

MAIDSTONE BOROUGH COUNCIL

**ECONOMIC AND COMMERCIAL DEVELOPMENT OVERVIEW &
SCRUTINY COMMITTEE**

**MINUTES OF THE MEETING HELD ON TUESDAY 24 SEPTEMBER
2013**

Present: Councillor Barned (Chairman), and
Councillors Cox, Cuming, Hogg, Newton, Mrs Stockell
and Mrs Wilson

23. THE COMMITTEE TO CONSIDER WHETHER ALL ITEMS ON THE AGENDA SHOULD BE WEB-CAST

RESOLVED: That all items be webcast.

24. APOLOGIES

Apologies were received from Councillors Paterson, Naghi and Ash.

25. NOTIFICATION OF SUBSTITUTE MEMBERS

Councillor Wilson was substituting for Councillor Paterson.

26. NOTIFICATION OF VISITING MEMBERS

There were no visiting members.

27. DISCLOSURES BY MEMBERS AND OFFICERS

There were no disclosures.

28. TO CONSIDER WHETHER ANY ITEMS SHOULD BE TAKEN IN PRIVATE BECAUSE OF THE POSSIBLE DISCLOSURE OF EXEMPT INFORMATION.

It was agreed that all items be taken in public as proposed.

29. MINUTES OF THE MEETING HELD ON 27 AUGUST 2013

RESOLVED: That the minutes of the meeting held on 27 August be agreed as a correct record and duly signed.

30. PRESENTATION ON STATE OF MAIDSTONES ECONOMY

The Chairman welcomed John Foster, Economic Development & Regeneration Manager to the meeting. Mr Foster gave the Committee a presentation (Appendix A) that focused on the current state of Maidstone's economy the main points of which were:

- More people commute into the borough for work than out.

- The wage gap between workplace earning and resident earning had narrowed.
- Indicators showed that there were more people claiming out of work benefits but unemployment rate for the last two years had been fairly static.
- Maidstone was out performing the other Kent districts in terms of gross value added.
- 20% of all people in Maidstone have no qualifications.

The Committee noticed that overall the number of business had seen little variation over the last five years but that the number of employees had declined. One Member suggested that this could be just businesses being more efficient however Mr Foster stated that if this had been the case then productivity would have risen within the period, which it had not.

The Committee commented that the lack more recent data was not helpful. Mr Foster clarified that although the national statistics were generally released a year in arrears he also received qualitative data from surveys and feedback from various groups such as the Chamber of Commerce and the Local Strategic Partnership (LSP).

The Committee asked if there was a mismatch between jobs and skills levels and queried the type of jobs that people were coming into Maidstone for. Mr Foster clarified the majority of people coming into the borough for work came from the Medway towns for low paid and low skills jobs.

Maidstone's approach to economic development was queried by the committee. They asked if the Council should be promoting a specialism or if there was a gap in the market the borough could fill. They were told that Maidstone has a mixed economy with no clusters of specific industries, it was explained that this was positive, as it meant that Maidstone was able to cope well with economic change. Mr Foster added that the building of the Kent Institute of Medicine and Surgery provided an opportunity for Maidstone to develop a specialism around medicine and healthcare.

A member asked about public sector reliance in Maidstone and the Committee was surprised to hear that since the economic downturn the public sector had continued to grow however Mr Foster stated that it was expected that there was going to be 2000 job losses in the public sector between now and 2015.

The committee thanked Mr Foster for his presentation.

RESOLVED: That the presentation be noted.

31. UPDATE ON THE ECONOMIC DEVELOPMENT & REGENERATION STRATEGY

The Chairman welcomed John Foster, Economic Development & Regeneration Manager to the meeting.

Mr Foster informed the committee that the work for the Regeneration & Economic Development Strategy had been commissioned, in tandem with the local plan, last year with the intention that both plans would be aligned. However, since then the local plan had been delayed and at present the plans do not align. Mr Foster explained to the committee that although the current plan was on hold until both documents could come together he was still pursuing other actions around economic development which were not dependant on employment land allocation.

The Committee heard that the economic development team was working in partnership with Kent County Council (KCC) on a regional growth which was expected to be a launched in November and that there was other partnership and collaborate initiative taking place including providing more business support services, new signage for the town centre and restructuring the team.

The Committee asked about how co-operation with neighbouring authorities, which was an issue for the local plan, was being addressed. Mr Foster responded that his main concern was the allocation of land for employment purposes.

The Committee was assured that they would be consulted on any draft strategy and thanked Mr Foster for his update.

RESOLVED: That the update be noted.

32. MAIDSTONE ENTERPRISE HUB

The Committee welcomed John Foster Regeneration & Economic Development Manager to the meeting.

Mr Foster explained to the Committee that the aim of the project was to provide an affordable and flexible business environment for small businesses, the self-employed and starter businesses with business support and advice available. The starting brief asked him to look at the cost of delivery against potential return on investment. Following a question from the committee Mr Foster told the committee that he had draft projections which had been assessed by a national expert and local industry leaders who had agreed the validity of the projections however Mr Foster emphasised that there was more work to be done.

The Committee queried the funding of the project and its long term sustainability. Mr Foster responded that he had undertaken visits to see similar hubs also managed by local authorities and that a bid had been made to Kent County Council and one was to be made to heritage Lottery Fund (HLD) who had a new grant fund to incentivise bringing disused heritage buildings back into use for business purposes.

The Committee was positive about the project overall and stated that it was a good idea and good use of an old building. They noted that the Cabinet Member was due to make a decision on the funding of the project

in October and asked for an update report once funding was secured and work had begun.

The Committee thanked Mr Foster for his update.

33. PROGRESS ON EMPLOYABILITY & WORKLESSNESS PROJECTS

The Committee welcomed Ellie Kershaw, Maidstone Families Matter Programme Manager and Jennifer Sibley, Employability & Skills Project Officer to the meeting.

Miss Sibley informed the Committee that the Council had been proactive in offering work experience placements to people not in employment, education or training (NEETs) and that from 24 individual work placements 13 people young people had since found employment. The Committee also heard that the Council had a mentoring scheme providing regular support including CV advice and practice interviews. From which six people had gone on to find employment.

The Committee asked what was the most common barriers to work cited by people. Miss Sibley responded that work experience, transport and childcare were the biggest barriers to employment. In response to another question the Committee heard that the officer was visiting local businesses to generate interest in both schemes and that the work experience placements at the Council lasted for two weeks.

The Committee was informed that there was a training programme to support businesses and individuals volunteering to be mentors or provide work experience placement and Miss Sibley asked if any of them had any interest in becoming a mentor or were able to offer work experience placements to contact her directly for more information.

Miss Sibley told the Committee there are lots of government initiatives available but that business may not have time to keep up to date with new initiatives. She explained that part of her role was working with businesses to help identify their needs.

The Committee commended Miss Sibley for all her hard work, thanked for the update and requested another update at the end of the financial year.

RESOLVED: That the Officer be invited to the Committee's March meeting to provide an update.

34. FUTURE WORK PROGRAMME

The Committee considered the list of forthcoming decisions and their future work programme. It was noted that they were due to interview Cllr Greer in relation to his plans for Visitor Information. The Committee considered that it would be prudent to also invite Cllr Moss to the October's meeting to discuss the lease for the Town Hall Foyer as this also had a role to play in providing visitor information. The Committee agreed

a small task and finish panel to meet prior to October's meeting to scope the committees review topic – events.

RESOLVED:

- a) The future work programme be noted; and
- b) Cllr Moss be invited to the committees October's meeting.

35. DURATION OF THE MEETING

18:30 to 20:35



**MAIDSTONE BOROUGH ECONOMIC
INDICATORS**

Data values - actual indicator values for the selected area

Maidstone, Kent	2009	2010	2011	2012	2013
% 16-64 claiming out of work benefits	7.1	8.4	8.9	8.6	8.7
Unemployment Rate (%)	1.2	2.5	2.4	2.5	2.5
Median Gross Weekly Workplace Earnings (£)	454.9	445.2	474.3	461.9	480.6
Median Gross Weekly Resident Earnings (£)	508.7	521.6	558.4	535.3	543.0
Employment Rate (%)	70.5	75.8	81.0	83.6	76.8
Total Employees	74,700	70,900	68,800	69,400	68,400
Stock of businesses	6,715	6,735	6,770	6,600	6,685
3-year Business Survival Rate (%)	68.0	64.0	67.0	62.4	62.4
GVA per Head (£)	21,108	22,168	21,356	20,803	20,757
% Employees in the Knowledge Economy	13.2	12.8	12.9	13.6	13.4
% NVQ4+	27.9	31.4	34.3	37.2	30.8

Sign In

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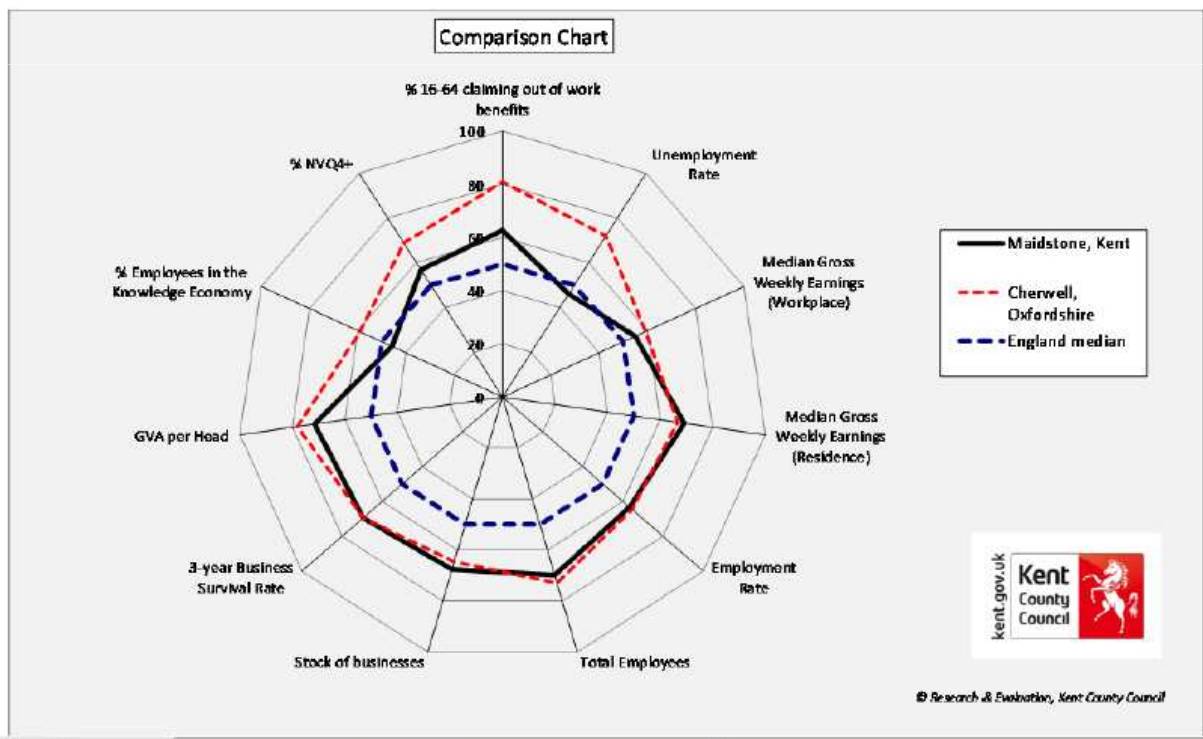
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OVERVIEW

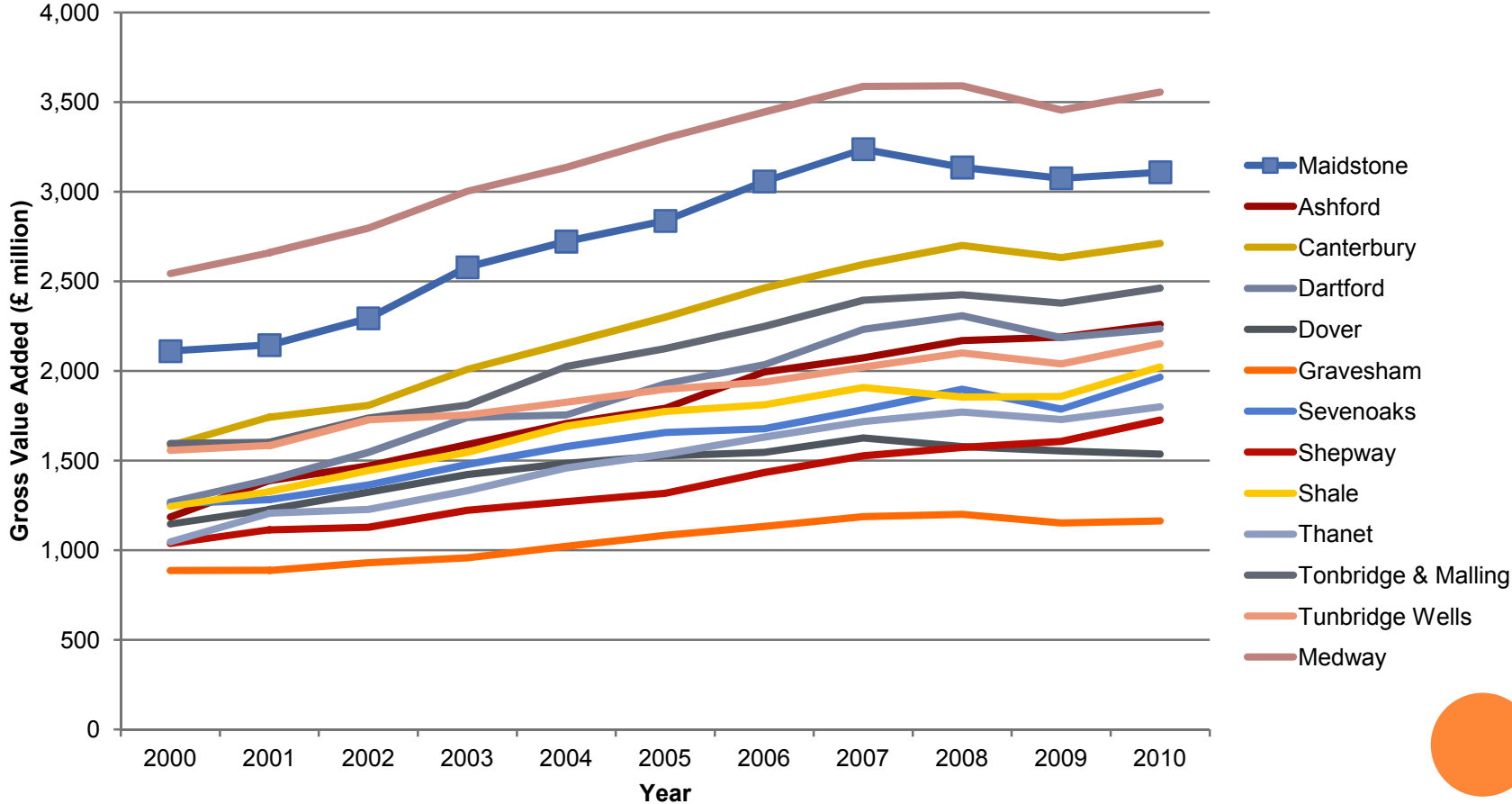
Indicators for Maidstone Borough can be divided into the following sections:

- ☞ Productivity
- ☞ Business Demography
 - Including Business Survival Rates
- ☞ Employment and Unemployment
- ☞ Labour Force Characteristics



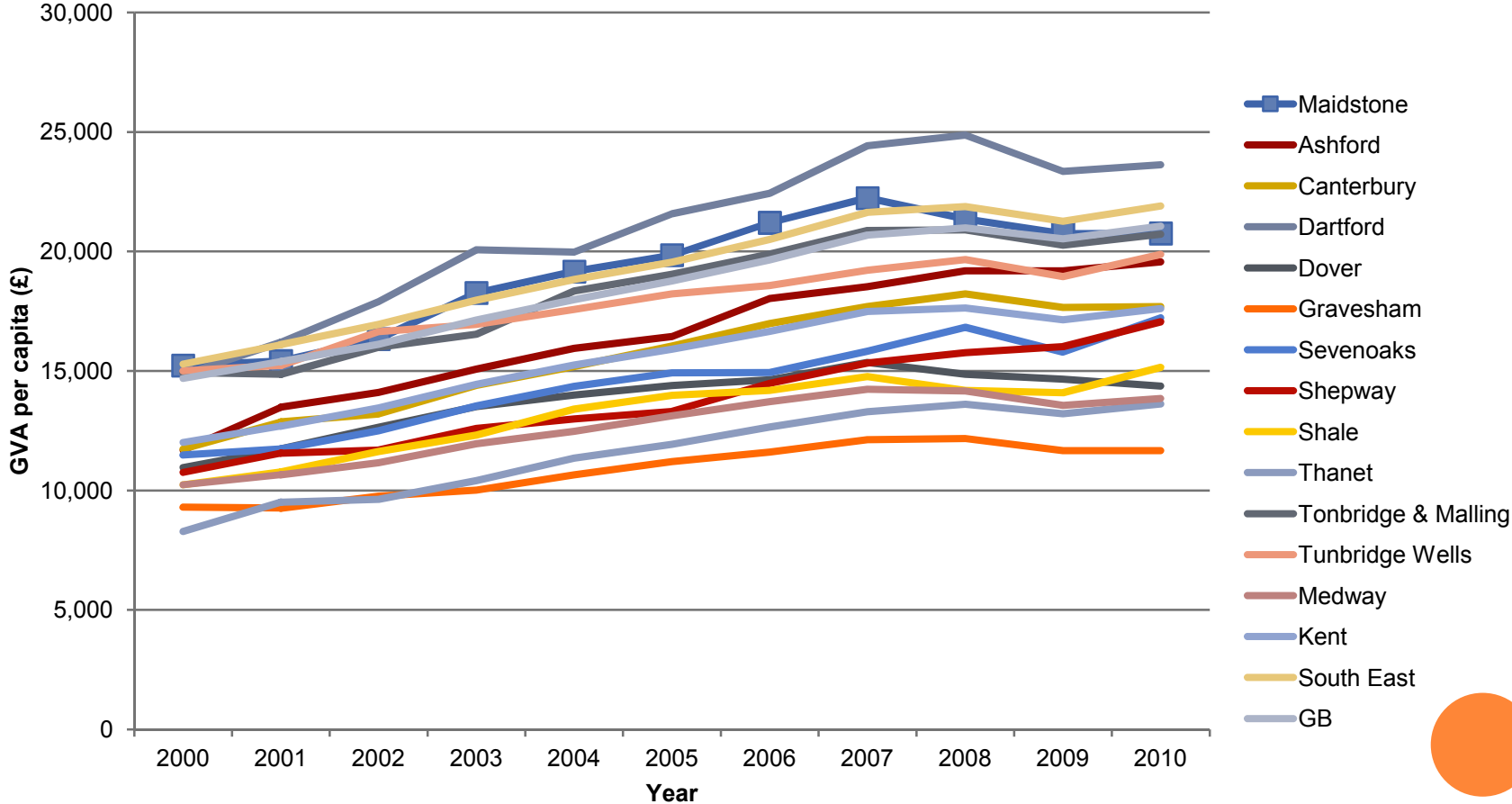
PRODUCTIVITY

Gross Value Added



PRODUCTIVITY

Gross Value Added per capita

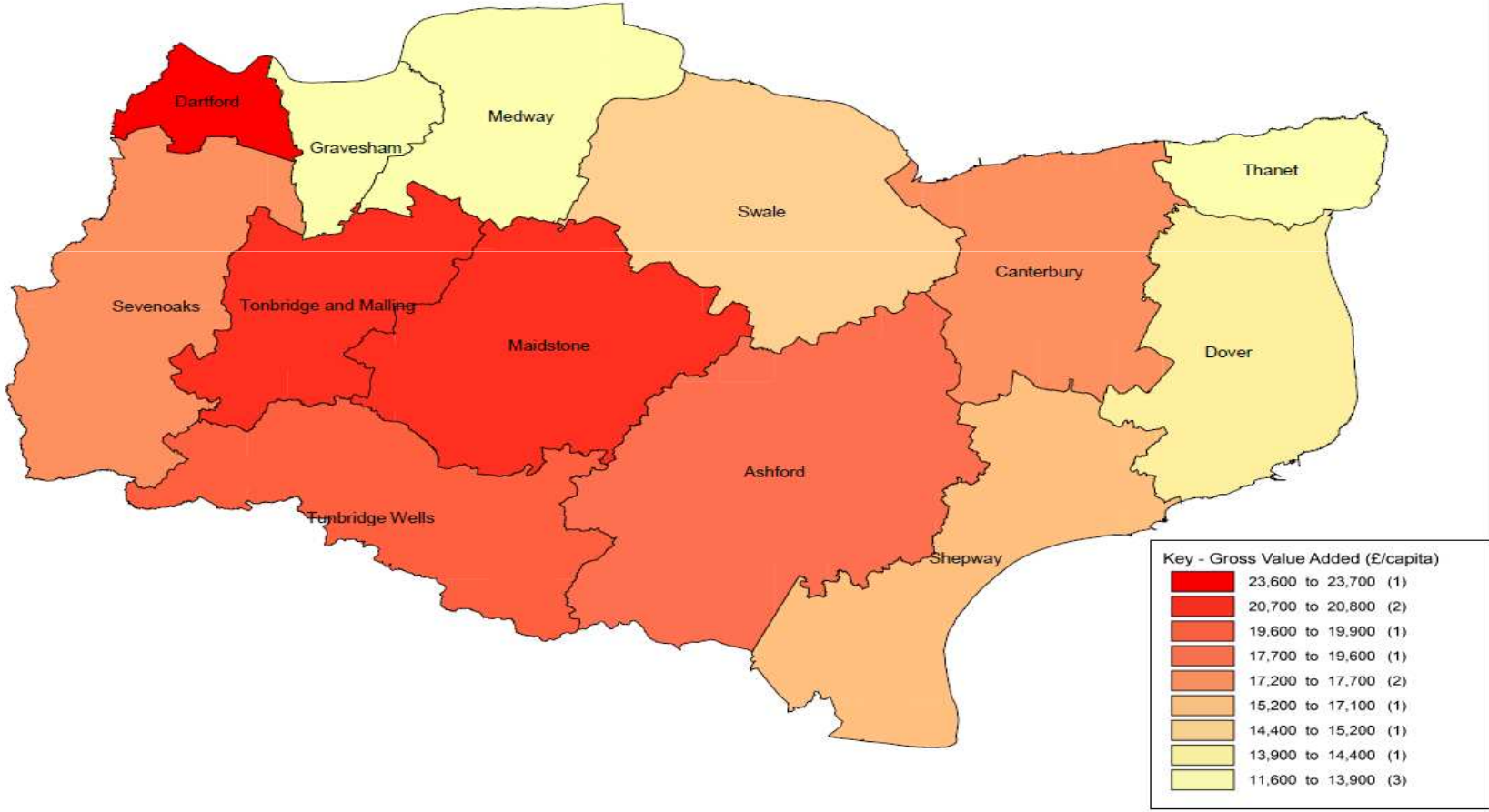


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PRODUCTIVITY

Gross Value Added per capita 2010



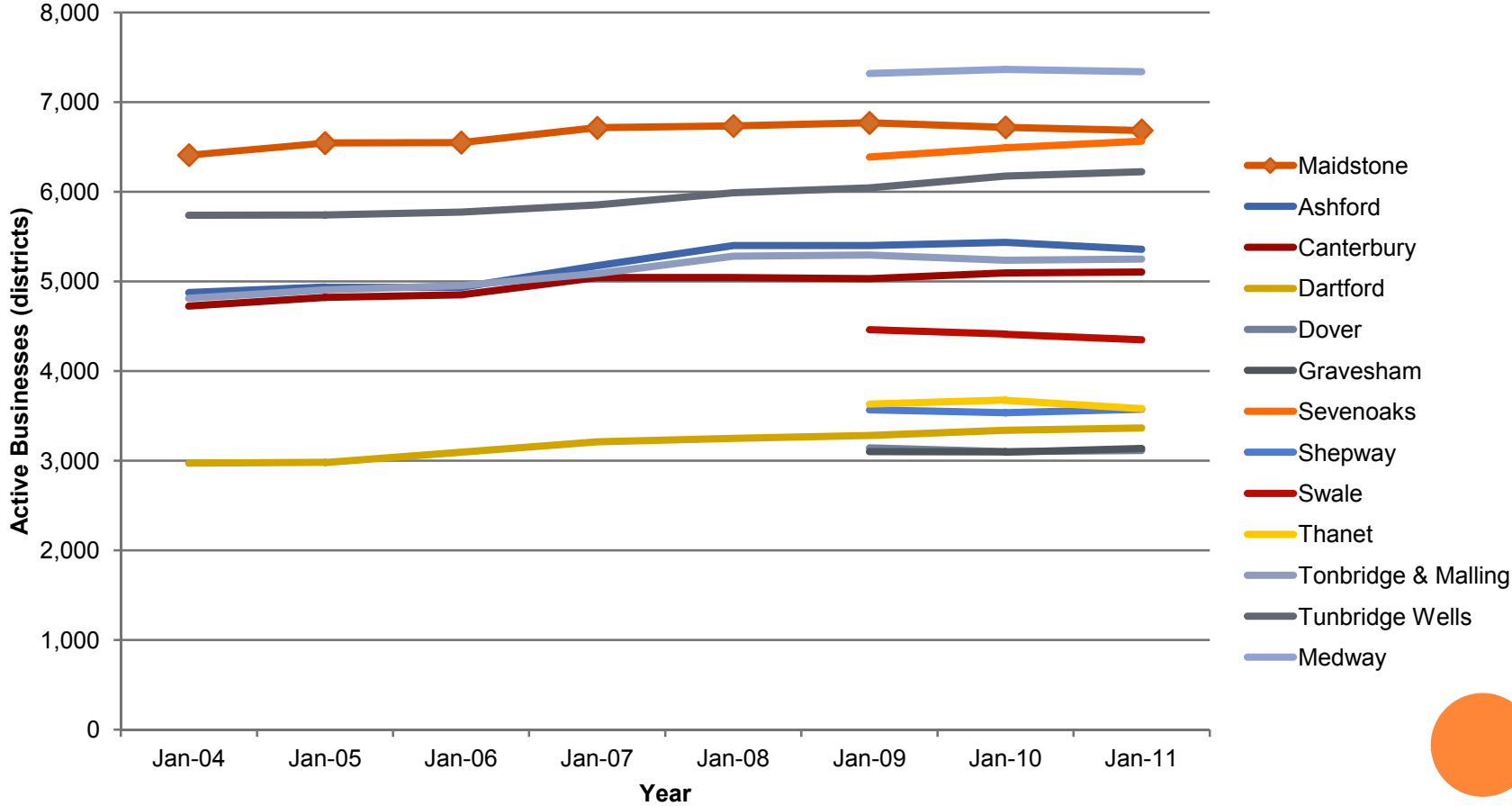
BUSINESS DEMOGRAPHY

- ✧ Looking at the life-cycle of Maidstone Borough businesses:
 - Population size
 - Births
 - Deaths
 - Survival Rates



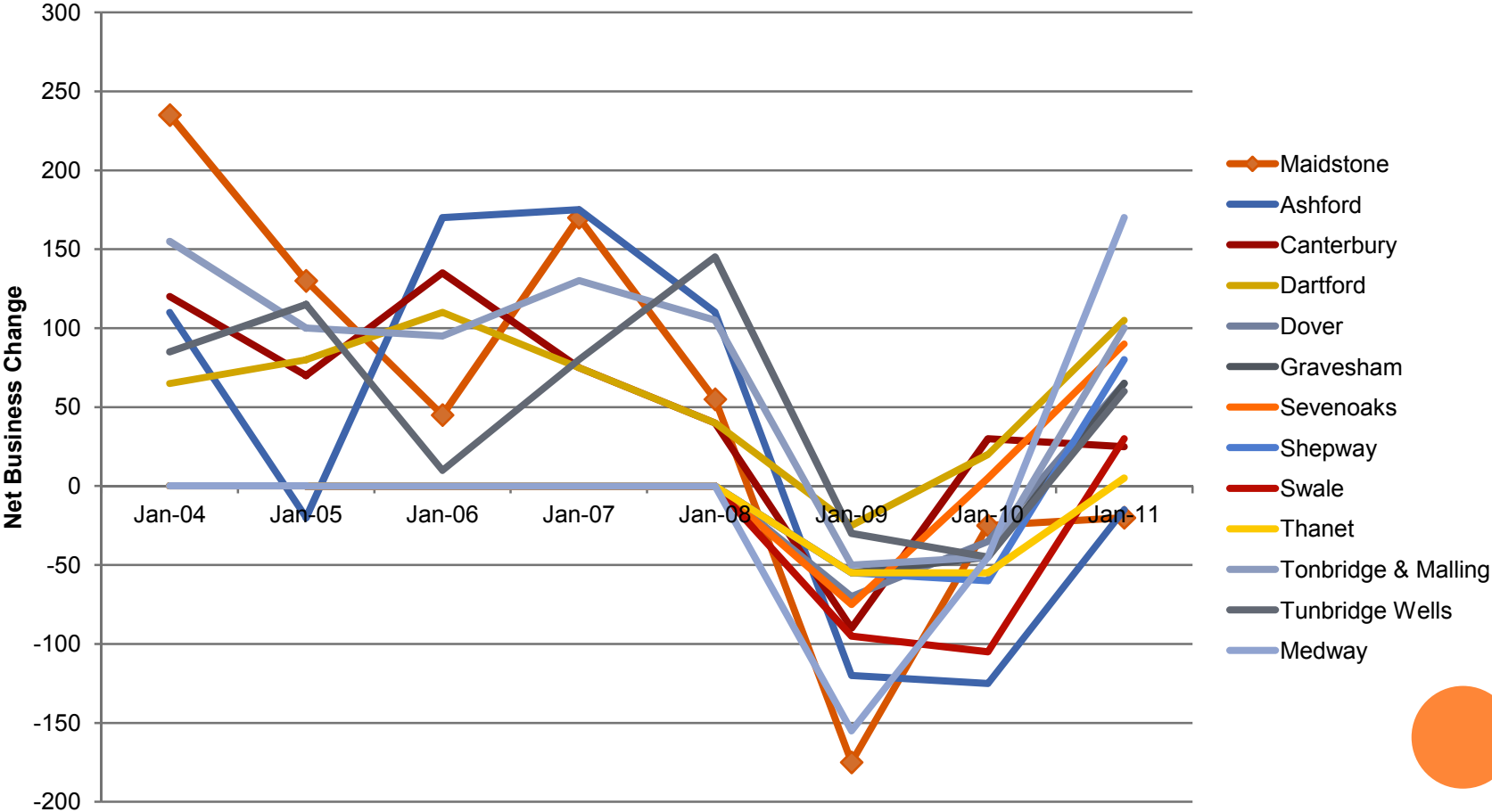
BUSINESS DEMOGRAPHY – POPULATION SIZE

Businesses Active



BUSINESS DEMOGRAPHY – POPULATION SIZE

Net Change in Business Population



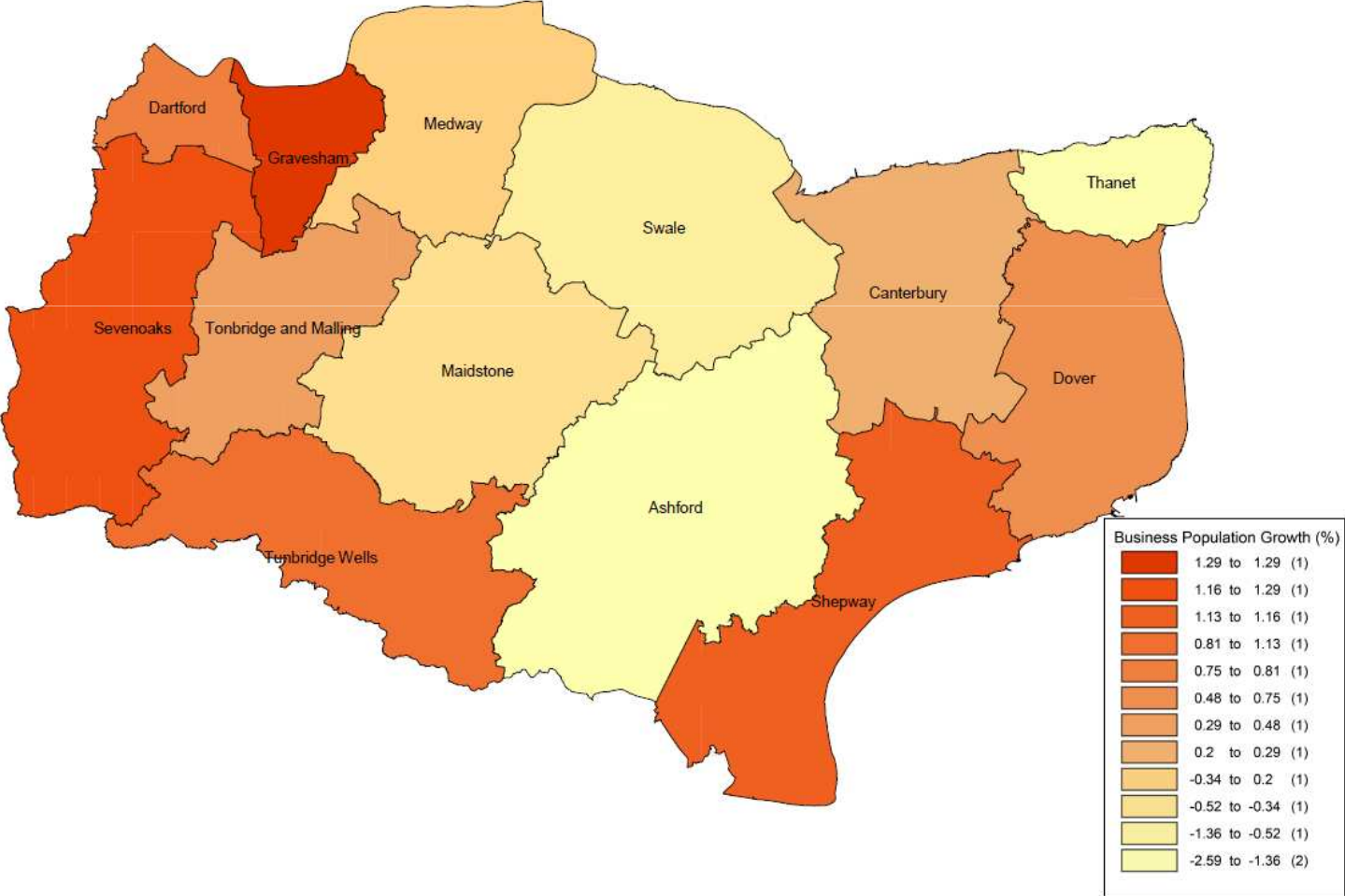
BUSINESS SURVIVAL RATES

Net Change in Business Population - Maidstone



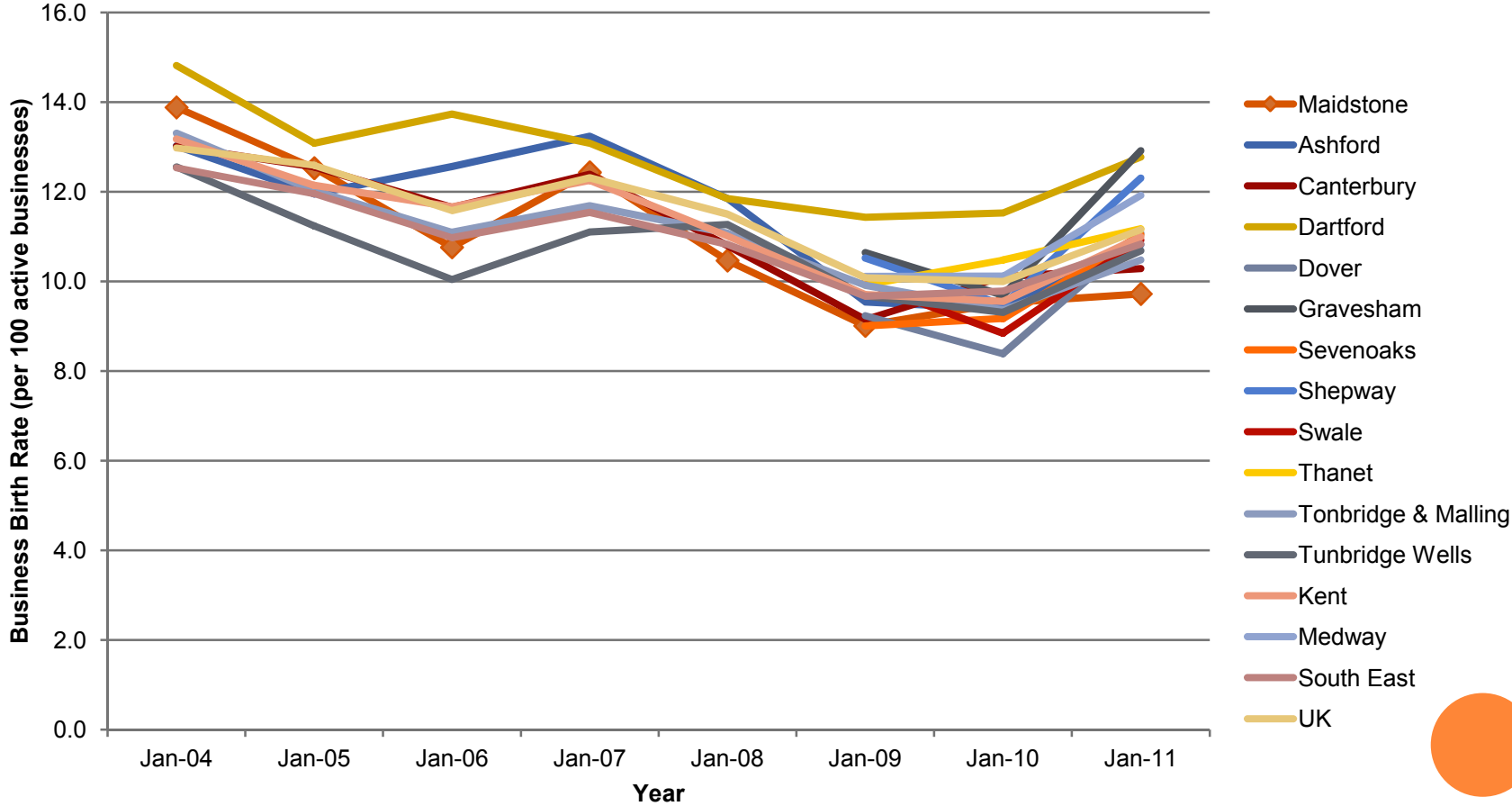
BUSINESS DEMOGRAPHY – POPULATION SIZE

Business Population Growth (%) 2010



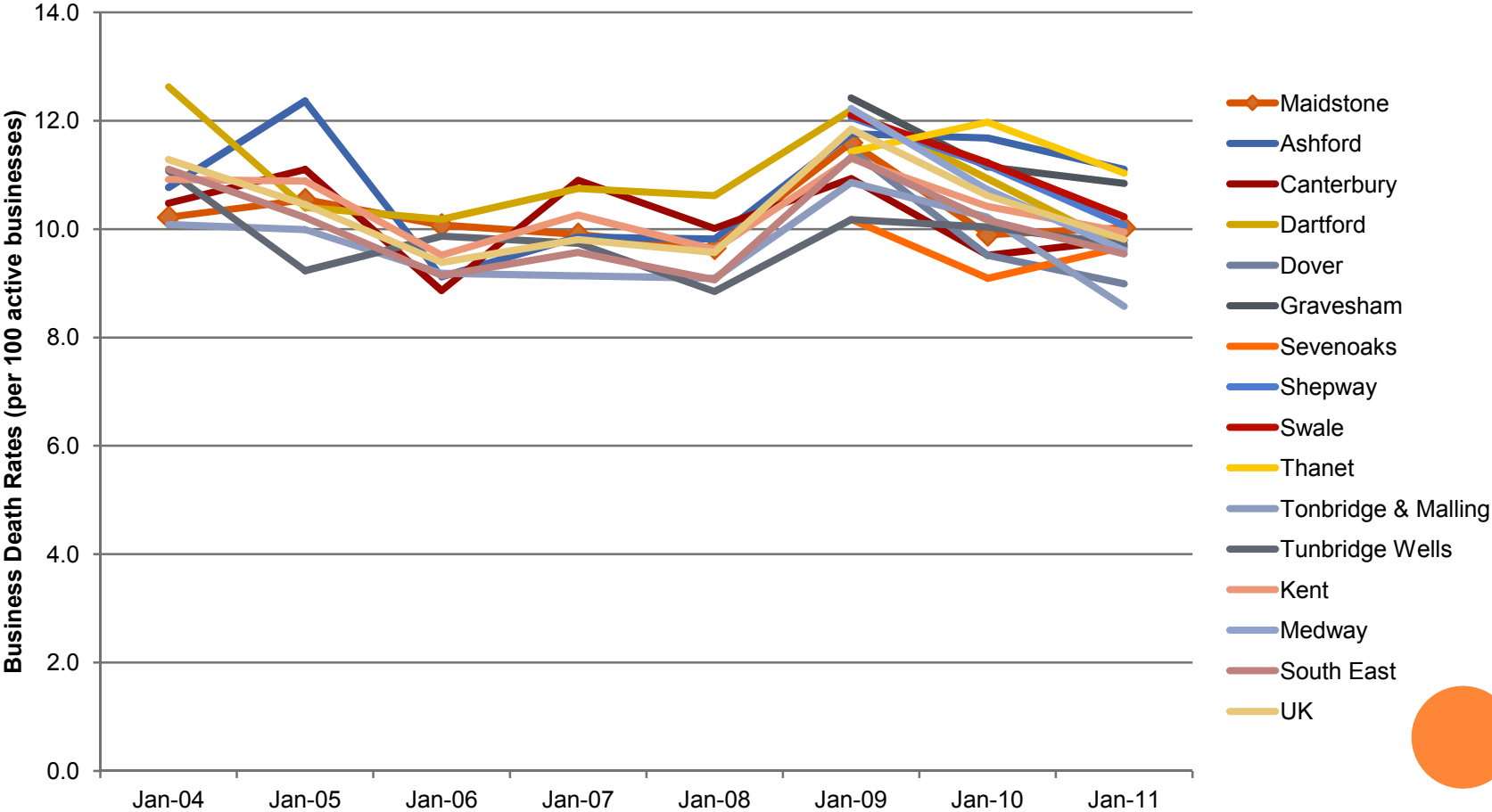
BUSINESS DEMOGRAPHY - BIRTHS

Business Birth Rate



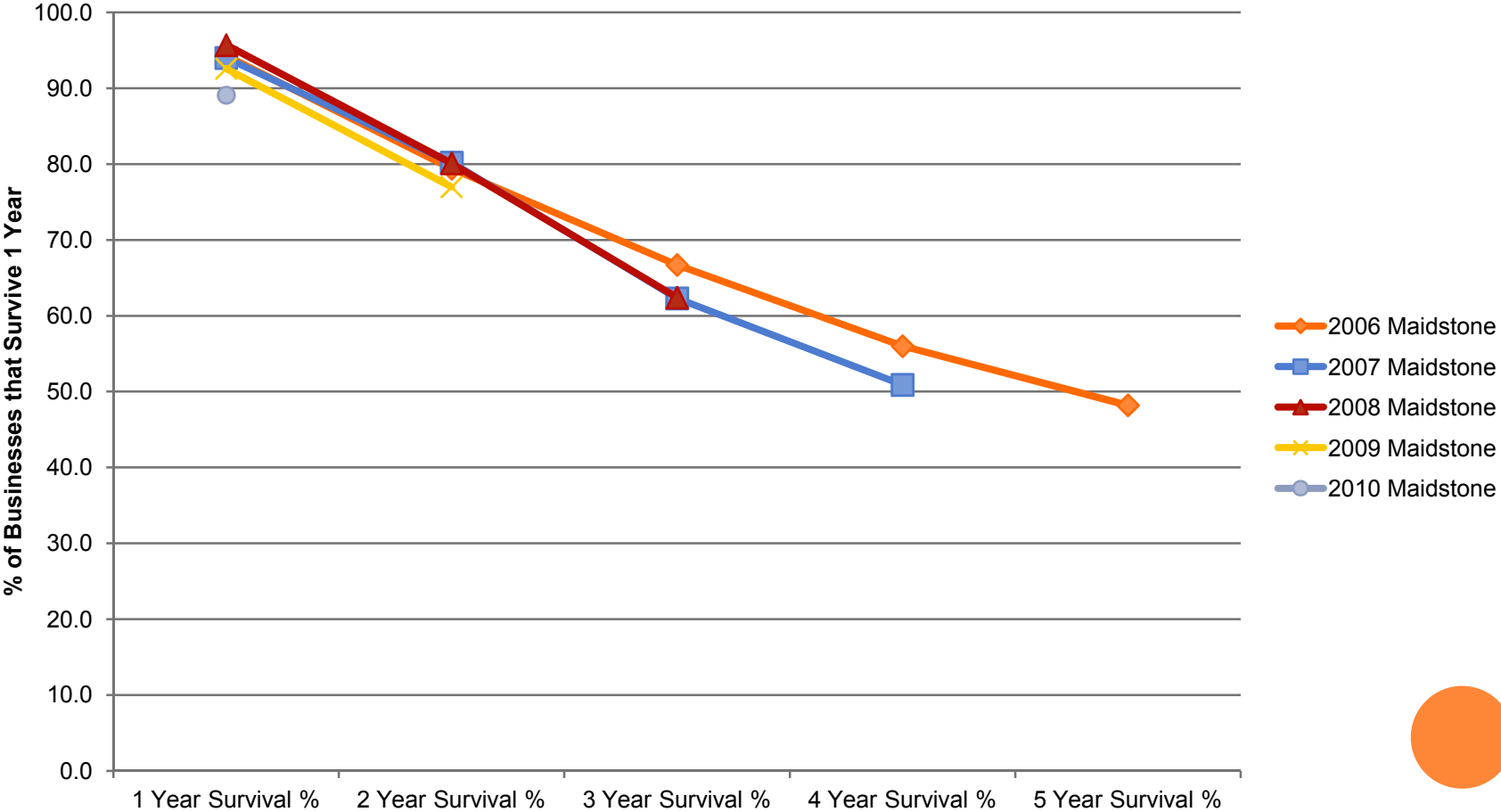
BUSINESS DEMOGRAPHY - DEATHS

Business Death Rates



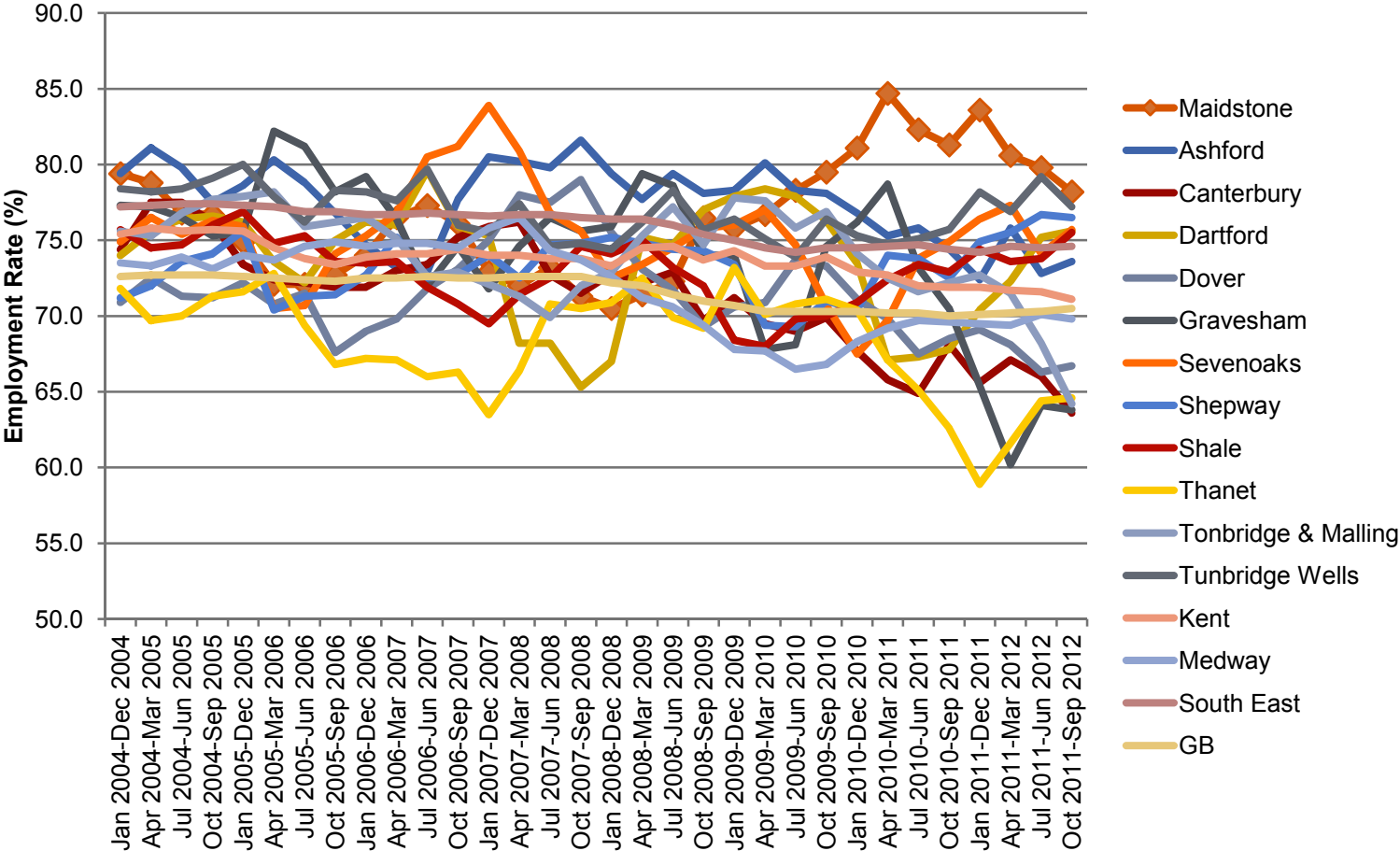
BUSINESS DEMOGRAPHY – SURVIVAL RATES

Maidstone Business Survival Rates



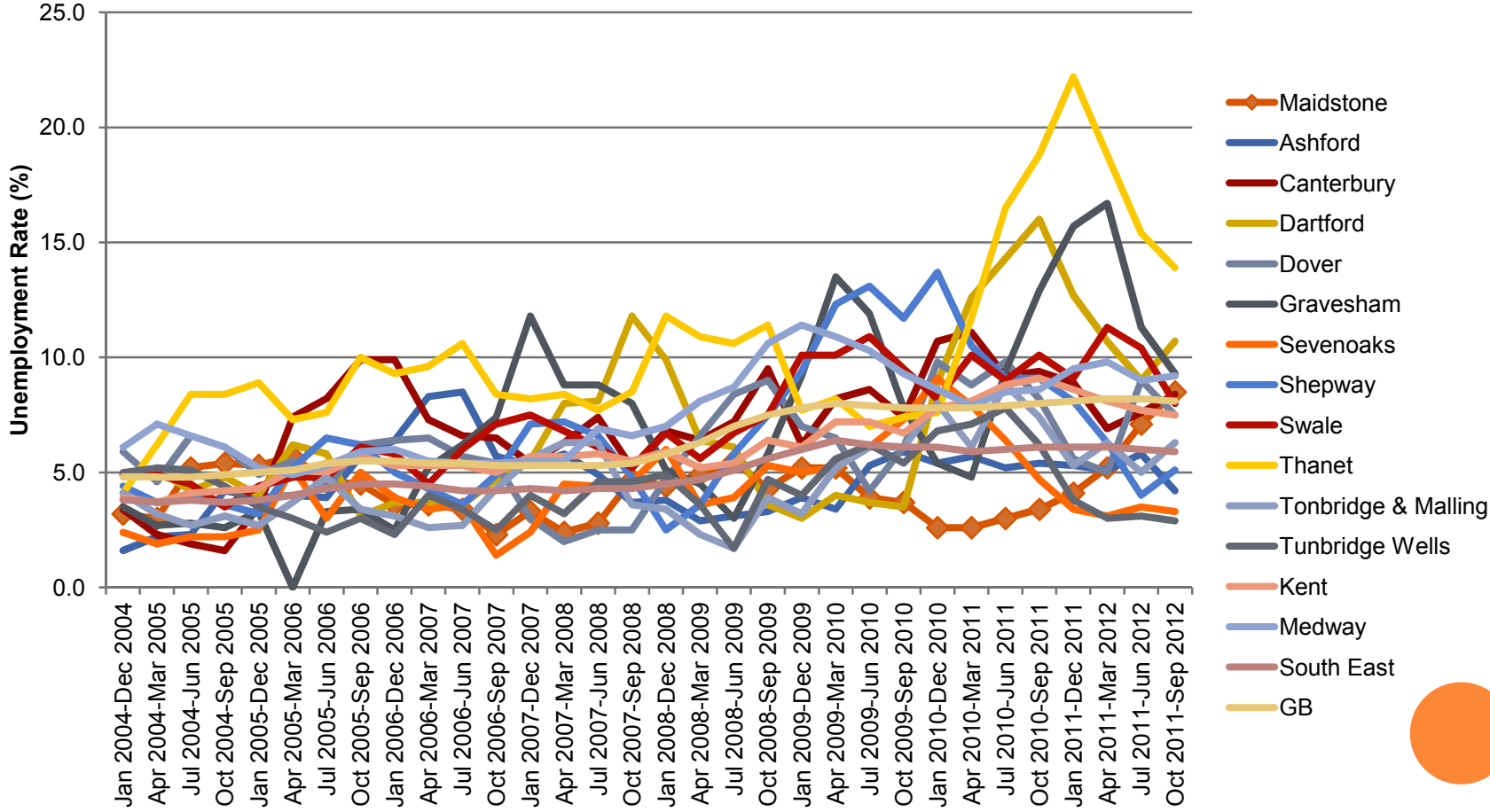
EMPLOYMENT AND UNEMPLOYMENT – EMPLOYMENT RATE

Employment Rate (Quarterly Moving Annual Average)



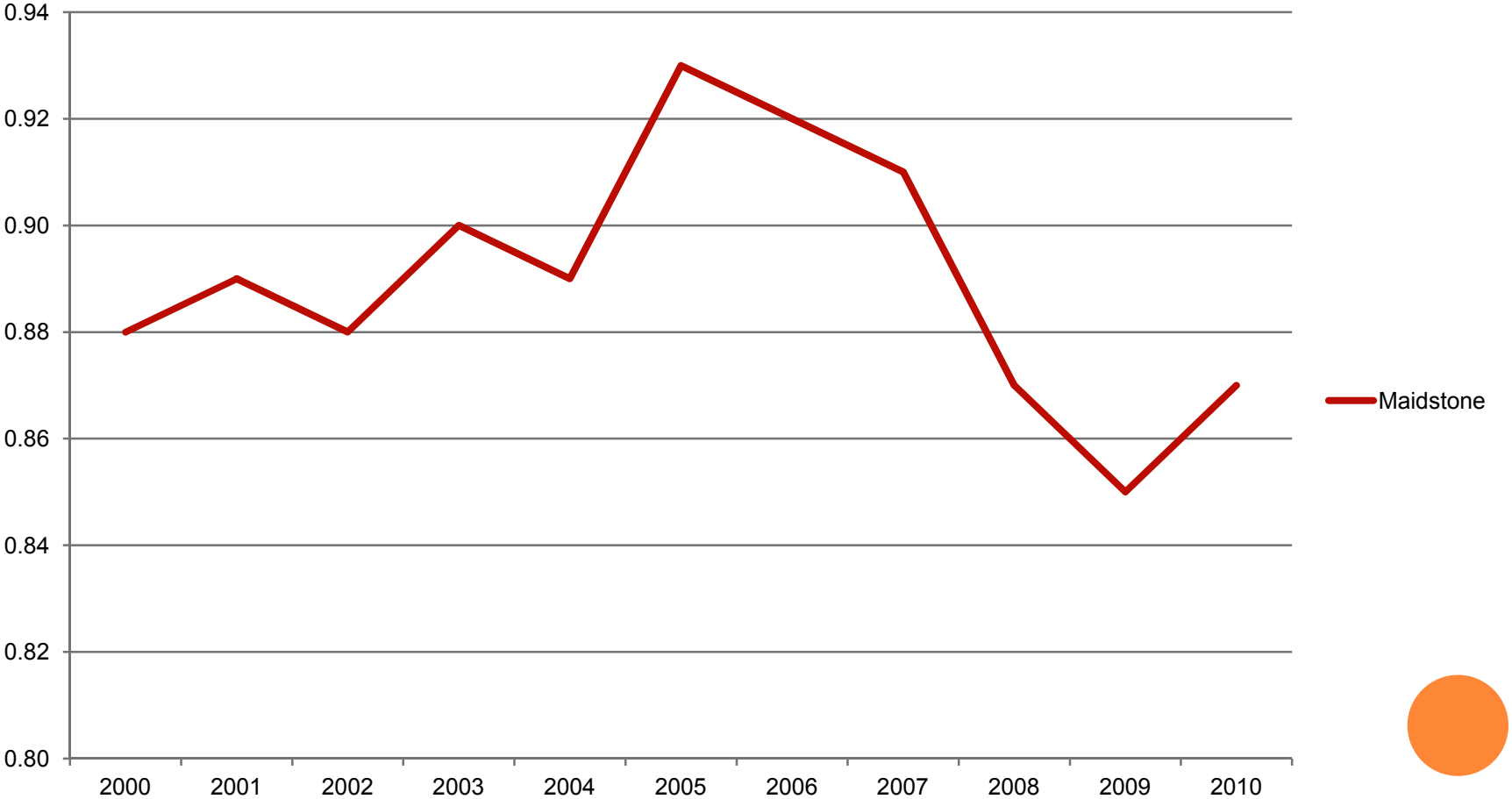
EMPLOYMENT AND UNEMPLOYMENT – UNEMPLOYMENT RATE

Unemployment Rate (Quarterly Moving Annual Average)



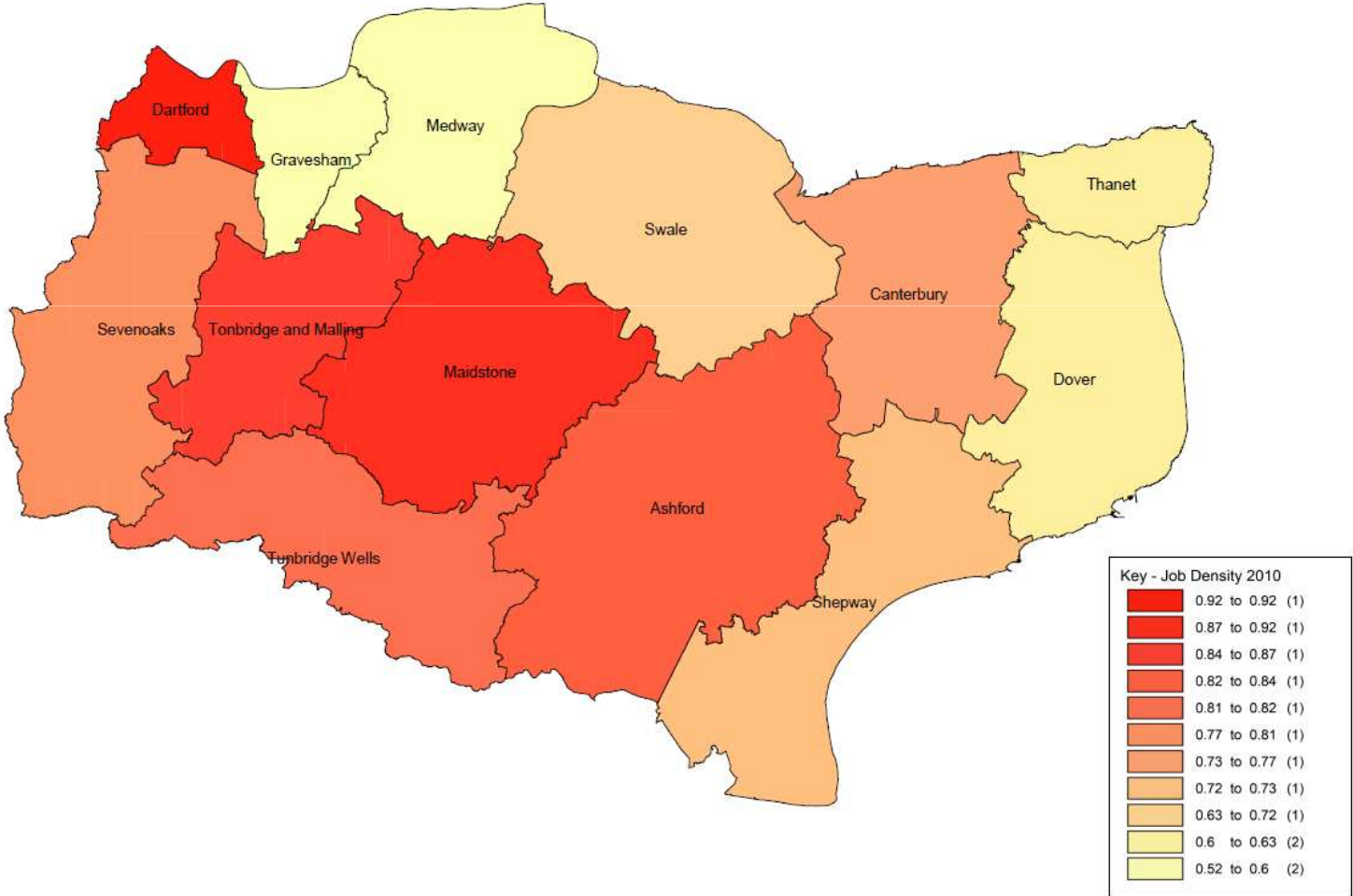
EMPLOYMENT AND UNEMPLOYMENT – JOB DENSITY

Job Density



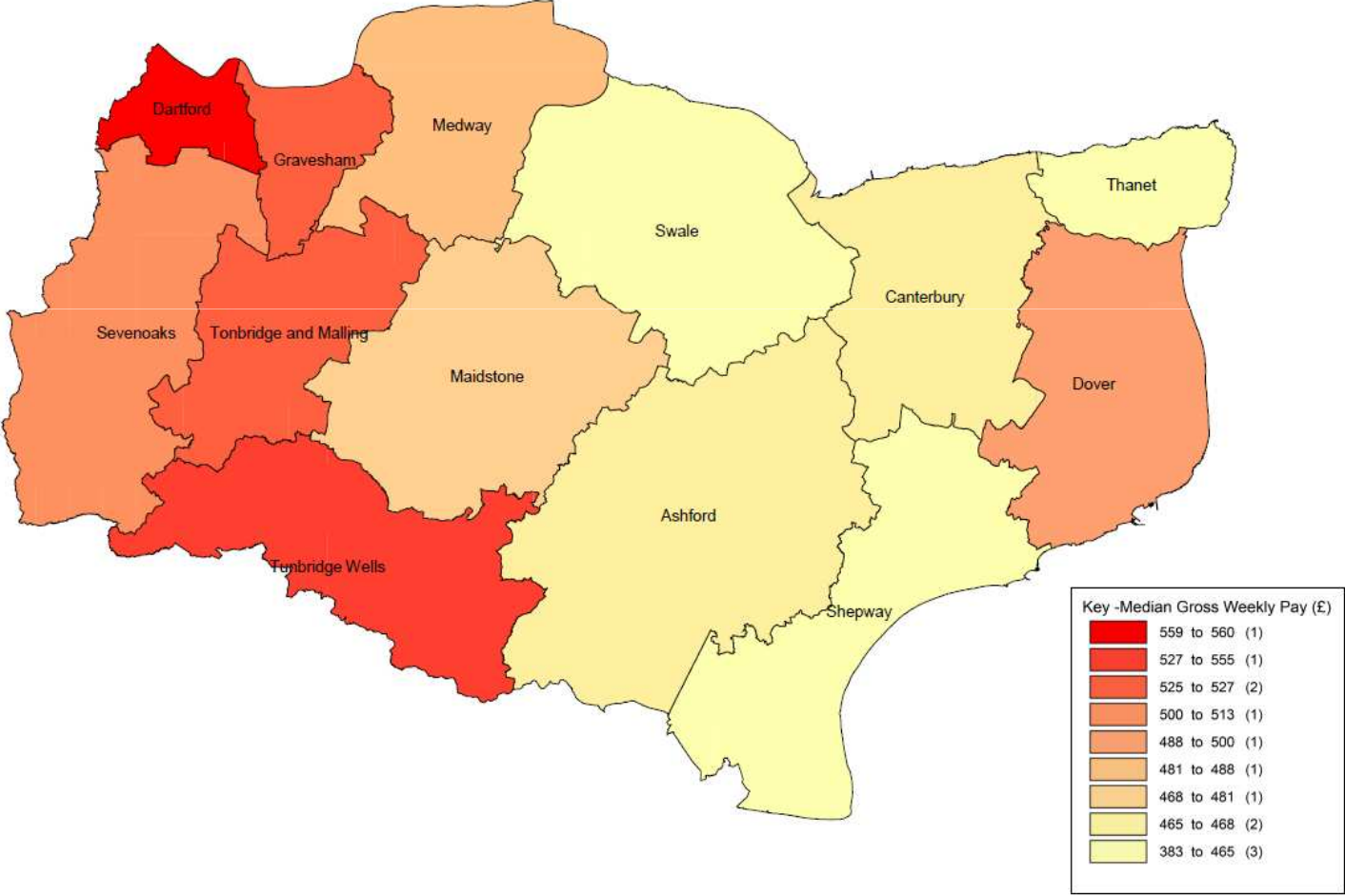
JOB DENSITY

Job Density 2010



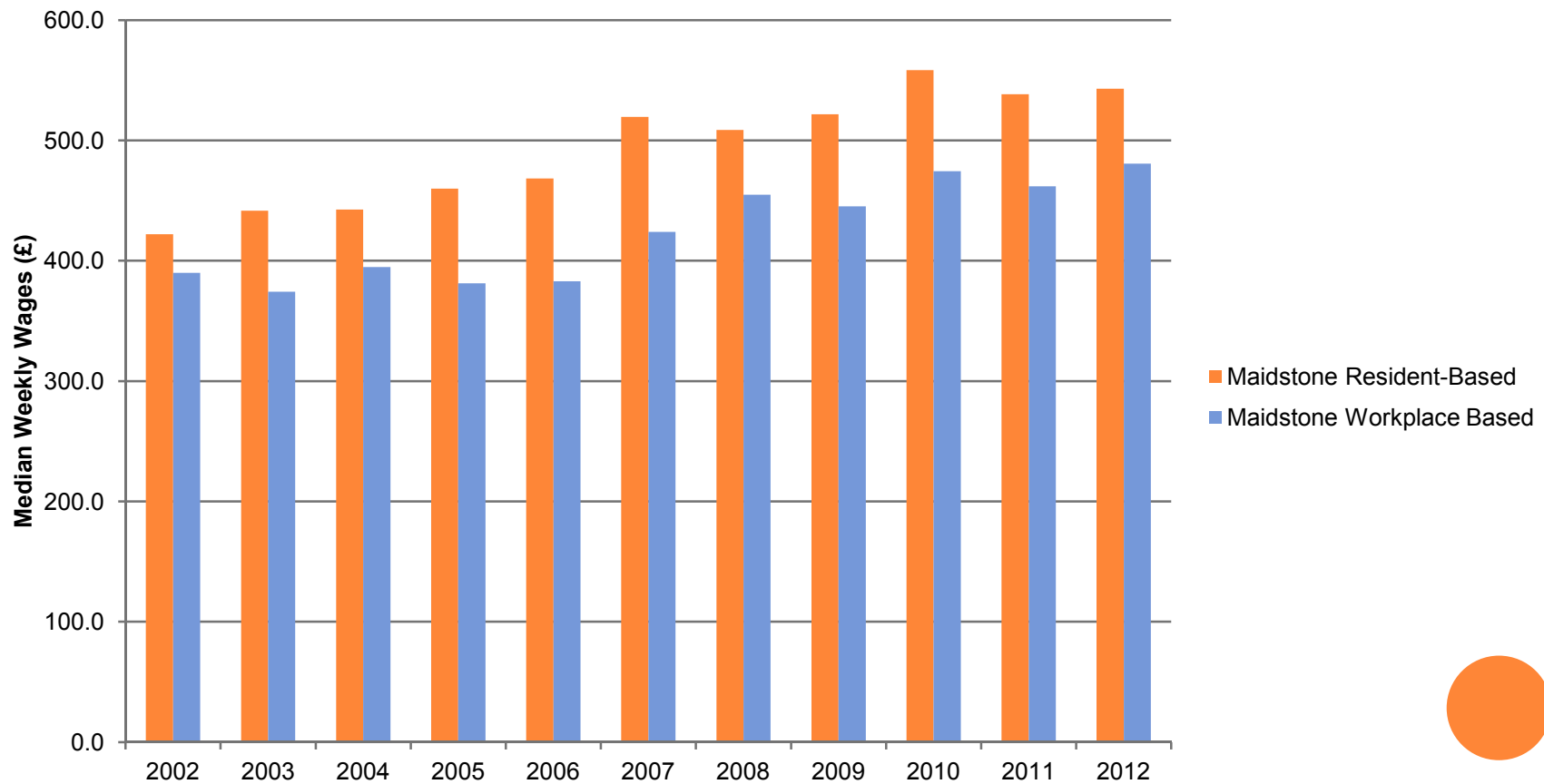
LABOUR FORCE CHARACTERISTICS – GROSS WEEKLY PAY

Median Gross Weekly Pay (£) (workplace-based)



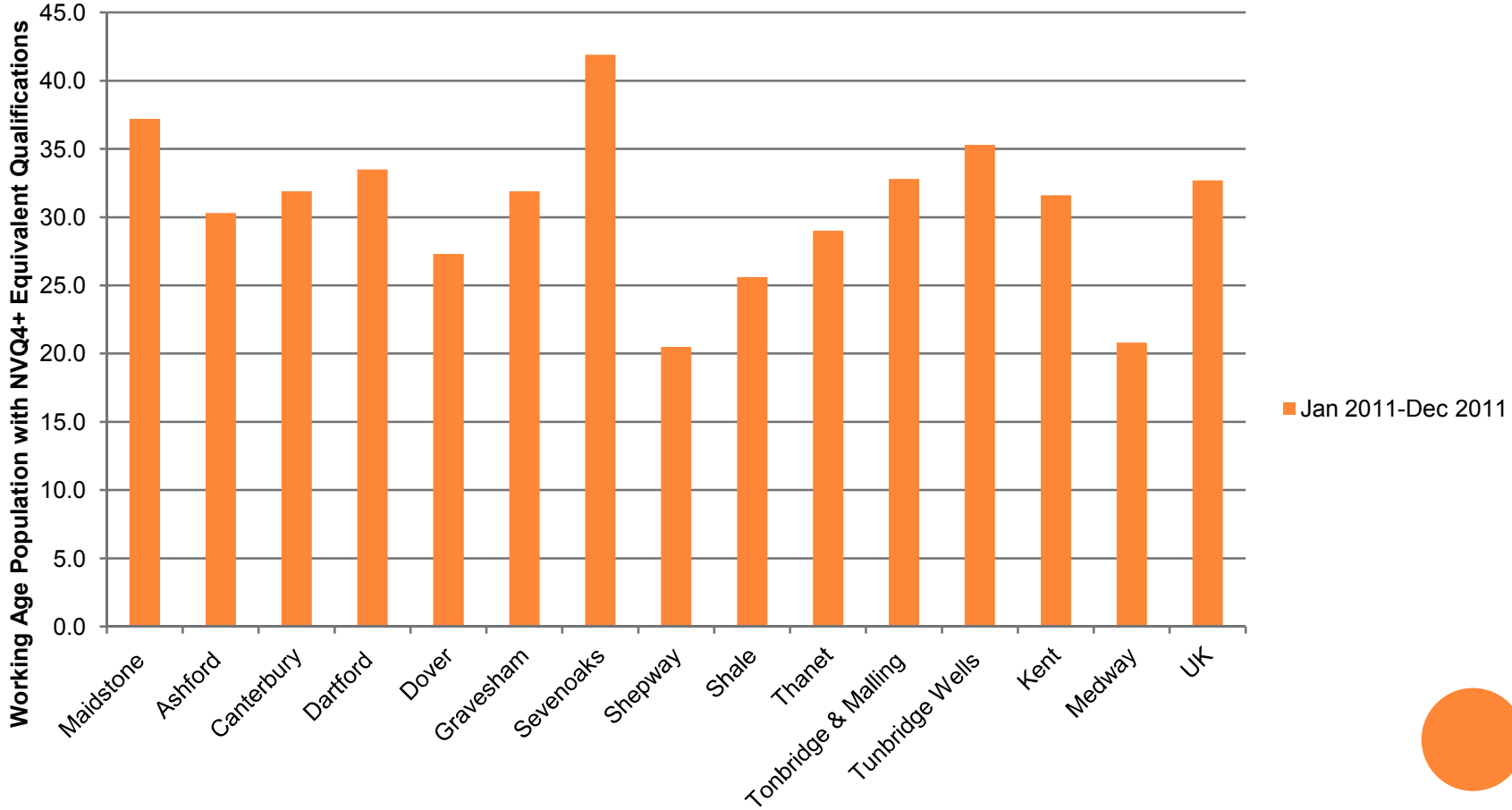
LABOUR FORCE CHARACTERISTICS – WORKFORCE VERSUS RESIDENT REPORTING

Weekly Wages in Maidstone - Resident- versus Workplace-Based



LABOUR FORCE CHARACTERISTICS - HIGHLY-SKILLED WORKFORCE

Highly-skilled Workforce



Highest level of Qualification (resident population aged 16+), 2011

Source: 2011 Census Table KS501EW

All People		
Maidstone	Number	% of all people 16+
Population aged 16+	125,476	100%
No qualifications	25,915	20.7%
Level 1 qualifications	18,336	14.6%
Level 2 qualifications	22,108	17.6%
Apprenticeship	5,112	4.1%
Level 3 qualifications	15,246	12.2%
Level 4 qualifications and above	32,154	25.6%
Other qualifications	6,605	5.3%

CONCLUSIONS

- ⌘ High-productivity services in Maidstone
- ⌘ Attracting employees from outside the area
- ⌘ Problems with encouraging starting new businesses – once they start however, they are reasonably likely to be successful
- ⌘ Decline in local employment despite steady number of jobs (in-commuters taking lower-wage, local jobs?)
- ⌘ Growth in tourism and retail? (attracting more employees?)
- ⌘ Some problems with decline where other districts are recovering

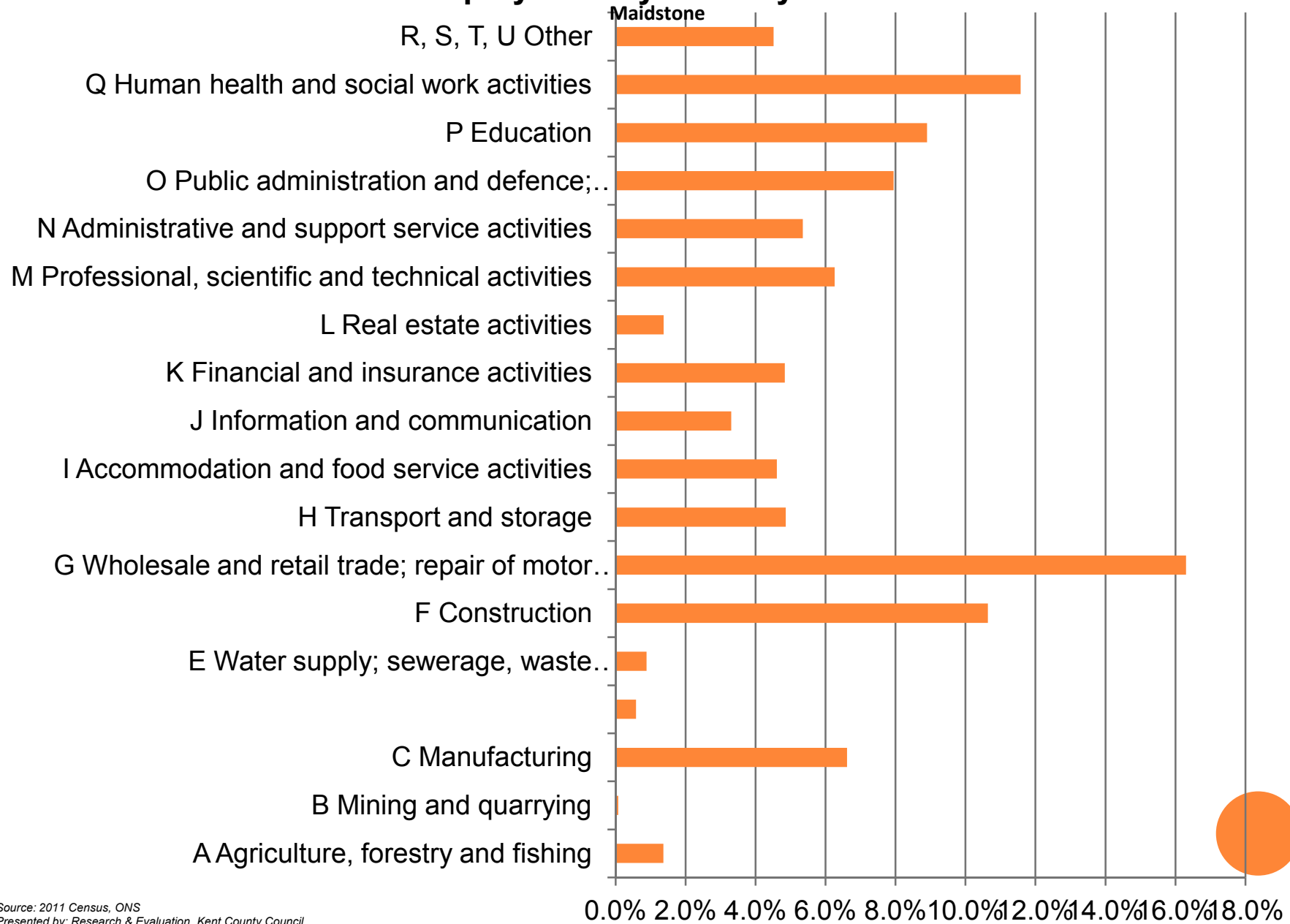


VAT and/or PAYE based enterprises - 2012

Source: UK Business Survey, ONS

2012	Maidstone	Kent	Great Britain
Agriculture, forestry & fishing	295	2,170	125,620
Production	395	3,420	145,550
Construction	1125	7,985	263,000
Motor trades	255	2,050	75,365
Wholesale	365	3,055	120,730
Retail	680	6,430	277,480
Transport & storage (inc. postal)	250	2,045	80,385
Accommodation & food services	380	3,900	163,440
Information & communication	405	3,465	165,750
Finance & insurance	180	1,515	63,520
Property	225	1,885	88,490
Professional, scientific & technical	1045	8,555	366,050
Business administration and support services	560	4,445	176,930
Public administration and defence	75	515	24,880
Education	180	1,585	65,215
Health	420	3,625	146,605
Arts, entertainment, recreation and other services	480	4,015	178,645
TOTAL	7315	60,660	2,527,655

Employment by Industry 2011



Source: 2011 Census, ONS
Presented by: Research & Evaluation, Kent County Council