly higher than the South East
- The 4 Plus wards have significantly lower employment and self-employment levels than the comparator areas of the East Kent Coalfields, the South East and England
- In terms of education, the additional wards particularly under-perform in terms of post-19 learning in comparison to the South East and England. The proportion of the population in the 4 Plus wards with high level qualifications is less than the East Kent Coalfields area, whilst those with no qualifications is higher
- Two thirds of the 4 Plus SOAs are in the most deprived 30 percent SOAs in the country
- Both income and house price levels are significantly lower than in the East Kent Coalfields area

3.57 It is important to note that the National Coalfields Programme funding was relatively inflexible and was restricted to addressing 'physical dereliction' within the red line boundary of the former collieries and spoil tips only. This is likely to be a factor in economic conditions in the Kent Coalfields and 4 Plus Wards not being further improved as the intervention made would not have directly benefited the communities immediately as they would be some distance away geographically from the area of investment. SEEDA did attempt to address some of these issues by initiating complementary programmes in the coalfield communities.

3.58 It should be noted that for the purposes of the analysis presented later, the Kent Coalfields and 4 Plus Wards have been defined as the target area.

4: Strategic Policy Review

4.1 The four interventions that comprise the East Kent Coalfields relate to area regeneration in East Kent and it is important to understand the specific local context for intervention. This is described in the paragraphs that follow. First though, we comment briefly on the strategic policy context within which delivery of the coalfield projects was set. It is important to note as part of the Strategic Policy Review, that the Kent coalfield sites were originally excluded from the National Coalfields Programme (on the basis that the south east was relatively prosperous and that the Kent Coalfields could be restored to economic use without central funding or intervention). SEEDA and EP lobbied DETR very heavily at the time to ensure that all the Kent sites were included. SEEDA's efforts ensured that the Coalfields Programme was included as an objective in all its policy and corporate publications at the time, including the first and second RES and Corporate Plans. EP commented that this was instrumental in securing maximum funding for the Kent projects as all the other RDA's failed to do this.

4.2 A number of documents were reviewed in order to understand the policy backdrop – these are listed below.

- SEEDA Regional Economic Strategy 2002-2012 and 2006 – 2016
- SEEDA Corporate Plans 2002 – 2004, 2003 – 2006 and 2005 - 2008
- The Draft South East Plan – East Kent and Ashford Sub Regional Strategy 2006-2026
- Towards 2010: Kent – your county, your future, our promises to you
- Kent Local Area Agreement 2005 – 2008
- East Kent Partnership Strategy 2005 - 2015

4.3 For the purposes of this evaluation, the review of the SEEDA RES and Corporate Plan are deemed to be the most relevant policy documents and our review of these is provided below. The review of the remaining documents is contained within Annex C.

4.4 In order to produce a relevant review of strategic policy, a template was used to interrogate the documents – which are shown below in the review of the SEEDA RES documents and Corporate Plans.

4.5 A summary of the strategic policy documents is provided at the end of this Chapter.

SEEDA RES 2002 - 2012

Title, Organisation, Date of Publication
'SEEDA Regional Economic Strategy for the South East 2002 -2012' South East England Development Agency 2002
Purpose of report
The second Regional Economic Strategy (RES) for the South East responds to a need for sustainable development to replace the pre-existing 'growth at all costs' strategy. This places focus on increasing the efficiency and productivity of existing high-value resources, rather than relying purely on physical

expansion. It emphasises the importance of ‘smart growth’, and calls for a sophisticated approach that recognises the differing needs and opportunities of different parts of the region and sectors of the economy.

What geographical area does it cover?

South East England

Regeneration priorities

The Regional Economic Strategy adopts five objectives, each with their own priorities for addressing key challenges to sustainable economic development:

1. Competitive Businesses
Priority One – Enterprise – accelerating business start-ups and improving the survival rate of young companies. For the South East to remain one of the world’s top performing regions for business competitiveness, it needs to encourage an increase in the business birth rate. It also needs to nurture young potential high-growth businesses, particularly in the early years of operation.

Priority Two – Innovation – enabling existing businesses to adapt, prosper and grow through innovation. Innovation is a vital determinant of business performance and economic success. Innovative firms are more successful than non-innovators. Innovative regions enjoy the benefits of rapid economic growth and high standards of living, on a sustainable basis.

Priority Three – International relationships – encouraging international business activity. Investment by international businesses in the region is a vital part of South East’s continued prosperity.

2. Successful People
Priority Four – Skills for prosperity – to underpin productivity improvements, adaptability to change, sector development and increased entrepreneurship. The South East excels in many aspects of the knowledge economy, but we lag behind high performing regions in other countries in terms of labour productivity. Skills development plays a key part in improving business performance. For example, if we are to make the very most of investments in new technology, we must equip our workforce to harness the gains that technology can bring.

Priority Five – Participation in prosperity – to create labour market equity and balance across the region.

Priority Six – Learning for all – encouraging non-learners to learn and to make informed choices about learning and employment opportunities.

Priority Seven – Social dialogue – enabling the workforce to be fully involved in anticipating and preparing for change in the workplace, and identifying best employment practice.

3. Vibrant Communities –
Priority Eight – Community Participation and Local Leadership – Communities need to be engaged in partnership structures to access information and shape policy in order to play their full part.

Priority Nine – Urban Renaissance – achieving a more sustainable level of development and meeting national targets for housing on recycled land.

Priority Ten – Connecting Diversity with Prosperity – The South East has a wealth of diversity in its people, but it is an asset yet to engage fully in the economic success of the region. Unlocking the potential of diverse communities offers the region new talent and creativity, new perspectives and new markets.

Priority Eleven – Community Infrastructure and Services – Successful local economies need infrastructures and services that meet individual needs without discrimination or bias. There must be affordable housing, accessible transport, adequate health and childcare, opportunities to access learning and access to suitable cultural and recreational activities, and the provision of a safe environment to conduct community life.

4. Effective Infrastructure –
Priority 12 – Housing – encouraging innovation and good practice within the region and elsewhere to create accommodation which meets the needs of all citizens.

Priority 13 – Transport – ensuring the region’s transport network supports the national economy, and securing a sustainable transport network reflecting regional economic priorities.

Priority 14 – Broadband – establishing a communications network to support a high performing knowledge economy.

Priority 15 – Brownfield Land – reclaiming and reusing brownfield land to support sustainable, cohesive communities with quality places for work, living and recreation.

5. Efficient use of Natural Resources
Priority 16 – Environmental Capital – environmental resources does not always receive the investment, support and promotion that it warrants in economic terms, and opportunities to tap its full potential have yet to be realised. The key actions for the region should address these issues in order to maximise the value of the natural environment to the region.

Priority 17 - Sustainable Land Management – the land based sector that maintains the region's important landscape assets. Nearly a third of these landscapes are recognised as having 'national quality', attracting people, businesses and visitors and bringing significant income into the region. Landscape management by the land-based sector is therefore critical.

Priority 18 – Water, Waste and Energy – Water supply and sewerage are not always given sufficient importance in development proposals; however they have an increasingly significant bearing on the type and location of development. Efforts are already underway to address some of the barriers to higher levels of recycling through helping to develop markets for the recycled material. Renewable energy has been identified as the most significant growth sector within the UK Environmental Technology sector, with forecast growth rates of 15% per annum to 2010.

Barriers to regeneration

The take up of Broadband services and the application of the latest technologies is critical for the sustainable growth and competitiveness of the South East. Take up of Broadband in the UK (until recently less than 1%) lags well behind that in many major competitors including the US, Canada and Sweden. The Government's target to achieve the highest broadband penetration within the G7 group of countries by 2005 requires the implementation of a substantial and ambitious programme. Infrastructure costs and the resulting delivery charges are the principal barriers to broadband uptake.

The costs of inefficient use of resources – energy losses and ever-increasing amounts of waste, for example – are becoming more significant and legislative and fiscal drivers are reinforcing the growing need to reassess attitudes towards resource use. It is clear that an unsustainable approach towards resource use will ultimately generate barriers to appropriate, sustained economic growth.

Accessibility to services, community facilities, markets and local jobs is critical to people living and working in the countryside. Rural areas are continuing to lose essential services. Rural transport is a vital link that connects communities.

House prices in the South East are the highest in the country after London. Meanwhile, we are currently building only around half the number of houses required by Regional Planning Guidance. Increased provision of housing, particularly affordable housing, is one of the key challenges facing the region. The lack of decent affordable housing contributes to social exclusion; it impacts on labour supply and economic prosperity; and it generates longer distance commuting, contributing to transport problems. Its effects on the ability of both the public and private sector to recruit and retain staff are evident in the private sector, particularly amongst those at the lower end of the salary scale.

Are any geographical areas prioritised?

Regional and local agencies will place special emphasis on attracting investment into the priority areas for economic regeneration, particularly Thames Gateway Kent.

The regeneration priority areas of the south coast have been examined comprehensively as part of the South Coast Multi-Modal Study. This recommends a balanced package of transport solutions to improve access between the south coast towns and radially to London, and these should be pursued with utmost urgency.

North East Kent requires the full implementation of road access proposals for the A256 and A299, in support of major economic development needs of this sub region.

Are the coalfields specifically mentioned in this document? In what way? (i.e. is the organisations thinking and planning influenced by the coalfields programme)
Are any coalfield specific problems/priorities identified?

No.

Are any programmes or priorities targeted at the coalfields areas (Aylesham, Betteshanger,

Eastry, Elvington, Deal, Gilmanton) or sites (Betteshanger, Chislet, Snowdown, Tilmanstone) (i.e. what is happening in the areas in addition to the coalfields programme)
No.

SEEDA RES 2006 - 2016

Title, Organisation, Date of Publication
'SEEDA Regional Economic Strategy 2006 -2016: A Framework for Sustainable Prosperity' South East England Development Agency 2006
Purpose of report
This third Regional Economic Strategy (RES) for the South East responds to a new global context; sets targets to ensure that success is more widely accessible; and identifies the importance of quality of life as a competitive advantage. In setting out the challenges faced and how the region intends to address them to achieve the vision over the next decade, it sits within the overall context of the Integrated Regional Framework for sustainable development in the South East, and alongside the draft South East Plan as the region's spatial strategy.
What geographical area does it cover?
South East England
Regeneration priorities
The Regional Economic Strategy adopts three objectives, each focused on addressing one of the three key challenges: 1. Global Competitiveness – investing in success through assisting more businesses to operate internationally and maximising the South East's share of foreign direct investment; increasing business expenditure on research and development, and encouraging greater collaboration with the region's knowledge base; increasing the percentage of total South East business turnover attributable to new and improved products and services; and securing the infrastructure needed to secure continued prosperity. 2. Smart Growth – lifting underperformance through increasing the region's stock of businesses; maximising the number of people ready for employment at all skill levels, and ensuring they are equipped to progress in the labour market; increasing the participation of South East businesses (especially small businesses and social enterprises) in tendering for public sector contracts; reducing road congestion and pollution levels by improving travel choice, promoting public transport, managing demand and facilitating modal shifts; ensuring sufficient and affordable housing and employment space of the right type and size to meet the needs of the region and create the climate for long-term investment through efficient use of land resources, including mixed-use developments; and improving the productivity of the workforce and increasing economic activity. 3. Sustainable Prosperity – supporting quality of life through reducing CO_2 emissions attributable to the South East and increasing the contribution of renewable energy to overall energy supply in the region; reducing per capita water consumption and increasing the Gross Value Added per tonne of materials entering the waste stream; achieving measurable improvements in the quality, biodiversity and accessibility of green space, open space and green infrastructure; and enabling more people to benefit from sustainable prosperity across the region and reducing polarisation between communities. The Strategy adopts three headline targets. Progress towards all three of these will provide evidence of overall progress against the RES vision: • Achieve an average annual increase in Gross Value Added per capita of at least 3% • Increase productivity per worker by an average 2.4% annually, from £39,000 in 2005 to at least £50,000 by 2016 • Reduce the rate of increase in the region's ecological footprint (from 6.3 global hectares per capita in 2003, currently increasing at 1.1% per capita per annum), stabilise it and seek to reduce it by 2016 Sustainable development lies at the heart of the RES and runs through it as a continuous, unifying thread: • Pursuing and attaining sustainability is recognised as one of the major challenges faced by the South East • Through the commitment to safeguarding quality of life as a competitive advantage, it is specified as one of the three values defining the RES vision • It is fundamental to the success of both meeting the global challenge and to achieving each of the drivers of smart growth • It underpins a number of themes such as culture and rural issues • It forms an objective in its own right, with a focus on what the region can do in practical terms to

reduce the ecological footprint while simultaneously tackling the pressing issues of security of water and energy supplies and reducing waste Cross cutting themes running through each of the goals mentioned above are: promoting culture as an economic catalyst in developing underperforming areas and growth poles in all economic areas of the South East, but particularly Growth areas, the Coastal Towns and the Diamonds for Investment and Growth; promoting equality and diversity; and targeting the specific issues faced by rural areas.
Barriers to regeneration
Economic activity rates for women of all ages, minority ethnic groups and people with disabilities in the South East all lag significantly behind the regional average of 82%. Across the region, almost 250,000 economically inactive South East residents report themselves as wanting to work. Yet labour shortages are resolved by drawing in workers from outside the region, which increases the pressure on infrastructure and particularly the need for more housing. Latest trends and projections show that an hourglass economy is emerging – a growing polarisation between high-end and basic occupations, with a decline in semi-skilled jobs. As the population of the South East ages, new challenges emerge. Nationally, nine out of 10 older people believe that employers discriminate against them, whilst 10% of South East businesses do not employ people aged over 50. In 2007, for the first time more people will retire than enter the labour market from school and university and from 2014 the gap will widen rapidly. Flexible opportunities will be necessary to retain the experience and expertise of older people in the workforce. Alongside this, encouraging young people to stay or return to the region will become increasingly important, yet over 220,000 people under 16 live in poverty in the South East. In transport, road traffic in the South East increased by 20% between 1993 and 2002, while transport investment per capita is lower than in any other UK region and accounts for less than 1% of regional GVA. Average travel to work times in the South East are among the longest in Europe, and have remained broadly stable despite increases in public investment.
Are any geographical areas prioritised?
In addition to identifying several cross cutting themes, the RES divides the South East into distinct areas each with their own specific issues. These are the coastal south east, the inner south east, rural south east, growth areas, and cities and towns.
Are the coalfields specifically mentioned in this document? In what way? (i.e. is the organisations thinking and planning influenced by the coalfields programme) ***Are any coalfield specific problems/priorities identified?***
No.
Are any programmes or priorities targeted at the coalfields areas (Aylesham, Betteshanger, Eastry, Elvington, Deal, Tilmanstone) or sites (Betteshanger, Chislet, Snowdown, Tilmanstone) (i.e. what is happening in the areas in addition to the coalfields programme)
No.

SEEDA Corporate Plan 2002 - 2004

Title, Organisation, Date of Publication
Corporate Plan 2002 - 2004, South East England Development Agency
Purpose of report
SEEDA's Corporate Plan for 2002 - 2004 sets out how SEEDA will utilise the new single pot fund to deliver the Regional Economic Strategy (RES) within the context of the Regional Sustainable Development Framework (RSDF).
What geographical area does it cover?
South East England
Regeneration priorities
Regional Outcome Targets SEEDA has set 11 Regional Tier 2 Outcome Targets which ensure a broad context for the Regional Economic Strategy. The Regional Outcome Targets are summarised as follows: *1.* ***Sustainable Economic Performance:*** Over the period 2001-2010, aim to increase the rate of growth in GDP per capita after inflation towards the aspirational target of an average 3.2% p.a. from 2005, and with regional GDP growth at constant prices of 2.3% in 2002, 3.1% in 2003 and 3.2% in 2004. This reflects the national economic forecasts for 2002 and 2003 contained in the Chancellor's

Autumn Statement.

2. ***Regeneration:*** Aim by 2004/2005 to start reducing deprivation in the 119 wards in the South East which are in the bottom 20% of wards nationally. Specific targets include reducing the number of adults in income support households, reducing the number of adults in Job-Seeker Allowance (JSA) households and reducing the unemployment claimant count to achieve a 10% improvement in all areas related to deprivation.

3. ***Urban:*** In urban areas SEEDA's principle targets are to:

    - Secure the renaissance of the towns and cities within the region's priority urban areas for economic regeneration;
    - Support the renaissance and sustainable growth and development of the other principal large urban areas;
    - Promote the renaissance of other urban areas across the region (including Market Towns)

4. ***Rural:*** For rural areas SEEDA has chosen two broad targets:

    - Secure sustainable jobs and communities in rural areas across the South East
    - Bring rural communities and sustainable land based industries back into the mainstream of economic and social life

    With rural targets, special emphasis will be placed on reduction of deprivation, increase in employment, skills and business start-up, with separate tracking of targets in priority areas.

5. ***Physical Development:*** The South-East aims to contribute to national brownfield reclamation targets by reclaiming a minimum annual total of 75ha of derelict land and buildings from 2002 onwards. This will be achieved through direct action by SEEDA and working in partnership with other organisations including development organisations, public sector estate holders such as the MoD and local authorities.

6. ***Employment:*** SEEDA aims to ensure that the employment rate in all parts of the region at least matches the current regional average of 80% of the working age population through:

    - Increasing the percentage of people employed in knowledge based activities and high value-added manufacturing;
    - Ensuring that employment opportunities are available to individuals and communities;
    - Ensuring that employment opportunities are available to individuals and communities experiencing disadvantage and exclusion.

7. ***Skills:*** SEEDA will work with all relevant partners to improve the levels of qualifications in the workforce. Subject to confirmation through the process of preparing the Framework for Regional Employment and Skills Action, SEEDA will deliver at least 15,000 learning opportunities annually through its own direct actions, targeting the areas of: basic skills, ICT skills, management skills and specific sector skills where SEEDA perceives a regional marketplace shortage. In addition, SEEDA's actions will support the achievement of the following regional learning targets by 2005:

    - 80% of 11 year olds reaching the expected standard for their age in literacy, and 75% in numeracy
    - 50% of 16 year olds gaining 5 A* - Cs at GCSE, with 95% gaining at least 1 GCSE
    - 85% of 19 year olds with a Level 2 qualification
    - 60% of 21 year olds with a Level 3 qualification
    - 54% of adults with a Level 3+ qualification
    - 31% of adults with a Level 4+ qualification
    - 7% reduction in non learners
    - 45% of medium and large organisations recognised as Investors in People.

    However, it should be noted that achievement of these targets is dependent on there being sufficient and appropriate Government funding for a range of organisations in addition to SEEDA.

8. ***Productivity:*** SEEDA aims to ensure that the South-East at least achieves the national target of a minimum annual increase of 2% GVA per hour worked in both 2002/2003 and 2003/2004. In addition, SEEDA aims to make progress in closing the gap between the South East and the

average labour productivity across 40 high performing global comparator regions.

9. ***Enterprise:*** SEEDA aims to improve the conditions for enterprise and increase entrepreneurial activity first towards the level of the best in Europe, and then towards the level of the best in USA, using the Global Entrepreneurship Monitor to develop baselines and targets for the South East. Specifically:

   - Increase the number of people considering going into business year on year (as reported through existing Small Business Service household surveys;
   - Improve the overall productivity of small firms with under 50 employees (subject to the development of appropriate baseline and trend information)
   - Close the shortfall in VAT registered businesses among the region's 119 most deprived wards (currently 30 per 10,000 resident adults, compared with 49 per 10,000 individuals in the South East's share of the nation's 20% least deprived wards) by at least 1 percentage point each year (representing 35 new businesses), to reach 33 per 10,000 by 2005. SEEDA will also wish to identify, and give attention to, any shortfall in business survival rates in these areas.

10. ***Investment:*** Maintain the South East's position as the location of choice for the headquarters and research and development functions of leading national and multi-national businesses, while encouraging patterns of new and repeat business investment that are appropriate to all parts of the region. SEEDA will measure progress towards this objective through an annual report covering developments on cross regional collaboration and relationships with local partners (including business), in co-ordinating inward investment activity across the region.

11. ***Innovation:*** SEEDA aims firstly to achieve a step change in the ability of the region to translate the strengths of its academic and R&D base into wealth creation driven by innovation and enterprise. Secondly, SEEDA looks to invest in projects that will help close the gap between the South East's level of private R&D and the average of 40 global high performing comparator regions.

Clearly some of the above targets are heavily dependent upon the government's investment in and support of the region's development ambitions. Additionally, the report assumes that global and national economic conditions remain broadly as forecast prior to September 11, 2001.

Barriers to regeneration

Within the region there are areas, in particular the eastern districts and coastal areas, which are deprived of infrastructure and opportunity and are under-performing in terms of skills as well as wealth creation and quality of life. 119 of the region's wards are in the bottom 20% of wards nationally in terms of deprivation according to the government's Indices of Multiple Deprivation (IMD).

In the South East, considerable pressures arise from the demand for new development, increasing demand for water and energy supplies and the disposal of waste. Climate change also brings new challenges and uncertainties. In such a context, managing growth to achieve the principles of sustainable development by decoupling it from environmental degradation is a considerable challenge.

Despite this, the region is successful and this success is due to continue, with higher than UK average economic growth projected. According to the ODPM, between 2001 and 2021, the South East is projected to account for 28% of the total increase in the population of England, (over 840,000 people). However, living costs are higher in the South East - more than 3% above the national average in 2000 – while poorer regions have below average living costs. Taking this into account, real incomes in the South East have been estimated as the lowest in England.

Are any geographical areas prioritised?

The report identifies several SEEDA geographic priority areas. SEEDA's Regional Economic Strategy identifies both areas of economic success and less economically successful areas, which are in each case consistent with those identified in Regional Planning Guidance.

Areas of Economic Success

Existing areas of economic success comprise:

- The Thames Valley area
- Gatwick – Brighton and adjacent parts of Sussex and Surrey
- South Hampshire (from Havant to the River Test)
- Oxford – Milton Keynes (as part of the wider Oxford – Cambridge arc)

- Blackwater Valley (western Surrey and north east Hampshire)

Priority Urban Regeneration Areas

Less economically successful areas provide a continuing focus for SEEDA's regeneration activities, and are consistent with 119 most deprived wards in the region as identified through the Index of Multiple Deprivation 2000. The priority areas are principally the eastern and southern coasts of the region:

- North East Kent (including the former Kent Coalfield)
- South Kent and the Sussex Coast
- The Isle of Wight
- Portsmouth and South East Hampshire
- Southampton

Priority Rural Areas

The present priority rural areas are: south and east Kent, eastern East Sussex and the Isle of Wight. The national study of rural deprivation being undertaken by the Countryside Agency and the Regional Development Agencies will review these and the case for any additional areas. The Market Towns Initiative is in the process of identifying 10 towns in the region which will include: Battle, Cranbrook, Heathfield, Hythe and Minster.

Thames Gateway Kent

The Thames Gateway is the region's principal regeneration priority and is also of national importance, straddling the South East's boundaries with London and the East of England. Medway and Kent Thameside will be the focal point of SEEDA's urban renaissance activities in Thames Gateway Kent. In addition, areas such as Sheppey and Sittingbourne exhibit both urban and rural deprivation. SEEDA is presently scoping a new way forward with Medway Council for the regeneration of the entire Medway waterfront from Rochester Bridge through to Chatham Maritime.

Potential Future Intervention Areas

Outside the above spatial priority areas are a number of towns and cities that have been identified which raise issues, whether of prospective major growth or deprivation, which will be addressed by specific SEEDA initiatives as part of urban renaissance. Examples include Ashford, Milton Keynes, Oxford, Reading, Slough and Woking.

Are the coalfields specifically mentioned in this document? In what way? (i.e. is the organisations thinking and planning influenced by the coalfields programme)
Are any coalfield specific problems/priorities identified?

Section 2.17 discusses the Coalfields Regeneration Programme. The Corporate Plan reiterates the key outcomes for the programme over the period 2001 – 2004 which include:

- ***Brownfield Land:*** 170ha of former coalfield sites (assuming Snowdown is able to be included in the programme) will benefit from environmental enhancement which will have a direct effect on seven surrounding communities;
- ***Employment Space:*** 30ha of land reclaimed for employment uses, including the 10ha already sold and developed at Tilmanstone. The total projected floorspace is approximately 25,500 m2 at Tilmanstone (of which 13,935 m2 has already been completed), with a further 25,000 m2 projected at Betteshanger and Snowdown.
- ***New Jobs:*** Job projections are approximately 1,000 for Tilmanstone, including the 750 which have already been created or safeguarded, 650 for Betteshanger and up to 500 at Snowdown.
- ***Environment and Leisure:*** Approximately 110ha of land is to be laid out as public open space.
- ***Housing:*** Although the existing Local Plan has no allocation for housing on the former colliery sites, SEEDA has been advised that in the interests of sustainable development, mixed use and reducing traffic along country lanes, some residential development should be considered to complement the employment allocations at both Betteshanger and Snowdown. This would be in line with the Regional Planning Policy of at least 60% of new housing being on brownfield sites, whereas the modest demand for new housing in East Kent has meant that most developments are still on Greenfield sites. In the long term, as the Local Plan gets reviewed, it is likely that housing choice in the area will be improved by an appropriate form of residential component at both Betteshanger and Snowdown.

The Corporate Plan also discusses the work completed so far which has already resulted in 10ha of new development land at Tilmanstone being offered on the market several years ahead of other competing employment sites in the area, thereby attracting considerable interest from local expanding companies. Similarly, the provisional timetable for marketing serviced development land at Betteshanger at the end of 2003 has stimulated a number of genuine occupier enquiries both from companies presently located in East Kent and from those outside the area who are considering relocating.

Are any programmes or priorities targeted at the coalfields areas (Aylesham, Betteshanger, Eastry, Elvington, Deal, Tilmanstone) or sites (Betteshanger, Chislet, Snowdown, Tilmanstone) (i.e. what is happening in the areas in addition to the coalfields programme)

See previous section. The individual site strategies have remained unchanged during a period of detailed site analysis, but remain the subject of regular testing and the commissioning of various works on site at Tilmanstone and Betteshanger.

SEEDA Corporate Plan 2003 - 2006

Title, Organisation, Date of Publication

Corporate Plan 2003 - 2006, South East England Development Agency

Purpose of report

SEEDA's Corporate Plan for 2003 - 2006 sets out SEEDA's proposed activities necessary to deliver the Regional Economic Strategy (RES) within the context of the Regional Sustainable Development Framework (RSDF).

What geographical area does it cover?

South East England

Regeneration priorities

The Regional Economic Strategy (RES) which the Corporate Plan refers to is composed of five main objectives containing eighteen priority areas as below:

1. **Competitive businesses**: a dynamic, diverse and knowledge-based economy that excels in innovation and turning ideas into wealth creating enterprise. By 2012, the South East will be one of the world's 15 most entrepreneurial and innovative regions. There are three priorities supporting this objective:
   - Enterprise – accelerate business start-ups and the survival rate of young companies
   - Innovation – enable existing businesses to adapt, prosper and grow through innovation
   - International relationships – encourage international business activity
2. **Successful people**: a skilled, motivated, inclusive and highly productive workforce that anticipates and embraces change. By 2012, the South East will be one of the top 15 regions in the world in terms of labour productivity and employment rates. There are four priorities supporting this objective:
   - Skills for prosperity – to underpin productivity improvements, adaptability to change, sector development and increased entrepreneurship
   - Participation in prosperity – to create labour market equity and balance across the region
   - Learning for all – encouraging non-learners to learn and to make informed choices about learning and employment opportunities
   - Social dialogue – enabling the workforce to be fully involved in anticipating and preparing for change in the workplace, and identifying best employment practice
3. **Vibrant communities**: an inclusive society characterised by strong, diverse and healthy communities enjoying ready access to high quality jobs, education, homes, health and other services, and free from high levels of crime and discrimination. By 2012, the gap between the most deprived parts of the region and the rest will have narrowed by at least 10%. There are four priorities supporting this objective:
   - Enabling community participation and local leadership – placing people at the centre of regeneration
   - Making towns and cities work – securing an urban renaissance across the region
   - Connecting diversity with prosperity – harnessing the creativity and innovation of the South East's diverse communities and promote good equalities practices

- Supporting the development of sound community infrastructures and services – recognising the links between economic prosperity, health and community safety

4. **Effective infrastructure**: transport, communications housing and health infrastructures that support and enable continued economic growth and improved quality of life for all. By 2012, the region will have made measurable progress towards infrastructure that matches the standards of the best in North West Europe. There are four priorities supporting this objective:

   - Housing – encouraging innovation and good practice within the region and elsewhere to create accommodation which meets the needs of all of our citizens
   - Transport – ensuring the region's transport network supports the national economy, and securing a sustainable transport network reflecting regional economic priorities
   - Broadband – establishing a communications network to support a high performing knowledge economy
   - Brownfield Land – reclaiming and reusing brownfield land to support sustainable, cohesive communities with quality places for work, living and recreation

5. **Sustainable use of natural resources**: environmentally efficient businesses and high quality development demonstrating that quality of the environment is a key asset that underpins economic success. By 2012 the South East will be one of the world's leading environmental economies, with businesses in the region having made significant gains in safeguarding and enhancing this asset. There are three priorities supporting this objective:

   - Invest in the environment – to maximise its contribution to a sustainable economy
   - Secure sustainable land management – to provide the basis for a more prosperous future for the land-based sector
   - Achieve sustainable management of water, waste and energy – to break the link between economic growth and environmental degradation

The Corporate Plan also identifies other organisational priority areas including an improvement in utilising the single pot and an improved approach to partnerships.

Barriers to regeneration

Within the region there are areas, in particular the eastern districts and coastal areas, which are deprived of infrastructure and opportunity and are under-performing in terms of skills as well as wealth creation and quality of life. 119 of the region's wards are in the bottom 20% of wards nationally in terms of deprivation according to the government's Indices of Multiple Deprivation (IMD).

In the South East, considerable pressures arise from the demand for new development, increasing demand for water and energy supplies and the disposal of waste. Climate change also brings new challenges and uncertainties. In such a context, managing growth to achieve the principles of sustainable development by decoupling it from environmental degradation is a considerable challenge.

Despite this, the region is successful and this success is due to continue, with higher than UK average economic growth projected. According to the ODPM, between 2001 and 2021, the South East is projected to account for 28% of the total increase in the population of England, (over 840,000 people). However, living costs are higher in the South East - more than 3% above the national average in 2000 – while poorer regions have below average living costs. Taking this into account, real incomes in the South East have been estimated as the lowest in England.

Are any geographical areas prioritised?

The Corporate Plan endorses and adopts the following spatial priorities which address the economic contours of the South East in a way that relates the Smart Growth agenda to other parts of the region, namely:

- Emerging areas of economic success – releasing and sustaining economic potential while ensuring deprived communities share in success
- Leading urban areas – recognising their role as major economic drivers, while also providing a focus for urban renaissance
- Small rural towns – reviving their role as key service centres for surrounding rural communities
- Other deprived urban areas – which share many of the attributes of Priority Areas for Economic Regeneration, although on a smaller scale
- Deprived rural areas – where social and economic inclusion is a key priority

Nine priority regeneration areas have been identified by SEEDA and its partners, and confirmed through

the review of the Regional Economic Strategy: • Thames Gateway Kent • East Kent – including the former East Kent Coalfield • Channel Corridor • Coastal East Sussex (including as an inset Hastings and Bexhill as the subject of a distinct Task Force) • Brighton and Hove • Coastal West Sussex • Portsmouth and South East Hampshire • Southampton • The Isle of Wight In the priority regeneration areas the task is to tackle deprivation. Whilst the problems experienced in deprived neighbourhoods are connected and mutually reinforcing, solutions have often been organised on a fragmented or functional basis. This can be a major barrier to success. SEEDA is working with partners to overcome this through establishing Area Investment Frameworks that seek to understand investment needs and priorities in their totality and provide a tool for all those involved in regeneration to collaborate on planning and prioritising investment.
Are the coalfields specifically mentioned in this document? In what way? (i.e. is the organisations thinking and planning influenced by the coalfields programme) ***Are any coalfield specific problems/priorities identified?***
The area under section 2.4, priority 15, which deals with reclaiming and reusing brownfield land, includes some details of the coalfields programme. SEEDA will continue to lead the major strategic regeneration programme of the former East Kent Coalfield, jointly with English Partnerships. At Betteshanger, a two-year site works programme is planned, while at Snowdown there will be a detailed feasibility study and planning application. Regeneration work at Tilmanstone was completed in 2001, but work on a fourth site, Chislet, will commence shortly, with land purchase and comprehensive redevelopment. The local communities will be involved at all stages, and the whole programme will, by completion, have recovered over 190 hectares of derelict industrial land and created up to 1,500 new jobs in East Kent.
Are any programmes or priorities targeted at the coalfields areas (Aylesham, Betteshanger, Eastry, Elvington, Deal, Tilmanstone) or sites (Betteshanger, Chislet, Snowdown, Tilmanstone) (i.e. what is happening in the areas in addition to the coalfields programme)
See previous section for specific site details.

SEEDA Corporate Plan 2005 – 2008

Title, Organisation, Date of Publication
Corporate Plan 2005 - 08, South East England Development Agency
Purpose of report
SEEDA's Corporate Plan for 2005-08 sets out how SEEDA will continue to deliver the Regional Economic Strategy (RES) and the delivery of national objectives.
What geographical area does it cover?
South East England
Regeneration priorities

Objective: Sustainable Economic Growth

SEEDAs programmes for growth are directed mainly at improving levels of innovation, entrepreneurial performance and skills. They also encourage a competitive environment by the interchange of investment, trade and technology between the South East and the rest of the global economy, learning from the worlds most successful and fast growing regions. At the same time, they recognise the need for growth to be sustainable, fully integrating economic, social and environmental objectives.

Government has asked the RDAs to take new action:

- to encourage investment in the region's world-class science base;
- to encourage collaboration and to achieve much more innovation transferred from universities to business and brought to the market place;
- to manage the knowledge transfer grant;
- to manage the region's Business Links serving small businesses; and
- to support the socio-economic vitality of rural areas.

Improving skills and aspirations, at all levels, is fundamental both to increase productivity and raise incomes and to help disadvantaged groups into jobs. Supporting new approaches to this is a primary focus of all our objectives and many of the programmes in the Plan.

SEEDAs key relationship with the business community on the skills agenda is to simplify the route to solutions and ensure they meet business needs. Working with the Regional Skills for Productivity Alliance and six Local Alliances they will check business views and needs, ensuring that those who act to meet those needs are properly informed and responsive and monitor that what is needed is delivered.

Priority 1: Innovation
The region lags in international comparisons of levels of product and process innovation, in levels of business R&D and in levels of higher skills. SEEDAs aim is to ensure that these indicators show steady improvement.

Priority 2: Enterprise

SEEDA wants more businesses to reap the benefits of access to high quality business support as a key route to innovation and greater competitiveness. It will deliver value from its new responsibility for Business Links in the region: there is agreement already on a new Regional Business Support Strategy to make the whole business support system more effective, including integrating help on skills with broader business support.

The Plan includes specific actions geared:

- to the most deprived areas;
- to hard to reach and excluded groups across the region;
- to developing the social economy;
- to the rural economy and the land-based sector

Sustainable Communities

Priority 3: Quality Places
Quality places are a vital asset for economic success and community well being. A run down, degraded environment is one of the main barriers to economic and neighbourhood revival in the most deprived areas. Quality new housing will support economic growth as well as providing opportunities to improve the physical and economic environments of existing communities, and will contribute to balancing housing markets.

Achieving quality places requires the combined efforts of many players in the public and private sectors. Behaviour has to change if the principles of quality development so widely expressed are to be widely adopted. SEEDAs approach is to spread learning and expertise through a wide range of urban renaissance initiatives, under the umbrella brand of "South East Excellence".

Priority 4: Area Focused Regeneration

SEEDAs aim is to deliver sustained improvement in prosperity for all in the concentrations of deprivation throughout the South East: along the coast, in deprived rural areas and in pockets elsewhere.

SEEDA plans to use higher education as a force for regeneration, extending the positive experience of creating new university centres at Medway and Hastings to other regeneration areas and market towns.

SEEDA will also deliver programmes that help improve the quality of life of rural communities, including support for small rural towns across the region and for project commitments passed to them from the Countryside Agency. They will continue to work with local communities to achieve the regeneration of the Kent coalfields (see more below).

Cross Cutting Priorities

Sustainable development is the central theme of the RES. While this Plan has a strong focus on building a sustainable economy in future, it also recognises the crucial importance of social and environmental sustainability too. SEEDA commits to partnerships to secure real and lasting change in the most deprived communities. It offers leadership, expertise and influencing to advance a wide range of environmental objectives.

The South East is a highly populated but also a predominantly rural region. Woven through the Plan are actions in support of businesses in rural areas, including farmers. Achieving a sustainable future for rural communities that remain places where many people both live and work is a key priority.

The plan also recognises and supports the contribution that the cultural sector can make to the economy, to business investors, to education and skills, to the quality of living in the region's towns and cities, and to regeneration.

Barriers to regeneration

Within the region there are areas, in particular the eastern districts and coastal areas, which are deprived of infrastructure and opportunity and are under-performing in terms of skills as well as wealth creation and quality of life.

In the South East, considerable pressures arise from the demand for new development, increasing demand for water and energy supplies and the disposal of waste. Climate change also brings new challenges and uncertainties. In such a context, managing growth to achieve the principles of sustainable development by decoupling it from environmental degradation is a considerable challenge.

The region is successful and this is set to continue, with higher than UK average economic growth projected. According to the ODPM, between 2001 and 2021, the South East is projected to account for 28% of the total increase in the population of England, (over 840,000 people). However, living costs are higher in the South East - more than 3% above the national average in 2000 – while poorer regions have below average living costs. Taking this into account, real incomes in the South East have been estimated as the lowest in England.

Are any geographical areas prioritised?

Coast

SEEDA are developing a new action plan for the regeneration of the **Coastal Towns** and their rural hinterland, to transform their image and reality. They also aim to bring forward further key developments in the east of the region, directed by emerging Area Investment Framework priorities, on the **Sussex and Kent coasts**. A physical development programme in **Margate** focused on the Old Town is also underway. The **Hastings and Bexhill** regeneration strategy will continue throughout the Corporate Plan period, as a leading exemplar of the approach to coastal town regeneration.

Growth Areas

The Government's Sustainable Communities Plan set out strategic challenges and objectives to tackle housing shortage and affordability and provide for major growth in numbers of homes and jobs in the region up to 2031. With substantial additional funding from ODPM committed or in prospect, outside the Single Pot, SEEDA has taken the lead in bringing development projects on stream in the designated Growth Areas in Thames Gateway Kent and Ashford. Other growth areas include Kent Thames-side, Medway, Swale, Ashford, Milton Keynes and Aylesbury Vale, and also lead on a number of sub-groups. Regeneration Frameworks are in the process of being agreed for these areas and will be used to guide investment decisions.

In the Milton Keynes South Midlands (MKSM) Growth Area, SEEDA is working to ensure that the economic basis for employment led growth is supported across the whole growth area.

Rural Areas

The South East is a heavily populated but also predominantly rural region. SEEDA will support the region's rural areas through influencing and developing regional rural policy, and coordinating our actions with those of other key players. We will be a key partner in the new *South East Rural Partnership*, set up as a result of the Haskins review of rural delivery, to co-ordinate all those who support the economic, social and community fabric of the rural areas, and the rural environment.

Deprived Areas

SEEDAs aim is to deliver sustained improvement in prosperity for all in the concentrations of deprivation throughout the South East: along the coast, in deprived rural areas and in pockets elsewhere.

Are the coalfields specifically mentioned in this document? In what way? (i.e. is the organisations thinking and planning influenced by the coalfields programme)

Are any coalfield specific problems/priorities identified?

Under Objective 3 – 'sustainable communities', priority 4 is area focussed regeneration. This priority represents a strategy to deliver a sustained and measurable improvement in economic prosperity and inclusion across the region, reflecting the fact that the South East has some of the largest intra-regional disparities of income, educational attainment and other indicators of any region.

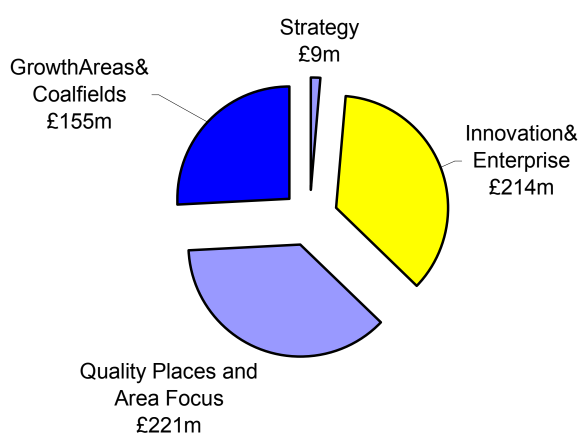
The Kent Coalfields Regeneration programme falls under this theme of the Corporate Plan. The initial phase has concentrated on remediation and decontamination to prepare for the major mixed-use developments that will create business and employment opportunities for the local community. Over the next 3 years the main priority will be to complete the Betteshanger programme and establish the most effective way of dealing with Snowdown.

The Kent Coalfields Programme also contributes towards SEEDAs achievement of the PSA targets for 'Sustainable Communities' and 'Neighbourhood Renewal'. Milestones for achievement of these targets are:

- Complete delivery of 85 hectares of previous disused land at Betteshanger as a country park open to the public Q4 05/06
- Deliver up to 25,000 square metres of new employment floorspace for local Canterbury businesses needing to expand at former Chislet Colliery

Further, as part of its Single Regeneration Budget, Area Investment Frameworks and Area Programmes, SEEDA plans to add Strategic Added Value through providing links between physical developments (such as the Coalfields Programme) and community needs such as employment, education and skills.

SEEDA Corporate Plan: All Programmes



Are any programmes or priorities targeted at the coalfields areas (Aylesham, Betteshanger, Eastry, Elvington, Deal, Tilmanstone) or sites (Betteshanger, Chislet, Snowdown, Tilmanstone) (i.e. what is happening in the areas in addition to the coalfields programme)

See previous section for specific site details.

Summary of strategic policy review

4.7 In summary, there are a number of cross-cutting themes that can be associated to the strategic policy rationale to the East Kent Coalfields Programme. Policy has been developed by a series of public sector bodies, including SEEDA, Kent County Council, the Kent Partnership and the South East of England Regional Assembly (SEERA). The fact that policy rationale can be found in a range of strategic policy guidance for the region, reinforces its importance as a priority for the public sector, and particularly SEEDA, to address.

Supporting business and creating jobs

4.8 Economic development will not be possible without encouraging the birth and growth of new and existing businesses in the region. This involves both the promotion of local business and encouraging outside businesses to invest in the region. By making this possible, the subsequent employment benefits associated with business growth will reinforce the economic development of the region, both through productivity, and through increased consumerism through higher incomes. In addition, outside investment brings the prospect of introducing new skills, new ideas and new modes of operation to the region.

4.9 Crucial to supporting business is the availability of a skilled workforce. Skills training programmes can help to foster business or sector specific skills in a workforce and create labour flexibility.

4.10 The 'South East Plan – East Kent and Ashford Sub-Regional Strategy' (2006), published by SEERA, states that, 'the varied functions of the sub-region will be fostered and provision made for growth of new economic activity.' This will encourage greater creation of jobs, and forms part of SEERA's Core Economic Strategy. 'Towards 2010: Kent – your county, your future, our promises to you' (KCC) also states as one of its objectives the encouragement of businesses to invest, start up or expand in Kent, and supporting growth in deprived areas. The 'Kent Local Area Agreement April 2005 – March 2008' (KCC) also states the objective to develop the economic prosperity of Kent, as part of creating Safer and Stronger Communities. The SEEDA Corporate Plan 2002 - 2004 sets forth a number of economic promotion measures including enterprise zones, FDI promotion, workforce investment and broadband infrastructure investment. SEEDA's 2003 – 2006 Corporate Plan sets out SEEDA activities in investment promotion in some detail and states that SEEDA's investment will be concentrated in 3 key sectors:-

- IT / computer software / telecoms / creative industries
- Engineering / electronics (aerospace, marine and high performance automotive)
- Life sciences (bio-technology / pharmaceuticals)

Transport and infrastructure

4.11 Infrastructure improvements facilitate sustainable development in the region by increasing land use efficiency on previously inaccessible or commercially unviable sites. Kent County Council highlights the importance of improving transport infrastructure in its 'Towards 2010: Kent' document. This includes improving roads, public transport and pedestrian pavements.

The East Kent Partnership Strategy highlights the importance of a fully integrated transport system in order to create sustainable transport improvements. This will increase connectivity between East Kent to local, national and international networks to improve access and reduce peripharality.

Quality spaces

4.12 Social improvements help develop happier, stronger local communities. This has economic benefits, through encouraging inward migration, thus boosting the economic potential of an area. The East Kent Partnership Strategy has the objective of creating 'Quality Environments', to protect and enhance East Kent's natural assets and resources. 'Towards 2010: Kent' (KCC) outlines the objective for maintaining recreational facilities / areas.

Innovation and entrepreneurship

4.13 A wide range of strategic policy places focus on the role of entrepreneurs in maintaining the business and economic competitiveness of the region. The East Kent Partnership Strategy (2005) relates innovative enterprises to exploiting East Kent's indigenous economic strengths and competitive location, while SEEDA's 2002 and 2006 Regional Economic Strategies both highlight innovation and enterprise as key fundamentals to increasing the business competitiveness of the region.

5: The East Kent Coalfield Projects

5.1 The focus of this evaluation is on SEEDA's activities with regard to its contribution to area regeneration, focusing on four projects which share similar objectives, which together comprise the East Kent Coalfields - a description of each of the projects is set out below. It should be noted that 2 sets of financial information are provided – this evaluation is based on the 5 year period from April 2002 to March 2007, but in the case of Tilmanstone, much of the investment occurred prior to April 2002, although the outputs generated are allocated to the 5 year evaluation period. In order to produce a meaningful and relevant assessment, figures are therefore provided for both the 5 year evaluation period, as well as the total spend up to 2006/07 as appropriate.

Betteshanger

5.2 The site is located in the ward of Eastry 2 ½ miles west of Deal and 7 ½ miles north of Dover. It is situated within Dover District Council's border. The colliery (35 hectares) and spoil tip (99 hectares) was disused and derelict since its closure in 1987.

5.3 SEEDA's involvement at the colliery site involved its remediation, the installation of new road infrastructure and servicing to access 6.5 ha of development plots (using the EP National Coalfield Programme monies). The remaining 25.5 ha of the business park comprises landscaped areas, balancing ponds, waste water treatment facilities and a central boiler house. The remaining 3 ha of the colliery site, comprises a community park which includes recreation facilities for local residents. Within the colliery site, Almond House, the former miner's office, was refurbished in 2003, to provide 7 small office units, together with a reception and meeting room – Almond House is currently fully occupied with 6 tenants.

5.4 Planning approval to the scheme was granted in 2003 – construction / infrastructure works commenced in 2003 and were completed at the end of 2006.

5.5 The spoil tip has been redeveloped as Fowlmead Country Park which opened in May 2007. This provides cycle tracks, wildlife walking tracks, a temporary visitor's centre, hard standing for overnight camping during events and a car park (500 spaces with overflow capacity). The Park is well used and stages a number of events, including national events (such as the World Hand Cycling event) and local / regional events (eg. East Kent Run for Life). It is also used by local schools who run programmes such as wildlife camps during holidays. The Park has been selected as an Olympic training ground for cycling (road racing) and mountain biking, but the BMX track now requires remodelling and its designation as an Olympic training facility has been removed. The on-going management and maintenance of the Park is currently being undertaken by Intercrop who are located adjacent to the site, but discussions are underway with the Land Restoration Trust for them to take ownership of the site and manage it. There is likely to be a dowry of around £4.5m required to meet the revenue costs of management / maintenance into perpetuity – discussions are being held with EP as the potential funder of this.

5.6 The scheme has largely been completed but the formal resolution of some outstanding planning matters and the adoption of the road which provides the main access to the serviced plots, remain outstanding. This issue has become a prolonged affair but parties are hopeful that the road will be opened in autumn 2008 at which point, the plots will be able to be properly marketed.

5.7 The construction of a permanent visitor centre at Fowlmead which will also house the local Community Centre and provide community facilities / services is also outstanding – funding issues need to be resolved before this facility can be provided.

5.8 There is also a long term requirement for the utility services to be upgraded.

5.9 An SRB program funded a Community Support Team who liaised with the community with assistance from Betteshanger Regeneration Team (BRT). The BRT was formed with assistance from SEEDA and worked with SEEDA through the development process.

Project objectives and beneficiaries

5.10 The stated project objectives set out in SEEDA's F2 in April 2003 were as follows:-

- Reclaim, decontaminate and restore 117 hectares of brownfield land
- Generate 10 hectares of land for employment
- Generate 107 hectares of land for public open space
- Create 672 new jobs
- Create up to 50 new learning opportunities by joint training and workplace orientation with Canterbury Christchurch College
- Enable 25 small businesses (employing between 2 – 5 staff) to be accommodated locally

5.11 The beneficiaries were stated as being:-

- Those without jobs
- Those hoping to secure training or work placement to assist them with accessing a job
- Those used to the long term reduced lifestyle of benefit dependency
- Low income households needing access to new local opportunities
- Local residents and communities in wards of North Deal, Middle Deal, Betteshanger and Mongeham who will benefit from the environmental improvements and access to public open space
- Locally expanding companies

Rationale for intervention

5.12 The rationale for intervention was set out in SEEDA's F2 (approved in April 2003). Essentially the intervention was to overcome market failure in order to provide quality public space and to capture the potential economic benefits which the site could generate in order to create new jobs. The primary market failures at the core of the project's justification were:-

- The provision of a public good – the quality and accessibility of public open space needed to be improved to allow the project objectives to be realised. Installation of infrastructure was also required to allow the objectives relating to business uses to be met. Property market research undertaken early in 2001 reported that the site could provide small scale serviced land parcels to meet the needs of locally expanding companies and that the growth of local companies was being constrained by a lack of readily available, serviced land. Whilst it is not explicitly stated, the implication is that private sector investment would have not been available as the commercial viability of development would have been jeopardised

- Overcoming negative externalities – the coalfield site was contaminated, inaccessible and poorly serviced and investment in remediation works, access roads and utility services was required to overcome these site constraints. As mentioned above, securing private investment for these works was unlikely

- Equity – there was a recognition that issues of community isolation and a lack of access to new work opportunities following the closure of the colliery needed to be addressed. There was also a requirement to tackle persistent local structure unemployment which was well above the Kent and south east average

SEEDA's activities

5.13 The project was initially led by SEEDA who developed the proposals with the local community through the Betteshanger Regeneration Team (BRT), although the BRT were not as involved in the development of the Business Park. SEEDA acted as project managers for assessing viability, options, etc. and finally implementing the preferred solution. SEEDA commissioned reports / studies, prepared planning applications and engaged with the community in progressing a scheme which would benefit it. SEEDA engaged with the following partners / organisations during its involvement at Betteshanger:-

- Betteshanger Regeneration Team
- Kent County Council
- Dover District Council
- Kent Coalfield SRB Program
- Environment Agency
- National Trust
- Forestry Commission

Reference case / counter factual

5.14 Consultees report that without the Coalfield funds and SEEDA's involvement, the regeneration of Betteshanger would not have occurred at all.

Financial Information

5.15 The actual gross and net investment made by SEEDA is set out in the table below.

Table 5-1: Betteshanger Financial Information

	Spend for 2002/03 – 2006/07	Spend for period to 2006/07
Costs (£)	15,097,628	18,817,674
Receipts (£)	95,407	95,407
Net costs (£)	15,002,221	18,722,267

Source: SEEDA Agresso data

Chislet

5.16 The project involved the development of the former colliery site and adjoining farmland into Lakesview International Business Park – the total site area was 13.43 hectares (approximately 33 acres).

5.17 Chislet colliery is located to the east of the village of Hersden, in Marshside ward and within the local authority district of Canterbury. It closed in 1969 and was subject to partial and piecemeal redevelopment of a small area of the site with low grade industrial units. Redevelopment of the majority of the site was not commercially viable due to site works exceeding realisable development value. The site was therefore largely derelict for 30 years despite being allocated in the Local Plan as a site for regeneration and employment.

5.18 SEEDA took responsibility for the regeneration of Chislet in November 2001 and entered into discussions with the freehold owners (St Elmo Settlement Trust). The Trust was risk averse and disinclined to make speculative investment into Chislet. It confirmed that it had no intention of developing the site unless arrangements to reduce costs and risk could be agreed. An arrangement was structured, using the JV partnership SEEDA had with George Wilson Holdings (an East Kent private commercial developer), for SEEDA to acquire 4 hectares (10 acres) of land at the rear of the site for a nominal sum of £15,000 and invest in infrastructure and services to produce development plots that could be offered to the market place. The Trust agreed to make an equivalent investment to enable the development of its retained land (approximately £3m). Both parties would then dispose of its development land at open market value on completion of the site works.

5.19 SEEDA's investment of £1.5m contributed to 3 phases of site works:-

- New roundabout on A28 with service road and utility infrastructure
- New utility upgrades particularly in relation to gas and electricity from Canterbury

- Site reclamation works including removal of contaminated material, demolition of sub-structures, completion of new service road, installation of gas, electric and water supplies and new foul and surface water drainage

5.20 These works were completed at the end of 2004 / early 2005. SEEDA subsequently sold its land (in 2006 – 2007) to its development partner (George Wilson Holdings) or directly to owner-occupiers and secured £1.6m as capital receipts.

5.21 In November 2004, estimates contained within SEEDA's Form 3b, indicated that, at that time, 725 jobs had been created and approximately 29,372 sq m of new commercial floorspace had been created. Approximately £27.6m of private sector funding had been levered into the site. In summer 2008, 55 businesses were located at the site.

5.22 The commercial success of Lakesview has led to proposals for expansion on adjoining farmland being considered by George Wilson Holdings, who holds options on the land. This will involve the development of approximately 20 hectares (50 acres).

5.23 At Hersden, the local village of the former colliery, SEEDA invested in community facilities through SRB programs. Some minor supplementary funding (£23,847) was also provided directly by SEEDA.

Project objectives and beneficiaries:

5.24 The stated project objectives (contained within SEEDA's Stage 2 Appraisal approved in May 2002) were to deliver the following:-

- Reclaim 13.93 hectares (34.41 acres) of brownfield land
- Provide serviced development platforms to create approximately 32,500 sq m (350,000 sq ft) of new commercial floorspace
- Create up to 600 new jobs
- Provide accommodation and business support for the Hersden Community Project and up to 10 other local volunteer organisations
- Lever in approximately £25m of new private sector investment in land, new buildings and facilities for expanding businesses in East Kent

5.25 The beneficiaries were stated as being:-

- Those in Hersden and Chislet without jobs
- Those hoping to secure training or work placement to assist them with accessing a job
- Those used to the long term reduced lifestyle of benefit dependency
- Low income households needing access to new local opportunities
- Local residents and communities in the Hersden ward who will benefit from the new community facilities

- Locally expanding companies

Rationale for intervention:

5.26 The rationale for SEEDA's intervention was to overcome market failure in order to capture the potential economic benefits which the site could generate (through commercial development) and to create new jobs. The primary market failures at the core of the project's justification were set out in SEEDA's Stage 2 Appraisal:-

- The provision of a public good – the installation of infrastructure was needed to allow the objectives to be met. The landowner could not be persuaded at the time to make speculative investment into the site without securing a pre-let – it would not consider redevelopment in situations where costs exceeded end value

- Overcoming negative externalities – by its very nature, the coalfield site was inaccessible, contaminated and poorly serviced and immediate investment in access roads and utility services was required to enable development plots to be offered to the market place. As mentioned above, securing private investment was not possible at the time

- Equity – the closure of the colliery and the continued dereliction of the site for 30 years had disadvantaged the local community. SEEDA's investment was aimed at increasing the opportunities available to both the local community and commercial businesses by enabling significant local development

SEEDA's activities

5.27 SEEDA's role in the development of Lakesview was based on managing the provision of infrastructure and providing development plots to the market place. They undertook this in partnership with George Wilson Holdings who adopted an 'agency' and development construction role as necessary. SEEDA was in regular contact with George Wilson throughout the development process.

5.28 SEEDA's stated objective of providing accommodation and business support for the Hersden Community Project and local volunteer organisations was largely delivered by the SRB program, although some minor supplementary funding direct from SEEDA was contributed.

5.29 SEEDA's involvement with the local community was channelled through the Hersden Community Centre (HCC). There were regular open meetings held between Canterbury City Council and HCC with an opportunity for the community to provide feedback – SEEDA used this process to liaise with the community. SEEDA liaised with the following key partners:-

- George Wilson Holdings - private JV partner

- Kent Coalfields SRB Program

- Coalfield Regeneration Trust (CRT)

- Hersden Community

- Canterbury City Council

Reference case / counter factual

5.30 Consultations have provided opposing views on what the reference case would have been – one consultee reported that whilst there may have been a delay in the project by 18 months, the private sector would have been able to deliver the commercial development of the site; a second consultee reported that without SEEDA's intervention, the site would not have been delivered at all.

5.31 Our view is that with the lack of any meaningful development activity on the site since 1969, it is unlikely that the private sector would actively engage in speculative development. However, the growth in development activity in Kent and Canterbury over recent years suggests that there may have been a possibility of the private sector making some investment into infrastructure at the front of the site close to the A28, which would allow some development to have occurred – whilst this would not have been as extensive as SEEDA's investment, our broad estimate suggests that this would have allowed approximately 20% of the site fronting the main access route to have been developed without SEEDA's intervention.

Financial Information

5.32 The actual gross and net investment made by SEEDA is set out in the table below. This shows that in the evaluation period, SEEDA actually made a surplus from this project of approximately £110,000.

Table 5-2: Chislet Financial Information

	Spend for 2002/03 – 2006/07	Spend for period to 2006/07
Costs (£)	1,532,668	1,802,755
Receipts (£)	1,643,000	1,643,000
Net costs (£)	(110,332)	159,755

Source: SEEDA Agresso data

Snowdown

5.33 The former Snowdown Colliery extends to 50 hectares and was closed in 1984. It is located in the Aylesham ward, 1 mile to the south of the village of Aylesham, within the local authority district of Dover. EP and SEEDA formulated proposals to redevelop the site to provide 7.5 hectares of employment space and approximately 33 hectares of remediated public open space, together with on and off-site infrastructure to serve the development. Approximately 4,645 sq m of built accommodation was to be provided. The proposals were seen to complement planned residential development proposed at Aylesham, where 1,100 new homes are to be built on land owned by Dover District Council. An outline planning application for the redevelopment of the colliery site was submitted in October 2006.

5.34 Both EP and SEEDA reviewed the original proposals for Snowdown over the past few months and concluded that the proposals were not viable in economic and value for money terms. This conclusion was reached following a number of events / issues which arose during the feasibility process, including:-

- Listing of buildings - during the planning process, English Heritage concluded that 2 of the former colliery buildings should be listed – the limitations this placed on development of the wider site and the on-going maintenance costs associated with this had a negative effect on viability

- Complex land ownership issues – there are complex land ownership issues at the site and whilst efforts have been made to overcome these, these have proved extremely difficult and costly to resolve

- Limited development area - the site houses a number of protected species which limits the amount of development that could occur and affects viability

5.35 Whilst both EP and SEEDA concluded that the original proposals were not viable, they recognised the importance of directing the National Coalfield Programme funds to the areas and communities that were targeted to benefit from it as originally envisioned. They have been reviewing alternative options and consider that there is a real need to provide employment and training facilities in Aylesham itself – an alternative project is currently being formulated and will be the subject of an economic appraisal to be issued by December 2008. The total EP / National Coalfield Programme funds invested in the original proposals amounted to £0.97m by 2006/07.

5.36 Whilst the proposals for the colliery itself have been withdrawn, SEEDA invested in Aylesham itself by acquiring a site, constructing an access road, installing infrastructure and developing 10 workshop units of 95 sq m each – this is known as the Miners Way (Phase 2) scheme. The scheme was completed in 2002 and was subsequently transferred to the Aylesham and District Community Workshop Trust (the Trust). In summer 2008, 7 businesses were located at the site.

5.37 This scheme complemented a development already provided by the Trust which comprised the renovation of the former High School building to provide offices and training facilities as well as workshop units on a plot at the rear of the High School. This scheme was the subject of a separate appraisal and approval. The total direct investment made by SEEDA into this scheme amounted to £2.04m by 2006/07.

5.38 As an alternative scheme to the previous Snowdown proposals is still at formulation stage, the focus of this evaluation is based on the Miners Way scheme.

Project objectives and beneficiaries

5.39 The stated project objectives were as follows:-

- Construct a new junction with the highway and a new service road

- Construct new services infrastructure into the development site

- Construct 929 sq m of new workshop accommodation

- Create an estimated 50 new jobs

- Expand workspace based skills and training initiatives already established and managed by the Trust

5.40 The beneficiaries were stated as being:-

- Those in Aylesham and Snowdown without jobs
- Those hoping to secure training or work placement to assist them with accessing a job
- Those used to the long term reduced lifestyle of benefit dependency
- Low income households needing access to new local opportunities
- Local residents and communities in the wards of Aylesham, Deal, and Mongeham
- Locally expanding companies

Rationale for intervention

5.41 The rationale for intervention (set out in SEEDA's Stage 2 appraisal - approved in January 2002) was to tackle the following problems by creating jobs, training programs and providing community services:-

- Persistent local structural unemployment – local re-skilling programs were needed to allow former miners to take new opportunities in the construction and engineering sector
- Low levels of economic activity – the lack of local spending power has led to poor local provision of community facilities (such as housing, bus services, etc.)
- Property market failure – research undertaken identified that there was a complete lack of private sector speculative development as development costs exceeded end value
- Lack of community confidence in new opportunities – the local communities were seen to be sceptical about commitment to and delivery of regeneration programs

5.42 The primary market failures at the core of the project's justification were therefore:-

- The provision of a public good – the acquisition of the site, installation of infrastructure and construction of the workshop units, were needed to allow the objectives to be met. As mentioned above, private sector investment could not be secured as this would have jeopardised commercial viability
- Overcoming negative externalities – the coalfield site was contaminated, inaccessible and poorly serviced and immediate investment in remediation works, access roads and utility services was required to enable development plots to be offered to the market place. As mentioned above, securing private investment for these works was not possible
- Equity – there was a recognition that the former miners had been disadvantaged by the closure of the colliery and there was a need to ensure they were able to access opportunities through the creation of new jobs and re-skilling programs

SEEDA's activities

5.43 SEEDA's role in the development at Miners Way was based on designing and developing the units and in liaison with the Trust, acting as agents / promoters of the scheme. It also structured the delivery and exit strategy of the development to allow the Trust to retain the long term ownership of the scheme.

5.44 SEEDA was in regular liaison with the Trust and the Snowdown Regeneration Forum and was able to target the provision of business space to the local demand. The following is a list of the key partners SEEDA engaged with during its involvement at Snowdown / Aylesham:-

- Aylesham and District Community Workshop Trust
- Snowdown Regeneration Forum
- Dover District Council
- Kent County Council
- Aylesham Parish Council
- Coalfield Regeneration Trust (CRT)

Reference case / counter factual

5.45 Without SEEDA's involvement at Aylesham, evidence from consultations suggest that the workshop units would not have been delivered at all.

Financial information

5.46 The actual gross and net investment made by SEEDA is set out in the table below.

Table 5-3: Snowdown Financial Information

	Spend for 2002/03 – 2006/07	Spend for period to 2006/07
Costs (£)	2,892,552	3,015,691
Receipts (£)	0	0
Net costs (£)	2,892,552	3,015,691

Source: SEEDA Agresso data

Tilmanstone

5.47 Tilmanstone colliery is located approximately 9 miles north of Dover in the Eastry ward and within Dover District Council's boundary. It had been derelict for approximately 15 years before SEEDA's involvement. It was the first colliery site to be developed and involved the remediation of the site and the installation of infrastructure to enable development plots to be offered to the market place. In total the site area was 10 hectares (25 acres).

5.48 SEEDA commenced the site works in May 2000 and completed them in September 2001. SEEDA successfully agreed a number of land sales almost immediately with companies such as Geest Salads, Priority Sites and a local company, Britland Engineering, who occupied the adjacent site. These land sales took place largely by 2002 and therefore occurred prior to the evaluation timescale. In summer 2008, there were 8 businesses located at the site.

5.49 An SRB program to improve community facilities at the coalfield village at Elvington has provided a village hall, training facilities and leisure activities for the local community.

5.50 It should be noted that due to a 6 week delay in site handover to Geest Salads, a Letter of Claim was issued to SEEDA setting out alleged losses to Geest Salads of £3.1m. The case was settled between the parties at a cost to SEEDA / EP of £465,000.

Project objectives and beneficiaries

5.51 The stated project objectives were to provide a major new strategic employment site which would be able to accommodate the expansion needs of potential major employers and inward investing firms. The detailed objectives were as follows:-

- New, fully serviced and environmentally enhanced development platform of 10 hectares (25 acres)
- 10 hectares of derelict land reclaimed
- Creation of 23,000 sq m of new commercial floorspace
- Creation of 500 new jobs
- Leverage of between £12-15m of private sector investment (based on initial phase of 15,000 sq m of commercial floorspace)

5.52 The target beneficiaries were seen to be the local community who would benefit from job opportunities and wealth creation.

Rationale for intervention

5.53 The rationale for SEEDA's intervention is set out in a paper presented to the SEEDA Board on 16th March 2000. This states that without SEEDA intervention, the site would remain derelict and an eyesore for the local community. It would fail to deliver economic and social benefits and the abnormal costs and relatively high risk of development (due to patchy market demand) would mean that private sector developers would not be attracted to the site – this was evidenced by the lengthy time the site had remained derelict. It also stated that early completion of the site works at Tilmanstone would provide SEEDA, EP and Dover DC with a major new strategic employment site, which would be immediately available to accommodate the expansion needs of potential major employers and inward investing firms. The primary market failures at the core of this justification are therefore:-

- The provision of a public good – the installation of infrastructure was needed to allow the objectives to be met
- Overcoming negative externalities – the coalfield site was contaminated, inaccessible and poorly serviced and immediate investment in remediation works, access roads and utility services was required to enable development plots to be offered to the market place

- Equity – it was recognised that the local community needed to access the job opportunities and wealth creation that development at Tilmanstone would generate in order to alleviate the negative impacts of the closure and continued dereliction of the site

SEEDA's activities

5.54 SEEDA's role in the development of Tilmanstone was based on designing and managing the remediation and infrastructure works and acting as agents / promoters of the scheme. They also assisted in rectifying perceived adverse environmental impacts which the local community felt were introduced through the occupation of the industrial units at the site – SEEDA worked with KCC in introducing traffic calming measures in the area.

5.55 This first colliery project was treated largely as a commercial venture and SEEDA was able to secure interest in the site from occupiers almost immediately. It agreed a strict timescale for delivering a serviced plot to a large employer (Geest Salads) - the urgency this created in completing the remediation and infrastructure works and the legal arrangements, resulted in SEEDA having very little engagement with the local community. SEEDA's engagement with key partners was limited to the following:-

- Dover District Council
- Kent County Council

Reference case / counter factual

5.56 Without SEEDA's involvement at Tilmanstone, anecdotal evidence from consultations suggest that a proportion of the total final development would have occurred. Based upon this feedback, responses from the survey, the evaluator's understanding of the background to the project and knowledge of market capacity, we have concluded that without SEEDA's intervention, 15% of the site would have been delivered by other sources.

Financial information

5.57 The actual gross and net investment made by SEEDA is set out in the table below, which clearly shows the difference in the levels of investment made for the different time periods.

Table 5-4: Tilmanstone Financial Information

	Spend for 2002/03 – 2006/07	Spend for period to 2006/07
Costs (£)	713,450	5,713,809
Receipts (£)	358,716	1,298,966
Net costs (£)	354,734	4,414,843

Source: SEEDA Agresso data

General costs

5.58 It should be noted that in addition to the project specific investments shown above, SEEDA carried out other tasks (studies, promotion and marketing activities, etc.) in relation to the East Kent Coalfields – the costs of these have not been allocated to any specific project but are treated as general costs. The table below sets out the total costs for these activities.

Table 5-5: General Financial Information

	Spend for 2002/03 – 2006/07	Spend for period to 2006/07
Costs (£)	628,551	678,797

Source: SEEDA Agresso data

5.59 As is apparent from the descriptions above, not all of the projects were fully operational before the end of the core evaluation period (ie. by the end of 2006/07). Further, regeneration projects by their very nature are long term initiatives and their outcomes are not necessarily immediately produced. For this reason, it is recommended that this evaluation should be regarded as interim with a full evaluation undertaken when the overall impact can be assessed in 2011/2012.

6: Summary of SEEDA's Rationale, Objectives and Activities

Rationale for Intervention

6.1 Across all four of the projects within the East Kent Coalfields, SEEDA invested essentially, to facilitate commercial development and create jobs as well as restore sites to beneficial use. An over-riding aim was to benefit the local communities who had been disadvantaged through the closure of the coalfields. A summary of the market failure and other arguments that can be marshalled in respect of the East Kent Coalfields are set out below.

- **The provision of a public good –** in order to enable any development to occur at the coalfield sites, investment was required to remediate and make safe the land, improve accessibility and install core utility services. Where commercial development was a possibility, the costs and risks posed by remediating and servicing relatively remote, brownfield land coupled with the uncertainty about future returns, prevented this investment being made by the private sector. Thus, the public sector stepped in to avert the key risk areas (site works, installation of infrastructure, etc.) and assist in meeting the demand for workspace accommodation. In other instances, commercial development was not a viable option and public facilities were provided which would not have been delivered by the private sector
- **Overcoming negative externalities** - by their very nature, the coalfield sites contained extensive physical constraints – contamination, poor utility infrastructure and inaccessible locations. Investment to overcome these negative externalities was essential to allow the sites to be returned to beneficial use
- **Equity -** SEEDA's interventions were made within localities that had been disadvantaged by the closure of the collieries and were identified as areas which needed focussed attention to address these negative impacts. The provision of employment space - and the opportunities for new jobs that this generates - together with the creation of quality public space, was aimed to reduce the adverse effects of the colliery closures. Equity arguments therefore arguably provide a further element of the rationale for SEEDA's intervention

6.2 Table 6-1 below summarises the rationale for SEEDA's intervention in each of the coalfield projects.

Table 6-1: Rationale for intervention: Summary

Rationale	Betteshanger	Chislet	Snowdown	Tilmanstone
Public goods	✓	✓	✓	✓
Externalities	✓	✓	✓	✓
Imperfect information				
Market power				
Equity	✓	✓	✓	✓

Source: BBP Regeneration

Project objectives and beneficiaries

6.3 The previous Chapter set out in detail the objectives which SEEDA was aiming to deliver for each project. A summary of these is provided below, together with the beneficiaries that SEEDA aimed to target through its intervention. (The 'planned / contracted outputs' which have been used in the later analysis to assess gross and net outputs are set out later).

Table 6-2: Objectives: Summary

Rationale	Betteshanger	Chislet	Snowdown	Tilmanstone
Reclaim brownfield land	✓	✓		✓
Improve infrastructure			✓	
Provide land for employment uses	✓	✓	✓	✓
Provide land for public open space	✓			
Create jobs	✓	✓	✓	✓
Create businesses	✓			
Provide skills / training opportunities	✓		✓	
Provide community facilities / services		✓		
Lever in public / private sector investment		✓		✓

Source: BBP Regeneration

6.4 In each of the projects aside from Tilmanstone, the beneficiaries were stated as being:-

- Those without jobs
- Those hoping to secure training or work placement to assist them with accessing a job
- Those used to the long term reduced lifestyle of benefit dependency

- Low income households needing access to new local opportunities
- Local residents and communities in the surrounding wards
- Locally expanding companies

6.5 In respect of Tilmanstone, the target beneficiaries were cited as being simply the local community.

SEEDA's activities

6.6 SEEDA's specific activities to meet the objectives for each project were set out earlier but can be summarised as follows:-

- Consultation with stakeholders (including local communities and EP) on the key aspirations of the project
- Undertaking scoping and feasibility studies to determine the parameters of the project – what could physically be delivered, key constraints, positive features of the site / project, timescales, broad costings, estimated end values, assessment of outputs, etc. These studies would involve the tendering, appointment and management of consultants as necessary and liaising with stakeholders and experts (eg. agents, etc.) as required
- Undertaking detailed assessments of development options and preparing reports / information for internal approval procedures
- Negotiating legal contracts / arrangements as necessary
- Appointing, monitoring and managing contractors to carry out works

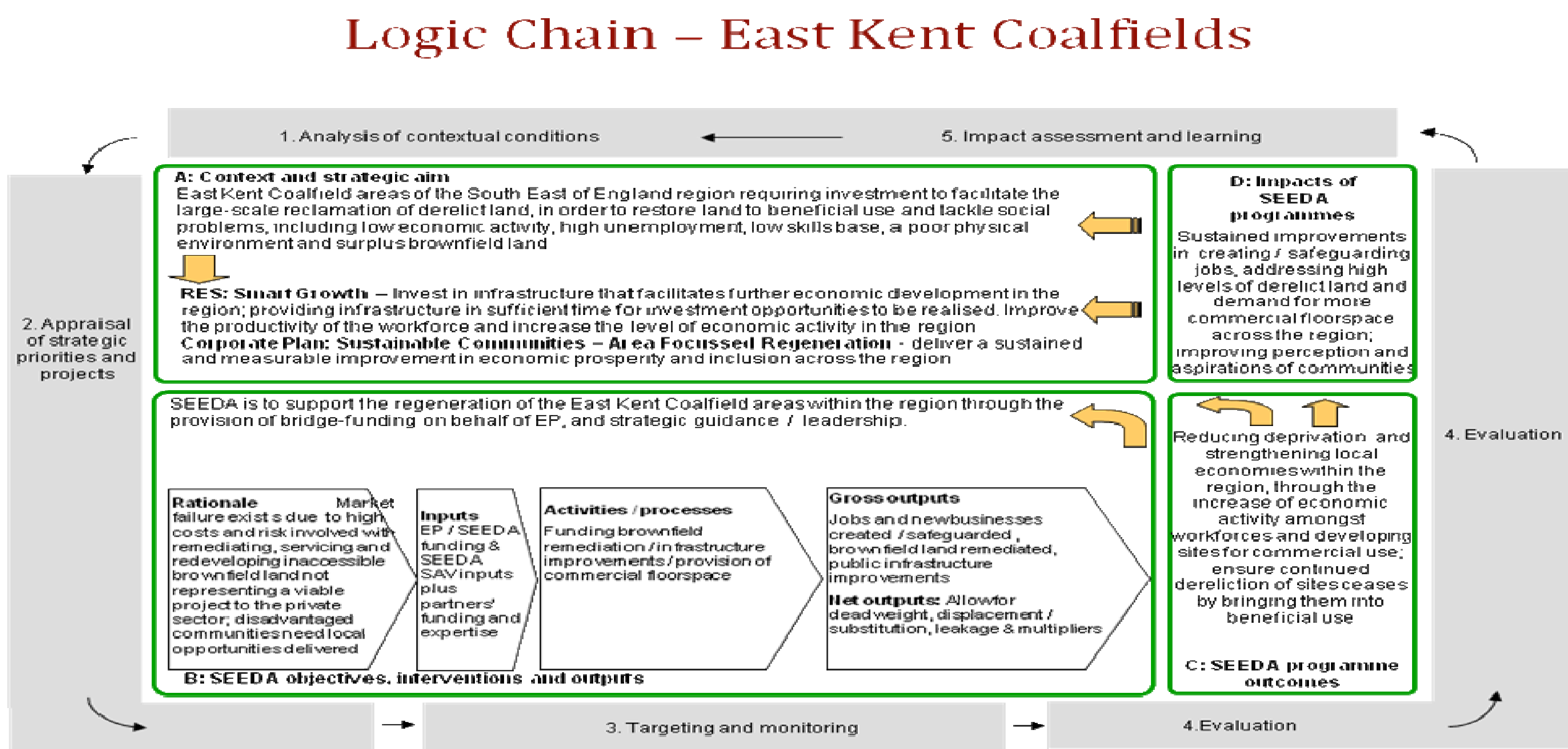
Key partner engagement

6.7 As part of its activities, SEEDA engaged with a number of key partners during its delivery of the East Kent Coalfield projects. In many instances, the involvement formed part of the statutory process (eg. local planning authority) but SEEDA also liaised with parties to help inform development proposals, to provide expert views on options that were being considered and to aid the successful delivery of projects. It is important to note that in many instances, SEEDA's engagement with the community was channelled through the community representatives and groups established during the Kent Coalfield SRB programs. An outline of the key partners SEEDA engaged with for each project was set out in Chapter 5.

Summary logic chain

6.8 The logic chain in Figure 6-1 summarises the rationale behind the interventions. It shows how SEEDA's investment in site remediation, infrastructure and built accommodation (at Snowdown) was expected to restore derelict sites to beneficial use, accommodate new businesses and their associated employment, generating positive outcomes for the region, particularly in the form of increased local employment opportunities and improved GVA outcomes.

Figure 6-1: Summary logic chain



7: Spend Profile and Contracted Outputs

7.1 Financial data records a total of £20.86m actually contributed by SEEDA to the East Kent Coalfield projects over the period 2002/03 - 2006/07; total investment to 2006/07 amounted to £30.02m, whilst the overall spend (for the period from 1999/00 to 2007/08) totals £31.12m. Table 7-1 below shows the profile of actual SEEDA spend for each of the four coalfield projects as well as spend allocated as 'General' (which comprised costs associated with generic tasks / items such as fees for marketing and promotion, strategy formulation, etc.).

7.2 The majority of the investment made in the coalfields comprised EP's National Coalfield Programme monies – of the £30m invested in total by 2006/07, only £2.29m (less than 10%) was contributed directly by SEEDA. It should be noted that this does not include SRB funds as this programme was evaluated separately – this evaluation therefore only considers EP's NCP funds and SEEDA's Single Pot monies. Liaison with SEEDA during this evaluation process has confirmed that it is able to claim all the gross outputs relating to the investment in the East Kent Coalfields where it has invested either EP funds or its own monies – the impacts are therefore attributable entirely to SEEDA.

7.3 The following key points emerge from this Table:-

- The greatest spend occurred at Betteshanger – this is due in the main, to the scale of the site (134 hectares) and resources needed to restore it to beneficial use
- There is also a relatively significant amount of spend associated with Snowdown – it is estimated that £1.2m of the total relates to the withdrawn project
- A key point to note is that the spend associated with the Tilmanstone project for the relevant period is relatively minor when compared to the total project spend – only 12% of the total project spend occurs during the 2002/03 – 2006/07 period. As has been mentioned previously, in the 'value for money' analysis provided later in this report, the total project spend up to 2006/07 (but prior to 2002/03) will be shown to provide a meaningful assessment of value for money indicators.

Table 7-1: Profile of SEEDA actual spend

	2002/03	2003/04	2004/05	2005/06	2006/07	Total relevant spend by SEEDA 02/03-06/07	Total spend by SEEDA to 2006/07	Total project spend by SEEDA
Betteshanger	1,301,067	2,719,826	6,450,628	4,058,539	567,568	**15,097,628**	**18,817,674**	19,317,463
Chislet	985,438	18,653	476,287	59,377	- 7,087	**1,532,668**	**1,802,755**	1,802,755
Snowdown	1,127,530	707,380	265,334	422,043	370,264	**2,892,552**	**3,015,691**	3,410,374
Tilmanstone	665,073	63,122	- 15,534	479	310	**713,450**	**5,713,809**	5,713,809
General	399,202	9,200	6,997	13,190	199,962	**628,551**	**678,797**	879,814
Total	4,478,311	3,518,182	7,183,712	4,553,628	1,131,017	**20,864,849**	**30,028,726**	31,124,215

Source: SEEDA Agresso data

Leverage

7.4 Evidence from consultations and the output data that has been provided, suggests that there has been substantial private sector leverage generated by SEEDA's involvement in the projects. At both Chislet and Tilmanstone, private sector investment in the form of development / construction of employment space has occurred, amounting to £52m. It is estimated that a further £32.2m of private sector funding will be generated by future development at Betteshanger and the remaining plots at Chislet. There is no evidence to suggest that leverage of public sector investment has occurred.

7.5 Whilst there has been leverage of private sector investment, the outputs (and subsequent outcomes and impacts) have been attributed to SEEDA in their entirety – they have not been apportioned between SEEDA and the private sector. Whilst this is a debatable issue, it is considered that the private sector investment would not have occurred without SEEDA's investment – the coalfield sites had remained derelict and vacant for 15 – 30 years and it was only through the use of public sector intervention that commercial development has occurred on such a significant scale.

Contracted gross outputs

7.6 Although SEEDA provided some data on outputs which it holds centrally, there does not appear to be a systematic method of recording outputs within SEEDA and enquiries made by SEEDA to EP also indicate that outputs have not been recorded on a consistent basis. The output data which is held within SEEDA is not sufficiently comprehensive and it has proved difficult to source reliable data. However, data has been sourced which was prepared by EP for SEEDA for each of the coalfields, referred to as the 'National Coalfields Programme

Outputs' – this schedules each of the gross outputs attributable to the coalfields projects. The last schedule which can be sourced from records is from November 2004 and it is this which has been used to determine the 'contracted / planned' outputs. These are set out below.

Table 7-2: Estimates of planned / contracted total gross outputs for project lifetime

	Betteshanger	Chislet	Snowdown	Tilmanstone	Total
CORE OUTPUTS					
Direct outputs					
Brownfield land reclaimed and / or redeveloped (ha)	117	13.9	50.2	10.1	191.2
Job creation (FTE)	35	-		-	35
Business creation	-	-	-	-	
Public and private regeneration infrastructure investment levered (£m/% public)	£17.2m / 100% private	£28.8m / 100% private	£5.4m / 100% private	£27.7m / 96% private (£0.9m / 4% public)	£79.1m private / (£0.9m public)
Indirect Outputs					
Job creation (FTE)	639	598	266	815	2,317
Business creation	-	-	-	-	
TOTAL CORE OUTPUTS					
Brownfield land reclaimed and / or redeveloped (ha)	**117**	**13.9**	**50.2**	**10.1**	**191.2**
Job creation (FTE)	**674**	**598**	**266**	**815**	**2,353**
Business creation					
Public and private regeneration infrastructure investment levered (£m/% public)	**£17.2m / 100% private**	**£28.8m / 100% private**	**£5.4m / 100% private**	**£27.7m / 96% private (£0.9m / 4% public)**	**£79.1m private / (£0.9m public)**
NON-CORE OUTPUTS					
Direct outputs					
New floorspace (sq m)	270	-	-	-	270
Business units	-	-	-	-	-
Indirect Outputs					
New floorspace (sq m)	22,017	33,153	13,935	28,581	97,686
TOTAL NON-CORE OUTPUTS					
New floorspace (sq m)	**22,287**	**33,153**	**13,935**	**28,581**	**97,956**
Business units					

Source: EP / SEEDA National Coalfields Programme Outputs schedule - November 2004

7.7 The table shows the following:-

- Brownfield land remediated – a total of 191.2 hectares was remediated

- Leverage – the majority of leverage was to be from the private sector – they were expected to invest £79.1m. This compares favourably with SEEDA's total spend of £31.1m and achieves a ratio of 1:2.5

- Job creation – the total jobs created (both direct and indirect) were forecast to be in excess of 2,350

- New floorspace – total new floorspace to be provided amounted to approximately 100,000 sq m

7.8 The total gross outputs achieved in the relevant period (2002/03 - 2006/07) are shown in the following Chapter.

8: SEEDA Net Outputs, Outcomes and Impacts

Adjustment of gross to net outputs

8.1 This evaluation is specifically focused on the period over the financial years 2002/03-2006/07. In order to establish the impact of SEEDA's investment in the four coalfield projects, we have taken, as our starting point, estimates of the total outputs achieved by each project (the "gross total outputs"). As advised earlier, details of outputs have been collated from records compiled by EP / SEEDA referred to as the 'National Coalfield Programme Outputs' and are dated November 2004. Enquiries made of SEEDA and EP advise that more up to date and comprehensive information on outputs is not available.

8.2 The direct output of the coalfield programme is remediated brownfield land. As a consequence of the remediation, derelict land is brought back into beneficial use, either by the development of a country park, such as Fowlmead at Betteshanger or by developers constructing commercial floorspace which provides jobs in the area (it should be noted that the delivery of public open space is not treated as an output). The floorspace, unit numbers, business creation and jobs are therefore indirect outputs of the SEEDA intervention. From the EP / SEEDA 2004 schedule, we have been able to source the quantum of brownfield land and commercial floorspace provided upon each site. Our analysis of survey data has provided relevant information on actual job creation and this has been cross-referenced, where appropriate with feedback from consultations. Whilst the survey data has been recently sourced, respondents were asked to provide information on the relevant period (ie. 2002/03 – 2006/07). Clearly, we cannot reasonably expect respondents to provide precise details for this 5 year period, but our knowledge of the timing of plot sales and the rate at which construction occurs, leads us to conclude that the job data provided could reasonably be expected to have been applicable for the 5 year period to 2006/07. The following summarises the assumptions made in estimating job numbers.

Betteshanger

8.3 The current commercial accommodation at Betteshanger comprises Almond House, a refurbished building of approximately 270 sq m. It contains 7 small office suites and presently has 6 occupiers, four of whom took part in our survey (66%). The four firms collectively employ 22 people. Assuming the four businesses are representative of the six, we have assumed that six businesses would employ 33 people. In addition, the Country Park employs the equivalent of 2 people, and these have been added to give a total actual employment estimate for 2002/3-2006/7 of 35 jobs.

Chislet

8.4 Chislet presently has 55 occupiers, 31 of which completed our survey (56%). Collectively these firms employ 498 people; however 230 of these are employed by a single employer, Blighline. We have therefore treated Blighline as an isolated case and by excluding its employee numbers, have calculated that the remaining 30 firms who completed the survey employ 268 people. They are of various sizes and assumed to be typical of all the other firms at Chislet. On the basis that 30 firms employ 268 persons, each company is estimated as employing 9 people - 54 occupiers would therefore employ 482 people. In addition to this are the Blighline employees (at 230 employees) who produces a total job estimate for Chislet of 712 jobs.

Tilmanstone

8.5 Tilmanstone presently sites 8 firms, 5 of which took part in our survey. They employ a total of 1,006 people, however Geest and Hanson employ 987 of these, (Geest employ 950, Hanson 37). The remaining 3 firms who took part in the survey employ a total of 19 people. Both Geest and Hanson are considered to be untypical of the small business occupiers who make up the other 6 residents, whilst the 3 firms employing 19 people are thought to be more representative of the remaining three firms who did not take part in the survey. Therefore, we have assumed the 6 smaller firms would employ 38 people and have added the 987 jobs from Geest and Hanson to give a total actual employment estimate of 1,025 jobs.

Snowdown

8.6 The Miners Way workshop scheme at Snowdown houses 4 firms, one of whom undertook our survey and 3 of whom completed interviews with WME Consulting as part of a separate evaluation exercise for SEEDA. Whilst the information provided by the survey respondent and 3 consultations was not conclusive on job numbers, the Manager of the workshop scheme provided broad job data. This suggests that the scheme has created 80 jobs from 7 businesses. It should be noted that 2 of the businesses are public sector agencies employing a total of 61 people.

Gross outputs

8.7 The following tables detail the extent of output delivery in the period up to 31st March 2007, and the forecast outputs which remain to be delivered in 2007/08 and beyond. Forecast outputs are relevant for two projects only.

Table 8-1: Estimates of achieved total gross outputs to 2006/07

	Betteshanger	Chislet	Snowdown	Tilmanstone	Total
CORE OUTPUTS					
Direct outputs					
Brownfield land reclaimed and / or redeveloped (ha)	134.00	7.00	1.50	10.10	**152.6**
Job creation (FTE)	35	-	80	-	**115**
Business creation	6	-	7	-	**13**
Public and Private regeneration infrastructure investment levered (£m/% private)	-	£35m / 100% private	-	£17m / 100% private	**52m / 100% private**
Indirect Outputs					
Job creation (FTE)	-	712	-	1,025	**1,737**
Business creation	-	55	-	8	**63**
TOTAL CORE OUTPUTS					
Brownfield land reclaimed and / or redeveloped (ha)	**134**	**7**	**1.50**	**10.10**	**152.6**
Job creation (FTE)	**35**	**712**	**80**	**1,025**	**1,852**
Business creation	**6**	**55**	**7**	**8**	**76**
Public and private regeneration infrastructure investment levered (£m/% public)	**-**	**£35m / 100% private**	**-**	**£17m / 100% private**	**52m / 100% private**
NON-CORE OUTPUTS					
Direct outputs					
New floorspace (sq m)	270	-	950	-	**1,220**
Greenfield land developed for commercial use (ha)	-	6.9	-	-	**6.9**
Indirect Outputs					
New floorspace (sq m)	-	23,153	-	28,581	**51,734**
TOTAL NON-CORE OUTPUTS					
New floorspace (sq m)	**270**	**23,153**	**950**	**28,581**	**52,954**
Greenfield land developed for commercial use (ha)	**-**	**6.9**	**-**	**-**	**6.9**

Source: Various – EP / SEEDA National Coalfields Programme Outputs schedule – November 2004; Beneficiary Surveys and Consultations

Table 8-2: Estimates of projected total gross outputs – additional to those already achieved to 2006/07					
	Betteshanger	**Chislet**	**Snowdown**	**Tilmanstone**	**Total**
CORE OUTPUTS					
Direct outputs					
Brownfield land reclaimed and / or redeveloped (ha)	-	-	-	-	-
Job creation (FTE)	-	-	-	-	-
Business creation	-	-	-	-	-
Public and private regeneration infrastructure investment levered (£m/% public)	£17.2m / 100% private	£15m / 100% private	-	-	£32.2m / 100% private
Indirect Outputs					
Job creation (FTE)	639	285	-	-	924
Business creation	52	24	-	-	76
TOTAL CORE OUTPUTS					
Brownfield land reclaimed and / or redeveloped (ha)					
Job creation (FTE)	**639**	**285**	**-**	**-**	**924**
Business creation	**52**	**24**	**-**	**-**	**76**
Public and private regeneration infrastructure investment levered (£m/% public)	**£17.2m / 100% private**	**£15m / 100% private**	**-**	**-**	**£32.2m / 100% private**
NON-CORE OUTPUTS					
Direct outputs					
New floorspace (sq m)	-	-	-	-	-
Greenfield land developed for commercial use (ha)	-	-	-	-	-
Indirect Outputs					
New floorspace (sq m)	22,017	10,000	-	-	32,017
TOTAL NON-CORE OUTPUTS					
New floorspace (sq m)	**22,017**	**10,000**	**-**	**-**	**32,017**

Source: Various – EP / SEEDA National Coalfields Programme Outputs schedule – November 2004; Beneficiary Surveys and Consultations

8.8 The total contracted, achieved and forecast gross outputs can be summarised as follows:-

- Brownfield land – 152.6 hectares has been achieved and no further outputs are expected. There is a shortfall of 38.6 hectares when compared to the contracted outputs, which is largely attributable to the withdrawal of the Snowdown project which was forecast to contribute 50.2 hectares of brownfield land remediated

- Leverage – private sector investment achieved is estimated to be £52m; a further £32.2m is anticipated to produce a total of £84.2m. This also exceeds the planned outputs by £6.6m

- Job creation – 1,852 jobs have already been created and a further 924 are anticipated – this totals 2,776 jobs which exceeds the contracted outputs by 424

- New floorspace – achieved floorspace is estimated at 52,954 sq m and a further 32,017 sq m is expected – this amounts to 84,971 sq m. The estimate of floorspace is based directly on the same EP / SEEDA Outputs schedule used for the contracted outputs (which amounted to 97,956 sq m) – the differential which exists between them is due to the withdrawal of the Snowdown project

- Business creation – this was not identified as a contracted output, but a total of 76 businesses have been established with a further 76 forecast

Net outputs

8.9 Following identification of the gross direct and indirect outputs achieved, an assessment of the net outputs has been made. This provides a greater understanding of the actual impact of these projects upon both the target area for SEEDA's investment, and the wider south east of England region. As mentioned previously, the target area is defined as the Kent Coalfields and 4 Plus Wards referred to in the Socio-economic Analysis section earlier.

8.10 In order to assess the impact of these gross outputs at a net level, a series of additionality measures have been applied to these outputs in accordance with Impact Evaluation Framework guidance. The additionality adjustments are:

- **Deadweight -** estimates the outputs that would have been achieved in the absence of SEEDA's investment in the project

- **Leakage** - estimates the proportion of employment outputs which have not been captured by beneficiaries in the local target area (for the local level analysis) or in the region as a whole

- **Displacement -** for employment outputs only, the displacement adjustment estimates the level of employment which has been at the expense of other businesses in the target area and elsewhere in the region

- **Substitution** - accounts for activity generated by a project that has substituted activity that would have taken place by a similar organisation or business

- **Multiplier effects -** considers the cumulative impact of the project upon the wider spatial area, through the form of supplier businesses and jobs associated to these

- **Confidence levels –c**onfidence levels have also been assessed relating to the beneficiary survey data. It should be noted that following discussions, Optimism Bias has not been applied to the output data.

8.11 A summary of the approach taken is outlined below followed by tables setting out the assumptions made for each project.

Apportionment / attribution

8.12 We understand that the coalfield projects were only funded by EP and SEEDA with some private sector investment levered in. SEEDA have confirmed that they are to claim all the public sector outputs (ie. EP are not claiming coalfield outputs) and it is considered that the private sector investment would not have occurred without SEEDA's intervention - no adjustment for apportionment has therefore been made to the outputs. However, we have distinguished between direct outputs (those that have been achieved directly as a result of SEEDA's investment) and indirect outputs, which are those which have been subsequently created (such as new floorspace, jobs, etc.)

The adjustment for deadweight

8.13 The deadweight calculation adjustment involves an estimate of the outputs that would have been achieved in the absence of SEEDA's investment in the project.

8.14 The two deadweight adjustments are considered separately:

- SEEDA deadweight and
- Beneficiary deadweight

SEEDA deadweight

8.15 The SEEDA deadweight assessment seeks to establish the extent to which the direct outputs – the land and the commercial floor space they represent – would have been delivered at all, or at a different scale, or at a different time, in the absence of SEEDA's investment.

8.16 In forming a judgement about SEEDA deadweight, we have relied on feedback from the partner and stakeholder consultations, and particularly their views on what would have happened to each project without SEEDA's financial investment. We have supplemented this with our knowledge of the sites in question and market conditions prevalent at the time.

8.17 Our analysis suggests that without the SEEDA funding none of the projects could have proceeded on the scale envisaged. In the cases of Betteshanger and Snowdown, the consultation evidence suggests that it would not have been possible to deliver the schemes at all without SEEDA's intervention. However, the consultations, our knowledge of the background to the Chislet and Tilmanstone schemes, as well as our understanding of the property development market, suggests it would have been possible to bring forward schemes on a much reduced scale at both Chislet and Tilmanstone (see Chapter 5 for further information). We estimate that the scheme at Chislet could have delivered 20% of the eventual outputs generated by SEEDA's investment and at Tilmanstone, approximately 15%. We have therefore assumed that 20% and 15% of these schemes are deadweight, whilst SEEDA claim all the gross outputs on the Betteshanger and Snowdown projects. It should be noted that the deadweight figures for Chislet and Tilmanstone have been applied to jobs as well as brownfield land remediated and businesses created.

Beneficiary deadweight

8.18 Beneficiary deadweight considers the extent to which the tenant companies would have started up or located within the target area / region in the absence of the premises delivered by the project. The deadweight for the indirect outputs was determined by analysing the beneficiary survey findings with commentary from consultations.

8.19 As regards indirect job creation outputs, overall, relatively low levels of deadweight need to be assumed at the local target level given the very limited supply of commercial space available in the coalfields area. As a result most firms, should they had wanted to locate to this area, would have been unable to do so. However some firms were already in the area and may have stayed, perhaps curtailing expansion. Similarly, some would have been able to locate on the reduced schemes suggested at Chislet and Tilmanstone which could have been brought forward without involvement by SEEDA. Therefore a small element of beneficiary deadweight exists over and above the SEEDA deadweight.

8.20 On a regional level, the deadweight is higher as the supply of space available is larger - we have therefore been directed by the beneficiary survey results which suggest a significant number of businesses would have remained in the region.

Leakage

8.21 The estimates of leakage are based on the proportion of outputs which have benefited parties beyond the target area or the region as a whole - this is based on the numbers of employees living outside the target area. The figures were sourced from our beneficiary survey which asked businesses for the proportion of their workforce who commuted from within the coalfield wards, the region outside the coalfields, or beyond the region. Given East Kent geography and the distance from the regional border, virtually no regional leakage is exhibited across the coalfields; however one business did report an employee commuting from London at Chislet.

Displacement

8.22 For jobs related outputs only, displacement takes account of the level of jobs which might have been created at the expense of other businesses in the target area and elsewhere in the region.

8.23 As part of the beneficiary surveys, we asked businesses for their comments on competitors and their locations, as well as thoughts on the impacts which might occur if they moved. The response provided served to indicate the amount of displacement seen locally and regionally for each project. We have also had regard to the types of businesses at each site and their size in order to assess how typical the responses are likely to be of all the businesses, in assessing displacement. At Tilmanstone, for instance, we took due consideration of the national representation of some companies as well as the specialist nature of the smaller companies who operate in small niche markets and therefore displace little existing local activity. At Chislet, we considered the data from the surveys and applied a downward adjustment to reflect feedback from consultations. The EP additionality guide suggests 0.17 locally and 0.25 regionally for projects such as this. This may be higher for smaller companies[9].

Substitution

8.24 Substitution considers the extent to which activity generated by a project has substituted an activity that would otherwise have taken place in the businesses or organisations in question. SEEDA's expenditure is targeted at remediation and development of land which the private sector had not brought forward due to market failures. No businesses have received direct support through this funding stream, the direct outputs being brownfield land; jobs created are an indirect output from this. Substitution is therefore unlikely to apply to a significant extent and has therefore been excluded from the analysis.

Multiplier effects

8.25 The multiplier effect considers the impact of the project on the wider area through the supply chain and increases in income for the people employed in the beneficiary businesses. This includes additional business activity for firms supplying beneficiary companies and wage related expenditure in the local and regional economy from all the employment created or safeguarded by the projects.

8.26 The business survey provided an indication of the indirect multiplier (supply linkage multiplier) to be ascertained. At Chislet, for example, occupiers include large organisations which are likely to source inputs to their business from outside the target area but within the region. At Tilmanstone, a similar scenario exists. In the absence of explicit survey responses related to income multiplier effects, we have used our knowledge of the area and cross-referenced this with the guidance in the EP Additionality Guide. This suggests a composite multiplier of 1.29 locally and 1.44 regionally for projects of a comparable nature to the Coalfields programme.[10]

Confidence levels

8.27 Quantifying the gross-to-net adjustment relied largely on primary data from the beneficiary survey, supported by direct feedback received during consultations, together with the evaluator's knowledge of the local area. An element of judgement has therefore been applied in analysing evidence.

8.28 In statistical terms, the survey company who conducted the questionnaires, report that the findings from the 44 businesses interviewed from a theoretical total of 76 is representative of all the businesses in the coalfields to plus or minus 10% (at 95% confidence interval, which is the industry standard). This indicates that our analysis of outputs at an East Kent Coalfield 'global' level should be accurate to plus or minus 10%.

8.29 It should be noted that it is not within the scope of this evaluation to confirm independently that the developments and outputs have been of the scale reported.

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[9] EP Additionality Guide (2nd Edition) September 2004, Table 4.2 and 4.3, p20
[10] EP Additionality Guide (2nd Edition) September 2004, Table 4.7 p23

Summary of the adjustments

Table 8-3: Additionality adjustments for outputs generated by the Betteshanger project

	Jobs created & safeguarded		Direct outputs	
	Local	Regional	Local	Regional
Deadweight (%)	20%	30%	0%	0%
Leakage (%)	30%	0%	N/A	N/A
Displacement (%)	15%	30%	N/A	N/A
Substitution (%)	N/A	N/A	N/A	N/A
Multiplier effect (%)	30%	47%	N/A	N/A

Table 8-4: Additionality adjustments for outputs generated by the Chislet project

	Jobs created & safeguarded		Direct outputs	
	Local	Regional	Local	Regional
Deadweight (%)	30%	40%	20%	20%
Leakage (%)	90%	1%	N/A	N/A
Displacement (%)	25%	35%	N/A	N/A
Substitution (%)	N/A	N/A	N/A	N/A
Multiplier effect (%)	35%	44%	N/A	N/A

Table 8-5: Additionality adjustments for outputs generated by the Snowdown project

	Jobs created & safeguarded		Direct outputs	
	Local	Regional	Local	Regional
Deadweight (%)	0%	0%	0%	0%
Leakage (%)	66%	0%	N/A	N/A
Displacement (%)	0%	50%	N/A	N/A
Substitution (%)	N/A	N/A	N/A	N/A
Multiplier effect (%)	29%	44%	N/A	N/A

Table 8-6: Additionality adjustments for outputs generated by the Tilmanstone project

	Jobs created & safeguarded		Direct outputs	
	Local	Regional	Local	Regional
Deadweight (%)	20%	45%	15%	15%
Leakage (%)	40%	0%	N/A	N/A
Displacement (%)	10%	20%	N/A	N/A
Substitution (%)	N/A	N/A	N/A	N/A
Multiplier effect (%)	30%	41%	N/A	N/A

8.30 The additionality adjustments above were applied in turn to the total gross outputs previously presented. For example at Betteshanger, the following calculation was used in adjusting the gross actual jobs to net actual jobs (at the local level):-

Gross actual jobs – 35

Deadweight – 20% - this assumes that 20% of the jobs could have been achieved without SEEDA's intervention and that therefore 80% of the jobs can be directly attributed to SEEDA's investment – 80% is applied to the 35 gross jobs which reduces these to 28

Leakage – 30% - this assumes that 30% of the jobs were captured by beneficiaries outside of the target area and that 70% were taken by local beneficiaries – 70% is therefore applied to the 28 jobs which reduces the jobs to 20

Displacement – 15% - this assumes that 15% of the jobs created at Betteshanger have been at the expense of other jobs in the target area and that 85% of the jobs have been created without displacing other jobs – 85% is applied to the 20 jobs to produce 17 jobs

Multiplier – 30% - the cumulative impact of the Betteshanger jobs on the area (through supply chain jobs) is estimated to be 30% - the 17 jobs are therefore increased by 30% to produce 22 jobs

8.31 This process of calculation was undertaken for each of the projects and the results are shown in Table 8-7 which indicates the actual net outputs for the period up to 2006/07 at the local area level and at the regional level for the projects – both individually and combined.

Table 8-7: Achieved net outputs to 2006/07, local and (regional)

	Betteshanger	Chislet	Snowdown	Tilmanstone	Total
CORE OUTPUTS					
Direct outputs					
Brownfield land reclaimed (ha)	134 (134)	5.6 (5.6)	1.5 (1.5)	8.6 (8.6)	**149.7 (149.7)**
Job creation (FTE)	22 (25)	-	37 (58)	-	**59 (83)**
Business creation	6 (6)	-	7 (7)	-	**13 (13)**
Public and private regeneration infrastructure investment levered (£m/% private)	-	£35m / 100% private	-	£17m / 100% private	**£52m / 100% private**
Indirect Outputs					
Job creation (FTE)	-	51 (398)	-	576 (636)	**627 (1,034)**
Business creation	-	44 (44)	-	7 (7)	**51 (51)**
TOTAL CORE OUTPUTS					
Brownfield land reclaimed (ha)	**134 (134)**	**5.6 (5.6)**	**1.5 (1.5)**	**8.6 (8.6)**	**149.7 (149.7)**
Job creation (FTE)	**22 (25)**	**51 (398)**	**37 (58)**	**576 (636)**	**686 (1,117)**
Business creation	**6 (6)**	**44 (44)**	**7 (7)**	**7 (7)**	**64 (64)**
Public and private regeneration infrastructure investment levered (£m/% public)	**-**	**£35m / 100% private (£35m / 100% private)**	**-**	**£17m / 100% private (£17m / 100% private)**	**£52m / 100% private (£52m / 100% private)**
NON CORE OUTPUTS					
Direct Outputs					
New floorspace (sq m)	270 (270)	-	950 (950)	-	**1,220 (1,220)**
Greenfield land used (Ha)	-	6.9 (6.9)	-	-	**6.9 (6.9)**
Indirect Outputs					
New floorspace (sq m)	-	18,522 (18,522)	-	24,294 (24,924)	**42,816 (42,816)**
TOTAL NON-CORE OUTPUTS					
New floorspace (sq m)	**270 (270)**	**18,522 (18,522)**	**950 (950)**	**24,294 (24,924)**	**44,036 (44,036)**
Greenfield land used (Ha)	**-**	**6.9 (6.9)**	**-**	**-**	**6.9 (6.9)**

Source: Various: EP / SEEDA National Coalfields Programme Outputs schedule – November 2004; Beneficiary Surveys and Consultations; BBP Analysis

8.32 The total net jobs achieved locally by the four projects, over the 5 year period to 2006/07 is 686. The total net jobs achieved regionally by the four projects, over the same 5 year period, are 1,117 – these are used in the subsequent discussion on value for money.

8.33 Table 8-8 below presents the overall net outputs when the additionality adjustments above were applied to the total gross actual and forecast outputs. As before, the results are shown for the period up to 2006/07 at the local area level and at the regional level for the projects – both individually and combined.

Table 8-8: Total of forecast and actual net outputs, local and (regional)

	Betteshanger	Chislet	Snowdown	Tilmanstone	Total
CORE OUTPUTS					
Direct outputs					
Brownfield land reclaimed (Ha)	134.0	5.6	1.5	8.6	**149.7**
Job creation (FTE)	22 (25)	-	37 (58)	-	**59 (83)**
Public and private regeneration infrastructure investment levered (£m/% public)	£17.2m / 100% private	£50m / 100% private	-	**£17m / 100% private**	**£84.2m / 100% private**
Business creation	6 (6)	-	7 (7)	-	**13 (13)**
Indirect Outputs					
Jobs creation (FTE)	395 (460)	71 (557)	-	576 (636)	**1,042 (1,653)**
Businesses created (estimates by project managers)	52 (52)	68 (68)	-	7 (7)	**127 (127)**
TOTAL CORE OUTPUTS					
Brownfield land reclaimed (Ha)	**134.0**	**5.6**	**1.5**	**8.6**	**149.7**
Job creation (FTE)	**417 (485)**	**71 (557)**	**37 (58)**	**576 (636)**	**1,101 (1,736)**
Business creation	**58 (58)**	**68 (68)**	**7 (7)**	**7 (7)**	**140 (140)**
Public and private regeneration infrastructure investment levered (£m/% public)	**£17.2m / 100% private**	**£50m / 100% private**	**-**	**£17m / 100% private**	**£84.2m / 100% private**
NON-CORE OUTPUTS					
Direct Outputs					
New floorspace (sq m)	270 (270)	-	950 (950)	-	**1,220 (1,220)**
Greenfield land used (Ha)	-	6.9	-	-	**6.9 (6.9)**
Indirect Outputs					
New floorspace (sq m)	22,017 (22,017)	28,522 (22,522)	950 (950)	24,294 (24,294)	**74,833 (74,833)**
TOTAL NON-CORE OUTPUTS					

	Betteshanger	Chislet	Snowdown	Tilmanstone	Total
New floorspace (sq m)	**22,287 (22,287)**	**28,522 (22,522)**	**950 (950)**	**24,294 (24,294)**	**76,053 (76,053)**
Greenfield land used (Ha)	**-**	**6.9**	**-**	**-**	**6.9 (6.9)**

Source: Various: EP / SEEDA National Coalfields Programme Outputs schedule – November 2004; Beneficiary Surveys and Consultations; BBP Analysis

8.34 Table 8-8 shows that the total net jobs estimated to be secured locally by the four projects, is 1,101. The total net jobs achieved regionally by the four projects, is 1,653 jobs – these are used in the subsequent discussion on value for money.

Cost effectiveness – value for money

8.35 The analysis above shows that the coalfield projects have generated most of their net outputs at the regional level in line with the SEEDA's overall objectives. The outputs at the local level however are also significant.

8.36 The following Tables show the value for money for the cost of creating jobs at the local and regional level for each of the projects. As mentioned previously, the total project spend up to 2006/07 has been used which incorporates spend occurring prior to 2002/03. It is considered that this produces a more meaningful value for money analysis as in the case of Tilmanstone, the gross SEEDA spend for the 5 year evaluation period was only £713,450 – with 576 net job outputs being achieved. However, if the spend prior to 2002/03 is adopted, the SEEDA spend amounts to £5.7m – this is deemed to be a more accurate reflection of the investment required to create the outputs and it is this method which has been applied to assess value for money indicators for each of the projects below. Gross and net spend has been provided – net spend is the gross spend less any receipts / income generated by the project for SEEDA.

8.37 Table 8-9 assess value for money on the basis of SEEDA's gross spend for the extended period to 2006/07 (described above). Figures are shown at local and regional levels.

Table 8-9: Cost effectiveness, value for money (SEEDA Gross Spend)

	Betteshanger	Chislet	Snowdown	Tilmanstone	Total
SEEDA Gross spend to 2006/07	£18,817,674	£1,802,755	£3,015,691	£5,713,809	£29,349,929
Net jobs - actual					
local	22	50	37	576	684
regional	25	398	58	636	1,117
Net jobs – forecast plus actual					
local	417	71	37	576	1,100
regional	485	557	58	636	1,736
LOCAL VALUE FOR MONEY					
Cost per job to 2006/07	£868,856	£35,724	£82,127	£9,926	£42,879
Cost per job total (including forecast jobs)	£45,119	£25,512	£82,127	£9,926	£26,679
REGIONAL VALUE FOR MONEY					
Cost per job to 2006/07	£746,422	£4,531	£52,356	£8,985	£26,286
Cost per job total (including forecast jobs)	£38,761	£3,236	£52,356	£8,985	£16,906

Source: Various: EP / SEEDA National Coalfields Programme Outputs schedule – November 2004; Beneficiary Surveys and Consultations; BBP Analysis

8.38 The analysis above indicates that the overall gross cost per job for the East Kent Coalfields local target area – when forecast jobs are included – amounts to £26,679. The cost per job at the regional level – again including forecast jobs – totals £16,906.

8.39 Table 8-10 below again assesses value for money for the extended period to 2006/07 but allows for income / receipts SEEDA accrued – it is therefore showing value for money on a net spend basis.

8.40 The difference in the gross and net value for money figures is marginal – for the net assessment, the cost per job at a local level (including forecast jobs) amounts to £23,918; at the regional level, this totals £15,156 per job.

Table 8-10: Cost effectiveness, value for money (SEEDA Net Spend)

	Betteshanger	Chislet	Snowdown	Tilmanstone	Total
SEEDA Net spend to 2006/07	£18,722,267	£159,755	£3,015,691	£4,414,843	£26,312,556
Net jobs - actual					
local	22	50	37	576	684
regional	25	398	58	636	1,117
Net jobs – forecast plus actual					
local	417	71	37	576	1,100
regional	485	557	58	636	1,736
LOCAL VALUE FOR MONEY					
Cost per job to 2006/07	£864,450	£3,166	£82,127	£7,669	£38,442
Cost per job to date (including forecast jobs)	£44,890	£2,261	£82,127	£7,669	£23,918
REGIONAL VALUE FOR MONEY					
Cost per job to 2006/07	£742,638	£402	£52,356	£6,943	£23,565
Cost per job to date (including forecast jobs)	£38,564	£287	£52,356	£6,943	£15,156

8.41 The final calculation assesses the value for money of the total net job outputs (including those forecast) against the total spend on the East Kent Coalfields projects to 2006/07 – this includes spend associated with generic items and tasks (such as marketing and promotional costs, etc.). This shows that overall the cost per job, at the local level, amounts to £27,299. At the regional level, the corresponding cost per job totals £17,298. The cost per job indicators noted above compare favourably with standard benchmark indicators – EP's Best Practice Note 15 on Cost per Job suggest the range to be between £16,600 - £27,800.

8.42 In assessing value for money, we have also calculated the remediation costs per hectare as shown in the Tables below. Table 8-11 shows the costs per (net) hectare when SEEDA's gross costs are applied

Table 8-11: Gross cost per hectare of land reclaimed for the East Kent Coalfields programme

	Betteshanger	Chislet	Snowdown	Tilmanstone	Total
SEEDA Gross Spend to 2006/07	£18,817,674	£1,802,755	£3,015,691	£5,713,809	£29,349,929
SEEDA Gross Project Spend	£19,317,463	£1,802,755	£3,410,374	£5,713,809	£30,244,401
Actual net brownfield land reclaimed (ha)	134	6	2	9	150
Contracted brownfield land reclaimed	117	14	50	10	191
VALUE FOR MONEY - actual brownfield land reclaimed					
Cost per net ha to 2006/07	£140,430	£321,921	£2,010,460	£665,557	£196,078
Cost per net ha total spend	£144,160	£321,921	£2,273,582	£665,557	£202,054
VALUE FOR MONEY - contracted brownfield land reclaimed					
Cost per ha to 2006/07	£160,835	£129,695	£60,074	£565,724	£153,504
Cost per ha total spend	£165,107	£129,695	£67,936	£565,724	£158,182

8.43 Table 8-11 shows that SEEDA's gross spend to 2006/07 amounted to £196,078 per hectare of actual brownfield land reclaimed. In comparison, if SEEDA had made the same level of investment (£29.3m) and remediated the contracted level of brownfield land it had originally anticipated, the cost per hectare would have totalled £153,504. The difference in these figures is largely a result of the withdrawal of the Snowdown project and it is likely that had this project proceeded, SEEDA's investment would have increased.

8.44 Table 8-12 below provides a similar analysis but applies SEEDA's net investment to the net levels of brownfield land reclaimed.

Table 8-12: Net cost per hectare of land reclaimed for the East Kent Coalfields programme

	Betteshanger	Chislet	Snowdown	Tilmanstone	Total
SEEDA Net Spend to 2006/07	£18,722,267	£159,755	£3,015,691	£4,414,843	£26,312,556
SEEDA Net Spend to date	£19,222,056	£159,755	£3,410,374	£4,414,843	£27,207,028
Actual net brownfield land reclaimed –	134	6	2	9	150
Contracted brownfield land reclaimed (ha)	117	14	50	10	191
VALUE FOR MONEY - actual brownfield land reclaimed					
Cost per net ha to 2006/07	£139,718	£28,528	£2,010,460	£514,251	£175,786
Cost per net ha total spend	£143,448	£28,528	£2,273,582	£514,251	£181,762
VALUE FOR MONEY - contracted brownfield land reclaimed					
Cost per ha to 2006/07	£160,019	£11,493	£60,074	£437,113	£137,618
Cost per ha total spend	£164,291	£11,493	£67,936	£437,113	£142,296

8.45 Table 8-12 above shows that in net terms, SEEDA's investment to 2006/07 corresponds to £175,786 per hectare of brownfield land remediated. As before, this compares to the cost per hectare of contracted brownfield land, which amounts to £137,618 – but assumes that additional investment would not have been made.

8.46 The cost per hectare indicator for both gross and net costs fall comfortably within the range given in the EP Best Practice Note 27 which relates to the cost of remediating colliery sites similar to those found in East Kent [1]. Although we do not have access to a detailed breakdown of outturn costs, the guidance identified the level of expenditure on "site preparation", which we believe to be a good proxy for land remediation. For Category A and B sites (colliery / mine spoil heaps and pithead sites), with employment as an end use, the Best Practice Note suggests a range of £50,000 – £425,000 per hectare for colliery sites. Clearly, SEEDA's investment at the East Kent Coalfields is well within the range of acceptability.

8.47 As a summary, the figures used to benchmark value for money are detailed in Table 8-13 below. Cost per job benchmarks are taken from EP Best Practice Note 15 on Cost per Job, and relate to small, high risk projects with little or no private investment, or, large programmes with high remediation costs (high contamination) or significant infrastructure investment required.

[1] English Partnerships, Contamination and Dereliction Remediation Costs (Best Practice Note 27)

Table 8-13 - Benchmark indicators

Cost per job Benchmarks	£16,600-£27,800
Cost of Remediation per Hectare	£50,000-£425,000

Source: EP BPN 15 & 27 – figures selected by BBP Regeneration

Outcomes and impacts

8.48 Each output achieved through the projects has had subsequent wider outcomes and impacts, at both a local and regional level. The overall effect of this can be assessed through an analysis of secondary indicators that relay socio-economic trends over the evaluation period.

8.49 Each of the projects has been contracted to deliver the same types of outputs - typically the reclamation / redevelopment of derelict land and buildings and the creation of additional floorspace. This has been carried out with the overarching aim of facilitating job and business creation. As such, the outcomes of each project can be assessed against the same secondary indicator criteria, namely:-

- Brownfield land
- Unemployment rates
- Number of business units

8.50 The preceding sections presented the baseline levels of the amount of brownfield land remediated, number of jobs created and commercial floorspace delivered by the projects. Table 8-14 below updates this analysis to show the trend between 2002 and 2006 – 2007 in previously developed land (PDL or brownfield land), unemployment rates and numbers of business units. It places the net outputs generated by the projects alongside this outcome change to provide an indication of the scale of the impact at the regional level. It should be noted that data for 2007 is unavailable for PDL / brownfield land and business units).

8.51 In order to relate the commercial floorspace delivered in the coalfield projects to the business units indicator, we have adopted the number of actual net businesses created – which we established from our survey work – to the achieved figures. For the forecast figures, we have analysed this data and determined that overall one business unit in the coalfields area requires 420 sq m – this has been applied to the forecast new floorspace figures.

Table 8-14: Estimate of project employment impact at the regional level

	Previously developed land - vacant (ha)		Unemployment numbers		Number of business units	
	2002	2006	2002	2007	2002	2006
Regional level	2,300	1,700	71,700	71,710	353,600	379,700
Change in PDL, unemployment rates and business units - 2002 to 2006 / 2007	-600		+10		+26,100	
Betteshanger net outputs achieved	134		25		6	
Chislet net outputs achieved	5.6		398		44	
Snowdown net outputs achieved	1.5		58		7	
Tilmanstone net outputs achieved	8.6		636		7	
Total net outputs *achieved* (to 2007) by the East Kent Coalfield projects	149.7		1,117		64	
Net outputs *achieved* from East Kent Coalfields projects as % of Regional Change during study period	25%		n/a		0.002%	
Betteshanger achieved and forecast net outputs	134		486		58	
Chislet achieved and forecast net outputs	5.6		557		68	
Snowdown achieved and forecast net outputs	1.5		58		7	
Tilmanstone achieved and forecast net outputs	8.6		636		7	
Net outputs achieved and forecast by the project	149.7		1,737		140	
Net outputs achieved and forecast from project as % of Regional Change during study period	25%		n/a		0.005%	

Source: ONS / NLUD, ABI and NOMIS JSA claimant rate and evaluation assessment of net outputs

8.52 Based on the table above, our conclusions on the regional impact that SEEDA's investment in the East Kent Coalfields has had are set out below.

- In respect of brownfield land / PDL, SEEDA's coalfield projects have contributed 25% of the regional land which has been remediated
- In terms of job numbers and employment, the regional trend has seen a slight deterioration in the employment numbers, with an additional 10 people unemployed over the 5 year period. The coalfield projects have helped constrain this slightly increasing trend by contributing 1,117 actual net jobs, with the potential to contribute a total of 1,737 jobs to the region
- In the case of business units, SEEDA's investment has had little impact on the overall increase in the region of accommodation, being at less than 1% even when the forecasted units are allowed for

Gross value added outcomes

8.53 The gross value added (GVA) outcomes have been calculated to provide a measure of the impact achieved and forecast to be achieved by SEEDA's interventions in the East Kent Coalfields.

8.54 There are two elements of the GVA impact that have been captured:

- GVA benefits through employment outcomes resulting from land remediation or the creation of business floorspace
- GVA benefits through direct employment outcomes

8.55 The preferred method for calculating GVA outcomes is to use survey evidence on productivity. However, evaluation evidence typically provides an incomplete view of this (for instance, information on duration of benefits can be obtained to measure how long improvements last but information on salaries and profits is usually sensitive). As a result, it is important to consider the way in which data from official and administrative statistical sources might be used to provide 'substitute information' to fill any gaps in the evidence.

8.56 For major capital interventions, the most important information is, typically, on job created / safeguarded. For GVA outcomes, this can be valued by estimating the GVA associated with that employment.

8.57 GVA per head data is only available at Kent County level for annual figures, of which 2005 is the latest captured[11]. To present relevant results for GVA outcomes, these 2005 GVA statistics have been converted to 2007 prices by applying a 3% per annum inflation adjustment to the 2005 figure. The 'present value' is also calculated to take account of the duration of benefits, ie. the length of time for which employment outcomes can be counted.

8.58 In our assessment of GVA, we have considered that the level of jobs created by the East Kent Coalfield projects, could be expected to continue for the beneficial life of accommodation in which the jobs are located – estimates of this would suggest that employment space could have a beneficial life of 30 years. Surveys provide an indication of the duration of accommodation but this assumes that firms will move from premises with new ones taking their place and benefiting from the resource for its lifetime. However, this is not considered to be reliable as it is not known how favourable economic conditions might be, maintenance / upgrade costs need to be considered, changes in working practices may occur, etc. As a result, an assumption of 15 years is used in this instance. We have therefore discounted for 15 years at 3.5%, the social time preference rate, in order to estimate the present value of the East Kent Coalfields GVA.

8.59 The calculation for assessing the GVA at the local level to 06/07 is as follows:-

Kent CC 2005 GVA per head - £15,299

Allowing an annual inflation rate of 3% per annum, equates to £16,231 in 2007 prices

[11] www.statistics.gov.uk/downloads/theme_economy/GVA_NUTS3_Excel_Tables_1995-2005.xls

Benefits are assumed to last for 15 years - £16,231 is multiplied by 11.517 (the present value of £1 pa 15yrs at 3.5% (the social time preference rate) to provide a GVA for Kent of £186,929 per head over 15 years

684 net jobs are produced locally as a result of the EKC intervention (22 at Betteshanger, 50 at Chislet, 37 at Snowdown and 576 at Tilmanstone) which multiplied by £186,929 equals a total GVA contribution of £127,949,401 over 15 years

8.60 A similar process is applied to assess the GVA at the regional level with the net regional jobs being used in the calculation.

8.61 Table 8-15 shows the GVA outcomes at the local and regional levels for the net outputs achieved to the end of 2006/07 and also for the total net outputs – those achieved and those forecast to be achieved in the near future. The following are the key findings for the local level:-

- SEEDA's interventions across the coalfields have achieved more than £127m GVA outcome at the local level, which is forecast to rise to more than £205m by completion of all the schemes
- At the regional level, SEEDA's interventions have achieved a £265m GVA outcome, which is forecast to rise to £412m with completion of all the schemes

Table 8-15: GVA outcomes at the local and regional levels, actuals (to end 06/07) and forecasts – using adjusted 2007 prices

	GVA to end 06/07 (loc)	GVA to end 06/07 (reg)	Total GVA incl forecasts (loc)	Total GVA incl forecasts (reg)
TOTAL	£127,949,401	£265,134,362	£205,639,476	£412,242,448

Source: ONS data and BBP Regeneration

GVA outcomes and SEEDA costs

8.62 The GVA outcomes can be compared with SEEDA's cost inputs to achieve them, to provide another perspective on the value for money represented by the SEEDA interventions. These comparisons are displayed in Table 8-16 using the costs to 2006/2007.

Table 8-16: GVA outcomes as a proportion of SEEDA costs at the local and regional levels, actuals (to end 06/07) and forecasts – using adjusted 2007 prices

	GVA to end 06/07 (loc)	GVA to end 06/07 (reg)	Total GVA incl forecasts (loc)	Total GVA incl forecasts (reg)	SEEDA costs to end 06/07 (£k)
TOTAL	426%	883%	661%	1325%	£30,028,726

Source: BBP Regeneration

8.63 SEEDA has achieved and is also forecast to achieve a greater return in terms of GVA outcomes than its cost inputs across the projects as a whole. At the local level, SEEDA has achieved 426% return on its cost investment in terms of GVA outcomes. By the completion of all the schemes, this return is forecast to increase to 661%.

9: Strategic Added Value

9.1 Whilst SEEDA has clearly achieved a series of outputs from its investment in the East Kent Coalfields, it has also delivered strategic added value (SAV) in a variety of ways. The following IEF categories are considered to reflect SEEDA's SAV in implementing the coalfield projects:-

- Strategic leadership and catalyst – in all instances, SEEDA adopted a lead role in developing and then delivering the schemes in the four coalfields. It recognised the constraints that the individual sites and areas presented and engaged with stakeholders to assess viable options for delivery and resolve issues in an inclusive way
- Synergy – in general, SEEDA is reported by consultees as communicating with stakeholders in an effective manner, although it is recognised that more direct engagement with community groups could have occurred. Nevertheless, its efforts to actively liaise with all parties, particularly the private sector is commended
- Leverage – SEEDA's investment is estimated to have levered in more than £50m of private sector funding. This is a positive and encouraging indicator of SEEDA's ability and expertise in commercial land and property issues

9.2 The particular SAV which SEEDA delivered in each of the projects is briefly described below.

Betteshanger

- Strategic leadership and catalyst – SEEDA's recognition of the need to provide core infrastructure and quality environments has enabled the prospective development of the Business Park at Betteshanger and allowed businesses to locate at Almond House. The development of Fowlmead Country Park is also recognised as a valuable and significant facility, evidenced by its Olympic designation as a training facility for a number of events. The Betteshanger Regeneration Trust (BRT) is also reported as being 'enriched' being taught valuable lessons by its experience of working with SEEDA
- Synergy – through the BRT and the Community Support Team, SEEDA actively engaged with stakeholders to deliver development that would be sustainable and of benefit to the business and local community. The BRT was actively encouraged to fully participate and provide feedback on development proposals - examples of this include the withdrawal of proposals for live /work units which SEEDA presented but which the local community rejected as well as alternative transport solutions being implemented following feedback from the community. As well as this form of engagement, SEEDA also provided some administrative support to the BRT

- Leverage – SEEDA's investment is estimated to generate a further £17.2m in total of private sector investment

Chislet

- Strategic leadership and catalyst – SEEDA's involvement with George Wilson Holdings and its approach to resolving the funding issues involved with the installation of infrastructure allowed an otherwise derelict site to be brought back to beneficial use – with the assistance of a private commercial developer

- Synergy – through the development at Lakesview, SEEDA has demonstrated that its expertise in land and property issues can reduce risk areas for commercial development and produce schemes which can meet the business objectives of commercial enterprises. Its engagement with George Wilson Holdings has generated further trust and recognition amongst the private sector that RDAs can understand, engage and respond to commercial organisations and their concerns

- Leverage – SEEDA's investment (£1.5m) generated a further £35m of private sector investment at Lakesview. George Wilson Holdings also reported that SEEDA's financial commitment to the scheme, assisted with securing institutional funding to the private sector investors

Snowdown

- Strategic leadership and catalyst – SEEDA's ability to engage with and structure arrangements with the Trust enabled SEEDA to directly develop appropriate workspace whilst allowing it to exit from the development by transferring the development to the Trust. The Trust notes that this innovative approach by SEEDA, which allowed the completed scheme to be transferred to it, has ensured the long term sustainability of the scheme and encouraged it to develop further proposals. SEEDA also initiated the establishment of the Snowdown Regeneration Forum (SRF) which was formed to work with SEEDA to manage the range of community needs and requirements in relation to the major investment planned for the site

- Synergy – through its relationship with the Trust and the SRF (which SEEDA also provided administrative support for), SEEDA was able to provide the local community with quality workspace which in turn has enabled local businesses and entrepreneurs to occupy premises in the area and maximise their economic performance - the workshops have been used by new businesses as well as expanding companies. The development has enabled all parties to achieve meaningful and beneficial outcomes which can aid the further regeneration of the area

Tilmanstone

- Strategic leadership and catalyst – SEEDA led the urgent regeneration of Tilmanstone and provided inputs as necessary to resolve issues, such as those relating to the access road

- Synergy – SEEDA's ability to understand, engage and respond to commercial organisations and their concerns was essential in securing the land sales at Tilmanstone. It was able to introduce new facilities for businesses as well as enable existing companies to expand

  Leverage – SEEDA's investment generated a further £17m in total of private sector investment at Tilmanstone

10: Conclusions and Recommendations

10.1 The rationale for SEEDA's funding of the East Kent Coalfield projects was to facilitate commercial development and restore derelict sites to beneficial use in areas which had suffered from the closure of the collieries. A direct result of this was to enable local communities to take advantage of the new job opportunities created and improve the social and economic conditions which communities were facing.

10.2 Of the four projects, two (Chislet and Tilmanstone) have been fully implemented and SEEDA has exited from them. Betteshanger has two key issues outstanding – the resolution of the adoption of the access road and the long term management of Fowlmead Country Park - these issues are currently being progressed by SEEDA. The Snowdown project has not been delivered as originally envisaged and an alternative project is currently being formulated. SEEDA has however successfully implemented the Miners Way workshop scheme at Snowdown / Aylesham and exited from this project - this is considered to be a relatively minor element when compared to the prospect of the regeneration of the Snowdown colliery. Clearly, any alternative project will seek to benefit the area and local community in a meaningful and sustainable manner consistent with SEEDA's objectives and priorities.

10.3 As has been previously mentioned, it should be noted that the application of the National Coalfields Programme was relatively restrictive in that it provided capital funds which focussed on projects within a physically defined area. The Programme was not directed towards the provision of revenue funding for 'soft' initiatives nor to intervention in a wider geographical area which would have potentially allowed the coalfield communities, who were located in surrounding areas, to have had better access to opportunities.

10.4 It should be noted overall that all the regeneration projects, by their very nature, are long term initiatives and their impacts cannot be adequately evaluated in the short or medium term. It is therefore recommended that a full evaluation be undertaken in 2011/2012 when all the projects have been fully established and operational.

10.5 The remainder of this Chapter summarises whether the project and policy objectives have been met and also sets out the lessons learnt and areas where good practice has been demonstrated.

Project objectives delivered

Betteshanger

10.6 The project has not at this stage delivered all its objectives, although it has delivered the reclamation of a greater amount of brownfield land than originally anticipated and created considerable public open space through the development of Fowlmead Country Park, which is cited as a valuable facility for the local and wider community by consultees. It is considered that with the resolution of the long term management arrangements and a concerted and effective marketing campaign, Fowlmead could act as a quality regional facility particularly if its Olympic designation can be capitalised upon.

10.7 However, the project has not yet delivered the job levels it predicted largely due to outstanding issues concerning the adoption of the access road to the development plots. The project was expected to deliver 325 gross jobs by 2006/2007 (from a total of 674) but only 35 have been achieved to date. In terms of gross floorspace, 20,270 sq m was to have been delivered by 2006/2007 (from a total of 22,287 sq m), but only 270 sq m has been achieved. Consultees advise the resolution of the road issues is being treated as a priority and it is likely that the subsequent outputs will occur within the next 2/3 years.

10.8 The lack of employment accommodation at the site has stymied SEEDA's ability to offer the opportunities to the intended beneficiaries that it had aspired to when determining the project objectives. This clearly remains an outstanding issue but it is hoped that this will be achieved in due course.

10.9 In looking to meet the objectives, SEEDA performed well at Betteshanger, particularly in terms of its community engagement, which was championed by EP nationally as a 'blueprint for success' with BRT being invited to a number of national regeneration conferences to speak about the success of the project. This success was also highlighted by the BBC's commissioning of a programme for the BBC 2 series 'Changing Places' which featured the communities of Betteshanger and Aylesham in a programme broadcast in 2005. It is suggested that an unintended positive effect has been the recognition of the form of community engagement adopted at Betteshanger amongst other agencies.

10.10 Overall, the analysis in Chapter 8 showed that the Betteshanger project, in isolation, produced relatively good value for money. At a regional level, the net cost per net job (including forecast jobs) is estimated to be £38,564. This is slightly in excess of the guidance provided in EP's Best Practice Note 15 which indicates that the Cost per Job range should be between £16,600 – 27,800 per job, but the development at Betteshanger included the creation of Fowlmead, a 99 hectare country park which is a valuable asset but does not produce any significant job outputs. A more relevant indicator is the net cost per net hectare of brownfield land remediated. EP's Best Practice Note 27 which relates to the cost of remediating colliery sites similar to those found in East Kent, indicates that the range should be between £50,000 – 425,000 per hectare – at Betteshanger, the net cost per net hectare amounts to £139,718, which is at the lower range suggested by the guidance.

Chislet

10.11 SEEDA has largely succeeded in delivering the 'hard' elements of its stated objectives, aside from the reclamation of 13.9 hectares of brownfield land – this has not been 'technically' delivered but this is likely to be the result of miscalculation as part of the Lakesview site (which in total is estimated to be 13.9 hectares) is on former farmland and thus treated as greenfield. SEEDA has exceeded in its target of creating 600 new jobs and has thus far produced 708 jobs, with some further built accommodation still to be delivered by the private sector. Using standard employment densities, this is likely to provide a further 285 jobs over the next 12 – 18 months. SEEDA's investment is therefore likely to create a total of 997 jobs overall.

10.12 At the local level, the development at Lakesview provided the area with an important site to accommodate growing businesses particularly those who could not remain in locations within

Canterbury city and operate effectively. There was also believed to be an economic disparity between the eastern and western sides of the region and Lakesview has contributed to this disparity decreasing.

10.13 A key aspect of SEEDA's activities has been the enhancement of SEEDA's status with its partner in this project (George Wilson Holdings) which has resulted in high levels of leverage. A positive consequence of this is likely to be the enhancement of SEEDA's reputation amongst the private sector.

10.14 In respect of the 'soft' objectives which SEEDA aimed to implement, feedback from consultations indicates that these have not been delivered by the project or other SEEDA initiatives. The job opportunities created by Lakesview are not believed to have been filled by any significant numbers of local residents and there do not appear to be any direct training / re-skilling programs delivered. However, consultees report that 'perception' has changed, not only amongst those within the community, but also importantly, amongst those outside the local environment. The complementary SRB program at Hersden / Chislet has delivered community facilities and consultees report that the activities now offered here have improved lifestyles, particularly for the elderly and increased ambition and career aspirations amongst the young. This coupled with the physical evidence of new development / investment at Lakesview has improved the perception of the area and aspirations within the community.

10.15 Overall, the earlier analysis in Chapter 8 showed that the Chislet project produced exceptionally good value for money. At a regional level, the net cost per net job (including forecast jobs) is estimated to be only £287 – this is largely due to the arrangements structured by SEEDA which enabled it to receive income from the sale of the remediated and serviced plots, which substantially reduced the net spend. In terms of the net cost per net hectare of brownfield land remediated, at Chislet this amounts to £28,528 per hectare, which is below the range in EP's Best Practice Note 27 (£50,000 – 425,000 per hectare).

Snowdown

10.16 SEEDA has not been able to meet the objectives or outputs it established for the original Snowdown colliery project and it is not possible at this stage to asses whether the 'alternative' project will contribute to the original objectives. However, SEEDA has largely met the objectives it set for the smaller Miners Way project. It has developed good quality workshop accommodation and exceeded the job numbers that were anticipated (from a forecast of 50 to 80 actually achieved). Whilst we do not have reliable evidence to assess whether the jobs have been taken by local residents from the Aylesham ward, it is possible that around 20% (16 jobs) are local jobs, as 5 of the occupiers are believed to be local small businesses. In this respect, SEEDA has also achieved its objective of assisting locally expanding companies. It should also be noted, that the Trust piloted a very effective joint venture with Canterbury Christchurch College to manage a series of vocational courses in Aylesham.

10.17 It is also reported that although the development of the Snowdown colliery has not occurred as originally anticipated, SEEDA's involvement with the Miners Way scheme provided an immediate increase in local jobs and confidence amongst the community. Its engagement with the local community through the SRF is also seen as being a valuable contribution and was highlighted in the BBC's 'Changing Places' series mentioned above.

10.18 However, the withdrawal of the original project has caused disappointment and frustration amongst the local community. The public sector agencies will need to carefully manage local aspirations and restore credibility amongst the community when alternative proposals are presented.

10.19 Overall, the earlier analysis in Chapter 8 illustrated that the Snowdown / Aylesham project has produced poor value for money, partly due to the withdrawal of the original project and the costs associated with it. At a regional level, the net cost per net job (note that this only includes achieved jobs) is £52,356 - this is almost double the top range set by EP (£16,600 - £27,800 per job). In terms of the net cost per net hectare of brownfield land remediated, Snowdown / Aylesham also performs poorly at £2.01m per hectare. It should be noted that the outputs and analysis do not take into account any forecast outputs relating to alternative projects which at this stage are at an early stage.

Tilmanstone

10.20 SEEDA has largely succeeded in meeting its objectives for the site and in the case of creating jobs, it has considerably exceeded the job numbers anticipated at the commencement of the project – gross jobs contracted were 815 compared to gross jobs achieved, which amount to 1,025. The job opportunities however have not been filled by the local community – from the survey data, it can be broadly estimated that only 5% of the workforce at Tilmanstone is resident in the local ward of Eastry.

10.21 Tilmanstone was the first coalfield project that SEEDA became involved in and its activities were focussed on securing the commercial opportunities that were presented at the time to ensure development and jobs could be captured. Whilst other aspects, such as community engagement, did occur, it is believed that SEEDA made greater efforts in these aspects in the subsequent coalfield projects.

10.22 Overall, the earlier analysis in Chapter 8 illustrated that the Tilmanstone project has produced good value for money - at a regional level, the net cost per net job (note that this only includes achieved jobs as any future jobs have not been anticipated) is £6,943 - this is significantly below the range set by EP (£16,600 - £27,800 per job). In terms of the net cost per net hectare of brownfield land remediated, Tilmanstone's performance is slightly higher than the EP guidance at £514,251 per hectare (EP's range is between £50,000 – 425,000 per hectare).

Summary of contracted, net achieved and forecast outputs

10.23 The tables below summarise the contracted outputs for each of the projects, as well as the net achieved outputs together with the remaining forecast outputs. The tables do not distinguish between direct and indirect outputs but provide a summary of the core and non-core outputs.

Table 10-1: Summary of Contracted Outputs

	Betteshanger	Chislet	Snowdown	Tilmanstone	Total
TOTAL CORE OUTPUTS					
Brownfield land reclaimed and / or redeveloped (ha)	**117**	**13.9**	**50.2**	**10.1**	**191.2**
Job creation (FTE)	**674**	**598**	**266**	**815**	**2,353**
Business creation					
Public and private regeneration infrastructure investment levered (£m/% public)	**£17.2m / 100% private**	**£28.8m / 100% private**	**£5.4m / 100% private**	**£27.7m / 96% private (£0.9m / 4% public)**	**£79.1m private / (£0.9m public)**
TOTAL NON-CORE OUTPUTS					
New floorspace (sq m)	**22,287**	**33,153**	**13,935**	**28,581**	**97,956**
Business units	**Not recorder**	**Not recorded**	**Not recorded**	**Not recorded**	**n/a**

Table 10-2: Summary of Net Achieved and Forecast Outputs

	Betteshanger	Chislet	Snowdown	Tilmanstone	Total
TOTAL CORE OUTPUTS					
Brownfield land reclaimed (ha)	**134.0**	**5.6**	**1.5**	**8.6**	**149.7**
Job creation (FTE)	**417**	**71**	**37**	**576**	**1,101**
Business creation	**58**	**68**	**7**	**7**	**140 (140)**
Public and private regeneration infrastructure investment levered (£m/% public)	**£17.2m / 100% private**	**£50m / 100% private**	**-**	**£17m / 100% private**	**£84.2m / 100% private**
TOTAL NON-CORE OUTPUTS					
New floorspace (sq m)	**22,287**	**28,522**	**950**	**24,294**	**76,053**
Greenfield land used (ha)	**-**	**6.9**	**-**	**-**	**6.9**

10.24 By comparing the tables above, the following conclusions can be made:-

- SEEDA has largely met the contracted outputs in respect of reclamation of brownfield land – there is a shortfall of 41.5 hectares but this is largely due to the withdrawal of the original Snowdown project
- In respect of the numbers of jobs created, SEEDA's contracted outputs were 2,353; when the gross level of actual and forecast jobs are calculated, SEEDA is expected to achieve in excess of this, securing 1,852 actual jobs with a further 924 forecast – this totals 2,776 jobs. However, when the additionality and multiplier effects are taken into consideration, the net effect for the target area (the East Kent Coalfield wards) is the creation of 1,100 jobs (total of actual and forecast)
- Business creation was not an item that was recorded as a contracted output, but SEEDA is estimated to create an estimated 140 businesses in the East Kent Coalfields
- SEEDA has successfully generated a considerable amount of private sector investment – in total it is estimated that its involvement will lever in £84.2m which compares favourably to the original contracted level of £79.1m of private investment
- SEEDA's involvement was expected to have created 98,000 sq m of new floorspace – assessments of actual and forecast new floorspace suggest that there will be shortfall in this output of approximately 22,000 sq m

10.25 Overall, in value for money terms, SEEDA's investment in the East Kent Coalfields has produced very good value for money. In respect of net cost per net job, the 4 projects in total produce a cost of £15,156 per job, which is slightly below the EP benchmark range. In terms of net cost of net hectare of brownfield remediated, the cost of the 4 projects overall amounts to £175,786 per hectare – this is towards the lower end of the benchmark range set out in the EP guidance.

10.26 In respect of GVA, SEEDA's interventions across the coalfields have achieved more than £127m GVA outcome at the local level, which is forecast to rise to more than £205m by completion of all the schemes. At the regional level, SEEDA's interventions have achieved a £265m GVA outcome, which is forecast to rise to £412m with completion of all the schemes.

10.27 In terms of SEEDA's return in relation to GVA outcomes, at the local level, SEEDA has achieved 426% return on its cost investment - by the completion of all the schemes, this return is forecast to increase to 661%.

Policy objectives delivered

10.28 SEEDA were able to contribute, either directly or indirectly, to a number of strategic objectives through the East Kent Coalfields Programme. A fundamental part of the rationale for SEEDA's involvement in the Programme rested upon the positive impact this could have towards achieving the aims of the Agency, as set out in both the 2002 and 2006 Regional Economic Strategies, and the SEEDA Corporate Plans.

10.29 A central theme to each of the projects in the Coalfields was the provision of improved infrastructure. In Betteshanger, the installation of services and construction of the new road infrastructure was a fundamental requirement to complete the scheme, facilitating access to the serviced plots that have undergone remediation – clearly the formal completion of the road remains outstanding, but is likely to be resolved in the near future. SEEDA's investment in Chislet has contributed towards the development of a new roundabout and service road on the A28 and utility services, whilst in Tilmanstone; necessary infrastructure work was again undertaken in order to open up previously unviable and remote sites to the market. In Snowdown / Aylesham, SEEDA also contributed to infrastructure albeit at a smaller scale.

10.30 Through these measures, SEEDA has succeeded in contributing towards one of the main objectives of the 2002-12 RES. Improved infrastructure supports sustainable economic development through facilitating increased land use efficiency, particularly in relation to brownfield land.

10.31 The remediation improvements in Betteshanger support the 2006-16 RES objective of 'sustainable prosperity'. A substantial part of the former colliery site (99 hectares) has been converted into the Fowlmead Country Park, providing cycling tracks, wildlife walks and a visitor's centre, while encouraging local community involvement. Part of the sustainable prosperity objective in the 2006 RES highlights increasing the provision and access to green open space.

10.32 Restoration and remediation improvements on brownfield land also support the objectives outlined in SEEDA's Corporate Plans. The basic rationale for the East Kent Coalfields Programme has been to redevelop the former colliery sites into areas of appeal, both to the local community and to the commercial market. The Corporate Plans call for a policy of remediating derelict land in the region and restoring it for productive use. Each of the sites have achieved this - at Chislet, the development of the former colliery site and adjoining farmland into the Lakesview International Business Park, has brought 13.43 hectares back into commercial use. SEEDA's involvement in Tilmanstone has ultimately led to the development of new commercial space on a 10 hectare site, with almost immediate occupation by businesses. At Betteshanger, the development of the Country Park has provided quality public space and at Snowdown, vacant land has been brought back into a beneficial use through the provision of quality workspace.

10.33 Another key objective that the East Kent Coalfields Programme has succeeded in promoting is that of 'area-based regeneration'. The socio-economic rationale behind the Programme identified the impacted areas as being pockets of high deprivation in the region. Facilitating economic development in the former coalfield wards has had, and will continue to have, significant benefits on the wider sustainable development of the wider sub-region and region. The Corporate Plans highlight the need for the Agency to focus attention on areas of specific need, and to use proactive measures in order to kick start economic activity where necessary.

10.34 Some objectives ultimately have not been met through the Programme. A constant theme through SEEDA literature in recent years has been of promoting entrepreneurial activity and innovation amongst businesses and business leaders. Promoting research and development for example, has not formed part of the basis for rationale. In a number of instances, project objectives were keen to contribute to this issue through skills / training programmes, but this has not been achieved. Rather, plans have been developed to promote business activity from the physical provision of suitable sites - it may be the focus of subsequent intervention to instigate innovative measures so that the businesses that have come / will be operational within the former colliery sites can continue to develop.

Key lessons

10.35 Feedback from the consultations on SEEDA's role, activities and effectiveness was largely positive but there are a number of key lessons that have been suggested. Below are a summary of these and the items of good practice reported. A more detailed list is provided in Annex D – it is recommended that SEEDA personnel review this for project specific observations on lessons learnt and good practice.

10.36 Flexibility of funds - an important issue to consider at a Programme level, is the need to invest in community based programmes including skills training, in parallel with investment in sites. SEEDA invested in these types of initiatives with complementary funding in parallel with EP's National Coalfield Programme investment. A more appropriate structure would have been for the National Coalfield Programme to have included a ringfenced funding stream to focus on these aspects but at the time, this was regarded as the legitimate responsibility of other service providers, most notably the LSC in respect of skills training. A more comprehensive and 'joined up' approach by Central Government departments would have helped considerably to realise these objectives.

10.37 Community engagement – it was widely recognised that SEEDA's early experience of engaging with the community was relatively poor but that as projects proceeded, their ability and method of engagement became more effective. At Chislet / Hersden, they channelled their communication through the community groups established as part of the SRB programs – whilst this was an efficient method to achieve their objectives, some consultees did suggest that greater direct involvement would have been of benefit. However, at both Betteshanger and Snowdown / Aylesham, community groups were established which proved effective although conflicts of interest at Snowdown / Aylesham created some difficulties. Consultees also suggest that liaison with other RDA's in areas where community engagement is more developed, may have assisted SEEDA.

10.38 Targetting local beneficiaries – in all instances, SEEDA's stated objectives at the commencement of projects were to benefit the immediate local community and those in surrounding wards. Benefits which would emerge from SEEDA's investment in sites included the provision of job opportunities and increased training, but consultation feedback indicates that in all instances, the local communities do not appear to have directly benefitted in any substantial form, from SEEDA's intervention. The funding restrictions within the National Coalfields Programme limited the ability of SEEDA to deliver these aspects although it did, in some cases, provide supplementary programmes targeted at the local community, in an effort to complement the physical regeneration projects. Local communities nevertheless are considered to be disappointed that the levels of funding invested did not deliver meaningful results of direct benefit to them. Consultees recognised that in many instances the capacity building and skills and training issues which exist in local communities, limits local residents abilities to take advantage of new job opportunities, but there is a need to address this issue if these communities are to be sustainable in the long term.

10.39 Capacity issues – there was mixed reaction to SEEDA's role in the process of delivery in respect of capacity issues internally within SEEDA. Consultees reported that it could be difficult to make contact with SEEDA personnel but that once contact was established, SEEDA performed well and effectively.

10.40 Monitoring data – experience from undertaking this evaluation has demonstrated the difficulties in securing reliable and comprehensive data from SEEDA in respect of financial information, output data, leverage figures, etc. It is suggested that modifications to recording and monitoring procedures be considered.

Good practice

10.41 Community engagement – as mentioned above, whilst there appears to be a need to further improve SEEDA's community involvement methods, SEEDA's efforts at engaging with the community, particularly at Betteshanger and Aylesham / Snowdown, were in general commended.

10.42 Partner engagement – all partners, private and public sector, expressed confidence and respect in SEEDA's abilities and the way in which it conducted itself during the delivery of the projects. Senior staff were given particular praise in their understanding of issues, their approach / manner and their ability to deliver on commitments.

10.43 Innovative approach to delivery – SEEDA's expertise in land and property issues and its ability to structure innovative funding arrangements, was widely praised. At Chislet and in respect of the Miners Way scheme at Snowdown, consultees reported that this approach was a key ingredient in securing the development whilst allowing SEEDA an exit route. Across all the coalfields, consultees praised SEEDA's ability to overcome issues relating to physical site difficulties and the impacts they had. At Betteshanger, there was criticism of the inability to secure the road adoption, but SEEDA was not necessarily thought to be at fault in this respect – however, it was suggested that SEEDA exercise their lobbying powers with partners to resolve this.