

Review of the Economic Development Strategy

Final Decision-Maker	Economic Regeneration and Leisure Committee
Lead Head of Service	<i>John Foster</i> , Head of Regeneration and Economic Development
Lead Officer and Report Author	<i>Chris Inwood</i> , Regeneration and Economic Development Manager.
Classification	Public
Wards affected	All

Executive Summary:

Since the adoption of the Economic Development Strategy in 2015 the national and regional landscape and policy background supporting economic growth has changed significantly, with the publication of the National Industrial Strategy leading to the Local Industrial Strategy agenda and the Local Enterprise Partnership (LEP) review strengthening LEP'S position and role in delivering growth, Kent County County's (KCC's) emerging Enterprise and Productivity Strategy 2050, recent Thames Gateway Initiatives, such as the Thames Estuary Production Corridor and the North Kent Enterprise Zone.

And notably the impacts of Brexit and climate change to the national and local economy are yet to be fully understood.

The Council's adopted Local Plan is currently undergoing a review with a forward look at least until 2037, it includes a call for sites and a Local Economic, Retail and Leisure Needs Assessment. Early indications predict the Council will be required to deliver an additional residential units above the adopted plans current position and increased B class employment space going forward. The review may lead to the development of one or more new Garden Communities.

During the original timescale for the revision of the Economic Development Strategy the country/globe has faced a period of Economic Lockdown due to COVID 19 having a significant impact on the local economy of Maidstone.

It is therefore timely that the current Economic Development Strategy is reviewed in line with these changes.

The review captures the positive role the Council can undertake to encourage and enable investment and deliver inclusive growth in the Borough.

The reviews outputs, are:

- A full colour revised Economic Development Strategy to 2037, including an executive summary.*
- An interim report setting out the analysis and feedback from stakeholder consultations with, Councillors, Officers, external stakeholders, and the*

business community.

- *An action plan phased annually over 5 years*

Purpose of Report

To introduce the Council's consultants Litchfields, provide an update on progress of the revision of the Council's Economic Development Strategy, present an interim summary document and gain approval for the strategies' public consultation programme.

This report makes the following recommendations to ERL committee:

1. To note the interim summary document and strategy's programme going forward.
2. That approval is given to the public consultation programme for the revision of the Economic Development Strategy.

Timetable

<i>Meeting</i>	<i>Date</i>
ERL	15 th September 2020

Review of the Economic Development Strategy

1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	<p><i>The relevant Strategic Plan objectives are:</i></p> <ul style="list-style-type: none"> • Embracing Growth and Enabling Infrastructure • Safe, Clean and Green • A thriving Place <p><i>Accepting these recommendations will substantially assist the Council achieving the above strategic outcomes.</i></p>	Head of Regeneration and Economic Development
Risk Management	<ul style="list-style-type: none"> • Without a review of the adopted EDS the Council is at risk of not reaching its targets on Inclusive growth. 	Head of Regeneration and Economic Development
Financial	<ul style="list-style-type: none"> • Projects to promote economic development, including the study by Litchfields described in this report, have been funded from MBC's share of business rates growth arising from the Council's membership of the Kent business rates pool. Owing to the potential reduction in business rates income arising from Covid-19, it remains to be determined whether it will be beneficial to continue with the pool from 2021/22 onwards. If the pool does not continue or if there is negligible growth, this source of funding for economic development activity will no longer be available. If the pool continues in existence the use of any proceeds is in any case subject to decisions to be made by the Council as part of the budget setting process about how to set a balanced budget in 2021/22 and future years. 	Section 151 Officer & Finance Team
Staffing	<ul style="list-style-type: none"> • We will deliver the recommendations 	Head of Regeneration

	with our current staffing.	and Economic Development
Legal	<ul style="list-style-type: none"> • The objectives and actions outlined in the Initial Proposition Paper report are matters which the Council is permitted to undertake under the Functions Regulations and section 111(1) of the Local Government Act 1972, which empowers the Council to do anything (whether or not involving the expenditure, borrowing or lending of money or the acquisition or disposal of any property or rights) which is calculated to facilitate, or is conducive or incidental to, the discharge of any of their functions. • Under Section 3 of the Local Government Act 1999 local authorities have a duty to "make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness". The review of the Economic Development Strategy demonstrates compliance with the statutory duty. • It is a function of the Economic Regeneration and Leisure Committee to oversee the development, review and implementation of the Council's Economic Development Strategy and, therefore, it falls to this Committee to consider the recommendations in this report. 	Team Leader (Corporate Governance), MKLS
Privacy and Data Protection	<ul style="list-style-type: none"> • The data will be held and processed in accordance with the data protection principles contained in the Data Protection Act 2018. 	Team Leader (Corporate Governance), MKLS
Equalities	<ul style="list-style-type: none"> • An equalities impact assessment will be carried out for this project. 	Policy & Information Manager
Public Health	<ul style="list-style-type: none"> • A strong local economy with 	Senior Public

	<p>residents in good and secure employment has significant and positive impacts on the health and wellbeing of individuals and their families.</p> <ul style="list-style-type: none"> • COVID-19 has shown how public health and work/the economy are inextricably linked. It has also further highlighted the health inequalities which already existed. The review of the Economic Development Strategy recognises these implications and must take into consideration that those hit hardest by the economic impacts of COVID-19 are likely to be those who were already economically vulnerable and in particular the impact of unemployment on particular groups/areas within the Maidstone Borough. To ensure that there are 'opportunities for all' a strong emphasis needs to be placed on making it easier for people who are disadvantaged in the labour market to obtain and keep work and to improve the quality and access of jobs across the social gradient. 	Health Officer
Crime and Disorder	<ul style="list-style-type: none"> • Not applicable 	Head of Service or Manager
Procurement	<ul style="list-style-type: none"> • On accepting the recommendations, the Council will then follow procurement exercises for [listed parts of the action]. We will complete those exercises in line with financial procedure rules. • The actions need procurement that for [reasons] we cannot complete in line with financial procedure rules. So, we will seek a waiver through [procedures] 	Head of Service & Section 151 Officer
Cross Cutting Objectives	<p>The four cross-cutting objectives are:</p> <ul style="list-style-type: none"> • Heritage is Respected • Health Inequalities are Addressed and Reduced 	Head of Regeneration and Economic

	<ul style="list-style-type: none"> • Deprivation and Social Mobility is Improved • Biodiversity and Environmental Sustainability is respected <p>The review of the adopted EDS supports the following cross cutting objectives:</p> <p>'Heritage is Respected' the brief includes a section on building on our current rich assets.</p> <p>Health Inequalities are addressed and reduced: The economy is one of if not the biggest determining factor in reducing health inequalities</p> <p>'Deprivation and Social Mobility is Improved' the brief includes a section on Skills and progression in work and our consultants will liaise with the councils Inclusion Board as part of the consultation process.</p> <p>'Biodiversity and Environmental Sustainability is respected' the brief includes encouraging businesses to reduce their carbon footprint, waste, and energy consumption.</p>	Development
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2. INTRODUCTION AND BACKGROUND

The existing strategy was adopted in 2015 and has delivered a series of positive achievements. Key successes include:

- An increase in business start- up and survival rates with the implementation of The Business Terrace, supporting wrap around 121 business support and workshops and events programme.
- A successful bid for the North Kent Enterprise Zone which includes the Kent Medical Campus.
- A successful ERDF and SELEP funding bid for the Innovation Centre, accompanied by a fully funded business support programme supporting Medtech and Lifescience starts ups and additional staff. The contractors are now on site.
- Enhancing the Town Centre, the introduction of a successful Business Improvement District, 'One Maidstone' and public realm works.
- Skills, skills gap, and CV working with Mid Kent College, hosting MEBP at the college and working with the Kent Foundation to develop an entrepreneurship pilot programme for Mid Kent College students.

2.1 In June 2019 ERL Committee was asked to consider a motion from Full Council which proposed that the Economic Development Strategy Review should include the additional following themes: The arts, Parks and open spaces improvements, The destination management plan, The visitor and

leisure economy, Promoting low or carbon neutral growth and building on our current rich assets. ERL Committee supported the motion with some changes and these elements were included in the Economic Development Strategy review tender brief and covered in more depth at the inception meeting.

- 2.2 The Council went out to full procurement in January 2020 seeking consultants to undertake a review of the Councils current Economic Development Strategy. Four consultants showed initial interest with two consultancies submitting full tender responses, Hatch Regeneris and Litchfield.
- 2.3 Litchfields were chosen as the councils preferred bidder as in addition to submitting a quality tender response, they are the Councils consultants for the Local Economic, Retail and Leisure Needs Assessment for the Local Plan review and were commissioned by the South East Local Enterprise Partnership to develop the LEP's Local Industrial Strategy. Therefore, they have both an in-depth knowledge of Maidstone's local economy and SELEP's emerging priorities in the Local Industrial Strategy. They were instructed on 17th February 2020, with an implementation meeting held on the 28th February.
- 2.4 Following the implementation meeting the strategy's work programme was paused during Lock Down as the councils Economic Development Team concentrated on the COVID 19 Business Grants. The strategy's original brief was also revised to focus on the economic impacts of Covid-19 on Maidstone's Economy and the implications this poses for the revision of the Economic Development Strategy.
- 2.5 The work programme was picked up again in mid - June with Litchfield's presenting interim findings on the effects and implications of Covid 19 on the local economy and a series of virtual consultation workshops and meetings were held in June, July, and August.

3. Interim summary document:

- 3.1 This report sets out some of Lichfield's emerging analysis and an initial proposition around which the future strategy might be framed –comprising an updated vision statement, and a series of key themes and strategic priorities which could support this. For each of these Lichfields identify a rationale for their inclusion and some overarching enabling factors to help deliver future actions.
- 3.2 Clearly this process is happening in the context of the effects of the Covid-19 pandemic, and so there is a need to consider both the support that Maidstone's economy will need through recovery in the short and medium term, as well as how the area's potential can be enhanced over the longer-term.
- 3.3 It should be noted that these are initial findings for discussion. They are based on consultation feedback received to date (including via two Council

workshops with Members and Officers held in August) and will be subject to change and further refinement as the strategy moves to the full drafting stage in the coming weeks. It has already been noted by officers that some themes around the role of the public sector, green economy, climate change and the arts and culture have not been captured yet. The first long draft will also set out MBC's role in relation to other organisations tasked with promoting economic development. The Report can be found in Appendix One.

- 3.4 The report details the draft vision: *By 2037 Maidstone will excel as the 'Business Capital of Kent', defined by a strong entrepreneurial spirit, an unrivalled urban-rural economic offer, and which offers opportunities for all of our communities.*
- 3.5 Underpinning this overall vision are five key priorities around which our plan for future activities to realise Maidstone's economic potential is framed:
- 1) *Open for business*
 - 2) *A diverse and productive economic base*
 - 3) *A thriving rural economy*
 - 4) *Opportunities for all*
 - 5) *Destination Maidstone town centre*
- 3.6 *Feedback from this ERL committee will be used to refine the draft economic vision and supporting objectives. A series of enabling actions will then be defined to help realise the vision over the first five years of the strategy period.*

4. Consultation Programme and timetable:

- 4.1 The following consultation programme has been put in place and started to make up time due to the projects pause during Lock Down. The programme ensures the consultants emerging options, actions, and opportunities the revised Economic Development strategy should focus on are capturing the views and requirements of the whole Council and its stakeholders.
- 4.2 A set of virtual workshops and meetings were held between the 26th June to the 12th August.

Table One:

Stakeholders:	Date:
All Members workshop	12 th August 2020
Engagement with the Councils Inclusion Board to understand the Councils emerging work around inclusive growth, financial inclusion, social mobility, and deprivation.	20 th July 2020
Officers workshop,	11 th August 2020
Maidstone Economic Business Partnership workshop on Covid 19 Economic recovery and implications.	26 th June 2020

- 4.3 In addition to the virtual workshops, the consultants are also undertaking 121 telephone interviews with our strategic partners, Mid Kent College, Kent County Council, Locate In Kent, Thames Gateway Kent Partnership, and the South East Local Economic Partnership. Dialogue has also been held with the Department of Works and Pensions.
- 4.4 **Public consultation:** To ensure that all sizes and sectors of the business community across both the rural and urban areas of the Borough and residents have an opportunity to input, an online survey will be circulated to the Economic Developments local business database and will be available on the councils website. This will be heavily promoted by social media to increase participation. It is proposed that the public consultation will be for 8 weeks starting on the 21st of October.
- 4.5 The work programme to full adoption is:
- The draft Economic Development Strategy and 5year action plan will be presented to ERL on the 20th October.
 - 8 weeks public consultation programme starting on the 21st October.
 - Review of the draft Economic Development Strategy to reflect public consultation feedback.
 - Completed Economic Development Strategy and 5year action plan will be presented ERL on the 19th January 2021 for full adoption.

5. RECOMMENDATION

- 5.1 This report recommends that ERL committee approves the public consultation programme for the revision of the Economic Development Strategy and timescale for full adoption.
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6. RISK

Please refer to the Risk Management section.

7. PREVIOUS COMMITTEE FEEDBACK

- 7.1 February 2019's Full Council resolved that the Economic Development Strategy Review should include the following: The arts, Parks and open spaces improvements, The destination management plan, The visitor and leisure economy, Promoting low or carbon neutral growth and building on our current rich assets. In accordance with Council Procedure Rule 17.5, the motion, was referred to the Policy and Resources Committee for consideration. Subsequently, at its meeting on 27 March 2019, the Policy and Resources Committee referred the motion to ERL Committee. ERL debated the motion on the 4th July 2019 and finally approved a wording on the 2nd July 2019:

This Council notes the considerable progress made in economic development over the last 5 years including:

- Maidstone East
- The Business Terrace
- Kent Medical Campus Innovation Centre
- Public Realm improvements
- Investment in infrastructure e.g. Bridge Gyrotory, Cycle Path etc...

In the review of the Council's Economic Development Strategy, planned for later this year, the Council resolves to ensure that, through encouraging and enabling direct investment, the positive role that the following can offer in supporting the local economy is recognised:

- Place making initiatives such as improvements to parks and open spaces, arts and cultural developments, public realm.
- The visitor and leisure economy, events and festivals.
- Protecting well located and attractive employment space and bringing forward new employment space.
- Encouraging businesses to reduce their carbon footprint, waste and energy consumption

8. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION:

- 8.1 That ERL Committee note the interim summary document
- 8.2 That ERL Committee agree the Economic Development Public Consultation programme of 8 weeks starting on the 21st October 2020.
- 8.3 That ERL note that the draft Economic Development Strategy and 5year action plan will be presented to ERL on the 20th October.
- 8.4 That ERL Committee agree the full adoption of the Economic Development Strategy and 5year action plan on the 19th January 2021.

9. REPORT APPENDICES

- *Appendix 1: Interim Summary Document*