

LICHFIELDS



Maidstone Economic Development Strategy

Initial Proposition Paper

For internal use only

2 September, 2020



Introduction

Lichfields is supporting Maidstone Borough Council to prepare a new Economic Development Strategy for the Borough up to 2037.

This slide deck sets out some of our 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 we identify a rationale for their inclusion and some overarching enabling factors to help deliver future actions.

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.

It should be noted that these are initial findings for discussion, and therefore are strictly for internal use only. 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.

Strategic context

There are a range of strategic drivers and growth opportunities that provide an important context for Maidstone's new Economic Development Strategy.



Summary SWOT analysis

The strategy also needs to have regard to the particular economic circumstances that exist in Maidstone, and immediate economic impacts and implications posed by Covid-19.

Strengths

- Strong employment growth (exceeding Local Plan creation target)
- Significant growth in enterprises in recent years, coupled with healthy levels of business survival
- High levels of economic activity
- Proximity to key infrastructure assets incl High Speed One and M20
- Strong population growth, underpinned by the area's attractiveness as a place to live

Weaknesses

- Declining working age population in recent years
- Relatively low local workforce productivity
- Less highly qualified workforce than the South East, particularly at NVQ level 4 and above
- Lower than average earnings (workplace and resident-based)
- Pockets of deprivation continue to persist in urban areas

Opportunities

- Above average levels of workers employed in higher paid occupations
- Strong levels of self-employment and business start-up present opportunities for increasing entrepreneurial activity locally
- Significant scale of planned housing/population growth across Kent
- Enhanced connectivity through Thameslink services

Threats

- Covid-19 impacts and risk of increasing unemployment
- Uncertainty around recovery profile for Borough's key sectors
- Resident skills may not be sufficient to take advantage of higher value job opportunities
- Decreasing high street and retail trade activity

Towards a new vision statement

We have started by defining a (draft) updated vision for the Borough's economy, underpinned by five key themes that will provide a framework for future activities.

The vision must build upon the existing strengths and unique assets of the Borough, taking account of opportunities to 'lead the way' within a competitive environment and deliver a step change in economic performance and prosperity.

It should also respond to identified weaknesses and challenges to growth such as relatively low workforce productivity locally and pockets of persistent socio-economic deprivation amongst some communities in the Borough.

On this basis, we propose an updated economic vision statement as shown to the right. This is underpinned by five strategic priorities that are explored on the following pages where we identify the **rationale** for each priority and an initial view on **enabling factors** – where the Council is likely to have greatest influence – to overcome key challenges to economic prosperity and set a path to achieving our vision for Maidstone in 2037.

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.

Overarching proposition

Underpinning this overall vision are five key priorities around which our plan for future activities to realise Maidstone's economic potential is framed.

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.

Five strategic priorities for realising our vision:



Open for business

Maximising our economic role at the heart of Kent to create a positive and entrepreneurial environment in which businesses can grow and thrive



A diverse and productive economic base

Diversifying our economic base and boosting productivity by growing high value activity, including existing strengths in life sciences and new opportunities for clean growth



A thriving rural economy

Realising the potential of our rural assets (such as sector strengths in viticulture and tourism) and overcoming barriers to growth through enhanced infrastructure and connectivity



Opportunities for all

Taking an inclusive approach to growth to ensure that all of our communities can benefit from economic success and prosperity



Destination Maidstone town centre

Re-imagining Maidstone's town centre as a vibrant, mixed-use destination with a thriving day and night time economy befitting a modern county town

Priority 1: Open for business

Rationale

Maximising our economic role at the heart of Kent to create a positive and entrepreneurial environment in which businesses can grow and thrive.

Home to more than 7,000 businesses and 168,000 residents, Maidstone already represents a powerhouse for growth and a popular business location. It has a high business start up rate indicating that the Borough plays an important role as an incubator of new businesses and innovation; and those businesses that do start in Maidstone have a strong chance of survival.

However, we know that many of our businesses are suffering significant disruption as a result of Covid-19, with lockdown measures effectively forcing some key industries such as hospitality, recreation and retail to temporarily 'shut down'. The short term focus of our strategy must therefore be on business survival and resilience to help them through this challenging time.

We want to offer a welcoming environment to entrepreneurs by providing the required facilities and floorspace, together with the opportunities to integrate in wider business networks and supply chains and take advantage of the agglomeration economies that already exist in Maidstone to thrive.

Through the Economic Development Strategy, we want to build on the success of The Business Terrace - the Council's Growth Accelerator – by continuing to provide state-of-the-art flexible workspace to business start-ups, but also encourage our existing business base to scale-up and attract new business investment through our role as the Business Capital of Kent.



Enabling Factors

- Provision of business premises and land
- Infrastructure and connectivity
- Skills and talent
- Business networks, support and advice
- Placemaking and business environment

Priority 2:

A diverse and productive economic base

Rationale

Diversifying our economic base and boosting productivity by growing high value activity, including existing strengths in life sciences and new opportunities for clean growth.

Maidstone needs to broaden its economic foundations to not only support business resilience over the short term as the economy recovers from Covid-19, but to also position itself for future growth opportunities over the coming years.

Despite some strong indicators of economic performance, the Borough faces a series of underlying economic weaknesses and challenges to boost workplace productivity in line with regional and national averages, driven in part by strong representation of lower value activities such as hospitality, recreation and social care. Whilst the public sector has traditionally provided a good source of local employment, there is significant scope to diversify the local economy through private sector growth and with it, high quality employment opportunities for our residents.

This is reinforced through the National Industrial Strategy and at sub-regional level by the South East Local Industrial Strategy, with their emphasis upon driving economic productivity, boosting earning power and responding to the global Grand Challenges of ageing society, future of mobility, clean growth and artificial intelligence.

Over the short term, we need to position the Borough to realise distinctive sector growth and innovation opportunities associated with med-tech (by maximising economic impact from the Maidstone Innovation Centre) and emerging productivity opportunities presented by the green recovery agenda, by upskilling our workforce, facilitating knowledge-sharing/business clustering and leveraging benefits for all parts of the economy.



Enabling Factors

- Provision of high quality ‘innovation space’
- Skills brokerage and training opportunities
- Facilitating business networks and clusters
- Provision of land for inward investment

Priority 3:

A thriving rural economy

Rationale

Realising the potential of our rural assets (such as sector strengths in viticulture and tourism) and overcoming barriers to growth through enhanced infrastructure and connectivity.

Maidstone accommodates a successful rural economy that provides a vital source of employment for many of the Borough's residents and is home to a network of smaller towns and villages that are important commercial centres in their own right.

It is already home to a vibrant mix of industries including manufacturing, agriculture and tourism and an unrivalled portfolio of heritage and visitor assets. Whilst many of our rural businesses have successfully diversified their economic offer over recent years, others offer significant potential for further growth and development over the coming years, in turn helping to diversify the Borough's economic base and boost local productivity.

Particular growth opportunities have been identified around the Borough's burgeoning viticulture industry – which represents one of the UK's fastest growing agri sectors - and related potential to drive up the economic value and contribution made by the Borough's rural tourism sector.

We also know that rural parts of the Borough face particular challenges and barriers to growth and prosperity, so our strategy focuses on enhanced infrastructure provision and connectivity to unlock these opportunities and enable a thriving rural economy.



Enabling Factors

- Infrastructure, transport and connectivity
- Provision of start-up and grow-on business space
- Supportive local planning policy for rural diversification
- Sector clusters and support networks
- Place promotion and targeted campaigns

Priority 4: Opportunities for all

Rationale

Taking an inclusive approach to growth to ensure that all of our communities can benefit from economic success and prosperity.

Inclusive growth lies at the heart of the Council's corporate agenda, and is reflected within this Economic Development Strategy through an overarching emphasis on economic opportunity for all; a Borough where everyone can realise their potential.

Whilst the Borough ranks within the least 50% deprived local authorities in England in terms of deprivation, some entrenched pockets of deprivation persist within the urban areas of Maidstone town, with key segments of the Borough's population particularly vulnerable to the ongoing economic effects of Covid-19 such as unemployment and reduced earnings. Issues of social mobility are also prevalent amongst some groups of the local population (such as young people and adults) and this acts as a constraint to economic growth that this strategy seeks to address.

The Borough has seen little change in socio-economic inequality over recent years, indicating that an alternative approach is now needed to tackle often deep seated, inter-generational challenges and better connect the opportunities associated with a growing economy to our communities.



Enabling Factors

- Targeted employability and skills support
- Digital infrastructure and connectivity
- School careers programmes
- Job brokerage

Priority 5:

Destination Maidstone town centre

Rationale

Re-imagining Maidstone's town centre as a vibrant, mixed-use destination with a thriving day and night time economy befitting a modern county town.

Like many other parts of the country, Maidstone's town centre has undergone unprecedented change over recent years in response to major structural shifts in the wider retail, leisure and office markets; a process that has been rapidly accelerated by Covid-19. Yet it remains an important economic centre, the Borough's largest employment location and a significant focus for future investment.

To remain relevant and well-loved by the communities it serves, the town centre is in need of rejuvenation, future oriented thinking and support to respond to evolving consumer habits and emerging opportunities to repurpose the built environment. In particular, it will need to diversify its existing offer to include a broader range of leisure, 'experienced-focused' and evening economy uses, commensurate with its county town role and status. The portfolio of Opportunity Areas provide significant spatial capacity in this regard, supported by a forthcoming Area Action Plan and ambitious town centre regeneration strategy.

The scale of the town centre's existing economic contribution and catalytic potential makes it's renaissance a critical underpinning component of the Borough's updated Economic Development Strategy, given the opportunities it provides to facilitate business growth, innovation and a more diversified, inclusive economic base.



Enabling Factors

- Proactive planning policy (inc. forthcoming town centre AAP)
- Placemaking and public realm
- Provision of start-up and grow-on business space
- Connectivity and accessibility



Next steps

Feedback from the September Economic Regeneration and Leisure Committee will be used to refine the draft economic vision and supporting strategic objectives. A series of enabling actions will then be defined to help realise the vision over the first 5 years of the strategy period.

Further 1-2-1 consultation on the Economic Development Strategy update is currently ongoing with a number of key strategic stakeholders including Kent County Council, Thames Gateway Kent Partnership, Locate in Kent, the South East Local Enterprise Partnership and Mid Kent College. This will be used to test the strategy's emerging vision, priorities and strategic alignment.

A full draft Economic Development Strategy will be prepared by early October for presentation at the October Economic Regeneration and Leisure Committee.

This will be followed by an 8-week period of public consultation on the draft strategy, and finalisation of the strategy by January 2021.

