

# AGENDA

## CABINET MEETING



Date: Wednesday 12 November 2014  
Time: 6.30 pm  
Venue: Town Hall, High Street,  
Maidstone

Membership:

Councillors Mrs Blackmore (Chairman), Burton,  
Greer, McLoughlin, Perry and Mrs Ring

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Page No.

1. Apologies for Absence
2. Urgent Items
3. Notification of Visiting Members
4. Disclosures by Members and Officers
5. Disclosures of lobbying
6. To consider whether any items should be taken in private because of the possible disclosure of exempt information
7. Minutes of the Meeting held on 8 October 2014

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**Continued Over/:**

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**Issued on 4 November 2014**

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**Alison Broom, Chief Executive, Maidstone Borough Council,  
Maidstone House, King Street, Maidstone Kent ME15 6JQ**

## **NON-KEY DECISION REPORTS**

- |     |  |           |
|-----|--|-----------|
| 8.  | Report of the Director of Regeneration and Communities - Budget Monitoring 2nd Quarter 2014/15   | 5 - 20    |
| 9.  | Report of the Director of Regeneration and Communities - Draft Economic Development Strategy 2014  | 21 - 145  |
| 10. | Report of the Head of Finance and Resources - Corporate Improvement Plan: Mid Year 2014/15   | 146 - 164 |
| 11. | Report of the Head of Policy and Communications - Mid Year Strategic Plan Performance Update 2014/15   | 165 - 201 |
| 12. | Report of the Head of Policy and Communications - Planning, Transport and Development Overview and Scrutiny Committee SCRAIP regarding - Amendment to decision making arrangements for Neighbourhood Plans | 202 - 205 |

## MAIDSTONE BOROUGH COUNCIL

### CABINET

#### MINUTES OF THE MEETING HELD ON WEDNESDAY 8 OCTOBER 2014

**Present:** Councillor Mrs Blackmore (Chairman), and  
Councillors Burton, McLoughlin and Mrs Ring

49. APOLOGIES FOR ABSENCE

Apologies were received from Councillors Greer and Perry.

50. URGENT ITEMS

There were no urgent items.

51. NOTIFICATION OF VISITING MEMBERS

There were no visiting members.

52. DISCLOSURES BY MEMBERS AND OFFICERS

There were no disclosures by Members or Officers.

53. DISCLOSURES OF LOBBYING

There were no disclosures of lobbying.

54. EXEMPT ITEMS

**RESOLVED:** That the items on the agenda be taken in public as proposed.

55. MINUTES OF THE MEETING HELD ON 10 SEPTEMBER 2014

**RESOLVED:** That the Minutes of the meeting held on 10 September 2014 be approved as a correct record and signed.

56. REFERENCES FROM COUNCIL - PETITIONS

Members considered the Reference from Council which set out details of two Petitions that were presented at the meeting regarding the Allocation of Housing Sites in Lenham and Future Housing Development in Headcorn.

Allocation of Housing Sites, Lenham

Rob Jarman, the Head of Planning and Development advised Members that he hoped to report back to both Cabinet and Planning, Transport and

Development Overview and Scrutiny Committee in January 2015 to deal with the issues raised in the Petition.

He stressed that the 1,500 homes issue form part of a broad location within the draft Local Plan which would not be considered until the latter part of the plan (in the years 2026 – 2031). It was envisaged that a review would take place in 2021 on whether or not these houses would still be required and or that numbers could be reduced.

It was emphasised that a lot of consideration would be given to the highway transport modelling system, using VISUM software technology and great regard would be given to the surrounding conservation area, listed buildings and protection of the North Downs views.

It was also noted that that the Council had been meeting with Parish Councils and Residents Associations and other organisations to discuss the draft Local Plan.

#### Future Housing Development – Headcorn

It was noted that unlike Lenham, it was not proposing a broad location for housing at Headcorn. Officers carry out individual site assessments and would be undertaking a cumulative assessment and further highway transport modelling would be carried out.

Officers would be meeting with KCC Education to discuss whether the current Primary School could accommodate additional children which would be brought about by additional development or whether an alternative site could be identified where a new school could be built.

**RESOLVED:** That the Petitions and the comments made at the Council meeting be noted and that Officers report back in January 2015 recommending amendments to draft housing site allocations.

#### 57. REFERENCE FROM COUNCIL - MOTION - OVER-DEVELOPMENT OF INNER MAIDSTONE

Members considered the Reference from Council relating to a Motion – Over-development of Inner Maidstone.

#### **DECISION MADE:**

That due to the existence of policies and work in progress which address the issues raised in the motion relating to over-development of “Inner Maidstone”, it was agreed that there was no requirement for a further report at this time.

For further information regarding this decision, please follow this link:

<http://services.maidstone.gov.uk/meetings/ieDecisionDetails.aspx?AIId=19283>

58. REFERENCE FROM COUNCIL - MOTION - CYCLING SAFETY AND THE GYRATORY SYSTEM

Members considered the Reference from Council relating to a Motion – Cycling Safety and the Gyrotory System.

**DECISION MADE:**

That there is appropriate and sufficient dialogue with the Kent County Council’s Highways Authority to address the issues raised in the motion relating to Cycling Safety and the Gyrotory System and it not therefore considered that a further report is needed at this time.

For further information regarding this decision, please follow this link:

<http://services.maidstone.gov.uk/meetings/ieDecisionDetails.aspx?AIId=19284>

59. REFERENCE FROM COUNCIL - MOTION - BEDROOM TAX

Members considered the Reference from Council relating to a Motion – Bedroom Tax.

**DECISION MADE:**

1. As a review of the Housing Allocation Policy was undertaken less than six months ago, there is no need to carry out another review. The actions taken to assist residents in downsizing to smaller accommodation was noted;
2. The Council will continue to do all it can within the Council’s legal powers to minimise the impact of spare room subsidy on families where there maybe short term absences and also people with disabilities where additional bedrooms may be required due to a person’s disabilities;
3. The Leader of the Council will write to the Ministers of Housing and Work and Pensions setting out the facts and experiences in Maidstone arising from the spare room subsidy policy and send a copy to the LGA; and
4. The Leader will also provide feedback at the next full Council meeting in December under the ‘Current Issues’ agenda item.

For further information regarding this decision, please follow this link:

<http://services.maidstone.gov.uk/meetings/ieDecisionDetails.aspx?AIId=19285>

60. REPORT OF HEAD OF REVENUES AND BENEFITS SHARED SERVICES - LOCAL COUNCIL TAX DISCOUNT SCHEME

Members considered the report of the Head of Revenues and Benefits Shared Service relating to the Local Council Tax Discount Scheme.

Councillor Burton left the meeting at the conclusion of this agenda item.

**RESOLVED:** That

1. That the recommendation of the Strategic Leadership and Corporate Services Overview and Scrutiny Committee held on 5 August 2014 be noted;
2. That **Cabinet Recommends to Full Council** that the scheme be maintained from 1<sup>st</sup> April 2015 at its current level, providing a 13% reduction in the former national council tax benefit scheme as set out within Appendix A to the report of the Head of Revenues and Benefits Shared Service; and
3. That the recommendation 1.2.3 of the report of the Head of Revenues and Benefits Shared Service be deleted.

61. REPORT OF THE DIRECTOR OF ENVIRONMENT & SHARED SERVICES - FLOODING EVENTS IN MAIDSTONE

Members considered the report of the Director of Environment and Shared Services relating to Flooding Events in Maidstone.

**DECISION MADE:**

The actions and progress made to date were noted as detailed in Appendix A to the Report of Environment and Shared Services and of the work facilitated through a range of organisations including the parish councils, the National Flood Forum and Environment Agency.

For further information regarding this decision, please follow this link:

<http://services.maidstone.gov.uk/meetings/ieDecisionDetails.aspx?AIId=19096>

62. DURATION OF MEETING

6.30 p.m. to 7.40 p.m.

## **MAIDSTONE BOROUGH COUNCIL**

### **CABINET**

**WEDNESDAY 12 NOVEMBER 2014**

## **REPORT OF DIRECTOR OF REGENERATION AND COMMUNITIES**

**Report prepared by Ellie Dunnet**

### **1. BUDGET MONITORING 2<sup>ND</sup> QUARTER**

#### 1.1 Issue for Decision

1.1.1 To consider the capital and revenue budget and expenditure figures for the second quarter of 2014/15.

1.1.2 To consider other financial matters with a material effect on the medium term financial strategy or the balance sheet.

#### 1.2 Recommendation of Head of Finance & Resources

1.2.1 It is recommended that Cabinet:

a) Note the satisfactory revenue position at the end of the second quarter of 2014/15;

b) Agree the proposals for slippage and re-profiling in the capital programme to 2015/16;

c) Note the detail in the report on the collection fund, general fund balances and treasury management activity.

#### 1.3 Reasons for Recommendation

1.3.1 The Director of Regeneration & Communities is the Responsible Financial Officer, and has overall responsibility for budgetary control and financial management. However in practice day to day budgetary control is delegated to service managers, with assistance and advice from their director and the finance section. This report advises and updates the Cabinet on the current position with regards to both revenue and capital expenditure against the approved budgets, and also includes sections on Collection Fund performance and Treasury Management performance.

1.3.2 The report uses a number of terms that may require definition and a glossary of terms is given in section 1.14.3 of the report.

#### 1.4 Revenue

1.4.1 The budget used in this report is the agreed estimate for 2014/15 including the carry forward resources agreed by Cabinet in May 2014. Actual expenditure to September 2014 includes all major accruals for goods and services received but not paid for by the end of the quarter.

1.4.2 An analysis that is summarised by portfolio, of the full year budget, the profiled budget to September 2014 and expenditure to September 2014 is attached as Appendix A. The financial analysis is based on direct expenditure only. This removes the influence of internal recharges and accounting adjustments upon the variance analysis. An indicative projected year end outturn figure is also shown.

1.4.3 Appendix A shows that actual spend is £461,040 less than the budget at the end of the second quarter. A detailed analysis of the figures at cost centre level shows 139 out of a total of 233 cost centres are currently reporting actual spend less than budget. The projected outturn at 31 March 2015 is currently £361,040.

1.4.4 Also shown at Appendix A is a subjective analysis across all services. This identifies that within the net under spend £189,248 (Q1 2014/15 £114,618) relates to employee costs, due to continuing vacancy levels.

1.4.5 The third table at Appendix A summarises the position specifically with regard to fees and charges income. At the end of the second quarter this income is £18,564 above the target figure. It should be noted that within this total there are a number of areas reporting income below budget. Further details of service areas where major variations from budgeted fees and charges are given later in this section of the report.

1.4.6 In accordance with best practice, virements are reported to Cabinet as part of quarterly budget monitoring. A virement represents the transfer of a budget between objectives that occurs subsequent to the formal approval of the budget by Council. Four virements totalling £402,410 were undertaken in the second quarter relating to:

- a) £120,000 temporary funding for development control appeals, as agreed by Cabinet when considering the Q1 budget monitoring report;

- b) £51,410 funding for Information Manager post, as agreed by Cabinet in August 2014; and
- c) £230,000 funding for various schemes, as agreed by Cabinet in August 2014.

1.4.7 A number of service areas are reporting positive variances through significantly less spend or additional income than was budgeted for at the end of the second quarter. Brief details on these areas are given below:-

- a) There is a positive variance of £52,122 (Q1 2014/15 £32,358) on pay and display car parks which is attributable to a combination of an underspend on running costs and higher than expected income. Two car parks, King Street and Lockmeadow are performing significantly above their income targets. However, income from season tickets has continued to decline and the underspend will be substantially off-set by the overspend in off-street parking enforcement.
- b) On-street parking is showing an underspend of £37,514 (Q1 2015/14 £10,391) which is largely due to lower than expected running costs. Income is £7,000 above target overall, although it should be noted that within this total, income from PCNs is £8,000 below target. However, it should be noted that this income is ring fenced so this does not represent a general underspend.
- c) The benefits section is showing an underspend of £39,067 (Q1 2015/14 £15,681) which is mainly due to vacant posts.
- d) There is a positive variance of £81,207 (Q1 £84,009) which mainly relates to lower than expected expenditure on wheeled bins and continued receipts from the bulky domestic refuse collection service and green waste bin hire. No problems are anticipated at year-end, although Weekend Freighter costs may increase substantially. The weekend freighter does not form part of the contract and any increase would be a direct cost to the Council.
- e) Recycling collection was underspent by £96,953 at the end of the second quarter (Q1 2014/15 £46,964) as a result of higher than expected income levels and a small positive variance on controlled running costs.
- f) The environmental enforcement section is showing an underspend of £38,608. This is due to a combination of smaller underspends in the controlled running costs for this service and is a continuation of the position at the end of the first quarter.

1.4.8 A number of areas are showing significantly more spend or a shortfall in income compared to the amounts actually budgeted at the end of the second quarter, and these are reported below:-

- a) The Homeless Temporary Accommodation budget has continued to show expenditure greater than budget, with an adverse variance of £289,711 at the end of the second quarter of 2014/15 (Q1 2014/15 £99,166). Cabinet will be aware that a project is underway to target reductions in the cost of temporary accommodation and one of the new properties became operational during second quarter. It is anticipated that this will result in a reduction in future expenditure on temporary accommodation, although at this stage it is too early to identify any significant impact.
- b) There is an adverse variance of £78,667 (Q1 2014/15 £15,028) against the crematorium budget due to lower than expected income. There has been a recent upturn in bookings which will help to address this variance, and the situation is being monitored closely by the service manager. However, it should be noted that the income levels achieved in 2013/14 were exceptional due to the closure of Medway crematorium for refurbishment during the year.
- c) The procurement section is showing an adverse variance of £31,276 (Q1 2014/15 £13,402) which is a result of income targets not being achieved during the first half of the year. This is a continuation of the trend observed for the past two financial years.
- d) The museum budget is overspent by £35,449 at the end of the second quarter (Q1 2014/15 £22,853). This is a result of lower than expected income and reactive building maintenance during the first half of the year.
- e) Cobtree Manor Park is currently showing an overspend of £31,540 due to extra staff costs from MBS to cover weekend supervision and necessary works due to a substantial increase in visitor numbers. These costs will be recharged to the Trust at year end which will bring expenditure back in line with the budget.
- f) There is an adverse variance of £100,941 (Q1 2014/15 £114,234) arising from the Mid Kent Planning Support Service. This additional cost will be shared across the three authorities involved in the partnership, and the requirement for additional resources is anticipated to continue through to the end of the financial year. Budgetary arrangements for this service are currently being agreed with partner authorities and the council's share of this variance will be addressed once these measures are finalised.

1.4.9 Allowing for the continuation of the issues detailed as budget pressures above, the predicted outturn for 2014/15 is an underspend of £361,040.

1.4.10 The budget strategy for 2014/15 identified savings and efficiencies totalling £1,254,000. These savings are being monitored corporately and it is anticipated that this target will be met by the end of the year.

## 1.5 Balances

1.5.1 Balances as at 1st April 2014 were £15.4m. The current medium term financial strategy assumes balances of £3.6m by 31st March 2015.

1.5.2 The major reason for the movement in balances during 2014/15 relates to the use of carry forwards approved by Cabinet in May 2014.

1.5.3 The position set out above allows for the minimum level of balances of £2.3m, as previously agreed by Cabinet, to be maintained.

## 1.6 Collection Fund

1.6.1 Following the introduction of local council tax support from 1 April 2013 and the approval of the Business Rates pooling arrangement with Kent County Council, enhanced monitoring of the collection fund has been put in place to provide adequate assurance around developments affecting the assumptions made in the current year's budget.

1.6.2 The collection rates achieved at the end of the second quarter, and the targets set, are reported below. The rates are given as a percentage of the debt targeted for collection in 2014/15.

	<b>Target %</b>	<b>Actual %</b>
<b>Council Tax</b>	58.21	58.10
<b>NNDR</b>	59.12	59.23

The target collection rate has been marginally missed for Council Tax and marginally exceeded for NNDR. It should be noted that Maidstone's collection rate for the year to date is in line with the other Kent districts.

1.6.3 Whilst the percentage variances are small, the gross values of Council tax and Business Rates collected each year are significant. The Head of the Revenues and Benefits Partnership follows a recovery timetable

and action is currently being taken to attempt to bring collection rates for Council Tax back to target.

- 1.6.4 Prior year arrears collection is on target and officers will continue to pursue payment of any developing arrears along with the arrears from prior years.
- 1.6.5 **Council Tax Support** – The actual collection rate is 52.8% (44.77%; Q2 2013/14).
- 1.6.6 The level of local council tax support recorded at mid-year shows a caseload of 10,196 claimants (10,602; Q2 2013/14). For Maidstone Borough Council the support provided is £1.49m (£1.42m; Q2 2013/14) compared to an estimated support of £1.60 used to calculate the budget.
- 1.6.7 While there are a significant proportion of pensionable age claimants the overall reduction in claimants shows a positive correlation between reductions in those claiming job seekers allowance in the borough and the reduction in caseload. Members should note that as the year progresses, changes in caseload have a proportionately reduced effect on the full year cost.
- 1.6.8 **Retained business rates** – the current collectable business rates is £53.9m compared to an initial estimate of £53.7m, representing a minor net increase of £0.2m.
- 1.6.9 The major risk from appeals has been provisioned and this remains adequate when compared to the level of change due to appeals decisions witnessed to date.

## 1.1 Capital

- 1.1.1 Attached at Appendix B is a summary of the current capital programme for 2014/15, as agreed by Council. This includes the initial capital programme for the financial year plus amounts carried forward from 2013/14. It also reflects the slippage that was identified in the monitoring report for the first quarter of 2014/15.
- 1.1.2 The table in Appendix B gives the following detail:

Column	Detail.
1.	Description of scheme, listed in portfolio order.
2.	Approved budget for 2014/15 after the adjustments detailed above.
3.	Actual spend to the end of September 2014.
4.	Balance of budget available for 2014/15.
5 – 7.	Quarterly analysis of expected spend for the remainder of 2014/15.

8.	Balance of budget that will slip into 2015/16.
9.	Budget no longer required.

1.1.3 Capital expenditure to the end of the second quarter of 2014/15 is shown as £0.7m. The budget for the year, adjusted for slippage detailed in the first quarter budget monitoring report is £7.2m. This comprises a number of planned projects for which significant expenditure is yet to be incurred, including £1.5m for acquisition of commercial assets, £1.0m for continued improvements to play areas and £1.6m housing grants.

1.1.4 Following the second quarter monitoring, officers anticipate that £1.3m will need to be reprofiled into 2015/16. This is detailed in column 8 of Appendix B. These are items where the programmed works have been rescheduled to now take place during 2015/16.

## 1.2 Capital Financing

1.2.1 The agreed capital programme for the period 2014/15 to 2018/19, as approved by Council in March 2014, identifies sufficient resources to finance the 2014/15 programme.

1.2.2 Resources that can currently be confirmed are:

<u>Funding Source:</u>	<u>£m</u>
Grants & Contributions	0.5
Revenue Support	10.2
Prudential Borrowing	6.0
Capital receipts	<u>0.2</u>
	<b>16.9</b>

1.2.3 The slippage and re-profiling proposed for approval elsewhere in this report will mean that net expenditure of £1.3m will be re-profiled into 2015/16 subject to this recommendation being agreed.

## 1.3 Treasury Management

1.3.1 The Council has adopted and incorporated into its Financial Regulations, the CIPFA Code of Practice on Treasury Management in Local Authorities. This Code covers the principles and guidelines relating to borrowing and investment operations. In March 2014, the Council approved a Treasury Management Strategy for 2014/15 that was based on this code. The strategy requires that Cabinet should formally be informed of treasury management activities quarterly as part of budget monitoring.

1.3.2 During the quarter ended 30 September 2014:

- Inflation (CPI) has remained at 1.5%. This is the lowest it has been since 2009 and is expected to fall further later in the year.
- GDP has grown by 3.2%.

1.3.3 The Council's Treasury Management advisors, Capita Asset Services, have provided the following forecast:

- The markets are now expecting to see an increase in the Bank Rate during the third quarter of 2015.
- The Governor of the Bank of England has repeatedly stated that these increases will be slow and gradual due to concerns over the impact on consumers with lower than inflation pay increases.
- Economic growth is expected to continue through to 2016.
- The fall in unemployment is expected to continue and average pay is expected to increase.

The latest interest rates and PWLB rate forecasts are listed below.

	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17
<b>Bank rate</b>	0.50%	0.75%	0.75%	1.00%	1.00%	1.25%	1.25%	1.50%	1.75%	2.00%	2.00%
<b>5yr PWLB rate</b>	2.70%	2.80%	2.90%	3.00%	3.00%	3.10%	3.20%	3.30%	3.40%	3.50%	3.50%
<b>10yr PWLB rate</b>	3.50%	3.60%	3.70%	3.80%	3.90%	4.00%	4.10%	4.10%	4.20%	4.30%	4.30%
<b>25yr PWLB rate</b>	4.10%	4.20%	4.30%	4.40%	4.50%	4.60%	4.70%	4.80%	4.80%	4.90%	4.90%
<b>50yr PWLB rate</b>	4.10%	4.20%	4.30%	4.40%	4.50%	4.60%	4.70%	4.80%	4.80%	4.90%	4.90%

1.3.4 At 30 September 2014 the council held investments totalling £29.83m (Q1 2014/15 £26.53m). A full list of investments held is included at Appendix C. £21.83m (Q1 2014/15 £21.53m) of investments are in accounts which can be called upon immediately or for a short notice period. This is due to the shorter term rates being more appealing than longer term.

1.3.5 Investment income is below target with a balance of £101,000 (Q1 2014/15 £47,000) compared to a budget of £125,000 (Q1 2014/15

£57,000). The average interest rate for this period is 0.69% (Q1 2014/15 0.68%). The low interest rates are a consequence of Government support for lending schemes which have prompted a reduction in need for additional cash by financial institutions. Treasury management performance is regularly benchmarked against similar councils and this has shown that these results are in line with the benchmark group.

1.3.6 There has been no borrowing during the second quarter of 2014/15.

#### 1.4 Alternative Action and why not Recommended

1.4.1 The budget monitoring process could be left to officers. The Constitution already requires officers to report budget variances to the relevant Cabinet Member in specific circumstances. The absence of any such reports would then suggest that no specific items have been identified for consideration.

1.4.2 If such an approach were taken the leadership team would have a reduced financial awareness. This could restrict their ability to meet service requirements and achieve the Council's corporate objectives.

#### 1.5 Impact on Corporate Objectives

1.5.1 This report monitors actual activity against the revenue and capital budgets and other financial matters set by Council for the financial year. The budget is set in accordance with the Council's medium term financial strategy and is therefore focused on the strategic plan and corporate objectives.

1.5.2 Regular monitoring by Cabinet ensures that actual activity is in accordance with the plan set out in the budget and that the Council is able to achieve its objectives.

#### 1.6 Risk Management

1.6.1 The Council has produced a balanced budget for both capital and revenue expenditure and income for 2014/15. This budget is set against a backdrop of limited resources and an economic climate that is still in difficulty. Regular and comprehensive monitoring of the type included in this report ensures early warning of significant issues that may place the Council at financial risk. This gives Cabinet the best opportunity to take actions to mitigate such risks.

1.6.2 The current revenue budget does not exhibit the level of risk identified in previous years and a small contingency exists for any significant budget pressures that may yet develop.

- 1.6.3 Funding for the capital programme has been secured for 2014/15.
- 1.6.4 Reporting on other issues such as council tax and non-domestic rates collection and treasury management activity ensures that the report covers all major balance sheet items in addition to the capital programme and revenue budget. No significant risks are identified in any of these areas.

1.7 Other Implications

1.7.1

1.	Financial	X
2.	Staffing	
3.	Legal	
4.	Equality Impact Needs Assessment	
5.	Environmental/Sustainable Development	
6.	Community Safety	
7.	Human Rights Act	
8.	Procurement	
9.	Asset Management	

1.7.2 Financial implications are the focus of this report through high level budget monitoring. The process of budget monitoring ensures that services can react quickly to potential resource problems. The process ensures that the Council is not faced by corporate financial problems that may prejudice the delivery of corporate objectives.

1.8 Conclusions

1.8.1 The second quarter monitoring report shows a positive evaluation for the period. Revenue and capital expenditure, balances, treasury management and council tax and NNDR collection are all considered to be satisfactory and will continue to be closely monitored throughout the year.

1.8.2 All other items monitored are at or above target for the second quarter.

### 1.8.3 Glossary of terms:

<b>Term</b>	<b>Definition</b>
Accrual	The inclusion in the financial report of a money value to represent the receipt of goods or services within the report period, if actual payment has not yet been made.
Adverse variance	The difference between expected (budgeted) cost and actual cost where the actual value is a higher cost than expected.
Capital expenditure	Spending on the creation, purchase or enhancement of the Council's assets
Capital Receipts	Income from the sale of assets. This income can only be used for the creation, purchase or enhancement of other Council assets.
Carry forwards	A budget for works or services that remained unused at year end, has a purpose that still requires completion and has been moved into the following year with the approval of Cabinet.
Collection Fund	The collection fund is a statutory fund that the Council maintains for the collection and distribution of council tax and business rates.
Cost centre	An accounting location or service as set out in the annual budget report i.e. The Museum or the Leisure Centre.
Local council tax support	The local system of discount applied to council tax that replaced the national council tax benefit system on 1 <sup>st</sup> April 2013.
Portfolio	A grouping of council services that are all the responsibility of one Cabinet Member as set out in the annual budget report.
Positive variance	The difference between expected (budgeted) cost and actual cost where the actual value is a lower cost than expected.
Profiled budget	The total amount expected to be spent (from the budget) by the period end, after

considering the expected pattern of spend throughout the year and past trends.

Retained business rates	The system of localised business rates in operation since 1 <sup>st</sup> April 2013. The system allows the Council to retain a proportion of business rates collected rather than pay the total amount to central government.
Revenue expenditure	Expenditure on the day to day running costs of the Council's services.
Revenue Support	Revenue funding that has been set aside to finance goods and service of a capital nature.
SELEP	South East Local Enterprise Partnership
Subjective analysis	An accounting type used to define costs i.e. salaries, vehicle hire, premises rents.
Treasury Management	The management of the organisation's investments, cash flows and banking along with control of the risks associated with those activities.
Virement	A virement represents the transfer of a budget between services (cost centres) that happens after the formal approval of the budget by Council. The authority to make certain types of virement is set out in the Council's constitution.

## 1.9 Relevant Documents

### 1.9.1 Appendices:

Appendix A – Revenue Budget Report

Appendix B – Capital Programme 2014/15

Appendix C – List of Investments as at 30 September 2014

**IS THIS A KEY DECISION REPORT?**

**THIS BOX MUST BE COMPLETED**

Yes

No

If yes, this is a Key Decision because: .....

.....

Wards/Parishes affected: .....

.....

**MAIDSTONE BOROUGH COUNCIL****CABINET****BUDGET MONITORING - SECOND QUARTER 2014/15****REVENUE BUDGET REPORT BY CABINET MEMBER TO 30 SEPTEMBER 2014**

<b>Cabinet Member</b>	<b>Agreed Estimate 2014/15</b>	<b>Estimate to 30 September 2014</b>	<b>Spend to 30 September 2014</b>	<b>Variance to 30 September 2014</b>	<b>Projected Outturn March 2015</b>	<b>Projected Variance March 2015</b>
	£	£	£	£	£	£
Leader of the Council	1,583,230	277,471	212,616	64,854	1,518,376	64,854
Community & Leisure Services	4,542,390	2,350,106	2,325,380	24,726	4,517,664	24,726
Corporate Services	2,235,390	1,474,428	1,268,523	205,905	2,029,485	205,905
Economic & Commercial Development	2,332,595	1,132,375	1,114,570	17,805	2,314,790	17,805
Environment	8,538,900	2,919,206	2,972,564	-53,358	8,592,258	-53,358
Planning, Transport & Development	2,000,320	868,429	667,322	201,107	1,899,213	101,107
Balances	-2,116,075	0	0	0	-2,116,075	0
	19,116,750	9,022,016	8,560,975	461,040	18,755,710	361,040

**REVENUE BUDGET REPORT BY SUBJECTIVE ANALYSIS TO 30 SEPTEMBER 2014**

<b>Subjective Heading</b>	<b>Agreed Estimate 2014/15</b>	<b>Estimate to 30 September 2014</b>	<b>Spend to 30 September 2014</b>	<b>Variance to 30 September 2014</b>	<b>Projected Outturn March 2015</b>	<b>Projected Variance March 2015</b>
	£	£	£	£	£	£
Employees	19,806,810	9,868,604	9,679,356	189,248	19,617,562	189,248
Premises	4,167,300	2,734,688	2,675,307	59,381	4,107,919	59,381
Transport	1,470,880	730,325	725,851	4,474	1,466,406	4,474
Supplies & Services	9,275,850	4,361,305	4,483,565	-122,260	9,498,110	-222,260
Contract Payments	3,643,520	1,664,913	1,624,350	40,563	3,602,957	40,563
Benefits	44,264,085	23,190,080	22,751,102	438,978	43,825,107	438,978
Capital Financing	4,750,281	425,750	423,405	2,345	4,747,936	2,345
Income	-68,261,976	-33,953,650	-33,801,961	-151,689	-68,110,287	-151,689
	19,116,750	9,022,015	8,560,975	461,040	18,755,710	361,040

**FEES & CHARGES INCOME BY CABINET MEMBER TO 30 SEPTEMBER 2014**

<b>Cabinet Member</b>	<b>Agreed Estimate 2014/15</b>	<b>Estimate to 30 September 2014</b>	<b>Income to 30 September 2014</b>	<b>Variance to 30 September 2014</b>	<b>Projected Outturn March 2015</b>	<b>Projected Variance March 2015</b>
	£	£	£	£	£	£
Community & Leisure Services	-70,040	-36,188	-29,628	-6,560	-63,480	-6,560
Corporate Services	-2,150	-1,075	-862	-213	-1,937	-213
Economic & Commercial Development	-259,880	-138,928	-134,393	-4,535	-255,345	-4,535
Environment	-2,194,570	-1,119,428	-1,169,376	49,948	-2,244,518	49,948
Planning, Transport & Development	-4,940,200	-2,496,115	-2,476,039	-20,076	-4,920,124	-20,076
	-7,466,840	-3,791,734	-3,810,298	18,564	-7,485,404	18,564

**MAIDSTONE BOROUGH COUNCIL**  
**CABINET**  
**BUDGET MONITORING - SECOND QUARTER 2014/15**

**Capital Programme 2014/15 by Cabinet Member to 30th September 2014**

19

Capital Programme Heading	Adjusted Estimate	Actual to	Budget	Q3 Profile	Q4 Profile	Projected Total Expenditure	Slippage into 2015/16	Budget not required
	2014/15	September 2014	Remaining					
	£	£	£	£	£	£	£	£
CCTV Control Room	26,150	5,000	21,150	21,150		26,150	0	
Cobtree Golf Course	6,950		6,950		6,950	6,950	0	
Continued Improvements to Play Areas	1,000,000	1,712	998,288	100,000	200,000	301,712	698,288	
Green Space Strategy	12,000	2,305	9,695	9,695		12,000	0	
Hazlitt Theatre Refurbishment Works	3,160		3,160	3,160		3,160	0	
Museum Carbon Management Scheme	31,395	31,395	0			31,395	0	
Small Scale Capital Works Programme	3,495		3,495		3,495	3,495	0	
Gypsy Site Improvements	195,000		195,000		32,000	32,000	163,000	
Housing Grants	1,646,460	234,935	1,411,525	893,525	518,000	1,646,460	0	
Support for Social Housing	1,118,500	54,000	1,064,500	224,000	840,500	1,118,500	0	
Stilebridge Lane Sewage Treatment Works	76,600		76,600	76,600		76,600	0	
Vacant Property Acquisition	105,090	84,415	20,675	20,675		105,090	0	
<b>Community &amp; Leisure</b>	<b>4,224,800</b>	<b>413,762</b>	<b>3,811,038</b>	<b>1,348,805</b>	<b>1,600,945</b>	<b>3,363,512</b>	<b>861,288</b>	<b>0</b>
High Street Regeneration	76,210	35,549	40,661	40,661		76,210	0	
Enterprise Hub	700,000		700,000		700,000	700,000	0	
Acquisition of Commercial Assets	1,510,720	110,531	1,400,189	500,000	500,000	1,110,531	400,189	
<b>Economic &amp; Commercial Development</b>	<b>2,286,930</b>	<b>146,080</b>	<b>2,140,850</b>	<b>540,661</b>	<b>1,200,000</b>	<b>1,886,741</b>	<b>400,189</b>	<b>0</b>
Asset Management/Corporate Property	130,890	16,177	114,713	57,360	57,353	130,890	0	
King Street Multi-Storey Car Park	82,790	97	82,693		82,693	82,790	0	
Parkwood Industrial Estate Environmental Imps	42,030	320	41,710	41,710		42,030	0	
Software/PC Upgrade & Repair	195,170	115,192	79,978	39,940	40,038	195,170	0	
<b>Corporate Services</b>	<b>450,880</b>	<b>131,786</b>	<b>319,094</b>	<b>139,010</b>	<b>180,084</b>	<b>450,880</b>	<b>0</b>	<b>0</b>
Land Drainage/Imps.to Ditches & Watercourses	8,800	3,815	4,985	4,985		8,800	0	
Crematorium Access Gates	23,890	10,593	13,297	13,297		23,890	0	
Car Park Improvements	14,800		14,800	7,400	7,400	14,800	0	
<b>Environment</b>	<b>47,490</b>	<b>14,408</b>	<b>33,082</b>	<b>25,682</b>	<b>7,400</b>	<b>47,490</b>	<b>0</b>	<b>0</b>
Planning Delivery Grant	9,350		9,350	9,350		9,350	0	
Transport & Highways	200,000		200,000	50,000	150,000	200,000	0	
Regeneration Schemes	13,850		13,850	13,850		13,850	0	
<b>Planning, Transport &amp; Development</b>	<b>223,200</b>	<b>0</b>	<b>223,200</b>	<b>73,200</b>	<b>150,000</b>	<b>223,200</b>	<b>0</b>	<b>0</b>
<b>Total</b>	<b>7,233,300</b>	<b>706,036</b>	<b>6,527,264</b>	<b>2,127,358</b>	<b>3,138,429</b>	<b>5,971,823</b>	<b>1,261,477</b>	<b>0</b>

**MAIDSTONE BOROUGH COUNCIL**

**CABINET**

**BUDGET MONITORING - SECOND QUARTER 2014/15**

**INVESTMENTS AS AT 30 SEPTEMBER 2014**

Type of Investment/Deposit	Counterparty	Issue Date	Maturity Date	£ Amount Invested	% Current Interest Rate	Credit Limits	
						£ Maximum Deposit	Suggested Term
Call account	Svenska Handelbanken			3,000,000	0.45	3,000,000	6mths
Call account	Lloyds Bank			2,000,000	0.75	8,000,000	2yrs
Money Market Fund	Goldman Sachs			6,330,000	0.42	8,000,000	2yrs
Enhanced Money Market Fund	Ignis			8,000,000	0.77	8,000,000	2yrs
Enhanced Money Market Fund	Federated			2,500,000	0.56	8,000,000	2yrs
Fixed Term Deposit	Lloyds Bank	04/07/2014	05/01/2015	1,000,000	0.70	8,000,000	2yrs
Fixed Term Deposit	Skipton Building Society	28/07/2014	28/01/2015	1,000,000	0.64	2,000,000	6 Mnth
Fixed Term Deposit	Nationwide Building Society	07/08/2014	09/02/2015	1,000,000	0.64	3,000,000	6 Mnth
Fixed Term Deposit	Nationwide Building Society	16/09/2014	16/03/2015	2,000,000	0.65	3,000,000	6 Mnth
Fixed Term Deposit	Lloyds Bank	22/07/2014	22/07/2016	3,000,000	1.30	8,000,000	2yrs

£29,830,000

## **MAIDSTONE BOROUGH COUNCIL**

### **CABINET**

**WEDNESDAY 12 NOVEMBER 2014**

## **REPORT OF DIRECTOR OF REGENERATION AND COMMUNITIES**

**Report prepared by Dawn Hudd**

### **1. DRAFT ECONOMIC DEVELOPMENT STRATEGY 2014**

#### 1.1 Issue for Consideration

1.1.1 To consider whether to approve the draft Economic Development Strategy for public consultation.

#### 1.2 Recommendation of Head of Commercial and Economic Development

1.2.2 To approve the draft Economic Development Strategy and action plan for public consultation.

#### 1.3 Reasons for Recommendation

1.3.1 Maidstone has the largest economy in Kent, i.e. Maidstone businesses generate £3.3bn worth of goods and services each year. Gross Value Added (GVA) measures how productive per worker an area is and at £21,200 per year, Maidstone has the 2nd highest GVA per head in the county, but this is below the national average (£21,900).

1.3.2 There were 68,300 people employed in the Maidstone economy in 2012 with a high proportion in the public sector, reflecting the town's status as Kent's County Town and administrative capital.

1.3.3 There were 6,760 registered businesses in Maidstone in 2012, equivalent to 43 businesses per 1,000 population, compared to 39 for England and an above average rate of self-employment.

1.3.4 Maidstone has a strong labour market with high employment and economic activity rates and relatively low levels of unemployment. In the year ending December 2013 76.8% of residents were estimated to be in employment, above both the national (71.7%) and Kent (72.6%) averages.

1.3.5 However Maidstone's direction of travel in terms of jobs and economic growth is declining and requires action to reverse the decline.

1.3.6 Background

1.3.7 Since the recession, economic output i.e. the level of productivity has fallen more in Maidstone than in Kent as a whole and nationally.

1.3.8 Employment performance has been poor in recent years, with the number of jobs decreasing since 2009. This was largely due to high job losses in the public sector and this sector continues to be at risk from cuts in public sector spending.

1.3.9 Business growth has been below the Kent and national averages in recent years. Between 2008 and 2011, business deaths outnumbered business births. 2012 has seen a reversal of this trend. Maidstone has a low share of employment in knowledge economy jobs, such as high tech manufacturing, ICT and creative industries such as media and architecture, which are traditionally higher skilled and higher paid.

1.3.10 The qualifications profile of the adult population is poorer than the county and national average, with less than a third (32.6%) of residents qualified at NVQ Level 4 or above, compared to (Kent (33.6%) and the national average for England (35%). While there has been some improvement over recent years, this has been less than for Kent and the nation as a whole.

1.3.11 Median earnings for Maidstone residents have been in decline since 2010 and now stand for the first time in over 10 years below both the GB and South East Averages. Maidstone resident earnings (2013) are the third lowest in Kent, and workplace earnings are the second lowest in Kent.

1.3.12 Commuting patterns show that Maidstone has changed over the last decade from being a net importer to a net exporter of workers and is less important as a place of work for its residents. Commuters are now predominantly those in higher occupational groups whereas commuters into Maidstone are in lower status semi skilled and elementary occupations that are generally less well paid.

1.3.13 The council's previous Economic Development Strategy was produced prior to the recession in 2008. In order to take account of the changes in the economy both nationally and locally the council commissioned Shared Intelligence (Si) to help prepare the new economic development strategy. Their work included:

- reviewing the existing vision to ensure that this still meets current aspirations;

- an assessment of the current state of the Maidstone economy to identify the opportunities and challenges we face - the strengths, opportunities, weaknesses and threats;
- identifying priorities for how we will achieve our ambitions and the interventions to capitalise on Maidstone's economic assets; and
- formulating a programme of actions to take forward the journey to deliver our vision by 2031.

1.3.14 To inform the development of the strategy, an analysis of the broader national and local economic trends was undertaken to provide the evidence base. The findings of this work are set out in a separate State of the Maidstone Economy report, which sits alongside this strategy.

1.3.15 In parallel to the work on the Strategy, work was carried out by GVA regarding the Qualitative Employment Land Supply which states that "for the borough to realise its economic potential, there is a need to provide new employment land to both accommodate the scale of growth forecast but, equally importantly, to diversify the portfolio to ensure different forms of demand and floorspace can be accommodated."

1.3.16 The views of the business community, key employers and stakeholders have also been considered in developing this strategy. Engagement has come via a number of different channels, including:

1. two workshops with the Maidstone Economic Business Partnership (MEBP) facilitated by Shared Intelligence held on 23<sup>rd</sup> May and 5<sup>th</sup> June 2014;
2. two workshops with Maidstone Borough Councillors - the Cabinet on 23<sup>rd</sup> July and the Overview and Scrutiny Committee on 29<sup>th</sup> July;
3. a programme of interviews conducted by Shared intelligence in May/June 2014 with 15 key businesses;
4. face to face and telephone interviews with 14 key stakeholders; and
5. the results of a business survey undertaken by Maidstone Borough Council in June 2014 with responses from 59 employers.

1.3.17 The draft Economic Development Strategy was presented to the Maidstone Economic Business Partnership at its meeting on 21<sup>st</sup> October. The MEBP fully supported the draft to go out to consultation and will be considering consultation events for businesses across the borough.

1.3.18 At the joint Planning and Transport and Commercial and Economic Development Overview and Scrutiny Committee on the 21<sup>st</sup> October both committees recommended the draft strategy go out to public consultation. The Strategy is attached as Appendix 1.

1.3.19 This is a key strategy for the Council and will impact on the economic, social and environmental wellbeing for the whole of the borough, businesses and residents and on the agendas of other public sector services such as Job centre Plus and Kent County Council. As such it is appropriate that it is published for broader public consultation. It is intended to consult for a period of 6 weeks during November and December 2014. The Strategy will be published on the Council's website and Locate in Maidstone, and sent to business networks and support organizations as well as all councillors and parish councils.

1.3.20 Any representations received will be considered and a final draft strategy will be reported back to Cabinet in January for consideration and adoption as the Council's Economic Development Strategy.

1.3.21 What has to happen?

1.3.22 Forecasts indicate that total jobs growth in Maidstone could be between 7,800 and 14,400 jobs to 2031. The sectors forecast to see the greatest jobs growth are professional services, administrative & support services, education, health, and residential care & social work. It should be noted that Maidstone is one of a few authority areas in Kent which has seen employment growth in the manufacturing sector.

1.3.23 The draft strategy identifies a series of priority actions to capitalise on our assets and the opportunities to strengthen the economy and create the right conditions for economic growth. These five priorities are:

1. Retaining and attracting investment - We will support existing businesses to grow and also work to attract new employers to the borough, creating job opportunities for all residents across a range of sectors.
2. Stimulating entrepreneurship - We will create a more entrepreneurial and innovative economy, supporting new business start-ups and those with high growth potential to move up the value chain.
3. Enhancing the town centre - We will promote the regeneration of Maidstone town centre as a high quality retail and leisure destination, and as a place to live and work.
4. Meeting the skills needs - We will ensure that residents are equipped with skills for work and that the skills' needs of businesses are being met. We will support the expansion of the Higher Education sector to increase the number of graduates in the workforce, supporting initiatives such as KIMS and Maidstone Medical Campus, as well as the UCA expansion at Maidstone Studios.

5. Improving the infrastructure - We will invest in infrastructure to drive economic growth – including the transport network and digital infrastructure.

1.3.24 There are many partners involved in taking forward the opportunities identified and there is a clear leadership and enabling role for Maidstone Borough Council to play in coordinating, promoting and actively working with the business community to achieve the economic vision.

1.3.25 Critically achieving the higher rate of jobs growth largely depends on:

1. Delivering the vision for the Town Centre,
2. Maximising the opportunities presented by Maidstone Medical Campus.
3. Filling the gap in our portfolio of employment sites to meet modern business needs.
4. Delivering a new masterplan for Eclipse Business Plan.

1.3.26 A more detailed draft action plan covering short, medium and longer term actions is included at the end of the Strategy.

1.4 Alternative Action and why not Recommended

1.4.1 An alternative action could be not to produce an Economic Development Strategy. However the current Economic Development Strategy was published in 2008 and is in need of updating to ensure the work of the Council correctly reflects the needs of the Borough.

1.5 Impact on Corporate Objectives

1.5.1 The Council’s number one priority is for Maidstone to have a growing economy. “In essence, Maidstone will be a good place to work and do business. The economy will continue to grow with a wide range of employment and business opportunities”. The Economic Development Strategy is at the heart of achieving this objective.

1.6 Risk Management

<b>Risk Description</b>	<b>Likelihood</b>	<b>Seriousness or Impact</b>	<b>Mitigation Measures</b>
Many actions require the support of partner organisations outside the Council’s direct control and this	D	2	Partner organisations have a vested interest in seeing the local economy grow. However clear and frequent communication and engagement will help ensure trust and good

may not be forthcoming			decision making.
Investment decisions at the Kent and SELEP level may prioritise other locations than Maidstone	C	2	Regular meetings between senior officers and Councillors with Kent County Council and Kent and Medway Economic Partnership is vital to ensure Maidstone's needs are fully understood and delivery of projects takes place in a timely fashion.

(Likelihood: A = very high; B = high; C = significant; D = low; E = very low; F = almost impossible)  
(Seriousness or Impact: 1= catastrophic; 2 = critical; 3 = marginal; 4 = negligible)

## 1.7 Other Implications

### 1.7.1

1. Financial	X
2. Staffing	
3. Legal	
4. Equality Impact Needs Assessment	X
5. Environmental/Sustainable Development	
6. Community Safety	
7. Human Rights Act	
8. Procurement	
9. Asset Management	

1.7.2 Financial: Whilst many of the actions are achievable within existing budgets, some large scale projects and interventions will require separate reports setting out the case for the Council's investment. The financial implications of the adopted strategy will be set out in those future reports.

1.7.3 Equality Impact Needs Assessment: The Strategy itself should not lead to any inequalities and careful consideration will be give to equality issues arising from the action plan.

<b><u>IS THIS A KEY DECISION REPORT?</u></b>	<b><u>THIS BOX MUST BE COMPLETED</u></b>
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
If yes, this is a Key Decision because: .....	
.....	
Wards/Parishes affected: .....	
.....	

1.8 Relevant Documents

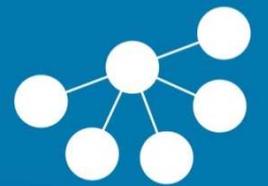
1.8.1 Appendices

Appendix 1 Economic Development Strategy

1.8.2 Background Documents

Qualitative Employment Site Assessment, August 2014, GVA.

State of the Maidstone Economy report, August 2014, Shared Intelligence



SHARED INTELLIGENCE



# Maidstone DRAFT Economic Development Strategy

**2014 - 2031**

**September 2014**

## Contents

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DRAFT

# Executive Summary

Maidstone today stands at a crossroads. The national economy is starting to grow after a long period of recession that affected Maidstone more adversely than its neighbours in some ways.

Employment has declined with significant jobs losses in the public sector, output has grown more slowly than in Kent overall, and the town centre has slipped down the retail rankings. It has not been all bad news though - the population has grown and is forecast to continue to grow, there has been recent private sector job growth, and more new businesses are being created and surviving than before. Investors are coming forward with new proposals that could bring significant benefits for Maidstone.

As the economic recovery gathers momentum, Maidstone needs to be in a position to benefit from the emerging growth opportunities. Without concerted action by the council and partners, there is a risk that Maidstone's economy will continue to underperform.

The overall approach adopted in this strategy is about making the most of our many economic assets, while at the same time protecting those that make Maidstone a special place. We want to support our businesses to grow, creating jobs for all of our residents and ensuring they are equipped with the skills to maximise their potential. By 2031 our vision for Maidstone is:

*"A model '21st century county town, a distinctive place, known for its blend of sustainable rural and urban living, dynamic service sector-based economy, excellence in public services, and above all, quality of life."*

This strategy sets out how we will achieve our vision and identifies a series of priority actions to capitalise on our assets and the opportunities we have to strengthen the economy and create the right conditions for economic growth. These five priorities are:

**Retaining and attracting investment** - We will support existing businesses to grow and also work to attract new employers to the borough, creating job opportunities for all residents across a range of sectors.

**Stimulating entrepreneurship** - We will create a more entrepreneurial and innovative economy, supporting new business start-ups and those with high growth potential to move up the value chain.

**Enhancing the town centre** - We will promote the regeneration of Maidstone town centre as a high quality retail and leisure destination, and as a place to live and work.

**Meeting the skills needs** - We will ensure that residents are equipped with skills for work and that the skills needs of businesses are being met. We will support the expansion of the Higher Education sector to increase the number of graduates in the workforce, supporting initiatives such as the Kent Institute of Medicine and Surgery (KIMS) and Maidstone Medical Campus, as well as the University of the Creative Arts (UCA) expansion at Maidstone Studios.

**Improving the infrastructure** - We will invest in infrastructure to drive economic growth – including the transport network and digital infrastructure.

We recognise that there are many partners involved in taking forward the opportunities identified and there is a clear leadership role for Maidstone Borough Council to play in coordinating, promoting and actively working with the business community to achieve the economic vision.

# 1 Introduction

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1.1 At the time of writing Maidstone's last Economic Development Strategy in 2008 the economy was in a very different place, poised on the brink of an economic recession which has been one of the longest in our history. Now some six years on the economic recovery is starting to gain momentum and there are real signs of growth.

1.2 Like many other places across the UK, Maidstone has fared relatively well in some ways during the recession and badly in others. We have seen overall employment decline but at the same time there has been population growth. Maidstone now stands at a crossroads where the opportunities for economic growth can be seen all around us. However, some tough and bold decisions will be needed to capitalise on these opportunities for the benefit of residents and businesses.

1.3 This strategy sets out our ambitions for what we want to achieve by 2031, the opportunities and challenges facing the Maidstone economy and how we will achieve the strategy.

## Developing the Strategy

1.4 The council commissioned Shared Intelligence (Si) to help prepare this economic development strategy. Their work included:

- reviewing the existing vision to ensure that this still meets current aspirations;
- an assessment of the current state of the Maidstone economy to identify the opportunities and challenges we face - the strengths, opportunities, weaknesses and threats;
- identifying priorities for how we will achieve our ambitions and the interventions to capitalise on Maidstone's economic assets; and
- formulating a programme of actions to take forward the journey to deliver our vision by 2031.

1.5 To inform the development of the strategy, an analysis of the broader national and local economic trends was undertaken to provide the evidence base. The findings of this work are set out in a separate State of the Maidstone Economy report, which sits alongside this strategy.

1.6 The views of the business community, key employers and stakeholders have also been considered in developing this strategy. Engagement has come via a number of different channels, including:

1. two workshops with the Maidstone Economic Business Partnership (MEBP) facilitated by Shared Intelligence held on 23<sup>rd</sup> May and 5<sup>th</sup> June 2014;
2. two workshops with Maidstone Borough Councillors - the Cabinet on 23<sup>rd</sup> July and the Overview and Scrutiny Committee on 29<sup>th</sup> July;
3. a programme of interviews conducted by Shared intelligence in May/June 2014 with 15 key businesses;
4. face-to-face and telephone interviews with 14 key stakeholders; and
5. the results of a business survey undertaken by Maidstone Borough Council in June 2014 with responses from 59 employers.

1.7 This strategy is for the whole of the borough of Maidstone, although it is recognised that the economic needs and opportunities vary geographically. On the one hand the borough has a vibrant rural economy that needs to be supported and on the other, Maidstone is the largest urban area in Kent and the County Town. The strategy sits alongside and informs the emerging Local Plan. It sets out our ambitions and principles for supporting growth of the economy, but does not consider specific employment land allocations which are addressed in the Local Plan.

## Maidstone in 2031

1.8 The council is committed to maximising the economic potential of Maidstone and enabling the creation of jobs for all residents of different backgrounds and skill levels. While growth is imperative, it needs to be achieved sustainably without sacrificing the environmental qualities that make Maidstone a special place.

1.9 **By 2031, we aim to:**

- **enable the creation of 14,400 jobs in a range of sectors and occupations**
- **raise economic output (GVA) per head<sup>1</sup> to the level of the South East**
- **raise the skills profile of Maidstone to the South East average**

1.10 In 2008, together with stakeholders from education, the business community and the public sector, we developed a long term economic vision for Maidstone to become a 21st Century county town. The long term ambitions described in the vision remain largely the same today as six years ago. However, achieving them has been made all the more difficult by the recession, which has slowed the rate of growth, increased unemployment and stymied investment.

1.11 The recession has resulted in some fundamental structural shifts in the national economy. Whereas the public sector was a key driver of employment growth in the early part of the decade (which was to the benefit of Maidstone as a county town), efforts to reduce the national deficit and the knock-on effects on the budgets of public sector agencies, mean that these jobs can no longer be relied upon. Growth in private sector employment is now critical to Maidstone's future prosperity.

1.12 Moreover, the policy context is now significantly different from before. National economic policy is shaped by BIS's Industrial Strategy with its focus on sector partnerships and "eight great technologies". At the regional level, Regional Development Agencies have been replaced by Local Enterprise Partnerships and there are new Strategic Economic Plans which influence the funding opportunities available.

1.13 The vision and strategy builds from a body of evidence and academic thinking about what makes local economies successful. Successful towns and cities tend to be those that are competitive, productive and innovative. They have the ability to continually upgrade their business environment, skills base, physical, social and cultural infrastructures and to attract the most profitable firms and the most talented people.

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<sup>1</sup> GVA per head is a measure of the relative economic prosperity of an area, calculated by estimating the value of the economic output and dividing it by the population. If GVA per head in Maidstone were on a par with the South East it would mean that we have created more higher value, better paid jobs and our economic performance would be more in line with the rest of the South East.

1.14 The visioning work in 2008 has been updated to reflect the economic circumstances and policy environment today and is captured in our Ambition Statement below.

### **Our 2013 Ambition Statement**

*“In 2031, Maidstone is a model ‘21<sup>st</sup> century county town’, a distinctive place, known for its blend of sustainable rural and urban living, vibrant service sector-based economy, excellence in public services, and high quality of life. Highly skilled and talented people continue to be attracted to the borough to live; while many commute out to work in London or elsewhere in Kent, more work inside the borough - in the town, in the surrounding rural centres, or from home. In the evenings and at weekends, residents choose to spend their money in Maidstone because of its unique, high quality retail and leisure offer.*

*The town centre is truly ‘a great place to visit, a great place to shop’; people come to Maidstone for its attractive high street and high quality, broad range of independent shops and retail multiples. Maidstone could never be called a clone town with its boutiques, high fashion outlets, and choice of niche retailers. Maidstone has moved up the retail rankings and is seen as an attractive alternative to the many homogenous out-of-town malls. In the evenings the town centre comes alive; it is a safe place for families out for an evening at the theatre, at entertainment venues and cultural facilities or at the many restaurants. Young people from all over Kent come to Maidstone because of the famous nightlife.*

*A culture of lifelong learning has been embedded in Maidstone in recognition of the importance of education and skills. Young people leave school with the qualifications they need to succeed in life. The further and higher education sectors have expanded and there is a significant university presence in the town. Vocational and community-based learning opportunities are closely aligned with the needs of local employers.*

*Environmental sustainability and valuing our environment is very important to the people of Maidstone. More people choose to leave their cars at home taking public transport, or walking and cycling. Fast and frequent rail services to London provide an important economic stimulus and access to job opportunities for our residents who choose to commute.*

*As a 21st century county town, Maidstone remains a by-word for excellence in public services, home to the highly respected borough and county councils, leading schools, further and higher education providers, and first class health services.*

*Maidstone is an important driver of growth in the south east, recognised by the Local Enterprise Partnership and central government. There are more knowledge intensive businesses here than ever before. The expansion of the Kent Institute of Medicine and Surgery (KIMS) and Maidstone Medical Campus (MMC) have attracted skilled professionals to the area. Alongside this, our buoyant business and professional services sector goes from strength to strength, serving markets well beyond the immediate boundaries of Maidstone. The creative and media sector has grown rapidly in the last 20 years with the University College of the Creative Arts (UCA) and Maidstone Studios producing even more nationally acclaimed programmes. Graduates are leaving university and setting up their own businesses, taking advantage of the new incubation space, virtual offices, and other high tech facilities at the Enterprise Hub.*

*Our rural communities are important community and commercial centres in their own right. They are a major part of our tourism offer, which also includes Leeds Castle and the riverside in Maidstone town centre.*

*Maidstone has a clear and distinctive offer to investors; they know that for the cachet of being in a county town, good connectivity, a ready supply of high quality affordable workspace, a pool of skilled labour, and good work-life balance, then Maidstone is the place to be.”*

## 2 Strategic Context

2.1 This economic development strategy for Maidstone sits within a wider European, national, regional and local policy context. It is important that this strategy is aligned to these broader strategic plans so that funding opportunities can be maximised to deliver our economic growth aspirations for Maidstone.

### The Plan for Growth and the UK Industrial Strategy

2.2 Upon election, the Government set out its strategy for promoting balanced and sustainable growth of the national economy in The Plan for Growth and the Growth Review<sup>2</sup>. A number of key themes were identified:

- **Providing stability for business:** Including a credible plan to reduce the deficit and for a stable financial system.
- **Making markets more dynamic:** Creating an open and competitive business environment to boost productivity.
- **Increasing trade and access to international markets:** With an emphasis on the importance of export growth for the recovery.
- **Access to finance:** Maintaining a flow of finance so businesses have the resources to invest and grow in the wake of the 'credit crunch'.
- **A planning regime which supports growth and sustainable development:** Including the introduction of the *National Planning Policy Framework (NPPF)* with its 'presumption in favour of sustainable development'.
- **Infrastructure:** Including the *National Infrastructure Plan* designed to set out a more coordinated investment plan nationally.
- **Labour market reform:** Including improved incentives to work through the Work Programme and removing barriers to job creation.

2.3 As the UK emerges from recession, these key themes continue to shape national economic policy and are therefore relevant context for developing Maidstone's economy.

2.4 Alongside the Growth Review, the Department for Business, Innovation and Skills (BIS) has continued to develop the national Industrial Strategy. This strategy focuses on developing sector partnerships and makes commitments to providing support for all sectors to improve global competitiveness, innovation and export potential.

2.5 Eleven sector strategies have been published so far alongside the national Industrial Strategy – those highlighted in bold are of most relevance in terms of Maidstone's economic profile: Aerospace, **Agricultural Technologies**, Automotive, **Construction**, **Information Economy**, International Education, Life Sciences, Nuclear, Offshore Wind, Oil and Gas, and **Professional and Business Services**. A strategy looking at the future of retail was published in October 2013 with the British Retail Consortium and a strategy for the **Creative Industries** is due to be launched later in 2014.

2.6 In addition, the Industrial Strategy identifies four cross-cutting themes:

<sup>2</sup> HMT/BIS (November 2010) 'The path to strong, sustainable and balanced growth'

1. **Eight Great Technologies:** Big data; satellites and space technology; robotics and autonomous systems; life sciences, genomics and synthetic biology; regenerative medicine; agri-science; advanced materials and nano technology; and energy.
2. **Skills:** Working to deliver the skills that employers need, giving businesses more say over how government funding for skills is spent.
3. **Access to finance:** Helping businesses get the finance they need to invest in people and equipment and to grow.
4. **Procurement:** Developing UK supply chains and creating a simpler and more transparent public sector procurement system.

2.7 The sector strategies and cross cutting themes in the Industrial Strategy have helped to inform our thinking in the Economic Development Strategy.

## South East LEP Strategic Plan and the Growth Deal

2.8 The South East Local Enterprise Partnership (SE LEP) is a partnership of key leaders from business, local government and further and higher education across the South East. It covers the counties of Essex, Kent and East Sussex and the unitary authorities of Southend, Thurrock and Medway. Of the 39 Local Enterprise Partnerships set up by Government, SE LEP is the largest outside London, with a total population of 3.9 million, more than 130,000 businesses and 1.3 million jobs.

2.9 Government asked all LEPs to submit a Strategic Economic Plan in March 2014, identifying the housing, transport, economic development and skills priorities of the area. Kent's priorities in the SEP were articulated in Unlocking the Potential: Going for Growth (see below).

2.10 SEPs were the mechanism by which LEPs bid for a share of the Local Growth Fund – a new £12 billion fund devolved from government departments. The first wave of the Growth Deals were announced on 7<sup>th</sup> July 2014 and SELEP was awarded £442.1 million, with £64.6 million of new funding confirmed for 2015/16 and £143.6 million for 2016/17 to 2021. The deal included a provisional allocation of £8.9 million for an integrated transport package for Maidstone for 2016/17 onwards.

2.11 A key component of the Deal was the creation of SEFUND - a revolving investment fund for local authorities and partners to bid for in order to support projects in their area. Although this proposal did not receive a financial allocation in the Growth Deal, the SE LEP is continuing to explore this with government. It is important that the Maidstone Economic Development Strategy provides the foundation for Maidstone to secure its share of SEFUND and future rounds of LGF.

## European Structural Investment Funds Strategy (ESIF)

2.12 In addition to resources secured through the Growth Deal, the SE LEP has access to European Structural Investment Funds for the period 2014-2020. These fund are available through both the European Regional Development Fund (ERDF) and European Social Fund (ESF) European Programmes. The SE LEP European Structural Investment Fund Strategy (ESIF) is aligned to the priorities of the SE LEP Strategic Economic Plan.

## Unlocking the Potential: Going for Growth

- 2.13 The Growth Deal for Kent and Medway was based on the Kent and Medway Growth Plan - Unlocking the Potential: Going for Growth. It focuses on the key transport projects, housing and employment sites, skills capital projects, and other funding opportunities in the area.
- 2.14 The key locations for growth include Maidstone and the M20 corridor; Thames Gateway Kent – A2/M2 corridor; East Kent – the high speed one growth corridor; and West Kent – the A21 corridor and Medway Valley. Maidstone is identified as Kent’s county town, with economic opportunities associated with its central location, established business services sector and developing media and health sectors. The M20 Junction 7 with Eclipse Business Park and the Maidstone Medical Campus, and the town centre are identified as opportunities for growth. The relative weakness of rail connectivity and high levels of congestion around the town centre are identified as specific economic challenges.
- 2.15 Investment opportunities are identified at Maidstone Medical Campus, where funding opportunities could help to bring forward the development by supporting initial infrastructure costs. At the nearby Maidstone Studios the University of the Creative Arts are looking to develop their student facilities. In the town centre, redevelopment of the area surrounding Maidstone East Station is identified as an important regeneration site, replacing outdated office blocks and car parking with a new mixed-use extension of the town centre.
- 2.16 A number of transport projects identified for Maidstone in the SEP have received funding including:
- **Maidstone Gyrotory Bypass.** This £5.7 million total cost scheme has been allocated £4.56 million Local Growth Funds and is due to start in 2015/16 with completion in 2016/17. It will deal with a congestion and air quality hotspot within Maidstone Town Centre, lying at the point where the A20, A26, A229 and A249 primary routes converge and cross the River Medway in Maidstone town centre. Two additional northbound lanes will be constructed to enable northbound traffic on the A229 to bypass the existing Gyrotory system. This will reduce journey distances, travel time and congestion and enable the regeneration of the western riverside.
  - **Sustainable Access to Maidstone Employment Areas.** At a total cost of £3 million total, £2 million of Local Growth Funds have been allocated to this schemes which will start in 2015/16 and be completed in 2016/17. This scheme is a high quality dedicated cycle and pedestrian route from residential development sites on the outskirts of Maidstone into the Town Centre. It will encourage a modal shift to walking and cycling, reducing vehicle trips along main access route into Maidstone; delivering decongestion benefits and improving journey time reliability.
  - **West Kent LSTF.** This scheme includes local growth funding of £1 million for Maidstone East Rail Station improvements which matched by £1 million from the national station improvement programme and is part of a larger schemes around the station which includes a retail element.

## Tackling Disadvantage: Low Income Working Families

- 2.17 Kent County Council is leading the preparation of a strategy to support working families on low incomes. This is a particularly important issue in Maidstone where the weekly wages of workers are particularly low. ‘In-work poverty’ has become more of a concern nationally as inflation – including the cost of gas, electricity, food and other basics - has risen faster than wage growth, leading to a decline in real incomes. The work is looking into how local authorities in Kent can support people on

low pay to: maintain good health; progress in their career to better paid jobs; navigate the complexities of the in-work benefits system; and how to incentivise employers to give workers a fair deal.

## What Makes a Successful Local Economy?

- 2.18 There is a long history of academic thinking in economic geography, regional economics and urban studies that has attempted to explain why some local economies perform better than others, and to identify the key success factors. The concept of ‘agglomeration economies’ has been popular in recent discourse and has informed latest government policy with respect to local economic growth.<sup>3</sup> Agglomeration theory suggests that concentrations of economic activity generate economic benefits for businesses located within them, including easier access to skilled labour, specialist inputs and suppliers, and the creation of knowledge spillovers. Agglomeration benefits are believed to raise productivity, income and living standards.
- 2.19 The concept of ‘resilience’ has also gained traction within the field following the recession. The Centre for Local Economic Strategies (CLES), and the Institute of Public Policy<sup>4</sup> (IPPR) have both emphasised the importance of local economies being able to adapt both to shocks and to long-term changes. The concept of resilience is tied to a broader debate about what constitutes ‘good growth’, placing greater emphasis on the importance of environmental sustainability, responsible business practices, engagement and accountability and a responsive public sector.
- 2.20 Some common threads emerge from these different theories. Successful towns and cities tend to be those that are competitive, productive and innovative. They have the ability to continually upgrade their business environment, skills base, and physical, social and cultural infrastructures, to attract the most profitable firms and the most talented people. Success factors include:
- **Innovation, creativity and enterprise** - entrepreneurial activity and the exploitation of new ideas through innovation are important drivers of economic growth. How easily new ideas are diffused between firms and sectors in a locality will influence their take-up and ultimately how productive the local economy will be.
  - **Risk investment and capital** - investment and capital is required for businesses to develop new innovations and for investment in the place. Therefore, the ability of a place to attract this will influence its performance.
  - **High quality labour** - the availability of human capital to turn ideas into new innovations worth funding with venture capital is important for achieving successful knowledge driven economies.
  - **Exports** – successful local economies tend to be those that export goods and services beyond their immediate boundaries serving wider markets.
  - **Connectivity** - having an efficient transport, electronic telecommunications and business networks are critically important to how the economy of a place functions and good systems are needed to support successful economies.

<sup>3</sup> BIS Economics Paper No.7 (2012) “Understanding Local Growth”

<sup>4</sup> IPPR (2014) “Building Economic Resilience”.

- **Quality of life** - this is hard to define objectively and can relate to the social, environmental and place factors. Evidence suggests that a good quality of life is an indirect rather than a direct driver of urban economic competitiveness, but it is nevertheless important for attracting new investment.
- **Decision making** – strategic decision making by urban authorities is a key driver of competitiveness when effective governance arrangements are in place.

2.21 Maidstone has many features of a successful economy. Our aim is to build on these strengths through this economic development strategy so that our residents can benefit from a stronger economy.

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## 3 Maidstone Today: Challenges and Opportunities

3.1 This section sets out how Maidstone's economy has been performing over recent years and the challenges and opportunities it faces. The key points in this section are based on the findings set out in the State of the Maidstone Economy report and from the programme of engagement and workshops with the business community, stakeholders and councillors.

### **Maidstone has the biggest economy in Kent**

3.2 Maidstone is the largest economy in Kent in terms of economic output, worth an estimated £3.3 billion per annum<sup>5</sup>. Total employment - including both employees and the self-employed - was 70,700 in 2012<sup>6</sup>, 12.6% of total employment in Kent.

### **Recent economic performance has been poor**

3.3 Over recent years Maidstone's economy has not fared well and for many economic indicators the downward trends have been worse than for neighbouring areas and comparator towns.

3.4 Maidstone's economic output, measured in terms of GVA, fell between 2007 and 2012 and as a result its contribution to the Kent economy decreased from 13.3% to 12.5%. Amongst the Kent districts, only Dover experienced a worse fall in output over this period. Over the longer term from 2002 to 2012, Maidstone's economic output performance has been below par - increasing by only 3.8% which was below the Kent (+4.2%) and national (+4.4%) rates. Nearby districts of Dover, Tunbridge Wells, Gravesham and Swale have all performed better.

3.5 Total employment in Maidstone fell from 72,600 in 2009 to 70,700 in 2012<sup>7</sup>. This 2.6% decrease was greater than the fall across Kent as a whole (-0.7%) and contrasts with a slight +0.7% increase nationally. Only Ashford (-2.9%) and Tonbridge & Malling (-3.1%) saw a decline greater than Maidstone amongst the Kent districts, with the others all doing better, particularly Dartford (+11.3%) and Sevenoaks (+5.1%).

3.6 Employment in Maidstone also fared worse than in comparator areas like Colchester, Chelmsford and Horsham, which saw either no change or an increase in employment over the same time period.

3.7 Over a longer time horizon from 2002 to 2012, employment in Maidstone increased by 3.8%, which was above the Kent average (+0.9%) but below the national growth rate (+5.8%). Four other districts in Kent saw greater growth and these were Dartford, Shepway, Canterbury and Ashford.

### **A service sector based economy**

3.8 The focus of the Maidstone economy is towards the service sector with Health and Public Administration (largely public sector), Business Administration & Support, Financial and Insurance Services and Information & Communication all relatively significant.

<sup>5</sup> All GVA estimates are from Kent County Council (2014) Business Intelligence Statistical Bulletin

<sup>6</sup> ONS (2013) Business Register and Employment Survey (BRES)

<sup>7</sup> ONS (2013) Business Register and Employment Survey (BRES) - includes employees and self-employed.

- 3.9 While public sector orientated service industries have performed badly in employment terms since 2009, private sector services have seen some growth. Employment in Business Administration & Support, Financial and Insurance services and Information & Communication increased between 2009 and 2012 and growth has been well above the national and Kent trends, with the exception of Business Administration & Support which grew more at the Kent level.

### Public sector job losses

- 3.10 One of the main reasons why the Maidstone economy has performed poorly over recent years is its reliance on the public sector for employment at a time when austerity has meant cuts to the public sector nationally. Some 1500 of the 1900 jobs lost in Maidstone between 2009 and 2012 were in the public sector<sup>8</sup>.
- 3.11 Maidstone has the second highest dependency on public sector jobs in the South East (27.9% of the workforce)<sup>9</sup> and it is forecast to lose a further 2000 jobs by 2015 through a combination of direct (1490) and indirect (510) public sector job losses.
- 3.12 Private sector jobs have also been lost since 2009 in Maidstone, but to a lesser extent than in the public sector and there are more positive signs of growth over the last year.
- 3.13 The dominance of the public sector in the Maidstone economy continues to be a key issue for future prosperity. As the county town, we would expect the proportion of employment in the public sector to be high but some diversification is needed. In 2012, 11.3% of the employment in Maidstone was in Public Administration and Defence compared to only 4.4% in Kent as a whole. Signs are that the public sector is set to continue to shed further jobs over the next few years, so increasing private sector employment growth in Maidstone needs to be a priority.

### Manufacturing is important

- 3.14 Although the manufacturing sector is relatively small in the borough, accounting for a relatively low proportion of jobs (5.6% of jobs compared to 6.9% in Kent and as whole and 8.9% nationally), it has performed relatively well. Manufacturing employment increased by almost 5.7% between 2009 and 2012, which contrasts with decline in Kent (-6.6%) and nationally (-3.5%)
- 3.15 The manufacturing industries which performed best in Maidstone were Pharmaceutical Products, Food Products, Rubber and Plastic Products and Computer, Electronic and Optical Products.
- 3.16 This growth has largely been around Marden, Headcorn, Staplehurst and in northern areas around the M20. However, some of these growing businesses wish to relocate to more accessible parts of the borough closer to the motorway network. It will be important that these growing manufacturing companies are nurtured to capitalise on the opportunities for economic growth they bring.

### A small but growing knowledge economy

- 3.17 Overall Maidstone has a relatively low share of higher value 'knowledge intensive' employment (14.5% compared to 16.1% for Kent and 19.4% nationally); these are sectors such as ICT, financial and business services, and advanced manufacturing, which are driving national economic growth. While their share in Maidstone is relatively low, they are growing with strong jobs growth recorded since 2009 above that for Kent and England as a whole (+5.1% compared to +4.4% in Kent and +2.6%

<sup>8</sup> ONS (2013) Business Register and Employment Survey (BRES)

<sup>9</sup> KCC Research & Intelligence (January 2011) 'Public Sector Dependency and an assessment of public sector jobs in Kent'

for England)<sup>10</sup>The knowledge economy industries that saw particularly significant growth in Maidstone are Architectural and Engineering Activities, Computer Programming, Consultancy and Related Activities and Publishing.

3.18 It is important that these high value jobs are encouraged as they are the growth industries of the future that will bring higher value, higher paid job opportunities to the borough.

### **An entrepreneurial economy**

3.19 Maidstone is an entrepreneurial economy with the self employment rate (12.1%) above the Kent (11%) and national (9.9%) averages; the borough ranks fourth highest in Kent below Tunbridge Wells, Shepway and Dover<sup>11</sup>.

3.20 Although the rate of business start-ups has fallen over recent years, from constituting 13.9% of businesses in 2004 to 11.2%, this is on a par with the average for Kent (11.1%) but above the national average (10.8%)<sup>12</sup>.

3.21 Business survival rates generally deteriorated during the recession, but Maidstone performed relatively better, with business survival rates generally above the national average since 2011.

3.22 However, some of the reported specific and generic barriers facing new business start-ups and their survival in Maidstone include:

- inflexible lease terms for premises and comparatively high costs, particularly for those without start-up capital and recent graduates and residents starting in business from low income backgrounds;
- many micro businesses working in isolation with few opportunities to develop local supply chains;
- a lack of business skills and little awareness of what is available and a perception that engaging help will be costly; and
- business frustration that the business support landscape is too fragmented and/or irrelevant to their needs.

3.23 It is important that new business creation is encouraged and supported through the early stages of development. New firms and SMEs, particularly in the high value knowledge sector, are important drivers of innovation and higher productivity in the economy and this will help to diversify Maidstone's economy away from the predominance of the public sector.

### **A growing population**

3.24 Maidstone had an estimated population of 157,300 in 2012 and is the largest district in Kent, with 10.6% of the county's population.<sup>13</sup> The population has grown faster than the national average in the last decade, with 17,000 more residents since 2002.

<sup>10</sup> ONS (2013) Business Register and Employment Survey (BRES) based on KCC definition of the knowledge economy.

<sup>11</sup> ONS Annual Population Survey

<sup>12</sup> ONS Business Demography

<sup>13</sup> ONS Mid Year Population Estimates

- 3.25 This growth is set to continue, with future population growth for Maidstone forecast to be above the national and regional level to 2021. Both the working age (16-64) and retirement age (65+) population are expected to grow more than in Kent overall.
- 3.26 This growth offers opportunities to capitalise on the increased productive capacity of the local labour force to support business growth. If jobs growth does not materialise to meet these needs then commuting to neighbouring places will rise causing additional pressure on existing infrastructure and any additional business rates income that could be generated from new economic activity will be lost.

### High rates of economic participation

- 3.27 Maidstone has a strong labour market with relatively high employment and economic participation rates and relatively low levels of unemployment. In 2013, 7.2% of economically active residents aged 16-64 were unemployed, compared to 7.6% for both Kent and England.<sup>14</sup> Unemployment increased as a result of the recession, from around 4.3% in 2008 to 8.2% in 2012, but fell in the last year. Thus, while the labour market has performed relatively well in difficult times, there is still some way to go for unemployment to return to pre-recession levels.
- 3.28 Maidstone's claimant count (the share of working age people claiming Jobseekers Allowance) shows a similar pattern to overall unemployment. The claimant count rate rose sharply in 2008, from 1.0% of 16-64 year olds in January 2008 to 2.7% in January 2012, but has come down in the last year. In April 2014, 1.7% of working age residents were claiming JSA, compared with 2.3% for Kent and 2.7% for England as a whole. Maidstone's claimant count rate was the fifth lowest in Kent in April 2014<sup>15</sup>.
- 3.29 This relative tightness of the labour market is further supported from evidence of mismatch between the supply and demand for labour. There is greater demand for entry level and intermediate level jobs amongst JSA claimants, particularly in sales and customer service roles, than vacancies available, whereas for higher paid occupations, such as associate professionals, the opposite is true - there are more vacancies than claimants.
- 3.30 Anecdotal evidence from employers suggests that businesses are facing recruitment problems which are affecting the ability of some Maidstone businesses to grow. For example, a logistics company said that it was struggling to recruit 40 drivers, a manufacturing company reported difficulties in recruiting engineers and a care provider is also having problems in recruiting for relatively low wage positions.
- 3.31 These indicators suggest that labour market conditions are tight and some businesses are facing recruitment problems across a spectrum of job types in Maidstone.

### Low qualification levels

- 3.32 The qualifications profile is relatively low in Maidstone with less than one third (32.6%) of residents qualified at NVQ Level 4 or above. This is below the Kent (33.6%) and national (35%) averages. More

<sup>14</sup> ONS Annual Population Survey

<sup>15</sup> ONS claimant count

people in Maidstone are also qualified at below level 2<sup>16</sup> (18.5%) compared to Kent as a whole (16.5%)<sup>17</sup>.

- 3.33 However, GCSE performance is good. In 2013 70.8% of Key Stage 4 pupils in Maidstone achieved 5+ A\*-C GCSE grades (including English and mathematics) compared to only 63.1% across Kent and 59.2% nationally and at A level 87.8% of pupils achieved 3 or more A\*-E Grades compared to 86.1% across Kent<sup>18</sup>.
- 3.34 While there has been improvement over recent years both at the upper and lower ends of the qualifications profile - fewer people have no qualifications and more now have degrees - this improvement has been less than in Kent as a whole, so the gap has widened.
- 3.35 For Maidstone to attract high value jobs and for companies to innovate and become more productive in the future, there is a need to up skill the workforce and attract graduates to work in the Maidstone economy.

### **Residents earn more than workers**

- 3.36 Average earnings of residents in Maidstone (£26,800) are above those of workers (£23,290)<sup>19</sup>. This gap between the wages of residents and workers reflects commuting patterns with out-commuters generally going to better paid occupations, and in-commuters coming to generally lower paid service sector jobs.
- 3.37 Historically, resident earnings in Maidstone have been above the Kent and national averages, However, latest figures suggest resident earnings in Maidstone fell between 2012 to 2013 from £28,700 to £26,800 and therefore are now below the Kent (£28,700) and national (£27,400) averages. These figures need to be treated with caution and monitored to test whether 2013 was a one off fall, an error in the data, or whether they are part of a more profound decline.

### **Maidstone is becoming less important as a place for jobs**

- 3.38 Maidstone as a place for work for its residents has become less important over the last decade, moving from being a slight net importer of labour to a net exporter. The 2011 Census shows that some 1240 more people were leaving the borough for work than coming in.
- 3.39 Evidence suggests that in terms of jobs profiles, more out-commuters are working in managerial, professional, and technical occupations, while those commuting into Maidstone tend to be in skilled / semi-skilled occupations.<sup>20</sup>
- 3.40 The potential pool of more highly skilled labour that is currently commuting out of the borough offers potential opportunities to attract higher value businesses which can utilise these skills.

<sup>16</sup> Level 2 is equivalent to 5 GCSEs Grade A\* to C

<sup>17</sup> ONS Annual Population Survey

<sup>18</sup> Kent County Council.

<sup>19</sup> ONS Annual Survey of Hours and Earnings, 2013

<sup>20</sup> Administrative and secretarial; skilled trades; caring, leisure and other services; and, sales and customer service occupations

## SWOT Analysis

- 3.41 Based on the analysis of recent economic trends and others which are discussed later in the strategy, we summarise below the main strengths, weaknesses, opportunities and threats facing the Maidstone economy.

<b>Strengths</b>	<b>Weaknesses</b>
<ul style="list-style-type: none"> <li>• Good strategic transport links</li> <li>• Attractive business location opportunities around motorway junctions</li> <li>• High quality environment</li> <li>• Critical mass of employment draws workers to the area</li> <li>• Opportunities in the health and medical growth sectors</li> <li>• Part of a growing and dynamic market area</li> <li>• Significant proportions of economically active residents</li> <li>• High proportions of residents employed in technical and associate professional occupations</li> <li>• Growth in knowledge based economy sectors</li> <li>• Diverse and broad sectoral mix</li> <li>• High levels of entrepreneurship</li> <li>• Good school performance in GCSEs and A levels</li> </ul>	<ul style="list-style-type: none"> <li>• Poor rail connectivity to London compared to neighbouring towns</li> <li>• Relatively low levels of productivity</li> <li>• Gap between resident and workplace earnings</li> <li>• Low qualification profile and the gap widening with other places</li> <li>• High dependency on public sector employment</li> <li>• Low proportion of managerial level occupations</li> <li>• Lack of employment in key knowledge sectors</li> <li>• Loss of HE provision</li> <li>• Maidstone town centre is falling in the retail hierarchy.</li> <li>• Lack of suitable retail units that meet retailer requirements</li> <li>• An abundance of low quality secondary office space in the town centre and stagnant office market demand for secondary space</li> <li>• Low level of delivery of new high quality floorspace across all property types</li> </ul>

Opportunities	Threats
<ul style="list-style-type: none"> <li>• The working age population is forecast to grow</li> <li>• Strong base of entrepreneurs to further develop</li> <li>• Out commuting of higher skilled workers provides future business growth opportunities</li> <li>• To build sector strengths based around the proposed expansion of KIMS and Maidstone Medical Campus</li> <li>• To build HE capacity with a focus on health-related opportunities relating to the Maidstone Medical Campus and the UCA provision at Maidstone Studios</li> <li>• Ability to utilise the M20 to attract regional and nationally focused activities</li> <li>• Availability of employment sites for development at Junction 7 To increase the attractiveness of the town centre and enhance retail and leisure offer the through proposed developments</li> <li>• Use of PDR to convert low quality vacant offices to town centre housing and thereby improve the vitality of the office market</li> <li>• Potential delivery of existing permissions if property market can be strengthened</li> <li>• Potential to exploit 'niche' opportunities in the sub-regional economy</li> <li>• Growth in neighbouring areas within the functional market area can grow 'market opportunities' for Maidstone businesses</li> </ul>	<ul style="list-style-type: none"> <li>• Decreasing proportion of the population in the 30-59 age band</li> <li>• Major growth proposals in neighbouring local authority areas</li> <li>• Competition from established locations for 'value added' sectors</li> <li>• Global competition</li> <li>• Dominance of Kings Hill in the regional office market</li> <li>• Competition from neighbouring centres for local business seeking to expand and inward investment opportunities</li> <li>• Proposals for out-of-town retail developments which could threaten the town centre if poorly planned.</li> <li>• Limited scale market</li> </ul>

## 4 Maidstone's Growth Potential

- 4.1 Understanding the trajectory of the Maidstone economy, both in terms of the scale and type of economic growth that could occur is an important foundation for the economic development strategy. An informed judgement about the sectors that could grow (and decline) is needed to shape policy and investment decisions by the council and partners.
- 4.2 At the same time, we must acknowledge the inherent uncertainties when making these judgements. Anticipating external shocks such as the global credit crunch is almost impossible. Moreover, in the context of global and national structural macroeconomic changes, the council is limited in its ability to influence the performance of different sectors. Policy needs to be sufficiently flexible to adapt to the changing demands of the economy and to create the conditions for growth in a range of sectors. These sectors need to provide jobs in a range of different occupations at different skill levels and pay grades for all residents.

### Employment Forecasts

- 4.3 In their report *Economic Sensitivity Testing and Employment Land Forecast*<sup>21</sup>, consultants GVA present a number of different forecasts of future employment growth in the Maidstone economy. A 'base' scenario is modelled from econometric forecasts by Experian. This effectively represents a 'business as usual' scenario, projecting forward largely based on historic trends. The base scenario is for employment growth of 7,800 jobs between 2011 and 2031 in Maidstone.
- 4.4 Building from the base scenario, GVA consider the locally relevant factors that could drive economic growth, considering where the base scenario under- or over-plays the potential for growth in some of Maidstone's existing key sectors. In addition, the consultants assess the potential for growth in new 'opportunity' sectors, reviewing some of the emerging technologies that could drive growth and how applicable they are to Maidstone's economy.
- 4.5 Based on this analysis, GVA conclude that it is reasonable to anticipate that employment growth will, in certain sectors, grow beyond what 'business as usual' or historic trends would suggest. To quantify the potential uplift, three sensitivity tests are applied. First, comparator areas are identified and their forecasts for sector growth compared with Maidstone. Second, the impact of proposed developments in Maidstone are considered, including KIMS/MMC and the Newnham Court Shopping Village. Third, the key elements of sensitivities 1 and 2 are integrated to arrive at an enhanced growth scenario of 14,400 jobs over the period 2011 to 2031.
- 4.6 GVA conclude that while there are risks, on balance it is appropriate to plan for growth in line with the enhanced growth scenario to maximise economic potential. The high growth scenario, which has been accepted by the council, will require a proactive approach to promoting economic growth, making land available in attractive locations for business, taking forward the regeneration of the town centre and implementing other actions outlined in this strategy. Maximising the potential of Kent Institute of Medicine and Surgery (KIMS) and the Maidstone Medical Campus proposal will be particularly important for achieving the employment forecast.

<sup>21</sup> GVA (2014) 'Economic Sensitivity Testing & Employment Land Forecast for Maidstone Borough Council'

## Sectors

4.7 A breakdown by sector of the 14,400 jobs forecast in Maidstone over the next 20 years is provided by GVA in their report. As the forecasts are derived from standard industrial classifications, it is helpful to group some of these activities together for the purposes of strategy and policy making. The commentary below is focused on those sectors, and sub-sectors, with the largest growth potential in Maidstone. It is drawn from analysis by Shared Intelligence in the State of the Economy report and from the GVA report.<sup>22</sup>

### Professional and Business Services

4.8 Employment in Maidstone, like the UK, is expected to continue its shift towards service sector-based activities with professional and business services the main engine of growth. While a renaissance in manufacturing has been touted since the financial crisis, it has so far failed to emerge to the extent that pre-recession trends have substantially changed. The professional services sector covers a wide variety of activity, from legal services through to scientific R&D. Growth of over 5200 jobs are forecast in this sector by 2031 making it the largest contributor to future growth in Maidstone. Business services such as architecture, marketing and management consultancies are driven to an extent by growth of the industries they serve. Demand in Maidstone is likely to be largely locally driven from SMEs serving local markets.

4.9 The R&D activities within this sector are of particular interest to Maidstone as they help to raise productivity, broaden the economic base, and offer well paid jobs. Some of the Maidstone Medical Campus jobs would fall into this category.

4.10 Other sectors expected to grow which fit under the broad category of Professional and Business Services include:

- **Finance:** While the financial crisis, together with longer-term consolidation of activities within the sector, has meant a decline in employment nationally, Maidstone has seen recent job gains. Longer-term growth in the South East is anticipated and building on the existing strong base, it is reasonable to assume that Maidstone could capture a share of this growth. The sector is forecast to create almost 500 jobs by 2031.
- **Computing and information services:** Information technologies permeate nearly all sectors of the economy and are a key driver of innovation and productivity gains. The IT services sector continues to evolve with cloud computing and the mobile App industry both recent drivers of growth alongside on-going demand for networking, hosting, and maintenance. As more and more business rely on information technologies to do business, employment will continue to grow. The relatively low start-up costs associated with setting up an online business, or launching a new App mean there are opportunities for micro enterprises and SMEs. The sector is forecast to create 600 jobs in Maidstone by 2031.
- **Administrative and supportive services:** These services will continue to grow with the wider economy, as both the private and public sectors continue to outsource more of their administrative and supportive tasks in order to focus on core business. The sector is of particular interest in terms of the potential for remote working and start-up opportunities. Over 1600 jobs are forecast in Maidstone by 2031.

<sup>22</sup> GVA (2014) 'Economic Sensitivity Testing & Employment Land Forecast for Maidstone Borough Council'

## Construction and Real Estate

- 4.11 Maidstone has a comparatively large construction sector, with some 30% more jobs than the national average. Reflecting the highly cyclical nature of employment, over 1500 jobs in construction were lost during the recession. As the property market recovers, there is good reason to believe employment in construction in Maidstone will recover and expand. The scale of housing growth in Maidstone, nearby parts of Kent and the South East should support long-term growth.
- 4.12 Three sectors in the forecast fall under the broad category of construction – civil engineering, construction of buildings, and specialised construction activities. Together, they are forecast to create nearly 800 jobs by 2031. Closely tied to Construction is the Real Estate sector where more than 600 jobs are forecast in activities such as including Real Estate Sales, Managing and Letting.

## Health and Social Care

- 4.13 An ageing population and the rising proportion of national income being spent on health and social care will drive growth of this sector. More people are turning to private healthcare to supplement care provided by the state. An uplift to the base forecast for the health sector in Maidstone has been applied to account for investment taking place in KIMS and the Maidstone Medical Campus proposal. These developments will create highly skilled, well-paid jobs that will boost productivity and income in Maidstone. It is therefore important to support the development of KIMS and Maidstone Medical Campus to ensure that the opportunities it will bring to attract further inward investment are capitalised upon.
- 4.14 Over 1500 additional jobs are forecast in the health sector by 2031. Another 1500 jobs are forecast in Residential and Social Care. These sectors offer the potential to create jobs in a range of occupations and skill levels.

## Manufacturing

- 4.15 The manufacturing sector has performed relatively strongly in Maidstone since 2009 - particularly in the rural areas, such as Marden and north of Maidstone. Maidstone has some locally significant and growing businesses in transport equipment manufacturing. Nurturing this sector and supporting manufacturing industries to continue to grow in the future will be important. Securing the future of our existing businesses is the best way of achieving economic growth rather than relying on new inward investment opportunities.

## Creative and Media

- 4.16 The creative industries are increasingly recognised as one of the UK's competitive strengths in the global economy. There were over 2700 jobs in the broad creative industries sector in Maidstone in 2012, representing 3.8% of employment, which is above the Kent average (3.1%) but below the national average (4.3%).
- 4.17 Within this broad sector, Maidstone has a specialism in Media and Broadcasting in the form of Maidstone Studios, and also has close ties with the University of the Creative Arts. While London dominates the media industry, Maidstone Studios is a key asset locally that should be supported. New technologies including new online platforms are creating opportunities for entrepreneurs to enter the sector. While the quantum of forecast employment growth in media is modest (+80 jobs) by 2031, they are potentially high value jobs, and the figure should be seen as a minimum within the context of more significant growth of the wider creative sector.

## Retail and Leisure

- 4.18 The retail sector continues to change significantly with the growth of online retail, the popularity of larger shopping malls and the recent decline in disposable income. High streets are being forced to reinvent themselves to survive in this highly competitive environment. Investment in Maidstone town centre is needed if it is to continue to be a popular retail and leisure destination. Population growth and growing consumer confidence should provide a much needed injection of demand and footfall in the short-medium term. The retail sector is forecast to create 600 jobs by 2031.
- 4.19 In terms of leisure, long-term growth in income has driven demand for recreation activities, tempered recently by the fall in real incomes following the recession. With the right offer, Maidstone has the potential to attract growth in the sector, drawing spend from relatively wealthy surrounding areas. The recreation sector is forecast to create 260 jobs.

## Education

- 4.20 Nationally, the education sector is expanding, driven largely by population growth which is resulting in the need for more schools places, and in turn more teachers, teaching assistants, secretarial and consultancy support. Demand for further and higher education is also growing, with the latter one of the UK's most important exports in the form of international students. Population growth in Maidstone will mean at least two new primary schools within the town. There are also opportunities for expansion of higher education, linked to the media sector and health sectors. The education sector is forecast to create 1500 jobs by 2031.

## Logistics and Distribution

- 4.21 The logistics and distribution sector has seen significant growth over the past decade proving to be resilient in the recession. Future growth in this sector is forecast to be strong. More and more goods are being transported across the country from business to business and business to consumer. In this sense, the logistics sector is an important enabling sector for the rest of the economy. The sector offers a range of employment opportunities at different occupational and skill levels. The industry is growing in terms of size and sophistication; Skills for Logistics – the sector skills agency forecasts the need for more than 900,000 workers over the next decade nationally, increasingly at managerial levels and also at machine operative and administrative levels.
- 4.22 Locations with good accessibility to ports, airports and freight hubs have been the main focus for operators and developers. Maidstone's location on the M20 means it fits many of these criteria and demand is expected to be strong along motorway junction locations. Nearly 700 more jobs are forecast in land transport and storage and a further 300 jobs in the wholesale sector in Maidstone by 2031.

## The Visitor Economy

- 4.23 Tourism is an important sector in Maidstone; visitors come to the area for a variety of different reasons and from a variety of places, bringing an injection of expenditure which helps to raise income and employment both directly and through multiplier effects. Nationally, the tourism sector continues to expand; according to ONS figures 2013 was a record year for overseas visitor numbers to Maidstone with a large increase in the number of Chinese visitors.
- 4.24 Leeds Castle is the most high profile of Maidstone's tourist attractions with over 500,000 visitors per annum. Other key attractions include Maidstone Museum, Kent Showground & Bentsley Art Gallery -

one of the most important regional museums in the South East, Kent Life – an open air museum about Kent’s rural heritage, the Hazlitt Arts Centre and the Hazlitt Theatre.

- 4.25 Many people visit Maidstone to enjoy its attractive rural villages and Kentish countryside. Parts of the borough are within the Kent Downs Area of Outstanding Natural Beauty (AONB). People visit to go walking, cycling, horse riding or to sample the local Kentish produce. The town centre attracts people during the day for the retail and leisure offer, as well as for the parks and riverside walks. In the evening, Maidstone’s bars and club are popular with young people and contribute to an important evening economy.
- 4.26 The parks and open spaces in Maidstone, especially Mote Park and Whatman Park, mean it is well placed to host major events and festivals, and has a track record of doing so. Maidstone is also a popular location for conferences, with a number of different venues across the borough which are promoted by Kent Conference Bureau (KCB), a not for profit organisation promoting Kent as a conference and event destination, that was originally established in Maidstone.
- 4.27 Analysis of the visitor economy in Maidstone has been undertaken using the industry-standard Cambridge model. The most recent assessment found:
- *Spend* - around £176.8 million was spent on trips to Maidstone in 2009 by overnight and day visitors, up by 2% compared to 2009. It is estimated that a further £53 million was added through multiplier effects. Drawing together direct business turnover, supplier and income induced expenditure, and related expenditure, the total value of tourism activity is estimated to have been around £249.9 million – an increase of 4% compared to 2009.
  - *Trips* – an estimated 3.3 million tourism day trips were made to Maidstone in 2011, down 1% compared to 2009. In addition, around 393,000 overnight tourism trips were made.
  - *Origin of spend and trips* – domestic visitors made up 83% of overnight trips (327,000) and overseas visitors made 17% of trips (66,000). By comparison, 26% of expenditure was made by domestic staying visitors; 11% by overseas staying visitors and 63% by day visitors.
  - *Jobs* – an estimated 3,700 full-time equivalent jobs were created by the sector, or 5,000 including seasonal and part-time workers - around 7% of total employment.
- 4.28 The fundamental challenge for Maidstone is to capture a greater share of South East tourism and build on the borough’s heritage, urban and rural strengths. Destinations that are well managed are more likely to excel in attracting new investment, talented workers and ultimately more visitors. The council is commissioning a Destination Management Plan - a shared statement of intent between public and private partners to manage, develop and promote Maidstone as a tourist destination.

## 5 Strategy for Growth

5.1 Turning our economic vision into a reality for Maidstone and achieving our growth ambitions, requires a clear strategy and set of actions to deliver the strategic objectives and create the right conditions for economic growth. We will achieve this through focusing on the following five priorities.

A. Retaining and Attracting Investment

B. Stimulating Entrepreneurship

C. Enhancing the Town Centre

D. Meeting the Skills Needs

E. Improving the Infrastructure

5.2 This strategy needs to be taken forward by all partners involved in delivering the economic agenda in Maidstone. This includes the borough and county councils, agencies such as Job Centre Plus, the schools, colleges and universities and, most importantly, the business community. It is our businesses that will ultimately deliver economic growth and it is our role to support them by creating the conditions for them to flourish.

5.3 The business community in Maidstone is developing a strong voice through the Maidstone Economic Business Partnership (MEBP) and there is a clear desire to make things happen. The potential for Maidstone to benefit from the recent upturn in the economy is clearly recognised by businesses who are advocating that Maidstone Borough Council takes an active role in promoting economic growth.

### A. Retaining and Attracting Investment

**We will support existing businesses to develop and grow and also work to attract new employers to the borough, creating job opportunities for all residents in a range of sectors,** with special regard to those that are high growth, growing the economy through exports, and in the knowledge economy.

Global competition and competition from neighbouring towns will increase in the years to come. Ashford Borough Council and the local authorities in Thames Gateway Kent have put forward ambitious growth plans, with many new homes and jobs planned. We need to continue to invest in infrastructure, skills and business support in Maidstone to provide an attractive offer to new and existing businesses.

5.4 An important part of this is ensuring that the planning framework enables a pipeline of quality office, industrial and warehousing accommodation to come forward in locations that are attractive to modern business. This includes sites in the town centre, on the edge of town adjacent to the motorway and in rural service centres. (See Section 6 Locations for Growth).

## Business Retention

- 5.5 The growth Maidstone has seen over recent years has been largely due to the expansion of existing businesses, rather than new inward investment from outside of Kent. Supporting existing local businesses to grow is therefore critical for delivering the job growth we want for the future.
- 5.6 There is a need to support existing businesses through working with partners and other agencies with funding to support their growth. Through the European Structural Investment Funds Programme, the South East Local Enterprise Partnership has allocated resource to the government's GrowthAccelerator programme to enable greater provision of this service across the area. Kent County Council also provides funding to High Growth Kent to support high growth potential companies at an earlier pre GrowthAccelerator stage. It is important that partners work together across the borough to ensure that the potential of both of these programmes achieves maximum impact.
- 5.7 As the recovery of the national economy continues to gather momentum, business sentiment in Maidstone is also improving. Around half of the 59 businesses responding to a recent the Maidstone Borough Council survey<sup>23</sup> said they were planning to take on more staff in the next 12 months and nearly three quarters were either 'very confident' or 'somewhat confident' about the prospects for growth in turnover over the next five years. This view was echoed at the first MEBP workshop and is reflected in the Federation of Small Business' own survey of business sentiment undertaken on a six-monthly basis. We need to work with businesses to encourage them to invest and grow in Maidstone.
- 5.8 A key reason for overall employment decline in Maidstone over recent years has been the predominance of the public sector which has seen significant job losses during this period of austerity and public spending cut backs. Our strategy therefore needs to focus on encouraging growth in private sector businesses to help diversify the local economy away from a reliance on the public sector.
- 5.9 Recent commuting patterns suggest that Maidstone has become less important over the last decade as a place of work for its residents, moving from being a marginal importer of labour in 2001 to being a net exporter in 2011. In 2011, approximately 1,240 more people were commuting out of the borough to work than commuting in and the percentage of Maidstone residents working and living in the borough fell from 60% in 2001 to 50% in 2011.
- 5.10 Maximising the productive contribution of our residents for the benefit of the Maidstone economy may mean that additional employment land needs to be identified so that more jobs can be created for the growing working age population, if net out-commuting is to be reversed and potential business rate income in the borough is to be maximised.
- 5.11 The employment sectors with potential to grow need to be supported to ensure that they deliver the level of job growth forecast.
- 5.12 There is still under-representation of knowledge-based industries in the Maidstone economy despite improvements over recent years. This is reflected in the relatively low proportion of residents with high level qualifications and a reason why more working residents in higher paid occupations

<sup>23</sup> Maidstone Borough Council (April 2014) 'Business Survey'

commute out of the borough to work elsewhere. Attracting more knowledge-based businesses and supporting our existing ones to grow is therefore important for the future.

- 5.13 Our pool of residents in managerial and professional occupations, high levels of educational achievement, good strategic transport links and high quality environment are all key assets of the local economy. They provide the foundation to attract more knowledge-based businesses to Maidstone in the future.
- 5.14 As well as having some specific sector specialisms with potential for job growth in Maidstone in the future, we also have a broad economic base. This diversity together with its economic assets make Maidstone attractive to many other sectors as well. To ensure that opportunities unforeseen at the moment can be capitalised upon, we need to ensure that employment land allocations are sufficiently flexible so that these potential opportunities are not lost to competing places in the future.

### **Inward Investment**

- 5.15 Maidstone is an attractive business location; a recent business survey<sup>24</sup> found that the most appealing features are its strategic location, the high quality of life, the transport infrastructure (good access to the motorway network) and a committed workforce.
- 5.16 This view of Maidstone as a good business location is also supported by a recent Locate in Kent survey of 314 key business figures in the South East. This indicates that knowledge of Maidstone as a business location is relatively high - Maidstone and Ashford together were the places that most respondents knew a great deal or a fair amount of information about. More now cite Maidstone and Ashford as the most favourable business location in Kent compared to a similar survey in 2010. The only other place viewed more favourably as a business location in Kent was Thames Gateway Kent. In terms of a specific preferred location, Maidstone was the second most favoured place in Kent to Ashford, although this was a reversal of the position in 2010 when Maidstone was the most favoured business location.
- 5.17 This is another indicator that Maidstone stands at a crossroads, with signs that neighbouring places, such as Ashford and Medway, are starting to gain greater economic growth momentum than Maidstone. Both of these towns have considerably better High Speed rail links to the capital and ambitious growth plans. If Maidstone doesn't act quickly to regain ground that it has lost, it risks being left behind. Positive action is needed now to alter this trajectory.
- 5.18 Anecdotal evidence suggests that most inward investment to Maidstone over recent years has generally been from businesses moving within the Kent area, rather than from further afield. We therefore need to do more to promote the benefits of locating in Maidstone to a wider business audience, particularly businesses that would benefit from close proximity to the national motorway network.

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<sup>24</sup> Maidstone Borough Council, Business Survey, April 2014

### Actions

- A1. Introduce the Council's new Business Customer Relationship Management system  
Local businesses will be targeted to receive support that enables them to grow.  
This will be done in partnership with others, including High Growth Kent, Manufacturing Advisory Services, UKTI, etc .
- A2. Work with Maidstone Medical Campus to ensure that the investment goes ahead, including investigating using direct council intervention (powers/Investment) if necessary.
- A3. Ensure that employment land allocated through the planning system is suitable for the needs of new and expanding employers and that planning policies are flexible enough to achieve the balance between realising potential growth opportunities and not sacrificing the environment which is in itself an asset.
- A4. Deliver and support business events focused on supporting existing business competitiveness and driving business growth.
- A5. Effectively engage with employers to raise awareness of available programmes and support, increase take up and participation to improve business competitiveness.
- A6. Investigate a new master plan involving small scale format offices on land allocated for employment at Eclipse Business Park.

## B. Stimulating Entrepreneurship

**We will create a more entrepreneurial and innovative economy, supporting new business start-ups and those with high growth potential to move up the value chain.**

- 5.19 Maidstone is an entrepreneurial place; the economy is dominated by small and medium sized enterprises (SMEs) and there are a large number of businesses per head of population and a high self employment rate.
- 5.20 A key priority for the future is to continue to diversify the Maidstone economy away from the public sector by encouraging new private sector businesses to start up and to support the existing ones to grow. New businesses are also important vehicles for driving forward innovation within an economy and there is a close association between companies that are innovative and those that are high growth. This innovation can happen across all sectors and the key to nurturing this is being able to identify companies looking to innovate and engage with them to determine what support is needed to help them realise their growth potential.
- 5.21 Maidstone Borough Council has been providing business start-up support through Kent Invicta Chamber. There has been a good level of take-up for these services with Kent Invicta Chamber reporting higher than expected demand across a broad range of sectors. In 2012-13 there was a 20% increase in take up and interest in the "Starting in business" workshops and 1-1 advice sessions. There was also an increasing numbers of referrals from Job Centre Plus, with 351 clients referred in the 12 months to March 2014 through the Enterprise Club. This was in addition to clients referred to private sector providers of the Work Programme.

- 5.22 As a response to this demand, Maidstone has strengthened its business support Service Level Agreement with the Chamber to increase delivery capacity and it has also sponsored an enhanced delivery programme for 2013-14 with grant funding from KCC. This includes more start-up workshops, one-to-one advice, sector specific business planning workshops and private sector engagement by creating local business networks. Through this enhanced programme, support will be provided for around 800 individuals.
- 5.23 According to research undertaken by KCC in 2010, Maidstone has one of the highest concentrations of home-based businesses in Kent<sup>25</sup> and these are located in both the urban and rural parts of the borough. Many of these businesses reportedly suffer from isolation, a lack of networking opportunities, professional services and meeting rooms. All of these factors conspire to stifle growth and survival.
- 5.24 Supporting these businesses to grow, as well as encouraging more residents who are perhaps currently commuting out of the borough to work in London to consider setting up their own businesses locally, offers potential for the future. Not only would it maximise the economic contributions of these residents, it would also build on one of Maidstone's strengths - the work-life balance on offer, to attract high skilled and high earning entrepreneurs, or home workers to the area.
- 5.25 Encouraging new business start-ups will require the necessary infrastructure to be put in place to support their growth. The council is considering developing affordable business workspace in an Enterprise Hub to provide a highly supportive environment for new start-ups and existing micro businesses to grow. A range of supportive initiatives are proposed, including flexible time-based and virtual memberships, peer-to-peer business support, and high quality, bespoke mentoring, events, seminars and workshops. This is an important priority for the council to encourage new business creation and investment in Maidstone.
- 5.26 Ensuring that high speed broadband infrastructure is in place across the borough is also critical for encouraging growth of home-working and new business start-ups. This will be particularly important in rural areas where these types of businesses will not threaten the high quality of the environment, whilst offering real potential for economic growth in some of the most isolated parts of the borough.
- 5.27 In recognising the potential that new business start-ups can bring to our local economy, there is also a need to ensure a consistency with other policies adopted by the Council, such as flexible planning policies which permit the use of residential properties for home-working.

#### **Actions**

- B1. Continue to provide funding for a business start-up programme.
- B2. Progress the option of an Enterprise Hub for Maidstone.
- B3. Work with the County to ensure the roll out of high speed broadband across rural communities.
- B4. Investigate specific actions that the Council could undertake to support the creation of small businesses in rural areas.

<sup>25</sup> Live/Work Network (December 2010) 'Understanding Kent's Home-Based Business Sector'

## C. Enhancing the Town Centre

**We will promote the regeneration of Maidstone town centre as a high quality retail and leisure destination, and as a place to live and work.**

- 5.28 The town centre is very important to the borough as both a means of attracting expenditure and as a source of employment. Some two thirds of all jobs in the borough are in the town centre itself and even more (71%) of the service sector jobs are there. The town centre is also an important asset as a retail and leisure destination serving a wide catchment area

### Importance of Office Jobs

- 5.29 The predominance of the service sector in Maidstone town centre is reflected in its importance as the main location for office accommodation in the borough. Over recent years there has been significant growth of an edge of town office market with the development of schemes such as Eclipse Park at Junction 7 of the M20, and out of town schemes such as Kings Hill in the neighbouring district of Tonbridge and Malling.
- 5.30 One of the key challenges facing Maidstone is addressing the diminishing stock of quality office space in the town centre and the increase in secondary poor quality offices that do not meet the needs of modern employers. Vacancy rates in this secondary stock have risen substantially, and much of the office space currently available in the borough is in the town centre<sup>26</sup>.
- 5.31 The relatively large amount of vacant ageing low quality office stock is depressing the buoyancy of the overall town centre office market and the large number of 'For Let' signs has a negative effect on perceptions of the town centre. However, where office accommodation is of high quality, demand is relatively strong, particularly for smaller office units.
- 5.32 A number of conversions from offices to residential are already underway in the town centre following the government's introduction of Permitted Development Rights (PDR). It will be important to ensure that this conversion is monitored and that where possible planning policies are put in place to try to achieve the right balance. Retaining the better quality office space would be desirable to maintain the town centre's status as a key employment location for office occupiers. At the same time, some conversions under PDR or otherwise, would be advantageous in helping to manage down the excess supply of secondary stock, potentially raising values and rejuvenating the market for high quality office development in the future.

### Retail and Leisure Destination

- 5.33 As a retail location Maidstone has recently slipped down the national hierarchy of retail centres.<sup>27</sup> Nevertheless, the town performs relatively well and successfully competes with nearby Ashford, Chatham and Dartford.<sup>28</sup>
- 5.34 Maidstone has good multiple retail representation, particularly in the prime retail areas of Fremlin Walk, where the House of Fraser department store provides a high quality anchor. This is complemented by a strong independent offer and an outdoor market.

<sup>26</sup> GVA (August 2014) 'Qualitative Employment Site Assessment, Maidstone Borough Council', Draft Final Report

<sup>27</sup> 2013 Venuescore Ranking Index

<sup>28</sup> DTZ (August 2013) 'Maidstone Town Centre Assessment'

- 5.35 However, The Mall lacks a high quality anchor<sup>29</sup> and there is a sense that the town centre could offer a lot more from a retail perspective. There is a notable lack of large, modern and well-located shop units to attract those major 'anchor' retailers not currently represented in Maidstone town centre, such as Debenhams and John Lewis. Considerable expenditure is lost to Bluewater, particularly from the more affluent residents who tend to shop there.
- 5.36 Maidstone town centre also has many positives as a leisure and cultural destination, with restaurants, the museum, the Hazlitt theatre, a cinema and nightlife for young people. However, feedback from consultations with Councillors and businesses suggests there is a need to encourage more cultural and leisure activities to attract greater numbers of people into town. Suggestions made to improve the town centre at a recent workshop included:
- attracting higher quality retailers and another department store;
  - making more of the historic buildings and the river;
  - creating a stronger sense of identity and a 'brand' to distinguish Maidstone from other places;
  - managing down the stock of redundant office space in the town centre; and
  - investing in transport infrastructure and improving access by public transport.
- 5.37 Ensuring the vitality and viability of Maidstone town centre has been and continues to be a key priority for the Council's economic development activities. The council is responsible for many of the major improvements to the town centre over the last 15 years. This includes using its compulsory purchase order powers to bring about the £100 million redevelopment of the former brewery site to create Fremlin Walk - the 350,000 sq ft retail centre in the heart of the town centre. The council's focus on good design and the integration of old and new, resulted in a Gold Award in the British Council of Shopping Centres Awards in 2005.
- 5.38 A programme of improvement schemes to upgrade the town centre environment has commenced. Starting with High Street, Bank Street, Middle Row and parts of King Street, some £4 million has been spent transforming the area with high quality granite stone, seating, lighting and planting. New open spaces have been created to hold events to attract and retain shoppers and visitors, and encourage people to stay longer in the town centre. As a result of this scheme there has been a reduction in ground floor shop vacancies from 10 units to 2. The other economic benefits of this type of investment are well known and include increases in footfall, consumer expenditure, job creation and rising property values.
- 5.39 The council is currently considering a further phase of public realm improvements which includes proposals for Gabriel's Hill, Earl Street and the north end of Week Street. Public consultation has taken place on draft designs for all three areas.
- 5.40 The council established a Town Team in partnership with Town Centre Management to capture the enthusiasm and commitment from businesses, residents, voluntary and community organisations, and faith based groups to reinvigorate the town centre. This followed the Mary Portas Review of High Streets. Sub groups focus on projects under the headings of regeneration, marketing and events. Partners work together to ensure the town centre is safe, clean and attractive to shoppers

<sup>29</sup> DTZ (August 2013) 'Maidstone Town Centre Assessment', p.47

and visitors, which reflects the Town's Purple Flag award. The structure and activities of the Town Team were recently commended by a Peer Review of the council.

- 5.41 The council has also been working with the owners of The Mall shopping centre, Capital and Regional, over the past 18 months to encourage both short and long term investment. These discussions have culminated in an initial £4 million refurbishment starting in 2015. Phased redevelopment and expansion of The Mall will include more retail and leisure uses with investment estimated at £100 million.
- 5.42 The council has also been working with Solum Regeneration (a joint venture between Network Rail and Kier Group) to bring about the comprehensive redevelopment of Maidstone East Station and the adjacent Royal Mail Sorting Office. This important gateway into Maidstone town centre suffers from partial dereliction and poor quality buildings. Discussions have been taking place over 18 months, covering issues of land assembly, land uses, design, public realm and town centre connectivity. Network Rail is in advanced negotiations to buy the Sorting Office.
- 5.43 These two sites present a major opportunity to strengthen the town centre retail offer at the north end of Week Street, improve the railway station and connectivity with the town centre and create a better setting around Kent County Council's Sessions House and County Hall. Both of The Mall and Maidstone East Station are identified in the Local Plan Regulation 18 Consultation Draft for future retail uses.
- 5.44 A planning application by Land Securities for an out of town retail scheme at Newnham Court was recently rejected on the grounds that it would prejudice the council's preferred strategy (as set out in the draft Local Plan) for the delivery of new comparison and convenience goods floor space on the sequentially preferable sites of Maidstone East/former Royal Mail site and the Mall within the town centre. The council's retail advisors DTZ also considered that the Land Securities proposal "would have a serious adverse impact on existing and planned investment in the town centre; which would be severe enough to preclude any significant new town centre retail development for many years."
- 5.45 Retail employment is sought after by many residents in Maidstone and a range of jobs and skills are needed to ensure prosperity for all. Retail employment offers progression in to higher paid occupations in the sector and enables employees to develop transferable customer service skills
- 5.46 We want to attract new retail investment to Maidstone in the future and there is a need to capitalise on the opportunities that are now presenting themselves to improve the town centre. The council needs to work closely with developers and investors to ensure that the impact of new schemes is maximised in terms of the retail, leisure, employment and housing opportunities they can bring to Maidstone town centre.

#### **Actions**

C1. To develop a vision for the town centre and translate this into a spatial land use plan for the future development of the town

C2. Consider current office accommodation uses in the town centre and determine how best to ensure the development of fit for purpose prime office space for business.

C3. Consider how the public sector can work together to help stimulate the development of new office accommodation and further investment in Maidstone town centre

## D. Meeting the Skills Needs

**We will ensure that residents are equipped with skills for work and that the skills needs of businesses are being met.**

**We will support the expansion of the Higher Education sector to increase the number of graduates in the workforce, supporting initiatives such as KIMS and Maidstone Medical Campus initiative, as well as the UCA expansion at Maidstone Studios.**

- 5.47 Ensuring that businesses have the skills they need to grow and that residents have the skills to take advantage of new job opportunities will be a key to future economic success. Maidstone fares well in terms of overall educational attainment at level 2 and level 3 and has many high quality schools in the borough. There is a wide range of academic pathways at level 3 and a high proportion of young people go on to higher education.
- 5.48 For school leavers that attain only a Level 1 qualification (fewer than 5 GCSEs Grade A-C) there is a reported lack of provision. Kent County Council has recently introduced a new initiative to address this - the 2-1-2 programme. This brings together schools, FE colleges and employers to provide programmes that combine Level 2 academic training at schools with vocational training at FE colleges and work placements with employers. There has been some take up of this initiative in the borough and the County Council is promoting this over the coming year with the hope that there is both greater provision and take-up of this offer across the borough, as well as more widely across the county.

### Further Education

- 5.49 Maidstone is well served by the Further Education sector with Mid Kent College having a strong offer and close links with businesses and private sector training provision. However, the provision of apprenticeships and skills training for school leavers that do not want to go to college is limited, with no private sector training providers providing work-related and apprenticeship training in sectors such as construction; one of the sectors forecast for employment growth.
- 5.50 Mid Kent College is the main further education provider in Maidstone, based at the Oakwood Campus. The college is currently expanding its provision on the former UCA campus and received funding for 2015/16 from round four of the Skills Funding Agency's College Capital Investment Fund. It is proposing to transform and equip these buildings into state of the art facilities for a higher skills centre where it will offer HE courses, including foundation degrees and Higher National Diplomas in subjects ranging from Business and Engineering to Health and Social Care. Business incubation units will also be part of the scheme, serving to encourage students to establish new businesses and also to attract smaller employers that could benefit from closer collaboration with the college.
- 5.51 Mid Kent College is working closely with both the business community and with Maidstone Borough Council to ensure that its skills and training provision is meeting the needs of local employers. During the course of the refurbishment at the Oakwood Campus, the council has agreed to temporarily house the college's skills unit so that an even closer working relationship can be forged, with both parties learning from the other.

## Meeting Employer Skills Needs

5.52 A number of sectors are reportedly facing skills challenges in Maidstone at present and some companies are adapting their recruitment policies to address this situation. Examples of these include:

- An accountancy firm that has recently shifted its recruitment focus towards workers in London seeking a lifestyle change and to school leavers who are offered training to become qualified accountants on the job.
- An aerospace engineering company has a higher proportion of staff approaching retirement age and are anticipating problems filling the positions. Although apprentices are being trained, this takes time to get them to the required skills level.
- A manufacturing company claims only to have a small pool of engineers to recruit from locally and that they would like to see more done to promote the sector in Maidstone.
- Two solicitor firms need to recruit to respond to the upturn in the market but are having difficulties.
- A logistics company is looking to recruit 40 drivers but is struggling to recruit even six.
- A care provider is facing difficulties recruiting owing to only being able to offer low wages due to government cuts and the lack of funding.

5.53 While there is considerable work going on to achieve closer links between Mid Kent College and local employers, links between the public sector, training providers and local businesses could be better. The introduction of the Maidstone Economic Business Partnership is a step in the right direction. However, if employment recruitment shortages and the future skills needs of businesses are to be addressed, more needs to be done to better understand the skills and training needs of employers across the borough and to encourage greater numbers of businesses to take on apprenticeships.

## Higher Education

5.54 To be successful in attracting higher value jobs in growth sectors in the future, the workforce needs to be suitably qualified. The evidence shows that while the qualification profile of Maidstone's population has improved over recent years, with more people now qualified at level 4 and above, this is still below the national average and there has been greater improvement elsewhere in Kent.

5.55 Attainment at level 2 and level 3 is high in Maidstone and many young people leave the borough for a university education. This presents an opportunity to keep these young people in Maidstone in the first place, perhaps by catering for their higher education needs locally, or to attract them back after graduation.

5.56 Maidstone lacks a significant university campus. The University of the Creative Arts withdrew from the Oakwood campus a few years, although it has still retained a presence at Maidstone Studios where it offers courses in Media Production, Media Business and Media Interactive Production. Teaching these courses at the studios enables students to develop strong links with the creative/production companies that are based there or others that use the facilities. This provides students with more hands on experience of working in the industry and is a major attraction for the courses offered there. However, with the closure of the Oakwood Park campus there is a lack of ancillary facilities, such as a library and social space, to enhance the student experience and they currently need to travel to the campus at Rochester for these facilities. UCA is trying to address this through further development proposed on the Maidstone Studios site.

- 5.57 In April this year KIMS opened on a site near to Maidstone Studios close to junction 7. This £95 million state-of-the-art hospital is set within a seven-acre development and will be a centre of clinical excellence with both academic and teaching facilities. KIMS is a hospital run by clinicians where consultants manage their patient's treatment pathway from referral through diagnosis to treatment and discharge. KIMS is the catalyst for a larger development on adjacent land, Maidstone Medical Campus. This 18 hectare site will incorporate a Neuro Village, Medical School and Research and Development occupiers focused on life sciences situated in high quality landscaped grounds. Construction of the Maidstone Medical Campus is due to commence in April 2015 with completion in 2017/18. It is looking to attract 150-300 students with the intake commencing as soon as the work is completed. There is currently no school of medicine at any of the universities in Kent.
- 5.58 Discussions are underway to explore opportunities to further develop the medical-related training offer at the Maidstone Medical Campus with other universities that are already providing medical and health-related HE training. A close relationship is developing with Canterbury Christ Church University (CCCU) which has an Institute of Medical Science (IMS) that provides an umbrella for all the medical and health-related courses offered by the university. Post graduate medical courses are offered at CCCU at the Universities of Medway campus in Chatham in the areas of urology, orthopaedics, general surgery, obstetrics and gynaecology and ear nose & throat (ENT). Undergraduate degrees in ancillary medical or health-related subjects, such as physiotherapy, midwifery, speech therapy and social care, are also provided in the Faculty of Health and Well Being.
- 5.59 It is clear that there is scope for building upon the offer currently proposed for Maidstone Medical Campus through links to other universities, both in Kent and the wider area. This is an important area to be taken forward in the future to ensure that opportunities are maximised around this cluster for Maidstone.
- 5.60 The close proximity of KIMS and the MMC to Maidstone Studios, where UCA is currently running courses and has ambitions to provide more facilities for students, offers opportunities for synergies to be developed and could potentially be the start of a 'Universities at Maidstone'.
- 5.61 University investment should be encouraged to attract higher value research-based employment into the borough, and to give more residents the opportunity to gain degree level qualifications. This has been successful in Medway where the 'Universities at Medway' campus has been developed at Chatham Maritime. The proposed Maidstone Medical Campus, together with UCA at Maidstone Studios and Mid Kent College's Higher Skills centre at Oakwood Park, could well be the starting point of something transformational. Achieving this is a priority for Maidstone and it is important that partners work together to make it happen.

#### **Actions**

D1. Work closely with Mid Kent College and other relevant education and training providers to forge closer links with business to help ensure that the skills needs of employers are met.

D2. Increase the number of businesses in Maidstone that take on apprenticeships.

D3. Increase awareness of the sector growth opportunities in Maidstone to training providers so that they can gear their provision to meet the future needs of employers

D4. Work with KCC to encourage greater take up of the 2-1-2 programme which addresses

the education and training needs of school leavers qualified at below level 2.

D5. Support KIMS in their discussions with universities to expand the HE offer on the MMS site

D6. Support discussions between UCA and KIMS on looking to enhance the overall student experience for HE students at Maidstone Studios and at Maidstone Medical Campus.

D7. Work with UCA to further develop the business case for their proposed new facilities at Maidstone Studio

## E. Investing in Infrastructure

**We will invest in infrastructure to drive economic growth – including the transport network and digital infrastructure.**

- 5.62 In the recent local business survey<sup>30</sup> businesses rank 'investment in infrastructure' as the number one priority for action for the council, with 'tackling congestion' ranked second. The importance of tackling infrastructure issues was also a common theme raised at the Maidstone Economic Business Partnership workshops and also from business interviews.

### Road Transport Links

- 5.63 Maidstone has good strategic road transport links provided by the M20 which runs to the north of Maidstone town centre. The three motorway junctions within the borough are key assets for the local economy, although the proximity of junction 8 to the North Downs AONB means that this is a sensitive area for development.
- 5.64 The main transport issues relate to the infrastructure in the south of the borough, where all road links to the motorway in the north of the borough need to go through Maidstone town centre. The congestion on these routes causes delays which in turn increases both travel time and affects reliability.
- 5.65 Recently, road weight restrictions have been imposed on some of the secondary roads around Marden to the south of Maidstone town centre, where manufacturing companies are located in industrial parks on the edge of the town. This is impacting on the businesses that need to use vehicles to transport goods and supplies along these roads to access the national motorway network. This calls into question the suitability of these places as employment locations for businesses in sectors that need good road access to the motorway network.

### Maidstone Town Centre

- 5.66 Access is also a recognised barrier to growth in the town centre with both parking and public transport improvements identified as needing attention by businesses.
- 5.67 Maidstone Borough Council has been working with Kent County Council and the SE LEP to seek LGF funding to address some of the transport issues in Maidstone. The council was successful in securing £16.5 million from 2015/16 for four schemes at a total cost of £28.5 million. These schemes are:

<sup>30</sup> Maidstone Borough Council (April 2014) 'Business Survey'

- Maidstone Gyratory Bypass - two additional northbound lanes to enable northbound traffic on the A229 to bypass the existing town centre Gyratory system.
- Sustainable Access to Maidstone Employment Areas - a high quality dedicated cycle and pedestrian route from residential development sites on the outskirts of Maidstone into the Town Centre.
- Maidstone Integrated transport package - key junction and road capacity improvements and enhanced public transport.
- West Kent LSTF - funding contribution towards Maidstone East Rail Station improvements as part of the larger scheme around the station.

5.68 While this investment will help to address some of the transport issues facing Maidstone, other solutions also need to be considered, including a coordinated programme to deal with issues around the town centre that includes park and ride, public transport and car parking, as well as roads.

### Broadband

5.69 Digital infrastructure is also identified by businesses as a barrier to growth in Maidstone. Interviews reveal that businesses are concerned about the availability and speed of broadband, especially in rural areas. There are initiatives currently underway by Kent County Council to address access to broadband and partners need to work together to take these forward.

### Housing

5.70 A shortage of housing and high house prices are an issue of concern to the business community who see this as potential barrier to growth. Some employers, particularly those with workers in lower paid occupations, see this as an impediment to being able to recruit workers locally. There is concern that if more houses are not built in the next 12-18 months, then both house prices and market rents will increase even further, further compounding the problem.

5.71 This is clearly not just a planning issue as there is planning permission in place for over 3000 residential units in the Borough and the Local Plan is making provision to 2031. The availability of affordable mortgages, developer finance, wage levels, commuting patterns, and the capacity of the market to build and sell homes each year are also significant factors.

#### Actions

- E1. Take forward the schemes for which LGF funding has been allocated.
- E2. Consider how to improve the train services to London
- E3. Work closely with KCC and other stakeholders to agree the Integrated Transport Strategy
- E4. Work closely with KCC to consider ways to increase the speed and coverage of broadband across Maidstone, especially in rural areas.

## 6 Locations for Growth

- 6.1 This strategy recognises that both the economic needs and opportunities for growth vary across the borough and we have already identified the particular opportunities that there are for Maidstone town centre.

### The Rural Economy

- 6.2 A large part of the borough has a vibrant rural economy that also offers opportunities for growth, with its diverse range of industries including the land-based sector, such as farming and horticulture, rural tourism-based businesses and others in sectors including construction, manufacturing and distribution.
- 6.3 Many of the priorities identified in this strategy - retaining and attracting investment, stimulating enterprise, meeting the skills needs of employers and investing in infrastructure - apply as much to rural areas as they do to the urban economy. However, growth in rural areas needs to be planned sensitively and sustainably in order to retain the appeal of the countryside as a place to live, visit and do business. We recognise that there are some specific opportunities and challenges facing the rural economy.

### Agri-food

- 6.4 Kent has a proud history of producing some of the finest produce in England, which is promoted under the brand 'Produced in Kent'. Agriculture and food manufacturing is an important part of the national economy recognised in the national Agri-Tech Strategy, not least for its role in feeding the rapidly expanding global population. The strategy puts considerable emphasis on research and development, innovation and skills that will be needed to raise productivity and support sustainable intensification of agriculture. We need to continue to promote the development and diversification of agriculture and other land-based rural businesses in Maidstone and the growth opportunities that are emerging in this sector.

### Home-working and home-based businesses

- 6.5 More businesses than ever are being started from home in home offices, studios or workshops, as technology has enabled entrepreneurs to reach a wide marketplace via the internet from anywhere in the world. Research by KCC suggests that Maidstone has one of the highest concentrations of home-based businesses in Kent.
- 6.6 The quality of life on offer in Maidstone is one of its key competitive advantages and attracts a talented pool of people to the area to live and work. In the modern economy, greater flexibility of working conditions means that an increasing number of people are able to work from home. This offers an opportunity for Maidstone to attract more people looking for a better work-life balance by setting up a home-based business or working from home. To support this growth, planning policies need to be sufficiently flexible to allow home working, and to permit workspace such as live-work units, to be built. Fast, reliable, telecommunications infrastructure is also a prerequisite for many home workers and home-based businesses.

## ICT infrastructure

- 6.7 High-speed broadband is increasingly recognised as the ‘fourth utility’, being as important as gas, electricity and water to homes and businesses alike. Broadband and mobile telecommunications coverage in rural areas can be patchy and act as a barrier to businesses needing high bandwidth. “Making Kent Quicker” is a county-wide Kent County Council programme with BT and the government’s broadband agency, Broadband Delivery UK (BDUK), to bring better broadband to Kent. By the end of 2015, at least 95% of all properties in Kent will have access to higher-speed fibre-based broadband infrastructure and every property in the project area will be able to access a broadband service of at least 2Mbps. A minimum of 91% of premises will get superfast broadband of at least 24Mbps. We need to continue to support efforts to extend the reach of high speed broadband in Maidstone’s rural areas enabling more people to receive 24Mbps or higher.

## Better suited to less traffic intensive sectors

- 6.8 Some rural parts of the borough have experienced growth in the manufacturing sector over recent years and this has brought with it pressures to the rural road network. As a result, weight restrictions have been placed on some secondary rural roads. Further growth of this type would bring even greater pressures so it is important that suitable sites for these industries are carefully planned. Where space for the industries that are no longer suitable for a rural location becomes vacant, other types of employment more suited to the rural environment need to be considered.

## Tourism-related businesses

- 6.9 The beautiful natural landscape of Maidstone's rural areas and its array of visitor attractions, such as Leeds Castle and the Bluebell railway at Tenterden, offers potential for rural tourism-related business growth. Demographic changes and good pension provision will also bring greater spending power amongst the retired for leisure and tourist activities and those in the more wealthy parts of the country in the South East are likely to benefit most.

## Employment sites for future growth

- 6.10 This economic development strategy does not identify specific sites for future employment growth across the borough (for office, warehousing and industry) - that is the role of the Local Plan. However, it is important to recognise that identifying suitable locations for the types of employment which offer the greatest potential for growth is crucial for the future economic success of Maidstone.
- 6.11 The key characteristics for suitable employment sites include being highly accessible with good support amenities and optimum physical and digital infrastructure. It is recognised that the prime locations for business sectors that need good access to the national road network for transporting goods and services are around the M20 motorway junctions. However, some of these potential employment sites are also close to some of the highest quality environments, so there needs to be a balanced approach to ensure that economic growth does not come at the expense of the environmental assets which make the borough special.
- 6.12 There has been high demand for new development at the M20 motorway junctions. Feedback from the business community suggests that a more concentrated pattern of future employment land allocations might be more appropriate to meet business demand, rather than the dispersed pattern outlined in the Regulation 18 Local Draft Consultation Plan issued for consultation in July.

- 6.13 As a consequence, GVA have assessed whether there are gaps in the property portfolio which, if not addressed, could constrain the growth of the economy<sup>31</sup>. This assesses whether current land allocations will meet the qualitative needs, as well as the quantitative land requirements, to accommodate the type of employment growth forecast to 2031.
- 6.14 As part of this work, GVA has also considered the nature of the office and industrial property markets in the borough. Their findings indicate that Maidstone's position, in terms of both the office and industrial market in Kent, has been changing and that its pre-eminence has slipped. This is consistent with the findings of Shared Intelligence's analysis of recent economic trends which also demonstrates that Maidstone has performed relatively poorly in economic terms over recent years, especially compared to some of our neighbouring boroughs.
- 6.15 The key findings of GVA's qualitative assessment of employment land in the borough, which are of particular relevance to the economic development strategy are summarised below.

#### ***Maidstone Office Market***

- Maidstone remains the largest source of office accommodation amongst the Kent districts, but there has been a significant loss of office space over recent years which has weakened Maidstone's dominant office market position. The performance in nearby boroughs, such as Tonbridge and Malling, Dartford, Swale, Sevenoaks and Ashford, has been much better.
- Average office rents in Maidstone have fallen since 2007 and there has been a significant drop in achieved values since a peak in 2009. Although rents have recovered slightly since 2011, they still remain lower than pre-recession levels and significantly below levels that would attract new speculative development or refurbishment of stock.
- Demand for offices is largely for small units, with between 63% and 85% of annual demand for offices under 185 sqm and average letting sizes below 200 sqm.
- There has been limited amount of take up of new or refurbished space over recent years (only 16% of deals being for these types of premises) but this is 'more a reflection of declining availability rather than a lack of 'demand' in general'. Deals have predominantly been for second hand and un-refurbished stock
- The majority of available office space is in larger units which have persistently high vacancy rates. However, this appears to be largely related to the poor quality of the stock and its unattractiveness, rather than to the unit size, since even when larger units could be sub-divided they still remain vacant.
- In line with recent trends, future demand for commercial floorspace is likely to mainly come from 'local' businesses or new start ups wanting to expand or seeking new premises, rather than from inward investment from outside of the area.
- The greatest demand for offices in the future in Maidstone is likely to be for smaller, purpose built, multi-tenanted offices which reflect the predominance of SMEs and smaller professional service firms. To date there has been a lack of strategic market interest in Maidstone as a 'back office' location for financial or insurance services and this is unlikely to change in the future.

#### ***Maidstone Industrial Market***

- Industrial property stock in Maidstone was estimated to be 650,000 sqm in 2012 which was 13%

<sup>31</sup> GVA (August 2014) 'Qualitative Employment Site Assessment, Maidstone Borough Council', Draft Final Report

less than in 2000. Over the period there has been a shift towards smaller unit provision - average unit size has fallen from 615 sqm to 556 sqm.

- The provision of industrial property in Maidstone tends to be in the north of the borough where the employment sites and individual units are generally larger. These reflect the needs of these occupiers for more direct motorway access to serve a larger markets.
- Maidstone remains one of the most important industrial property markets in Kent, but the stock level is now significantly lower than in Tonbridge and Malling and Swale, both of which have seen growth since 2000. It now has an equivalent level of industrial floorspace as Ashford, but whilst stock in Maidstone has declined since 2000 Ashford has seen a 9% growth.
- Since the recession there has been some recovery in demand for industrial property since 2010. Demand has generally been greatest for smaller units under 185 sqm and between 185 sqm and 465 sqm, with limited take up of larger units which are limited in terms of supply
- Average industrial rents are £61- £66 per sqm and there is little difference between new/refurbished and second hand stock
- There is currently around 5,000 sqm of available industrial space in 10 units across the borough. Just under two thirds of this is second hand and the majority are units under 465 sqm.

GVA (August 2014) 'Qualitative Employment Site Assessment, Maidstone Borough Council', Draft Final Report

6.18 The overall conclusion of the GVA report is that:

'Not all the requirement for 18 hectare of employment land can be met within the existing employment site portfolio and there is likely to be a qualitative requirement for new land to be allocated which is specifically aimed at accommodating the likely requirements of future growth sectors'.

6.19 Based on the analysis, GVA provide guidance on what should be considered for permitted employment land development in Maidstone. The key points relevant to economic growth locations are:

- There is a need for sufficient office provision in the town centre to maintain its function, and to also broaden the range and type of stock available in out of town locations. This will provide the necessary choice or flexibility to respond to market demand and accommodate any future development or occupier interest.
- Public sector retrenchment has left a considerable amount of vacant, large scale and outdated office stock within the town centre. This increased supply of second hand office stock, coupled with falling demand has reduced rental values and further undermined the viability of further office redevelopment/refurbishment. This combined with significant new office developments and good quality second hand floorspace available in neighbouring local authority areas, such as Kings Hill and Ashford, has further exacerbated the problem of out-dated low quality office stock within Maidstone. Therefore removing the largest concentrations of vacant office space would help to rebalance the Maidstone office market.
- Much of the existing vacant office floorspace is in Maidstone town centre and there is additional capacity at Eclipse Park. However, this provides little flexibility over the plan period. Additional office provision, driven by market demand, should therefore be considered positively.

- There is a qualitative requirement for new land to be allocated to accommodate the future growth sectors requirements, particularly for industrial and warehouse land. Sites in the south of the borough are likely to struggle to secure occupiers and this could limit their ability to accommodate employment growth in the future. Therefore these sites 'are unlikely to continue to provide an attractive offer in the future to new businesses as the land stock is at odds with the identified operational challenges being faced'.
- Sites in the south of the borough are likely to be better suited to smaller businesses that rely less on delivery/supply vehicles. They offer a range and choice of sites for businesses of different sizes to meet the needs of the current 'local service' nature of much of the business activity to the south.
- Future land allocations should prioritise space along the motorway corridor to support growth of businesses that largely serve national and regional markets.

6.20 This advice will be considered for the revised draft Local Plan Consultation Draft which will go out for consultation in the summer of 2015.

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## 7 Making it Happen: The Action Plan

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- 7.1 This strategy can only be delivered through working in partnership. There are many organisations and agencies that are working to achieve different elements of this strategy and there is a leadership role that Maidstone Borough Council needs to play to coordinate and ensure these culminate in achieving our ambitions for economic growth.
- 7.2 A key message from the business community is a desire for Maidstone Borough Council to show more leadership and take a more proactive approach towards economic growth and ensure that the right signals are given that Maidstone is 'open for business'. However, it is important that the right balance is struck between enabling economic growth and protecting the very assets that make Maidstone a special location to do business - its attractive environment particularly the North Downs AONB and its town centre.
- 7.3 It is important that the council works closely with developers; early pre application discussions with officers are strongly encouraged to reduce the chance of proposals coming forward which are unacceptable and incur unnecessary costs and delays for developments. Maintaining effective and transparent communication during the application process will help to reduce developer uncertainty and help ensure growth opportunities are realised.
- 7.4 There are a number of ways in which the Borough Council can help to achieve the economic vision through a leadership role. This might include leading partnership working, taking a financial stake in some developments, considering favourably proposals that will bring large numbers of jobs to the borough, and promoting Maidstone as a business location, to name but a few. It is important that the council considers these roles in the future to ensure that economic opportunities are maximised.



## Economic Development Strategy – Action Plan

### A) Retaining and Attracting Investment

		<b>Action / Milestones</b>	<b>S / M / L</b>	<b>Resource</b>	<b>Lead</b>	<b>Partners</b>
A1	<p>Introduce the Council's new Business Customer Relationship Management system</p> <p>Local businesses will be targeted to receive support that enables them to grow.</p> <p>This will be done in partnership with others, including High Growth Kent, Manufacturing Advisory Services, UKTI, etc .</p>	Overarching: 6,500 businesses categorised to assess growth potential / identify business lifecycle / export potential	Short	Existing MBC resource + partners	Coordinating Lead by MBC	<p>Growth Accelerator Programme (BSK)</p> <p>High Growth Kent (KCC)</p> <p>UKTI</p> <p>MAS</p> <p>University of Greenwich (Enterprise Europe Network)</p> <p>Uni of Kent Business School</p> <p>Kent Invicta Chamber of Commerce</p>
		a. 480 'deeper' appraisals	Short	SELEP Funding		
		b. 180 full diagnostic reviews of companies	Short - Medium	ERDF / ESF Funding		
		c. c.75 growth action plans to be put in place to work over medium to long term	Short - Medium			
A2	<p>Work with Maidstone Medical Campus to ensure that the investment goes ahead, including investigating using direct council intervention (powers/Investment) if necessary.</p>	Enter into direct discussions with site owner/agent to take forward each element of MMC including medical school, Neurovillage and medical technologies. Explore opportunity to attract the Regenerative Medicine Catapult.	Medium	Existing MBC staff	MBC	<p>MMC Ltd</p> <p>KCC</p> <p>SELEP</p>
		Investigate joint promotional activities with the owner and agent.	Short	Current resources, networking and		

				website		
		Consider barriers to delivering MMC and bid to SLGF.	Short	Existing MBC staff		
A3	Ensure that employment land allocated through the planning system is suitable for the needs of new and expanding employers and that planning policies are flexible enough to achieve the balance between realising potential growth opportunities and not sacrificing the environment which is in itself an asset.	Site allocation policies published	Short	Existing MBC staff	MBC	MBC KCC Business Community
		New site allocations made in the next draft of the Local Plan	Short	Existing MBC staff		
A4	Deliver and support business events focused on supporting existing business competitiveness and driving business growth	Development of a programme of 'finance ready' events with 1000 MD's and Senior Manager's attending 225 companies participating in finance ready programme Management Skills Workshops: 500 individuals attending workshops ICT – 200 companies improving use of and access to ICT eg using new websites as a driver for growth Development of supply chain networks (sector approach)	Medium	Existing MBC staff	MBC	BSK TSB Enterprise Europe Network
A5	Effectively engage with employers to raise awareness of	Undertake a baseline survey of the business support available to them including relevance and quality to	Short	Existing MBC	MBC	Kent Invicta Chamber of Commerce, the

	available programmes and support, increase take up and participation to improve business competitiveness.	highlight duplication and gaps.				Federation of Small Businesses, Kent Institute of Directors, Lenham Valley Business Association, South Maidstone Business Association, Marden Business Forum, the Network of Rural Business Forums, Visit Kent and Produced in Kent.
		Work with business support organisations to use this intelligence to inform the KMEP Innovation and Growth Statement.	Short			
		Strengthen Maidstone Economic Business Partnership to become a strong voice for businesses in Maidstone.	Short			
		Programme of business engagement to raise awareness of available programmes and support and to encourage a greater take up of apprenticeships. - No. Business Visits: 100	Medium			
		Regular e-newsletters (min 12 a year)	Short			
		Sector specific briefing notes	Short			
		New business information website	Short			
A6	Investigate a new master plan involving small scale format offices on land allocated for employment at Eclipse Business Park.	Support the landowner to identify a new vision for Eclipse Business Park Ensure new policies for Eclipse Business Park are flexible enough to achieve this.	Medium	Existing	Gallaghers	MBC

**B) Stimulating More Entrepreneurship**

		<b>Action / Milestones</b>	<b>S / M / L</b>	<b>Resource</b>	<b>Lead</b>	<b>Partners</b>
B1	Continue to provide funding for a business start-up programme.	Continue to deliver an enhanced programme of business support and explore innovative ways for local delivery with partners	Short	Existing MBC and bid for new funding	MBC	COC
		Work with others to coordinate the plethora of business support initiatives to remove duplication and fill gaps in provision	Medium	SELEP	SELEP and KMEP	MBC BSK KCC
B2	Progress the option of an Enterprise Hub solution for Maidstone.	Progress Mini Hub with aim of being open by August 2015. The Mini Hub will test proof of concept as the Council retains its ambition to create a full Hub in the medium term.	Short	Existing MBC and business rates pooling	MBC	BSK COC Centre for Micro Businesses Kent Foundation for Young Entrepreneurs Princes Trust University of Kent University of Greenwich
B3	Work with the County to ensure the roll out of high speed broadband across rural communities.	Work with KCC on ensuring Maidstone Businesses benefit from the extended roll out programme.	Short	Existing	KCC	MBC BT BDUK
		Encourage all new developments to provide the required infrastructure to enable fibre to all premises.	Medium			
B4	Investigate specific actions that the Council could undertake to support the creation of small businesses in	Capitalise on the enthusiasm shown by some parish councils and rural business networks to identify small businesses in rural areas.	Short	Existing and bids to the SELEP / ERDF / ESF	MBC	Parish Councils Centre for Micro Businesses Produced in

	rural areas.	Investigate the parish level interventions required to support the small businesses identified	Medium			Kent Made in Kent Rural Networks NFU TSB
		Identify specific interventions to support the land based sector	Short			
		Investigate the use of rural libraries and other community facilities to deliver business support activities in rural areas.	Medium			

**C) Enhancing the Town Centre**

		<b>Action / Milestones</b>	<b>S / M / L</b>	<b>Resource</b>	<b>Lead</b>	<b>Partners</b>
C1	To develop a vision for the town centre and translate this into a spatial land use plan for the future development of the town.	Agree with stakeholders a long term vision for the Town Centre	Short	Financial resource required for master planning and Engagement Plan c.£30k	MBC	Capital and Regional Solum
		Develop and deliver a set of initiatives to make this vision a reality.	Medium			
		Ensure planning policies support the vision and delivery of actions	Medium			
C2	Consider current office accommodation uses in the town centre and determine how best to ensure the development of fit for purpose prime office space for business.	Consider use of direct intervention including purchase of sites to ensure quality office offer.	Medium	Borrowing to resource purchases (considered alongside development appraisals) and private sector partners	MBC	KCC Private sector partners
		Monitor the situation with regards to Permitted Development Rights (PDR) and the loss of both primary and secondary office stock	Short			
		Ensure planning policies support the protection of the quality town centre office stock.	Medium			

C3	Consider how the public sector can work together to help stimulate investment in Maidstone town centre.	Explore options for the delivery of Phase 3 public realm works in Gabriels Hill, Earl Street and North End of Week Street including ensuring Planning Policy requires S106 contributions where appropriate.	Medium	Consider as part of the Infrastructure Delivery Plan including S106 contributions MCL Business Plan	MBC	KCC Leisure Industry
		Work with MCL to develop events and activities within Maidstone Town Centre to enhance the Town Centre offer.	Short			
		Consider direct intervention through the Council acting as an investment partner in key sites such as the Mall and Maidstone East	Medium	Consider as part of the Commercialisation Project	MBC	Capital and Regional Solum Regeneration

**D) Meeting Skills Needs**

		<b>Action / Milestones</b>	<b>S / M / L</b>	<b>Resource</b>	<b>Lead</b>	<b>Partners</b>
D1	Work closely with Mid Kent College and other relevant education and training providers to forge closer links with business to help ensure that the skills needs of employers are met.	Engage with local businesses to gauge their awareness of the existing training provision available to them and the relevance and quality.	Short	Existing	MBC	All training providers All businesses
		Undertake a baseline survey to determine the skills needs of our local businesses.	Short	Existing		
		Develop a comprehensive web based application incorporating the principles behind the big exchange, access to skills for young people, a business to business skills exchange portal and an	Medium	Transforming Local Government Fund (secured £100k) and ESF		

		ability to aggregate business training needs.		bid		
D2	Increase the number of businesses in Maidstone that take on apprenticeships.	Link with programme of business engagement see A5	Medium			
		Use social media, website, e-newsletters, editorial, case-studies and other to promote apprentice opportunities to businesses.	Short			
D3	Increase awareness of the sector growth opportunities in Maidstone to training providers so that they can gear their provision to meet the future needs of employers.	Provide regular briefing notes, information and newsletters to training providers to give them a wider understanding of the boroughs business composition and likely trends to enable them to gear provision accordingly.				
D4	Work with KCC to encourage greater take up of the 2-1-2 programme which addresses the education and training needs of school leavers qualified at below level 2.	Support KCC identify businesses willing to provide the work experience element of this project	Short	Existing resources	KCC	MBC, Education Business Partnership
D5	Support KIMS in their discussions with universities to expand the HE offer on the MMS site.	Establish working group Identify drivers for HE investment Any barriers Consider funding options	Medium	Unknown at this stage	KIMS	MBC, Canterbury Christchurch University
D6			Long	Unknown at this	MBC	UCA , KIMS,

	Support discussions between UCA and KIMS on looking to enhance the overall student experience for HE students at Maidstone Studios and at Maidstone Medical Campus.	Evolve the joint working group with KIMS to include UCA		stage		Maidstone Studios
D7	Work with UCA to further develop the business case for their proposed new facilities at Maidstone Studio.	Support the Studios bid to create a Media Village to SLGF	Long	Existing	Maidstone Studios	UCA

#### E) Improving the Infrastructure

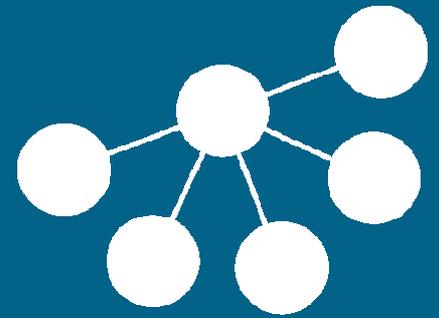
		Action / Milestones	S / M / L	Resource	Lead	Partners
E1	Take forward the schemes for which LGF funding has been allocated.	Work with KCC and contribute to the Project Groups for Sustainable Access to Employment and Bridge Gyrotory Bypass Project.	Short	SLGF Infrastructure Delivery Plan	KCC	MBC TMBC EA
		Work with partners within the project areas to increase ownership and funding opportunities.		Existing	MBC	
E2	Consider how to improve the train service to London.	Work with South Eastern to ensure the 2018 Thameslink from Maidstone East remains on-track, to deliver an extended peak period service to the City of London.	Medium	Existing	South Eastern Rail	MBC KCC Medway Valley Line Network Rail
		Work with the Medway Valley Line and South Eastern to ensure High Speed Service from Maidstone West continues.	Medium	Existing	KCC	

E3	Work closely with KCC and other stakeholders to agree the Integrated Transport Strategy	Deliver the transport proposals in the ITS.	Long	SLGF Infrastructure Delivery Plan Existing	KCC MBC	Developers
E4	Work closely with KCC to consider ways to increase the rate of broadband roll out across Maidstone borough, especially in rural areas.	Help identify areas where poor broadband provision is hindering the development of business to help inform the areas of focus for the extension programme to the BDUK funding.	Medium	Existing	KCC	BT Developers
		Help promote the uptake of upgraded services within areas of business / resident concentration to increase the potential coverage of the BDUK work.	Medium	Existing	KCC	BT Developers

#### **Maidstone Borough Council – Partnership Engagement and Demonstrating Leadership**

	<b>Action / Milestones</b>	<b>S / M / L</b>	<b>Resource</b>	<b>Lead</b>	<b>Partners</b>
To publicise the positive things that the council is doing that demonstrate it is pro economic growth.	Produce a Business Charter setting out the role of every Council service in supporting businesses. Promote the work of the Council through the media. e.g. Down's Mail	Short	Existing	Economic Development MBC	All Services in MBC

	<p>supplement. Attend and present to business networking and business support organisations.</p>				
<p>To consider ways of effectively conveying to the Maidstone electorate the advantages that economic growth will bring.</p>	<p>Promote the benefits of growth through the media, case studies, press releases and direct to parishes.</p>	Medium	Existing	MBC	Design South East
<p>To consider what the Council can do to convey the message to investors that Maidstone is 'open for business and for investing in growth'.</p>	<p>Redesign the Locate in Maidstone website Hold awareness raising events in London with private sector partners Create new marketing material</p>	Medium	Existing	MBC	Business networks
<p>To examine ways in which more support can be given to applicants to increase the likelihood of a positive outcome.</p>	<p>Encourage pre-application advice With businesses Ensure Economic Development Officers attends pre-application s</p>	Short	Existing	MBC	Businesses



SHARED INTELLIGENCE

# MAIDSTONE ECONOMIC PROFILE

SUPPORTING EVIDENCE FOR THE  
ECONOMIC DEVELOPMENT STRATEGY

2014-2031

*July 2014*

# Executive summary

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## Maidstone

**With around 70,700 people employed in the borough and an economy estimated to be worth £3.3bn a year**, Maidstone is the largest economy in Kent. It offers investors and local entrepreneurs an attractive location for doing business with a high quality of life and superb natural environment. Located in the heart of Kent, Maidstone is the county's administrative capital and an important place for people to live and work.

## Economic Context

**UK GDP increased by 1.8% in 2013 and it is generally agreed that the UK economy is now entering a phase of recovery.** Employment has increased considerably in recent years, and although output growth has been less impressive, the UK economy is expected to grow by 2.9% in 2014 and 2.5% in 2015.

**But the economic recovery remains uneven**, largely led by rising household spending and a revival in the housing market, particularly in London. Sustained output growth has not yet been accompanied by a material pickup in productivity or real wages and UK trade performance remains unexceptional.

**The UK's future prosperity largely depends on increasing productivity and exports.** Growth rates in emerging markets are expected to remain much above those of the advanced economies for the foreseeable future, increasing opportunities for trade and investment, but also increasing competition between companies and countries.

## The Maidstone Economy

**Maidstone has the largest economy in Kent, worth an estimated £3.3bn annually.** At £21,200, the borough has the 2<sup>nd</sup> highest GVA per head in the county, but this is below the national average (£21,900).

**Since the recession, economic output (measured in GVA) has fallen more in Maidstone than in Kent as a whole and nationally.** In 2012, GVA per head was still below its pre-recession peak and only Dover amongst the districts in Kent has performed worse than Maidstone since 2009.

**Total employment – including both employees and self-employment - in Maidstone was 70,700 in 2012. A high proportion are in the public sector**, reflecting the town's status as Kent's County Town and administrative capital.

**Employment performance has been poor in recent years, with the number of jobs decreasing since 2009.** The economic impact of the recession has been particularly severe in Maidstone compared to elsewhere in Kent and to similar towns in the south east. This was largely due to high job losses in the public sector and this sector continues to be at risk from cuts in public sector spending.

Maidstone has a **low share of employment in knowledge economy jobs**, although there has been relatively strong growth in recent years.

**Forecasts indicate that total employment growth in Maidstone will be between 7,800 and 14,400 jobs to 2031.** Achieving the higher rate of jobs growth largely depends on maximising the opportunities from the KIMS/MMC developments. The sectors forecast to see the greatest jobs growth are professional services, administrative & support services, education, health, and residential care & social work.

**Maidstone has a high number of businesses and an above average rate of self-employment.** There were 6,760 registered businesses in Maidstone in 2012, equivalent to 43 businesses per 1,000 population, compared to 39 for England. However, **businesses growth has been below the Kent and national averages in recent years**, with subdued levels of business activity (births and deaths).

### **Maidstone's Population and Labour force**

**Maidstone had an estimated population of 157,300 in 2012 - the largest district in Kent** with 10.6% of the Kent's population. Maidstone's population has grown faster than the national average in the last decade, increasing by 17,000. At the same time, the population is ageing and the proportion of resident's aged 65 and over is above the national average.

These trends are set to continue with future population growth for Maidstone forecast to be above the national and regional level to 2021. Both **the working age (16-64) and retirement age (65+) population is expected to grow more than in Kent overall.**

**Maidstone has a strong labour market with high employment and economic activity rates and relatively low levels of unemployment.** In the year ending December 2013 76.8% of residents were estimated to be in employment, above both the national (71.7%) and Kent (72.6%) averages.

**But the qualifications profile of the adult population is poorer than the county and national average**, with less than a third (32.6%) of residents qualified at NVQ Level 4 or above. While there has been some improvement over recent years, this has been less than for Kent and the nation as a whole.

**Median earnings of Maidstone residents and workers are below the national average according to 2013 figures. Residents generally earn more than workers.**

Commuting patterns show that **Maidstone has changed over the last decade from being a net importer to a net exporter of workers** and is **less important as a place of work for its residents**. Commuters are now predominantly those in higher occupational groups whereas **commuters into Maidstone are in lower status semi skilled and elementary occupations** that are generally less well paid.

## Maidstone's Housing and Property market

Maidstone's Strategic Housing Market Assessment indicates an annual housing requirement of around 980 homes per year to meet housing demand. **Since 2001 a total of 8,091 homes have been completed in Maidstone, equivalent to around 670 homes per year.**

**At £204,500, median house prices in Maidstone are above the Kent (£195,000) and national (£184,000) averages.** Maidstone has the fourth highest ratio of median house prices to median earnings in Kent in 2013, far exceeding the national average. This ratio has risen in recent years which suggests that housing affordability is an issue.

**Demand for industrial space in Maidstone has declined slightly in the last six months, while the supply of industrial space has increased slightly.** While there seems to be plenty of supply to meet demand, there is some mismatch in terms of the size and quality of industrial space, including some **unmet demand for larger industrial spaces.**

**Demand for office space has also reduced slightly** in the last nine months, while office supply has increased. There appears to be a **surplus of smaller office spaces** available (0 – 5,000 sq. ft.) for which there has been limited demand in 2013.

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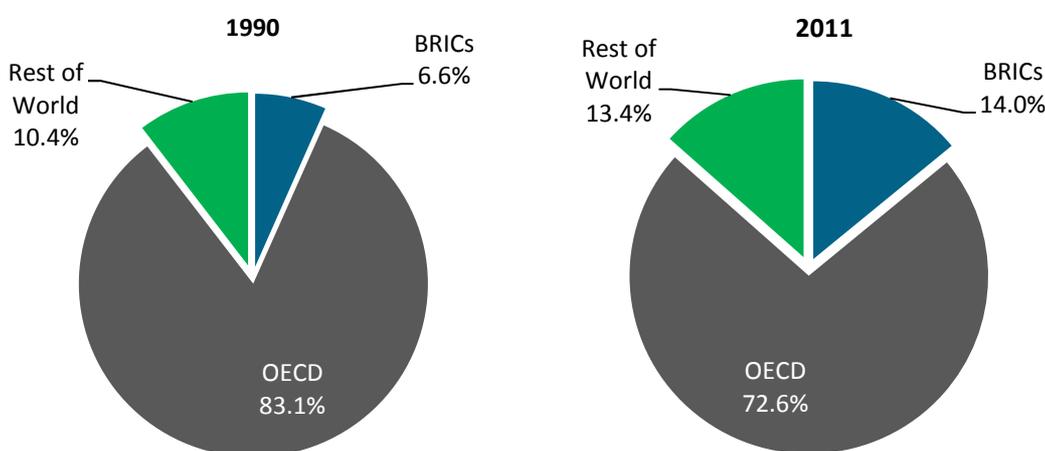
# 1. Maidstone Today - Economic context

- 1.1 It is important to understand the broader economic context as a backdrop to recent economic changes in Maidstone and for these to be borne in mind when looking to better position the Maidstone economy for the future.

## International context

- 1.2 The global financial crisis has had a significant impact on growth rates in the advanced economies, with many experiencing periods of recession over the past five years. In recent months, global economic activity has broadly strengthened and is expected to improve further in 2014/15.
- 1.3 Collectively, advanced economies are expected to grow by around 2.2% in 2014.<sup>1</sup> The United States will be a crucial driver of this growth, with slower economic growth forecast in many euro area economies. At the same time, it is the 'BRIC' nations (Brazil, Russia, India and China) and other emerging economies that are expected to account for the bulk of future economic growth – creating new competition and opportunities for UK companies.
- 1.4 Emerging market and developing economies are forecast to grow by 4.9% in 2014 and 5.3% in 2015.<sup>2</sup> While a number of these economies are coming off cyclical peaks, their growth rates are expected to remain much above those of the advanced economies for the foreseeable future, albeit below the elevated levels in recent years.

**Figure 1.1 Share of Global GDP by selected country groups**



Source: ONS Economic Review, September 2013

- 1.5 As shown above, between 1990 and 2011 the collective output of the BRIC countries doubled from 7% to 14% of global GDP.<sup>3</sup> This has contributed to rising levels of cross-border

<sup>1</sup> IMF (2014) World economic outlook – April 2014

<sup>2</sup> IMF (2014) World economic outlook – April 2014

<sup>3</sup> ONS (2013) Economic Review, September 2013

economic activity, up from about \$5tn a year in 1990, to \$26tn in 2012.<sup>4</sup> This has increased opportunities for trade and investment, with, for example, the total value of UK exports to the BRIC countries rising by 42% between 2008 and 2011 alone.<sup>5</sup>

- 1.6 However, globalisation is also significantly increasing competition - between companies and countries. In response, the structures of advanced economies are changing rapidly.
- 1.7 Services industries are growing and becoming more global.<sup>6</sup> Emerging market countries are increasingly moving up the value chain and advanced economies increasingly face greater competition in higher value sectors. Generally, manufacturing employment is declining, but some high value added manufacturing sectors are prospering in Europe and North America. Indeed, estimates suggest that 200,000 UK based jobs could be created from companies bringing back production from overseas over the next ten years.<sup>7</sup>
- 1.8 At the same time, it is also important to recognise that as wealth grows globally, there will be increasing demand for investment opportunities, including in the UK. This is evident in DP World's recent investment in the London Gateway.
- 1.9 In the years ahead, domestic and global demand for products and services will change, driven by factors including:
- **globalisation and technological progress** – increased low-wage competition and technological improvements are generally contributing to a decline in manufacturing in the UK and the rise of the services sector. The continuing expansion of digital communication will promote international trade in services, from ecommerce to consultancy – “knowledge intensive flows” account for half of all cross-border flows and are increasing<sup>8</sup>.
  - **rising incomes globally** – the rise of global middle class, particularly in emerging economies is broadening the UK's export market across services, such as creative industries, professional business services, and manufacturing.
  - **growing demand for higher environmental standards** - increased government investment in the green agenda is fostering growth in the low carbon technologies, renewable energy and environmental goods and services, as well as investment in public services and construction.
  - **demographic and lifestyle changes** – in particular, a steadily ageing population is driving rising demand for health and social care (a third of UK health spending is on those aged over 65).<sup>9</sup> Tastes and preferences in emerging economies are also likely to shift towards increased spending on services such as recreation, healthcare, transport and communications, creating opportunities for UK businesses.

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<sup>4</sup> McKinsey Global Institute (2014) Global flow in a digital age

<sup>5</sup> CBI (2013) The only way is exports

<sup>6</sup> McKinsey Global Institute (2014) Global flow in a digital age

<sup>7</sup> RSA (2013) Making at home, owning abroad

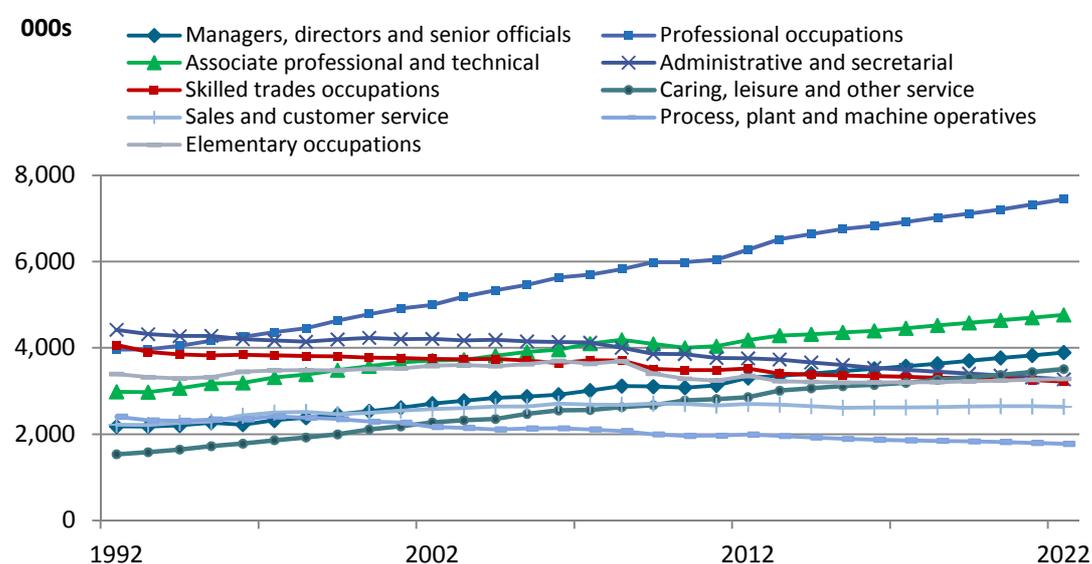
<sup>8</sup> McKinsey Global Institute (2014) Global flows in a digital age

<sup>9</sup> BIS (2012) Industrial Strategy: UK Sector Analysis

1.10 Technological change and globalisation are also having a significant impact on labour markets. An overarching trend is the continued and growing demand for high skilled workers, due to the proliferation of increasingly sophisticated production techniques and the increasing importance of “knowledge-based” services. In the workplace, routine tasks are being automated, contributing to a decline in medium skilled jobs.<sup>10</sup> Increasingly, economies demand workers skilled in problem-solving, communications and collaboration and reward those with the ability to recognise and exploit new technologies. We can expect that demand for higher level skills will continue to increase, to the extent that insufficient supply of higher skilled workers might create bottlenecks in some parts of the economy.<sup>11</sup>

1.11 This is demonstrated in the figure below which illustrates rising employment in higher skilled occupations<sup>12</sup> in the UK (past and forecast), with the exception of skilled trades occupations. And, with the exception of caring, leisure and other services, employment in lower skilled occupations<sup>13</sup> are expected to continue to decline in the decade to come.

**Figure 1.2 UK occupational employment, all industries (1992 – 2022)**



Source: UKCES Working Futures

1.12 All of these changes suggest that the places that will be successful are those whose business base and workforce are suitably flexible and skilled and able to respond to and pre-empt significant changes in market demand.

<sup>10</sup> There is discussion of the 'hollowing out' of the labour market, with more higher skilled and some lower skilled jobs being created, whilst the number of medium skilled jobs declines - University Alliance (2012) The Way We'll Work: Labour market trends and preparing for the hourglass

<sup>11</sup> See, for example, Carnevale, A. & Rose, S. (2011) The Undereducated American, which estimates that the USA needs a further 15 million graduates by 2025

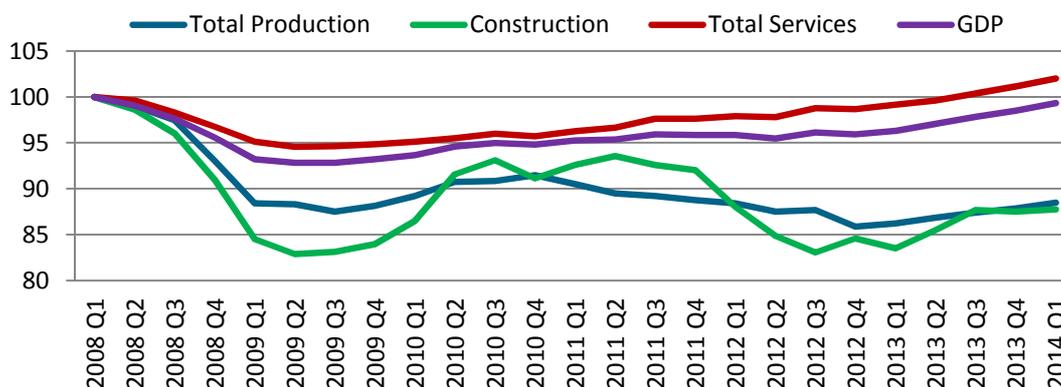
<sup>12</sup> Managers, directors and senior officials; Professionals; Associate professional and technical; and, skilled trades.

<sup>13</sup> Administrative and secretarial; Caring, leisure and other services; Sales and customer services; Process, plant and machine operatives; and Elementary roles.

## UK economic context

- 1.13 GDP in the UK grew steadily from 2000 until early 2008 led by growth in the services industries. In 2008, the performance of the UK economy was significantly affected by the financial crisis: from peak (Q1 2008) to trough (Q2-Q3 2009) economic output fell by 7.2%. The impact of the downturn was severe in comparison with previous recessions in the 1980s and early 1990s, particularly in the construction and production industries.
- 1.14 Economic growth resumed towards the end of 2009, but at a slower rate than the period prior to 2008. By the beginning of 2014, total output was still 0.6% below its 2008 peak.<sup>14</sup> Only the services industry has re-attained its pre-recession level of output; the contribution of the construction and production industries remains far below 2008 levels.

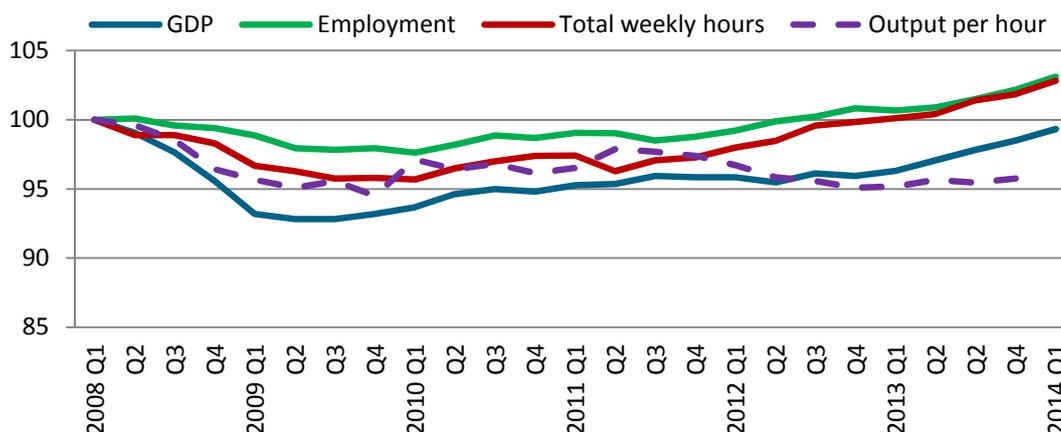
**Figure 1.3 UK output growth, Q1 2008=100, constant prices, seasonally adjusted**



Source: ONS

- 1.15 Despite the relative weakness in GDP growth, employment amongst those aged 16 and over increased markedly from the end of the recession, growing by more than 1mill over the past two years and exceeding its pre-recession peak in early 2013.<sup>15</sup>

**Figure 1.4 UK index of output, employment and hours since Q1 2008, seasonally adjusted, Q1 2008=100**



Source: ONS

<sup>14</sup> ONS (2014) Economic Review, July 2014

<sup>15</sup> ONS (2013) Labour Market Statistics, October 2013

- 1.16 As a result, unemployment has declined, from 2.68m in October 2011, to 2.21m in March 2014. However, this remains far above pre-recession levels (there were 1.61 million people unemployed in April 2008) and with almost a fifth (19%) of 16-24 year olds out of work, youth unemployment remains a significant challenge.<sup>16</sup>
- 1.17 Moreover, about four fifths of the rise in employment since 2008 has come from an increase in self-employment<sup>17</sup> and underemployment (people who are in employment but want to work more hours) now affects almost a tenth of those in work.<sup>18</sup> Along with the increase of underemployment there has been a rise in looser employment arrangements, most notably zero hour contracts. Another by-product of rising employment has been a sharp drop in productivity (output per hour worked).

### Economic growth to pick up in 2014...

- 1.18 Economic output increased by 1.8% in 2013 and it is generally agreed that the UK economy is now entering a phase of recovery. Households are becoming more optimistic about the future and there are indications that productivity is improving. The IMF expects the UK economy to grow by 2.9% in 2014 and 2.5% in 2015,<sup>19</sup> broadly in line with Bank of England forecasts.

### ...but the recovery remains uneven

- 1.19 However, while growth in total output rebounded more strongly than anticipated in the UK in 2013, the economic recovery remains uneven. Household consumption has been a strong driver of the economic recovery, but business investment and exports have largely remained subdued. Total investment fell sharply during 2008 and 2009. Although in the two most recent quarters growth in fixed investment has picked up, the recovery in economic output has yet to be matched by a significant pickup in productivity.
- 1.20 Access to credit seems to be improving, particularly the availability of mortgage lending. The terms on which companies can borrow have also improved, but net lending to SMEs is still relatively weak and the cost of loans remains high.<sup>20</sup>

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<sup>16</sup> ONS (2014) Labour Market Statistics, January 2014

<sup>17</sup> Bank of England (2014) Inflation Report, May 2014

<sup>18</sup> See: <http://bellblanchflowerunderemployment.com/2014/02/10/quarter-3-2014-data/>

<sup>19</sup> IMF (2014) World economic outlook – April 2014

<sup>20</sup> Bank of England (2014) Credit Conditions Survey 2013 Q4

Figure 1.5 Contributions to GDP growth: year on year, constant prices, seasonally adjusted



Source: ONS

- 1.21 The performance of UK trade has been modest and erratic despite a sharp fall in the value of sterling. The UK lost export market share during the period since 2008, but has closed some of the gap in the last two years. Exports to the BRIC have grown significantly since 2006<sup>21</sup> and trade activity is expected to pick up as economic growth picks up globally.<sup>22</sup>
- 1.22 Rising house prices are also an important issue. While wage growth and consumer price inflation have been relatively restrained in recent periods, the rate of house price inflation has been significant, raising questions about the sustainability of the economic recovery. Average UK house prices were around 4.4% higher in March 2014 than in Q1 2008.<sup>23</sup> However, it is also important to note that regional performance is mixed, and much of the increase is accounted for by relatively rapid house price growth in London (up by 24.8% since January 2008).<sup>24</sup> Excluding London, UK house prices remain slightly below their pre-recession peak.

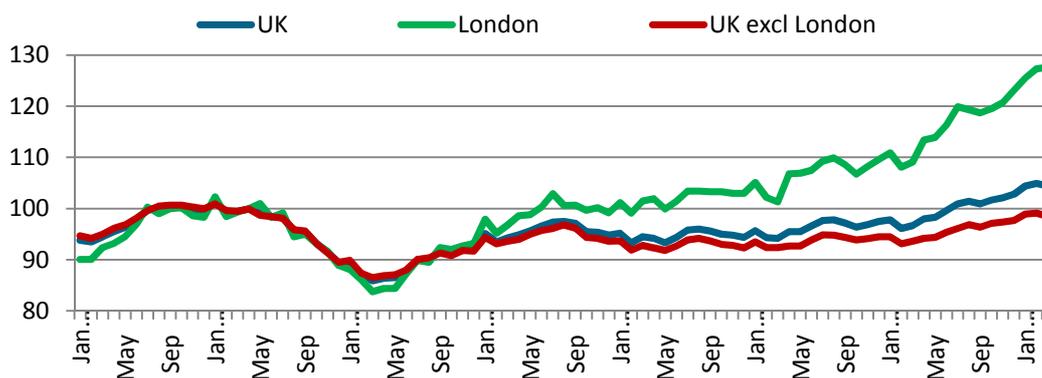
<sup>21</sup> ONS (2013) Economic Review, September 2013

<sup>22</sup> The OBR forecasts world trade to grow by 2.8% in 2013; 5.4% in 2014; 5.8% in 2015; 6.0% in 2016; and 6.1% in 2017 and 2018 – Office for Budget Responsibility (2013) Economic and fiscal outlook, December 2013

<sup>23</sup> ONS (2014) Economic Review June 2014

<sup>24</sup> ONS (2014) Economic Review June 2014

Figure 1.6 UK house prices, including and excluding London, Index Q1 2008 = 100



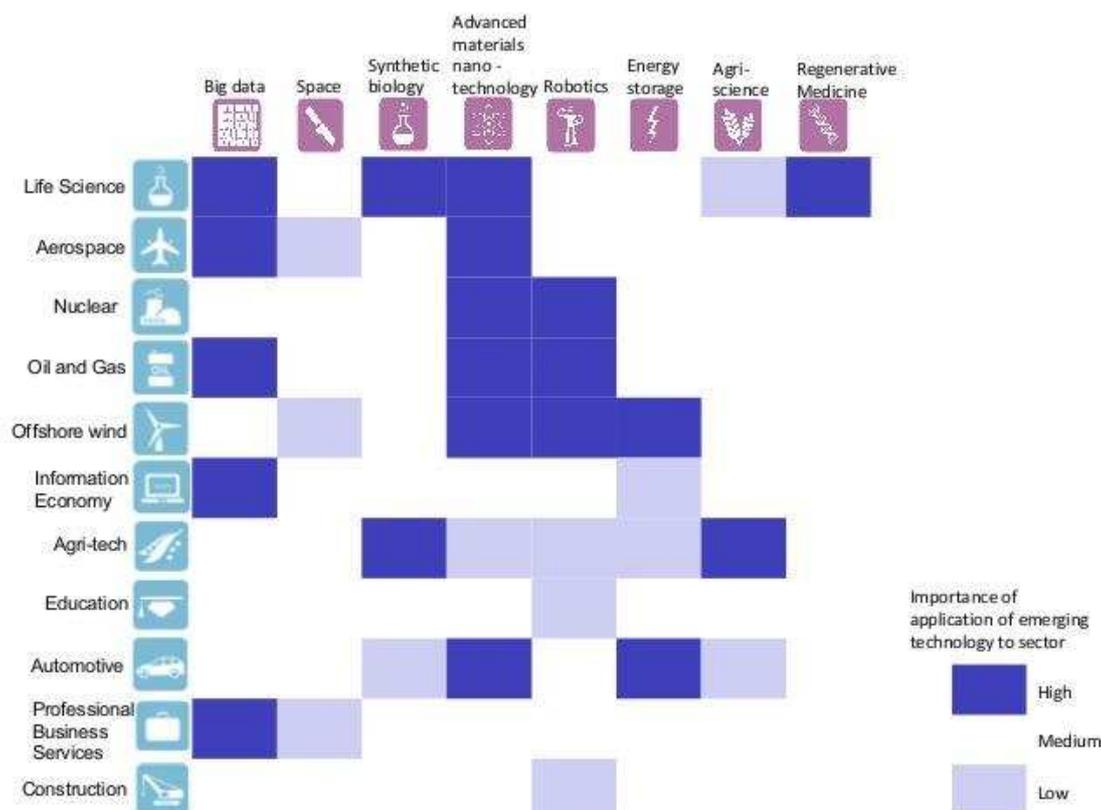
Source: ONS

### Support for key sectors

- 1.23 To achieve the increase in productivity and exports required for long-term, sustainable growth, the government's Industrial Strategy identifies several areas where it has an important role to play in supporting UK businesses to compete and grow. This includes: improving access to finance, creating a pipeline of skilled workers, promoting supply chains through procurement and focussing support on key sectors.
- 1.24 Industry and government have subsequently developed joint strategies for 11 sectors which are now being implemented and form a central part of the government's growth strategy.<sup>25</sup> Sectors have been identified which can make the greatest contribution of future growth based on: the size and opportunity for future growth and employment; barriers to growth; and scope for government action. These include industries in the advanced manufacturing sector, including the aerospace, automotive and life sciences industries, in knowledge-intensive services, such as business services and the information economy, and in the enabling sectors, including construction, transport and logistics and renewable energy.
- 1.25 Alongside sector support, the government is also looking to support "8 great" emerging technologies where the UK has a depth of research expertise and business capability. Linkages between industrial strategy sectors and technologies are outlined in the figure below.

<sup>25</sup> Department for Business, Innovation & Skills (2012) Industrial strategy: government and industry in partnership

Figure 1.7 Industrial strategy sector technology inter-linkages



Source: BIS

### Summary – key points:

- Global economic activity has broadly strengthened in recent months and is expected to improve further in 2014/15. Advanced economies are expected to grow by around 2.2% in 2014 while emerging market and developing economies are forecast to grow by 4.9%.
- Growth rates in emerging markets are expected to remain much above those of the advanced economies for the foreseeable future, if below the elevated levels seen in recent years.
- Globalisation is significantly increasing the potential opportunities from trade, but also increasing competition between companies and countries.
- UK GDP increased by 1.8% in 2013 and it is generally agreed that the UK economy is now entering a phase of recovery, with employment rising significantly.
- However, the recovery remains uneven, largely led by rising household spending and a revival in the housing market. Sustained output growth has not yet been accompanied by a material pickup in productivity or real wages.

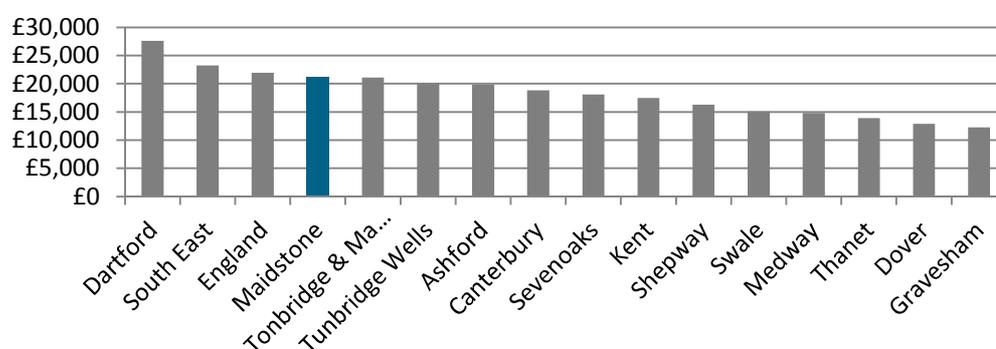
The UK's future prosperity largely depends on increasing productivity and exports: the Government has identified a number of sectors which it sees as offering particular potential for economic growth in the future.

## 2. Economic performance of Maidstone

### Economic output

- 2.1 Total employment in Maidstone – including both employees and self-employed - was 70,700 in 2012, which represents 12.6% of the total in Kent.<sup>26</sup> In the same year, Maidstone had an economy worth an estimated £3.3bn a year - the largest in the county.<sup>27</sup>
- 2.2 Maidstone had a GVA per head of population of £21,200 in 2012, the second highest in Kent (behind Dartford), but below the England (£21,900) and South East (£23,200) averages.<sup>28</sup> In 2012, Maidstone's ranking within Kent is slightly better than it was ten years ago, having moved ahead of Tunbridge Wells since then.

Figure 2.1 GVA per head, Maidstone & selected areas (2012 – estimate)



Source: ONS & KCC Research & Intelligence

- 2.3 Long term growth in output (GVA) has been relatively low in Maidstone, with the average annual rate of growth in over the ten years from 2002 to 2012 at 3.8% per annum, which compares with 4.2% for Kent County and 4.4% for England.<sup>29</sup> As the figure below shows, all but four Kent districts saw a higher rate of GVA growth over this period and these were Dover, Tunbridge Wells, Gravesham and Swale.

<sup>26</sup> ONS (2013) Business Register and Employment Survey (BRES)

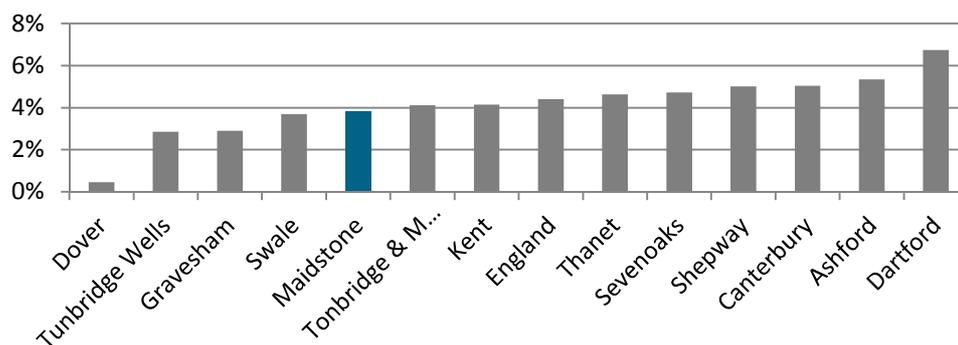
<sup>27</sup> Kent County Council (2014) Business Intelligence Statistical Bulletin

Gross Value Added (GVA) is a measure of the increase in the value of the economy due to the production of goods and services. GVA estimates are in current prices, meaning no adjustment has been made to remove the effects of inflation, and are allocated to the area in which economic activity takes place. District level figures have been estimated by Kent County Council based upon the distribution of employees in Kent and constant levels of productivity. Therefore, they should be treated with some caution.

<sup>28</sup> Kent County Council (2014) Business Intelligence Statistical Bulletin

<sup>29</sup> Kent County Council (2014) Business Intelligence Statistical Bulletin

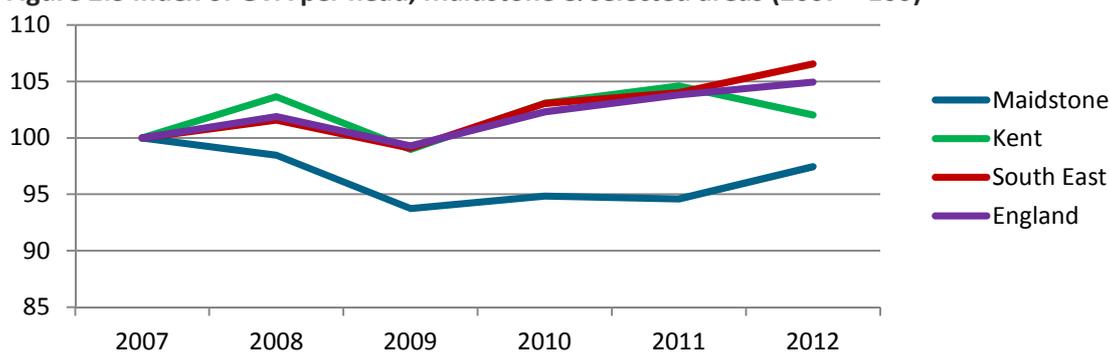
**Figure 2.2 % Change in GVA per head, Maidstone & selected areas (2002 -2012)**



Source: ONS & KCC Research & Intelligence

- 2.4 The impact of the recent recession has been particularly significant in Maidstone compared to elsewhere in Kent. Maidstone's economic output has fallen from being worth 13.3% of the Kent economy in 2007 to just 12.5% in 2012.<sup>30</sup>
- 2.5 At £21,800 GVA per head in 2007, this was considerably more than £21,200 in 2012. Dover is the only other Kent district where GVA per head had not reached pre-recession levels by 2012 (see figure below).

**Figure 2.3 Index of GVA per head, Maidstone & selected areas (2007 = 100)**



Source: ONS & KCC Research & Intelligence

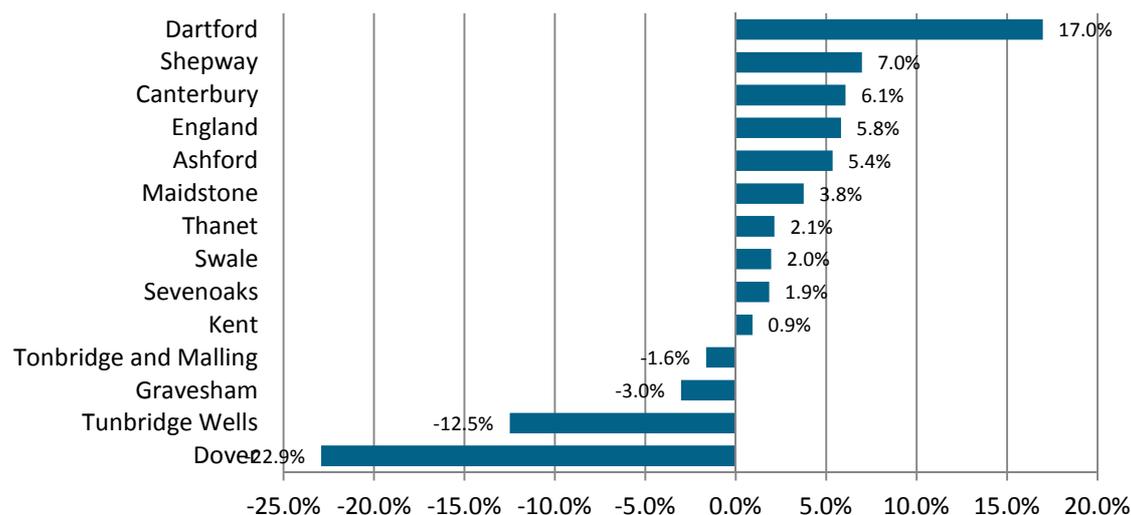
### Employment

- 2.6 Long term employment trends between 2002 and 2012 show that total jobs<sup>31</sup> in Maidstone have increased by 3.8%, which is above that for Kent as a whole (+0.9%), but below the national average (+5.8%). The figure below shows that four Kent districts of Dartford, Shepway, Canterbury and Ashford saw greater growth than Maidstone over this period.

<sup>30</sup> Kent County Council (2014) Business Intelligence Statistical Bulletin

<sup>31</sup> ONS; Total jobs is a workplace-based measure comprising employee jobs, self-employed, government-supported trainees and HM Forces. This is difference from BRES total employment and the figure is larger

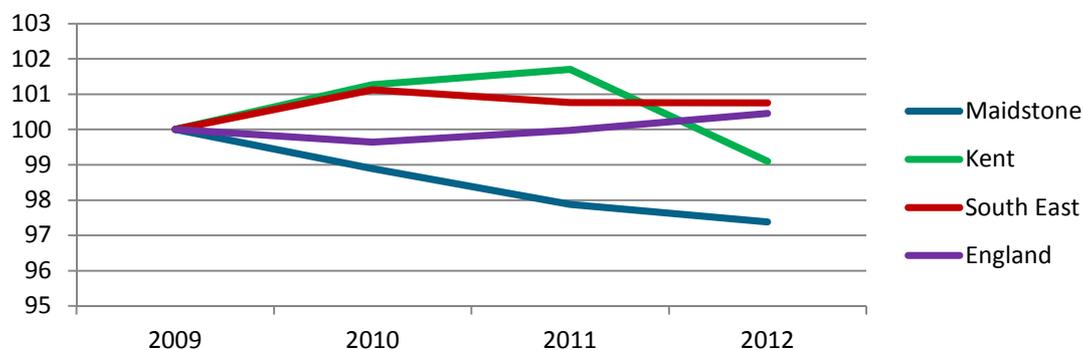
**Figure 2.4 % change in total jobs 2002-2012, Maidstone & selected areas**



Source: ONS jobs density

- 2.7 Over more recent times, total employment in Maidstone has fallen from 72,600 in 2009 to 70,700 in 2012 - a fall of 1,900 jobs.<sup>32</sup> Of these, 68,300 were employees in Maidstone and the rest were working proprietors.<sup>33</sup>
- 2.8 The rate of total employment decline between 2009 and 2012 was higher in Maidstone (-2.6%) than across Kent as a whole (-0.9%) and contrasted with a 0.5% increase nationally<sup>34</sup>.

**Figure 2.5 Index of employment, Maidstone & selected areas (2009 = 100)**



Source: ONS BRES

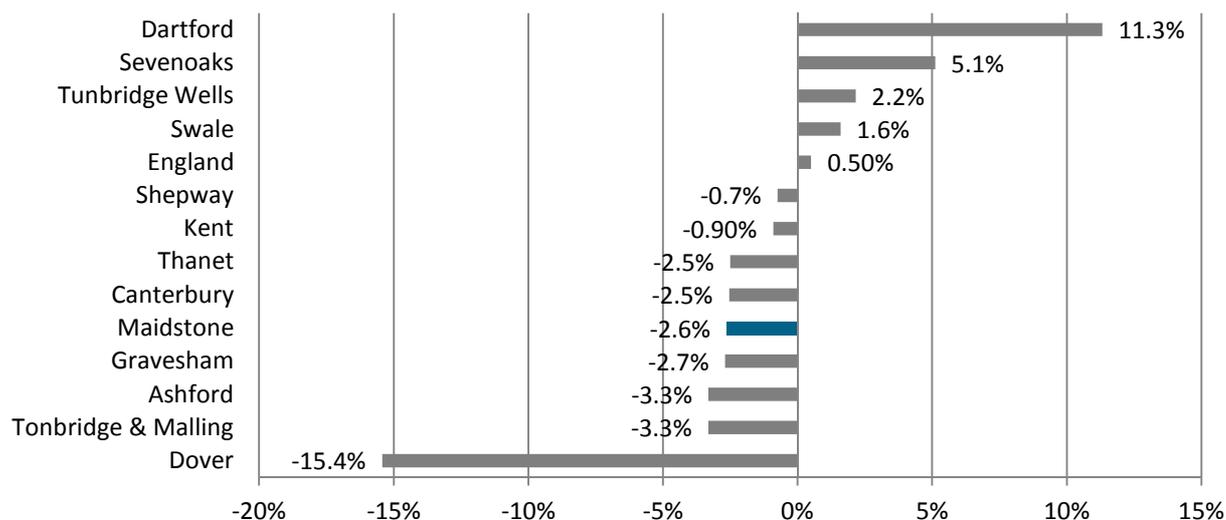
- 2.9 Although seven of the twelve Kent districts also witnessed a fall in employment between 2009 and 2012, the figure below shows that the rate of decrease was only greater in Dover, Tonbridge & Malling, Ashford and Gravesham.

<sup>32</sup> ONS (2013) Business Register and Employment Survey (BRES)

<sup>33</sup> Working Proprietors are sole traders, sole proprietors, partners and directors. Total employment = employees + working proprietors. Working Proprietors are sole traders, sole proprietors, partners and directors.

<sup>34</sup> ONS (2013) Business Register and Employment Survey

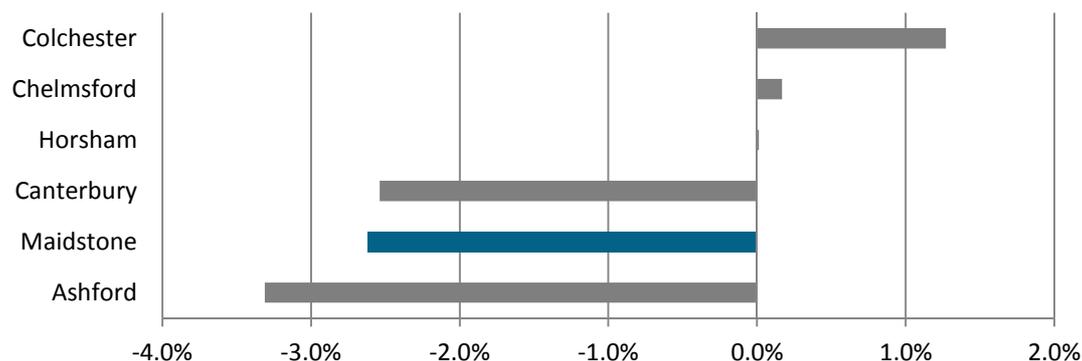
**Figure 2.6 % change in employment 2009-2012, Maidstone & selected areas**



Source: ONS BRES

- 2.10 Looking at employment change over this period in similar towns, Maidstone also looks to have fared worse compared to places like Colchester, Chelmsford and Horsham, which saw either no change or an increase in employment over the same period.<sup>35</sup>

**Figure 2.7 Employment change 2009-2012, Maidstone & comparator areas (%)**



Source: ONS BRES

- 2.11 Of the 1,900 jobs lost in Maidstone over this period the vast majority (around 1,500 jobs) were from the public sector. Public sector dependency and the effects of public sector job cuts are key issues for the future prosperity of the area.

#### Full-time and part-time work in the Maidstone economy

- 2.12 The employee jobs lost in Maidstone between 2009 and 2012 were split evenly between full-time (-900) and part-time (-900) jobs, but in percentage terms the decrease in part time employee jobs was more significant (-3.7%) than for full time. This contrasted with an increase in part time employee jobs nationally (+2.9%) and to a fairly static picture for Kent (+0.1%).

<sup>35</sup> ONS (2013) Business Register and Employment Survey (BRES)

2.13 As a result, of these changes, a slightly lower proportion of employee jobs (33.5%) were part time in Maidstone in 2012 compared to the Kent average (34.7%). However, this was above the national average (32.6%) and reflects the predominance of the service sector in Maidstone where part time jobs are more prevalent. In line with national trends, over half of employees worked part-time in the retail (58.4%) and accommodation & food services (58.1%) sectors in Maidstone.<sup>36</sup>

### Summary – key points:

- Maidstone is the largest economy in Kent, providing almost 13% of the jobs and worth an estimated £3.3bn annually.
- At £21,200, Maidstone has the second highest GVA per head amongst the districts in the county, despite this being below the national average (£21,900).
- Long term growth in economic output has been lower in Maidstone than for Kent as a whole and compared to the national trends and the impact of the recent recession has been more severe.
- Although employment in Maidstone increased more than the average for Kent over the long term since 2002, job losses have been significant during the recession with employment decreasing more than in most other districts in Kent and compared to similar towns in the South East. This has been largely due to losses in the public sector and have been split evenly between full-time and part-time work.

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<sup>36</sup> ONS (2014) Business register and Employment Survey

## 3. Sector Trends

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- 3.1 This section examines sector strengths and sector changes in employment in Maidstone. The analysis draws on current employment and historic trends from two main data sets: the Annual Business Inquiry (ABI) and the Business Register and Employment Survey (BRES).
- 3.2 The ABI provides data on employees in employment by broad industrial sector up to 2008, when it was discontinued and replaced by the BRES. The coverage of the BRES is wider than the ABI and provides figures on total employment, which includes working proprietors, as well as employees, since 2009. Unlike the ABI, the BRES however, does not include farm agriculture at local authority level.
- 3.3 As a result of these changes, sector changes in the Maidstone economy are considered over two time periods - 1998 to 2008 and 2009 to 2012.<sup>37</sup>

### Sector trends 1998-2008

- 3.4 Between 1998 and 2008 there was a 10.4% increase in employees in the Maidstone economy which was greater than the 9.1% national growth rate, but below the 14.5% growth rate for Kent.<sup>38</sup>
- 3.5 Across broad sector groups the main trends for Maidstone are:<sup>39</sup>
- Public administration, education & health, with growth of 7,400 employees (+44.3%), saw the greater percentage and absolute employee jobs growth in Maidstone between 1998 and 2008. Within Kent, only Ashford (+51.6%) and Swale (+47.3%) saw a higher rate of jobs growth in this sector.
  - Distribution, hotels & restaurants (+1,200; 7.7%), other services (+800; 32.6%), banking, finance & insurance (+800; 6.0%) and construction (+500; 11.6%) were the other main contributors to jobs growth in Maidstone over this period, although the rate of growth was below the Kent average in each of these sectors.
  - The sector which saw the greatest decrease in employees during this period was manufacturing which shed 3,100 jobs - a 42.5% decrease. This was a greater decrease than nationally (-32.9%) and amongst districts in Kent, Maidstone had the third highest fall in manufacturing jobs.
  - Employee jobs also fell in transport and communications (-400; -9.2%) and in the primary industries (-300; -13.3%). Transport and communications jobs declined slightly across Kent during this period (-1.3%), despite strong growth in Ashford

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<sup>37</sup> Note: both BRES and the ABI employee estimates are point-in-time snapshots of the economy. Both are subject to discontinuities caused by Standard Industrial Classification change, reference date change and source data change, potentially making time series analysis difficult.

<sup>38</sup> Kent County Council Research & Intelligence (2010) The Annual Business Inquiry: Employee change 1998-2008

<sup>39</sup> Kent County Council Research & Intelligence (2010) The Annual Business Inquiry: Employee change 1998-2008

(+1,700) and Tonbridge and Malling (+2,200). The primary industries declined in Kent (-6.5%) and for Great Britain as a whole (-10.3%).

**Table 3.1 Sector employment change 1998 to 2008 in Maidstone**

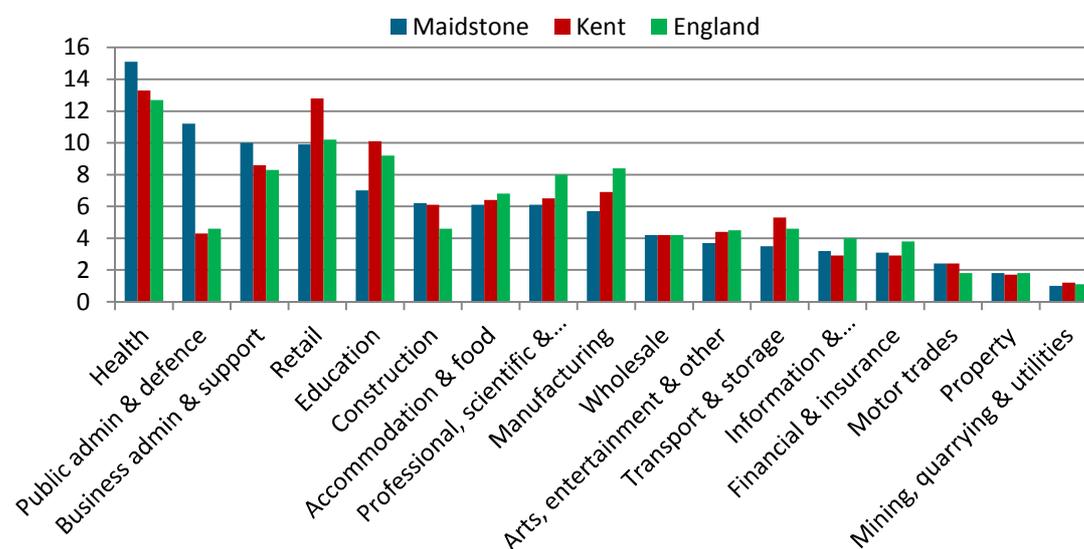
Sector	No of Employees		Change in Employees		% change in employees in Kent
	1998	2008	No.	%	
Primary Industries	2,600	2,300	-300	-13.3%	-8.7%
Manufacturing	7,300	4,200	-3,100	-42.5%	-33.8%
Construction	3,800	4,300	500	11.6%	29.5%
Distribution, hotels & restaurants	16,100	17,300	1,200	7.7%	14.4%
Transport & communications	3,900	3,500	-400	-9.2%	-1.3%
Banking, Finance & Insurance etc.	12,700	13,500	800	6.0%	33.1%
Public admin, education & health	16,700	24,100	7,400	44.3%	31.1%
Other services	2,400	3,200	800	32.6%	49.2%
<b>Total</b>	<b>65,500</b>	<b>72,400</b>	<b>6,900</b>	<b>10.5%</b>	<b>14.5%</b>

Source: KCC research & intelligence

### Sector trends 2009-2012

- 3.6 In 2012 employment<sup>40</sup> in Maidstone was highest in the health, public administration and business support sectors and in each the proportion of jobs was above the Kent and national average. At the same time, employment in the borough is below the national average in a number of areas, notably retail, manufacturing, education and some financial & business services sectors.

**Figure 3.1 % of employment by broad sector, Maidstone & selected areas (2012)**



Source: ONS BRES - excludes agriculture

- 3.7 Looking in more detail at sector performance since 2009, the table below identifies the particular sector strengths of Maidstone in relation to both Kent and England. These are

<sup>40</sup> Total employment includes employee jobs, self-employed, government-supported trainees and HM Forces

based on location quotients, which compare the proportion of employment in Maidstone with that in both Kent and England. A location quotient (LQ) of 1 indicates that Maidstone has the same proportion of employment in that sector as in Kent or England as a whole, whereas an LQ above 1 shows that Maidstone is over-represented by that sector and an LQ under 1 shows an under-representation compared to the comparator area.

**Table 3.2 Maidstone: sector concentration and employment growth (2012)**

Sector	LQ vs. England	LQ vs. Kent	Change in employment 2009-2012	
			no.	%
Accommodation & food	0.9	1	-100	-2.2%
Arts, entertainment & other	0.8	0.8	-100	-4.8%
Business admin & support	1.2	1.2	900	14.2%
Construction	1.3	1	-1,600	-27.1%
Education	0.8	0.7	-500	-9.9%
Financial & insurance	0.8	1.1	300	14.4%
Health	1.2	1.1	0	-0.3%
Information & communication	0.8	1.1	500	26.0%
Manufacturing	0.7	0.8	200	5.7%
Mining, quarrying & utilities	0.9	0.8	200	38.6%
Motor trades	1.3	1	0	0.9%
Professional, scientific & technical	0.8	0.9	0	-0.2%
Property	1	1.1	300	33.5%
Public admin & defence	2.4	2.6	-1,000	-11.5%
Retail	1	0.8	-300	-3.8%
Transport & storage	0.8	0.7	-1000	-28.9%
Wholesale	1	1	500	21.6%

Source: ONS BRES - Excludes agriculture

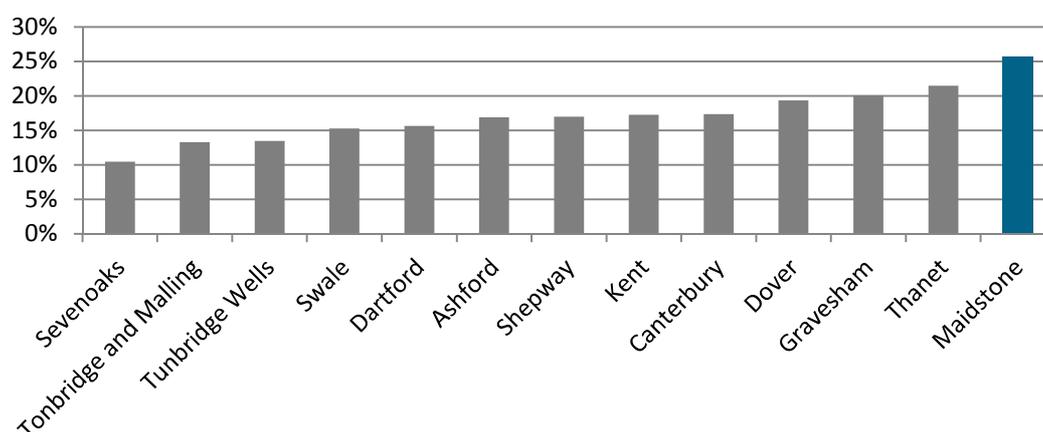
### 3.8 Key points to note from the table are:

- There is a high concentration of employment in Maidstone in **public administration and defence** and in **construction** and both these sectors saw falls in employment between 2009 and 2012, particularly construction.
- Other important sectors include **business administration and support** which saw the greatest increase absolute growth in employment in recent years.
- Maidstone also has a fairly high concentration of employment in **motor trades** and the **health sector** and both of these sectors saw marginal declines in employment between 2009 and 2012.
- Although Maidstone is not overly represented by the property, financial and insurance, wholesale and information and communications sectors, these all performed relatively well over the period and together added around 1600 jobs to the Maidstone economy.

## Employment in the public sector

- 3.9 The high proportion of employment in public administration in Maidstone is unsurprising given the town's role as the county's administrative capital.<sup>41</sup> However, even when compared to other county towns in the south east, public sector employment is still relatively important in the Maidstone economy. Some 25.7% of employment was in the public sector in Maidstone in 2012, compared to 21.1% in both Lewes and Winchester and 22% in Oxford.<sup>42</sup>

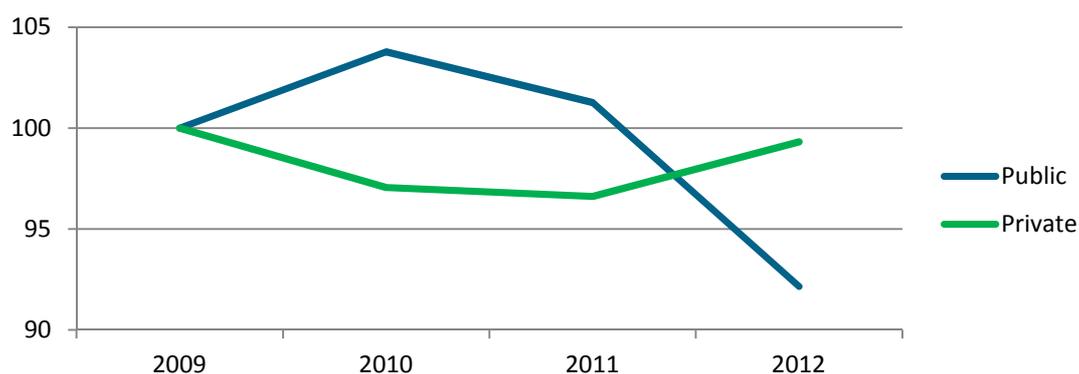
**Figure 3.2 % of employment in the public sector (2012)**



Source: ONS BRES

- 3.10 Budget cuts arising from government austerity measures have had a significant impact on the scale of employment in the public sector in Maidstone, with employment in public administration falling by 12% between 2009 and 2012.<sup>43</sup> In total, more than four out of every five jobs lost between 2009 and 2012 (81.2%) were from the public sector. While the private sector also saw jobs losses between 2009 and 2011, there has been some recovery since then.

**Figure 3.3 Index of public and private sector employment, Maidstone (2009 = 100)**



Source: ONS BRES

<sup>41</sup> Employment is also found in the prison service, passport office and MOD.

<sup>42</sup> ONS(2014) Business Register and Employment Survey (BRES)

<sup>43</sup> ONS(2014) Business Register and Employment Survey (BRES)

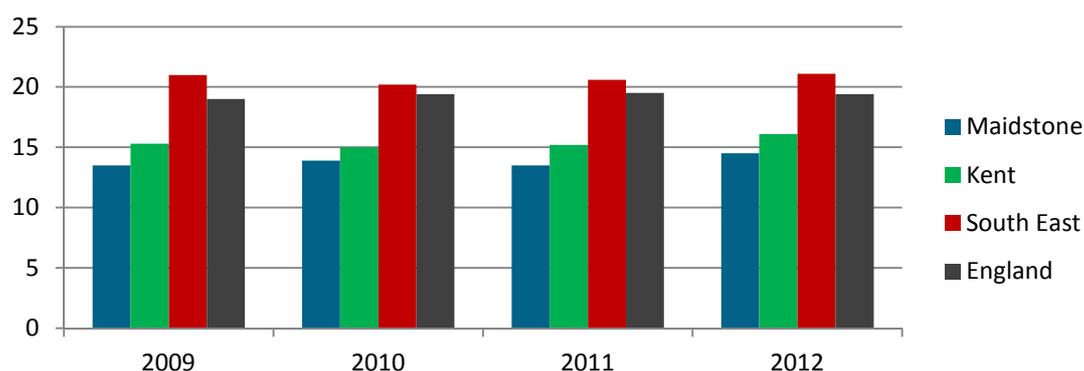
3.11 Public sector dependency and the effects of public sector job cuts are key issues for the future prosperity of Maidstone<sup>44</sup> with forecasts suggesting that over a fifth (21% or 1,825) of public administration jobs are at risk in Maidstone up to 2031.<sup>45</sup> The signs are that the public sector is set to continue to shed further jobs over the next few years, so increasing the opportunities private sector jobs growth will be important for Maidstone.

### Employment in the knowledge economy

3.12 Maidstone has a relatively low share of jobs in higher value “knowledge economy” sectors, such as professional, scientific and technical, information and communication, and financial and insurance. The knowledge economy is of particular interest, as it is seen as a key driver for economic growth nationally. Knowledge economy industries are the ones that deal extensively with the processing, exchange and communication of information and knowledge. They are likely to contribute a higher level of “value added” to the economy (i.e. a higher output per head of employment) and the jobs generally command higher wages.

3.13 Some 14.5% of employment in Maidstone was in knowledge economy sectors<sup>46</sup> in 2012, which is low compared to Kent overall where 16.1% of jobs are in the knowledge economy and nationally (19.4%).<sup>47</sup>

**Figure 3.4 Knowledge economy employment, Maidstone & selected areas (%)**



Source: ONS BRES

3.14 Maidstone ranks fifth amongst the Kent districts for knowledge economy jobs in 2012 to Canterbury (22.2%), Tonbridge Wells (22.0%), Tonbridge and Malling (20.8%) and Shepway (15.8%).<sup>48</sup>

3.15 The share of knowledge economy jobs in Maidstone is also relatively low in comparison with areas like Colchester (21.4%) and Horsham (21.2%).<sup>49</sup> For places such as Canterbury and Colchester, the presence of higher education jobs is of particular significance.

<sup>44</sup> Research & Intelligence Research & Intelligence (2011) Public sector dependency - January 2011

<sup>45</sup> GVA (2014) Economic Sensitivity Testing & Employment Land Forecast

<sup>46</sup> As defined by KCC Research & Evaluation – see KCC Research & Evaluation (2013)

Redefining the Knowledge Economy

<sup>47</sup> ONS (2013) Business register and Employment Survey

<sup>48</sup> ONS (2013) Business register and Employment Survey

<sup>49</sup> ONS (2013) Business register and Employment Survey

3.16 Since 2009 Maidstone has seen relatively strong growth in knowledge economy employment with a 5.1% (+500) increase which was above that for Kent as a whole (4.4%), for the south east (1.2%) and for Great Britain (2.6%).<sup>50</sup> Compared to other similar towns in the south east, however, knowledge intensive employment grew at faster rate in Colchester (8.4%), Ashford (7.0%), and Horsham (6.8%).

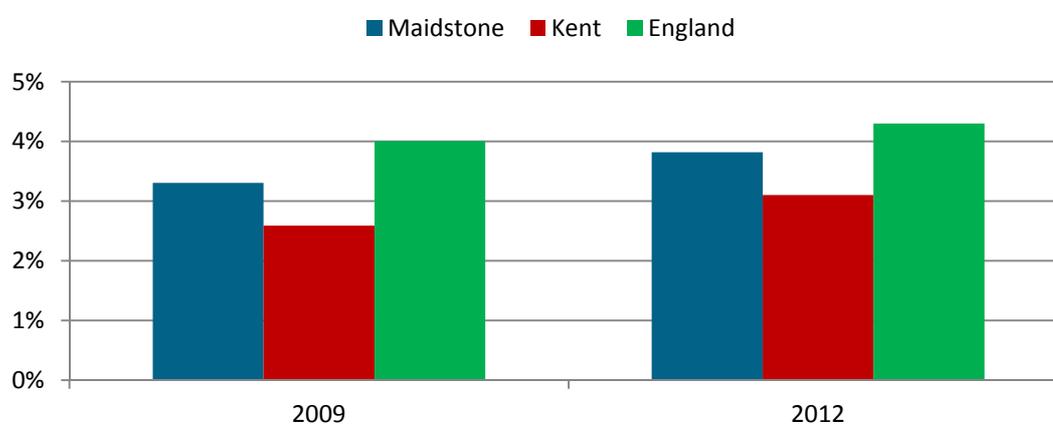
3.17 The sub-sectors that have seen particularly strong growth in Maidstone are:

- architectural and engineering activities, including technical testing and analysis (+380);
- computer programming, consultancy and related activities (+290); and
- publishing activities (245).

### Employment in the creative industries

3.18 The creative industries sector is relatively well represented in the Maidstone economy and it is estimated that some 2,700 jobs were in this sector in Maidstone in 2012. This represents 3.8% of total jobs in Maidstone which compares to a 3.1% average for Kent and 4.3% for England as a whole.<sup>51</sup> IT, software and computer services is the largest creative industry group in Maidstone, accounting for over one third of the jobs in this sector 2012 (36.5%; or 1,000).

**Figure 3.5 % of employment in the Creative Industries (2012)**



Source: ONS

3.19 While total employment in Maidstone fell between 2009 and 2012, employment in the creative industries increased by 300 jobs (+12.5%) and this was a higher rate of growth than for England (7.9%).<sup>52</sup>

<sup>50</sup> ONS (2013) Business register and Employment Survey

<sup>51</sup> ONS (2013) Business register and Employment Survey – creative industries as defined by the Department for Culture, Media and Sport – see DCMS (2014) Creative Industries Economic Estimates - January 2014

<sup>52</sup> ONS (2013) Business Register and Employment Survey

## Local employment trends

- 3.20 While employment declined across Maidstone between 2009 and 2012, this did not take place evenly across the borough. There were significant job losses from employers in the town centre over the period (-2,600; -5.3%) while the number of employees in the rural areas increased Maidstone (+700: +3.3%)<sup>53</sup>.
- 3.21 Employment trends by sector also varied across the borough and as can be seen from the table below, a large share of the losses in the Town Centre (-2,600) were in the transport and storage, public administration, construction and education sectors.

**Table 3.3 Change in employees by local area (2009-2012)**

Local area	Employees (No.)	change		Sectors with greatest change (absolute job change)
		No.	%	
Maidstone Town	46,100	-2,600	-5.3%	Transport & Storage (-1,200)
				Public admin (-700)
				Construction (-600)
				Education (-500)
North M20	7,200	400	5.9%	Manufacturing (+200)
				Info & communications (+200)
Chart Sutton and Leeds	6,300	-400	-6.0%	Public admin (-200)
				Retail (+100)
				Manufacturing (+100)
Headcorn	2,700	400	17.4%	Accommodation & food (+200)
				Wholesale (+100)
Marden	2,800	300	12.0%	Business admin (+200)
				Manufacturing (+100)
				Wholesale (+100)
Staplehurst	1,500	100	7.1%	Education (+100)
Yalding and Barming Heath	1,700	0	0.0%	Construction (+300)
				Wholesale (+200)
				Business admin (+200)
Maidstone borough	68,300	-1,800	-2.6%	-

Source: ONS BRES. Excludes self-employment.

## Wider employment trends

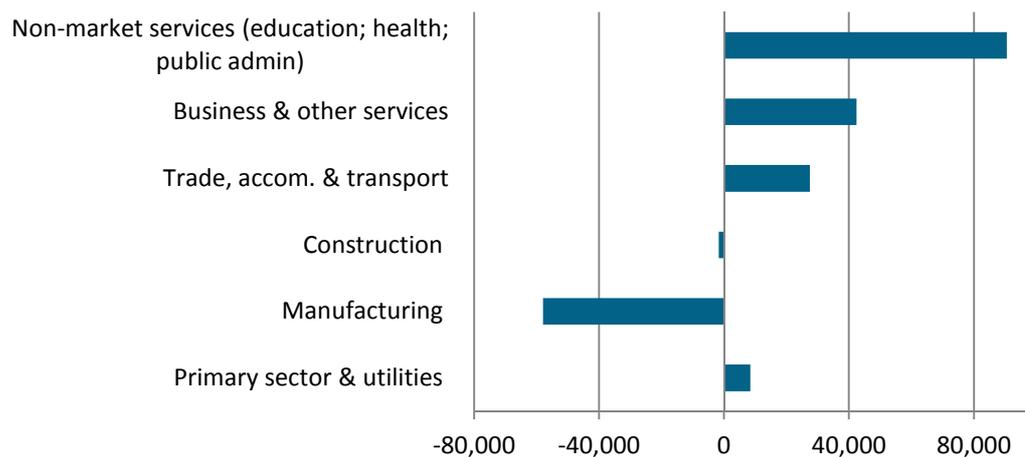
- 3.22 Looking at employment trends at the wider South East Local Enterprise Partnership (SE LEP) level, the figure below shows that the most significant employment growth was in non-market services, with particularly strong growth in education (+69,000) and health and social work (+60,000).<sup>54</sup> Non-market services are relatively strong in Maidstone, although it is important to note that, consistent with recent trends locally, employment in public administration and defence fell across the SE LEP area during this time (-21,000).<sup>55</sup> This is unsurprising given government budget reductions and reinforces the relatively bleak outlook for that sector.

<sup>53</sup> Excludes self-employment.

<sup>54</sup> UKCES (2014) Working Futures

<sup>55</sup> UKCES (2014) Working Futures

**Figure 3.6 SE LEP employment change 2002-2012 (%)**



Source: UKCES Working Futures

3.23 Over the last decade, business and other services was the second best performing sector in the SE LEP area, specifically professional (+46,000) and support (+46,000) services.<sup>56</sup> Business administration and support jobs are relatively prominent in Maidstone, but there is a notable lack of higher level professional services jobs in the borough; there may be potential to attract more jobs of this type into Maidstone.

3.24 Employment in the construction sector remained relatively flat across the SE LEP area during this period, while 58,000 manufacturing jobs were lost in the SE LEP area since 2002.<sup>57</sup>

#### Employment outlook for Maidstone

3.25 An assessment of the future economic potential of Maidstone was carried out by GVA Grimley in 2014. Based on analysis of three different scenarios, the forecast employment growth was for an additional 7,800 to 14,400 jobs between 2011 and 2031.<sup>58</sup> Employment forecasts at a local level are always changeable and should therefore be treated with some caution.

3.26 The sectors identified with the highest potential for employment growth in Maidstone between 2011 and 2031 are:

- **Professional services** (1,600 - 5,275 jobs; 32% - 106% growth) – includes a wide range of services jobs (from legal services and consultancy through to scientific R&D) which are likely to grow as the economic recovery strengthens and the economy moves towards a more service-based offer.
- **Residential Care & Social Work** (1,550 jobs; 29% growth) – influenced by long-term demographic trends. Caring for the elderly is driving new forms of sheltered and supported housing as well as traditional 'care homes'.

<sup>56</sup> UKCES (2014) Working Futures

<sup>57</sup> UKCES (2014) Working Futures

<sup>58</sup> GVA (2014) Economic Sensitivity Testing & Employment Land Forecast for Maidstone Borough Council

- **Education** (1,570 jobs; 25% growth) – employment is expected to increase to meet population growth, with two new primary schools expected. Although, cost pressures from government and technology changes may reduce job opportunities in the sector.
- **Health** (1,460 - 1,540 jobs; 20% - 21% growth) – a combination of population ageing, rapid innovation, and increased private sector engagement are increasing employment growth in the sector.
- **Administrative and Support Services** (1,640 jobs; 24% growth) – these services are required to support growth expected in the wider economy. There is potential for increased start-up opportunities as individuals seek more flexible working and technology enables greater independent and remote working.
- **Construction** (770 jobs; 11% growth) – while construction employment is largely reliant on a wide range of external factors, employment is expected to increase as the economy continues to recover from downturn and to meet demand for long-term housing development and private sector demand for development.

3.27 The lower growth figures reflect a baseline forecast from Experian. With the majority of Maidstone’s future employment growth likely to arise from changing demographics and/or economic growth in the wider economy (rather than from technological or other innovation), these are thought to provide “a reasonable and robust assessment of the economic potential of the borough”.<sup>59</sup>

3.28 However, there is the potential for local employment to grow at a more significant scale, particularly where specific interventions could introduce new economic drivers to the borough. The main examples of this are professional services and health sector jobs which could be generated from the Kent Institute of Medicine and Surgery (KIMS) development and the co-location of the Maidstone Medical Campus (MMC).

3.29 The KIMS/MMC developments are vital to achieving the higher level of jobs growth and are seen by GVA as the most likely catalysts for improving economic performance within Maidstone.<sup>60</sup>

### Employment Forecasts for the SE LEP area

3.30 The employment forecasts for Maidstone appear to be broadly consistent with UKCES Working Futures employment trends for the SE LEP economy from 2012-2022. In particular, non-market services are expected to continue to grow in employment terms to 2022, led by growth in the health and social work sector (+21,000).<sup>61</sup> Employment in business and other

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<sup>59</sup> GVA (2014) Economic Sensitivity Testing & Employment Land Forecast for Maidstone Borough Council

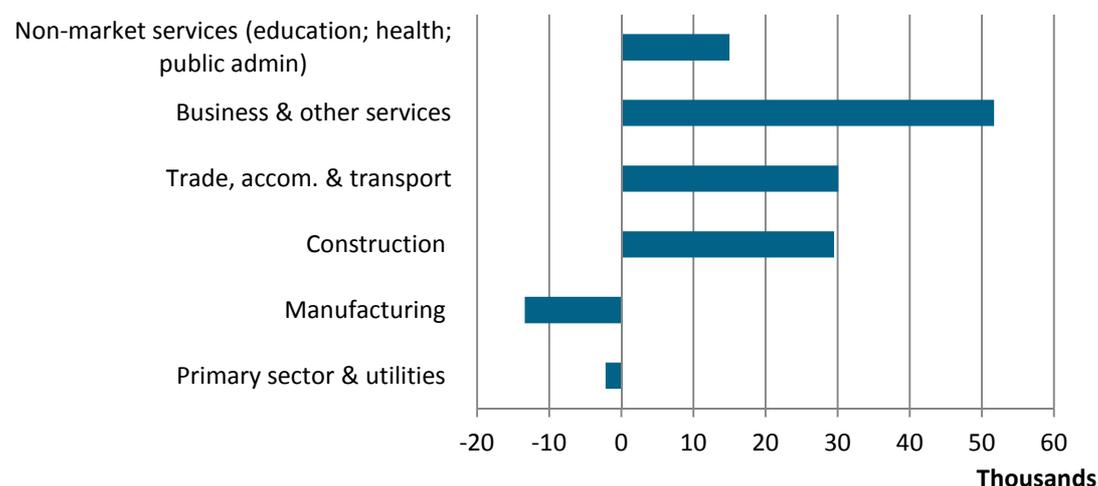
<sup>60</sup> According to GVA, the maximum growth scenario can only realistically be achieved with the delivery of the KIMS/MMC proposals in a manner that includes either a high proportion of employment generating space or B class floorspace that achieves high employment densities – GVA (2014) Economic Sensitivity Testing & Employment Land Forecast for Maidstone Borough Council

<sup>61</sup> UKCES (2014) Working Futures

services are also set to rise during this time, with further increases in professional (+18,000) and support (+13,000) services jobs.<sup>62</sup>

- 3.31 Employment in the construction sector is also expected to return to growth in the years ahead: supported by housing market activity in the short-to-medium term, and also by a longer term revival in government demand and major infrastructure projects.

**Figure 3.7 SE LEP employment forecast 2012-2022 (%)**



Source: UKCES Working Futures

### Growth prospects for key sectors

- 3.32 The Maidstone Economic Development Strategy to 2031 should be guided by an informed view of the sectors with good prospects for growth in Maidstone. Changes in the international economy mean an increase in both competition and opportunities from global markets. At the same time public sector jobs cuts are key issues for the future prosperity of the area. Therefore, it is increasingly important for policymakers to work together to support the growth of the private sector jobs and sectors which have the potential to create high value jobs with above average wages.
- 3.33 A key part of the UK government's Industrial Strategy, as discussed in Chapter 1, is a long term objective is to achieve increased productivity and exports for sustainable economic growth. Sectors that can make the greatest contribution to future growth have been identified.
- 3.34 An assessment of the future economic potential of Maidstone was carried out by GVA Grimley in 2014 as part of the supporting work for the Local Plan. The sectors identified with highest potential for employment growth in Maidstone between 2011 and 2031 are:
- Business & professional services
  - Health & social care
  - Construction

<sup>62</sup> UKCES (2014) Working Futures

## Professional & business services

- 3.35 Business and professional services includes a wide range of service sector jobs, from legal and consultancy through to scientific R&D. These are likely to grow as economic recovery strengthens and the economy moves more towards a more service-based offer. Maidstone has many of the attributes that appeal to business and professional services companies. It is close to London – one of the world’s business and financial centres – and is well served by road rail links to the capital. Maidstone’s proximity to the M20 is particularly attractive to companies needing access to markets in Kent and the wider South East. There is also a pool of residents in managerial and professional and associate professional occupations and a competitively priced office rental market.
- 3.36 The government's industrial strategy for professional and business services, published in July 2013, highlights the importance of the sector. Exports of high-value services are a key UK strength, with professional and business services contributing over a third of the UK's total trade surplus in services.<sup>63</sup> The value added to the UK economy by the sector has also increased by over 50% since 2000.<sup>64</sup>
- 3.37 Based on the government’s industrial strategy definition,<sup>65</sup> some 7,900 people were employed in professional and business services in Maidstone in 2012, which constitutes 11.2% of total employment. This is a higher proportion than in Kent (9.9%) as a whole and in-line with the national average (11.4%). Within the sector, Maidstone has a significant number of jobs in employment activities (3,100 jobs), legal and accounting activities (1,300) and architectural and engineering activities (1,200).<sup>66</sup>
- 3.38 Employment in the sector increased by almost 600 between 2009 and 2012 (+8.0%), with particularly strong growth in architectural and engineering activities (+44.5%). Overall the sector grew at a faster rate than seen across England (6.2%), while professional and business services employment shrunk in Kent during this period (-3.4%).
- 3.39 And significant jobs growth is expected in the years ahead. GVA Grimley forecasts the professional services sector to have the highest potential for growth in Maidstone between 2011 and 2031 (+1,600-5,275 jobs; 32%-106% growth).<sup>67</sup> The Maidstone Medical Campus offers considerable opportunities for growth in relatively high value scientific research and development jobs, providing the key driver for future growth locally (reflected in the higher jobs forecast figures).
- 3.40 There is also significant employment in business support services in Maidstone (6,200 jobs; 8.5% of employment). This sector is also forecast to grow in the next two decades, with

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<sup>63</sup> UK PBS exports were valued at more than £50bn in 2012-2013 – HM Government (2014) Industrial strategy progress report

<sup>64</sup> ONS data and BIS calculations – HM Government (2013) Growth is Our Business: A Strategy for Professional and Business Services

<sup>65</sup> SIC2007 codes: 69-74, 77-78

<sup>66</sup> ONS (2014) Business Register and Employment Survey

<sup>67</sup> GVA (2014) Economic Scenario Testing & Employment Land Forecast

additional 1,640 jobs expected by 2031 compared to 2011 levels.<sup>68</sup> These services are required to support growth expected in the wider economy.

- 3.41 Across the SE LEP, the professional services is expected to see an increase of 18,000 jobs across the SE LEP area between 2012 and 2022, with an additional 13,000 jobs in support services.<sup>69</sup>

## Health & social care

- 3.42 Health and social care involves a wide range of activities in Maidstone and covers both the health and residential and social care sectors. There are 10,700 people employed in the sector locally which equates to 15.1% of jobs in the borough compared to just 12.7% nationally. Employee jobs increased by 5,000 between 1998 and 2008 and total employment remained steady between 2009 and 2012, despite the economic downturn. Looking ahead to 2031, employment in the health sector in Maidstone is forecast to increase by between 1,460 and 1,540 jobs, while employment in residential and social care is forecast to increase by 1,550 jobs.<sup>70</sup>
- 3.43 A key driver of future demand in the health and social care sector is demographic change - a growing and ageing workforce, and the associated rise in long term health conditions and the need for care for older people. Across the SE LEP, employment in the health and social work sector is also forecast to increase and the 21,000 jobs additional jobs between 2012 and 2022 make it the expected second highest growth sector.<sup>71</sup> Increases in the elderly population are expected to be particularly significant in the Maidstone area, with the number of residents aged 65 and over forecast to increase by almost a quarter (24.4%) by 2021, compared to 19.1% nationally.<sup>72</sup>
- 3.44 This increasing demand has recently been coupled with the impact of the financial downturn and subsequent public sector spending constraints. However, health and social care still accounts for a sizeable proportion of public sector spending and the National Health Service (NHS) remains one of the world's largest purchasers of goods and services (£5.3bn), offering significant opportunities for suppliers.<sup>73</sup> While the overall outlook across both health and social care is one of financial stringency, equipment to the value of £460 million will need to be replaced within 3 years and a further £330 million will need to be invested within six years.<sup>74</sup>
- 3.45 Rapid innovation and increased private sector engagement are also driving growth in the sector, particularly in life sciences and medical technologies. The European bio-pharmaceuticals market is the second largest in the world and, in 2011, the UK was responsible for approximately one fifth of total drug products in development in Europe.

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<sup>68</sup> GVA (2014) Economic Scenario Testing & Employment Land Forecast

<sup>69</sup> UKCES (2014) Working Futures 2012-2022

<sup>70</sup> GVA (2014) Economic Scenario Testing & Employment Land Forecast

<sup>71</sup> UKCES (2014) Working Futures 2012-2022

<sup>72</sup> ONS (2013) Mid-year population estimates & ONS (2012) Subnational population projections for England

<sup>73</sup> Locate in Kent, Life Sciences - The Kent proposition

<sup>74</sup> Locate in Kent, Life Sciences - The Kent proposition

- 3.46 Kent and the wider South East is a hub for life sciences activity.<sup>75</sup> In Maidstone, there is the recently opened Kent Institute of Medicine & Surgery (KIMS) which is a £95m state-of-the-art hospital that aims to transform acute and specialist health provision. This together with the proposal to establish a Maidstone Medical campus provides opportunities to expand this sector in Maidstone. Around 300 people were employed in the life sciences sector in Maidstone in 2012, which was a 20% from 2009, albeit from a relatively low base.<sup>76</sup>
- 3.47 According to GVA Grimley, the KIMS/MMC development is the most realistic catalyst to achieve greater levels of economic performance within Maidstone in the future, with the potential to deliver up to 4,200 new jobs in the borough<sup>77</sup>. While there is a lack of major research orientated HE provision within Maidstone to support cluster activity at present, KIMS/MMC is also seeking to establish links to key institutions, supporting both clinical and business activity to co-exist and work closely together. The growth of this medical sector specialism has the potential to support the development of new health-related technologies.<sup>78</sup>

## Construction

- 3.48 Some 4,400 people are employed in the construction sector in Maidstone and this represents 6.2% of employment which is similar to in Kent (6.1%) but more than the national average (4.6%). Maidstone has particular strengths in civil engineering and specialised construction activities<sup>79</sup>.

Although employment in the construction sector has declined sharply in recent years, falling by 1,600 jobs in Maidstone between 2009 and 2012, this was largely an indication of the severity of, what was to a large extent, a property led downturn (and the sensitivity of the construction sector to broader economic conditions). Construction employment also fell by 13.1% nationally during this period; limited access to finance, stalling values, and increasing material costs all stalled activity. However, prior to the recession construction was a growing sector in Maidstone: the number of employee jobs increased by 500 between 1998 and 2008 (+11.6%).

And looking forward there continues to be strong demand for development in Maidstone, led principally by the private sector. Maidstone's Strategic Housing Market Assessment indicates an annual housing requirement of around 980 homes per year to meet housing demand. Delivering residential development will drive the sector, with key opportunities (particularly in more specialised trades) within major commercial opportunities. Long term housing development requirements in the local area are likely to ensure that a significant proportion of these jobs are permanent. As a result, GVA estimates indicate that local construction employment will increase by over 770 jobs (+11%) between 2011 and 2031.

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<sup>75</sup> Kent and the wider south east of England is the most successful biomedical cluster outside the US - Locate in Kent, Life Sciences - The Kent proposition

<sup>76</sup> ONS (2013) Business Register and Employment Survey

<sup>77</sup> GVA (2014) Economic Scenario Testing & Employment Land Forecast

<sup>78</sup> GVA (2014) Economic Scenario Testing & Employment Land Forecast

<sup>79</sup> GVA (2014) Economic Scenario Testing & Employment Land Forecast

More broadly, across the SE LEP area, employment in the construction sector is expected to return to growth in the years ahead. With growth of 29,000 jobs anticipated between 2012 and 2022, the construction sector is set to see the highest sector employment increase, supported by housing market activity in the short-to-medium term, and also by a longer term revival in government demand and major infrastructure projects.

Moreover, construction is a sector where Britain has a strong competitive edge. The global construction industry is set to see growth of 4.3% p.a. until 2025, concentrated primarily in emerging economies, which creates opportunities for UK companies to expand their exports, both in products and high value services.<sup>80</sup> Low carbon construction also offers substantial opportunities. The low carbon and environmental goods and services (LCEGS) sector is worth some £6bn to the SE LEP economy, employing 46,000 people in 2011/2012.<sup>81</sup> Nationally, the building technologies sub-sector is set for average growth per annum of 5.2% between 2012/12 and 2015/16.<sup>82</sup>

## Summary – key points

- A quarter of employment in Maidstone is in the public sector, reflecting the town's role as Kent's administrative capital. Many of the jobs lost over recent years have been from the public sector while there has been recent jobs growth in the private sector. These will need to be encouraged in the future to counterbalance the expected continuation of public sector job losses and to help diversify the economy.
- Maidstone has a relatively low share of employment in knowledge economy jobs, although there has been relatively strong growth in recent years. Growth in the high value added sectors in the knowledge economy would bring higher average wages and would help to close the gap between the higher average wages of residents and workers in Maidstone
- Forecasts indicate that total employment growth in Maidstone will be between 7,800 and 14,400 jobs up to 2031. Achieving a higher rate of jobs growth will largely depends on maximising the opportunities from the KIMS/MMC developments.
- The sectors forecast to see the greatest jobs growth are professional services, administrative & support services, education, health, and residential care & social work.

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<sup>80</sup> HM Government (2013) Construction 2025

<sup>81</sup> BIS, DEFRA and DECC (2013) Low carbon and environmental goods and services 2011 to 2012: data

<sup>82</sup> BIS, DEFRA and DECC (2013) Low carbon and environmental goods and services 2011 to 2012: data

## 4. Enterprise, industries & innovation

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### Enterprise

- 4.1 There were 6,760 registered businesses in Maidstone in 2012, almost the same as before the downturn. This equates to 68 businesses per 1,000 population aged 16-64, compared to 60 for England.<sup>83</sup>

### Size profile of active enterprises

- 4.2 The size profile of businesses in Maidstone is similar to the national picture. The vast majority (88.5%) of businesses employ fewer than 10 people and at the start of 2013 99.7% of the local business base was made up of small and medium sized enterprises (SMEs)<sup>84</sup> (99.6% nationally). There are around 20 businesses with 250 or more employees in Maidstone.<sup>85</sup>
- 4.3 Maidstone has an above average proportion of employment in SMEs which provided 47.7% of jobs in Maidstone in 2012. A similar number of people are employed in micro (10,800), small (11,800), and medium-sized (11,200) enterprises.<sup>86</sup> This was above the national average (44.3%), highlighting the importance of SMEs in the Maidstone economy, although there is considerable variation by sector.
- 4.4 National evidence suggests that SMEs accounted for over 60% of UK job creation in the period between 2001 and 2011.<sup>87</sup> Young SMEs, in particular, create a disproportionate number of jobs.

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<sup>83</sup> ONS (2013) Business Demography & Mid-year population estimates

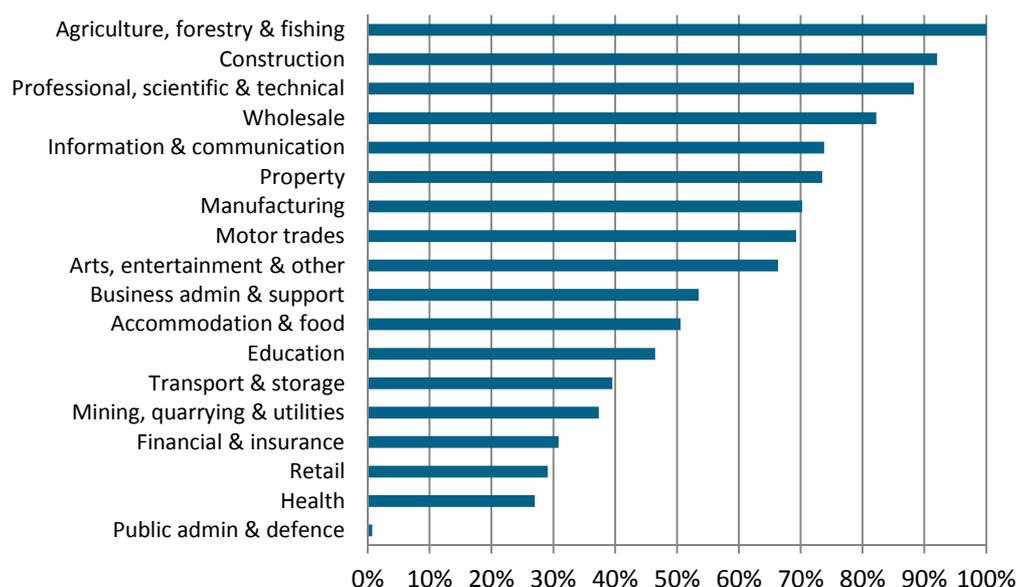
<sup>84</sup> Businesses employing fewer than 250 people

<sup>85</sup> ONS (2013) Business Activity Size and Location

<sup>86</sup> ONS (2013) Business Register and Employment Survey

<sup>87</sup> OECD (2014) Young SMEs, growth and job creation

**Figure 4.1 Maidstone: % of employment in SMEs, by broad sector (2012)**



Source: ONS BRES

- 4.5 At the same time, large enterprises accounted for over half (52.3%) of total employment in Maidstone. This is a higher proportion than for Kent as a whole (49.8%), but below the national average (55.7%).<sup>88</sup> This partly reflects falling employment in the public administration and defence sector in Maidstone, which is mainly in large organisations.<sup>89</sup>

### Business growth

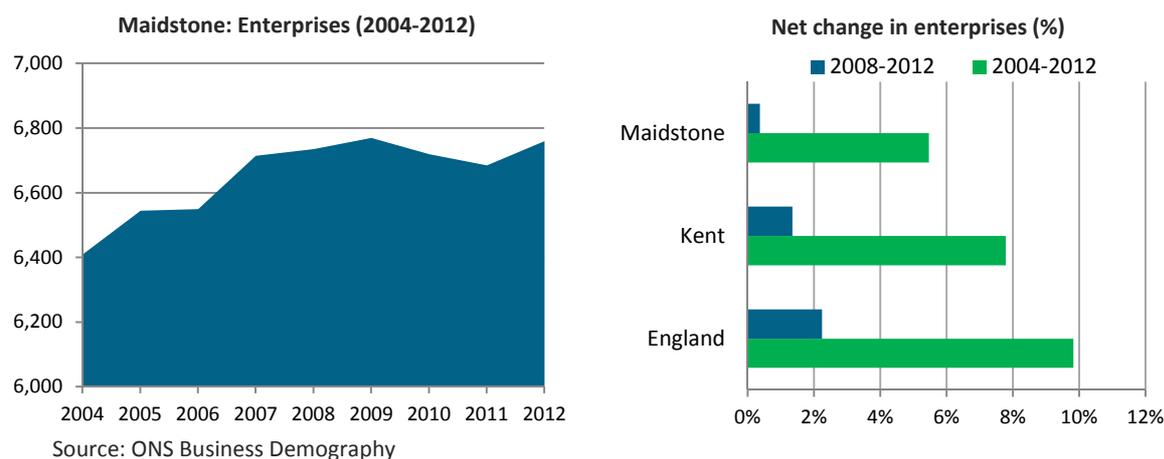
- 4.6 The number of businesses in Maidstone has generally increased in recent years, albeit at a fairly modest rate, but this has been setback by the economic downturn. There were estimated to be 350 more registered enterprises in Maidstone in 2012 than in 2004.<sup>90</sup> However, the rate of growth in businesses was generally lower than the national average over this period with Maidstone's business stock increasing by 5.5% between 2004 and 2012, compared with 7.8% for Kent and 9.8% for England.<sup>91</sup>

<sup>88</sup> ONS (2013) Business Register and Employment Survey

<sup>89</sup> ONS (2013) Business Register and Employment Survey

<sup>90</sup> ONS (2013) Business Demography

<sup>91</sup> ONS (2013) Business Demography

**Figure 4.1 Maidstone: business stock**

- 4.7 Indeed, the rate of business start-ups as a proportion of active enterprises has tended to fall in recent years but has remained above the national average. In 2004, 13.9% of Maidstone's businesses were start-ups, which compared with 11.5% nationally. By 2012, this had fallen to 11.2% which was only slightly above the national average (10.8%).

**Table 4.1 Business birth and death rates in Maidstone 2004-2012**

Year	Births	Birth rate	Deaths	Death rate
2004	890	13.9%	655	10.2%
2005	820	12.5%	690	10.5%
2006	705	10.8%	660	10.1%
2007	835	12.4%	665	9.9%
2008	705	10.5%	650	9.7%
2009	610	9.0%	785	11.6%
2010	640	9.5%	660	9.8%
2011	650	9.7%	660	9.9%
2012	760	11.2%	695	10.3%

Source: ONS Business Demography

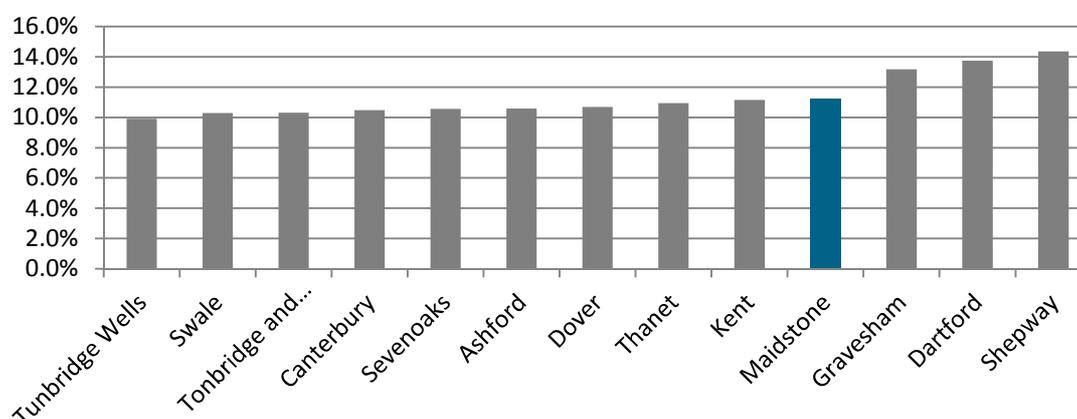
- 4.8 Since the recession there has been some rallying of the birth rate in Maidstone, particularly from 2011. The table below shows that in comparison to Kent as a whole and the national average, Maidstone has seen considerable improvement since 2009. Within Kent only three districts now have a higher the percentage of new enterprises in 2012 - Gravesham, Dartford and Shepway, and since 2009 only Shepway and Gravesham have improved more than Maidstone.

**Table 4.1 Business birth rate 2009-2012 (% of active enterprises) in Maidstone & selected areas**

Area	2009	2010	2011	2012	% point change 2009-2012
Ashford	9.5%	9.4%	10.8%	10.6%	1.0%
Canterbury	9.1%	10.1%	10.3%	10.5%	1.3%
Dartford	11.4%	11.5%	12.8%	13.7%	2.3%
Dover	9.2%	8.4%	11.1%	10.7%	1.5%
Gravesham	10.6%	9.7%	12.9%	13.2%	2.5%
Maidstone	9.0%	9.5%	9.7%	11.2%	2.2%
Sevenoaks	9.0%	9.2%	11.0%	10.6%	1.5%
Shepway	10.5%	9.5%	12.3%	14.4%	3.8%

Swale	10.0%	8.8%	10.9%	10.3%	0.3%
Thanet	9.9%	10.5%	11.2%	10.9%	1.0%
Tonbridge and Malling	9.9%	9.4%	10.5%	10.3%	0.4%
Tunbridge Wells	9.7%	9.3%	10.7%	9.9%	0.2%
Kent	9.7%	9.6%	11.0%	11.1%	1.4%
England	10.2%	10.1%	11.4%	11.6%	1.3%

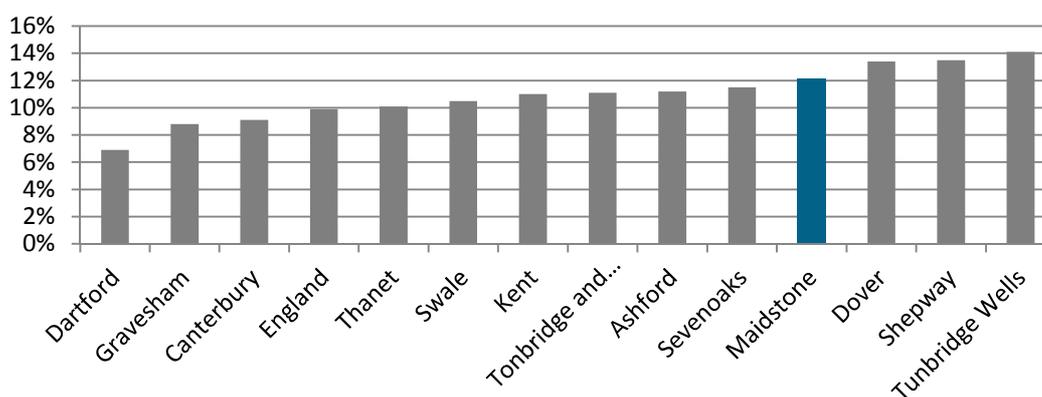
Figure 4.2 Business birth rate 2012 (% of active enterprises), Maidstone & selected areas



Source: ONS Business Demography

- 4.9 In terms of self-employment Maidstone appears to be relatively entrepreneurial: around 12% of residents were self-employed in 2013, compared to 9.9% nationally.<sup>92</sup> At 7.7 new enterprises per 1,000 working age<sup>93</sup> residents, the rate of business starts was also above the national average (7.0) in 2012.<sup>94</sup>

Figure 4.3 % of working age residents self-employed in Maidstone & selected areas (2013)



Source: ONS APS

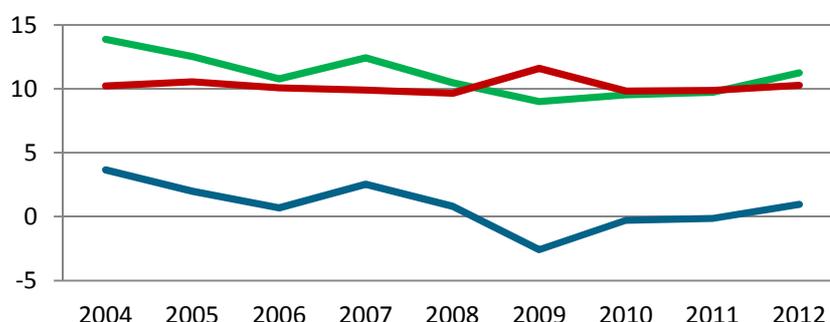
<sup>92</sup> ONS (2014) annual population survey

<sup>93</sup> Working age residents are aged 16 to 64 years

<sup>94</sup> ONS (2013) Business Demography

- 4.10 Between 2004 and 2008 business births exceeded deaths in Maidstone in every year. However, declining business births, combined with a sharp increase in the rate of business closures meant that business creation was negative from 2009 to 2011, but in 2012 there was a rallying with more business births than business deaths.

**Figure 4.5 Maidstone: business birth rate, death rate and net creation (2004-2012)**



Source: ONS Business Demography

### Impact of the recession on local businesses survival

- 4.11 Business survival rates generally deteriorated during the recession, but these have improved since 2011. In 2007, 94% of Maidstone businesses survived their first year of business. This dropped to 89.1% in 2010, but recovered to 94.6% in 2011. A similar pattern can be observed nationally, although Maidstone has performed relatively better, with business survival rates above the national average in 2011.

**Figure 4.6 Survival rates of businesses born since 2007, Maidstone and England (%)**

Years of birth / age in years	Maidstone					England				
	2007	2008	2009	2010	2011	2007	2008	2009	2010	2011
1 year	94.0	95.7	92.6	89.1	94.6	95.4	92.1	90.9	86.8	93.1
2 year	80.2	80.1	77.0	76.6	-	81.3	73.9	73.9	72.5	-
3 year	62.3	62.4	65.6	-	-	62.9	57.9	59.7	-	-
4 year	50.9	51.8	-	-	-	51.9	48.8	-	-	-
5 year	43.7	-	-	-	-	44.4	-	-	-	-

Source: ONS Business Demography

- 4.12 Likewise, 2 year survival rates also declined between 2007 and 2010 in Maidstone, but the 3 and 4 year survival rates appear to have held up well compared to the national picture.

### Summary – key points

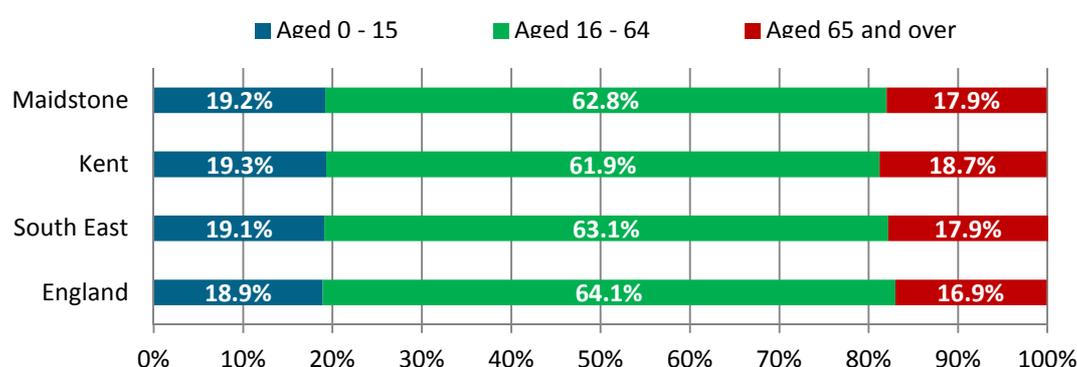
- The size profile of businesses in Maidstone is similar to the national profile, although there is an above average proportion of employment in SMEs.
- Maidstone is relatively entrepreneurial with an above average rate of self-employment.
- Although the recession has impacted on both business birth and death rates in Maidstone, there has been considerable improvement recently.

## 5. Population, labour market & skills

### Demographic trends

- 5.1 Maidstone had an estimated population of 157,300 in 2012, making it the largest district in Kent with 10.6% of the county's population.<sup>95</sup>
- 5.2 Maidstone has a greater proportion of elderly people (17.9%) than the national average (16.9%), but a lower proportion than for Kent (18.7%). However, while the percentage of Maidstone's population of working age (62.8%) is below the national (64.1%) and regional average (63.1%), it is above that for Kent (61.9%) as a whole Kent.

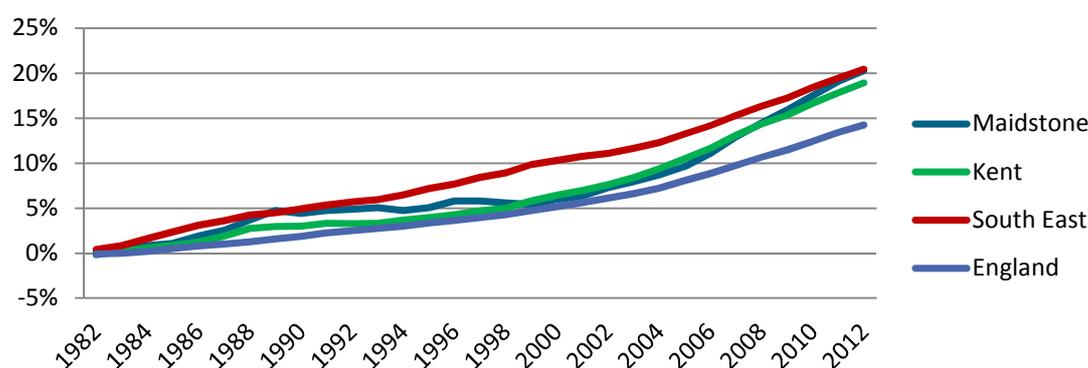
**Figure 5.1 Population profile by age group, Maidstone & selected areas (2012)**



Source: ONS MYPE

- 5.3 Maidstone's population has grown at a quicker rate than the national average over the past few decades. Since 1981 Maidstone's population has increased by over a fifth (26,500 people, or 20.3%)<sup>96</sup> which is slightly above the population growth rate for Kent (18.9%) and considerably above the national average (14.3%).

**Figure 5.2 Population growth from 1981, Maidstone & selected areas (%)**



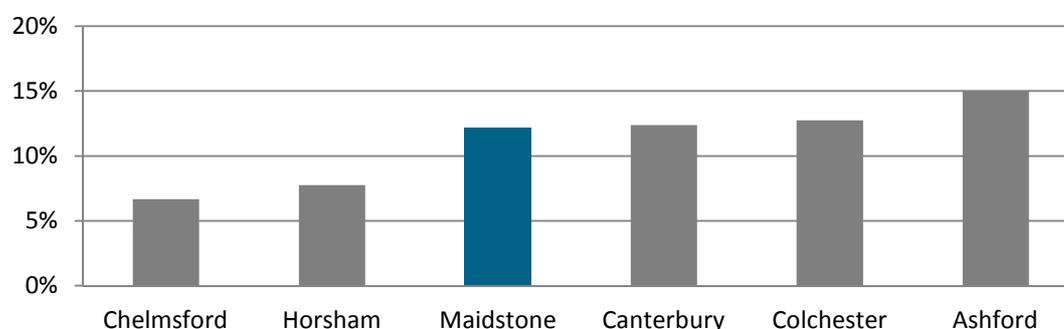
Source: ONS MYPE

<sup>95</sup> ONS (2013) Mid-year population estimates

<sup>96</sup> ONS (2013) Mid-year population estimates

- 5.4 Population growth in Maidstone has been particularly strong in the last decade. Between 2002 and 2012, Maidstone's population increased by 17,000 people, or by 12.1%, which was higher than the growth across Kent (10.5%) or England as a whole (7.7%).<sup>97</sup> However, during the same period, population growth was higher in places such as Ashford, Colchester and Canterbury.

**Figure 5.3 Population growth from 2002 to 2012, Maidstone & comparator areas (%)**



Source: ONS MYPE

- 5.5 Growth in those above retirement age has contributed significantly to overall population growth in Maidstone in the last decade. At 28.8%, the increase in the population aged 65 and over was considerably above the national average (+14.9%) between 2002 and 2012.<sup>98</sup> While less pronounced, the growth in young people (+9.8%) and the working age population (+8.8%) has also been above the national average (+2.7% and 7.4% respectively) since 2002.

### Maidstone's workplace population

- 5.6 Looking specifically at the Maidstone workplace population,<sup>99</sup> there were 76,800 people aged 16 to 74 in employment in the area in 2011. While this was 7,000 more than in 2001, this 10.1% increase was below the national average (12.1%).<sup>100</sup>

### Population projections

- 5.7 Looking ahead, ONS projections indicate that Maidstone's population will increase by 19,300 people between 2012 and 2021. As the figure below shows, the population growth rate forecast is above the national and regional averages and this is the case across all age groups, except those aged 0-15 years, where a slightly lower rate of growth is expected.

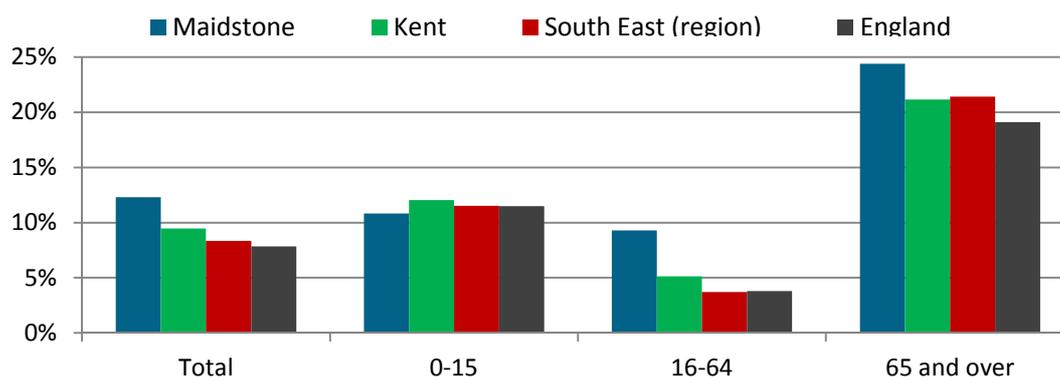
<sup>97</sup> ONS (2013) Mid-year population estimates

<sup>98</sup> ONS (2013) Mid-year population estimates

<sup>99</sup> The workplace population of an area is defined as "all usual residents aged 16 and above who are in employment and whose workplace is in the area". People who work mainly at or from home or do not have a fixed place of work are included in the area of their usual residence

<sup>100</sup> ONS (2014) Census 2011

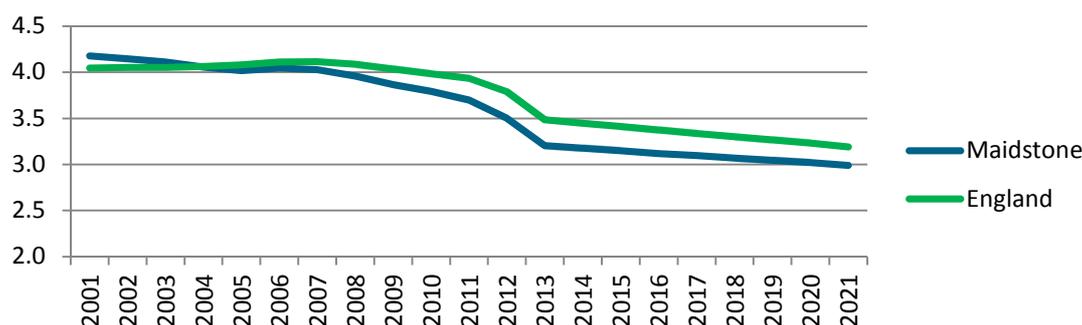
Figure 5.4 Population growth projections 2012-2021, Maidstone & selected areas (%)



Source: ONS

- 5.8 The number of residents aged 16-64 is set to increase by around 9,200 by 2021.<sup>101</sup> At 9.3%, the increase in the working population is expected to grow more in Maidstone than in Kent (5.1%) and nationally (3.8%). At the same time, increases in the retirement age population will continue to be significant, rising by almost a quarter (24.4%) between 2012 and 2021. By 2021, there are expected to be 3.0 working age people in Maidstone for every resident aged 65 and over, down from 3.5 in 2012 and 4.2 in 2001.<sup>102</sup>

Figure 5.5 Ratio of working age population to those over retirement age (65+), Maidstone and England



Source: ONS

## Participation in the labour market

- 5.9 Maidstone has a strong labour market. Its employment rate has been above the national average in the past 5 years and during the economic downturn, the employment rate increased, having previously decreased between 2004 and 2008.
- 5.10 In the year ending December 2013 76.8% of residents were estimated to be in employment in Maidstone which is above both the national (71.7%) and Kent (72.6%) averages.<sup>103</sup> Within

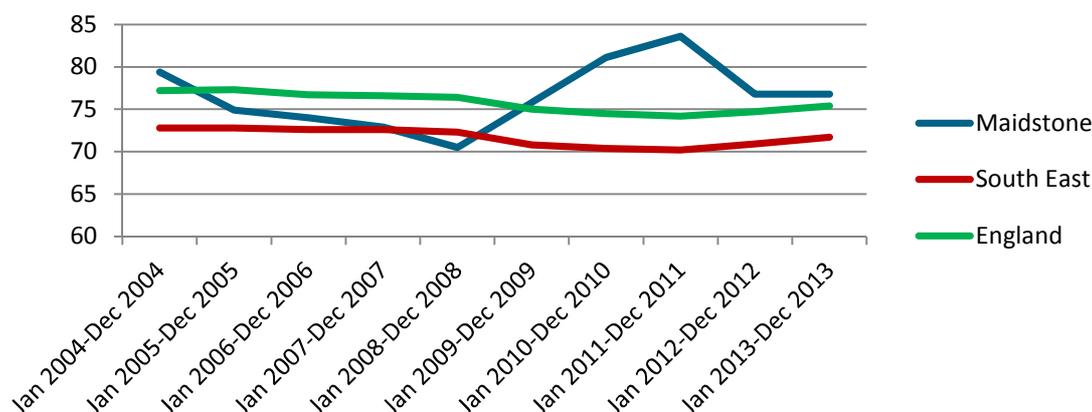
<sup>101</sup> ONS (2012) Subnational population projections for England

<sup>102</sup> ONS (2013) Mid-year population estimates & ONS (2012) Subnational population projections for England

<sup>103</sup> ONS (2014) Annual Population Survey

Kent, Maidstone had the third highest employment rate, behind only Ashford (78.9%), Dartford (77.0%) and Tunbridge Wells (78.3%)<sup>104</sup>.

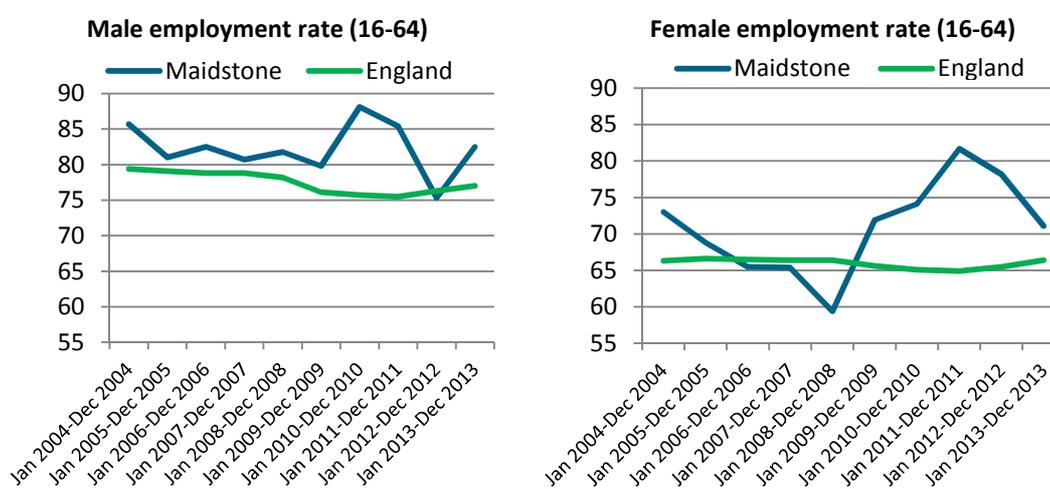
**Figure 5.6 Employment rate (% aged 16-64), Maidstone & selected areas**



Source: ONS APS

- 5.11 A significant factor in the increased employment rate is a rising number of women in employment. There were estimated to be around 6,000 more women of working age in employment in Maidstone in 2013 than in 2008.<sup>105</sup> At 71.1%, the female employment rate is considerably above the national average (66.4%) in 2013.

**Figure 5.7 Employment rate by gender (% aged 16-64), Maidstone and England**



Source: ONS APS

### Working patterns

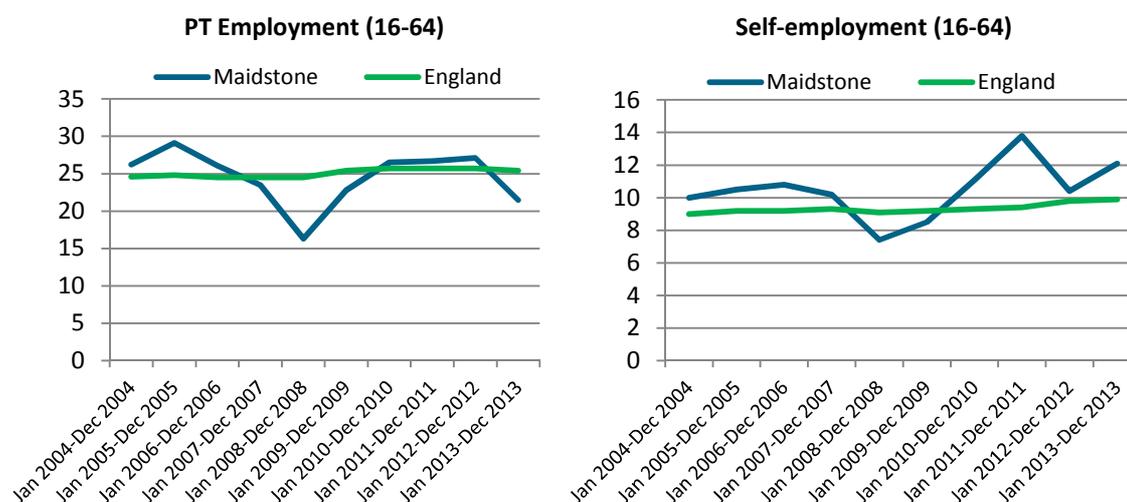
- 5.12 The increase in employment in the last five years has also been influenced by changes in working patterns among Maidstone's residents. In particular, the proportion of residents employed in part-time work increased significantly between 2008 and 2012 (before falling

<sup>104</sup> ONS (2014) Annual Population Survey

<sup>105</sup> ONS (2014) Annual Population Survey

again in 2013). The share of self-employed residents has also increased in Maidstone in recent years and was above the national average in 2013.<sup>106</sup>

**Figure 5.8 Rate of part-time and self-employment (% aged 16-64), Maidstone and England**

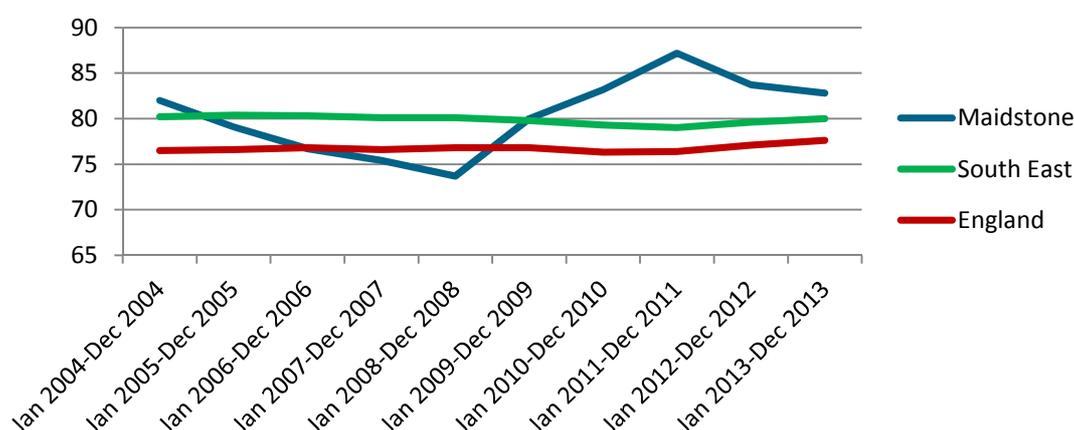


Source: ONS APS

### Economic activity

- 5.13 Maidstone also has high rates of economic activity which is another indication of the area's strong labour market. In the year ending December 2013, 84,500 residents were economically active, including 82.8% of residents aged 16-64.<sup>107</sup> As the figure below shows, economic activity had been declining between 2004 and 2008, but increased sharply between 2008 and 2011. Since then there has been some decline but still stands above the national average.

**Figure 5.9 Economic activity rate (% aged 16-64), Maidstone & selected areas**



Source: ONS APS

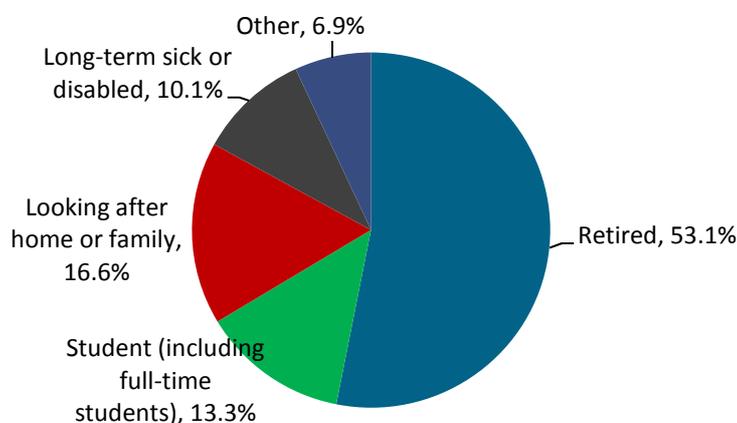
- 5.14 There are around 16,500 working age people in Maidstone who are economically inactive in 2013 and at 17.2% of working aged residents, this is below the national average (21.6%).

<sup>106</sup> ONS (2014) Annual Population Survey

<sup>107</sup> ONS (2014) Annual Population Survey

There are many reasons for being economically inactive, including being retired or looking after the family or home. The figure below outlines the main reasons for Maidstone residents to be economically inactive from the 2011 census.

**Figure 5.10 Maidstone: reasons for economic activity (% of economically inactive residents aged 16-74 - 2011)**



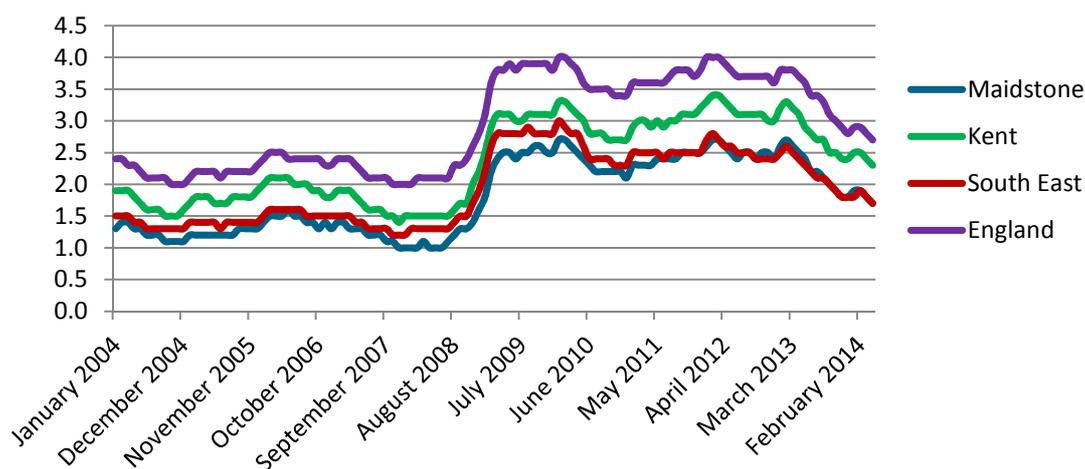
Source: ONS Census 2011

## Unemployment

- 5.15 Maidstone has a relatively low unemployment rate. In 2013 7.2% of economically active residents aged 16-64 were unemployed, compared to 7.6% for both Kent and England.<sup>108</sup> Unemployment increased as a result of the recession, from around 4.3% in 2008 to 8.2% in 2012, but has come down in the last year.
- 5.16 Maidstone's claimant count (the share of working age people claiming Jobseekers Allowance) shows a similar pattern to overall unemployment. The claimant count rate rose sharply in 2008, from 1.0% of 16-64 year olds in January 2008 to 2.7% in January 2012, but has come down in the last year or so. In April 2014, 1.7% of working age residents were claiming JSA, compared with 2.3% for Kent and 2.7% for England as a whole. Maidstone's claimant count rate was the fifth lowest in Kent in April 2014.

<sup>108</sup> ONS (2014) Annual Population Survey

Figure 5.11 JSA claimants (% aged 16-64), Maidstone & selected areas



Source: ONS claimant count

- 5.17 Young people aged 18-24 make up more than a quarter (26.3%) of claimants in Maidstone<sup>109</sup> and this age group has seen the biggest increase in claimants between 2008 and 2013 (increasing by 165).
- 5.18 Long-term unemployment has increased as a result of the economic downturn. In April 2014, 0.7% of 16-64 year olds had been claiming JSA for more than 6 months, up from just 0.2% in January 2008. However, this proportion was below the national average (1.2%).<sup>110</sup> Almost 4 in 10 claimants (38.3%) have been claiming unemployment benefits for more than 6 months, compared to a fifth in 2008.

### Unemployment benefit claimants

- 5.19 Maidstone also has a relatively low percentage of out-of-work benefits claimants. In November 2013 9.9% of the working age population was claiming out-of-work benefits<sup>111</sup>, compared to 12.1% across Kent and 12.9% in England.<sup>112</sup>
- 5.20 The percentage of out-of-work benefits claimants has increased in Maidstone over the last five years, which is counter to the national trend. Between November 2008 and November 2013 the percentage of out-of-work benefits claimants rose by 1.1 percentage points in Maidstone, which was similar to the increase in Kent as a whole (+0.4pp), while the rate of benefit claimants across England fell during this time (-0.5 pp).<sup>113</sup>

### Qualifications and skills

- 5.21 Maidstone's working age population is not well qualified compared to the national average. In 2013 only 32.6% of working aged residents were qualified to NVQ Level 4 or above, which

<sup>109</sup> ONS (2014) claimant count

<sup>110</sup> ONS (2014) claimant count

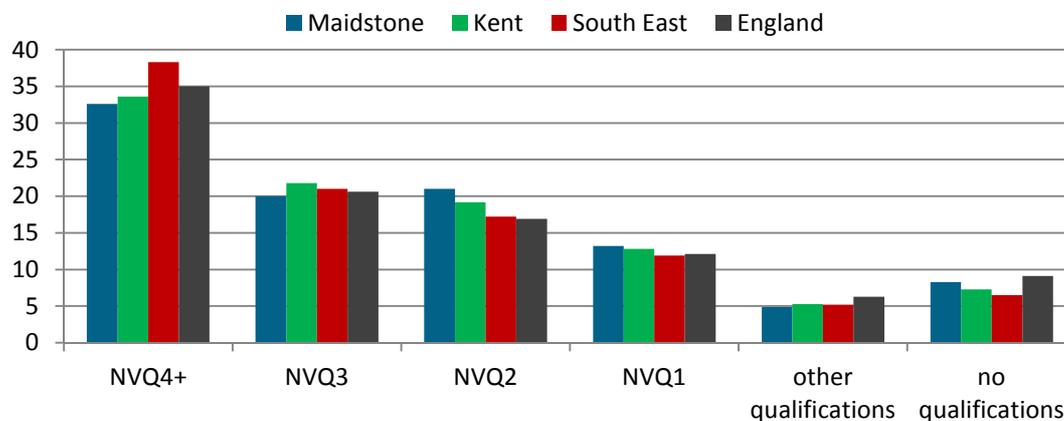
<sup>111</sup> Out-of-work benefit claimants are recipients of Jobseekers Allowance, Employment and Support Allowance (ESA), Incapacity Benefit (IB) and Severe Disablement Allowance (SDA), lone parents (recipients of Income Support with a child under qualifying age) and other recipients of Income Support and Pension Credit

<sup>112</sup> ONS (2014) Annual Population Survey

<sup>113</sup> ONS (2014) Annual Population Survey

is lower than for Kent (33.6%) and the national average for England (35%).<sup>114</sup> For a relatively high proportion of the adult population (21%), their highest level of qualification attainment was at NVQ Level 2.

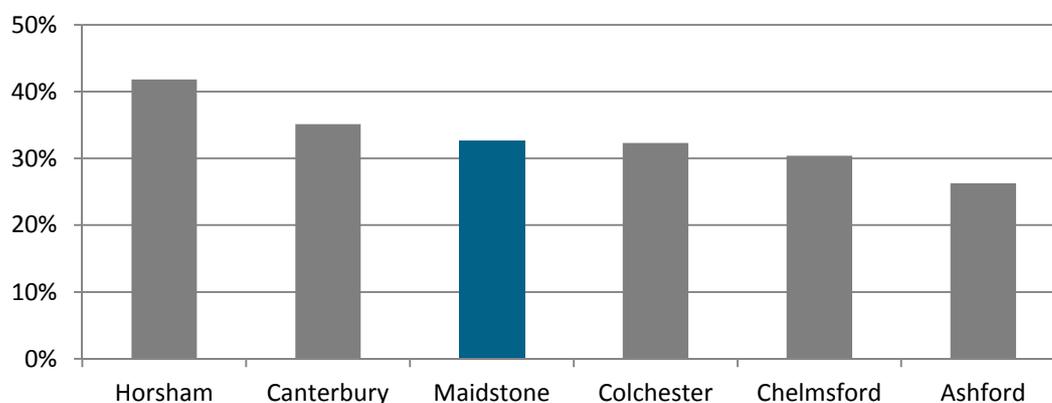
**Figure 5.12 Highest level of qualification attainment (% of residents aged 16-64 - 2013), Maidstone & selected areas**



Source: ONS APS

5.22 Amongst the Kent districts, Maidstone ranks fifth in terms of the proportion of residents qualified at NVQ Level 4 in 2013.<sup>115</sup> However, the figure below shows that percentage in Maidstone is on a par with other similar areas, such as Colchester and Chelmsford.

**Figure 5.13 % of residents aged 16-64 with NVQ4+ qualifications (2013), Maidstone & comparator areas**



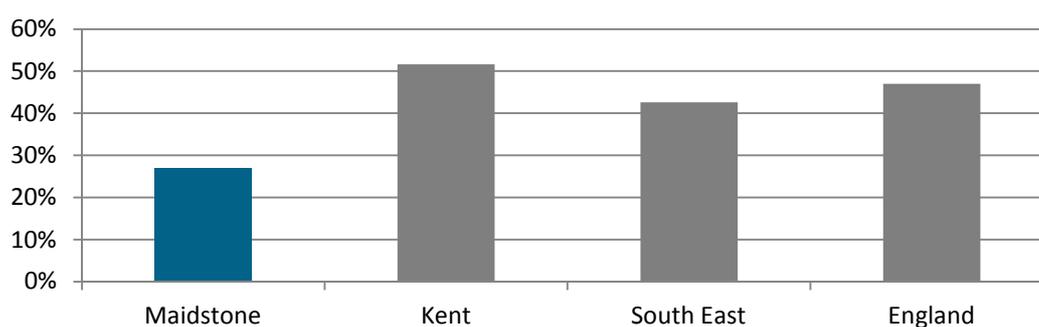
Source: ONS APS

5.23 Qualification attainment in Maidstone's working age population has generally improved in recent years: only 28% of residents were qualified at NVQ4+ in 2004, and the share of the adult population without qualifications dropped from 10.2% to 8.3% between 2004 and 2013. However, higher level qualification attainment is improving at a faster rate in Kent overall and nationally.

<sup>114</sup> ONS (2014) Annual Population Survey

<sup>115</sup> In both Tonbridge and Malling (48.5%) and Sevenoaks (49.4%) almost half of the adult population were qualified at this level - ONS (2014) Annual Population Survey

**Figure 5.14 Percentage point change in proportion of residents qualified at NVQ4+ (2004-2013), Maidstone & selected areas**



Source: ONS APS

### Skill shortages and mismatch

- 5.24 Although the UKCES Employer Skills Survey does not provide data at borough level, it is worth noting the recent evidence of significant skills challenges in the Kent as a whole (see box below).

#### Evidence of skills shortages in the Kent area

According to the most recent UKCES Employer Skills Survey (ESS), over a quarter (25.4%) of vacancies were hard-to-fill in Kent due to skills shortages in 2013 (SSVs<sup>116</sup>), which is above the national average for England (22.3%).<sup>117</sup> Overall, one in twenty Kent businesses faced challenges with SSVs, with a relatively high proportion in administrative and clerical (31.3%), machine operative (39.1%) and skilled trades (40.8%) occupations.

Skills that Kent employers found difficult to obtain from applicants include problem solving skills (50% of businesses with SSVs), technical, practical or job specific skills (46%) and numeracy skills (46%). The main impact of SSVs is to increase the workload for other staff. However, half (49%) of Kent businesses lose business or orders to competitors because of SSVs, compared to just 42% nationally, and more (47%) delay developing new products or services (43% nationally).

In addition, around a fifth (19%) of Kent businesses reported skills gaps in their existing workforce (15% nationally). But, despite these challenges, less than half (49%) of businesses funded or arranged training for staff over the past 12 months.<sup>118</sup>

- 5.29 It is not possible to analyse total vacancies in the Maidstone economy using official statistics. However, it is possible to analyse vacancies registered with Jobcentre Plus as a proxy.<sup>119</sup> Data shows there were 961 Jobcentre Plus (JCP) vacancies in Maidstone in November 2012<sup>120</sup> while at the same time, 2,470 people were claiming JSA.<sup>121</sup> At 2.6 claimants per

<sup>116</sup> Skills Shortage Vacancies

<sup>117</sup> Note: data is not available below county level - UKCES (2014) Employer Skills Survey 2013

<sup>118</sup> UKCES (2014) Employer Skills Survey 2013

<sup>119</sup> The final update of jobcentre vacancies took place in November 2012. Jobcentre Plus vacancies are both highly seasonal and subject to random shocks, so interpretation requires some care.

<sup>120</sup> DWP (2012) Jobcentre Vacancy Statistics

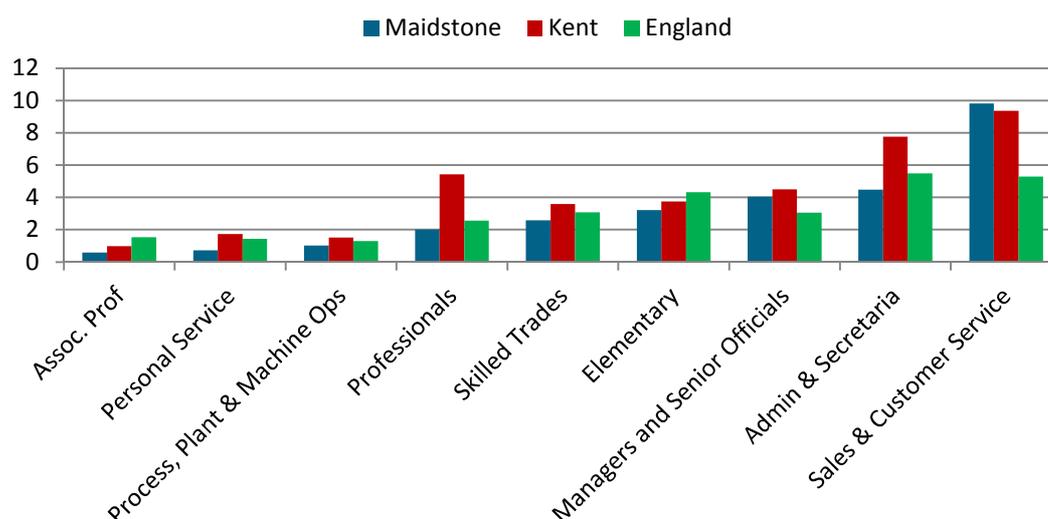
<sup>121</sup> ONS (2014) claimant count

vacancy, the claimant to vacancy ratio was lower than for Kent (3.5) or England as a whole (3.2) which suggests that there was relatively less competition amongst claimants for jobs locally.

5.30 JCP groups vacancies into occupations in order to match jobseekers to suitable jobs. Looking at the breakdown of vacancies in Maidstone by occupation, it is evident that while most vacancies were in entry level and intermediate roles (employers mainly use JCP vacancy services for jobs requiring low-mid skill levels), the proportion is lower than elsewhere. Some 65.9% of vacancies in Maidstone were in entry level and intermediate roles<sup>122</sup> in 2012 compared to 70.5% in Kent and 74.4% nationally. Conversely, a much higher proportion - over a quarter (25.3%) - of vacancies were in professional, managerial and technical roles which was higher than for Kent (20.1%) and for Kent and England as a whole (17.1%).

5.31 In 2012, the highest claimant to vacancy ratio was in sales and customer service jobs (9.8 claimants per vacancy), followed by administrative and secretarial roles (4.5). As the figure below shows, the ratio of claimants to vacancies in sales and customer services was particularly high in Maidstone compared to the national average (5.3) and slightly above that for Kent as a whole (9.4).

**Figure 5.15 Claimant to vacancy ratio, by occupation, Maidstone and England (Nov 2012)**



Source: DWP Vacancies / ONS Claimant Count

5.32 The lowest claimant to vacancy ratios were in associate professional (0.6 claimants per vacancy) and personal services (0.7), which suggests a shortage of claimants looking for these kinds of jobs.

5.33 Although the overall vacancy to claimant ratio is low in Maidstone, the profile of vacancies and claimants suggests that there is some mismatch. There are relatively more claimants looking for entry level and intermediate level jobs, particularly in sales and customer service

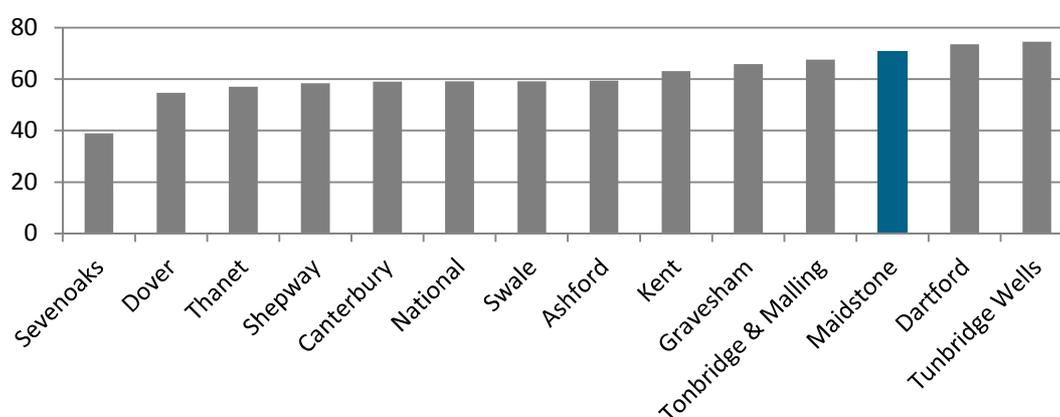
<sup>122</sup> Defined as administrative and secretarial, personal service, sales and customer service, process, plant and machine operatives, or elementary occupations.

roles than vacancies, while for associate professional and personal services there are relatively more vacancies than claimants .

### Educational attainment

- 5.34 Young people’s participation is relatively strong in Maidstone. Some 92.1% of Key Stage 4 (KS4) students<sup>123</sup> progressed to education, employment or training destinations in 2010/11, which is above the Kent (89.3%) and England (88.8%) averages.<sup>124</sup>
- 5.35 Pupil performance is also above the national average in Maidstone at KS4. In 2013, 70.8% of Key Stage 4 pupils achieved 5+ A\*-C grades including English and mathematics<sup>125</sup> compared to 63.1% across Kent and 59.2% nationally.<sup>126</sup>

**Figure 5.16 KS4 Attainment (% Achieving 5+ A\*-C Grades incl. English and Maths - 2013), Maidstone & selected areas**



Source: Kent County Council

- 5.36 In line with the performance at GCSE level, post-16 educational attainment is also relatively strong in Maidstone. In 2013, 87.8% of pupils achieved 3 or more A\*-E Grades in Level 3 exams (compared to 86.1% across Kent), with over half (54.1%) of pupils achieving A\*-A grades (44.1% across Kent). At 841.6, the average points score per student was also above the national (724.3) and Kent (745.3) averages that year.

### Occupations

- 5.37 Maidstone’s poorer than average qualification profile among its adult population is reflected in the lower skills level of jobs accessed by residents. In 2013 the figure below shows that a lower than average proportion of Maidstone’s residents were employed in higher-skilled occupations – particularly in professional occupations, while considerably more are employed in elementary occupations.

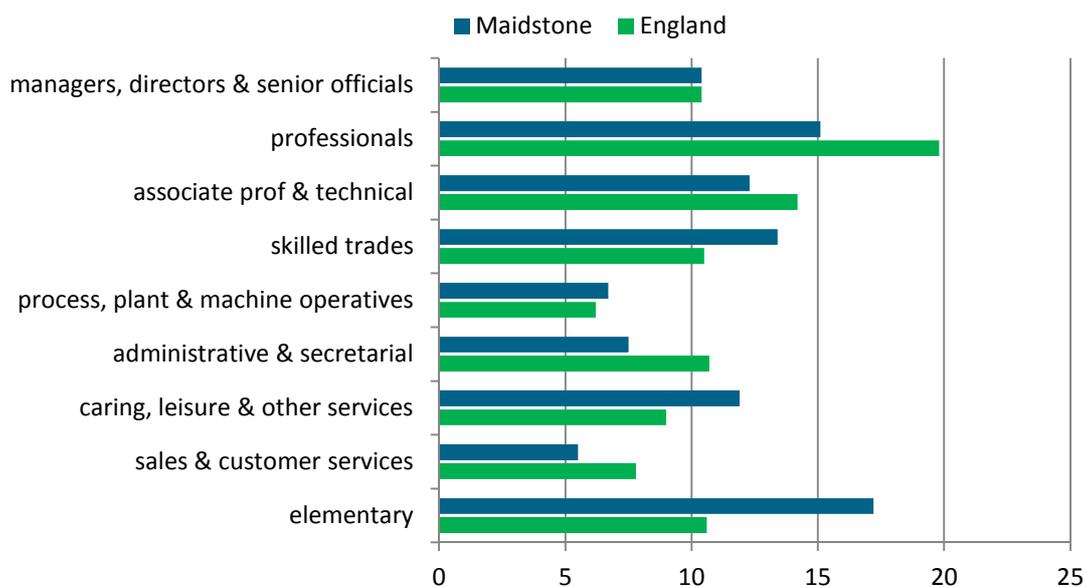
<sup>123</sup> Key Stage 4 is the term for the two years of school education which incorporate GCSEs, normally known as Year 10 and Year 11, when pupils are aged between 14 and 16.

<sup>124</sup> Research & Evaluation, Kent County Council (2013) Key Stage 4 & 5 Student Destinations, 2010-11

<sup>125</sup> Kent County Council (2014) District profiles

<sup>126</sup> Kent County Council, Education and Young People’s Services (2014) Facts and Figures 2014

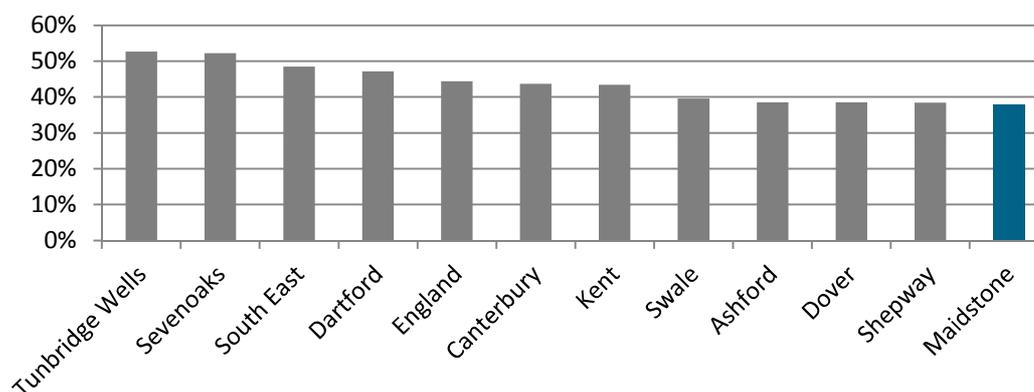
**Figure 5.17 Occupational profile of employed residents (2013), Maidstone and England**



Source: ONS APS

- 5.38 In total some 37.8% of Maidstone residents were employed the top three highest paying occupations (managers/directors/senior officials, professionals and associate professionals) in 2013, compared with 43.4% for Kent as a whole, and 44.4% nationally.<sup>127</sup> Among districts in Kent, Maidstone has the lowest share of residents employed in these occupations. In comparison, in both Tunbridge Wells and Sevenoaks more than half of residents are employed these types of jobs.

**Figure 5.18 % of residents in employment who work in the top three highest paid occupations (2013), Maidstone & selected areas**



Source: ONS APS

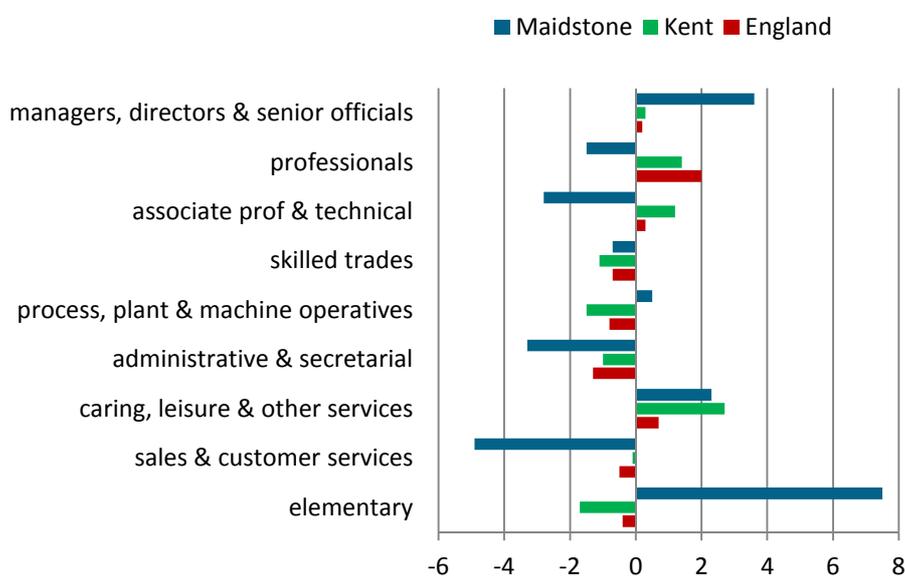
- 5.39 Maidstone has an above average proportion of residents employed in skilled trades, caring, leisure & other services, and, in particular, elementary occupations. At 17.2%, Maidstone also had the highest percentage of residents in employment in elementary roles amongst

<sup>127</sup> ONS (2014) Annual Population Survey

Kent districts in 2013.<sup>128</sup> Across Kent and England as a whole, these represent only around one in ten of those in employment (10.1% and 10.6% respectively).

5.40 Despite the predominance of low status occupations amongst Maidstone residents, there have been significant changes since 2008, as the figure below shows.

**Figure 5.19 Percentage point change in employment by occupation (2008-2013), Maidstone & selected areas**



5.41 The most significant changes are:

- an above average increase in the proportion of residents employed as managers, directors & senior officials, compared to the increase in the overall profile for Kent and nationally;
- a decline in the share employed in sales and customer services roles which is more significant than for Kent and nationally; and
- a relatively sharp increase in the importance of employment in elementary occupations which is counter to a decrease in Kent and nationally.

5.42 These changes to the occupation profile of Maidstone suggests a complex pattern with the most significant changes happening at the top and bottom end of the profile. While the increase in managers, directors and senior officials may be due to an increase in higher skill jobs in the Maidstone area, this could also be due to more residents establishing their own businesses or an increase in residents seeking homes in the area and commuting out of the borough to work.

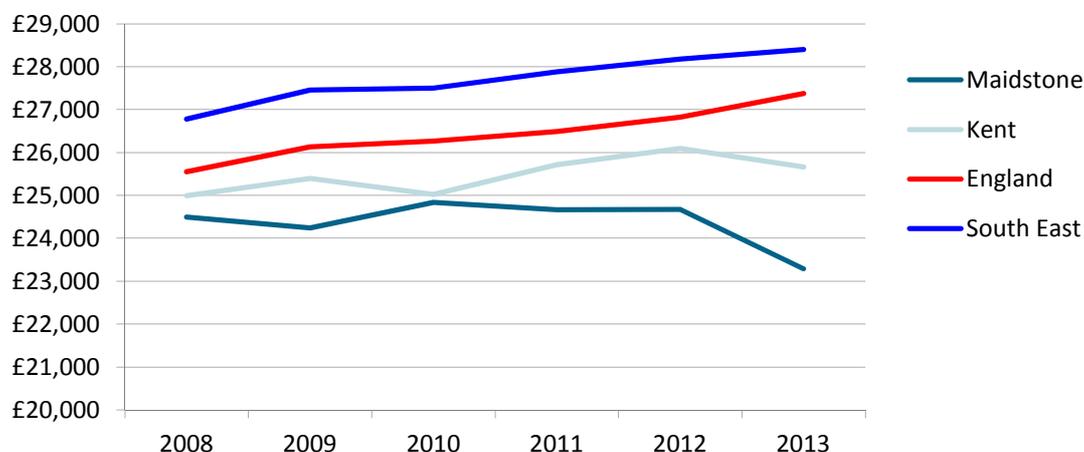
## Earnings

5.43 Median earnings for those working in Maidstone are also below the national average. Workplace earnings are an indicator of the productivity level of jobs in the local economy. In

<sup>128</sup> ONS (2014) Annual Population Survey

2013, median full-time workplace earnings were £23,290, compared to £25,670 for Kent and £27,380 nationally.<sup>129</sup> As the figure below shows, median earnings for full-time workers in Maidstone have largely stagnated since 2008 with a recent drop recorded in 2013.

**Figure 5.20 Median annual pay – workplace (gross, full-time workers), Maidstone & selected areas**



Source: ONS ASHE

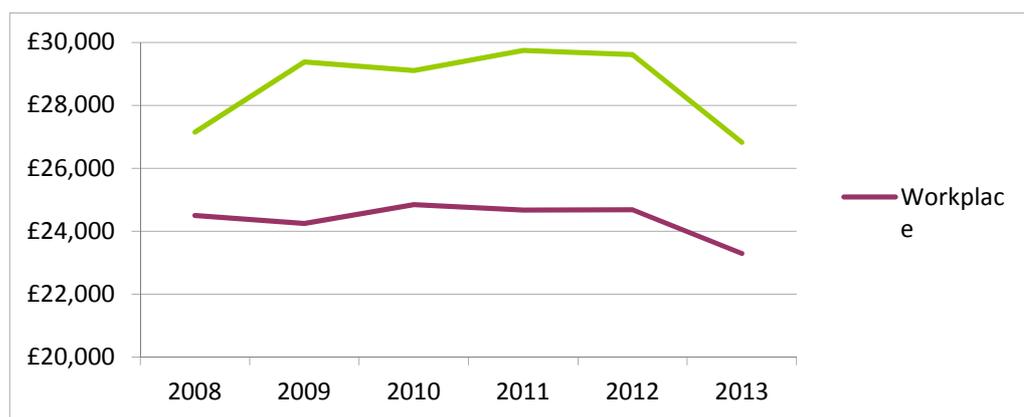
- 5.44 Resident wages in Maidstone have historically been relatively high, above both the national and Kent averages. However, in 2013, ONS recorded a considerably lower average resident wage of £26,800 compared to the previous year of £29,600. Based on this latest figure, resident wages are some of the lowest in Kent. At £26,800 in 2013,<sup>130</sup> median earnings for Maidstone residents were below both the Kent (£28,700) and national (£27,400) averages in 2013.<sup>131</sup>
- 5.45 These figures need to be treated with caution. The 2013 figures for both workplace and resident earnings show a marked fall on the previous years. There is little qualitative evidence to suggest such a significant decline and the figures could therefore simply be an error in the data. On the other hand, they could represent a more profound shift in earnings in Maidstone for the worse, and therefore need to be monitored closely.
- 5.46 One consistent trend over the last decade or more is that resident earnings in Maidstone exceed workplace earnings. In 2013, average annual salaries of residents were around £3,500 more than those of workers.

<sup>129</sup> ONS (2014) annual survey of hours and earnings - workplace analysis

<sup>130</sup> ONS (2013) Annual Survey of Hours and Earnings

<sup>131</sup> ONS (2013) Annual Survey of Hours and Earnings

Figure 5.21 Maidstone: median annual pay – workplace vs. resident (gross, FT workers)



Source: ONS ASHE

## Commuting

- 5.47 At the time of the 2001 Census, Maidstone was a net importer of labour, with 245 more workers travelling into the borough to work than left the borough every day.<sup>132</sup> However, the 2011 Census shows that over the last decade Maidstone has become a net exporter of labour, with 1,096 more people commuting out of the borough to work than commuting in.

Table 5.1 Maidstone: commuting flows from the 2011 Census

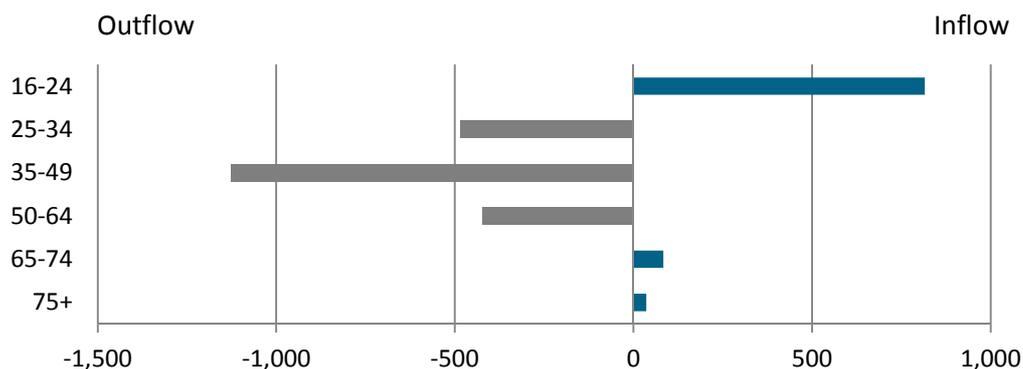
Area of origin	In-commuting	Out-commuting
Maidstone	30,693	30,693
Elsewhere	29,999	31,095
<b>Total</b>	<b>60,692</b>	<b>61,788</b>
Maidstone	50.6%	49.7%
Elsewhere	49.4%	50.3%

Source: ONS Census 2011

- 5.48 Origin-destination data from the 2011 Census shows that there were 29,999 people commuting to work in Maidstone borough from other local authority areas in 2011 (inflow). At the same time, there were 31,095 residents commuting out of the borough to work in other local authority areas or elsewhere (outflow). The commuting flows resulted in net out-commuting of 1,096 people in Maidstone in 2011 which was a reversal from an net inflow in 2001.
- 5.49 The age profile of commuters shows that the net-outflow was highest amongst residents of prime working age between 25 and 49 years in 2011, while there was a net-inflow of the youngest age group aged 16-24.

<sup>132</sup> ONS (2001) Census 2001

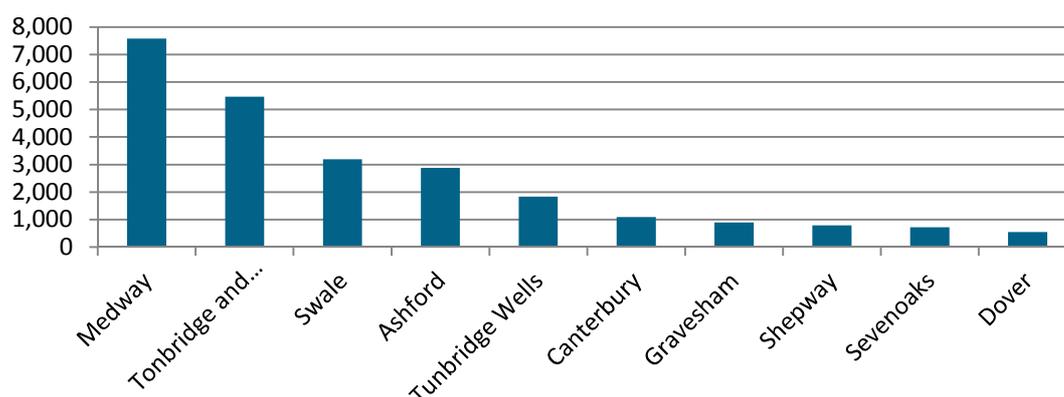
**Figure 5.22 Maidstone commuting patterns by age group (2011)**



Source: ONS Census 2011

- 5.50 Of the 60,692 people who commuted to work in Maidstone in 2011, these were split equally between those who were residents of Maidstone (50.6%) and those resident elsewhere (49.6%).<sup>133</sup> The main origins for people commuting to work in Maidstone were Medway (7,578 people; 25.3% of in-commuters) and Tonbridge and Malling (5,471 people; 18.2%). Overall, more than nine out of ten (92.5%) commuters working in Maidstone lived in the Kent and Medway area in 2011.

**Figure 5.23 Top origins for in-commuting to Maidstone from other LAs (2011)**



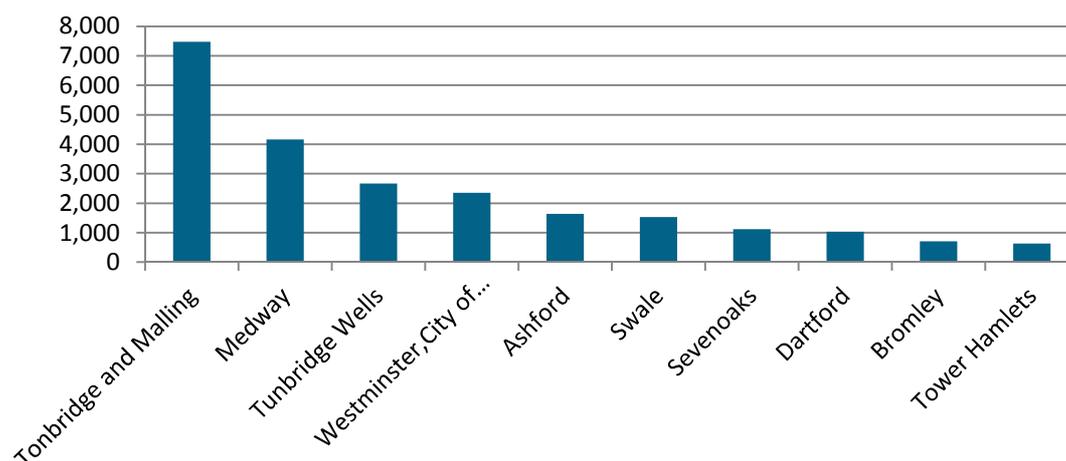
Source: ONS Census 2011

- 5.51 Of the 61,778 Maidstone residents that commuted to work in 2011, half (49.7%) worked in Maidstone and half (50.3%) worked outside the borough.<sup>134</sup> In 2001 60% of Maidstone residents worked in the borough which indicates that Maidstone has become less important as a place of work for its residents over the last decade.
- 5.52 As the figure below shows the main destinations for out-commuting residents were also Tonbridge and Malling (7,479; 24.1% of out-commuters) and Medway (4,165; 13.4%). Almost a quarter of residents commuting from Maidstone work in London, and around one third commute to Westminster and the City of London alone.

<sup>133</sup> ONS (2014) Census 2011

<sup>134</sup> ONS (2014) Census 2011

Figure 5.24 Top destinations for out-commuting from Maidstone to other LAs (2011)



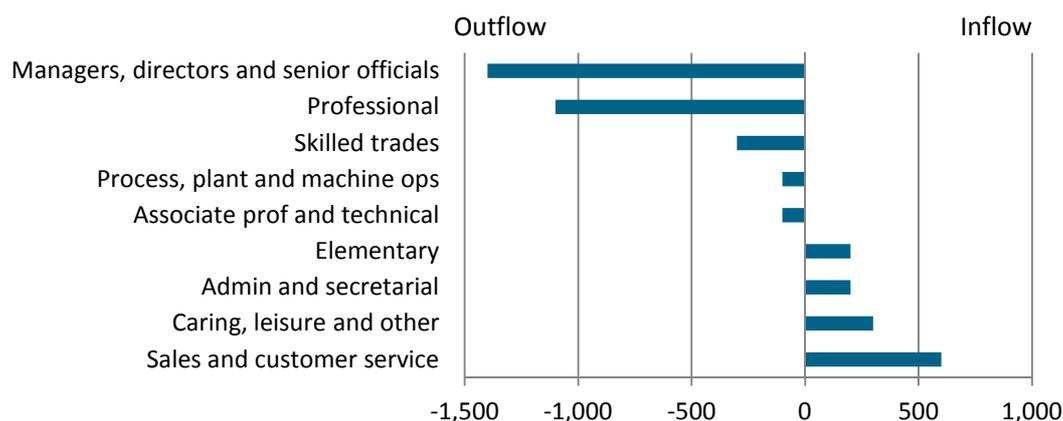
Source: ONS Census 2011

- 5.53 Comparing the occupational profile of residents in employment<sup>135</sup> with that of the workplace population<sup>136</sup> provides an indication of the type of jobs people are commuting to. Where there is a higher proportion of residents in an occupation group than amongst the workplace population, this suggests there is net out-commuting (outflow). Conversely, where there is a higher proportion of the workplace population in an occupation group, this suggests a net in-commuting (inflow). The data used for this analysis is different from the origin-destination commuting flow data and indicates an overall net out-commuting outflow of 1,716 people from Maidstone in 2011, which is around 700 higher than the outflow indicated by the origin-destination data.
- 5.54 As the figure below shows, the greatest outflow amongst the occupation groups was for managers, directors and senior officials (-1,400) and those in professional occupations (-1,100), while at the same time, the greatest inflow was for lower status occupational groups, particularly those in sales and customer service (+600), caring, leisure and other (+300) occupations.

<sup>135</sup> All usual residents aged 16 and over in employment the week before the census

<sup>136</sup> The workplace population are those whose usual place of work is in that local authority. This will include both individuals who live and work in the local authority and those who work in the local authority but commute from a home elsewhere and individuals who work in the local authority but commute from a home elsewhere

**Figure 5.25 Net differences between the resident and workplace occupational profiles in Maidstone (2011)**



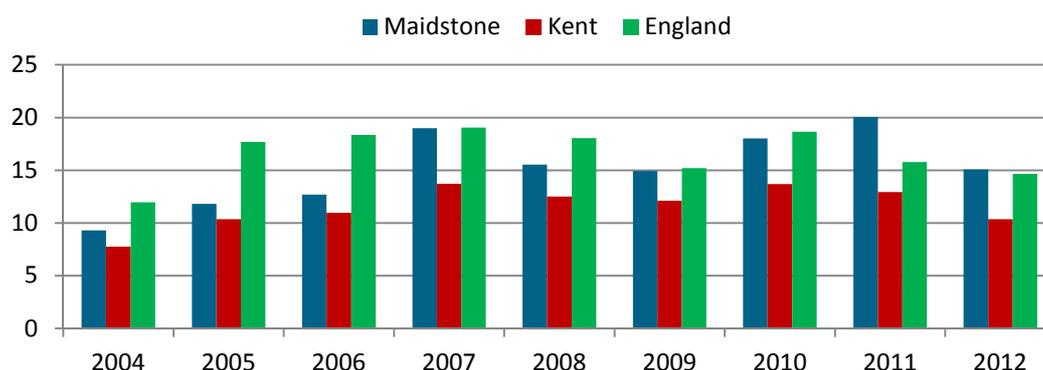
Source: ONS Census 2011

- 5.55 This pattern is consistent with the fact that the average earnings of residents is significantly higher than workplace earnings (see paragraph 5.44) and that those who are commuting out of the borough to work are accessing higher paying jobs elsewhere, while those commuting into Maidstone are generally working in lower occupational status lower waged jobs.

### Migration and ethnicity

- 5.56 Between 2004 and 2012, around 13,200 overseas nationals registered for National Insurance numbers (NINO) in Maidstone, showing their intention to work in the area<sup>137</sup>. The number of NINO registrations declined from 2007 to 2009, but peaked at 1,990 in 2011<sup>138</sup>. On average, there were 15.2 allocations per 1,000 working age residents per year in the Maidstone from 2004 to 2012, which was above the average for Kent (11.6) but below the national average (16.6).

**Figure 5.26 Migrant NINO Registrations per 1,000 resident population aged 16 to 64, Maidstone and selected areas**



Source: KCC

<sup>137</sup> Department for Work and Pensions (2014) National Insurance number allocations to adult overseas nationals entering the UK to December 2013

<sup>138</sup> Department for Work and Pensions (2014) National Insurance number allocations to adult overseas nationals entering the UK to December 2013

- 5.57 In 2012/13, 1,601 overseas nationals registered for National Insurance numbers in Maidstone, which as 16.1% of the registrations in Kent. Of these, 70.9% of NINo allocations were for people from EU ascension states (principally Bulgaria, Poland and Lithuania) which was almost double the rate nationally (36.4%).<sup>139</sup>
- 5.58 At the time of the 2011 Census, 13.5% of people aged 16 to 49 years in Maidstone were born outside the UK which was lower than the England average (18.9%). Of the non-UK population, the largest group (29%) were from the Middle East and Asia, followed by EU Accession Countries (27%).<sup>140</sup>
- 5.59 The ethnicity of workers by industry, as shown in the table below, indicates that the vast majority of workers in Maidstone were 'White British' in 2011 and at 88.4% this is higher than the national average (80.8%), but similar to the proportion in Kent (88.7%). The percentage of those in employment reporting themselves as 'White British' was highest in the construction sector in Maidstone, followed by other industries (arts, entertainment and recreation, and other services).

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<sup>139</sup> Kent County Council (2013) Migrant Workers in Kent

<sup>140</sup> ONS (2011) Census 2011

Table 5.2 Maidstone workforce by ethnic group (2011)

Industry	White British	White Irish	White Other	Mixed/multiple	Asian/Asian British	Black/African/Caribbean/Black British	Other ethnic group
Agriculture, energy & water	82.3%	0.6%	14.1%	0.9%	1.2%	0.4%	0.4%
Manufacturing	89.6%	0.7%	5.8%	0.9%	2.3%	0.5%	0.2%
Construction	93.7%	0.9%	3.3%	0.7%	0.8%	0.3%	0.2%
Distribution, hotels & restaurants	87.0%	0.5%	6.2%	1.1%	4.3%	0.5%	0.5%
Transport & communication	87.6%	0.7%	7.3%	1.0%	2.4%	0.8%	0.2%
Financial, Real Estate, Professional & Admin activities	89.7%	0.6%	5.2%	1.1%	2.4%	0.8%	0.3%
Public admin, education & health	86.7%	1.0%	4.3%	1.2%	5.2%	1.3%	0.4%
Other	91.6%	0.4%	4.2%	1.1%	1.6%	0.7%	0.5%
<b>Total</b>	<b>88.4%</b>	<b>0.7%</b>	<b>5.4%</b>	<b>1.0%</b>	<b>3.3%</b>	<b>0.8%</b>	<b>0.3%</b>

Source: ONS Census 2011

5.60 The next largest ethnic group in the workforce was 'White Other', which constitutes 5.4% of the Maidstone workforce in 2011. This group largely includes people born in EU ascension countries (40.5%), the UK (21.4%), and EU member countries (17.1%).<sup>141</sup> Employment of 'White Other' workers was particularly significant in the agriculture, energy and water sector (14.1%) and transport and communication jobs (7.3%) in 2011. Employment was above the national average in both of these industries (4.8% and 6.5% respectively) and reflects the large number of casual workers in agriculture (1,023 in 2010, 5<sup>th</sup> highest among local authorities in England),<sup>142</sup> many of whom are from Eastern Europe.

### Summary – key points:

- Maidstone had an estimated population of 157,300 in 2012 and is the largest district in Kent with 10.6% of the county's population.
- Maidstone's population has grown faster than the average for Kent and England in the last decade, increasing by 17,000 between 2002 and 2012.
- At the same time, the population is ageing and the proportion of resident's aged 65 and over is above the national average.
- These trends are set to continue, with future population growth for Maidstone forecast to be above the Kent and national level to 2021. Both the working age (16-74) and retirement age (65+) population are expected to increase more in Maidstone than overall in Kent.

<sup>141</sup> ONS (2014) Census 2011

<sup>142</sup> ONS / DEFRA (2010) Agricultural workforce

- Maidstone has a strong labour market with high employment and economic activity rates, and relatively low levels of unemployment.
- But the qualifications profile of the adult population is poorer than the county and national average, with less than a third (32.6%) of residents qualified at NVQ Level 4 or above. While there has been some improvement over recent years, this has been better at the Kent and national level.
- Median earnings are above average for Maidstone residents, but relatively low for those who work in the borough, and the gap has been widening.
- Maidstone was a net importer of labour in 2001, but is now a net exporter with the 2011 Census indicating a net outflow of just over 1000 people. Almost a quarter of out-commuting residents work in London, mainly in Westminster and the City of London.
- Maidstone has become less important as a place of work for residents over the last decade, with the percentage living and working in the borough falling from 60% to 50% between 2001 and 2011.
- Commuting outflows from Maidstone in 2011 are predominantly for those in professional, managerial and technical occupations, while inflows are for skilled / semi-skilled and elementary occupations.

## 6. Housing and the property market

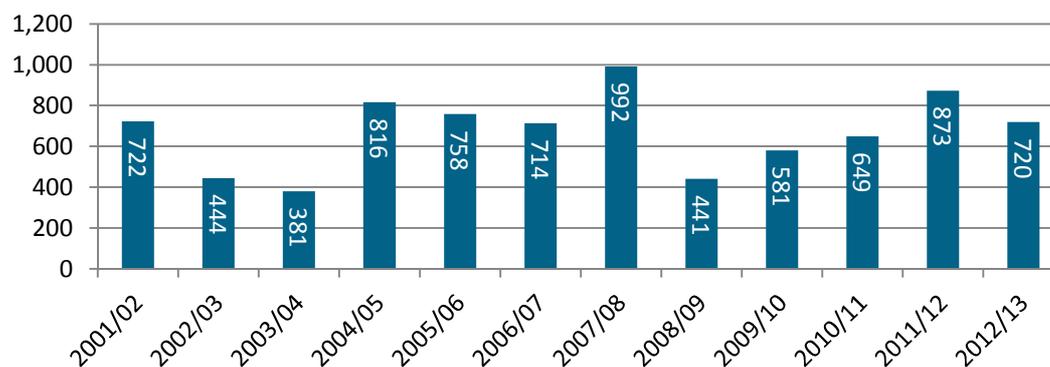
### Housing demand

- 6.1 Between 2011 and 2021 the number of households in Maidstone is projected to grow by 16.3% (based on past trends), which is above the average growth expected in the South East (10.8%) and nationally (10.0%).<sup>143</sup>
- 6.2 Drawing a range of evidence, Maidstone's Strategic Housing Market Assessment indicates an annual housing requirement of around 980 homes per year between 2011 and 2031 to meet housing demand.<sup>144</sup> Meeting the housing needs of older people will be a particular issue in Maidstone due to the projected growth in the over 65 population.

### Housing supply

- 6.3 Since 2001, a total of 8,091 homes have been completed in Maidstone which was equivalent to around 670 homes per annum.<sup>145</sup> Annual housing completions have varied considerably over this time frame with delivery generally increasing in the early part of the decade, from 444 homes in 2002/03 to 992 home completions in 2007/08. At this point, the impact of the recession can be seen, with completions falling to 441 homes in 2008/09 and since then there has been some recovery with house building rising to 873 in 2011/12, but falling back to 720 in 2012/13.

**Figure 6.1 Net housing completions in Maidstone 2001/02 to 2012/13**



Source: Strategic Housing Market Assessment (2014)

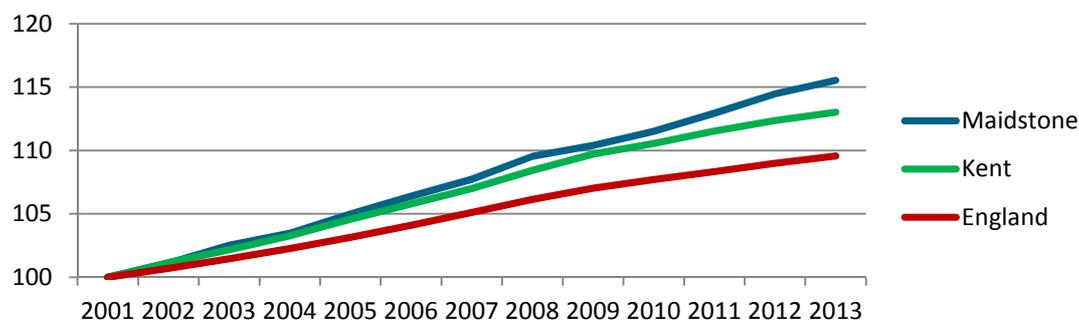
<sup>143</sup> Department for Communities and Local Government (2013) 2011-based household projections

<sup>144</sup> GL Hearn (2014) Maidstone Borough Council - Strategic Housing Market Assessment (2014)

<sup>145</sup> GL Hearn (2014) Maidstone Borough Council - Strategic Housing Market Assessment (2014)

- 6.4 Maidstone has had housing completions significantly above planned levels as set out in the South East Plan over the period. Planned supply for 2001-2013 is estimated at 6,178, with actual completions therefore being about 1,913 over the original target.<sup>146</sup>
- 6.5 The borough's housing stock has grown at roughly 1.2% a year between 2001 and 2013.<sup>147</sup> While this is above the Kent (1.0%) and national (0.7%) averages during this time, areas like Ashford (1.4%) and Tonbridge and Malling (1.2%) saw greater levels of housing completions.

**Figure 6.2 Index of housing stock (2001=100), Maidstone & selected areas**

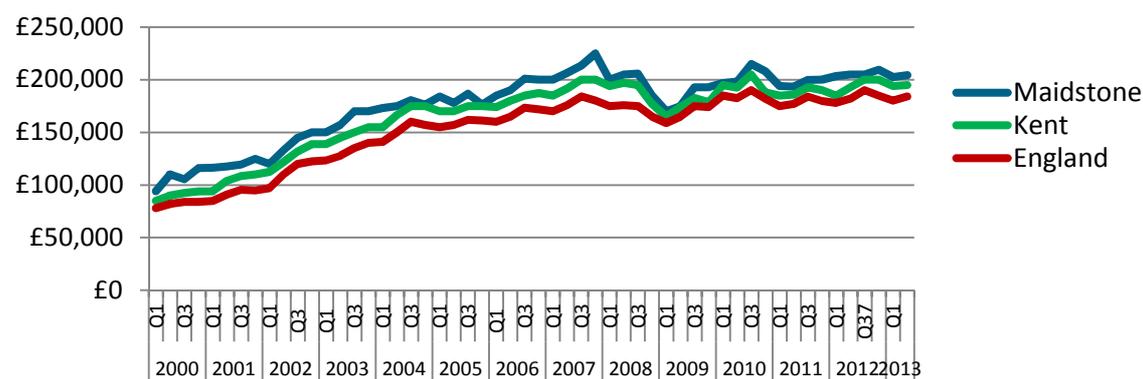


Source: Department for Communities and Local Government

## House prices

- 6.6 In Q2 2013, the median price for a house in Maidstone was £204,500. This is slightly above the median price for Kent as a whole (£195,000), but above the median house price nationally (£184,000).<sup>148</sup>
- 6.7 Maidstone experienced a significantly sharper drop in prices as a result of the recession, with median prices falling by 24% from peak to trough compared to 17.5% across Kent and about 13.6% nationally. Current median prices in Maidstone remain around 9.1% below peak levels whilst, both across Kent and nationally, prices have broadly recovered to peak levels.

**Figure 6.3 Median house prices, Maidstone & selected areas**



Source: ONS/Land Registry

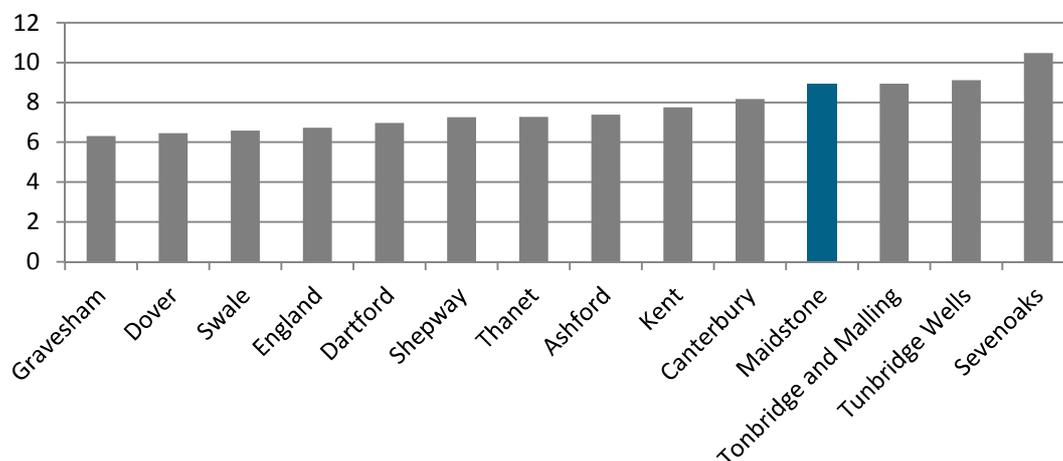
<sup>146</sup> GL Hearn (2014) Maidstone Borough Council - Strategic Housing Market Assessment (2014)

<sup>147</sup> Department for Communities and Local Government (2014) Dwelling stock estimates by local authority district

<sup>148</sup> ONS(2014) Land Registry data

- 6.8 The ratio of median house prices to median earnings provides a measure of affordability. In Maidstone this ratio was 8.9 in 2013<sup>149</sup> which means that the average house would have cost 8.9 times average earnings. This was the fourth highest ratio amongst districts across Kent, and is above the county average (7.7). It also far exceeds the average for England (6.7).

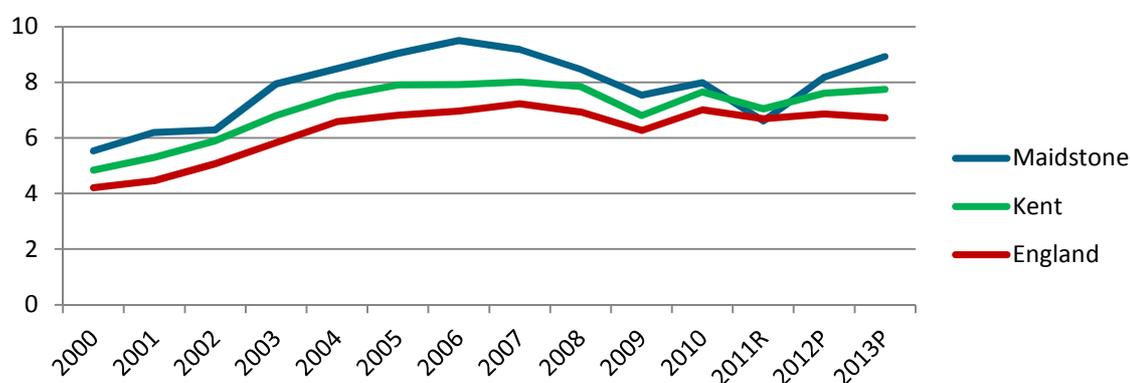
**Figure 6.4 Ratio of median house price to median earnings, Maidstone & selected areas (2013)**



Source: ONS/Land Registry

- 6.9 Although the median house price to earnings ratio has decreased from its pre-recession peak (9.51) in 2006 in Maidstone, it has been rising sharply in the last few years which suggests that houses in Maidstone are becoming less affordable.

**Figure 6.5 Ratio of median house price to median earnings, Maidstone & selected areas**



Source: ONS/Land Registry

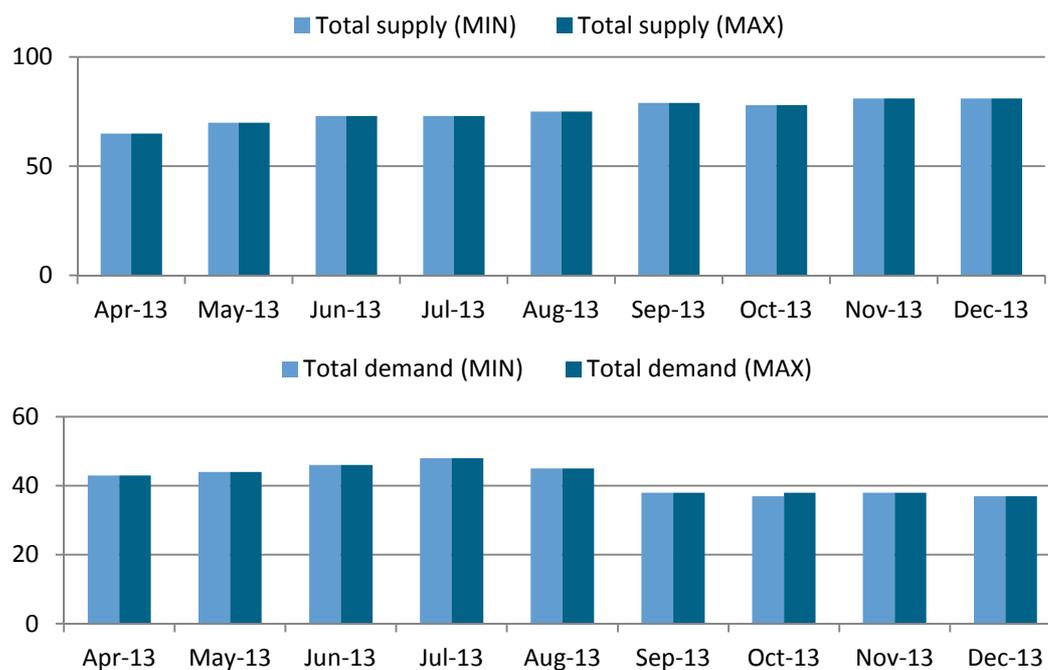
## Property market

### Industrial market

- 6.10 Demand for industrial space in Maidstone has been relatively steady since April 2013, although it has declined slightly in the last six months. At the same time, the figure below shows that the supply of industrial space has increased slightly.

<sup>149</sup> ONS (2014) Annual Survey of Hours and Earnings and HM Land Registry

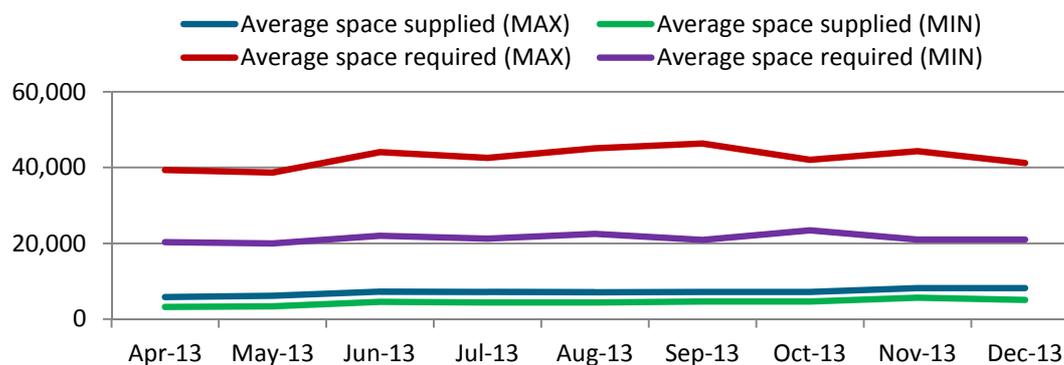
**Figure 6.6 Supply and demand of marketed industrial spaces in Maidstone**



Source: Locate in Kent (2014) Maidstone Report – January 2014

- 6.11** While on face value there is plenty of supply to meet demand, there is some mismatch in terms of the size and quality of industrial space. Demand is largely at the smaller unit end, though there are up to seven clients looking for space over 50,000 sq. ft. Supply has increased mainly at the smaller end of the market and the average size of space available is significantly below the average size sought.
- 6.12** In December 2013 there was only 4 properties available of over 30,000 sq. ft. in comparison with a demand for up to 13 properties over this size, leading to unmet demand.<sup>150</sup> Also, most of the demand recorded for larger (as well as small) units is in the northern end of the borough where there are no properties this size available.

**Figure 6.7 Average industrial space supply and demand in Maidstone (ft<sup>2</sup>)**



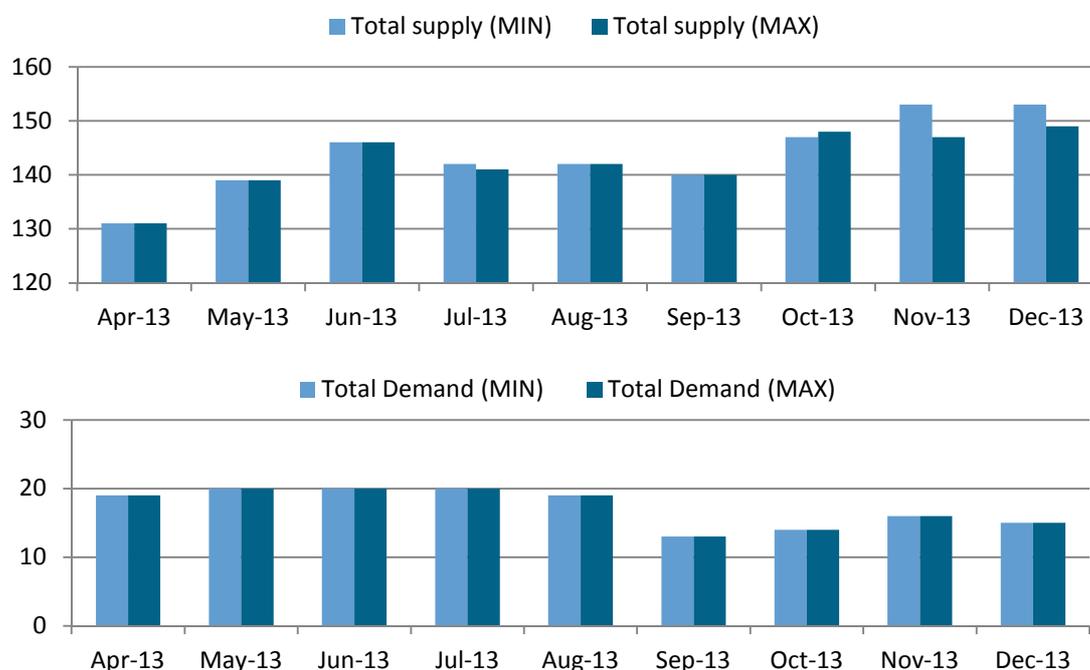
Source: Locate in Kent (2014) Maidstone Report – January 2014

<sup>150</sup> Locate in Kent (2014) Maidstone Report – January 2014

## Office market

- 6.13 Looking at the Maidstone office market, demand has fallen slightly over the last nine months, while office supply has increased (see figure below). There is also a far greater stock of available offices than is being sought which suggests that current supply meets demand.

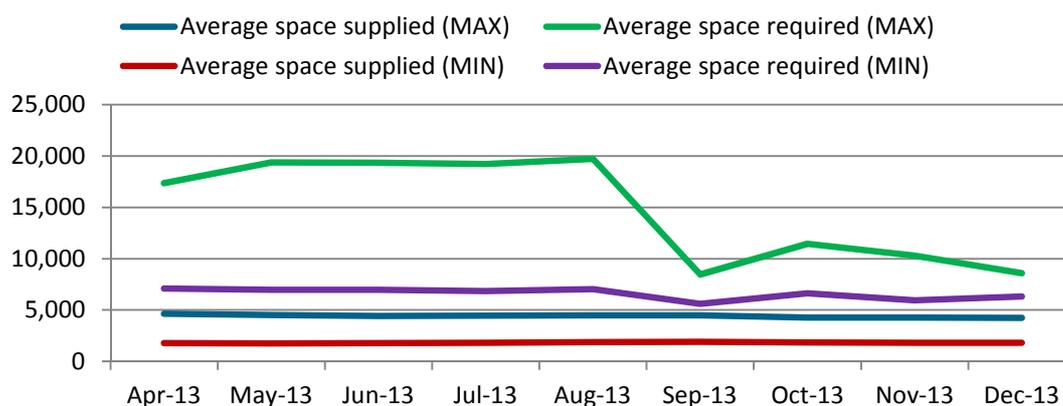
**Figure 6.8 Supply and demand of marketed office spaces in Maidstone**



Source: Locate in Kent (2014) Maidstone Report – January 2014

- 6.14 However, looking more closely at the size of office space required, there is a disparity between the average size of space available and the average size of space being sought. In particular, there is a significant surplus of smaller office spaces available (0 – 5,000 sq. ft.) for which there has been limited demand in 2013.<sup>151</sup>

**Figure 6.9 Average office space supply and demand in Maidstone (ft<sup>2</sup>)**



Source: Locate in Kent (2014) Maidstone Report – January 2014

<sup>151</sup>Locate in Kent (2014) Maidstone Report – January 2014

## Summary – key points:

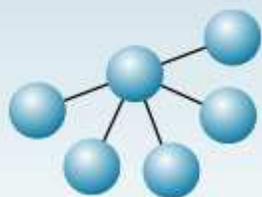
- Maidstone's Strategic Housing Market Assessment indicates an annual housing requirement of around 980 homes per year to meet housing demand. Since 2001 a total of 8,091 homes have been completed in Maidstone, equivalent to around 670 homes per annum.
- At £204,500, median house prices in Maidstone are above the Kent (£195,000) and national (£184,000) averages.
- Maidstone has the fourth highest ratio of median house prices to median earnings in Kent in 2013, far exceeding the national average and rising in recent years and suggests that there is a housing affordability issue.
- Demand for industrial space in Maidstone has declined slightly in the last six months, while the supply of industrial space has slightly increased. Although on face value there is industrial supply to meet demand, there is some mismatch in terms of the size and quality of industrial space available, including some unmet demand for larger industrial spaces.
- Demand for office space has also fallen slightly in the last nine months, while office supply has increased. Although there appears to be plenty of office stock to meet demand, there is a mismatch in the size of units being sought and those available. In particular, there is a significant surplus of smaller office spaces available (0 – 5,000 sq. ft.), for which there has been limited demand in 2013.<sup>152</sup>

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<sup>152</sup> Locate in Kent (2014) Maidstone Report – January 2014

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SHARED INTELLIGENCE

# Agenda Item 10

## **MAIDSTONE BOROUGH COUNCIL**

### **CABINET**

**WEDNESDAY 12 NOVEMBER 2014**

#### **REPORT OF HEAD OF FINANCE AND RESOURCES**

**Report prepared by Georgia Hawkes**

#### **1. CORPORATE IMPROVEMENT PLAN: MID YEAR 2014/15 PROGRESS UPDATE**

##### 1.1 Issue for Decision

1.1.1 To note the progress made April to September 2014 on the projects and areas of work in the Corporate Improvement Plan 2014-17.

##### 1.2 Recommendation of Head of Finance and Resources

1.2.1 That Cabinet note the progress made on the Corporate Improvement Plan 2014-17 shown at Appendix A.

##### 1.3 Reasons for Recommendation

1.3.1 The Council has set the priorities and outcomes for the borough of Maidstone in its Strategic Plan. The Medium Term Financial Strategy (MTFS) sets out what will be spent and where savings will be made. In order to deliver the priority outcomes and the savings required, a number of key pieces of work and projects will be carried out. These are detailed in the Corporate Improvement Plan 2014-17, which ensures the improvement work is aligned with the Strategic Plan and the MTFS and looks at the work required to 2017.

1.3.2 The three objectives of the Corporate Improvement Plan are:

1. A reduction in net cost, through making savings or increased income
2. Improving or maintaining quality: ensuring we deliver excellent services, which means delivering what is promised to agreed standards
3. Identifying and responding to opportunities aligned with the Strategic Plan

1.3.3 The Corporate Improvement Plan involves a number of different workstreams, which are owned by different officers in the organisation. Those workstreams identified as most important are:

- 1. Efficiency and effectiveness (Head of Finance and Resources)** – looking at our services to make sure we are doing the right things to deliver our organisational priorities and working with our customers to make sure that the way we do them is as customer friendly and efficient as possible.
- 2. Income generation (Head of Commercial and Economic Development)** – maximising the value from the income streams we already have in place, exploring other options for income generation and launching any viable initiatives that will bring in sustainable income to the Council.
- 3. Asset management (Head of Finance and Resources)** – making the best use of the building and land we already own or lease, exploring opportunities to add to our property portfolio to support delivery of organisational priorities and bring in income, as well as transferring assets to the community or selling assets that are no longer viable for us to keep.
- 4. Empowerment and self-sufficiency (Head of Housing and Communities)** – empowering borough residents to do more for themselves through building financial and digital access and skills and supporting communities to deliver services where they could do this better or take on assets of community value that we can no longer properly support.

1.3.4 The plan is underpinned by the following enablers of change and improvement. These things need to work well for improvement to happen:

- Organisational culture (Head of HR)
- Councillor assurance
- Commissioning and procurement (Head of Finance and Resources)
- Effective use of technology (Head of ICT)

1.3.5 The progress update (Appendix A) contains updates on work carried out April – September 2014 on improvement projects and priority services for each of the 4 workstreams and on organisational development. More information on the focus of work for each of the priority services and projects is given as part of the progress update at Appendix A. This is how the priority services and projects for improvement fit in with the 4 improvement workstreams:

<b>Efficiency and effectiveness</b>	<b>Income generation</b>	<b>Asset management</b>	<b>Empowerment and self-sufficiency</b>
Planning Economic Development Revenues and Benefits Housing Finance Building Control Environmental Services Customer Services MKIP shared services and operational model Information and knowledge management	Maidstone Culture and Leisure Waste and Recycling Corporate Support Bereavement Services Other work – commercialisation*	Integrated Transport Strategy Major assets review Commercial property investment	Right to bid and community asset transfer Digital Inclusion Financial inclusion Local flood plans

\*The projects that would form the Commercialisation Programme were not fully known when the Corporate Improvement Plan was agreed in February 2014, but as this is a large and priority programme of work this has been added to the progress update reporting.

1.3.6 Each of the workstreams/enablers and the projects and areas of work that sit beneath them have been given a RAG rating (Red, Amber or Green) to show how the work is progressing against plan. The table below shows the overall ratings for each workstream and the number and percentage of the different ratings for the projects and priority services under each workstream:

<b>Workstream/enabler</b>	<b>Overall rating</b>	<b>Rating for projects and services</b>			
		<b>Green</b>	<b>Amber</b>	<b>Red</b>	<b>Total</b>
Efficiency and effectiveness	Amber	5 (50%)	5 (50%)	0	10
Income generation	Amber	2 (40%)	2 (40%)	1 (20%)	5
Asset management	Amber		3 (100%)		3
Empowerment and self-sufficiency	Green	3 (75%)	1 (25%)		4

Organisational culture	Green	N/A (100%)	N/A	N/A	N/A
Total		10 (45%)	11 (50%)	1 (5%)	22

1.3.7 Just under half (45%) of the projects/priority services are progressing to plan (Green) and exactly half require a watching brief as they are not quite on track or some other risks or issues have been identified (Amber). The Amber rated projects and services are:

- Planning – whilst the focus of this priority service was on the Development Management Service, the issues with the Planning Support Service and need to embed the service properly before moving onto other things has meant there has not been much progress on sharing/jointly procuring specialist advice and maximising the use of pre-application advice.
- Housing – good progress in a number of areas including Aylesbury House and Magnolia House, but the number of people, length of time spent in and cost of temporary accommodation currently remains a concern.
- Building Control – progress on progressing proposals for sharing the service with partners has been slower than expected.
- Customer Services - whilst face to face visits are reducing year on year, telephone calls are not reducing as hoped and emails continue to rise. The RedQuadrant review findings should help the organisation progress more effectively going forward.
- MKIP shared services and operational model – there has been good progress with the Mid Kent Services Director trial and the shared Transformation Challenge Award bid. However, the most recent shared services, Environmental Health and Planning Support, are both working through some significant post-implementation issues.
- Maidstone Culture and Leisure – some Member decisions on proposals in the plan will not be taken until December.
- Commercialisation – the commercialisation programme has progressed steadily but slowly. Decisions on some of the key proposals in the programme are due to be taken in December.
- Integrated Transport Strategy - there has been further delay to the transport modelling process although this is now underway again. Further bespoke modelling of specific 'hotspots' and transport corridors is required and quotations are being sought.

- Major assets review – proposals to redevelop Medway Street and King Street may lead to the loss of revenue income and redevelopment at Brunswick Street could lead to loss of local parking. The risks of redevelopment at Brunswick Street will be considered as part of the feasibility study.
- Commercial property investment - the rising property market could lead to the yield from investment reducing to a level that barely covers borrowing costs, with asset appreciation being the main return.
- Local flood plans – the large number of applications for support from residents affected by flooding mean that additional staff resources are required to process the applications. The Housing Emergency Plan remains outstanding but should be completed by December 2014.

1.3.8 Only Corporate Support under the Income generation workstream is rated as Red, meaning that major issues or risks with the current or future progress of the work have been identified. In this case, whilst the Corporate Support team have made good progress in identifying and carrying out work that used to be carried out by external printers, there is unlikely to be the capacity available this financial year to take this work further and investigate further wider commercialisation of the service.

#### 1.4 Alternative Action and why not Recommended

1.4.1 Cabinet could decide not to receive six monthly updates on the progress made on the Corporate Improvement Plan. This is not recommended as progress reports on the Corporate Improvement Plan are essential for allowing oversight of a number of different pieces of work across the organisation.

#### 1.5 Impact on Corporate Objectives

1.5.1 The Corporate Improvement Plan 2014-17 contains projects that will have a positive effect on all the priorities and outcomes for Maidstone set out in the Strategic Plan. However, the priority that it aligns with most is Corporate and Customer Excellence, outcomes "Customer focused services that residents are satisfied with" and "Effective, cost efficient services are delivered across the borough" because of the objectives in the Corporate Improvement Plan of reducing net cost whilst improving or maintaining quality.

#### 1.6 Risk Management

1.6.1 The Corporate Improvement Plan and associated governance minimises the risk that important projects will not be undertaken or will not deliver and that new opportunities are missed.

1.6.2 There is still a risk that the Council does not have the resources, both in terms of staff time or money to undertake the projects envisaged in the Corporate Improvement Plan. However, the plan minimises the risk that effort will be put into pieces of work that are not deemed to be a priority and will allow corporate resources to be devoted to the priorities stated in the Corporate Improvement Plan.

1.7 Other Implications

1.7.1

1.	Financial	X
1.	Staffing	X
2.	Legal	X
3.	Equality Impact Needs Assessment	
4.	Environmental/Sustainable Development	
5.	Community Safety	
6.	Human Rights Act	
7.	Procurement	X
8.	Asset Management	X

**Financial and staffing**

1.7.2 An objective of the plan is to reduce net cost. This could be by reducing cost, including possibly reducing numbers of staff, or by increasing income, which would have an effect on the work that staff carry out. Some of the areas of work reported in the update also require substantial staff resources.

**Legal**

1.7.3 A number of the projects require legal advice and support.

**Procurement and asset management**

1.7.4 Asset management is a workstream in the Improvement Plan and commissioning and procurement is an important enabler in achieving improvement.

1.8 Relevant Documents

1.8.1 Appendices

Appendix A – Corporate Improvement Pan progress update April – September 2014

1.8.2 Background Documents

Corporate Improvement Plan 2014-17

<b><u>IS THIS A KEY DECISION REPORT?</u></b>		<b><u>THIS BOX MUST BE COMPLETED</u></b>	
Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
If yes, this is a Key Decision because: .....			
.....			
Wards/Parishes affected: .....			
.....			

**Corporate Improvement Plan progress update**

**April – September 2014**

The Corporate Improvement Plan explains the key workstreams for the Council’s improvement journey, the drivers for improvement as well as priority services and projects for improvement. It allows work to be planned, sufficiently supported and monitored to ensure savings needs and the improvements required for the Council to meet its priority outcomes are delivered.

Progress on the improvement workstreams and associated projects is reported to Cabinet every six months. The most recent progress report for 2014/15 is shown below.

<b>Efficiency and effectiveness workstream</b>		<b>AMBER</b>
<b>Planning</b> Exploring opportunities to make the Development Management Service more efficient and improve the value for money of specialist advice		<b>AMBER</b>
<u>Update</u>  The focus of this area of work is about making the Development Management Service more efficient and improving the value for money of specialist advice. However, due to the issues with the introduction of the shared planning support service and the need to spend time embedding the service properly before moving onto other things, there has been little progress on sharing or jointly procuring specialist advice and maximising the use of pre-application advice. The Business Improvement review of Maidstone Borough Council Planning has also been delayed and is due to start in April 2015.  Once the work settles down the Heads of Service will move to matters such as sharing specialist advice and also the potential to standardise pre-app fees across the three authorities within MKIP.  In terms of maximising pre-app there has been work undertaken and the Duty Planning Officer Service has been removed to encourage the formal pre-application route. Furthermore, a new category of ‘research’ has been introduced to ensure that the time spent on researching and interpreting planning histories is recouped.		
<b>Economic Development</b> Ensuring we have clear deliverable priorities for achieving growth through economic development and regeneration by working with partners to develop a Regeneration and Economic Development Plan and collaboratively ensure there are the resources and skills required to deliver this		<b>GREEN</b>
<u>Update</u>  <ul style="list-style-type: none"> <li>• The Maidstone Economic Business Partnership has continued to help inform priorities for the evolving Economic Development Strategy with members interviewed on a group and individual basis. The partnership is also helping drive the design of a business to business skills exchange.</li> <li>• A report examining the possibility of setting up a Hub Lite on the Terrace of Maidstone House will come to Cabinet before the end of 2014.</li> <li>• Final amendments have been made with a view to a soft launch of the new Visit</li> </ul>		

- Maidstone website in November.
- A number of visits to employers have been undertaken to understand fully their business and skills needs and to promote the benefits of apprenticeships. The first of a six-part series of “did you know” educational articles has been published in the Down Mail explaining apprenticeships and inviting businesses to become more involved.
  - An audit of business needs is underway to establish and highlight gaps in course content.
  - Maidstone’s unique selling points and brand are being worked up; these will help drive development of the new website which will have a sectoral approach to highlight Maidstone’s growth sectors and help promote supply chain development.
  - The development brief is being finalised for the new business/inward investment website to replace Locate in Maidstone. It is planned to have the new site in place by March 2015.
  - The first of six Access to Finance business events has been held with further events being staged in November and through the New Year. The new Business Customer Relationship Management is now live and will help facilitate events in future.
  - Work is on-going with Local Plan team.
  - Regular meetings continue with Kent County Council to ensure Maidstone’s key priorities are recognised.
  - Town Centre Action Plan - Internal work with senior officers across the Council has taken place to enable an informed debate to be carried out with stakeholders and external organisations.
  - Consultation work has taken place on draft designs for public realm improvement works in the town centre. A New Project Board has been established to take this project forward.
  - Directly working with Kent County Council to look at innovative solutions to unlocking stalled sites at Maidstone East, the Mall and Wrens Cross.

<p><b>Revenues and Benefits</b>          Preparing and planning for the effects of national welfare reforms, analysing the impact of the localised Council Tax and business rate schemes, maximising the collection of business rates and exploring different ways of delivering the service for the future e.g. joint Fraud initiative</p>	<p><b>GREEN</b></p>
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- Update
- Payment direct pilot that was undertaken with Golding Homes has been completed and is currently being evaluated to determine whether the changes should be implemented ahead of universal credit. Evaluation by Golding Homes awaited.
  - Local Council Tax Discount Scheme options explored through scrutiny workshop with recommendation agreed by Cabinet. Further report to Full Council in December for approval.
  - Formal staff consultation for the fraud partnership completed with service to go live from 03.11.2014.
  - Work commenced on reviewing processes for award of council tax discounts and exemptions in line with the memorandum of understanding put forward by Kent County Council (KCC). Meeting arranged with KCC to discuss future funding for fraud initiatives and core funding for fraud team. Report to Corporate Leadership Team during December.
  - Debt recovery services business completed in draft. Work being undertaken with Partners to validate financial and legal assumptions.

<p><b>Housing</b>          Reducing the number of people and days spent in temporary accommodation and improving the amount and the diversity of housing supply, including in</p>	<p><b>AMBER</b></p>
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the private rented sector	
<p><u>Update</u></p> <ul style="list-style-type: none"> <li>• The review of the Allocation Scheme was completed, including the consultation with stakeholders and using the action plan from Internal Audit's review. In response to the consultation a number of amendments were made to the document. The amended version has been adopted and training has been provided to staff on the changes, the new version has been sent to Stakeholders and available via the website</li> <li>• The new Homelessness Strategy has now been adopted and delivering against the new actions</li> <li>• Progress against developing a new Affordable Housing supplementary planning document is dependent upon progress with the Local Plan. Discussion is taking place in response to the Regulation 18 consultation with regard to affordable housing</li> <li>• Review the Housing Strategy following adoption of the Local Plan to be commenced in 2015</li> <li>• Seek out opportunities to purchase accommodation under the Empty Homes Strategy – Magnolia House purchased, returning 8 units back into use. Remedial works are being undertaken and the units should be available for occupation in the final quarter 2014/15</li> <li>• The Housing Service was fully engaged in the development of Kent County Council's Accommodation Strategy, which has now been adopted. Site visits have been undertaken with County staff to identify opportunities to progress the Accommodation Strategy action plan</li> <li>• Sites are being reviewed with the intention of bringing forward opportunities for the Council's new investment initiative</li> <li>• Aylesbury House was purchased and returned for use within budget and is now occupied as emergency temporary accommodation, helping to manage the expenditure on temporary accommodation and helping to reduce the number and length of stay for households in temporary accommodation</li> </ul>	
<p><b>Finance</b> Building an efficient service that supports the Council make informed strategic financial management decisions, manage and control budgets and commit and measure resources and investigating how this service could be delivered in the future</p>	<b>GREEN</b>
<p><u>Update</u></p> <ul style="list-style-type: none"> <li>• The Agresso upgrade is on track and still due to go live in November 2014 (planning &amp; budgeting module will be part of this).</li> <li>• The systems team have started to set up direct debits for regular transactions – this is an on-going process given the frequency of certain debts.</li> <li>• The Chief Accountant is in the process of drafting job descriptions for evaluation with a view to introducing career grading.</li> <li>• The business improvement team review is planned for early 2015 (Jan/Feb) – and an initial meeting has been held with the Business Improvement team.</li> </ul>	
<p><b>Building Control</b> Re-designing the service, diversifying work to undertake more trading rather than statutory work and investigating options for delivery of the service, in particular the viability of a public sector partnership, and developing a model for delivery for the future</p>	<b>AMBER</b>
<p><u>Update</u></p> <p>The number of chargeable applications has increased slightly over Q2 last year and the trading account is in surplus. The Building Surveying Manager is to produce an options report on behalf of Maidstone and Tunbridge Wells building control during November to</p>	

explore shared working.

**Environmental Services**

Making the Street Cleansing and Grounds Maintenance services more efficient, including improving work practices and feedback to customers through use of technology

**GREEN**

Update

The implementation of mobile technology for all street cleansing service requests has now been completed successfully. The mobile devices are being used by the workforce and are managed by the cleansing supervisor and section leaders. This has already improved the accuracy of information captured from residents and enables greater visibility of the work being completed. This is on track to be extended to include scheduled work next year and then to identify opportunities within the grounds maintenance service.

A review of the street cleansing service is also currently being carried out to identify improvements and increase efficiency. It is intended that this work will identify any gaps in the current service provision and ensure that the service meets the current and future needs of the borough. It is proposed that recommendations for improvement are identified by the end of the year.

**Customer Services**

Redefining and achieving our customer service standards and moving to our 'digital first' customer service model by moving more contacts to our website and away from face to face visits and the telephone

**AMBER**

Update

- The Consultants, Red Quadrant, have completed their review of Customer Services and have presented their findings and recommendations to Corporate Leadership Team. The Head of Policy and Communications is now working on the next steps and the future changes for Customer Services. The first changes are likely to take effect early in 2015.
- Customer service standards, the customer care policy will be reviewed once the full review of customer services is complete.
- We have continued to develop more on-line self-serve forms. All of the 'Streetscene' forms are now available on-line and the Customer Service Advisors are using the same on-line forms so they go direct to the Maidstone Borough Services Operatives rather than via the Front Office system. A new on-line form for Pre-Application Planning Advice was also introduced. Again there has been a 65% increase in the number of on-line forms completed over the previous quarter however over 1000 forms were submitted by residents wishing to opt out of the edited register.
- The number of telephone enquiries has increased during the last quarter but this is mainly due to the increase in calls for the Planning services as it now includes calls for Tunbridge Wells and Swale as well. There was also a significant increase in calls for Registration Services during the quarter following the introduction of individual electoral registration. The number of calls answered in quarter two was 53,263, an increase from 45,481 in quarter one. Corresponding figures for 2013 to 2014 are 45,686 and 43,686.
- The Gateway no longer deal with Planning enquiries however there has still been an increase in the overall number of customers mainly due to an increase in customers for Benefits, Housing and Parking enquiries. The number of face to face enquiries has increased from 10,703 in quarter one to 11,867 in quarter two, a total of 1164 more enquiries. Corresponding figures for 2013 to 2014 are 13,922 and 13,560 which shows a definite decline year on year in the number of face to face enquiries.

- The number of emails received continues to be high at around 6,000 per quarter although there was a slight decrease during the last quarter compared to the previous quarter. The most efficient way of handling emails will be considered as part of the customer services review.
- Web chat will be considered once a new telephony solution for Mid Kent Improvement Partnership (MKIP) is agreed as Web Chat has been included as a requirement in any future system requirement.
- We are continuing to use the Front Office system but we have now started to consider its future use.
- Discussions on the best use of the Gateway from 2016 are continuing.
- Website resource continues on a temporary basis as the Contact Centre and Gateway still require their full complement of staff.

**MKIP shared services and operational model**

**AMBER**

Working with partners, in particular our MKIP local authority partners, to establish closer working arrangements and partnerships in more services, as well looking at all the services we share and deciding on and delivering the best operational model for the future

Update

The projects for Environmental Health and Planning Support have now been completed and both teams are working through a list of post-implementation issues. Performance in Planning Support has dropped and the team are working hard to recover to a business as usual position. Performance in Environmental Health has remained steady, but there remain some significant challenges to resolve. Collaboration Agreement and SLAs are in the process of being created for these two new services.

Work has been undertaken to consider what other services might be shared, and MKIP is currently working collaboratively to deliver Digital First initiatives across the three partners, and has submitted a Transformation Challenge Award to DCLG to assist with this. The results of the bid will be known in November.

The Mid Kent Services Director trial will continue until May 2015 and baseline evidence to measure the success of the trial has been gathered. A mid point review of evidence will take place in October to ensure the project is on track.

An external consultant from IESE has been engaged to conduct a short piece of work to increase our understanding of the key issues and challenges that are affecting productivity and efficiency within the partnership. The consultant will be speaking to a range of officers who work in, or closely with, partnership services to gauge whether the issues are transient or systemic within our organisations, and will present recommendations for addressing the key challenges. The consultant will report back to a joint meeting of the three Chief Executives and their senior management teams early in November.

**Information and knowledge management**

**GREEN**

Implementing the recommendations of our external Information Management review to ensure we make more efficient, secure and smart use of information we gather and store. This includes improving our information governance arrangements, agreeing relevant policies, improving our systems architecture and finding ways to turn information into knowledge

Update

An Information Management Officer has been appointed on a fixed term contract. Work

commenced on the action plan in September. An identified weakness of bringing in an external candidate was a lack of knowledge of the organisation, scale of the task and losing expertise at the end of the post holder's contract. To help with this the Performance and Scrutiny Officer is now supporting the project for 25% of their time. Discussions have also been held with Tunbridge Wells about sharing work as they are addressing many of the same issues.

Actions progressed to date include:

- New FOI and Data Protection Guidance developed
- Training Programme for staff under development
- Asset Register creation begun
- Public Disclosure Log for FOIs now on the internet
- Begun drafting Information Sharing Policy
- Produced guidance for staff on information Sharing
- Research carried out for Information Management Strategy and Information Sharing Policy
- Identification of approach to the Information Risk Register
- Research into best practice and approach to record retention and disposal

The Information Management Officer has also attended project management training and had support from Anna Collier in the business improvement team in terms of handing over work already completed as part of the audit and planning the next steps.

<b>Income generation workstream</b>	<b>AMBER</b>
<b>Maidstone Culture and Leisure</b> Using our cultural and leisure assets like the Museum and Mote Park better to bring in a sustainable income	<b>AMBER</b>
<u>Update</u>  Good progress has been made with developing the plan, and with the restructure. In addition charging for enquiries has now been entered into the fees and charges schedule.  Maidstone Culture and Leisure is moving towards a decision on 17.12.2014 in respect of the Adventure Zone and charging for car parking at Mote Park.	
<b>Waste and Recycling</b> Working to achieve the target of 50% recycling by 2015 and making a surplus from our commercial waste service	<b>GREEN</b>
<u>Update</u>  The Council has achieved a recycling rate of 50% for the first 6 months of 2014/15 and is continuing to engage with residents to increase this to 60% by 2019. New stickers have been attached to residents' wheeled bins to promote which items can be recycled and a door knocking campaign is about to start to engage with local residents in lower performing areas.  Our Commercial Waste Service currently has 224 customers and is working to generate further leads. The service is generating a contribution to the Council's overheads but is	

yet to make a surplus. Work is being undertaken with Economic Development to help promote the service to more businesses and increase the annual turnover. The service continues to work hard at process improvement, particularly in regard to payments and cash collection. It is hoped this will result in a more robust operating system which can cope with increased numbers of clients and is cheaper to operate.

**Corporate Support**

Investigating whether our Print services could be a viable commercial service and/or whether our Corporate Support services could be shared with local authority partners

**RED**

Update

The service has made good progress in capturing work that had previously been carried out by external printers, therefore adopting a commercial approach and providing better value for the Council. Examples include the printing of poll cards and canvass literature internally and less recent the printing of council tax and business rates bills.

There have been on-going issues with print management software which have restricted the resources available to further develop a commercial offering. There are also concerns over the ability of the print room staff to deliver a customer focused commercial operation and the cost of setting one up. The Commercial Programme Manager does not have the capacity to assist the Corporate Support team this year so it is likely that the focus of the team for 2014/15 will be on the successful implementation of the print and post room solution and capturing external spend on printing rather than the implementation of a wider commercial service.

**Bereavement Services**

Exploring options for delivery, introducing more efficient working practices and expanding the offer at the Crematorium

**GREEN**

Update

Cataloguing Burial Records: A plan has been developed to effectively record burial and cremation information, including historical data. This will simplify the sale of memorial and other plots increasing revenue. This work will also make the records more able to be searched possibly opening up opportunities for commercial selling of ancestry/local history information.

Increased Use of On-Line Forms: The Bereavement Team is working with the Business Improvement Team to bring more of the complex system of forms and legally required documentation on-line. In addition to improving customer services this will free staff time to develop new ventures and further increase the use of the service.

Website: We are exploring the possibility of having a stand-alone website that will allow us to communicate with our Funeral Directors better, but also offer more take home memorials to the public – a more user friendly shop window.

More efficient working: We now send out our memorial packs and questionnaire together and have saved a substantial amount in postage. By having dedicated staff to each section, Crematorium, Cemetery and Memorials, means that we are more efficient in our delivery to our customers.

Pet Crematorium: The detailed business case has been completed this was agreed by the Project Board. Final amendments are being made in response to comments from the Finance and Legal departments. This will go to the Commercialisation Group on Tuesday 4<sup>th</sup> November for further scrutiny before it is presented to the Cabinet Member, Cllr Ring.

Green Burials: The high level business case showed there was viable a potential market, hence it was looked at in more detail. This further study recommended that this project should be put on hold and revisited in 2016/2017 because of land costs, capacity within

the organisation and other factors.

**Commercialisation**

**AMBER**

Update

**Brunswick Street car park** The feasibility study is underway and is due to be finished 31.10.2014. Aiming for Cabinet 17.12.2014.

**Potential Charging for parking in Mote Park** The second part of the market research is due to start 29.12.2014. Aiming for Cabinet 17.12.2014

**Adventure Zone** The second part of the market research is due to start 29.12.2014. Aiming for Cabinet 17.12.2014

**Debt Recovery** Now owned by MKIP. Scheduled for MKIP board in December 2014. Targeted commencement of Service 06.2015.

**Renewable Energy** We now have identified opportunities at the depot, the leisure centre and Maidstone United Football club to install Photovoltaic arrays. The Commercial Projects Manager is arranging quotes for the arrays and will present business cases 12.2014. The wider programme has progressed slowly and steadily. Engagement with potential partners is scheduled for November 2014.

**Asset Management workstream**

**AMBER**

**Integrated Transport Strategy (ITS)**

Adopting our Integrated Transport Strategy and delivering this to ensure the infrastructure is in place to support the development proposed by the Core Strategy and to address some existing traffic congestion issues

**AMBER**

Update

The further traffic modelling is underway and progressing. As a result of the new secondment arrangements there may be some delay to the commencement of modelling results analysis, and some discussion required as to whether this is carried out by JMP or Mott MacDonald. Officers are making progress in discussions with KCC at officer level however the political dynamics still make discussions at this level difficult. There will still need to be continuing dialogue and negotiation, particularly as further Local Plan site allocations are progressed.

Once the analysis is complete work to revise the ITS in line with the emerging Local Plan must be prioritised, including some form of consultation, although the timing of this may need to be considered in light of both the emerging Local Plan consultations and also the borough council elections in May 2015.

**Major assets review**

Reviewing the Council's major assets as part of the Asset Management Plan to make savings and/or maximise income potential. This includes considering long term options for Council accommodation in the town centre, looking at the future use of the Town Hall, exploring options for the King Street, Medway Street and Brunswick Street car park sites, as well as improving and maximising income from the Park Wood industrial estate.

**AMBER**

Update

Funding of various workstreams in connection with office accommodation strategy was approved at Cabinet last week, enabling external Consultants to be appointed to progress matters.

Rent reviews, lease renewals and lease extensions at Park Wood Industrial Estate are progressing, where the terms of the leases apply, using external advisors to ensure best value.

We are also following a policy of reletting property, when it becomes vacant, on improved terms, subject to market rents, instead of disposal.

A feasibility study of the potential for redevelopment of the Brunswick St site is underway.

**Commercial property investment**

**AMBER**

Increasing our property portfolio by identifying and purchasing secondary property market options and converting the Chillington Street building for residential use

Update

Chillington House is currently being converted to four flats, and should be available for letting in late 2014/15.

The administrators of the fund that own the Equilibrium units at Park Wood Industrial Estate have decided not to proceed with the disposal of the freehold of ten units to the Council. The Council was also outbid in attempts to buy the freehold of another plot at Park Wood Industrial Estate and a development site at Junction 6 of the M20. Other opportunities are being followed up.

Looking forward, the rising property market could lead to the yield from investment reducing to a level that barely covers borrowing costs, with asset appreciation being the main return. The management arrangement options for residential properties also need to be examined.

**Empowerment and self-sufficiency workstream**

**GREEN**

**Right to bid, right to challenge and community asset transfer**

**GREEN**

Investigating which assets and services might be appropriate to be delivered by the community through the 'Right to Bid' and establishing an effective mechanism and approach for supporting the transfer of community assets where this is appropriate, demonstrating value for money and maximising their use

Update

Interest remains low particularly in relation to community asset transfer and Right to Bid. Consideration is being given to the opportunity for play areas, particularly in rural areas, to become community asset transfers as part of the Play Area Strategy review. Tentative discussion commenced with Kent Association of Local Councils that was met with a positive response.

**Digital inclusion**

**GREEN**

Working with partners to identify the geographical areas and communities that are most likely to be digitally excluded and work with them to identify solutions. This could mean increasing or signposting publically accessible computers, running training courses or accessing cheap computer schemes

Update

Research has been undertaken into good practice elsewhere, including the work that Camden Council has carried out. A copy of their Digital Strategy has been acquired and will be used to facilitate a discussion with the new Forum that will be set up and running

in the New Year.

In preparation to build a strategy based on some of the priorities and work areas highlighted the Terms of Reference (based on the Financial Inclusion terms of reference) have been updated. This draft document has been circulated to key stakeholders for comment including taking advice on the proposed membership.

**Financial inclusion**

**GREEN**

Working with partners to improve financial awareness and identify solutions to reduce the impact of financial exclusion. Financial inclusion is the ability of an individual, household or group to access appropriate financial services or products. There are a number of barriers to financial inclusion including debt problems, fuel poverty, poor financial knowledge, no affordable credit and low income. Those most likely to be financially excluded include people over 60, young adults, single parents, people with disabilities and people on low and insecure incomes

Update

The third forum meeting was held in September. Sub groups have now been reduced from three to two as the same people were attending money management and crisis management and the work crossed over.

Two money advice for practitioner seminars were held in July and feedback from these was excellent with 95% saying the information would help them advise their clients and 59% saying their knowledge had increased.

A residents' money advice day was held in Marden. Unfortunately despite a substantial amount of advertising, and the event being held in a café, only four residents attended. We will therefore be reviewing our approach for any future events.

We were successful in two small bids from the Illegal Money Lending Team which will be used in another reporting period.

The Financial Inclusion Project Officer post has been extended until March 2015 using funding for the implementation of welfare reform.

**Local flood plans**

**AMBER**

Completing our investigations of how we and other local and national agencies responded to the floods in December 2013 and, over the longer term, working with Kent County Council, the Environment Agency and the Flood and Coastal Regional Committee to consider whether any flood defence schemes are viable and whether these could be pursued. Also, working with local communities at risk of being affected by flooding in the future to help them formulate local flood plans. This will help ensure that communities directly affected by flooding will be able to work together in a planned way to minimise the impact of any floods on people and their property

Update

The action relating to the floods was set out in a report to Cabinet on 8 October which includes an action plan in the appendix. At the end of October, around 25 members, including representatives from the parishes, attended a briefing on the flood related work. Updating the Housing Emergency Plan is a key action which should be completed by the end of December 2014. The on-going work will also focus on trying to get across the various roles and responsibilities around emergency work, which the Kent Resilience Forum are leading on. We have also planned communication with public about what they can do in the event of an emergency via Twitter, Facebook and Borough Update.

A large number of applications for support have been received from residents affected by flooding in response to publicity and the nearing of the deadline for applications to be

received at the end of October. Applications are running at 96 to date, with further enquiries likely to result in additional applications being received before the cut off date. In August over 30 applications were received, which was more than the total for the preceding months. Whilst the initiative was originally expected to be managed by an officer in addition to their existing duties this is no longer practical. Some additional resource was provided to give administrative support but this is no longer adequate. A further resource is being identified but this will result in a delay in processing applications. The aim is to have processed all the applications by the end of November, but this may be challenging.

**Organisational culture**

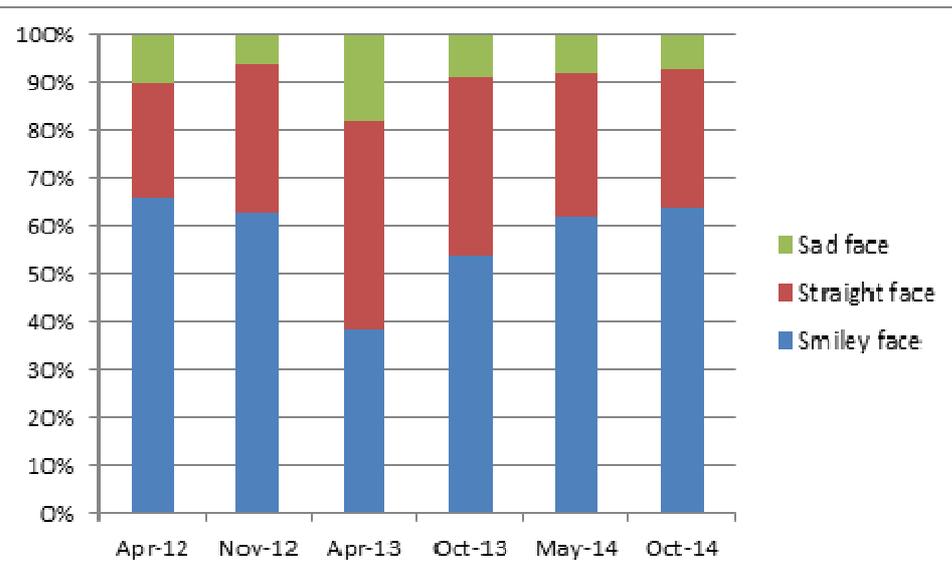
**GREEN**

Ensuring that staff and members can contribute to and understand their role in delivering organisational priorities. Embedding an organisational culture where staff are empowered to do their jobs through appropriate training and managerial support, where there is permission to experiment and time to learn, including looking at best practice in other organisations, and where all officers and members are engaged and are able to give their feedback and ideas. Improving collaboration between different parts of the organisation, ensuring that change is well managed and there is the capacity and capability to deliver the required outcomes. This will all contribute to our aim of achieving Investors in People (IiP) Gold by 2015.

Update

- Work on the 'employee voice' since the last One Council briefings have resulted in comment boxes around the organisation and other engagement activities commencing, including birthday teas.
- One Council briefings have been delivered and overall quite positive feedback:

	Apr-12	Nov-12	Apr-13	Oct-13	May-14	Oct-14
Smiley face	66	63	38	54	62	64
Straight face	24	31	44	37	30	29
Sad face	10	6	18	9	8	7



- Team brief exercise is out which will build on the John Lewis 'what makes a great

organisation' – combined with ideas on a poster in breakout area

- Best Companies survey closes 24<sup>th</sup> October – by midday we had 48% the last time we had the survey we had 60% return rate – this is disappointing – the analysis should come through in December. The next phase of the programme will be determined following this feedback.
- The tender evaluations are in process for 360<sup>o</sup> feedback process to be part of the April 15 appraisals and the consultation process is in process for changing the appraisal to include the 'talent grid'
- The calendar of staff engagement activities has also been updated

## **MAIDSTONE BOROUGH COUNCIL**

### **CABINET**

**WEDNESDAY 12 NOVEMBER 2014**

### **REPORT OF HEAD OF POLICY & COMMUNICATIONS**

**Report prepared by Clare Wood**

#### **1. MID YEAR STRATEGIC PLAN PERFORMANCE UPDATE 2014/15**

##### 1.1 Issue for Decision

1.1.1 Cabinet are asked to consider progress made to date for the 2011-15 Strategic Plan Actions and progress made in the second quarter for the Key Performance Indicators (KPIs)

##### 1.2 Recommendation of Head of Policy & Communications

1.2.1 It is recommended that Cabinet:

- a) Note the progress made against the Strategic Actions;
- b) Note the out-turns of the KPIs (Appendix A), definitions are included for reference at Appendix B;
- c) Note the following indicators that are unlikely to achieve the annual performance target:
  - Processing of minor planning applications within statutory timescales.
  - WCN 004 Total waste arisings per household.
- d) Identify if there are any other areas where further action is required.

##### 1.3 Reasons for Recommendation

1.3.1 The Council has 29 Strategic Actions that were agreed as part of the Strategic Plan 2011-15. The Mid-year performance report includes progress updates against all Strategic Plan actions to assess if the Council is going to achieve its outcomes and priorities.

- 1.3.2 The Council has also set 61 Key Performance Indicators (KPIs) in the Strategic Plan 2011-15, 2013-14 update; there are 34 indicators that can be reported at the mid-year point to check if the authority is on track to meet its targets.
- 1.3.3 The Council's quarterly performance reporting cycle is aligned with financial reporting to enable it to effectively oversee financial performance against corporate priorities and assess whether value for money is being achieved in the delivery of services. The financial monitoring report for the second quarter shows an under spend of £461,040 with 139 out of 233 cost centres under spending. A significant proportion of the underspend can be attributed to employee costs. More information on financial monitoring is available in the Quarter 2 Budget Monitoring Report that will be taken to Cabinet in November.

#### 1.4 Context

- 1.4.1 The Council uses a range of information to manage performance, including performance indicators. The Council's top-level indicators are referred to as Key Performance Indicators (KPIs). The Key Performance Indicators are set out in the Strategic Plan. These were reviewed in April 2014 with new targets and indicators agreed by Cabinet in July 2014. These will continue to be reviewed annually to ensure that they are aligned with the Council's priorities.

#### 1.5 Performance Summary

- 1.5.1 Appendix A shows progress updates against the Strategic Plan Actions and out-turn data for all indicators that can be collected. Some indicators are collected bi-annually or annually, these indicators have not been included in this report.
- 1.5.2 Where an indicator is new and there is no quarterly data, no direction can be given. Where direction is available compared the quarter 2 out-turn for 2013/14 with the quarter 2 out-turn for 2014/15.
- 1.5.3 The following tables show the status of the Key Performance Indicators in relation to targets and direction of travel.

Priority	Green	Amber	Red	N/A	Total
A growing economy	3 (75%)	1 (25%)	0	2	6
A decent place to live	8 (62%)	3 (23%)	2 (15%)	2	15
Corporate & customer excellence	5 (38%)	7 (54%)	1 (8%)	0	13
Total	16	11	3	4	34

	(53%)	(37%)	(10%)		
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Priority	Up	Down	N/A	Total
A growing economy	5 (83%)	1 (17%)	0	6
A decent place to live	5 (45%)	6 (55%)	4	15
Corporate & customer excellence	8 (62%)	5 (38%)	0	13
Total	18 (60%)	12 (40%)	4	34

1.5.4 Overall, 53% (16) of performance indicators have been rated green (currently on target), compared to 47% (18) at the same point in 2013/14. Of the 30 KPIs where direction can be assessed, 60% (18) have improved when comparing 2013/14 quarter 2 with that of 2014/15. The table below shows a comparison of the indicator ratings and direction of travel assessment for quarter 2 2013/14 and 2014/15.

Status	Green	Amber	Red	N/A	Total
2013/14	18 (47%)	9 (23%)	12 (31%)	3	41
2014/15	16 (53%)	11 (37%)	3 (10%)	4	34

Direction	Up	Across	Down	N/A	Total
2013/14	8 (27%)	2 (7%)	19 (66%)	9	38
2014/15	18 (60%)	0	12 (40%)	4	34

1.5.5 It should be noted that at this point in 2013/14, 47% (18) of all KPIs achieved their quarterly targets and 27% (8) of out-turns had improved since the previous year. Each year all targets are reviewed and where possible a continuous improvement approach is used to ensure that targets are challenging.

1.5.6 Eleven KPIs have been rated amber, however nine of the year to date out-turns for these indicators are within 5% of the mid-year target and five are within 1% of the mid-year target.

1.5.7 Of the 29 Strategic Plan Actions, 14 (48%) have been completed and resulted in improvement or efficiencies to services. The majority of the remaining actions are expected to be completed by March 2015, however there have been some delays in certain areas namely in relation to the Local Plan, Integrated Transport Strategy and

Infrastructure Development Plan, these areas will be assessed as part of the development of the new Strategic Plan and carried forward depending on progress made to date.

1.5.8 Highlights to date from the Strategic Actions include:

- Completed phases one and two of the High Street regeneration project, this has created focus point for the town centre.
- Improved links and communication between Planning, Housing and Economic Development teams.
- A new Homelessness Strategy and a Housing Assistance Policy have been produced and adopted.
- We have carried out improvements in Mote Park. Since these improvements footfall in Mote Park has risen, the park has been awarded a green flag and was awarded second place in the Green Flag People’s Choice Awards.
- A more efficient approach has been adopted in relation to street cleaning with area based cleaning implemented.
- A new Waste Contact with an enhanced recycling service has been rolled out and is having a positive impact on our recycling rate.
- Neighborhood Action Planning has taken place in Park Wood and Shepway.
- Early on in our Strategic Plan we reviewed how we interact with customers and produced a Customer Improvement Strategy that details our model for customer service delivery going forward. We have now reviewed our customer service operation and improvements are scheduled for 2015 to further the work on digital services.
- Since 2011 we have delivered 797 affordable homes and brought 314 private sector homes back into use.

1.6 Performance by Priority

**For Maidstone to have a growing economy**

Green	Amber	Red	N/A	Total
3 (75%)	1 (25%)	0	2	6

Up	Down	N/A	Total
5 (83%)	1 (17%)	0	6

1.6.1 There are four indicators relating to this priority that can be rated, three have been rated green and one has been rated amber. Direction can be given to all six indicators that can be reported at quarter 2: Five show improvement compared to the same period in 2012/13.

- 1.6.2 The amount of income from pay and display car parks has increased by £13 per space, compared to the same period last year, it should be noted that the number of pay and display car park spaces has decreased during the same period.
- 1.6.3 While there has been a 0.7% decrease in Park and Ride transactions, this is a much smaller decline than was reported at the same period last year, where performance was showing a 7.7% decline in Park and Ride transactions between quarter 2 2012/13 and quarter 2 2013/14. Improvements have been made to the service during quarter 2 and it should be noted that quarter 3 is generally the best performing quarter for the year due to the run up to Christmas.
- 1.6.4 The Local Plan, Infrastructure Delivery Plan and the Integrated Transport Strategy are all following the same programme. The next round of consultation will take place in July 2015. Submission of the Local Plan to the Secretary of State is expected to take place in November 2015, with the likelihood that adoption of the plan will be Summer 2016.
- 1.6.5 A draft Economic Development Strategy has been produced and scheduled to go to Cabinet in November for approval, public consultation will then take place to inform the final Strategy. Following the completion of phases one and two of the High Street regeneration project, proposals for phase three (north end of Week street, Gabriel's Hill and Earl Street) have been drafted. The next stage is for these proposals to be assessed in relation to their economic impact.

**For Maidstone to be a decent place to live**

Green	Amber	Red	N/A	Total
8 (62%)	3 (23%)	2 (15%)	2	15

Up	Down	N/A	Total
5 (45%)	6 (55%)	4	15

- 1.6.6 There are 13 Key Performance indicators relating to this priority that can be rated. Eight have been rated green, three have been rated amber and two red. Eleven indicators relating to this priority can be given a direction, five are showing and improvement compared to quarter 2 in 2013/14.
- 1.6.7 Out of the three processing indicators for planning (majors, minors and others), only the majors have achieved the quarterly target and improved performance compared to the same period last year. Performance in relation to processing minor and other planning applications have not achieved their quarterly targets and are showing a decline compared to quarter 2 in 2013/14. It should be noted that

there was drop of 23% (-25) in minor planning applications and a 34% drop (-114) in other applications determined in this quarter compared to the same period last year. Based on historic data the Performance Officer does not believe that the annual target will be achieved. An interim Head of Service has been introduced to oversee the planning support shared service to add capacity to the service.

- 1.6.8 Both the number of affordable homes delivered and number of private sector homes improved have achieved their quarterly targets. While the number of private sector home improved has dropped compared to the same period last year it is worth noting that both of these indicators have profiled targets. Therefore we currently consider them on track to achieve the annual targets. Actions on homelessness are progressing with a new triage service being implemented in the Gateway and the purchase of Aylesbury House, both of which are expected to have a positive impact on the use and cost of temporary accommodation.
- 1.6.9 Recycling rated dipped slightly in quarter 2 compared with quarter 1, when the 50% rated was reached for the first time. However, performance is still currently on track to achieve the annual target. Total waste arisings has been rated amber for the second consecutive quarter. This is the first year that this indicator has been reported and no direction is available however, based on performance to date the Policy and Performance Officer believes that the annual target is likely to be marginally missed.
- 1.6.10 The majority of actions that related to the objective: Continue to be a clean and attract environment for people who live in and visit the borough, have been completed. But work to maximize our leisure and culture offer continues through our commercialisation strategy, with one of the work streams relating to Mote Park, which has seen an increase in visitors.
- 1.6.11 The Maidstone Families Matter programme is progressing well, over 200 families have now been accepted onto the programme and the annual target has been achieved. The next step is to engage with these families and to date over 80% have been engaged with.
- 1.6.12 The Community Development and Partnerships team are currently in the process of refreshing the Community Development Plan and the engaging with parishes and cabinet to review and refresh the Parish Charter. In January they will be hosting an Engagement and Participatory Appraisal workshop for local community groups and members.

### **Corporate & Customer excellence**

Green	Amber	Red	N/A	Total
5 (38%)	7 (54%)	1 (8%)	0	13

Up	Down	N/A	Total
8 (62%)	5 (38%)	0	13

- 1.6.13 There are 13 key performance indicators that relation to the priority Corporate and Customer Excellence. Five of these have been rated green, seven have been rated amber and one rated red. For eight performance has improved compared to the same period last year.
- 1.6.14 Both KPIs that relate to complaints have been rated amber. There were 40 additional complaints made in quarter 2 this year than in the same period in 2013/14. For the year to date 465 complaints have been received compared to 269 at the same point last year, this equates to an increase of 73%. Due to staff sickness fewer satisfaction surveys were sent during quarter 2 than usual, this impacted on the response rate, with only fourteen surveys returned and none of them satisfied. At present it is still possible that both indicators will achieve the annual targets.
- 1.6.15 Working days lost to sickness absence have improved compared to the same period last year. At present performance is marginally over the target level and therefore it has been rated amber. Long-term sickness increased during quarter 2, rather than short-term sickness. It should be noted that the out-turn is based on a rolling year. It is possible that the annual target could be achieved.
- 1.6.16 The waste collection team experienced issues with the collection vehicles during quarter 2. Collection rounds were covered by other crews however, this has led to an increase in missed bins. The vehicle issue has since been resolved and it is still possible that the annual target will be achieved.
- 1.6.17 Despite two of the three channel shift indicators being rated amber, all are moving in the right direction with fewer visits to the gateway and calls to the contact centre and an increase in people contacting us through the website.
- 1.6.18 The strategic plan is being developed along with our budget strategy. Roadshows are currently being held in various places around the borough to gather resident's feedback and opinions on the budget and inform the priorities for the new strategic plan.

1.6.19 The Business Improvement team have completed a review in Parking which has identified over £6000 in potential cashable savings. They have also reviewed the processes around the booking and delivery of events and have identified several improvements that are expected to deliver efficiencies in staff time. The review of the Revenues and Benefits service has just begun and the Business Improvement team is also working with the Business Delivery Unit in Tunbridge Wells and the Kent Channel Migration to look at how to reduce avoidable contact.

1.7 Alternative Action and why not Recommended

1.7.1 The Strategic Actions and Key Performance Indicators reflect local priorities and measure progress towards the Council’s Strategic Outcomes. They are the Council’s top level actions and indicators and are linked to the Council’s Strategic Plan.

1.7.2 Not monitoring progress against the Strategic Plan 2011-15 could mean that the Council fails to deliver its priorities and would also mean that action could not be taken effectively to address performance during the year.

1.8 Impact on Corporate Objectives

1.8.1 The Strategic Actions and Key Performance Indicators are part of the Council’s overarching Strategic Plan 2011-15 and play an important role in the achievement of our corporate objectives as well as covering a wide range of service and priority areas; for example, waste and recycling.

1.9 Risk Management

1.9.1 The production of robust performance reports contributes to ensuring that the view of the Council’s approach to the management of risk and use of resources is not undermined and allows early action to be taken in order to mitigate the risk of not achieving targets and outcomes.

1.10 Other Implications

1.10.1

1.	Financial	X
2.	Staffing	X
3.	Legal	
4.	Equality Impact Needs Assessment	X
5.	Environmental/Sustainable Development	

- 6. Community Safety
- 7. Human Rights Act
- 8. Procurement
- 9. Asset Management


**Financial**

- 1.10.2 Performance indicators and targets are closely linked to the allocation of resources and determining good value for money.
- 1.10.3 The financial implications of any proposed changes are also identified and taken into account in the Council’s Medium Term Financial Plan and associated annual budget setting process with performance issues highlighted as part of the budget monitoring reporting process.

**Staffing**

- 1.10.4 Having a clear set of targets enables staff outcomes/objectives to be set and effective action plans to be put in place.

**Environmental**

- 1.10.5 The actions and indicators cover and are used to monitor a number of priority areas.

1.11 Relevant Documents

Strategic Plan 2011-15 (2014/15 Refresh)

1.11.1 Appendices

Appendix A – Mid-Year Strategic Plan Performance Update  
 Appendix B – Key Performance Indicator Definitions

**IS THIS A KEY DECISION REPORT?**

**THIS BOX MUST BE COMPLETED**

Yes

No

If yes, this is a Key Decision because: .....

.....

Wards/Parishes affected: .....

.....

Understanding Performance Tables

PI Ref	Indicator Description	Q1 2013/14	Quarterly Data reported throughout the year.				2014/15		Responsible Officer	D	Status
			Value	Target	Q2 2014/15	Q3 2014/15	Q4 2014/15	Value			

This is the performance measure.

Quarterly Data reported throughout the year.

Direction of Travel (D) shows change compared to the previous year please see keys to symbols below.

The unique reference number.

Results for previous year so that comparisons can be made.

Values and Targets for the financial year 2014/15.

The status symbol shows if the target has been achieved please see keys to symbols below. Based on year to date performance and targets

Key to performance ratings

Performance indicators are judged in two ways; firstly on whether performance has improved, been sustained or declined, compared to the same period in the previous year for example, 2014/15 quarter 2 out-turns will be compared against 2013/14 quarter 2 out-turns. This is known as Direction. Where there is no previous data no assessment of Direction can be made. The second way in which performance is assessed looks at whether an indicator has achieved the target set and is known as PI status. Some indicators will show an asterisk (\*) after the figure, these are provisional out-turns that are awaiting confirmation. Contextual indicators are not targeted but are given a direction. Indicators that are not due for reporting or where there is delay in data collection are not rated against targets or given a direction.

PI Status	
	Target not achieved
	Target missed (within 10%)
	Target met
	No target to measure performance against
	Data Only

Direction	
	Performance has improved
	Performance has not changed / been sustained
	Performance has declined
	No previous performance to judge against

**For Maidstone to have a growing economy**

**Objective 1. A transport network that supports the local economy**

PI Ref	Indicator Description	Q2 2013/14	Q1 2014/15	Q2 2014/15		Q3 2014/15	Q4 2014/15	2014/15		Responsible Officer	Trend	YTD Status
				Value	Target			Value	Target			
PKG 002	Income from pay and display car parks per space	£223.66	£291.15	£304.34	£226.49			£595.49	£1029.49	Jeff Kitson		
PKG 007	Number of on-board Park & Ride bus transactions	90,847	89,849	90,217	90,720			180,066	378,000	Jeff Kitson		

Code	Action	Due Date	Status	Latest Note
OUT 001.01 176	Deliver an integrated transport strategy	31-Mar-2015		There have been a number of delays in transport modelling but the modelling is now underway. The results of the modelling will need further analysis, so the Project Board agreed that the ITS should follow the local plan programme. Consequently, the next round of consultation for the draft Integrated Transport Strategy will be undertaken in July 2015.
OUT 001.02	Implement an infrastructure delivery plan	31-Mar-2015		The Infrastructure Delivery Plan (IDP) is part of the evidence base that supports the Maidstone Borough Local Plan. A verbal update on progress was given to Planning, Transport & Development Overview and Scrutiny Committee on 16 September 2014, and a further verbal update will be given at the Committee's January meeting when representations on draft local plan site allocations will be considered. The IDP is following the local plan programme so will be revised to reflect changes in the Publication version of the Maidstone Borough Local Plan which is expected to be published for consultation in July 2015.

**Objective 2. A growing economy with rising employment, catering for a range of the skill sets to meet the demands of the local economy**

PI Ref	Indicator Description	Q2 2013/14	Q1 2014/15	Q2 2014/15		Q3 2014/15	Q4 2014/15	2014/15		Responsible Officer	Trend	YTD Status
				Value	Target			Value	Target			
DCV 002a	Percentage of 'major' business planning applications having pre-application discussions	95.65%		96.00%	92%			96.00%	92%	Rob Jarman		
E&S 001	Work experience placements delivered (by the Council) across the borough	3	13	5				18		John Foster		
E&S 002	Number of employers that have engaged with NEETs (not in education, employment or training) through MBC	17	4	38				42		John Foster		
LVE 002	Percentage of people claiming Job Seekers Allowance	2%	1.5%	1.4%	2.5%			1.4%	2.5%	John Foster		

Code	Action	Due Date		Latest Note
OUT 002.01	Local Development Framework and Core Strategy	31-Mar-2015		The draft Maidstone Borough Local Plan (MBLP) was subject to public consultation in spring 2014 (known as Regulation 18 consultation). At the Planning, Transport & Development Overview and Scrutiny Committee meeting held on 19 August 2014, the Committee noted the officer summaries of representations that were made on the overall strategy, the spatial policies, the development management policies and infrastructure delivery policies. Officer responses and recommendations arising from the development management and infrastructure delivery policies will be

Code	Action	Due Date		Latest Note
				considered by the Committee at its meeting on 16 December 2014 prior to Cabinet decision. At its meeting on 20 January 2015, the Committee will consider the representations received on MBLP site allocations and the resulting recommendations of officers, prior to Cabinet approval to undertake a further, but more focused, consultation on new site proposals (a further Regulation 18 consultation). The results of the consultation, together with officer recommendation for appropriate amendments to the balance of MBLP policies, will culminated in an amended MBLP that will be subject to formal consultation in July 2015 (known as Regulation 19 consultation). Submission of the MBLP to the Secretary of State for public examination is programmed for November 2015, with the examination itself expected to take place in February 2016. Adoption of the MBLP will be around July 2016.
178 OUT 002.02	Review Economic Development Strategy	31-Mar-2015		The Draft Economic Development Strategy has now been produced and is due to go to Cabinet for approval in November before going out to public consultation.
OUT 002.03	Assistance for businesses	31-Mar-2015		It has recently been agreed that Economic Development officers will be invited to all pre-planning meetings with commercial development clients. A monthly meeting between Planning, Economic Development and Housing officers has also been established to review new planning applications and potential developments prior to committee reports being compiled.
OUT 002.04	Review Parkwood Industrial Estate and implement a strategy for its regeneration	31-Mar-2015		Discussions held with key tenants and a regular programme of meetings has been established. Meetings with key owners of development sites have commenced.
OUT 002.05	Work with partners through the LSP to deliver a step change in Maidstone's learning and skills performance to ensure a high-quality skills base sufficient to enable people in Maidstone to realise their full	31-Mar-2015		The Maidstone Locality Board no longer exists, but the priority sub group for Tackling Worklessness and Poverty remains, with the lead being taken by the Economic Development team to develop a programme of apprenticeships, work placements and training/skills development opportunities.

Code	Action	Due Date		Latest Note
	potential.			
OUT 002.06	Deliver the High Street Regeneration Project	31-Mar-2015		The second phase of the High Street Regeneration Project is now complete. The proposals for Phase 3 for the north end of Week Street, Gabriel’s Hill and Earl Street have been drafted and an Economic Impact Assessment on the impact of these, and the results of Phase 1 and 2 is due to be commissioned in the next couple of months.
179 OUT 002.08	Local Implementation Plan (LIP) Homes and Community Agency milestones	31-Mar-2015		The LIP was a mechanism used by the previous government and has not been carried forward by the coalition government in the same way. The only recognisable remnant is the affordable housing programme. The Housing Service has developed a programme in partnership with our housing providers and the Homes & Communities Agency (HCA) that has successfully delivered over 600 new affordable homes over the past three years. The programme has delivered a wide range of property type and size of accommodation, ranging from 1 bedroom flats to four bedroom houses. These homes were provided to rent and also as shared ownership, enabling many families to get their step on the property ladder. In addition the council entered into a contract with the HCA to return 10 long-term properties back into use. The programme was so successful that the HCA provided extra funds to enable a further three long-term empty properties to be repaired and returned to use. This also enabled the Maidstone to acquire a 'developer' status with the HCA and more recently to be appointed as a Registered Provider of social housing.

**For Maidstone to be a decent place to live**

**Objective 3. Decent, affordable housing in the right places across a range of tenures**

PI Ref	Indicator Description	Q2 2013/14	Q1 2014/15	Q2 2014/15		Q3 2014/15	Q4 2014/15	2014/15		Responsible Officer	Trend	YTD Status
				Value	Target			Value	Target			
DCV 004	Processing of planning applications: Major applications (NI 157a)	53.85%	68.75%	80.00%	70.00%			75.00%	70.00%	Rob Jarman		
DCV 005	Processing of planning applications: Minor applications (NI 157b)	80.56%	62.65%	51.81%	75.00%			57.23%	75.00%	Rob Jarman		
DCV 006	Processing of planning applications: Other applications (NI 157c)	90.33%	80.00%	69.12%	85.00%			75.15%	85.00%	Rob Jarman		
	The implementation issues with the planning support service have impacted on the processing of minor and other planning applications. Due to the delays in validation, once Officers receive the application and consultation has been carried out the statutory period has already passed.											
DCV 003	Percentage of residential planning applications processed within statutory timescales	77.50%	Data not provided	Data not provided	70.00%			Data not provided	70.00%	Rob Jarman		
	We are reporting the statutory data for development control and an interim head of service has been appointed to assist with capacity, one of the issues they will be looking at is progressing performance reporting for this service.											
HSG 001	Number of affordable homes delivered (gross)	32	39	41	40			80	200	John Littlemore		
HSG PS 003	Number of private sector homes improved	101	70	52	45			122	180	John Littlemore		

Code	Title	Due Date		Latest Note
OUT 003.01	New Housing: Enable the delivery of a range of high quality homes that are desirable and affordable to all sections of the community	31-Mar-2015		A total of 189 affordable homes are reported as completed for 2013/14, across a range of tenures (156 were affordable rent, 6 were first buy and 18 shared ownership). The 189 affordable homes comprise of a mixture of one, two, three and four bed units. In total in 2013/14 there were 423 (net) additional homes delivered in Maidstone (ready for occupation). Performance for the year to date is on track to achieve the annual target of 200 affordable homes for 2014/15.
181 OUT 003.02	Existing Housing: Ensure our existing housing is suitable and able to meet future challenges; providing sought after homes now and into the future	31-Mar-2015		The Business Improvement Team is working with the Housing Service to help develop the council's response to stock conditions within the private rented sector and home ownership. The council continues to bring property occupied by vulnerable people up to decent homes standard (276 in 2013/14), using the benchmark worked up by the previous government. The new Housing Assistance Policy provides a more tailored grant regime that encourages landlords to improve their homes and management standards through the council's accreditation scheme. Landlords receiving grants are also required to provide nomination rights to the council, which helps to ease demand on the housing register by providing homes in addition to those provided by housing associations. The scheme also helped Maidstone discharge its homelessness duty into the private rented sector for 14 families, the first local housing authority in Kent to use the new powers under the Localism Act. In 2013/14, 107 private sector dwelling were returned to occupation as a result of action taken by MBC.
OUT 003.03	Homelessness & vulnerable groups: Commission and provide services with partners that meet identified needs, reduce inequalities, are responsive and timely, promote stable, strong communities, self-reliance and encourage positive aspirations	31-Mar-2015		A new Homelessness Strategy has been developed and is due for adoption by the Cabinet Member in early May 2014. The new Strategy builds on recent success in changing service delivery that has seen the introduction of online application forms, text messaging and emailing clients rather than using paper letters. This has improved efficiency by providing a quicker service to applicants whilst also reducing the overall cost of the service. The increase in homelessness has made for a challenging year and although the numbers in temporary accommodation is higher than our standards would want, our figures compares well with most of the other

Code	Title	Due Date		Latest Note
				local housing authorities in Kent. The introduction of the new Allocation Scheme has been a major achievement. The new scheme was introduced in April 2013 together with a new IT system. Both were large projects that were implemented by the Housing Service without difficulties arising. A measure of the success has been the doubling in number of households in the 'Band A community contribution' group. This Band was meant to encourage people to link getting into work or training with access to subsidised housing and the Band has doubled in size since the launch in April, whereas the overall number of the register has only risen by less than 10%. The purchase of Aylesbury House is expected have a positive impact of our temporary accommodation spending.

**Objective 4. Continue to be a clean and attractive environment for people who live in and visit the borough**

PI Ref	Indicator Description	Q2 2013/14	Q1 2014/15	Q2 2014/15		Q3 2014/15	Q4 2014/15	2014/15		Responsible Officer	Trend	YTD Status
				Value	Target			Value	Target			
DCE 001	Percentage of planning enforcement cases signed off within 21 days	94.92%	Data not provided	Data not provided	90%			Data not provided	90%	Rob Jarman		
The reports for this data are in the process of being set up in the new Uniform system. The process of work allocation and investigation continues and productivity within the team remains stable.												
DEP 001	The percentage of relevant land and highways that is assessed as having deposits of litter that fall below an acceptable level (NI 195a)	1.67%	1.66%	1.66%	1.70%			1.66%	1.70%	Gary Stevenson		
WC N 001	Percentage of household waste sent for reuse, recycling and composting	46.30%	51.50%	48.91%	50.00%			50.24%	50.00%	Gary Stevenson		

PI Ref	Indicator Description	Q2 2013/14	Q1 2014/15	Q2 2014/15		Q3 2014/15	Q4 2014/15	2014/15		Responsible Officer	Trend	YTD Status
				Value	Target			Value	Target			
	(NI 192)											
WC N 004	Total waste arising per household (NEW 2014/15)		225.07	212.58	206.25			437.65	825.00	Gary Stevenson		

Code	Title	Due Date		Latest Note
OUT 004.01	Deliver focussed enforcement activity to ensure high impact on the cleanliness of the Borough	31-Mar-2015		Area based enforcement has been trialed and the revised scheme has been implemented. A new contract is now in place and campaigns on littering are being undertaken.
OUT 004.02	Work with partners to ensure that all areas of the Borough are clean and well-maintained	31-Mar-2015		Town centre new approach for Jubilee square to keep it maintained has been implemented.
OUT 004.03	Ensure provision of timely specialist advice and services on heritage and landscape design to protect and enhance Maidstone's environment	31-Mar-2015		This action has been completed with the new MKIP processes for Planning. We are currently monitoring how things are working and advising the relevant teams of any problems which need resolving.
OUT 004.04	Deliver the Carbon Management Plan to ensure that the Council reduces its carbon footprint by 3% per annum	31-Mar-2015		There was a small increase (0.82%) in carbon emissions on the previous year. This is partly explained by the fact that the year was a particularly cold year and a significant increase in emissions from the waste services fleet (which accounts for 33% of the councils emissions. A new contract for the waste fleet services which incorporates the use of vegetable based fuels will reduce this significantly in the 2013-14 year. This service began in August 2013. Due to changes in the conversion factors for emissions related to national grid electricity, all years were recalculated and a re-baselining exercise was undertaken. This was carried out in accordance with the guidance from DECC which are summarised here: <a href="http://www.ukconversionfactorscarbonsmart.co.uk/documents/What's%2">http://www.ukconversionfactorscarbonsmart.co.uk/documents/What's%2</a>

Code	Title	Due Date		Latest Note
				Onew%20guidance_v3.pdf Overall, the council's emissions are 12.5% below the baseline year of 2008/09 and are 1.5% above the target for 2012-13 accounting period.
OUT 004.05	Maximise our leisure and cultural offer to enhance the quality of life for our residents whilst attracting visitors, new residents and businesses	31-Mar-2015		We are looking at how best to maximise our assets and a commercialisation strategy has been agreed and one of the current work streams is looking at the use of Mote Park. The review of Play Areas has been completed and Mote Park came 2 <sup>nd</sup> in the UK in the Green Flag People's Choice Awards. Data shows that there has been a 6.5% increase in visitors to the park for 2014/15 to date compared to the same point in 2013/14.
OUT 004.06	New Waste Contract	30-Apr-2013		The new waste contract was rolled out in August 2013 and provided residents with more opportunities to recycle a wider variety of waste including small electrical items. Performance figures show a positive increase in the recycling rate.

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**Objective 5.** Residents in Maidstone are not disadvantaged because of where they live or who they are, vulnerable people are assisted and the level of deprivation is reduced

PI Ref	Indicator Description	Q2 2013/14	Q1 2014/15	Q2 2014/15		Q3 2014/15	Q4 2014/15	2014/15		Responsible Officer	Trend	YTD Status
				Value	Target			Value	Target			
HSG 005	Number of households prevented from becoming homeless through the intervention of housing advice	82	118	50	87			168	350	John Littlemore		
The number of preventions has gone down in the last quarter due to the numbers of people presenting as homeless, rather than contacting the council whilst their situation is preventable. Once the Triage system is implemented next month, we would expect to see these numbers rise, as people who are offered advice by a CSA that prevents their becoming homeless will be recorded. As Triage becomes embedded and frees up some of the Housing Advisors'												

PI Ref	Indicator Description	Q2 2013/14	Q1 2014/15	Q2 2014/15		Q3 2014/15	Q4 2014/15	2014/15		Responsible Officer	Trend	YTD Status
				Value	Target			Value	Target			
	time, it is anticipated that the team will start to do more outreach work which will also contribute to the prevention figures.											
HSG 009	Average length of stay in temporary accommodation (those leaving TA)		73.7 days	48.4 days	57.6 days			60 days	57.6 days	John Littlemore		
MF M 001a	Number of families accepted on the Maidstone Families Matter programme	49	178	39	35			217	189	Ellie Kershaw		
MF M 001b	Percentage of those accepted to the Maidstone Families Matter programme that have been engaged with (year to date)	59.18%	55.06%	81.57%	60.00%			81.57%	60.00%	Ellie Kershaw		
R&B 004	Time taken to process Housing Benefit/Council Tax Benefit new claims and change events (NI 181)	7.74	9.98	9.65	10.00			9.82	10.00	Steve McGinnes		

Code	Title	Due Date		Latest Note
OUT 005.01	Reduce inequalities within communities through preventative action	31-Mar-2015		Following on from the elections and the election of a new Cabinet Member, the Community Development Plan refresh stalled. The new emerging Cabinet priorities will influence the new Plan to reflect a greater focus on mental health and wellbeing. This is still work in progress and although we are behind in schedule, it is important that the document and actions within reflect the Council's emerging vision and priorities.
OUT 005.02	Promote active citizenship – to facilitate and support increased involvement by local people in decision making and involvement	31-Mar-2015		To date for 2014, the Community Partnerships team has delivered a series of training events and workshops to promote active communities and citizenship;

Code	Title	Due Date		Latest Note
	in their neighbourhoods			<p>May 2014: Launched the Maidstone BME Forum in partnership with Voluntary Action Maidstone.</p> <p>June 2014: Supported Social Enterprise event: delivered in partnership with VAM, to provide support around setting up a social enterprise, funding, marketing etc.</p> <p>May and October 2014: Held Operation Civic in Shepway, Penenden Heath, Yalding and Staplehurst promoting community and partnership engagement.</p> <p>September 2014: Refreshing the Parish Charter - setting up community engagement meetings with each of the Parish Councils in partnership with the relevant Cabinet Member.</p> <p>Upcoming in January 2015: We will be hosting a Neighbourhood Engagement workshop and Participatory Appraisal workshop for local voluntary and community groups and parish/ward councillors.</p>
186 OUT 005.03	Review the Parkwood Planning for Real activity to inform further work and activities supporting communities in identifying and meeting their needs, opportunities, rights and responsibilities	31-Mar-2015		No further action. The Park Wood Neighbourhood Action Plan work has now been completed. The Shepway Neighbourhood Action Plan was launched earlier in the year and we will now be engaging with residents and agencies in the Shepway North and South wards. Maidstone Borough Council still works within the Park Wood ward, working in partnership with Fusion Healthy Living Centre to support its health and wellbeing programmes, we support training and skills programmes being delivered through the charity Tomorrow's People, support a young parents group at Heather House and continue to manage the local community hall facility.
OUT 005.04	Implement meaningful community commissioning of services for local people	31-Mar-2015		A pilot project was undertaken with the voluntary and community sector to review Social Return on Investment and its impact on the Service Level Agreement funding received through the team. The University of Kent was commissioned to undertake a Research Paper (completed April 2012) which identified that meaningful community commissioning can be undertaken through the neighbourhood action planning process.
OUT 005.05	Increase targeted support for families with	31-Mar-2015		A Task and Finish group was set up with partners to develop a partnership

Code	Title	Due Date	Latest Note
	children aged 0-3, particularly the most vulnerable and deprived		approach and action plan to target families with 0-5s. The action plan has now been completed and adopted by partners. In terms of reporting line, the 0-5s focus group will sit under the Children's Operational Group (replacing the local Local Children's Trust) and will link in with the children centres steering group, which will be extending its reach from 0-11 years.

### Corporate and Customer Excellence

**Objective 6. Services are customer focused and residents are satisfied with them**

PI Ref	Indicator Description	Q2 2013/14	Q1 2014/15	Q2 2014/15		Q3 2014/15	Q4 2014/15	2014/15		Responsible Officer	Trend	YTD Status
				Value	Target			Value	Target			
CTC 001	The average wait time for calls into the Contact Centre	276.00 seconds	149.00 seconds	112.00 seconds	120.00 seconds			130.50 seconds	120.00 seconds	Sandra Marchant		
CTC 002	Percentage of Visitors to the Gateway responded to by a CSA within 20 minutes	59.38%	76.2%	84.55%	75%			80.5%	75%	Sandra Marchant		
PIT 001	Percentage of complaints resolved within the specified timescale	97.14%	95.6%	93.49%	95%			94.62%	95%	Angela Woodhouse		
PIT 002	Satisfaction with complaint handling	40.00%	54.39%	0.00%	45.00%			43.66%	45.00%	Angela Woodhouse		
	The response rate was very low this quarter due to sickness absence in the chief executive's exec support team meaning the team were not able to send out as many complaint surveys as in previous quarters. In the future, if the chief executive's exec support team are unable to send out surveys they will inform the Policy and Information Team who will make alternative arrangements. These issues will be further addressed in the Q2 complaints report, where an accurate response rate figure, based on the number of surveys sent out, will be given.											

PI Ref	Indicator Description	Q2 2013/14	Q1 2014/15	Q2 2014/15		Q3 2014/15	Q4 2014/15	2014/15		Responsible Officer	Trend	YTD Status
				Value	Target			Value	Target			
R&B 009	Overall satisfaction with the benefits service	93.86%	91.15%	90.24%	85%			90.68%	85%	Steve McGinnes		

Code	Title	Due Date		Latest Note
OUT 006.01	Ensure we use performance management data, customer satisfaction and customer feedback to improve services	31-Mar-2015		The new complaints system has been implemented and the complaints survey has been revised and is now sent out weekly rather than quarterly which has improved the response rate. Road shows are being held at various locations around the borough to inform the new Strategic Plan.
188 OUT 006.02	Review the way we interact with our customers	31-Mar-2015		The customer focussed services review was completed in October 2012. It included focus groups, interviews and surveys with residents and businesses, visits to other councils, analysis of customer transaction data and use of Mosaic Public Sector to look at the types of people who contact us, how they contact us, how frequently and for which services, The main aim of the project was to make recommendations on how the Council should be delivering customer services for the future. The new model is essentially digital first - a full range of services provided via the website or through apps, a reduced desire for person to person calls and an increased automated telephone service, face to face available through appointments at our offices and partners supporting transactions and the possibility of online and telephone points throughout the borough and hosted by partners. The new model of customer service delivery for the future and the actions we plan to take to deliver it was detailed in the Customer Service Improvement Strategy adopted by Cabinet on 10 April 2013.

**Objective 7. Effective, cost efficient services are delivered across the borough**

PI Ref	Indicator Description	Q2 2013/14	Q1 2014/15	Q2 2014/15		Q3 2014/15	Q4 2014/15	2014/15		Responsible Officer	Trend	YTD Status
				Value	Target			Value	Target			
BIM 003a	Percentage of customer contacts made in person in the Gateway	8.75%	6.90%	7.20%	7.50%			7.05%	7.30%	Georgia Hawkes		
BIM 003b	Percentage of customer contacts made online by visiting the councils website	71.00%	75.47%	73.59%	73.50%			74.54%	75.00%	Georgia Hawkes		
BIM 003c	Percentage of customer contacts made by phone through the contact centre	20.25%	17.63%	19.22%	18.30%			18.42%	17.70%	Georgia Hawkes		
R&B 005	Percentage of Non-domestic Rates Collected (BV 010)	61.12%	33.64%	59.23%	58.08%			59.23%	97.80%	Steve McGinnes		
R&B 006	Percentage of Council Tax collected (BV 009)	58.20%	29.30%	58.10%	58.21%			58.10%	98.30%	Steve McGinnes		
BIM 002	Percentage of financial transactions not carried out on-line or by direct debit/standing order	9.92%	8.7%	8.65%	10%			8.67%	10%	Paul Riley		
HRO 001/ BV 12	Working Days Lost Due to Sickness Absence (rolling year) (BV 12)	9.84 days	7.46 days	8.36 days	8.00 days			8.36 days	8.00 days	Dena Smart		
	Short-term sickness 2.7 days per employee, long-term sickness 5.66 days per employee.											
WC N	Missed bins (per 100,000 collections)	186.0	37.6	41.0	30.0			39.3	30.0	Gary Stevenson		

PI Ref	Indicator Description	Q2 2013/14	Q1 2014/15	Q2 2014/15		Q3 2014/15	Q4 2014/15	2014/15		Responsible Officer	Trend	YTD Status
				Value	Target			Value	Target			
006	Missed collections improved significantly in July and August, with levels reaching 28 per 100,000. Unfortunately a vehicle fault was identified in September which affected 18 vehicles across the Partnership and resulted in a high level of vehicle downtime. As the work was covered by other rounds the level of missed collections rose sharply. The vehicle issue has been isolated as a defective part which has now been replaced on all affected vehicles. The last week of September showed significant improvement with missed collections returning to within target.											

Code	Title	Due Date		Latest Note
OUT 007.01	Seek out and implement new ways of delivering services that are not our core business, such as the Theatre and the Museum	31-Mar-2015		The Hazlitt theatre is now being run by Park Wood Leisure. At Museum, discussions have taken place with Legal on alternative methods of governance such as a Trust .Some examples of other Trusts have also been visited .This work will be developed over the coming financial year.
190 OUT 007.02	Progress the shared services programme for those services that it is practical to do so and savings can be achieved.	31-Mar-2015		The project closure report has been received for the Environmental Health shared service. Work continues on the thye Planning Support shared service with an interim Head of Service appointed to provide capacity.. Performance in Planning Support has dropped and the team are working hard to recover to a business as usual position. Performance in Environmental Health has remained steady, but there remain some significant challenges to resolve. Work has been undertaken to consider what other services might be shared, and MKIP is currently working collaboratively to deliver Digital First initiatives across the three partners, and has submitted a Transformation Challenge Award to DCLG to assist with this. The results of the bid will be known in November. The Mid Kent Services Director trial will continue until May 2015 and baseline evidence to measure the success of the trial has been gathered. A mid point review of evidence will take place in October to ensure the project is on track.
OUT 007.03	Undertake a programme of business improvement service reviews to ensure	31-Mar-2015		As part of the wider Customer Service Improvement Programme the Business Improvement team continue to review and work with services to

Code	Title	Due Date		Latest Note
191	services are customer focused and delivered efficiently and effectively.			<p>deliver staff time efficiencies and cashable savings. The Housing review has been completed in the main, with some changes, like introducing a housing triage service in the Gateway, currently being introduced. The main focus of the review was to minimise the overall cost to the Council of use of temporary accommodation and the full impact of the changes made is still being calculated. Business cases for income generating opportunities in Bereavement Services are being investigated, with the business case for a pet crematorium in particular looking extremely promising. The Parking review has delivered efficiencies in staff time of 0.3 FTE in the Parking Service and 0.2 FTE in Corporate Support and £3,000 cashable savings through reduction of outgoing post are predicted to be delivered in 2015/16. A virtual parking permits system will deliver around another 1.7 FTE in efficiencies in staff time and a further £3,300 cashable savings, but that will not be fully implemented until 2015/16 at the earliest. A mobile working solution has been introduced for Environmental Services that is more efficient for staff and offers more accurate reporting for residents. This is predicted to deliver around 2.9 FTE in staff time efficiencies at the Depot, with further efficiencies in staff time in the front office. The waste, recycling and environmental service reporting app has also been removed, saving £2,670 per year. The process of events has been investigated and a number of improvements identified that will deliver staff time efficiencies. The review of Revenues and Benefits has begun, which has the potential to deliver relatively large efficiencies in staff time in the front and back office as it is such a large service. The two current workstreams are customer contacts, including improving letters to reduce avoidable contact, and looking at payment methods. There are a number of other things that will be considered as part of the review. The Business Improvement team is working with the Business Delivery Unit in Tunbridge Wells and the Kent Channel Migration team to deliver this review. Work will commence with the Museum in November and the Finance review due to start around February 2015 is being planned.</p>

Code	Title	Due Date		Latest Note
OUT 007.04	Ensure that the authority has a productive, proactive and flexible workforce	31-Mar-2015	▶	The Cabinet have now agreed the workforce strategy which will continue to be delivered through the action plan. Systems and processes are in place for effective recruitment, training and performance management of staff. The employee engagement plan is in place and the development of the ambition to reach liP Gold by 2015 should ensure this focus continues.

## For Maidstone to have a growing economy

## Outcomes by 2015:

## 1. A growing economy with rising employment, catering for a range of skill sets to meet the demands of the local economy.

Element	Indicator	Frequency	Good Performance	Responsible Officer	Rationale
Customer (attraction)	<b>LVE 003</b> Percentage of vacant retail units within the town centre	Annual	Aim to minimise	John Foster	Maidstone is a shopping centre of regional significance. Its continued attractiveness for businesses, visitors and shoppers is important to the prosperity of the Borough.
Process	<b>LVE 002</b> Percentage of people claiming Job Seekers Allowance	Quarterly	Aim to minimise	John Foster	JSA claimant count records the number of people claiming Jobseekers Allowance (JSA) and National Insurance credits at Jobcentre Plus local offices. People claiming JSA must declare that they are out of work, capable of, available for and actively seeking work during the week in which the claim is made. Measures the health of the jobs economy.
	<b>DCV 002 a)</b> Percentage of major business planning applications take-up of pre-applications advice <b>b)</b> Percentage of those taking pre-application advice where the applications were approved	Bi-annual	Aim to maximise	Rob Jarman	These indicators measure the take-up and quality of pre-application advice. Pre-application advice is being promoted by the team to ensure that developments are high quality and well designed.
Finance	<b>R&amp;B 002</b> Value of business rateable floor space	Annual	Aim to maximise	Steve McGinnes/ John Foster	The rateable value represents the open market annual rental value of a business/non-domestic property. This means the rent the property would let for on the valuation date, if it was being offered on the open market.
Learning & Development	<b>KCC 003</b> Number of 16-18 year olds who are not in education, employment or training (NEETS) <b>(NEW)</b>	Annual	Aim to minimise	Sarah Robson	Non-participation in education, employment or training between the ages of 16 and 18 is a major predictor of later unemployment, low income, depression, involvement in crime and poor mental health.
Learning & Development	<b>KCC 004</b> Working age people educated to NVQ level 4 of higher <b>(NEW)</b>	Annual	Aim to maximise	Sarah Robson	This indicator is needed because of the important role local authorities have with regard to economic development and the key part that skills and qualifications play in supporting economic development.

**2. A transport network that supports the local economy.**

Element	Indicator	Frequency	Good Performance	Responsible Officer	Rationale
Customer	<b>PKG 008</b> Percentage change in bus usage on services from Maidstone depot	Annual	Aim to maximise	Jeff Kitson	To assess the change in bus usage as part of the monitoring of the outcome 'a transport network to support the local economy'. This indicator shows if more or less journeys are being made by buses. The source data is provided by Arriva and are global figures for their Maidstone depot –and cover sections of route beyond the boundary however they give a good indication of what is happening in the area.
Process	<b>PKG 007</b> Number of Park and Ride transactions	Quarterly	Aim to maximise	Jeff Kitson	The Indicator compares the on bus transaction figure (these are the cash sales to passengers boarding buses) on Park and Ride with the one for the same period of the previous year therefore, assessing fluctuations in the service usage.
Finance	<b>PKG 002</b> Income from pay and display car parks per parking space	Quarterly	Aim to maximise	Jeff Kitson	Pay and Display income is monitored closely - data collated daily will be used to calculate the income per parking space at each quarter of the financial year. Demonstrating income efficiency and usage in monetary terms.

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**For Maidstone to be a decent place to live**

**3. Decent, affordable housing in the right places across a range of tenures.**

Element	Indicator	Frequency	Good Performance	Responsible Officer	Rationale
Customer	<b>DCV 003</b> Percentage of residential planning applications processed within statutory timescales	Quarterly	Aim to maximise	Rob Jarman	To ensure local planning authorities determine planning applications in a timely manner. These indicators measure the percentage of planning applications dealt with in a timely manner for their respective categories.
Customer	<b>DCV</b> Processing of planning applications within statutory timescales - 004 (Majors), 005 (Minors) ,006 (Others)	Quarterly	Aim to maximise	Rob Jarman	

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Element	Indicator	Frequency	Good Performance	Responsible Officer	Rationale
Process	<b>HSG 010</b> Net addition homes delivered	Annual	Aim to maximise	Rob Jarman	This indicator measures the net increase in dwelling stock over the year. This was originally a national indicator that was introduced to encourage a greater supply of new homes to address the long term housing affordability issue.
	<b>HSG 001</b> Number of affordable homes delivered	Quarterly	Aim to maximise	John Littlemore	To promote an increase in the supply of affordable housing. This indicator shows how many affordable homes have been delivered.
	<b>HSG PS 003</b> Number of private sector homes improved	Quarterly	Aim to maximise	John Littlemore	This is the number of private sector homes that have been improved by various means throughout the year in which the outcome has had a positive impact of the resident's health, safety or welfare.
Finance	<b>DCV 007</b> Average cost of planning service per application	Annual	Aim to minimise	Rob Jarman	This indicator is to assess value for money in the planning processing expressed per application. Costs will exclude enforcement work.
Finance	<b>HSG 003</b> Average grant per MCB funded affordable home unit	Annual	N/A	John Littlemore	Total supply of all affordable dwelling completions built or acquired by RSLs (or other bodies) with financial support (grant) directly from the Council, i.e. all affordable homes delivered via schemes which MBC has contributed to, divided by the total grant paid. This will include any renovations or conversions (resulting in the provision of additional affordable dwellings).
Learning & Development	<b>SPT 004</b> Percentage of new homes built on previously developed land	Annual	Aim to maximise	Rob Jarman	To encourage the provision of additional housing on previously developed land and through conversions of existing buildings in order to minimise development on green fields.

**4. Continues to be a clean and attractive environment for people who live in and visit the Borough.**

Element	Indicator	Frequency	Good Performance	Responsible Officer	Rationale
Customer	<b>COM 008</b> Satisfaction with local area as a place to live (Resident Survey)	Biennial	Aim to maximise	Sarah Robson	MBC recognises that the quality of place remains a priority to residents and drives how satisfied people are with their local area as a place to live. These indicators will provide MBC with a baseline of local satisfaction which will help us identify and address the sorts of issues affecting how residents feel about their local area.
Customer	<b>DEP 004</b> Satisfaction with street cleaning (residents survey)	Biennial	Aim to maximise	Jonathan Scott	
Customer	<b>PKS 002</b> Satisfaction with Parks & Open Spaces (residents survey)	Biennial	Aim to maximise	Jason Taylor	
Customer	<b>DEP 007</b> Percentage of fly-tipping reports responded to within 1 working day	Quarterly	Aim to minimise	Jonathan Scott	Fly-tipping is the common term used to describe waste illegally deposited on land as described under Section 33 of the Environment Protection Act 1990. This indicator is to monitor the timely removal of illegal dumping of waste on relevant land and highways.
Process	<b>DCE 001</b> Percentage of planning enforcement cases signed off within 21 days	Quarterly	Aim to maximise	Rob Jarman	To ensure a timely response to planning enforcement.
Process	<b>DEP 002</b> Local Street & Environmental Cleanliness a) Litter, b) Detritus (NI 195ab)	Annual	Aim to minimise	Jonathan Scott	The percentage of relevant land and highways that is assessed as having deposits of litter or detritus that fall below an acceptable level.
Process	<b>WCN 001</b> Percentage of household waste sent for reuse, recycling and composting (NI 192)	Quarterly	Aim to maximise	Jonathan Scott	The indicator measures percentage of household waste arising's which have been sent by the Authority for reuse, recycling, composting or anaerobic digestion. This is a key measure of local authorities' progress in moving management of household waste up the hierarchy, consistent with the Government's national strategy for waste management.
Finance	<b>PKS 001</b> Cost of maintaining the borough's parks and open spaces per head of population	Annual	Aim to minimise	Jason Taylor	To monitor the cost of maintaining the borough's parks and open spaces
Finance	<b>WCN 002</b> Cost of waste collection per household	Annual	Aim to minimise	Jonathan Scott	To monitor cost of municipal waste disposal, to ensure that good value for money is achieved while delivering a high quality service.

Element	Indicator	Frequency	Good Performance	Responsible Officer	Rationale
Finance	<b>DEP 003</b> Cost of street cleansing per head of population	Annual	Aim to minimise	Jonathan Scott	The cost of street cleansing per head of the residents of Maidstone is an indicator to show any changes in the cost of street cleansing.
Learning & Development	<b>WCN 004</b> Total waste arising's per household (NEW)	Quarterly	Aim to minimise	Jennifer Shepherd	In line with the position of waste reduction at the top of the waste hierarchy, the Council wishes to see a year on year reduction in the total amount of waste arising's per household. Local authorities have an important role to play in assisting their residents to reduce waste (as well as encouraging sorting of waste for recycling, re-use, home composting and other forms of home treatment of waste).
Learning & Development	<b>CMP 001</b> Percentage CO2 reduction from local authority operations	Annual	Aim to maximise	TBC	The public sector is in a key position to lead on CO2 emissions reduction by setting a behavioural and strategic example to the private sector and the communities they serve. The aim of this indicator is to measure the progress made by MBC to reduce CO2 emissions from the relevant buildings and transport used to deliver its functions and to encourage them to demonstrate leadership on tackling climate change.
Learning & Development	<b>CDP 011</b> Recorded crime per 1,000 population	Annual	Aim to minimise	Sarah Robson	This indicator provides a snapshot of the level of crime in the borough and its direction of travel. The data for this indicator comes from Kent Police.

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**5. Residents are not disadvantaged because of where they live or who they are, vulnerable people are assisted and the level of deprivation is reduced.**

Element	Indicator	Frequency	Good Performance	Responsible Officer	Rationale
Customer	<b>HSG 009</b> Average length of stay in bed and breakfast accommodation (those leaving TA)	Quarterly	Aim to minimise	John Littlemore	Average length of stay in temporary accommodation (TA) for those leaving TA in period. To measure the authority's success in reducing temporary accommodation use.

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Element	Indicator	Frequency	Good Performance	Responsible Officer	Rationale
Customer	<b>INT 001</b> Percentage of the Borough covered by Broadband	Annual	Aim to maximise	Dave Lindsay	A broadband internet connection is increasingly viewed as a vital utility at work and home – the electricity of the 21st century. A largely deregulated market means that broadband services are competitively priced. However, it also makes the provision of these services a commercial decision by Internet Service Providers (ISPs), often favouring the denser urban areas.
Process	<b>R&amp;B 004</b> Average time taken to process new benefit claims and changes of circumstances	Quarterly	Aim to minimise	Steve McGinnes	HB/CTB of £19bn is paid to over 5 million low income households. Delays in the administration of these benefits can impact on some of the most vulnerable people in our society by: <ul style="list-style-type: none"> <li>• Leading to rent arrears and evictions</li> <li>• Preventing access to housing because landlords are reluctant to rent to HB customers</li> <li>• Acting as a deterrent to people moving off benefits into work because of the disruption to their claim</li> </ul>
Process	<b>HSG 005</b> Number of households presented from becoming homeless through intervention	Quarterly	Aim to maximise	John Littlemore	To measure the effectiveness of housing advice in preventing homelessness or the threat of homelessness. Under section 179(1) of the Housing Act 1996 part VII, as amended by the Housing Act 2002, housing authorities have a duty to ensure that advice and information about homelessness and prevention of homelessness are available free of charge to anyone in their district.
Process	<b>MFM 001a</b> Number of families accepted on the Maidstone Families Matter programme	Quarterly Quarterly	Aim to maximise	Ellie Kershaw	These indicators measure the progress of the Maidstone Families Matter programme. This is Maidstone’s local version of the government’s Troubled Families Programme. Currently this programme runs until March 2015.
	<b>MFM 001b</b> Percentage of those accepted to the Maidstone Families Matter programme that have been engaged with				
Finance	<b>LVE 007</b> Gap between median wage of employee (residents) and the median wage of employees (workplace) (salary differences)	Annual	Aim to minimise	John Foster	Proxy indicator measure for increases in standard of living but also a measure of economic competitiveness with knowledge driven industries requiring higher skilled labour force and able to pay higher wages. Resident based wage

Element	Indicator	Frequency	Good Performance	Responsible Officer	Rationale
					levels in Maidstone are higher than the workplace based levels suggesting lower skilled and lower wage level local economy.
Learning & Development	<b>CDP 003</b> Percentage of residents participating in neighbourhood planning as a percentage of the ward population	Annual	Aim to maximise	Sarah Robson	Resident participation is important for successful neighbourhood planning. This indicator assesses what percentage of the ward population have been involved and participated in the process.
Learning & Development	<b>KCC 003</b> Number of 16-18 year olds who are not in education, employment or training (NEETS) <b>(REPEATED)</b>	Annual	Aim to minimise	Sarah Robson	Non-participation in education, employment or training between the ages of 16 and 18 is a major predictor of later unemployment, low income, depression, involvement in crime and poor mental health.
Learning & Development	<b>KCC 004</b> Working age people educated to NVQ level 4 of higher <b>(REPEATED)</b>	Annual	Aim to maximise	Sarah Robson	This indicator is needed because of the important role local authorities have with regard to economic development and the key part that skills and qualifications play in supporting economic development.

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### Corporate and Customer Excellence

Outcomes by 2015:

#### 6. Services are customer focused and residents are satisfied with them. (Customer & Resident Scorecard )

Element	Indicator	Frequency	Good Performance	Responsible Officer	Rationale
Customer	<b>COM 001</b> Percentage of residents satisfied with the way the Council runs it's services	Biennial	Aim to maximise	Roger Adley	MBC recognises that the quality of place remains a priority to residents and can influence how satisfied people are with their local area as a place to live. These indicators will provide MBC with an indication of local satisfaction which will help them identify and make improvements to the borough and to how services are delivered.
Customer	Percentage of residents satisfied with key services: <b>WCN 003</b> Refuse & Recycling collections <b>PKS 003</b> Maidstone Leisure Centre <b>PKS 002</b> Parks and open spaces <b>DEP 004</b> Street cleanliness	Biennial	Aim to maximise	Jonathan Scott & Jason Taylor	

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Element	Indicator	Frequency	Good Performance	Responsible Officer	Rationale
Customer	<b>R&amp;B 009</b> Percentage of customers satisfied with benefits service	Annual	Aim to maximise	Steve McGinnes	The indicator is intended to gauge the level of customer satisfaction with how the benefit service operates.
Process	<b>COM 007</b> Percentage of residents that feel that the Council keeps them well informed about the services and benefits it provides.	Biennial	Aim to maximise	Roger Adley	One of MBC's key roles is to provide advice, therefore it is important to ensure that residents and customers can easily access and understand the information that we provide. These indicators demonstrate the levels of satisfaction with of our communications.
Process	<b>CTC 001</b> Average wait time for calls (Seconds)	Quarterly	Aim to minimise	Sandra Marchant	This indicator is the average wait time a customer telephoning the Contact Centre has to wait before being answered by a Customer Service Advisor.
Process	<b>CTC 002</b> Percentage of customers to the Gateway seen within 20 minutes	Quarterly	Aim to maximise	Sandra Marchant	This indicator is the percentage of visitors to the Gateway responded to within 20 minutes by a Customer Service Advisor. The aim is to keep customers wait times to a minimum and to improve access to Council services.
Finance	Percentage of residents agreeing that the Council provides value for money (Residents Survey)	Biennial	Aim to maximise	Paul Riley & Roger Adley	This indicator measures the extent to which residents feel that the Council is providing value for money. The Council has a duty provide services that are cost efficient.
Learning & Development	<b>PIT 002</b> Percentage of those making complaints satisfied with how their complaint was handled	Quarterly	Aim to maximise	Angela Woodhouse	These indicators are to measure complaints resolved on time and to gauge the level of customer satisfaction with the complaints process. These are also reported as part of the quarterly complaints report.
	<b>PIT 001</b> Percentage of complaints resolved within specified timescale	Quarterly	Aim to maximise	Angela Woodhouse	

**7. Effective, cost efficient services are delivered across the borough.**

Element	Indicator	Frequency	Good Performance	Responsible Officer	Rationale
Customer	<b>WCN 006</b> Number of missed bins per 100,000 collections	Quarterly	Aim to minimise	Jonathan Scott	This indicator monitors the performance of the contractor and ensures that the service delivers quality and that changes are communicated properly to residents.
Customer	<b>BIM 003a</b> Percentage of customer contacts made in person in the Gateway	Quarterly	Aim to minimise	Georgia Hawkes	This suite of indicators measures contact to council across the Gateway, Contact Centre and Website in order to assess the progress of the channel shift project.
	<b>BIM 003b</b> Percentage of customer contacts made online by visiting the		Aim to maximise		

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Element	Indicator	Frequency	Good Performance	Responsible Officer	Rationale
	councils website				
	<b>BIM 003c</b> Percentage of customer contacts made by phone through the contact centre		Aim to minimise		
Process	<b>BIM 004</b> Change in the number of outgoing post items,	Quarterly	Aim to maximise (Negative change)	Georgia Hawkes	It is more costly to send an item in the post than it is to do so by email. This indicator monitors the change in number of post items being sent out to inform progress on the channel shift project.
Process	<b>R&amp;B 006</b> Percentage of Council tax collected	Quarterly	Aim to maximise	Steve McGinnes	These two indicators monitor the collection of Council Tax and NNDR against the target, the collection of which is a key local authority function.
Process	<b>R&amp;B 005</b> Percentage of business rates collected	Quarterly	Aim to maximise	Steve McGinnes	
Finance	<b>BIM 002</b> Percentage of financial transactions not carried out on-line or by direct debit/standing order	Quarterly	Aim to minimise	Georgia Hawkes	This is a test of value for money. Payments made on-line or by direct debit, standing order or direct credit cost the Council much less to process than payments made over the phone or cash or cheques sent in the post or deposited at the payment kiosks.
Finance	<b>DVC 007</b> Average cost of planning service per application	Annual	Aim to minimise	Rob Jarman	The measure the cost of the development management team per application they have processed.
Learning & Development	<b>HRO 001</b> Working Days Lost Due to Sickness Absence (rolling year) (BV 12)	Quarterly	Aim to minimise	Dena Smart	To monitor the level of sickness absence in the council.

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# Agenda Item 12

## MAIDSTONE BOROUGH COUNCIL

### CABINET

WEDNESDAY 12 NOVEMBER 2014

#### REPORT OF HEAD OF POLICY AND COMMUNICATIONS

Report prepared by Tessa Mallett

**1. PLANNING, TRANSPORT AND DEVELOPMENT OVERVIEW AND SCRUTINY COMMITTEE SCRAIP REGARDING - AMENDMENT TO DECISION MAKING ARRANGEMENTS FOR NEIGHBOURHOOD PLANS**

1.1 Issue for Decision

1.1.1 To consider the SCRAIP (reference number PTD.141103.93.1) issued by the Planning, Transport and Development Overview and Scrutiny Committee at their Special Meeting on 3 November 2014 attached as **Appendix A.**

1.2 Recommendation of the Planning, Transport and Development Overview and Scrutiny Committee

1.2.1 That the Cabinet are recommended to agree to the insertion of an additional paragraph in the decision making arrangements for neighbourhood plans as follows:

3a	MBC consulted on submission version of the neighbourhood plan (Ref 16)	Internal consultation with ward members/adjoining ward members/Cabinet Member	Cabinet Member Report to consider MBC comments on submission of draft plan.
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1.3 Reasons for Recommendation

1.3.1 The existing agreed framework does not provide for a formal council response to the submitted version of the plan (Regulation 16). On reflection, it is considered important that the council makes a response at this formal stage and that this response has the weight of a Cabinet Member decision. The Examiner will want to know whether the council, as the local planning authority, is in agreement or not with the

plan as it has been submitted and this can best be done through a response during this formal consultation stage.

1.4 Alternative Action and why not Recommended

1.4.1 The Cabinet could decide not to agree to this additional paragraph but this could result in the council's comments on neighbourhood plans not being formally recorded as part of the Neighbourhood Planning process.

1.5 Impact on Corporate Objectives

1.5.1 The way the Council support neighbourhood planning will have an influence on the objective "to make Maidstone a decent place to live."

1.5.2

- 1. Financial
- 2. Staffing
- 3. Legal
- 4. Equality Impact Needs Assessment
- 5. Environmental/Sustainable Development
- 6. Community Safety
- 7. Human Rights Act
- 8. Procurement
- 9. Asset Management


1.6 Relevant Documents

1.6.1 Appendices

Appendix A - PTD OSC SCRAIP issued 3 November 2014

**IS THIS A KEY DECISION REPORT?**

**THIS BOX MUST BE COMPLETED**

Yes

No

If yes, this is a Key Decision because: .....

.....

Wards/Parishes affected: .....

.....

## SCRAIP Report to Cabinet 12 November 2014

SCRAIP from Planning, Transport and Development Overview and Scrutiny Committee  
Ref PTD.141103.93.1



Meeting, Date & Minute	Recommendation	Executive Decision Maker	Action Expected Outcome	Response	Lead Officer
PTD.141103.93.1  205	<p>That the Cabinet be recommended to agree the following paragraph be inserted into the Neighbourhood Plan decision making framework:</p> <p>3a</p> <ul style="list-style-type: none"> <li>• <b>Stage</b> - MBC consulted on submission version of the neighbourhood plan (Ref 16)</li> <li>• <b>Decision method</b> - Internal consultation with ward members/adjoining ward members/Cabinet Member</li> <li>• <b>Decision take</b> - Cabinet Member Report to consider MBC comments on submission of draft plan.</li> </ul> <p>This is to allow the council to make a response at this formal stage and this response has the weight of a Cabinet Member decision. The Examiner will want to know whether the council, as the local planning authority, is in agreement or not with the plan as it has been submitted and this can best be done through a response during this formal consultation stage.</p>	Cabinet Member for Planning Transport and Development			Rachel Elliott; Sue Whiteside