

ECONOMIC REGENERATION AND LEISURE COMMITTEE MEETING

Date: Tuesday 20 April 2021

Time: 6.30 pm

Venue: Remote Meeting: The public proceedings of the meeting will be broadcast live and recorded for playback on the Maidstone Borough Council Website

Membership:

Councillors Cox, Fort, Mrs Gooch, Harper (Chairman), Hinder, Lewins, Purle, Round and Webb

The Chairman will assume that all Members will read the reports before attending the meeting. Officers are asked to assume the same when introducing reports.

AGENDA

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1. Apologies for Absence
2. Notification of Substitute Members
3. Urgent Items
4. Notification of Visiting Members
5. Disclosures by Members and Officers
6. Disclosures of Lobbying
7. To consider whether any items should be taken in private because of the possible disclosure of exempt information.
8. Minutes of the Meeting Held on 16 March 2021 1 - 4
9. Presentation of Petitions
10. Question and Answer Session for Members of the Public
11. Questions from Members to the Chairman (if any)
12. Committee Work Programme 5
13. Reports of Outside Bodies
14. Member Agenda Item Request from Cllr Brian Clark -
Consideration of a Pump Track Facility in the Borough 6

Issued on Monday 12 April 2021

Continued Over/:

Alison Broom

Alison Broom, Chief Executive

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| 15. Parkwood Leisure contract variation | 7 - 16 |
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| 17. Draft Economic Development Strategy | 28 - 105 |

INFORMATION FOR THE PUBLIC

In order to ask a question at this remote meeting, please call **01622 602899** or email committee@maidstone.gov.uk by 5 p.m. one clear working day before the meeting (i.e. by 5 p.m. on Friday 16 April 2021). You will need to provide the full text in writing.

If your question is accepted, you will be provided with instructions as to how you can access the meeting.

In order to make a statement in relation to an item on the agenda, please call **01622 602899** or email committee@maidstone.gov.uk by 5p.m. one clear working day before the meeting (i.e. by 5p.m. on Friday 16 April 2021). You will need to tell us which agenda item you wish to speak on.

If you require this information in an alternative format please contact us, call **01622 602899** or email committee@maidstone.gov.uk.

To find out more about the work of the Committee, please visit www.maidstone.gov.uk.

Should you wish to refer any decisions contained in these minutes to the **Policy and Resources Committee**, please submit a Decision Referral Form, signed by **three** Councillors, to the **Head of Policy, Communications and Governance** by: **31 March 2021**

MAIDSTONE BOROUGH COUNCIL

ECONOMIC REGENERATION AND LEISURE COMMITTEE

MINUTES OF THE MEETING HELD ON TUESDAY 16 MARCH 2021

Present: Councillors Cox, Fort, Mrs Gooch, Harper (Chairman), Hinder, Lewins, Purle, Round and Webb

238. APOLOGIES FOR ABSENCE

There were no apologies for absence.

239. NOTIFICATION OF SUBSTITUTE MEMBERS

There were no Substitute Members.

240. URGENT ITEMS

There were no urgent items.

241. NOTIFICATION OF VISITING MEMBERS

There were no Visiting Members.

242. DISCLOSURES BY MEMBERS AND OFFICERS

There were no disclosures by Members or Officers.

243. DISCLOSURES OF LOBBYING

Councillor Round had been lobbied on Item 16 – Making Maidstone More Active Update.

244. EXEMPT ITEMS

RESOLVED: That all items be taken in public as proposed.

245. MINUTES OF THE MEETING HELD ON 16 FEBRUARY 2021

RESOLVED: That the Minutes of the meeting held on 16 February 2021 be approved as a correct record and signed at a later date.

246. PRESENTATION OF PETITIONS

There were no petitions.

247. QUESTION AND ANSWER SESSION FOR MEMBERS OF THE PUBLIC

There were no questions from members of the public.

248. QUESTIONS FROM MEMBERS TO THE CHAIRMAN (IF ANY)

Councillor Brice asked the following question of the Chairman:

'What prioritisation can you give to a Southern Sports Hub in Staplehurst, to ensure that there are a range of sporting facilities in the South of the Borough, as well as close to the town centre?'

The Chairman responded to the question.

The full response was recorded on the webcast and made available to view on the Maidstone Borough Council website.

To access the recording, please use the link below:

<https://www.youtube.com/watch?v=qNOaaal-XWQ>

249. COMMITTEE WORK PROGRAMME

The Head of Regeneration and Economic Development updated the Committee that the Economic Development Strategy would be delayed to allow for public consultation to take place outside of the restricted publicity period.

RESOLVED: That the Committee Work Programme be noted.

250. REPORTS OF OUTSIDE BODIES

There were no reports of Outside Bodies.

251. GUIDE TO EVENT MANAGEMENT DURING COVID-19

The Visitor Economy and Events Development Manager introduced the report which refers predominantly to events held on Council land, with reference to other events. The capacity for events at Mote Park from June 2021 had been reached, although some events may be cancelled.

When applying to run an event, organisers would need to provide a risk assessment specifically regarding COVID-19, additional to the Health and Safety and Fire Safety risk assessments usually provided. Smaller events that had not previously needed to seek approval from the Safety Advisory Group (SAG) would be required to do so, and the Visitor Economy and Events Development Manager confirmed that the team would assist event organisers with this process where possible.

New legislation would be acted upon as it was published, and the MBC guide to event management would be updated as appropriate.

RESOLVED: That the contents of the report be noted.

252. UPDATE ON THE MEDTECH INNOVATION PROGRAMME

The Compliance and Projects Manager introduced the report and noted that the report provided an update on the Innovation Centre rather than solely the MedTech Innovation Programme.

£7.6 million of the total budget had been spent, with £2.6 million having been reimbursed through European Regional Development Fund grants, and a small overspend was noted. A delay in construction was anticipated due to the site closing in January following an outbreak of COVID-19.

The perspective occupants for the Innovation Centre had not been negatively impacted by the pandemic, being predominantly in the fields of health, life science and medical technology, and occupancy rates in the first year were predicted to be higher than originally projected.

In response to questions, it was confirmed that marketing materials could be designed for both colour printing and greyscale.

Members expressed their excitement at the progress made and were optimistic to see the building open for use.

RESOLVED: That the contents of the report be noted, and the Committee express their thanks to the Officers and building partners involved.

253. MAKING MAIDSTONE MORE ACTIVE UPDATE

The Leisure Manager introduced the report, summarising that the project had begun in 2019, but was paused in March 2020 due to the COVID-19 pandemic. Following involvement in the pandemic response, Sport England would support the project and had approved the diagnostic report. A verbal funding commitment had been given by Sport England for the project to move on to the next diagnostic stage encompassing three key areas: technical aspects of Maidstone Leisure Centre; community consultations; and future populations in line with the Local Plan Review. Online workshops were planned to facilitate community consultations, and the results of the three areas would enable business plan modelling to be carried out.

The Committee were informed that the all-Member briefing date had changed to 19 April 2021.

In response to questions, the Leisure Manager explained that the collaboration with Tunbridge Wells Borough Council was due to their undertaking a similar exercise in terms of future provision of leisure facilities. Kent Sport had been consulted, and discussions with schools and the Local Education Authority could be included in the next stage.

RESOLVED: That the contents of the report be noted.

254. COVID-19 BUSINESS GRANTS

The Head of Regeneration and Economic Development introduced the report outlining the grants that had been made available to support businesses since March 2020. A team was set up across the Council to facilitate the administration of the support grants, and delegated authority was used to introduce the discretionary streams of the grants to enable them to be distributed promptly.

The Additional Restrictions Grant (ARG) totalled £3.4 million to fund discretionary business grants and wider business support activity and following each round of discretionary grants, intelligence was collected from local businesses which then informed the categories included in subsequent rounds. Over 7,000 grants had been awarded since March 2020, and new mandatory grants were expected in April 2021. The ARG would continue to be distributed and further opportunities to benefit from additional grant allocations was expected.

Positive feedback from local businesses was noted, and the responsiveness of the cross-departmental team was acknowledged.

RESOLVED: That the progress in the administration of business support grants be noted, and the Committee express their thanks to the staff involved in the provision of the business grants.

255. DURATION OF MEETING

6.30 p.m. to 7.45 p.m.

2020/21 WORK PROGRAMME

	Committee	Month	Origin	CLT to clear	Lead	Report Author
4th Quarter Financial Update & Performance Monitoring Report 2020/21	ERL	13-Jul-21	Officer Update		Mark Green	Mark Green
Economic Development Strategy	ERL	13-Jul-21	Officer Update	Yes	John Foster	Chris Inwood
Re-opening of Maidstone Town Centre (title TBC)	ERL	TBC	Briefing		John Foster	Ann Marie Langley
Tour of the Business Terrace	ERL	TBC	Briefing		John Foster	John Foster
Town Centre Opportunity Sites Delivery Strategies	ERL	TBC	Officer Update	Yes	William Cornall	John Foster

Agenda Item 14

Economic Regeneration and Leisure Committee

Member Agenda Item Request from Cllr Brian Clark: Consideration of a Pump Track Facility in the Borough

Introduction:

1. There has been much emphasis on outside pursuits for mental health and wellbeing, especially following the pandemic. This agenda item request is for the consideration of a pump track facility in the borough, providing a quality leisure facility to groups that have been especially hard hit during the pandemic.
2. This paper will consider the potential for developing a pump track facility similar to the facility which was created in Gillingham in 2018. The paper would consider the costs associated with the scheme (it is understood from officers that the paved facility in Gillingham cost circa £170,000, although another option could be a lower cost dirt track), the benefits especially to the core target age group of early teens to twenty somethings.
3. The siting of the track would need careful consideration. Creating a facility near the route of the "Park and Cycle" scheme under consideration at SPI (with free parking and a designated route within the park from the Willington Street "Park and Ride" site to the cycle lane at Mote Avenue) could allow that facility to further develop into a leisure "Park and Play" opportunity. There may also be potential to increase footfall to other facilities at the park.
4. Security and/or supervision would be a consideration. While the availability of such a facility could have a positive effect on antisocial behaviour by providing an active outlet to the target age groups, it would be important to protect the facility from vandalism or modification and also to ensure it does not encourage antisocial motorcycling at the facility. Safety would also be a consideration out of hours.
5. As there is growing interest in developing a local pump track, the views of local youth groups and borough residents should be sought and considered.
6. The paper should consider the potential to secure funding from grant sources and other means.

Desired Outcome:

That Officers look into the merits of a "Pump Track" facility mentioned by Cllr Clark and bring a report to the next meeting of the Economic Regeneration and Leisure, setting out the options and recommendations for Members' consideration and decision.

Report Appendices

None

Economic Regeneration and Leisure Committee

20 April 2021

Parkwood Leisure Contract Variation

Final Decision-Maker	Economic Regeneration and Leisure Committee
Lead Head of Service	John Foster, Head of Regeneration and Economic Development
Lead Officer and Report Author	Mike Evans, Leisure Manager
Classification	Public
Wards affected	All wards

Executive Summary

This report provides Members with an update on the Hazlitt Theatre and includes details of a contract variation request from Parkwood Leisure regarding the re-opening of the venue later this year.

Purpose of Report

Decision

This report makes the following recommendations to this Committee:

1. That the Council enters into a Deed of Variation with Parkwood Leisure, as set out at Appendix 1 to the report, and varies the Hazlitt Arts Centre services contract for a period up to 30 September 2021.
2. That the Council pays no additional contract sum to Parkwood Leisure for the delivery of the varied services contract.

Timetable

Meeting	Date
Economic Regeneration and Leisure Committee	20 April 2021

Parkwood Leisure Contract Variation

1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	<p>The four Strategic Plan objectives are:</p> <ul style="list-style-type: none"> • Embracing Growth and Enabling Infrastructure • Safe, Clean and Green • Homes and Communities • A Thriving Place <p>Accepting the recommendations ensures the Council is in a position to resume the fulfilment of these strategic objectives when Covid-19 restrictions are lifted.</p>	Leisure Manager
Cross Cutting Objectives	<p>The four cross-cutting objectives are:</p> <ul style="list-style-type: none"> • Heritage is Respected • Health Inequalities are Addressed and Reduced • Deprivation and Social Mobility is Improved • Biodiversity and Environmental Sustainability is respected <p>Accepting the recommendations ensures the Council is in a position to resume the fulfilment of these cross-cutting objectives when Covid-19 restrictions are lifted.</p>	Leisure Manager
Risk Management	Refer to paragraph 5.1 of the report	Leisure Manager
Financial	The recommendations can be accommodated within existing budget provisions as they do not envisage any payment to Parkwood Leisure above and beyond existing contracted amounts.	Section 151 Officer
Staffing	The recommendations will be delivered with the current staffing.	Head of Regeneration and Economic Development
Legal	Acting on the recommendations is within the Council's powers as set out in the Hazlitt Theatre services agreement.	Team Leader, Contracts and Commissioning

	Formalising the new position via a Deed of Variation gives certainties to both parties.	
Privacy and Data Protection	Accepting the recommendations will increase the volume of data held by the council. We will hold that data in line with our retention schedules.	Policy and Information Manager
Equalities	The decision could result in a change of service, therefore an equalities impact assessment has been completed.	Policy and Information Manager
Public Health	The closure of the Hazlitt Arts Centre has severely affected the health and wellbeing of the theatre staff and its regular patrons. The effects of this will continue until it can re-open.	Public Health Officer
Crime and Disorder	The recommendation will not impact on crime and disorder.	Leisure Manager
Procurement	On accepting the recommendations, the council will conduct further discussions with Parkwood Leisure in line with the contract, procurement law and UK PPN 04/20 principles. We will complete those exercises in line with financial procedure rules.	Head of Regeneration and Economic Development

2. INTRODUCTION AND BACKGROUND

- 2.1 With the UK Government Roadmap announced in early March, along with the announcement confirming the continuation of the furlough scheme until 30 September 2021, Parkwood Leisure wishes to vary the Hazlitt Arts Centre contract for the remainder of the Roadmap duration. The variation will be required until 21 June 2021 at the earliest, and possibly until 30 September 2021 depending on recovery in the theatre sector.
- 2.2 The variation request from Parkwood Leisure requires no additional subsidy from the Council and only requires the regular contract sum to be paid. What is required in the variation is a relaxing of the contract KPIs and obligations to enable operational flexibility in the re-opening period.
- 2.3 The variation request can be summarised as:
- Backdated to 1 October 2020
 - In place until 30 September 2021
 - No additional financial support required
 - Attendance KPIs relaxed for the variation period

Variation dates

- 2.4 A new Deed of Variation will be dated from 1 October 2020 onwards. Even though this date is in the past and the arts centre has been predominantly closed for this period, the Deed of Variation would begin the day after the previous variation letter expired. This would give continuity of contract variation from the period 16 March 2020 until 30 September 2021.

Financial support

- 2.5 Through discussion with Parkwood Leisure it has been confirmed that no additional financial support is required to support the re-opening of the venue. The Council had previously provided additional support to Parkwood Leisure in the period April to September 2020, as reported at previous ERL meetings. The finalisation of the accounts for the Hazlitt showed that this additional support was not required after all, and it has since been returned to the Council. In addition, the Council has also received a profit share payment of £6,225 from Parkwood Leisure for the period April 2020 to March 2021.

Re-opening and the roadmap to recovery

- 2.6 The first milestone date for the re-opening of indoor theatre venues is 17 May 2021. On this day the Hazlitt auditorium will be allowed to re-open with a 50% maximum capacity. This will be a total audience of 175 people. Five weeks later, on 21 June, the roadmap to recovery (roadmap) enables the Hazlitt auditorium to be open to its full capacity. At present the roadmap is on track, but there is the possibility that these dates for the Hazlitt auditorium reopening are moved later in the year by the government.
- 2.7 An events research pilot programme is being undertaken in Liverpool, where risk minimisation measures and Covid status certification (commonly known as vaccine passports) are being trialled. The findings from this pilot will inform industry requirements from 21 June 2021 onwards.
- 2.8 The Hazlitt acts as a receiving house for touring companies' productions and besides the annual pantomime it does not produce its own in-house work. The lifting of restrictions on 17 May 2021 does not guarantee the availability of shows able to be staged at the Hazlitt. The current programme contains only three professional shows between 17 May 2021 and 21 June 2021, with many promoters choosing instead to utilise the furlough scheme and wait for 100% capacity venues and full consumer confidence to be available to them.
- 2.9 The same period of 17 May 2021 to 21 June 2021 contains four community shows. The summer period at the Hazlitt traditionally sees a majority of community groups and dance groups performing in the main auditorium. This year they will have an increase in available stage time, however they have not been able to meet and rehearse since November 2020 so the majority of them are not in a position to bring performances to the stage in time for May 2021 and make use of the auditorium availability.

- 2.10 The autumn programme and the 2022 programme at the Hazlitt for the main auditorium and the Exchange Studio are due to be very busy, if the lifting of restrictions progresses as intended.
- 2.11 The Hazlitt Dance and Youth Theatre groups are planning to return for members who are under-18 on 19 April 2021 after the Easter holidays. They will be running four nights per week and are able to operate in a Covid-secure way as they did in the summer of 2020.
- 2.12 The obligations in the services contract at the Hazlitt Arts Centre do not give sufficient operational flexibility to Parkwood Leisure to manage the period 17 May to 30 September 2021, as the theatre and live performances sector reacts to the re-opening of venues and the ending of the furlough scheme. To give flexibility the Council can agree to vary the KPIs for a period up to 30 September 2021.

Culture Recovery Fund

- 2.13 Parkwood Leisure's bid to the Culture Recovery Fund (CRF) for its four theatres has been successful in being awarded £620k. The award was made based on the CRF criteria, which were set before the roadmap and the furlough extension were announced. As such, the funding award includes sums for staffing costs, which are now covered by the furlough extension; and outdoor performances and other activities to be delivered from 1 April onwards, which are now in conflict with what is permissible under the dates in the roadmap. Parkwood Leisure, along with many others in the sector, are awaiting clarification from Arts Council and DCMS on any updated CRF terms and conditions and will endeavour to draw down and utilise as much of the total CRF award as possible.
- 2.14 Officers have discussed the Deed of Variation with Parkwood Leisure and have a common understanding on how it will assist in enabling a successful re-opening of the venue in the period of 17 May 2021 to 21 June and beyond.

3. AVAILABLE OPTIONS

3.1 Do nothing

The Council can choose to do nothing and not enter into a Deed of Variation. This would give no flexibility to Parkwood Leisure in managing the re-opening of the Hazlitt venue. This could result in Parkwood failing to meet its KPI obligations and triggering a breach notice in the contract. **This option is not recommended.**

3.2 Agree to varying the KPIs for a period up to 30 September 2021

The Deed of Variation can be structured to give the right amount of flexibility while it is needed but not beyond the end of the contract year, which ends on 30 September 2021. This date also includes a three-month period beyond the current date for the easing of indoor restrictions (21 June) and gives sufficient time for the industry to respond, without

committing to an open-ended variation. If there is a delay in the roadmap of more than three months the Council can revisit this issue and choose to agree another extension to this in collaboration with Parkwood Leisure.

- 3.3 A list of the KPIs that will be varied are included as appendix 1. Also included are some KPIs of note that are not being amended. These are included to show the parameters and obligations that will be remaining in place during the variation period. The variation requires no additional financial support to be paid by the Council. Only the contract sum will be paid to Parkwood Leisure. **This is the recommended option.**
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4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 With the success of the vaccine programme known, the UK Roadmap to recovery announced, and the furlough scheme extended, there is more certainty that services in the main auditorium at the Hazlitt Theatre will be possible again. To get back to full resumption in line with the contract specification is going to require a temporary relaxation of the contract KPIs, which the Deed of Variation will do.
- 4.2 The Deed of Variation will support the recovery, by giving flexibility for a temporary period. The end date of 30 September will protect the Council should there be a delay to the Roadmap of greater than three months. Under the Deed of Variation Parkwood Leisure will be taking the financial risk beyond the contract sum. The risk to the Council is that with a delay to the roadmap the varied obligations are suspended at the venue for an open-ended period of time.
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5. RISK

- 5.1 The risks associated with this proposal, including the risks if the Council does not act as recommended, have been considered in line with the Council's Risk Management Framework. That consideration is shown in this report at paragraphs 3.2, 4.1 and 4.2. We are satisfied that the risks associated are within the Council's risk appetite and will be managed as per the policy.
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6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 6.1 A summary of the previous decisions is presented below:

Decision of P&R Committee, 16 September 2020

The Economic Regeneration and Leisure Committee review the contribution of the Hazlitt to the town centre economy and consider

options for its sustainability, with the findings to be reported to this Committee,

Decision of ERL Committee, 12 November 2020

1. It be recognised that subsidy paid to Parkwood Leisure to operate the Hazlitt Theatre is not sustainable under the Council's new Medium-Term Financial Strategy.
2. The Council should seek to reduce its monthly expenditure on the Hazlitt Theatre complex to a maximum of £8,630, that being the amount it would cost for the Council to mothball the building.
3. The Head of Regeneration and Economic Development enter into discussions with Parkwood Leisure and terminate the Hazlitt Theatre contract; and
4. Alternative uses, in the short and medium term, be looked into.

Decision of P&R Committee, 25 November 2020

That the four resolutions of the ERL committee on 12 November 2020 concerning the Hazlitt be substituted with a resolution:

- That the matter be deferred until the ERL Committee meets on 19 January 2021, so as to allow greater clarity on issues such as external sources of funding and Covid-19-related developments and to facilitate further Member and Stakeholder engagement in determining the best method of retaining the Hazlitt for years to come.

Officers are required to:

- Provide greater clarity on issues such as external sources of funding than was provided to the ERLC on 12 November
- Provide greater clarity on the impact of Covid-19-related developments
- Facilitate further member & stakeholder engagement in determining the best method of retaining the Hazlitt for years to come
- Consider options to ensure the sustainability of the Hazlitt Arts Centre.
- Report to the ERL Committee in January 2021

Decision of ERL Committee, 26 January 2021

1. The Council continues to pay its agreed contract fee to Parkwood Leisure for the provision of services at the Hazlitt Arts Centre;
2. Officers continue to monitor Parkwood Leisure's performance with respect to the delivery of the requirements of the Hazlitt Arts Centre Services Contract as defined by the key performance indicators and make further recommendations in April 2021; and
3. Officers prioritise the continuity and capability of Hazlitt operation and ensure, with key partners, that the Hazlitt returns to life when Covid allows it to do so.

7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 7.1 Officers will communicate the outcomes of this meeting to Parkwood Leisure by responding to the contract variation request.
- 7.2 Officers will continue to work in partnership with Parkwood Leisure to ensure the Hazlitt Arts Centre achieves a successful re-opening and continues to provide arts and cultural services to the people of Maidstone.

8. REPORT APPENDICES

The following documents are to be published with this report and form part of the report:

- *Appendix 1: Table of amended Deed of Variation clauses*

9. BACKGROUND PAPERS

- None

Appendix 1: Table of amended Deed of Variation clauses

	Deed of Variation change	Current terms of the contract	Notes
1	That a new Deed of Variation is entered into, which should be effective from 1 October 2020.	A Deed of Variation agreed between the parties and signed on 22 May 2020 provided additional funding to Parkwood Leisure to cover the impact of the Covid-19 pandemic from 21 March 2020 until 30 September 2020. This was in line with government guidance.	The additional funds provided by the Council were not required and have been returned.
2	That the Deed of Variation gives contractual flexibility up to 30 September 2021.		If support is required beyond 30 September 2021 another Deed of Variation will be required. If this is the case it could have greater implications for the Council, because this is the current date for the end of the furlough scheme, so a separate committee decision will be needed for this.
3	That the following KPIs be varied to give greater flexibility in the recovery phase: <ul style="list-style-type: none"> The attendance targets be amended to 50% of the allowable capacity (not the total capacity) reported on average across the calendar year. 	The contract has some other key obligations which will remain in place. These are: <ul style="list-style-type: none"> Customer satisfaction rate above 60% An annual pantomime is delivered (this falls beyond the variation 	

	<ul style="list-style-type: none"> • The requirement for 4 new professional programmes to be delivered is suspended. As per paragraph 2.8 this may not be possible in 2021. • The obligation to have no gap of greater than 45 days in the programme is removed. With one or two cancellations by promoters this may not be achievable in the variation time period. • Every agreed genre to be delivered is varied to a range of genres being delivered, based on what is available from promoters. • The provision and promotion of a digital programme of activities is added to the contract. • Outdoor performances, where possible, are prioritised. This is linked to the CRF bid as per paragraph 2.13. 	<p>period but planning will be ongoing during the variation period</p> <ul style="list-style-type: none"> • All building, maintenance and repair obligations remain in place. 	
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Economic Regeneration and Leisure
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20 April 2021

Maidstone Museum Capital Expenditure

Final Decision-Maker	ERL
Lead Head of Service	John Foster
Lead Officer and Report Author	Victoria Barlow
Classification	Public
Wards affected	All

Executive Summary

<p>This report proposes four possible uses of the museum’s capital allocation in order to fulfil a requirement to make the best use of museum spaces, improve accessibility to collections and reduce net revenue costs for the museum. Each proposal is considered in light of the budgetary savings and associated staff restructure to ensure that there is both financial and staff capacity to successfully carry out the project.</p>

Purpose of Report

Decision

This report makes the following recommendations to this Committee:

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| <ol style="list-style-type: none"> 1. That the committee accept recommendation 3, the refurbishment of one of the museum’s galleries |
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Timetable

Meeting	Date
ERL	20 April 2021

Maidstone Museum Capital Expenditure

1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	We do not expect the recommendations will by themselves materially affect achievement of corporate priorities. However, they will support the Council's overall achievement of its aims as set out in section 3 [preferred alternative].	Victoria Barlow
Cross Cutting Objectives	This project will contribute to the cross-cutting objective: <ul style="list-style-type: none"> Heritage is Respected It will do this by improving the access to history and heritage for residents	Victoria Barlow
Risk Management	The risks of each option are laid out in the report	Victoria Barlow
Financial	There is a budget of £389,000 in the approved capital programme for the Museum Development Plan.	Senior Finance Manager (Client)
Staffing	<i>We will deliver the recommendations with our current staffing.</i>	Victoria Barlow
Legal	Acting on the recommendations is within the Council's powers as set out in section 12 of the Public Libraries and Museums Act 1964. The Act give powers to local authorities to provide and maintain museums and do all things which may be necessary or expedient for or in connection with the provision or maintenance thereof. However, museums are not a statutory service. The Committee must be satisfied that the proposed refurbishment of the of the museum's British Archaeology Gallery is necessary or expedient for or is in connection with the provision or maintenance of the museum, and the cost of the	[Legal Team]

	refurbishment is within the Council's approved budget.	
Privacy and Data Protection	Accepting the recommendations will increase the volume of data held by the Council. We will hold that data in line with our retention schedules.	Policy and Information Team
Equalities	The recommendations do not propose a change in service therefore will not require an equalities impact assessment	[Policy & Information Manager]
Public Health	We recognise that <i>the</i> recommendations will have a positive impact on population health or that of individuals.	[Public Health Officer]
Crime and Disorder	The recommendation is unlikely to have an impact on Crime and Disorder	Victoria Barlow
Procurement	On accepting the recommendations, the Council will then follow procurement exercises for procurement of design and build consultants. We will complete those exercises in line with financial procedure rules.	[Head of Service & Section 151 Officer]

2. INTRODUCTION AND BACKGROUND

At the P&R committee of November 2020, it was agreed that significant savings be made to the museum budget, that the museum work closely with Maidstone Museum Foundation on future funding and that **a further report is presented to the committee setting out how the existing capital allocation to the Museum can be used to make the best use of our existing spaces, address accessibility to the collections and reduce the net revenue costs of the museum.**

In response, museum staff have considered ways in which the museum spaces could be improved to meet the relevant objectives. Consultation also took place with representatives of the Maidstone Museum Foundation.

3. AVAILABLE OPTIONS

Four options have been identified for consideration by members of ERL:

3.1 Option1 Conversion of Westspace (the former café) into a temporary exhibition gallery

3.1.1 A new Temporary Exhibition Gallery would require three major elements; a suitable and stable environment to preserve a range of organic and non-organic materials, flexible display equipment and a high level of security.

Conversion to a functioning gallery would require the following as a minimum:

- Removal of the current kitchen and making good
- Removal of access ramp and replacement a wheelchair lift
- Air handling or HVAC system to provide a stable environment with maximum cycling of 10% in band 50-65% relative humidity in a 24 hour period
- Museum quality display cases in a variety of styles (ave £7k-£10k each fully configured with internal lighting and dehumidifying cassettes)
- Total covering of natural light sources
- Installation of a flexible and dimmable lighting system able to achieve appropriate UV and Lux levels
- Storage area for unused equipment and packaging
- Wall hanging system or display board system for 2-d material
- Demountable walls to divide and provide more wall hanging space
- Close sealing door to front courtyard to prevent pests such as insects or mice entering from a planted area
- If there was any intention to borrow items from national museums, the space would need to meet standards for the Government Indemnity Scheme (which means that the museum does not have to separately insure loan items) and, in particular, the requirement that a gallery must have two secure doors between the gallery and the exterior of the museum.

3.1.2 Benefits

The space would be a new attraction which may attract new visitors and additional spend or donations

The conversion would give a clear purpose to a large, currently empty space

The gallery is accessible from the courtyard at the front of the museum and is therefore more visible to potential visitors

3.1.3 Risks

The major argument against this project is that it is not really required. We currently have sufficient space for Temporary Exhibitions upstairs. The recent staff restructure means that we will henceforth show only 2 exhibitions a year and they will be created in-house. It is unlikely we have material enough to create the larger exhibitions needed to fill this space. The current gallery also has level access via a lift which would need to be installed in Westspace.

This option would leave the current temporary exhibition gallery empty and unused. This is wasteful and likely to cause complaint by the Bentlif Trust who have an interest in the room. Current figures suggest that just 8% of general visitors pay to visit temporary exhibitions and so it would take a significant length of time to gain any return on the capital investment

The current environmental conditions in Westspace are currently the least stable in the museum and significant investment in HVAC would be necessary to control this. We would need both a system able to both humidify and dehumidify the

large space. As well as the initial costs of installation of such a system, the running costs in terms of maintenance and power are also significant. In addition, it would take significant works to make the gallery Government Indemnity Scheme compliant. Previous plans included the closing off and re-purposing of the courtyard which would add significant costs for construction and gardening works. Although the Government Indemnity Scheme only covers national and DCMS-sponsored museums, many civic and regional museums have accepted its standards as a baseline for agreeing loans. Without it, our options would be limited in this area. The current gallery is already compliant.

3.1.4 Affordability

Figures prepared by Innes Architects as part of the Transformation project suggest that the construction work on the gallery and courtyard would cost up to £150,000 (exc fees) which leaves the residue to pay for the fit out, lighting, HVAC and equipment. Barring any unforeseen additional spend, the project could be completed within the budget but would need careful management to ensure this.

3.1.5 Timescales

The gallery is in use until July 2021 but the project could commence during the financial year 2021-22 and is likely to take 6-9 months to complete

3.1.6 Permissions needed

Planning Permission
Listed Building Consent
Consultation with Bentlif Wing Trust

3.1.7 Resources

This option would require capital funding to carry out the conversion work but an on-going concern would be the cost of maintaining air handling equipment. In addition, its easy access to and from the main road and Fremlin Walk would require a staff member to provide security cover during opening hours and this would be very difficult to resource from proposed staffing.

3.2 Option 2 conversion of Westspace a room for income generating events and external hire

3.2.1 Currently the museum has two small spaces which it uses as venues for meetings and small events. The creation of a space capable of hosting events for a larger audience or small conference would seem to present an obvious opportunity for maximising the use of the space whilst generating new income. Conversion would require the following as a minimum:

- Removal of the current kitchen and making good
- Removal of access ramp and replacement a wheelchair lift
- Improved central heating to enable longer use of the room which gets very cold
- Provision of fast, reliable WiFi at this end of the building
- Black out blinds for all windows
- Storage area for unused equipment and furniture
- Provision of a new toilet

- New seating in the form of individual chairs and tables alongside a retractable seating system (2 aisle 50 seat system is approx. £25,000)

3.2.2 Benefits

Potential hire income is increased. A larger room would allow us to expand our market into larger meetings and small conferences which in turn would increase income generation. A bigger flexible space would allow us to provide a wider range of activities with greater income likely from ticket sales. This might mean we could accommodate local community group activities, school events or commercial hire for leisure activities such as yoga or weight watchers. If, as anticipated, the Adult Education Centre is closed in the next few years, it is also possible we could offer some of the activities currently provided by KCC and secure that income while providing a popular service. This diversity of activity would allow us to target under-resourced audiences and improve the Diversity and Inclusivity of our offer to new audiences. The availability for occasional museum activity would make collections work such as auditing, decants and possible volunteer projects easier and more efficient to run.

3.2.3 Risks

The assumptions above in relation to increased audiences and spend have not been market tested so there is a risk of investing with no definite return. A growth in room hire could easily out-strip our ability to resource meetings, conferences or events properly. We are unable to offer in-house catering or dedicated front of house staff during such events. Our experience of meeting hire is that organisers frequently change plans with little notice or have unplanned requirements. A professional conference venue would have staff dedicated to addressing this. The museum is an attractive venue but must provide a professional service to compete with hotels or other venues such as the Hazlitt Theatre. Larger, higher profile events would need wider marketing to attract audiences which potentially double current event crowds. We have very little marketing budget and rely on the Communications Team for all our services in this area. The current museum WiFi in this area will not be suitable for external hire. Reliable, fast internet is a given in today's market and coverage within the museum could best be described as patchy.

There is also a significant drawback in the layout of the room in the form of two columns on the west side of the room which limit usable space and affect sightlines. Any set up would have to be carefully designed to make best use of available space.

3.2.4 Affordability

Less construction work would be necessary for this option and so the Innes figure could probably be reduced by at least £50,000. Even with £25,000 for seating and, say £10,00, for table, chairs and other equipment, the whole project could be comfortably brought in under budget.

3.2.5 Timescales

The gallery is in use until November 2021 but the project could commence during the financial year 2021-22 and is likely to take 3 months depending on lead in times for equipment.

3.2.6 Permissions Listed Building Consent

3.2.7 Resources

On-going staffing resources are a concern. Previously meetings have been facilitated by front of house staff and the administrator. Both of these roles have been reduced in the new structure and the capacity to react to the needs of hirers is lessened at the same time we would hope to grow the customer base with organisations expecting higher standards of service. It is unlikely that this gap could be filled with volunteers.

Changes to business post-Covid also pose a risk if businesses continue to meet online and there is less demand for room hire in general.

3.3 Option 3 The refurbishment of a display gallery

3.3.1 One of the drivers for the Vision adopted in the Museum Transformation Plan agreed by members in 2018 was the poor and outdated standard of some of the museum's galleries. The transformation of the Ancient Lives gallery provided a benchmark to judge our other galleries against and while data does not allow us to assert cause, there has certainly been a rise in visitor numbers of roughly 20,000 in the past few years aligning with its opening. We propose that the most appropriate gallery would be the British archaeology gallery on the first floor which has many issues with its current presentation but is at the heart of the building.

It must be said that the production of Ancient Lives was carried out to a timetable which fitted the requirements of the Property Services team and for a very small amount of money. Savings were made by the re-use of freecycled equipment and cases. Those cheaper options are unlikely to be available again. The proposed gallery would tell a much greater story in terms of scope and chronology and fill a much increased floor space.

The project would include:

- Definition of the stories being told, what periods are covered and what the narrative approach would be
- Research of the periods and the local picture
- Object research and documentation to discover what we hold that tells the stories and is viable for display
- Object conservation and preparation for display by an external specialist contractor
- Appointment of designers and work to create the physical experience including digital and interactive elements
- Activity Plan creation and implementation to ensure the involvement of groups and individuals (eg, Maidstone Archaeological Society, KAS, residents in significant geographical locations, partners with concern for specific elements such as disability access, marginalised stories etc)
- Decant and storage of current exhibition material
- Gallery fit out and replacement of Withdrawing Room floor by Property Services
- Marketing

3.3.2 Benefits

A new gallery would be a visible and popular addition to the museum attracting more visitors and increased spend. This option would continue the work of delivering the new museum vision without the need to involve major funders such as the National Lottery, the project can be carried out at a pace that is determined by MBC and not an external body. An exciting new project would revitalise the image of the museum among stakeholders, residents and staff. Community involvement with the development of the gallery would engage new groups and individuals in our work and their heritage.

This would be a key project in going forward with Kent Archaeological Society and regularising our relationship with them and the status of their collections. It would allow us to identify and agree long term loans for those parts of the collections we are interested in. This will set the scene for inevitable future negotiations should KAS plans for a new Collections Centre come to fruition. British archaeology of one kind or another is always on the history National Curriculum and so presents the most opportunities for learning opportunities, paid services to schools and interest from families and specialist audiences alike.

3.3.3 Risks

This would be, by far, the most expensive option and expenditure would have to be tightly controlled. There may be a possibility of further funding from local sources including the Oldham Trust, but no fundraising campaign, on which the project is contingent, will be launched.

This would be a huge project to deliver on revised staff capacity. Although this might seem the most 'fun' option for staff because it is closest to what many went into museum work for, this work couldn't be delivered alongside a full programme of other work. It may be necessary to budget for extra staff resource (either individuals or hours) and would be critically necessary to reduce work in other areas and to allow a realistic timescale of activities.

The gallery is a major meeting point of routes round the museum and so works here would cause significant disruption but for a limited time.

This option still leaves Westspace empty in the medium term.

3.3.4 Affordability

The budget for the space available is not generous but is workable. The usable space in this gallery is 112 square metres and based on a budget of £350,000 this allows for £3,000 per sqm for fit out. Of course, that doesn't cover all other costs involved with research and preparation but could be reduced to, say £2,000, to help cover those other expenses.

3.3.5 Timescales

See Appendix 1

Appendix 1 shows an illustrative timeline for the major project elements. It should be noted that while the timeline is based on previous experience and industry standards, the exact programme will depend on a number of items including the number and calibre of volunteers available, the complexity of the final build, the condition of items in the collection etc.

3.3.6 Permissions

Listed Building Consent

3.3.7 Resources

Staff capacity to deliver is the largest concern. There is an option to capitalise some staff costs which would be helpful and may be where potential donations are useful. If this project were to go ahead, there would need to be a firm agreement around the hours available and other priorities to be dealt with alongside this work. Future running costs of the gallery would also need to be discussed as part of the design of any gallery. However, a gallery such as this would provide many opportunities for volunteers and others such as archaeology groups to get involved in the day to day delivery of related activities.

3.4 Option 4 minimal refurbishment of Westspace as an events and hire space and development of a new public gallery

3.4.1 This option would combine elements of 2 and 3, bringing Westspace back into use at a manageable level whilst concentrating on the development of the archaeology gallery

Conversion would require the following as a minimum:

WESTSPACE

- Removal of the current kitchen and making good/minimal redecoration
- Removal of access ramp and replacement a wheelchair lift if financially viable
- Provision of fast, reliable WiFi at this end of the building if financially viable
- New blinds to windows
- New chairs and tables

GALLERY

- As above

3.4.2 Benefits

This option combines the most essential elements of two other options, each of which has significant benefits

3.4.3 Risks

There is a not inconsiderable risk that splitting the available spend may mean that not enough improvement is made to Westspace to attract new hirers nor is the archaeology gallery sufficiently exciting and visually appealing to attract new users to the museum so that the whole investment is made for insufficient return

3.4.3 Affordability

This option would remove possibly £20,000-25,000 from the exhibition budget and would mean it is much more likely that some level of external funding is required but it would still be a relatively small amount.

3.4.4 Timescales

Whilst the Westspace work could be done any time after July, the whole project would still take approximately 36 months if both projects were able to commence concurrently and the work to Westspace required minimal museum staff input.

3.4.5 Permissions

Planning Permission (for access changes to the exterior door)
Listed Building Consent

3.4.6 Resources

With the support of Property Services to deliver the Westspace element of this option, the concerns that remain would be those as detailed at Option 3 above

4 PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.2 The preferred option is number 3, the refurbishment of the British Archaeology Gallery.
 - 4.3 This option delivers core museum product and delivers against the museum 20 year plan.
-

5 RISK

The risks associated with this proposal, including the risks if the Council does not act as recommended, have been considered in line with the Council's Risk Management Framework. That consideration is shown in this report at paragraph 3. We are satisfied that the risks associated are within the Council's risk appetite and will be managed as per the Policy.

6 CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

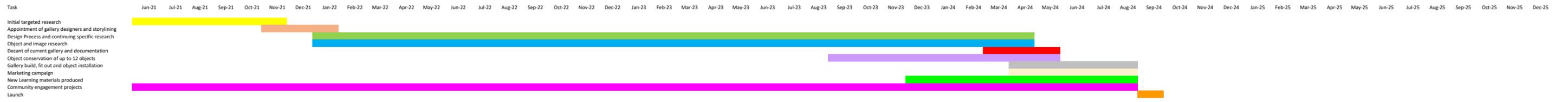
- 6.1 Consultation has taken place with the Maidstone Museum Foundation who support the report's recommendations
-

7 NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 7.1 Since the funding for this project is in place, work to programme the project could begin immediately.
-

8 REPORT APPENDICES

Appendix 1. Estimated timescales for Option 3



ECONOMIC REGENERATION AND LEISURE COMMITTEE

20 April 2021

Draft Economic Development Strategy

Final Decision-Maker	Economic Regeneration and Leisure Committee
Lead Head of Service	John Foster - Head of Regeneration and Economic Development
Lead Officer and Report Author	Chris Inwood – Regeneration and Economic Development Manager
Classification	Public
Wards affected	All

Executive Summary

This report sets out the Councils draft Economic Development Strategy, Economic Vision, five Economic priorities and five- year action plan.

The draft Economic Development Strategy can be found in appendix one and the accompanying State of the Nation report in appendix two.

Purpose of Report

To present the draft Economic Development Strategy, Economic Vision, five Economic priorities and work programme and gain approval for the strategies' public consultation programme and full adoption later in the summer of 2021.

This report makes the following recommendations to this Committee:

1. ERL are invited to make comments on the draft Economic Development Strategy, Economic Vision, the five suggested priorities for the council and the draft action plan.
2. That approval is given to the public consultation programme for the revision of the draft Economic Development Strategy following the local elections in May 2021.
3. That a review of the draft Economic Development Strategy to reflect public consultation feedback is undertaken.
4. That the completed Economic Development Strategy and 5-year action plan will be presented to ERL late summer 2021 for full adoption.

Timetable	
<i>Meeting</i>	<i>Date</i>
Economic Regeneration and Leisure Committee	20 April 2021

Draft Economic Development Strategy

1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	<p>The relevant Strategic Plan objectives are:</p> <ul style="list-style-type: none"> • Embracing Growth and Enabling Infrastructure • A Thriving Place 	Head of Regeneration and Economic Development
Cross Cutting Objectives	<p>The four cross-cutting objectives are:</p> <ul style="list-style-type: none"> • Heritage is Respected • Health Inequalities are Addressed and Reduced • Deprivation is reduced and Social Mobility is Improved • Biodiversity and Environmental Sustainability is respected <p>The review of the adopted EDS supports the following cross cutting objectives: 'Heritage is Respected' the brief includes a section on building on our current rich assets. Health Inequalities are addressed and reduced: The economy is one of if not the biggest determining factor in reducing health inequalities 'Deprivation and Social Mobility is Improved' the brief includes a section on Skills and progression in work and our consultants will liaise with the councils Inclusion Board as part of the consultation process. 'Biodiversity and Environmental Sustainability is respected' the brief includes encouraging businesses to reduce their carbon footprint, waste, and energy consumption.</p>	Head of Regeneration and Economic Development
Risk Management	Without a review of the adopted EDS the Council is at risk of not reaching its targets on Inclusive growth and post COVID 19 Economic Recovery.	Head of Regeneration and Economic Development
Financial	The proposals set out in the recommendation are all within already approved budgetary	Section 151 Officer &

	headings and so need no new funding for implementation.	Finance Team
Staffing	We will deliver the recommendation with our current staffing.	Head of Regeneration and Economic Development
Legal	<ul style="list-style-type: none"> • The objectives and actions outlined in the State of the Nation report are matters which the Council is permitted to undertake under the Functions Regulations and section 111(1) of the Local Government Act 1972, which empowers the Council to do anything (whether or not involving the expenditure, borrowing or lending of money or the acquisition or disposal of any property or rights) which is calculated to facilitate, or is conducive or incidental to, the discharge of any of their functions. • Under Section 3 of the Local Government Act 1999 local authorities have a duty to "make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness". • The review of the Economic Development Strategy demonstrates compliance with the statutory duty. It is a function of the Economic Regeneration and Leisure Committee to oversee the development, review and implementation of the Council's Economic Development Strategy and, therefore, it falls to this Committee to consider the recommendations in this report. 	Team Leader, Contracts and Commissioning
Privacy and Data Protection	The data will be held and processed in accordance with the data protection principles contained in the Data Protection Act 2018.	Policy and Information Team
Equalities	An equalities impact assessment will be carried out as part of the public consultation programme.	Policy & Information Manager

Public Health	We recognise that the recommendations will not negatively impact on population health or that of individuals.	Head of Regeneration and Economic Development
Crime and Disorder	Not applicable	Head of Service or Manager
Procurement	Not applicable	Head of Service & Section 151 Officer

2. INTRODUCTION AND BACKGROUND

- 2.1 In January 2020 the Council went out to full procurement seeking consultants to undertake a review of the Council's current Economic Development Strategy.
- 2.2 Lichfields were chosen as the Council's preferred bidder as in addition to submitting a quality tender response, they are the Council's consultants for the Local Economic, Retail and Leisure Needs Assessment for the Local Plan review and were commissioned by the South East Local Enterprise Partnership to develop the LEP's Local Industrial Strategy.
- 2.3 Due to the Covid-19 pandemic the original brief was amended to include economic impacts of Covid-19 upon the Borough's economy and the implications this is likely to pose for development of the Economic Development Strategy.
- 2.4 The work programme was paused due to the Economic Development team focussing on delivering Covid-19 Business grants with a revised programme being agreed for 2021.
- 2.5 The draft Economic Development Strategy is designed to be high-level, acting as a positioning document to bid for future external funding support and shape the direction of the Economic Development teams focus over the next five years.

3. DEVELOPING THE DRAFT ECONOMIC DEVELOPMENT STRATEGY

- 3.1 The draft strategies, priorities, economic version, and action plan were shaped following several stakeholder events held during 2020 and 2021.

Stakeholders:	Date:
All Members workshop	12 August 2020
Engagement with the Councils Inclusion Board to understand the Councils emerging work around inclusive growth, financial inclusion,	20 July 2020

social mobility, and deprivation.	
Officers workshop,	11 August 2020
Maidstone Economic Business Partnership workshop on Covid 19 Economic recovery and implications.	26 June 2020
CLT	16 February 2021

- 3.2 In addition to the virtual workshops, the consultants also undertook 121 telephone interviews with, Mid Kent College, Kent County Council, Locate In Kent, Thames Gateway Kent Partnership, and the South East Local Economic Partnership. Dialogue has also been held with the Department of Works and Pensions.
- 3.3 The draft's priorities and actions were also supported by key findings from the State of the Nation Report.
- 3.4 An interim report setting out the analysis and feedback from stakeholder consultations with, Councillors, Officers, external stakeholders, and the business community was presented by Lichfields to ERL on the 15th September 2020.
- 3.5 At ERL on the 12th November 2020 Lichfields presented a State of the Nation" analysis including business and labour market information and projections which compares Maidstone's position relative to other Local Authority areas, as well as historic trends in Employment, Business, Population, Labour Market using the most up to date information available.
- 3.6 All of the activity above has assisted in shaping the draft Economic Development Strategy, Economic Vision, five suggested Economic Priorities and five -year action plan.

4. ECONOMIC VISION

- 4.1 Lichfields' work presents the following vision for the Borough's Economy.

'By 2030 Maidstone will excel as the 'Business Capital of Kent', defined by a strong entrepreneurial spirit, an unrivalled urban-rural economic offer, and which offers opportunities for all of our communities'.

5. DRAFT FIVE ECONOMIC PRIORITIES

Lichfields have proposed five economic priorities to underpin the draft Economic Development Strategy and action plan.

Priority 1: Open for Business:

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

Priority 2: A greener, more productive economy:

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

Priority 3: A thriving rural economy:

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

Priority 4: Inclusive growth:

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

Priority 5: Destination Maidstone town centre:

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

6. DELIVERING THE DRAFT ECONOMIC DEVELOPMENT STRATEGY

For each of the five strategic priorities, Lichfields have identified a five-year action plan to shape activity as the Council starts to deliver our Economic vision for the Borough. The action plan follows a three-stage approach to reflect short-, medium- and longer-term actions and identifies what partners or additional resources may be required over that time period.

7. NEXT STEPS

That ERL feed backs comments and views on the draft Economic Development Strategy, Economic Vision, five Economic Priorities and action plan for inclusion in the document before it goes to public consultation.

That ERL approves an eight- week public consultation programme following the local elections in May 2021.

The Economic Development Team will work closely with the Councils Communications Team to promote the consultation programme. A press release will be created, and the consultation will be published on the Councils consultation webpage. The consultation webpage will be circulated to all Ward Councillors and Parish Councils, all businesses on the Councils business e-newsletter database, and to all key stakeholders involved in the original consultation workshops of last year. Due to current Covid 19 restrictions we are not planning any face-to-face activity.

That following the public consultation programme a final review is undertaken before presenting the Economic Development Strategy to ERL late summer 2021 for full adoption.

8. AVAILABLE OPTIONS

- 8.1 ERL Committee agrees to provide feedback and comments on the draft Economic Development Strategy, approves an eight- week public consultation programme following the local elections in May and that a review of the draft is undertaken following public consultation before a final strategy is presented to ERL in late Summer 2021 for full adoption.
- 8.2 Do nothing. Without a review of the adopted EDS the Council is at risk of not reaching its targets on Inclusive growth and post COVID 19 Economic Recovery.

9. RISK

- 9.1 Without a review of the adopted EDS the Council is at risk of not reaching its targets on Inclusive growth and delivering post COVID 19 Economic Recovery.

10. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 10.1 February 2019's Full Council resolved that the Economic Development Strategy Review should include the following: The arts, Parks and open spaces improvements, The destination management plan, The visitor and leisure economy, Promoting low or carbon neutral growth and building on our current rich assets. In accordance with Council Procedure Rule 17.5, the motion, was referred to the Policy and Resources Committee for consideration. Subsequently, at its meeting on 27 March 2019, the Policy and Resources Committee referred the motion to ERL Committee. ERL debated the motion on the 4th July 2019 and finally approved a wording on the 2nd July 2019: 15 This Council notes the considerable progress made in economic development over the last 5 years including:

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

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

- Place making initiatives such as improvements to parks and open spaces, arts and cultural developments, public realm.
- The visitor and leisure economy, events and festivals.
- Protecting well located and attractive employment space and bringing forward new employment space.

- Encouraging businesses to reduce their carbon footprint, waste and energy consumption.

11 REPORT APPENDICES

The following documents are to be published with this report and form part of the report:

- *Appendix 1: Draft Economic Development Strategy*
- *Appendix 2: State of the Nation Report*

LICHFIELDS

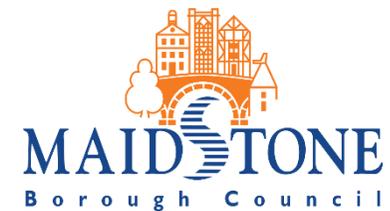
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Maidstone Economic Development Strategy

Maidstone Borough Council

Final Draft Report

March 2021



This report has been prepared by Nathaniel Lichfield & Partners (“Lichfields”) on behalf of Maidstone Borough Council under the terms of engagement dated 29 April 2020. The report is intended for use by Maidstone Borough Council and may not be relied upon by any other party. Lichfields accepts no duty of care or liability for any loss occasioned to any person acting or refraining from acting as a result of any material within this report.

This report has been prepared based on publicly-available information and information supplied by third parties. The analysis and interpretation of information and conclusions are based on current conditions and views which may be subject to change. Lichfields has relied upon the accuracy of data and other information supplied without independent verification. The analysis in this report draws upon and applies Lichfields proprietary methodologies. Estimates of economic impacts and the underlying assumptions are illustrative and do not constitute forecasts.

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Executive Summary/Foreword

TO BE INCLUDED IN FINAL REPORT

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Draft

Structure

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1. Introduction

This Economic Development Strategy sets out a vision and plan of activity to enable Maidstone to achieve its economic growth potential over the period to 2030.

Introduction

This Economic Development Strategy has been prepared by Lichfields on behalf of Maidstone Borough Council ('MBC') to set out the Council's vision and ambition for the future growth and development of Maidstone Borough's economy.

Embracing a proactive and strategic approach to enabling local growth represents the golden thread running through the Council's Corporate Plan, Local Plan and relevant service areas, and the Councils' number one corporate priority.

A great deal has changed since the Council adopted its previous Economic Development Strategy in 2014 and going forward the Council needs to reposition its growth strategy to take advantage of changing economic circumstances and to ensure that the Borough is in the best possible position to capture and realise economic growth, prosperity and productivity improvements over the course of the coming months and years to 2030.

In this context, key requirements of the brief are to:

- Review and 'sense check' current economic vision for the Borough;
- Provide set of new interventions for the Council to clearly articulate and execute its strategy to grow the local economy and increase productivity;
- Set a five-year action plan against these interventions to support the vision;
- Consider local economic impacts and opportunities from Brexit, changes to the national and local growth agenda and the Local Plan Review/emerging policies; and
- Align policy development and actions with wider strategic growth opportunities at the Kent and Medway, sub-regional and national level.

Consultation

The Council has adopted an inclusive approach to developing this Strategy, engaging with a wide range of organisations and encouraging new ideas to come forward and collaboration to take place. This has involved a series of workshops with key stakeholders, elected members and local businesses to gain a better understanding of business needs, economic issues and growth opportunities. These have been convened virtually due to operational restrictions posed by Covid-19.

Covid-19

This Economic Development Strategy has been prepared during a period of significant economic uncertainty associated with the Covid-19 pandemic, and it is difficult to anticipate the full extent of the economic shock at the time of writing. It therefore considers both the support that Maidstone's economy will need through recovery in the short and medium term, as well as how the area's potential can be enhanced over the longer-term.

The remainder of this document sets out:

- The strategic context that this Economic Development Strategy has been prepared within (section 2.0);
- An overview of the local economy, key growth challenges and opportunities that the Borough faces, and our understanding of local economic impacts of the Covid-19 pandemic as they continue to evolve (section 3.0);
- Our strategic priorities for guiding local economic growth (section 4.0); and
- Our collective approach to delivering this Strategy through a package of future actions to guide short, medium and longer term programmes of activity over the next five years (section 5.0).

Structure

- 1 Introduction
- 2 Strategic Context**
- 3 State of the Local Economy
- 4 Our Economic Vision and Strategy
- 5 Delivery and Action Plan

2. Strategic Context

This EDS has been prepared against an important strategic backdrop of policy initiatives, strategies and plans at the national, regional and local level.

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2. Strategic Context

The economic development funding landscape has evolved rapidly over recent months in line with the Government's economic recovery response to Covid-19.

Strategic Funding Opportunities

The national policy and funding landscape for economic development has evolved rapidly over recent months in line with the Government's economic recovery response to Covid-19, and this provides an important strategic backdrop for Maidstone's Economic Development Strategy and, crucially, its implementation over the months and years ahead.

A summary of potential funding options and opportunities is presented to the right, based on key policy and funding announcements made in the Spending Review 2020 (November 2020) which prioritises funding to support the Government's response to Covid-19 and invest in the UK's recovery.

This is not an exhaustive list of funding sources that may be available to support delivery of the strategic growth priorities identified in this Economic Development Strategy; there will be additional scheme and sector specific sources of potential funding that the Council and its partners may also need to explore, and the nature of funds available will change over time in line with national and local priorities or as future rounds are launched.

Access to funding is typically on the basis of competitive bidding processes either directly to Government or through the LEP depending on the nature of the fund. These processes usually have defined criteria (e.g. scale of funding, defined outputs) and conditions (e.g. timescale for delivery, private sector leverage) and may be subject to business cases developed in line with national guidance.

Spending Review 2020: Key Funding Priorities

- £4 billion **Levelling Up Fund** to upgrade local infrastructure and support economic recovery. It will be open to all local areas in England and will prioritise bids to drive growth and regeneration in places in need, those facing particular challenges, and areas that have received less government investment in recent years.
- Total investment of £12 billion to support a **Green Industrial Revolution** and recovery from Covid-19, with the SR20 providing funding for the Prime Minister's Ten Point Plan. This includes £1.9 billion for charging infrastructure and consumer incentives, £1.1 billion to make homes and buildings net zero-ready, £1 billion for a Carbon Capture and Storage Infrastructure Fund, and additional investment in low hydrogen carbon production, offshore wind, and nuclear power.
- SR20 also provided an initial indication for what the **UK Shared Prosperity Fund** (UKSPF) will invest in and how it will be targeted. The UKSPF will operate UK-wide, with total domestic UK-wide funding at least matching current EU receipts, on average reaching around £1.5 billion a year. A portion of the UKSPF will target places most in need across the UK, such as ex-industrial areas, deprived towns and rural and coastal communities. It will support people and communities, opening up new opportunities and spurring regeneration and innovation.
- Alongside SR20 Government has launched a new **National Infrastructure Strategy** setting out its plans to transform the UK's economic infrastructure. This is based around three central objectives: economic recovery, levelling up and unleashing the potential of the Union, and meeting the UK's net zero emissions target by 2050. These objectives will be supported by the creation of a new infrastructure bank to catalyse private investment in projects across the UK, as well as through a comprehensive set of reforms to the way infrastructure is delivered.
- The government intend to publish further details on how these key SR20 funding opportunities will operate during the course of 2021.

2. Strategic Context

Emerging strategic plans at the local and sub-regional scale provide a timely opportunity to align key economic growth policy development and actions.

South East Local Industrial Strategy

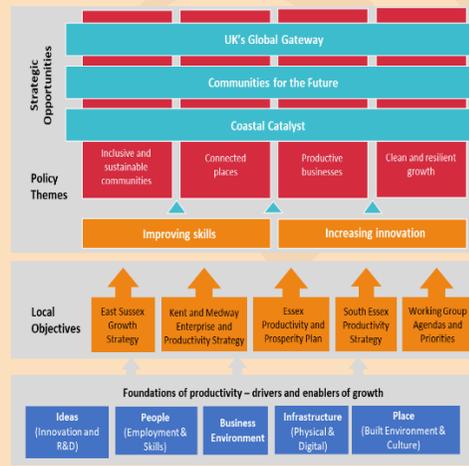
Following publication of the Government's national Industrial Strategy in 2017, the South East LEP (SELEP) has produced a Local Industrial Strategy (LIS) which identifies the following overall vision:

“Through targeted investment in our people and places and progressing our partnership with London, we will enhance the economic vitality of UK plc by increasing productivity across the SELEP area, delivering £28 billion additional Gross Value Added by 2030.”

At the heart of the strategy are three distinctive strategic opportunities that the South East will harness to position the region as the UK's global gateway, delivering investment in communities across the region to drive innovation, productivity and sustainable growth (see Figure below).

This provides Maidstone Borough with particular opportunities to contribute towards the 'communities for the future' priority, given the scale of development planned over the coming years, in particular within a number of new garden settlement locations.

The publication and implementation of the South East LIS is currently on hold while the unprecedented economic challenges arising from Covid-19 are being considered by the LEP.



2050 Kent and Medway Enterprise and Productivity Strategy

Aligned with the LIS, the emerging Kent and Medway Enterprise and Productivity Strategy identifies a number of major opportunities across Kent and Medway which have the potential to transform productivity and prosperity.

The draft ambition for 2050 is *“to fully realise our economic potential by making more of our strategic geographic location and maintaining, and enhancing our attractive living and business environment, ensuring a more reciprocal relationship with London.”*

It focuses on enabling three key objectives; super connecting the places of Kent and Medway; upskilling the workforce; and supporting well led business to grow and innovate.

Specific ambitions linked to these objectives include being a smart international gateway to Europe, to be recognised as the 'Clean Garden of England' and as an international destination for investment and tourism.

The Enterprise and Productivity Strategy provides particular opportunities for Maidstone to align its own local growth objectives around key priorities such as settlements of the future, as well as tapping into wider growth initiatives such as the Kent Science and Innovation Corridor, the Thames Estuary and the Thames Estuary Production Corridor.



2. Strategic Context

Emerging strategic plans at the local and sub-regional scale provide a timely opportunity to align key economic growth policy development and actions.

Maidstone Borough Council Strategic Plan 2019-2045

This sets out the Council's aspiration for Maidstone through to 2045, and a plan to achieve this aspiration. It identifies four underpinning priorities to shape Council activity and partnership working in support of a vision for a vibrant, prosperous, urban and rural community at the heart of Kent where everyone can realise their potential:

1. **Embracing Growth and Enabling Infrastructure:** a Borough where there is a variety of jobs, housing need is met and infrastructure is in place to meet the growing needs of our residents and economy.
2. **Safe, Clean and Green:** an attractive and clean place for all, a safe place to live, protecting and where possible enhancing our environment.
3. **Homes and Communities:** a good balance of different types of homes that enable good health and wellbeing for our communities.
4. **A Thriving Place:** a Borough that is open for business, attractive for visitors and is an enjoyable and prosperous place to live.

Maidstone's Economic Development Strategy has an important role to play in facilitating these Corporate growth priorities for the Borough, all of which are reflected within the updated economic vision and accompanying strategic framework presented in this document.



Maidstone Local Plan Review

The Council is currently preparing a review of the Maidstone Borough Local Plan to provide an up-to-date framework for development across the Borough over the period to 2037. Consultation recently took place on a Regulation 18 'Preferred Approach' which includes an allowance for an additional 18,210 new homes, over 100,000sq.m of business floorspace and a number of strategic development opportunities within the Borough.

The Local Plan Review recognises the uncertainties that exist post Covid-19 and post Brexit, but also that the areas which fare best in difficult economic times are those which offer the maximum choice and flexibility to those wishing to invest or to reinvest in employment creating activities. It also acknowledges the vital role that Maidstone town centre plays at the heart of the Borough and community, and the need to ensure that it is equipped properly for its ongoing role as the County Town of Kent. A forthcoming Town Centre Action Plan will look at how, over the period up to 2050, it can be transformed through a programme of new investment in high added value jobs, an improved retail, leisure and cultural offer, new community, health and education infrastructure and new and enhanced green spaces.

It also seeks to allocate two new garden settlements, at Heathlands and Lidsing, to concentrate the Borough's future growth needs within sustainable locations. Between them, the two preferred garden settlements offer potential to accommodate around 7,000 new homes as well as significant employment and business growth opportunities.



Structure

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- 4 Our Economic Vision and Strategy
- 5 Delivery and Action Plan

3. Maidstone Economic Profile

As Kent's County Town, Maidstone and surrounding Borough play an important sub-regional role, accommodating a critical mass of businesses, jobs and residents.

Spatial Profile

The Borough of Maidstone covers an area of approximately 40,000 hectares and is situated in the heart of Kent. Maidstone is the County Town of Kent and approximately 75% of its 171,800 population live in the urban area.

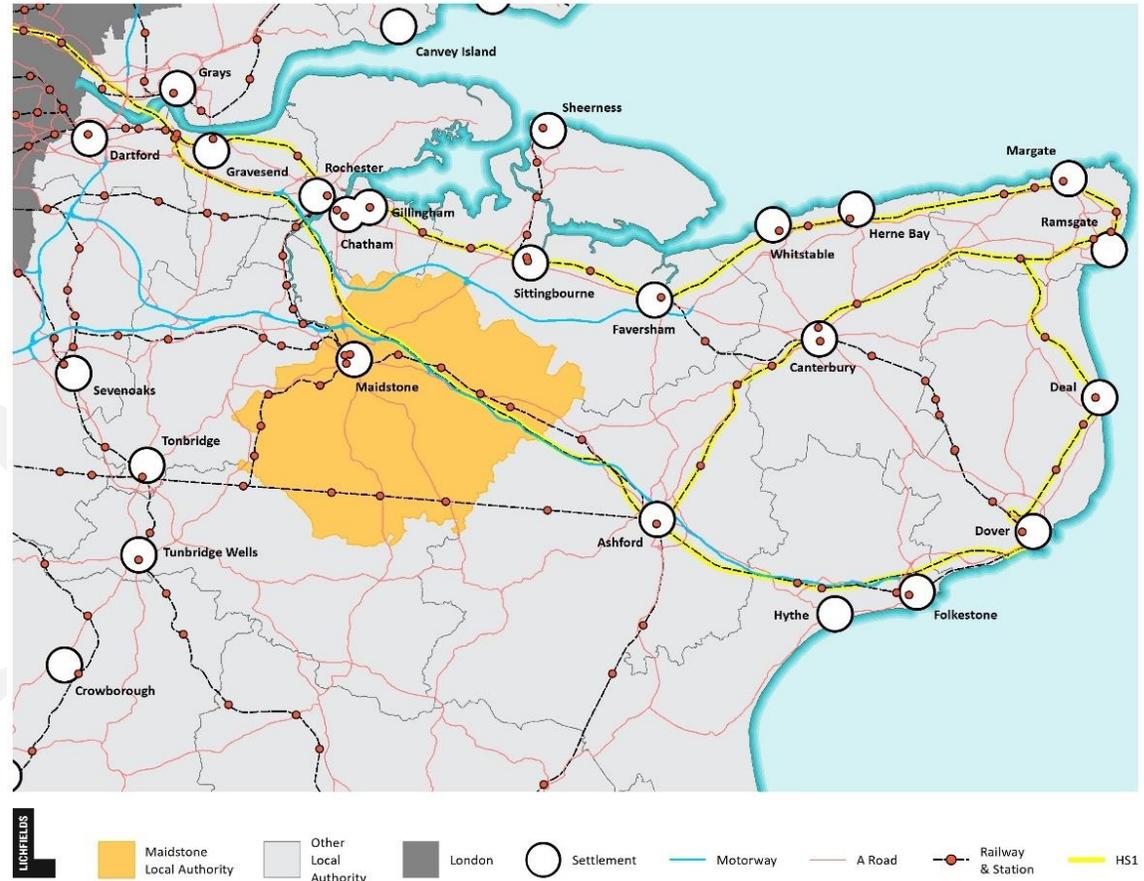
The Maidstone urban area, located in the north west of the Borough, has a strong commercial and retail town centre, with Maidstone comprising one of the largest retail centres in the South East.

A substantial rural hinterland surrounds the urban area, part of which enjoys designation due to its high landscape and environmental quality. The Borough encompasses a small section of the metropolitan green belt (1.3%), and 27% of the borough forms part of the Kent Downs Area of Outstanding Natural Beauty (AONB).

The borough is strategically located between the Channel Tunnel and London with direct connections to both via the M20 and M2 motorways. Three central railway stations in the town connect to London, Ashford, Tonbridge and to the Medway Towns.

Whilst the Borough is relatively self-contained from a labour, housing and commercial market point of view, it's location at the heart of Kent means that it shares strong economic relationships with its neighbouring areas, in particular the 'Malling' part of Tonbridge and Malling and parts of Medway and Swale.

Figure 1: Maidstone in Context



Source: Lichfields analysis

3. State of the Local Economy

The Borough benefits from some inherent economic strengths but also faces some key constraints to growth that are likely to be exacerbated by Covid-19 impacts.

Summary SWOT Analysis

Our analysis of recent economic trends within the Borough identifies a ‘patchwork’ of varied economic characteristics and performance, with significant scope to boost the Borough’s contribution to Kent’s wider growth over the coming years. Maidstone has seen its jobs base grow and diversify, has accommodated significant enterprise growth and healthy rates of business survival as well as consistently strong population growth in recent years, suggesting that Maidstone remains an attractive place to live as well as work. But it must also address a series of underlying economic weaknesses and challenges to boost workplace productivity in line with regional and national averages, and this includes upskilling the local resident base to more effectively capture high value growth opportunities and job growth in future.

This EDS has been informed by a refreshed evidence base that establishes the economic baseline for the Borough in terms of current economic performance and recent trends. Key findings from this are summarised in the **‘State of the Nation’ report** included at Annex 1.

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Strengths

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



Weaknesses

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



Opportunities

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



Threats

- Covid-19 impacts including risk of increasing unemployment
- Uncertainty around recovery profile for Borough’s key sectors
- Resident skills may not be sufficient to take advantage of higher value job opportunities
- Decreasing high street and retail trade activity
- Competition from ambitious growth plans across wider sub-region

Source: Lichfields analysis

3. Covid-19 Economic Effects

This Strategy presents a timely opportunity to bridge short term Covid-19 related responses with longer term aspirations to transform Maidstone's economy.

Implications of Covid-19

The outbreak of Covid-19 has had a significant effect on the Borough's economy, with impacts still unfolding as the economic disruption continues:

- Many of the Borough's businesses continue to experience severe disruption to day-to-day operations, and a negative impact from the pandemic on sales/revenues and future orders.
- Across the local economy overall, over a quarter of Maidstone's working residents had been furloughed through the Coronavirus Job Retention Scheme, and while local unemployment has risen sharply, the full effects are likely to be masked by the extension of government support schemes.
- Visits to retail, recreation and workplace venues are still significantly lower than 'normal', posing economic challenges for the town centre in particular.
- The impact on individual sectors has varied significantly reflecting the extent to which lockdown measures and ongoing restrictions have forced some industries to temporarily 'shut down'. Around one quarter of Maidstone's local employment, output and business base fall within sectors at highest risk from short term economic harm from Covid-19; hospitality, recreation and retail have been amongst those sectors hardest hit, but have also driven much of the job growth recorded in the Borough over recent years and remain locally significant.
- Covid-19 forecasts from Experian (prepared in Summer 2020) imply a short term economic impact equivalent to £575 million and 4,000 jobs across the Borough during 2020, taking at least two years for the local economy to recover to pre Covid-19 levels of economic activity.

The 'real time' nature of the evolving economic situation emphasises the need to keep on top of data and intelligence as it emerges, to monitor impacts as they unfold, and use this to review the Economic Development Strategy response on a timely basis.

Adapting to a 'New Normal'

Although it is still too early to understand fully how the pandemic and resulting structural changes may affect the longer term economic growth prospects for the Borough, it is likely that the Covid-19 pandemic will induce and accelerate some key structural economic changes that will influence patterns of local economic growth and development, some of which are summarised below:

- Covid-19 has brought about asymmetrical impacts across different communities, reinforcing the logic for **place-based and people-centred approaches** to help ensure a balanced and inclusive recovery.
- The distribution of the economic and social consequences of the health emergency have been strongly influenced by factors such as sector composition, labour market profile and trading relationships; these will require **renewed focus in recovery planning**, and the way in which we aim to support productivity growth in Maidstone.
- The **rediscovery of "proximity" and the "local"** during the course of the pandemic has accelerated focus on enhancing accessibility and connectivity across new and existing communities, for example with regard to access to green space, local services, and maintaining work-life balance.
- The pandemic has been a major game changer for the **pace of digitalisation**, and will remain a key component of the "new normal"; this has major implications, for example, on the way in which businesses operate and use space, and commuting patterns for workers, but also heightens challenges such as digital exclusion for some groups.
- **Environmental awareness** has been significantly raised, and with government policy now focused on "green recovery". These factors give the opportunity to accelerate Maidstone's ambitions in terms of clean growth, sustainable travel and natural capital.

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4. Our Economic Vision

Our Strategy is guided by an overarching vision for the Borough's economy in 2030 to articulate its economic potential and unique growth opportunities.

Our Economic Vision for Maidstone

Our new economic vision builds upon existing strengths and unique assets where the Borough already has competitive advantage but also where there is significant scope to use these assets to drive prosperity amongst Maidstone's residents and businesses in the future. We want to maximise our economic credentials to 'lead the way' within a competitive environment and deliver a step change in economic performance and prosperity that reaches and benefits all parts of our community in a genuinely inclusive way so that no-one is left behind.

It focuses on the success of Maidstone as a business location, but sets a bolder ambition about the role it can play in future as the 'the' business capital of Kent. This is supported by a palpable spirit of enterprise evident across the whole economy and a complementary mix of both urban and rural economic opportunity that is genuinely unrivalled across Kent and the wider region.

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

Reflecting the 'local growth' golden thread running through all aspects of Council activity and service delivery, our overall economic ambition complements the wider vision for a 'Borough that works for everyone' set out in Maidstone Borough Council's Strategic Plan.

This is underpinned by five strategic priorities that are explored on the following pages where we identify the rationale for each priority and a series of enabling factors – where the Council is likely to have greatest influence – to overcome key challenges to economic prosperity and set a path to achieving our vision for Maidstone in 2030.



By 2030 Maidstone will excel as the 'Business Capital of Kent', defined by a strong entrepreneurial spirit, an unrivalled urban-rural economic offer, and which offers opportunities for all of our communities.

4. Strategic Priorities

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

Economic Vision:

By 2030 Maidstone will excel as the 'Business Capital of Kent', defined by a strong entrepreneurial spirit, an unrivalled urban-rural economic offer, and which offers opportunities for all of our communities.

Five strategic priorities for realising our vision:

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Open for business

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



A greener, more productive economy

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



A thriving rural economy

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



Inclusive growth

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



Destination Maidstone town centre

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



Priority 1: Open for Business

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

Rationale

Home to more than 7,000 businesses and 168,000 residents, Maidstone already represents a powerhouse for growth and a popular business location. It has a high business start up rate (at 77 business starts per 10,000 residents aged 16 to 64) indicating that the Borough plays an important role as an incubator of new businesses and innovation; and those businesses that do start in Maidstone have a strong chance of survival.

The pace of business growth has, however, been lagging behind Kent, South East and UK averages over recent years; between 2009 and 2018 the Borough's business base increased by 18%, representing a lower level of growth than recorded across Kent (20%), the South East (20%) and UK (26%) during this period. We also know from our business surveys that many are suffering significant disruption as a result of Covid-19, with ongoing restrictions and social distancing measures effectively forcing some key industries such as hospitality, recreation and retail to temporarily 'shut down'.

The short term focus of our strategy must therefore be on business survival and resilience as they gradually adapt to the 'new normal', recasting and evolving the local business support offer as Maidstone's business base transitions from 'restart' to 'recovery' and eventual growth. Local intelligence suggests that businesses are increasingly seeking support around ongoing changes to Covid-19 operational restrictions, EU Transition and help to start-up a new business in response to the growing redundancy situation.

We want to offer a welcoming environment to entrepreneurs by providing the required facilities and floorspace, together with the opportunities to integrate in wider business networks and supply chains and take advantage of the agglomeration economies that already exist in Maidstone to thrive. Recent years have seen the Borough's stock of business space gradually decline, for instance with local office space reducing by 17% between 2001 and 2019, driven more recently by Permitted Development Rights which has impacted Maidstone town centre's office role in particular. We need to reverse this trend through a proactive strategy that enforces our credentials as an attractive business location and provides flexibility to cater for changing business space needs as a result of Covid-19 and increasingly agile working practices.

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



Economic Drivers & Opportunities

- **North Kent Enterprise Zone:** this provides key business incentives including business rate discounts, fast-track planning applications and affordable commercial rates
- **Covid-19 induced shift towards more localised working:** opportunities to capture business growth locally as commuting to larger economic centres reduces and businesses place greater value on proximity to their workforce and quality of life
- **South East LIS 'Communities for the Future' strategic opportunity:** maximising the role of Maidstone's new garden communities to accommodate vibrant business districts and hubs
- **Thames Estuary Production Corridor:** drawing on existing film and TV production strengths at Maidstone Studios to expand creative sectors locally
- **Maidstone Borough Council's Strategic Plan 2019-2045:** realising the vision for 'a thriving place' that is open to business



Enabling Factors

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



Priority 2: A greener, more productive economy

Diversifying our economic base and boosting productivity by growing high value activity, building on existing sector strengths and growth opportunities.

Rationale

Maidstone needs to broaden its economic foundations to not only support business resilience over the short term as the economy recovers from Covid-19, but to also position itself for future growth opportunities over the coming years. Despite some strong indicators of economic performance, the Borough faces a series of underlying economic weaknesses and challenges to boost workplace productivity in line with regional and national averages, driven in part by strong representation of lower value activities such as hospitality, recreation and social care. Our analysis shows that average economic output (GVA) generated by Maidstone's workforce is 21% lower than the equivalent for the South East, 18% lower than the UK and also falls significantly behind many of our neighbours.

The public sector has traditionally provided a strong source of local economic activity reflecting Maidstone's role as Kent's county town. Organisations such as Kent County Council and the Borough Council are significant employers in their own right, and in turn support a range of direct and indirect benefits including local spending and procurement opportunities for local businesses.

Notwithstanding, we need to diversify the local economy through private sector growth and with it, high quality employment opportunities for our residents. This is reinforced through the National Industrial Strategy and at sub-regional level by the South East LIS, with their emphasis upon driving economic productivity and responding to the global Grand Challenges of ageing society, future of mobility, clean growth and artificial intelligence.

Through this Strategy, we want to harness key growth and innovation opportunities accelerated by the Covid-19 pandemic for instance around digital transformation and green recovery, using these to accelerate existing business clusters, development proposals and local business ecosystems, particularly where these align with government economic recovery funding initiatives.

Linked to this and Priority 1, we need to position the Borough to realise distinctive sector growth and innovation opportunities associated with its strategic location within the Kent Science and Innovation and Thames Estuary Production Corridors. Medical technology (and life sciences more generally) represents a key opportunity in this sense, by maximising economic impact from the Maidstone Innovation Centre currently being constructed at the site of the Kent Medical Campus.

As part of the government's plans to 'build back better', we also want to consider emerging productivity opportunities presented by the green recovery agenda which also aligns strongly with the Council's corporate growth priorities around climate emergency and biodiversity. This could include developing local expertise in low carbon technology, and trialing this as we design and build our new garden communities at Lidsing and Heathlands.

Maidstone Economic Development Strategy

Economic Drivers & Opportunities



- **Kent Medical Campus and Maidstone Innovation Centre:** immediate opportunity to capture high value sector activity within the Borough and provide the innovation ecosystems to enable this activity to thrive
- **National Industrial Strategy and South East LIS:** imperative to boost productivity and prosperity, with key LIS initiatives such as 'Communities for the Future' providing particular opportunities for Maidstone through the forthcoming development of new garden settlements in the Borough
- **Kent Science and Innovation Corridor:** sub-regional growth initiative for Maidstone Borough to capitalise upon as it seeks to grow and expand innovation clusters locally
- **Government's Ten Point Plan for green economic recovery:** opportunity for Maidstone to play an active role in the 'Green Industrial Revolution' with funding opportunities totalling c.£12 billion announced in Spending Review 2020
- **Maidstone Local Plan Review:** the emerging planning framework and spatial plan for the Borough seeks to allocate two new garden settlements at Lidsing and Heathlands, both of which offer opportunities to diversify our local economic base through innovative design, construction, and through curating high quality business clusters

Enabling Factors



- Provision of high quality 'innovation space'
- Skills brokerage and training opportunities
- Facilitating business networks and clusters
- Provision of land for inward investment
- Influencing the public sector to consolidate activity here in the Borough



Priority 3: A thriving rural economy

Realising the potential of our rural assets and overcoming barriers to growth through enhanced infrastructure and connectivity.

Rationale

Maidstone accommodates a successful rural economy that provides a vital source of employment for many of the Borough's residents and is home to a network of smaller towns and villages that are important commercial centres in their own right. For instance, the settlements of Lenham, Staplehurst and Headcorn all accommodate sizeable employment bases and provide critical service functions for their surrounding rural economies.

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

Particular growth opportunities have been identified around the Borough's burgeoning agriculture industry where Maidstone plays home to some of the UK's leading winemakers including Hush Heath Winery. UK wine has been recognised as a serious business, is one of the fastest growing areas of the UK economy and offers a flexible way for landowners to diversify. For instance, WineGB predicts that the UK's wine growing industry could support 24,000 jobs by 2040, up from 2,100 today, with the 'Wine Garden of England' (in and around Kent) required to play an important role in supporting and enabling this growth. There are opportunities to use vineyard experiences as a central pillar from which other local businesses in tourism and leisure can benefit, creating a self-supporting economic ecosystem, driving up the economic value and contribution made by the Borough's rural tourism sector, and strengthening the Borough's credentials as a tourist destination.

Linked to this, Visit Kent's recent Accommodation Study identifies the increasing trend for experience-based offers; the desire for 'easily accessible rural locations' could be capitalised upon by the Borough's rural locations with higher quality smaller establishments which match the high end offer of attractions such as Leeds Castle and the vineyards.

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

Economic Drivers & Opportunities



- **The 'Garden of England' brand:** opportunities for Maidstone's rural businesses to capitalise on a thriving food and drink manufacturing sector in Kent and benefit from the agglomeration effects of a growing cluster
- **Covid-19 induced shift towards more localised working:** with fewer people travelling to larger centres for employment, this presents opportunities to develop networks of sustainable rural business hubs across the Borough
- **Increasing demand for 'staycations' over the short term:** as international travel restrictions continue, the Borough's visitor and hospitality sector stands to benefit from more localised trips and holidays. Opportunities exist to develop a stronger experiential place-based visitor economy offer
- **2050 Kent and Medway Enterprise and Productivity Strategy:** identifies an ambition to be recognised as the 'Clean Garden of England'; this provides a key opportunity for the Borough's rural economy to contribute to a broader focus on clean growth and green recovery as we 'build back better'
- **New National Infrastructure Strategy:** launched as part of Spending Review 2020, this sets out plans to transform the UK's economic infrastructure, supported by the creation of a new infrastructure bank. This provides a timely opportunity to raise the profile of the Borough's rural connectivity constraints and make the case for infrastructure investment

Enabling Factors



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



Priority 4: Inclusive growth

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

Rationale

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

Whilst the Borough ranks within the least 50% deprived local authorities in England in terms of overall deprivation, some entrenched pockets of socio-economic inequality persist within the urban areas of Maidstone town (for instance within the urban wards of Park Wood, Shepway South and High Street) with key segments of the Borough’s population particularly vulnerable to the ongoing economic effects of Covid-19 such as unemployment and reduced earnings.

The local Claimant Count – a key indicator of unemployment – has increased sharply following the outbreak of Covid-19, from 2.2% in March 2020 to 5.3% by September 2020, and we need to support those residents most susceptible to economic inactivity and labour market exclusion through targeted skills development, employability support, and over the longer term, by raising aspirations amongst people of all ages, inspiring them to realise their potential.

Issues of social mobility are also prevalent amongst some groups of the local population (such as young people and adults) and this acts as a constraint to economic growth that this strategy seeks to address.

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

Skills represents a key determinant of the success of people and places, and our analysis suggests that more of our residents hold no formal qualifications (8.8%) than the equivalent for Kent (7.8%), the South East (5.8%) and the rest of the UK (7.9%). The share of Borough residents holding higher level skills (i.e. NVQ4 and above) also falls behind regional and national averages, indicating scope for much improvement. Through this Strategy we want to work with partners to facilitate a dynamic and agile local skills ecosystem, to ensure that our communities – in particular young people – can access skills and employability support including specific opportunities for re-training, business start-up, and developing digital/e-commerce competencies. Improved skills and earnings prospects will also have wider knock-on community wellbeing and prosperity benefits, for instance by enabling local residents to enter the housing market.



Economic Drivers & Opportunities

- **National ‘levelling up’ agenda:** seeks to reduce socio-economic inequality across all parts of the UK, supported by a £4 billion Levelling Up Fund open to all local areas in England. The provides a timely opportunity for Maidstone to make the case for targeted investment to overcome long term deprivation challenges in key pockets of the Borough
- **National Industrial Strategy and South East LIS:** imperative to boost prosperity for all, including by equipping people with the skills and competencies they need to contribute to a more productive economy
- **2050 Kent and Medway Enterprise and Productivity Strategy:** identifies a key priority area to deliver a step change in our future skills base, moving from a level 2-3 economy to a level 3-4 economy
- **Maidstone Borough Council Strategic Plan 2019-2045:** identifies a vision for a vibrant, prosperous, urban and rural community at the heart of Kent where everyone can realise their potential
- **Digital transformation (accelerated by Covid-19):** this poses major implications for future delivery of learning and ways of working, and heightens existing challenges such as digital exclusion for some groups

Enabling Factors

- Targeted employability and skills support
- Digital infrastructure and connectivity
- Key focus on economic inclusion within all future Council strategies
- School careers programmes
- Job brokerage





Priority 5: Destination Maidstone town centre

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

Rationale

Like many other parts of the country, Maidstone's town centre has undergone unprecedented change over recent years in response to major structural shifts in the wider retail, leisure and office markets; a process that has been rapidly accelerated more recently by Covid-19. Visits to retail, recreation and workplace venues in the town centre are still significantly lower than 'normal', and it is unlikely that pre-pandemic patterns of activity will return in the same way.

Yet it remains an important economic centre, the Borough's largest employment location and a significant focus for future investment; the scale of the town centre's existing economic contribution and catalytic potential makes it's renaissance a critical underpinning component of the Borough's updated Economic Development Strategy, given the opportunities it provides to facilitate business growth, innovation and a more diversified, inclusive economic base.

To remain relevant and well-loved by the communities it serves, the town centre is in need of rejuvenation, future oriented thinking and support to respond to evolving consumer habits and emerging opportunities to repurpose the built environment. In particular, it will need to diversify its existing offer to include a broader range of leisure, 'experienced-focused' and evening economy uses, commensurate with its county town role and status. The portfolio of Opportunity Areas provide significant spatial capacity in this regard, supported by a forthcoming Area Action Plan and ambitious town centre regeneration strategy. Key sites such as Maidstone East offer real potential to strengthen our position as the public sector capital of Kent through the development of high quality shared co-working space for Kent County Council and Maidstone Borough Council.

Our town centre has a rich history and impressive heritage assets, alongside a substantial number of active arts and cultural groups, and a thriving music scene. As set out in the Borough's Arts & Culture Strategy, to capitalise on the potential of the town centre sector, and to compete with successful creative hubs in Medway, Canterbury and Folkestone, we need to support our existing businesses and arts/cultural groups, while continuing to attract and retain new talent. We have a strong base with the Maidstone Studios and an opportunity to benefit from the Thames Estuary Production Corridor, and the Strategy identifies a number of opportunities to more actively embed arts and culture within the town centre's economic transformation, for instance by creating a cultural hub around Archbishops' Palace, Stables, All Saints Church and Len House, making more active use of the River Medway, and redeveloping Powerhub/Granada House/Len House for use as messy workshops, exhibitions, rehearsal and performance space. Hazlitt Theatre already provides a platform for local amateur dramatics and could play an anchor role in driving a more vibrant creative and cultural economy within the town centre.

Over the shorter term, we want to boost local consumer demand and confidence by attracting workers and spending back to the town centre through promotional activity, local purchasing campaigns and community projects.

Maidstone Economic Development Strategy

Economic Drivers & Opportunities



- **Forthcoming Town Centre Action Plan:** provides a timely opportunity to develop a transformational programme of investment to deliver an improved retail, leisure and cultural offer, focused around Key Opportunity Areas and regeneration sites in Maidstone town centre
- **Planning reform:** to include increased planning flexibility for town centre uses through a new 'Class E' and extended Permitted Development Rights
- **One Maidstone Business Improvement District:** working on behalf of town centre traders to promote the town centre and visitor experience, the BID has a key role to play in curating a thriving mixed-use destination
- **Maidstone Arts & Culture Strategy 2019 – 2024:** underlines the strong appreciation by Maidstone Borough Council that revitalising arts and culture can help us all achieve a sense of place and pride in the town centre
- **Rediscovery of the 'local' as a result of Covid-19:** a renewed focus on local economic participation provides immediate opportunities for Maidstone town centre to capitalise on more localised patterns of spending, working, and in due course, socialising

Enabling Factors



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

Structure

- 1 Introduction
- 2 Strategic Context
- 3 State of the Local Economy
- 4 Our Economic Vision and Strategy
- 5 Delivery and Action Plan**

5. Delivering our Strategy

We look forward to working together with local partners as we set out to deliver this Economic Development Strategy for Maidstone.

Working in Partnership

This Economic Development Strategy sets out our economic vision for the Borough of Maidstone through to 2030 and how we are going to build on our economic potential and unique growth opportunities to achieve it.

We recognise that our vision is ambitious and the outcomes we are seeking to achieve will require us to work in close collaboration with our partners and key stakeholders in the Borough and further afield. We have a key role in the Borough through our direct service delivery as well as the services we commission. We are keen to take an active role in shaping the Borough through investing our resources in regeneration as well as leading the development of new communities. We will do all this whilst engaging and listening to our communities.

The Council's approach to delivering this Economic Development Strategy over the next few years will focus on:

- Taking a proactive role in creating sustainable communities and leading master planning, guided by a new Local Plan for the Borough to 2037;
- Working with partners to get infrastructure planned, funded and delivered;
- Promoting inward investment in the Borough, for example by building a new innovation centre for Maidstone at the Kent Medical Campus;
- Working with partners to redevelop and deliver plans for key development sites, including a series of Opportunity Areas in Maidstone town centre; and
- Intervening where necessary in the market, to deliver key employment sites.

On the following pages we explore each of our strategic priorities in turn, and detail future actions that we will start to take to achieve our vision. This broadly follows a three stage approach to reflect short, medium and longer term programmes of activity over the next five years.



5. Action Plan

For each strategic priority, we have identified a five year action plan to shape activity as we start to deliver our Economic Development Strategy.

Strategic Priority	Action	Milestones	Resources	Lead	Broad Timescale
 <p>Priority 1: Open for Business</p> <p>61</p>	Recast and evolve the local business support offer as Maidstone's business base transitions from 'restart' to 'recover' and 'renew'	To include a locally responsive business resilience programme with targeted support to enable firms to adapt to new technologies (such as enhancing digital and e-commerce capabilities), diversify or access new markets (including exporting opportunities) and supporting business start-ups amongst residents re-entering the labour market as a result of Covid-19	Existing MBC resources plus partner resources and funding	MBC in partnership with Kent & Medway Growth Hub, Kent Invicta Chamber of Commerce and via groups such as Maidstone Economic Business Partnership and venues such as The Business Terrace	Short Term
	Signpost support and practical guidance for businesses on re-opening and resuming trading as a result of Covid-19	Continue to signpost support and practical guidance from government to help businesses re-open/re-start, implement social distancing measures as these change and enable businesses to respond to, and take advantage of, new trading relationships with Europe as the UK's transition period comes to an end this year	Existing MBC resources plus partner resources and intelligence	MBC in partnership with key business support providers/organisations	Short-Medium Term
	Develop an investment prospectus to promote the Borough regionally and nationally as an excellent location for inward investment, business expansion and quality of life	Revisit the existing 'Invest in Maidstone' website and refresh to create a new brand identity, working with partners to capture up-to-date information on the business credentials of the Borough. This provides a timely opportunity to promote the Borough's business strengths as the economy adjusts to a 'new normal' post Covid-19	Existing MBC resources	MBC Economic Development Team	Medium Term
	Explore the feasibility of establishing new dedicated business hubs in the Borough	Building on the success of The Business Terrace in Maidstone town centre to examine the potential to provide high quality modern work-space for start-up and growing firms, with access to business coaching and mentoring services, and identify those sites that could provide these opportunities. Any such future activity would be required to meet the minimum targets and parameters set out in the Council's Capital Programme Medium Term Financial Strategy Report to Policy and Committee (January 2021)	Existing MBC resources plus partner resources and funding	MBC in partnership with potential workspace providers/operators, drawing on LEP funding opportunities where available	Medium-Long Term

Timescale: Short Term: Over the next 12 months; Medium Term: Next 1-3 years; Long Term: Next 3-5 years.

5. Action Plan

For each strategic priority, we have identified a five year action plan to shape activity as we start to deliver our Economic Development Strategy.

Strategic Priority	Action	Milestones	Resources	Lead	Broad Timescale
 <p>Priority 2: A greener, more productive economy</p> <p>62</p>	Explore specific opportunities for Maidstone to contribute to and help deliver broader initiatives to transform productivity and prosperity across Kent & Medway and the wider South East	Work with regional partners to explore specific opportunities including the South East LIS 'Communities for the future' strategic opportunity and Kent Science and Innovation and Thames Estuary Production Corridors, building on the Borough's strategic location and existing assets (such as Maidstone Studios, Kent Medical Campus/Maidstone Innovation Centre)	Existing MBC resources plus partner resources and intelligence	MBC in partnership with KCC, SELEP, SE Creative Economy Network	Medium Term
	Develop a clear growth and investment proposition for key high value sector growth opportunities locally	This should seek to harness key growth and innovation opportunities generated by the pandemic (such as medical technology linked to Kent Medical Campus and clean growth), using these to accelerate existing business clusters, development proposals and local business ecosystems, particularly where these align with government economic recovery funding initiatives	Existing MBC resources	MBC Economic Development Team	Medium-Long Term
	Develop a package of sustainable infrastructure and low carbon capital projects to encourage a Borough-wide shift to a net zero carbon economy	This could include projects to both support existing businesses reduce their carbon footprint and operate more sustainably and to attract new 'green' inward investment to the Borough, for instance by developing and trialing low carbon construction technology as we design and build our new garden communities at Lidsing and Heathlands. This should tap into government green recovery funding opportunities such as the Green Recovery Challenge Fund	Existing MBC resources plus partner resources and funding	MBC with key partners such as Low Carbon Kent, SELEP and Kent Wildlife Trust	Medium-Long Term
	Develop a portfolio of 'shovel ready' infrastructure projects to kick start investment, unlock and stimulate economic activity within the Borough	Engaging with key partners such as the LEP to leverage funding opportunities from government funding packages as they emerge, such as the forthcoming £4bn Levelling Up Fund and associated with the National Infrastructure Strategy. Keep this package of projects updated on an ongoing basis	Existing MBC resources plus partner resources and funding	MBC working in partnership with SELEP, KCC	Short-Medium-Long Term

Timescale: Short Term: Over the next 12 months; Medium Term: Next 1-3 years; Long Term: Next 3-5 years.

5. Action Plan

For each strategic priority, we have identified a five year action plan to shape activity as we start to deliver our Economic Development Strategy.

Strategic Priority	Action	Milestones	Resources	Lead	Broad Timescale
 <p>Priority 3: A thriving rural economy</p> <p>63</p>	Ensure that Council policy recognises the Borough's emerging reputation for its food and drink based economic offer and explicitly supports rural economic growth and diversification	Through forthcoming strategic policy, reference growing sub sectors, and those that offer particular development opportunities such as viticulture, to ensure that any specific requirements and growth needs are reflected and supported as far as possible	Existing MBC resources	MBC Economic Development and planning teams	Short-Medium Term
	Support the roll out of high-quality digital connectivity across the Borough's rural communities	Work with Kent County Council to ensure the roll out of high-quality digital connectivity across the Borough's rural communities to facilitate access to home working, e-commerce and learning opportunities, particularly as virtual working and learning becomes part of the 'new normal' following Covid-19	Existing MBC resources plus partner resources and funding	MBC in partnership with KCC	Short-Medium Term
	Develop a new, integrated tourism strategy for the Borough to grow and maximise Maidstone's visitor economy in a sustainable way which respects our unique environment	This should include a single destination management offer for the Borough to ensure that we promote our collective heritage, cultural and environmental assets and create opportunities for linked trips and encourage visitors to stay longer. In the short term, this should include targeted support for the Borough's hospitality businesses to safely reopen in 2021 and capitalise on increased demand for UK 'staycations'	Existing MBC resources plus partner resources and funding	MBC in partnership with tourism providers, Visit Maidstone, Visit Kent	Medium-Long Term
	Coordinate efforts with other Kent local authorities and relevant sector umbrella organisations to help promote and support the growth of key rurally based sectors with particular growth potential, such as winemaking	There are recognised benefits from undertaking this sector development activity at a 'larger-than-local-level', particularly when it comes to supply chain development and building on the already strong 'Wine Garden of England' brand to maximise the economic value and contribution of wine tourism to the area	Existing MBC resources plus partner resources and funding	MBC working with partners such as Produced in Kent, Locate in Kent, Wine Garden of England, KCC	Medium-Long Term

Timescale: Short Term: Over the next 12 months; Medium Term: Next 1-3 years; Long Term: Next 3-5 years.

5. Action Plan

For each strategic priority, we have identified a five year action plan to shape activity as we start to deliver our Economic Development Strategy.

Strategic Priority	Action	Milestones	Resources	Lead	Broad Timescale
 <p>Priority 4: Inclusive growth</p> <p>64</p>	Develop an economic inclusion strategy for the Borough to set out how the Council, working with partners, will seek to shape a more inclusive economy in Maidstone	The strategy should examine how MBC will work with communities to shape local places, value and support local businesses and bring quality and fair employment opportunities to residents and tackle disadvantage in the labour market. Over the first 12 months, this should focus on those communities that have been disproportionately affected by the Covid-19 pandemic to understand their short term needs	Existing MBC resources plus additional resources/funding likely to be needed	MBC (via Inclusion Board)	Short-Medium-Long Term
	Ensure that local residents – in particular young people - can access skills and employability support including specific opportunities for re-training, business start-up, and developing digital/e-commerce competencies	Ensuring responsive skills provision by working with local education and training providers, the Maidstone Economic Business Partnership, SELEP, Kent and Medway Economic Partnership and others, and continuing to leverage government support through the Plan for Jobs	Existing MBC resources plus partner resources and funding	MBC in partnership with local education and training providers, Maidstone Economic Business Partnership, SELEP, Kent & Medway Economic Partnership	Short-Medium Term
	Capitalise upon local development projects as opportunities for skills development and training	This could include promoting the use of apprenticeships and local labour initiatives including modern methods of construction within the housing sector	Existing MBC resources plus partner resources and funding	MBC Economic Development, planning and development management teams	Short-Medium-Long Term
	Engage people with community-based learning	Pilot a digital inclusion programme in Maidstone to engage people with community-based learning, offering digital skills as part of a package of support based on an individual's need	Existing MBC resources plus additional resources/funding likely to be needed	MBC in partnership with a digital inclusion organisation such as Good Things Foundation	Medium-Long Term

Timescale: Short Term: Over the next 12 months; Medium Term: Next 1-3 years; Long Term: Next 3-5 years.

5. Action Plan

For each strategic priority, we have identified a five year action plan to shape activity as we start to deliver our Economic Development Strategy.

Strategic Priority	Action	Milestones	Resources	Lead	Broad Timescale
 <p>Priority 5: Destination Maidstone town centre</p> <p>65</p>	Boost local consumer demand and confidence by attracting footfall and spending back to the town centre	This could involve promotional activity, local purchasing campaigns and community projects; an 'open for business' campaign to publicise businesses, offers and events as town centre businesses reopen as Covid-19 lockdown restrictions ease	Existing MBC resources plus partner resources and funding	MBC in partnership with One Maidstone Business Improvement District	Short-Medium Term
	Support a thriving creative and cultural business base in Maidstone town	Work with local partners through targeted business support, skills development opportunities and by reducing barriers to market entry for smaller scale enterprises, for instance through facilitating pop-up 'makers markets' in vacant high street spaces	Existing MBC resources plus partner resources and funding	MBC in partnership with key sector representatives, Maidstone Economic Business Partnership, South East Creative Economy Network	Short-Medium Term
	Repurpose the town centre as a cultural and leisure hub befitting a modern county town	Promote key opportunity sites identified in the Local Plan Review and forthcoming town centre regeneration strategy to achieve our vision	Existing MBC resources	MBC Economic Development and planning teams	Short-Medium-Long Term
	Explore how Covid-19 has impacted and accelerated trends already underway pre-pandemic and coordinate a package of support and investment to re-imagine our town centre as a thriving economic hub	Establish a high streets working group to oversee this work, feeding into the forthcoming Town Centre Action Plan and drawing on a growing resource library being coordinated by the national High Streets Task Force	Existing MBC resources plus partner resources and funding	MBC with representatives from key town centre sector groups and organisations such as One Maidstone, KCC	Medium-Long Term

Timescale: Short Term: Over the next 12 months; Medium Term: Next 1-3 years; Long Term: Next 3-5 years.

Annex 1

State of the Nation Report

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Maidstone Economic Development Strategy State of the Nation Report

Maidstone Borough Council

Final Report

November 2020

This report has been prepared by Nathaniel Lichfield & Partners (“Lichfields”) on behalf of Maidstone Borough Council under the terms of engagement dated 29 April 2020. The report is intended for use by Maidstone Borough Council and may not be relied upon by any other party. Lichfields accepts no duty of care or liability for any loss occasioned to any person acting or refraining from acting as a result of any material within this report.

This report has been prepared based on publicly-available information and information supplied by third parties. The analysis and interpretation of information and conclusions are based on current conditions and views which may be subject to change. Lichfields has relied upon the accuracy of data and other information supplied without independent verification. The analysis in this report draws upon and applies Lichfields proprietary methodologies. Estimates of economic impacts and the underlying assumptions are illustrative and do not constitute forecasts.

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Structure

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1. Introduction

This report presents a headline assessment of Maidstone's economy and trends in recent performance to provide a baseline position for development of the EDS.

Introduction

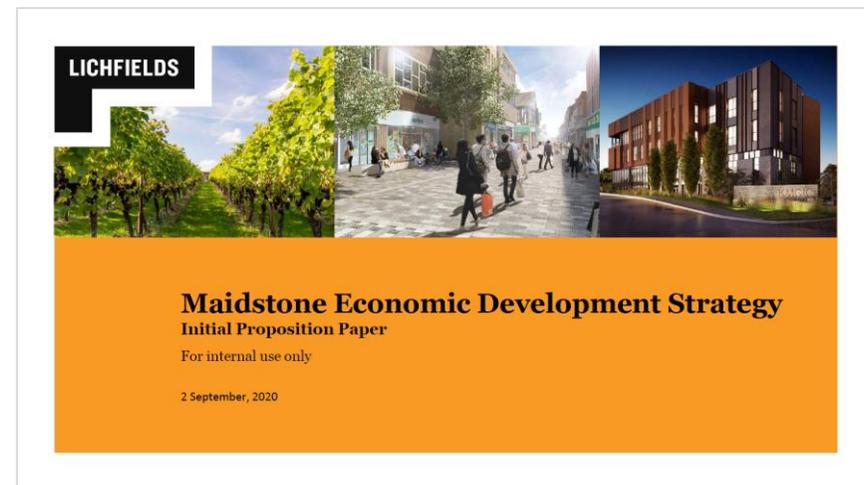
This 'State of the Nation' report has been prepared by Lichfields to provide a refreshed evidence base to inform an update of Maidstone Borough Council's Economic Development Strategy (EDS) by establishing the economic baseline for the Borough in terms of current economic performance and recent trends.

It draws on the latest economic statistics to benchmark Maidstone Borough's performance within the context of surrounding local authority areas, Kent, the wider South East and UK as a whole. Analysis is grouped by theme to cover employment, business, labour market and emerging implications from the Covid-19 pandemic.

This snapshot represents a key output from the EDS Update and supplements earlier analysis on emerging Covid-19 related economic impacts and implications for the Borough (prepared in July 2020) and preparation of a short paper setting out an initial proposition around which the EDS Update might be framed (prepared in September 2020).

Caveats and Limitations

It is important to note that this report represents a point-in-time assessment, drawing on a variety of different sources of information including publicly-available datasets and published evidence. The analysis incorporates the latest data and other evidence available at the time of preparation during late 2020 but will be subject to change. The accuracy of data derived from third party sources has not been checked or verified by Lichfields.



Structure

1 Introduction

2 Employment

3 Business

4 Population

5 Labour market

6 Covid-19

2. Employment base and change

Maidstone accommodates a sizeable economy with over 91,000 workforce jobs but has experienced lower recent levels of growth than its neighbouring authorities.

Local employment and recent growth trends

In 2019, 91,400 workforce jobs were based in Maidstone Borough, having increased by 7.7% over the 10 year period since 2009.

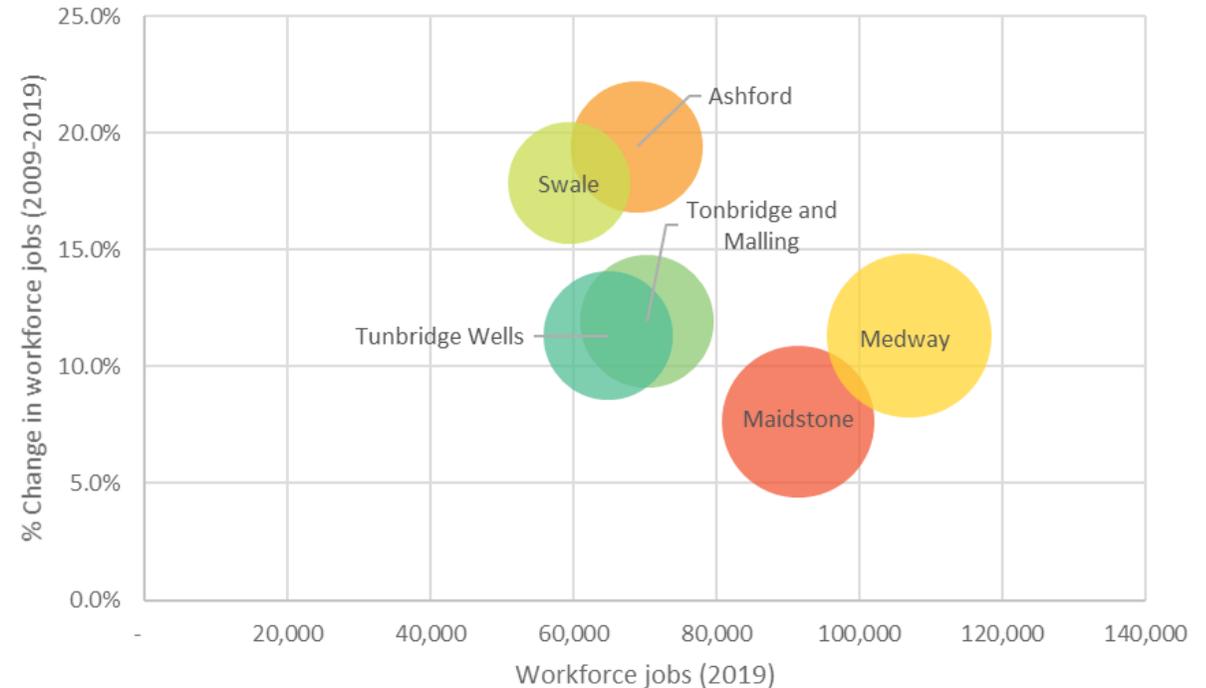
Compared to its five neighbouring authority areas, only Medway had a higher number of workforce jobs in 2019 (at 106,900) (Figure

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However, Maidstone experienced the lowest level of job growth compared to its neighbours between 2009 and 2019, falling significantly behind Ashford which recorded the strongest growth over this period (19.4%).

More widely, Kent, the South East and the UK recorded workforce growth of 12.5%, 12.9% and 12.7% respectively between 2009 and 2019; all outpacing Maidstone's performance.

Figure 1: Employment by local authority (2019)



Source: Experian (March 2020) / Lichfields analysis

2. Employment by sector

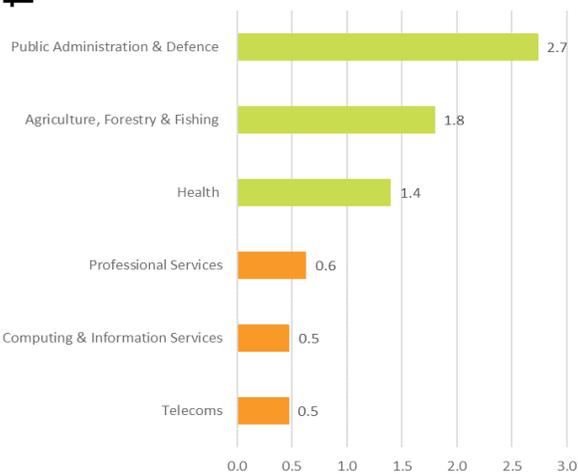
Employment in Maidstone is dominated by public administration and support services, health and construction sectors.

Employment by sector

The four largest employment sectors in Maidstone in 2019 were admin & supportive services (11.8%), public admin & defence (9.8%), health (9.3%) and construction (9.3%). These sectors account for larger shares of local employment in Maidstone compared with Kent, the South East and the UK (Figure 3).

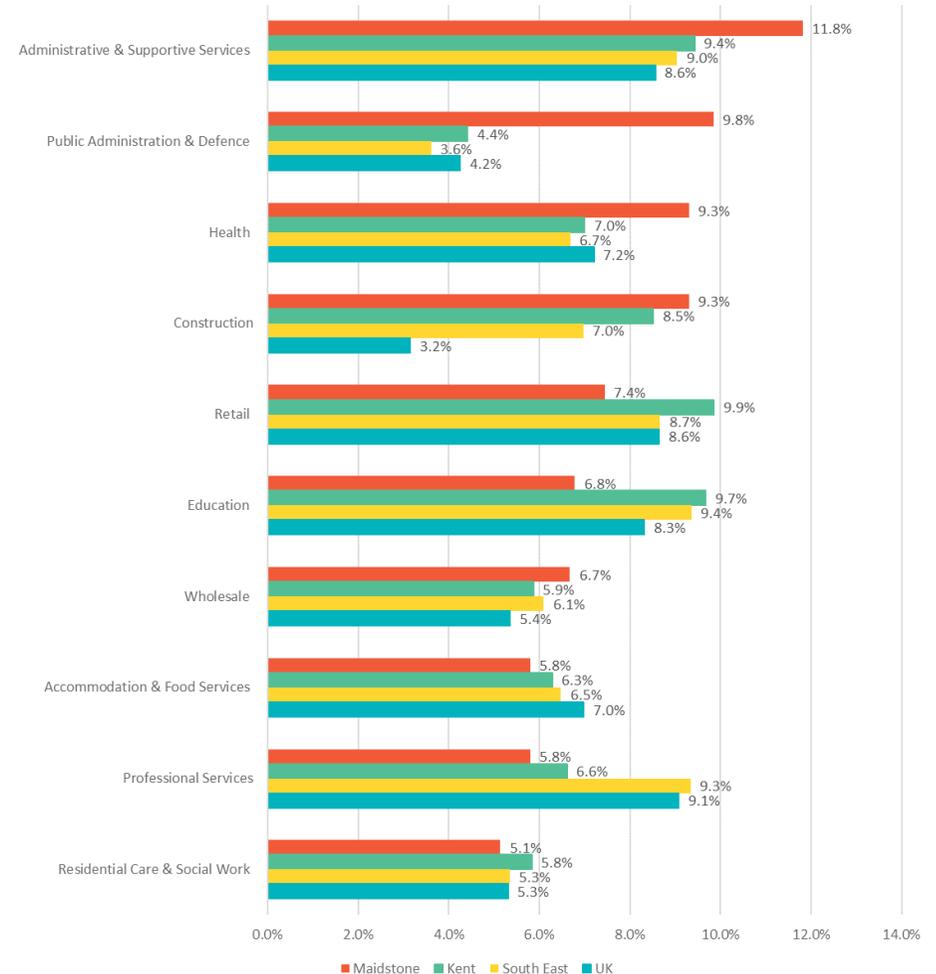
Reflecting its county town role, Maidstone has a much higher concentration of jobs in the public admin and defence sector than the South East, with a Location Quotient (LQ) of 2.7 (Figure 2). By comparison, professional services, computing & information services and telecoms have a much more limited presence (with LQs: 0.6, 0.5 and 0.5 respectively).

Figure 2: Employment Location Quotients: top and bottom 3 sectors



Source: Experian (March 2020) / Lichfields analysis

Figure 3: Total employment by sector; top 10 industries (2019)



Source: Experian (March 2020) / Lichfields analysis

2. Employment spatial distribution

Primary and secondary employment sectors are dispersed across the Borough, but with the strongest concentrations in and around Maidstone town.

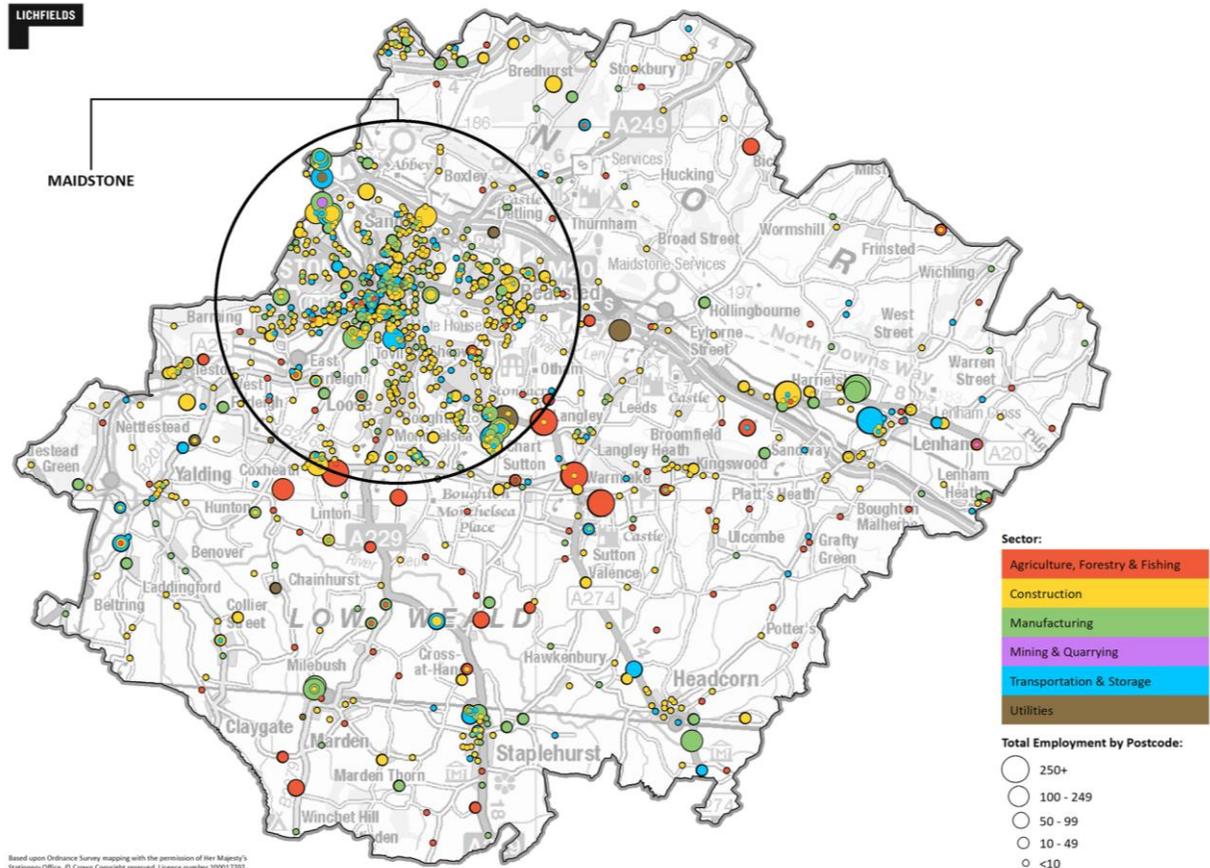
Spatial distribution

Figure 4 illustrates where jobs based in primary and secondary sectors of the economy are located across the Borough. 'Primary' sectors involve the production of raw materials and basic foods, while 'secondary' sectors comprise industries that produce a finished, usable product or are involved in construction.

The map highlights a large number of small scale construction firms located around Maidstone town, while agriculture, forestry and fishing employers tend to be more dispersed across southern and central parts of the Borough.

It also shows many small-scale manufacturing and transportation and storage employers near to Maidstone town centre. The larger employers in both sectors are located on the edges of the town, with particular clusters in Parkwood Industrial Estate, 20/20 Business Park and the industrial estates shared with Tonbridge and Malling located on the Forstal Road.

Figure 4: Spatial distribution of employment



Source: ONS 2019 / Lichfields analysis

2. Employment spatial distribution

Professional services employment tends to be supported by smaller businesses and largely concentrated within the urban area of Maidstone.

Spatial distribution

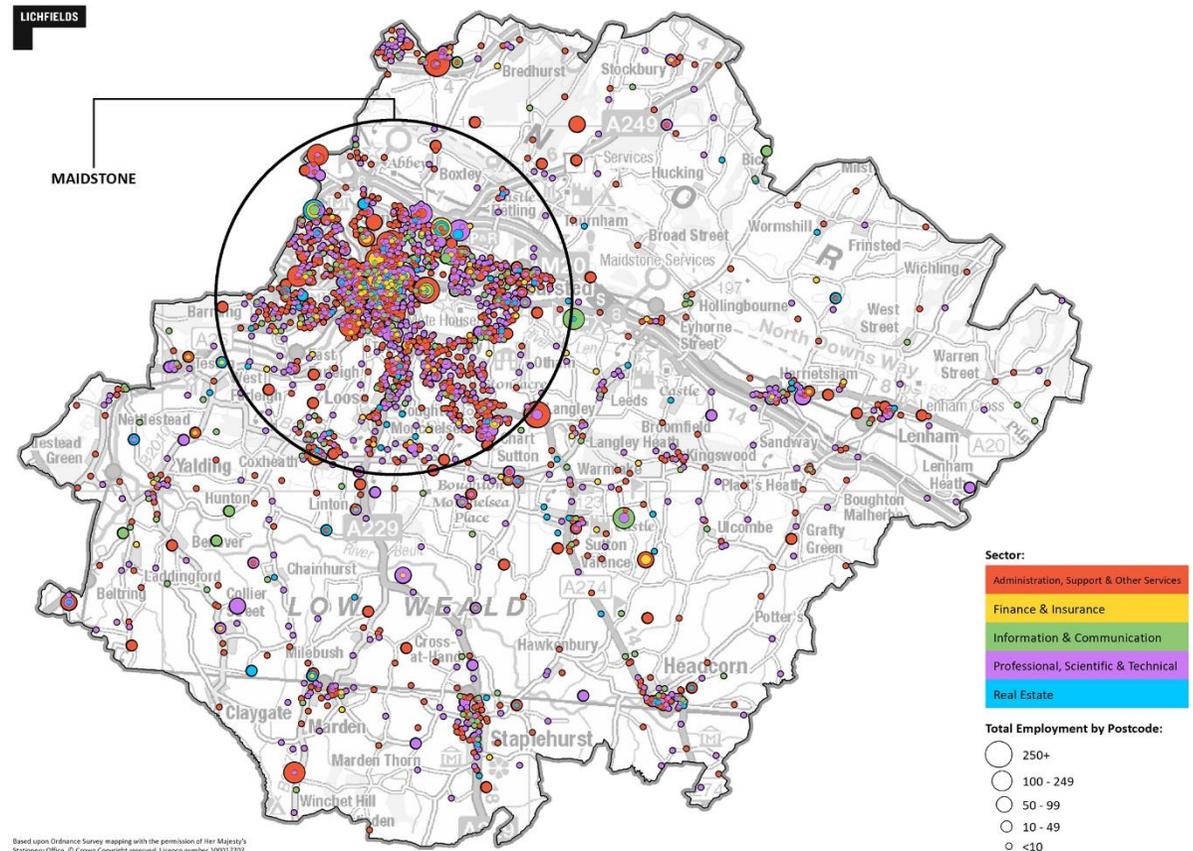
Figure 5 maps the location of employers operating in sectors of the economy typically associated with private sector and professional services.

Again, this illustrates the strong contribution of Maidstone town in accommodating these typically higher value activities, both within the town centre and its outskirts.

Smaller clusters of service based activity are also found within secondary settlements such as Headcorn, Marden and Staplehurst.

Many of the Borough's professional services businesses are very small in size, employing less than 50 staff.

Figure 5: Spatial distribution of employment



Source: ONS 2019 / Lichfields analysis

2. Employment spatial distribution

Maidstone town and the M20 represent a key location for the Borough's lower value service sector employment activity.

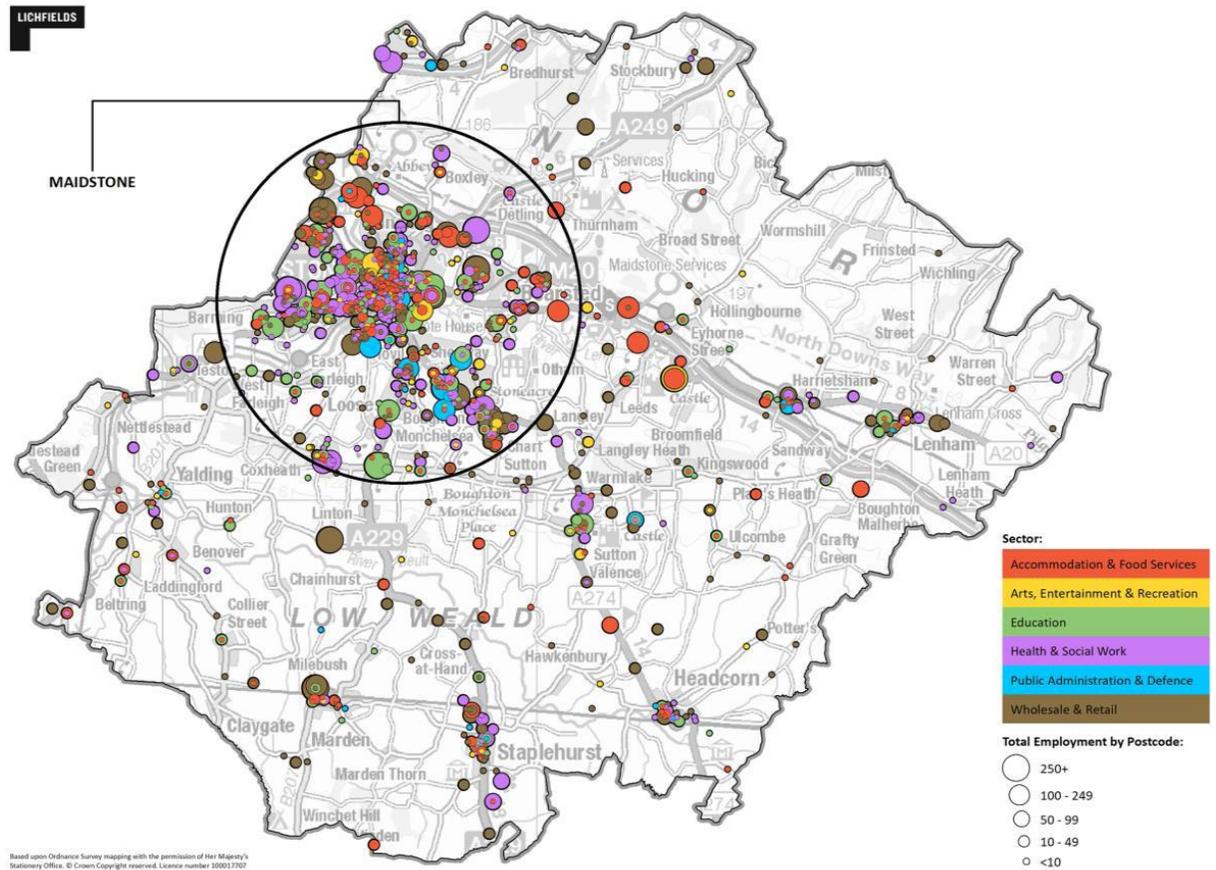
Spatial distribution

Figure 6 presents the location of employers operating in typically lower value service sectors such as retail and the public sector.

The largest concentration is located in Maidstone town, with smaller concentrations found in secondary settlements such as Headcorn, Marden and Staplehurst. There is also a cluster of accommodation and food services employers located along the M20 in close proximity to motorway junctions.

The presence of sizeable clusters of public admin employment in Maidstone town underlines its county town role. Health and social work and education employers are typically located on the main roads that lead into the centre or in the suburban parts of Maidstone town such as Oakwood Park. There are also some wholesale and retail employers on the larger industrial estates (e.g. Parkwood Industrial Estate).

Figure 6: Spatial distribution of employment



Source: ONS 2019 / Lichfields analysis

2. Job density

The ratio of jobs to working age residents in Maidstone at 0.87 is similar to the South East and UK averages but notably higher than for Kent as a whole (0.76).

Job density

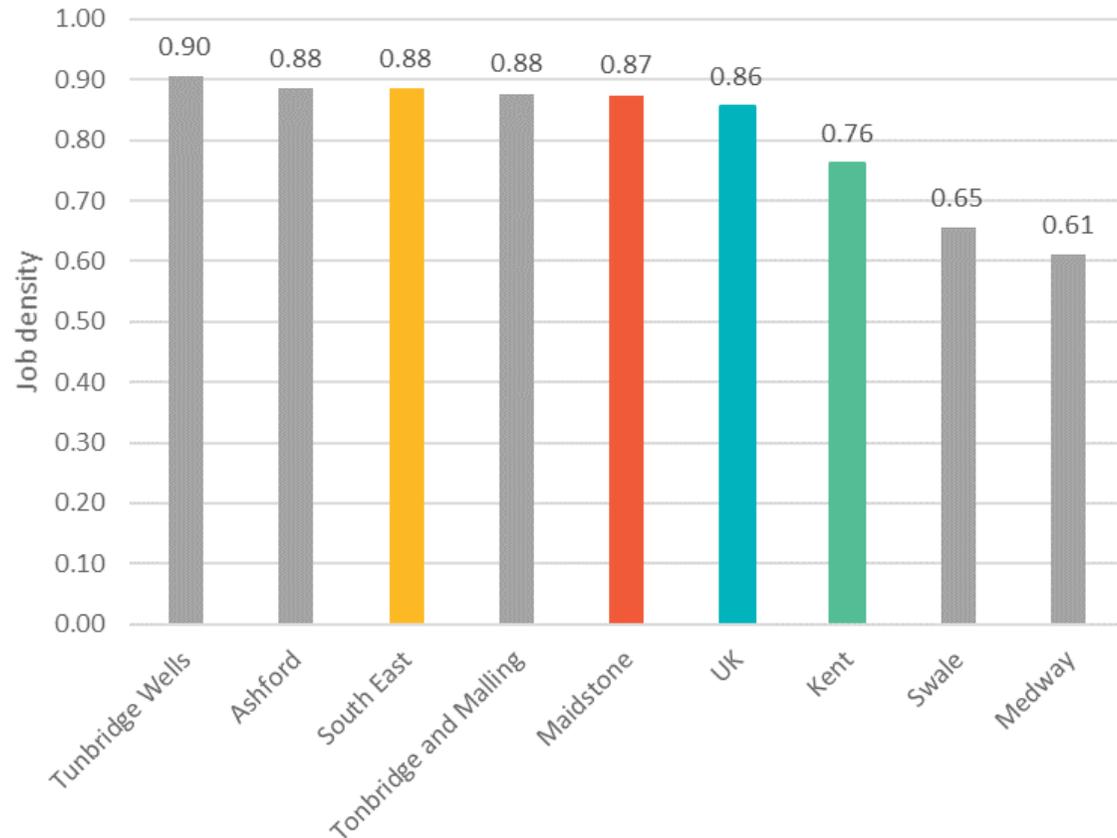
In 2019, the ratio of jobs to working age residents in Maidstone was 0.87. This means that there was 0.87 locally based jobs for each working-age resident of the Borough.

This was slightly lower than three of its five neighbouring authorities, with the highest ratio in Tunbridge Wells (0.90) and the lowest in Medway (0.61) (Figure 7).

Job density in Maidstone was slightly lower than in the South East region (0.88) but slightly higher than the UK average (0.86) and significantly higher than the Kent-wide average of 0.76.

It suggests there is scope to expand the supply of employment opportunities locally to better match the Borough's growing working age population.

Figure 7: Job density (ratio of jobs to residents aged 16-64) (2019)



Source: Experian (March 2020), ONS Mid-Year Estimates (2019) / Lichfields analysis

2. Self-employment

Maidstone has a relatively high share of self-employed workers although local trends have fluctuated over recent years.

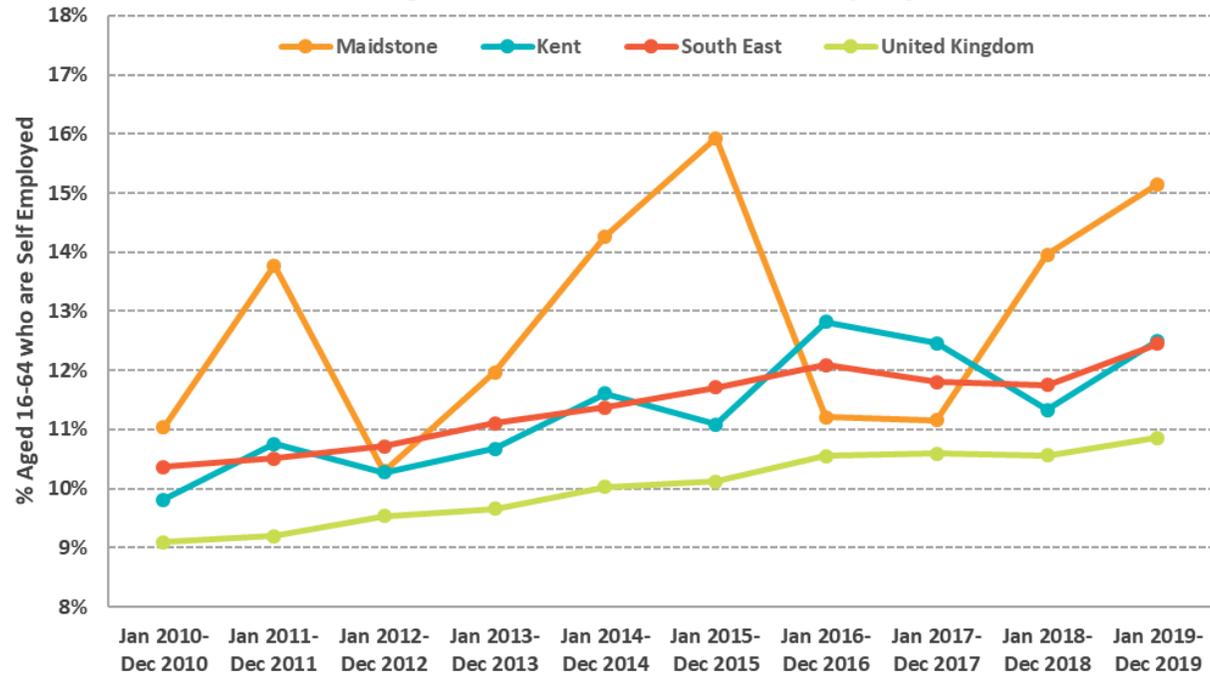
Self-employment

The share of Maidstone Borough's working age population that is self-employed is higher than the Kent, regional and national average, and this is a trend that has broadly continued over the past ten years, albeit with some variation year-on-year (see Figure 8).

Alongside other metrics such as business start-ups (see page 17), this provides a positive indicator of local entrepreneurial performance and culture, and could leave the Borough well placed to respond to the economic impacts of Covid-19.

Indeed, the economic impact on self-employed people has received much attention given their association with sectors most affected by Covid-19 so far. For instance, recent analysis by the [Enterprise Research Centre](#) concluded that the odds of being at risk of losing one's livelihood is twice as high if one is self-employed compared to being in paid employment.

Figure 8: % Residents aged 16-64 who are self-employed



Source: ONS, (2020); Annual Population Survey

2. Workforce productivity

Workforce productivity in Maidstone falls behind Kent, South East and UK-wide averages, driven by a strong concentration of lower value sectors locally.

Workforce productivity

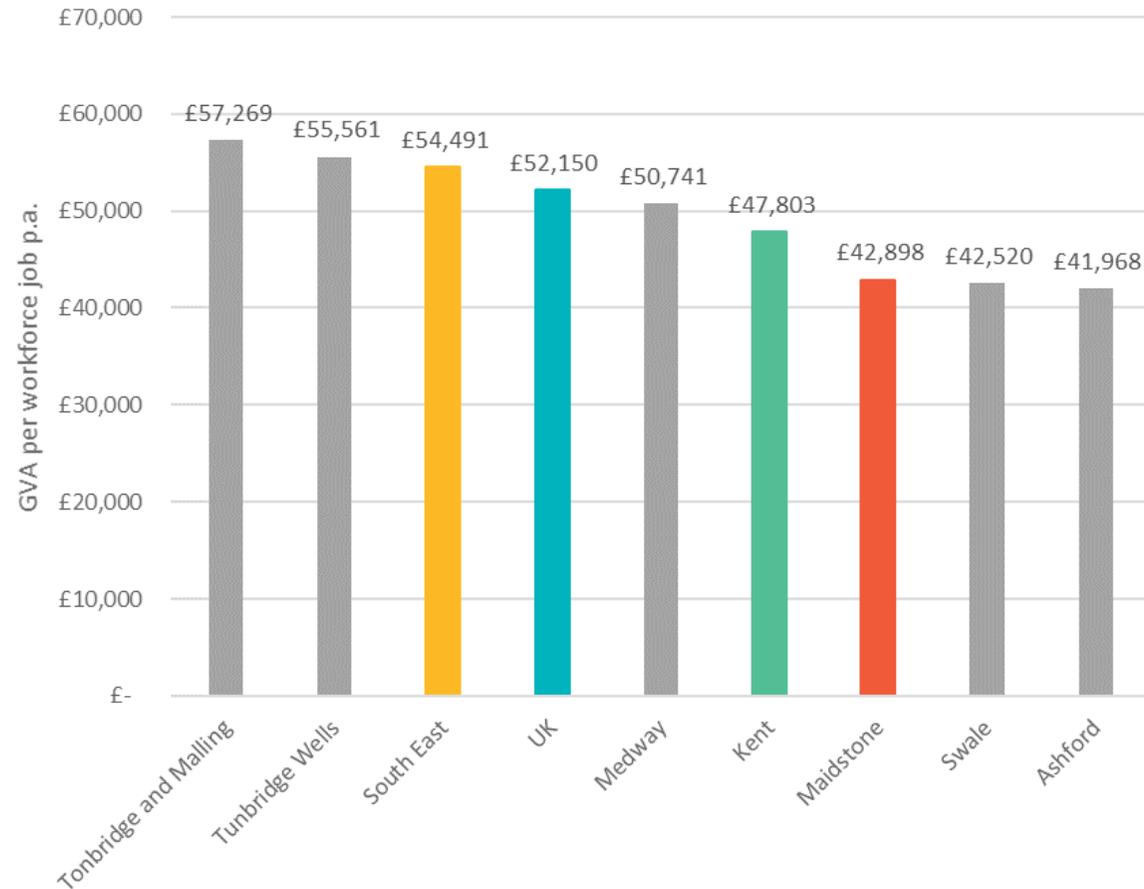
In 2019, each workforce job in Maidstone Borough was estimated to generate £42,989 in economic output, measured in terms of Gross Value Added (GVA).

This level of workforce productivity was 21.3% lower than the South East, 17.7% lower than the UK and 10.2% lower than the Kent-wide average (Figure 9). It also falls significant behind many of its neighbouring authority areas including Medway, Tunbridge Wells and Tonbridge & Malling.

In Maidstone, those sectors generating the highest levels of productivity in 2019 were real estate (£562,750), telecoms (£91,000) and utilities (£73,167). However, these sectors account for a relatively small share of employment locally.

Sectors with the lowest levels of productivity in Maidstone include residential care & social work (£11,000 per workforce job), recreation (£19,857) and accommodation & food services (£20,226).

Figure 9: GVA per workforce job (2019)



Source: Experian (March 2020) / Lichfields analysis

Structure

- 1 Introduction
- 2 Employment
- 3 Business**
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3. Business base and change

Maidstone accommodates a sizeable business base although the pace of business growth has lagged behind Kent, South East and UK averages over recent years.

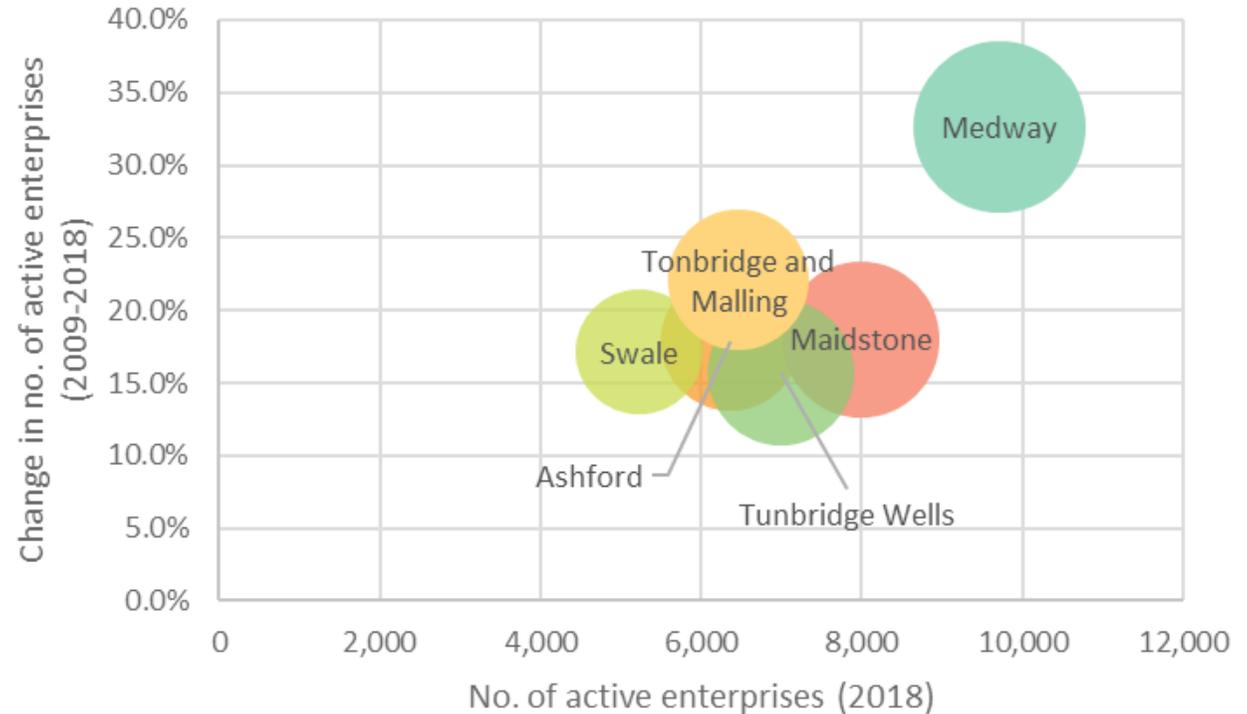
Business base and change

In 2018, there were just under 8,000 active businesses in Maidstone. This was higher than all of its neighbouring authorities apart from Medway and underlines the important economic role that the Borough plays as a business centre within a Kent context (Figure 10).

The Borough's business base increased by 18.0% between 2009 and 2018, representing a lower level of growth than recorded across Kent (20.4%), the South East (19.7%) and UK (25.5%) during this period.

Levels of growth in neighbouring authorities ranged between 15.7% in Tunbridge Wells and 32.7% in Medway. Only Medway experienced higher levels of growth than the UK average of 25.5%.

Figure 10: Business base and change (2009-2018)



Source: ONS Business demography / Lichfields analysis

3. Business demography

Micro businesses make up the vast majority of enterprises in Maidstone, broadly reflecting regional and national averages.

Business demography

The vast majority of enterprises based in Maidstone are micro-sized (89.6%), employing between 0 and 9 people.

The remaining businesses are split 8.3%, 1.7% and 0.4% between small, medium and large size enterprises (Figure 11). This business profile is similar to that in Kent, the South East and the UK, although Kent and the South East both had a slightly higher proportion of micro businesses and a smaller proportion of small, medium and large businesses.

In the local area, Ashford accommodates the largest proportion of micro businesses (91.5%), exceeding the Kent, South East and UK average. Maidstone, Medway and Tonbridge and Malling accommodate the largest proportion of large businesses (0.4%), exceeding the Kent and South East average and matching that for the UK.

Figure 11: Size of enterprise by employment

	Size of enterprise			
	Micro (0-9)	Small (10-49)	Medium (50 to 249)	Large (250+)
Maidstone	89.6%	8.3%	1.7%	0.4%
Ashford	91.5%	7.0%	1.2%	0.2%
Medway	90.6%	7.7%	1.3%	0.4%
Swale	89.3%	8.7%	1.7%	0.3%
Tonbridge and Malling	89.0%	9.0%	1.5%	0.4%
Tunbridge Wells	90.3%	8.3%	1.2%	0.2%
Kent	90.0%	8.2%	1.5%	0.3%
South East	90.2%	6.9%	1.3%	0.3%
UK	89.5%	8.6%	1.5%	0.4%

Source: ONS, UK business activity, size and location (2020) / Lichfields analysis

3. Business start-up

New business start-up in Maidstone outperforms Kent-wide averages but falls behind rates recorded across the wider South East and UK.

Business start-up

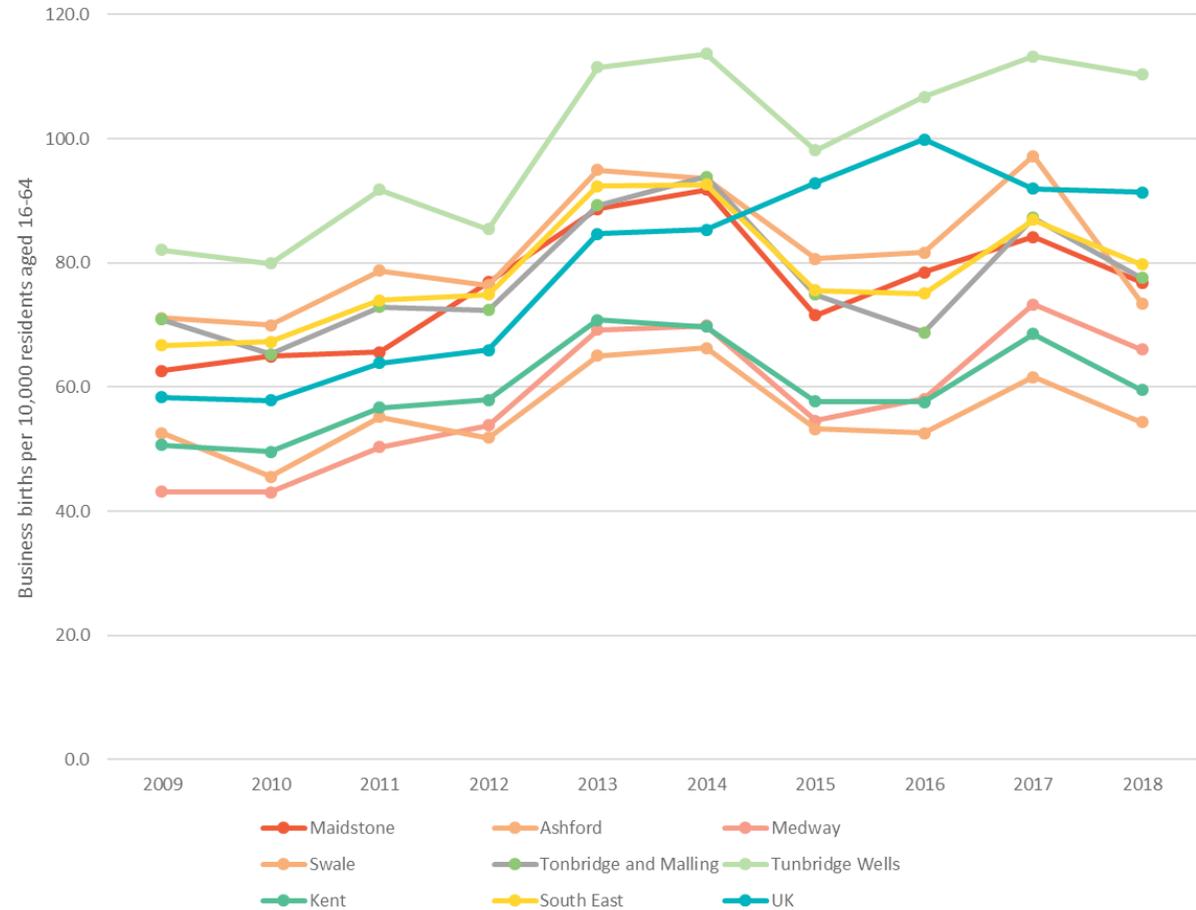
There were 795 new businesses registered in Maidstone in 2018, representing a start-up rate of 76.8 per 10,000 residents aged 16 to 64. This was higher than the rate for Kent (59.5) but lower than for the South East (79.7) and the UK as a whole (91.4).

In the local area, Tunbridge Wells recorded the highest rate of business births (110.3) and Swale the lowest (59.5) (Figure 12).

Between 2009 and 2018, the annual rate of enterprise births increased by 22.6% in Maidstone, which was a higher level of growth than Kent (17.4%) and the South East (19.6%) but significantly lower than the UK average (56.5%).

All of Maidstone's neighbouring authorities experienced an increase in the number of new business registrations between 2009 and 2018, although the rate of increase varied considerably. Maidstone's increase of 22.6% was significantly higher than that in Swale (3.3%), Ashford (3.4%) and Tonbridge and Malling (9.4%) but significantly lower than in Medway (53.0%) and Tunbridge Wells (34.4%).

Figure 12: Business start-up rates per 10,000 residents aged 16-64



Source: ONS Business Demography / Lichfields analysis

3. Business floorspace

The Borough’s stock of industrial and office floorspace has gradually been declining, and now accommodates smaller markets than many of its neighbours.

Business floorspace

The Borough’s commercial floorspace comprises some 716,000sqm of industrial floorspace (62.4%), 261,000sqm of retail floorspace (22.8%) and 168,000sqm of office floorspace (14.6%) as at 2019.

Between 2001 and 2019, the stock of retail floorspace increased by 3.6% in Maidstone – a lower level of increase than in Kent (9.7%), the South East (7.9%) and England (9.7%). The Borough now accommodates more retail space than Ashford, Swale and Tonbridge & Malling, but less than Medway and Tunbridge Wells (Figure 14).

During this period, industrial floorspace decreased by 7.6% in Maidstone, compared to lower level of decrease of 4.4% in Kent and 3.9% in England and an increase of 1.6% across the South East.

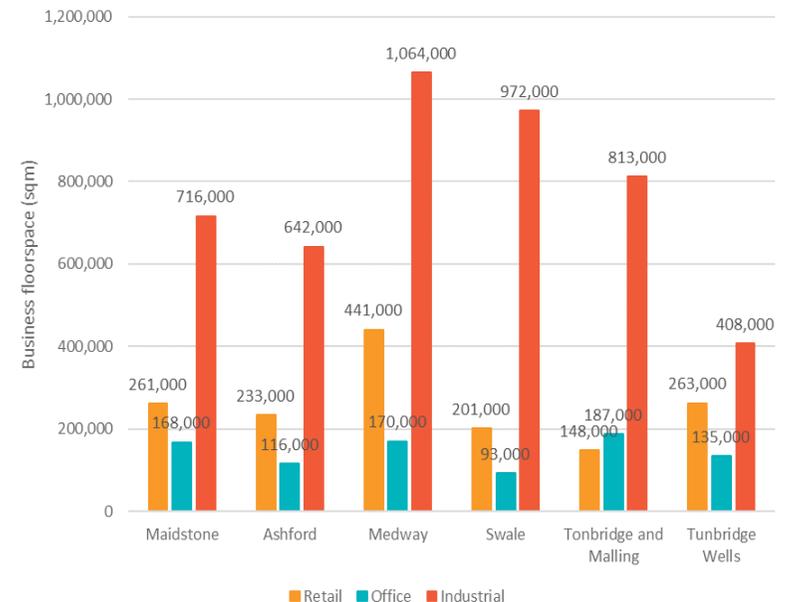
The most significant decrease was recorded for office floorspace, which declined by 17.6% in Maidstone, compared to an increase of 2.7% in Kent, 2.9% in the South East and 11.1% in England. Nevertheless, the Borough still records more office space than its neighbouring authority areas of Ashford, Swale and Tunbridge Wells.

Figure 13: Business floorspace change in Maidstone (2001-2019)



Source: VOA (2019) / Lichfields analysis

Figure 14: Business floorspace by local authority (2019)



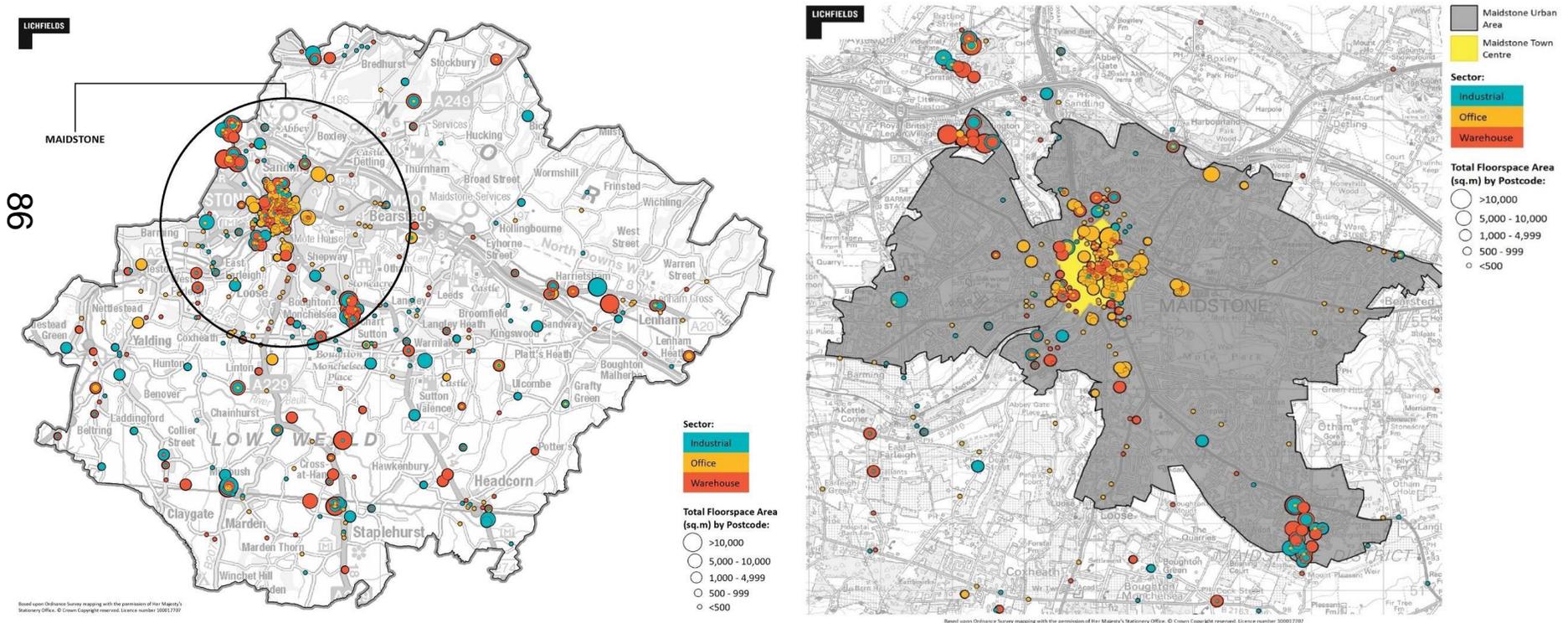
3. Business floorspace

The Borough's office market is largely concentrated within Maidstone town, with industrial space distributed more evenly across smaller and rural areas.

Business floorspace

In terms of business (B use class) space, the maps below show that the Borough's stock of office space tends to be concentrated in and around Maidstone town centre, with relatively little stock accommodated elsewhere. By comparison, industrial and warehousing floorspace is much more evenly distributed across the Borough, within smaller settlements and along key transport routes including the M20 and A229.

Figure 15: Spatial distribution of industrial, office and warehousing floorspace



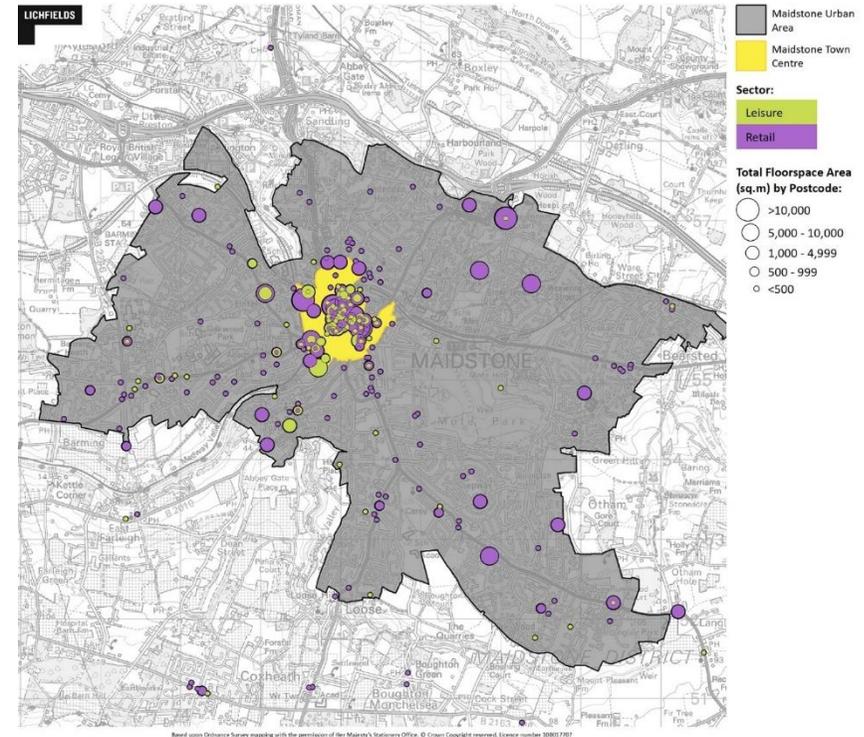
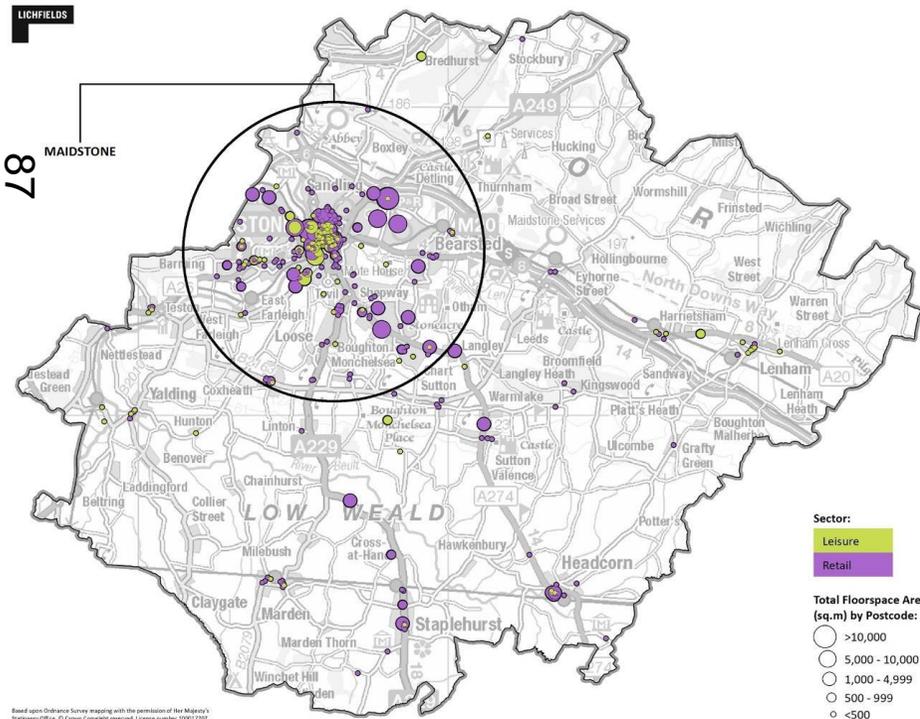
3. Business floorspace

Retail and leisure space is overwhelmingly concentrated within the Maidstone urban area, reflecting the town centre's draw and role in the retail hierarchy.

Business floorspace

In contrast with 'B Class' uses, the vast majority of retail and leisure floorspace is concentrated within Maidstone town centre, with some other smaller clusters found at Eclipse Park and Newnham Court. Some of the Borough's smaller centres such as Staplehurst and Headcorn also accommodate retail and recreation business space, but to a much smaller degree than Maidstone town.

Figure 16: Spatial distribution of retail and leisure floorspace



Source: VOA 2019 / Lichfields analysis

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4. Population change

The Borough has experienced strong population growth over the last ten years and accommodates a sizeable resident base within a Kent context.

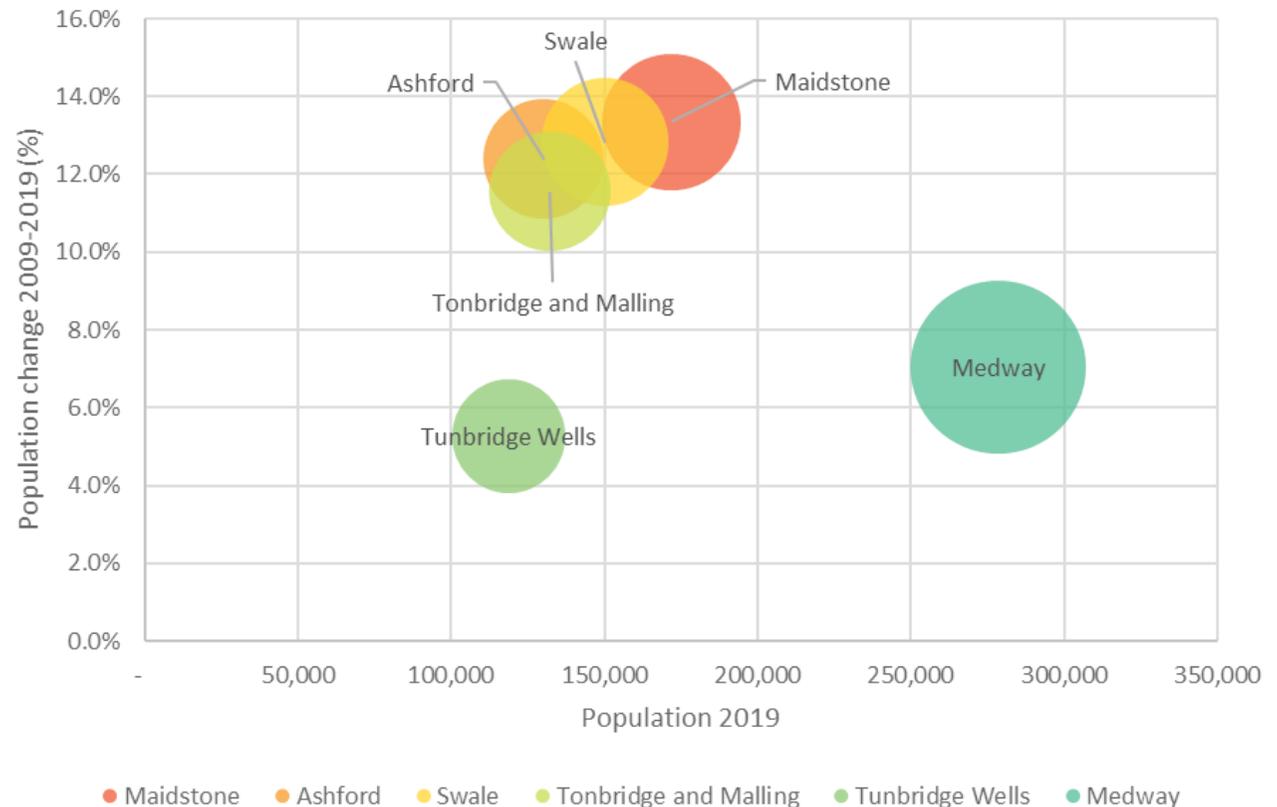
Population change

Maidstone's resident population totals just over 171,800 (as at 2019). Of Maidstone's five neighbouring authorities, only Medway has a larger population (278,550) (Figure 17).

The pace of population growth over the last 10 years (2009 to 2019) in Maidstone Borough exceeded all of its neighbouring authority areas at 13.3%.

Population growth in the Borough also exceeded the county, regional and national average over this time – 9.7% in Kent, 8.1% in the South East and 7.3% in the UK.

Figure 17: Total population and change (2009-2019)



Source: ONS Mid-Year Estimates

4. Working-age population change

Growth in Maidstone's working age population has been comparatively slower, albeit still outperforming Kent, South East and UK rates over the last 10 years.

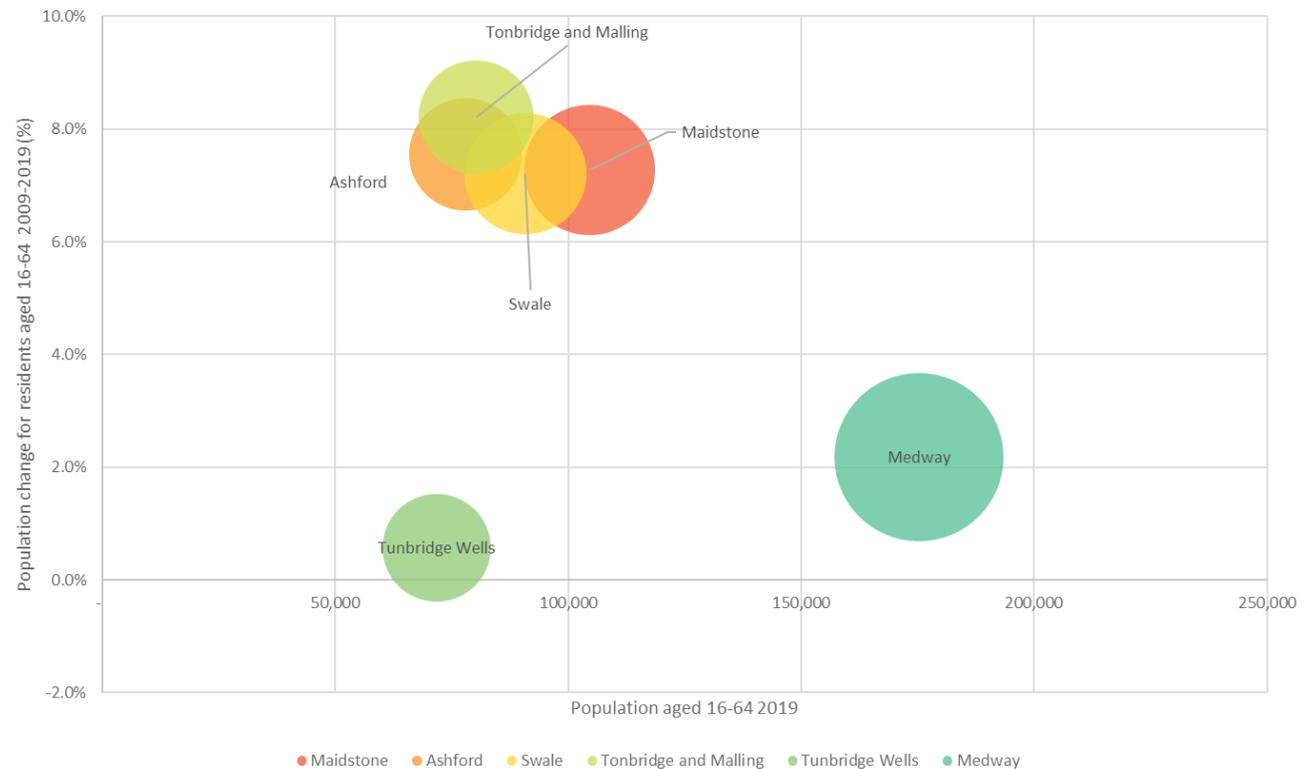
Working-age population change

Maidstone had a resident working age population of 104,500 in 2019, accounting for just over 60% of the total population. Of its neighbouring authorities, only Medway had a larger working age population, which accounted for 63% of its population.

Working age population in Maidstone increased by 7.3% between 2009 and 2019, which was a lower rate of increase than Tonbridge and Malling (8.2%) and Ashford (7.6%) but higher than Tunbridge Wells (0.6%), Medway (2.2%) and Swale (7.2%) (Figure 18).

This rate of working age population growth within Maidstone Borough also exceeded Kent, regional and national averages over this time (5.1%, 3.2% and 3.2% respectively).

Figure 18: Working age population and change: Residents aged 16-64 (2009-2019)



Source: ONS Mid-Year Estimates

4. Population projections

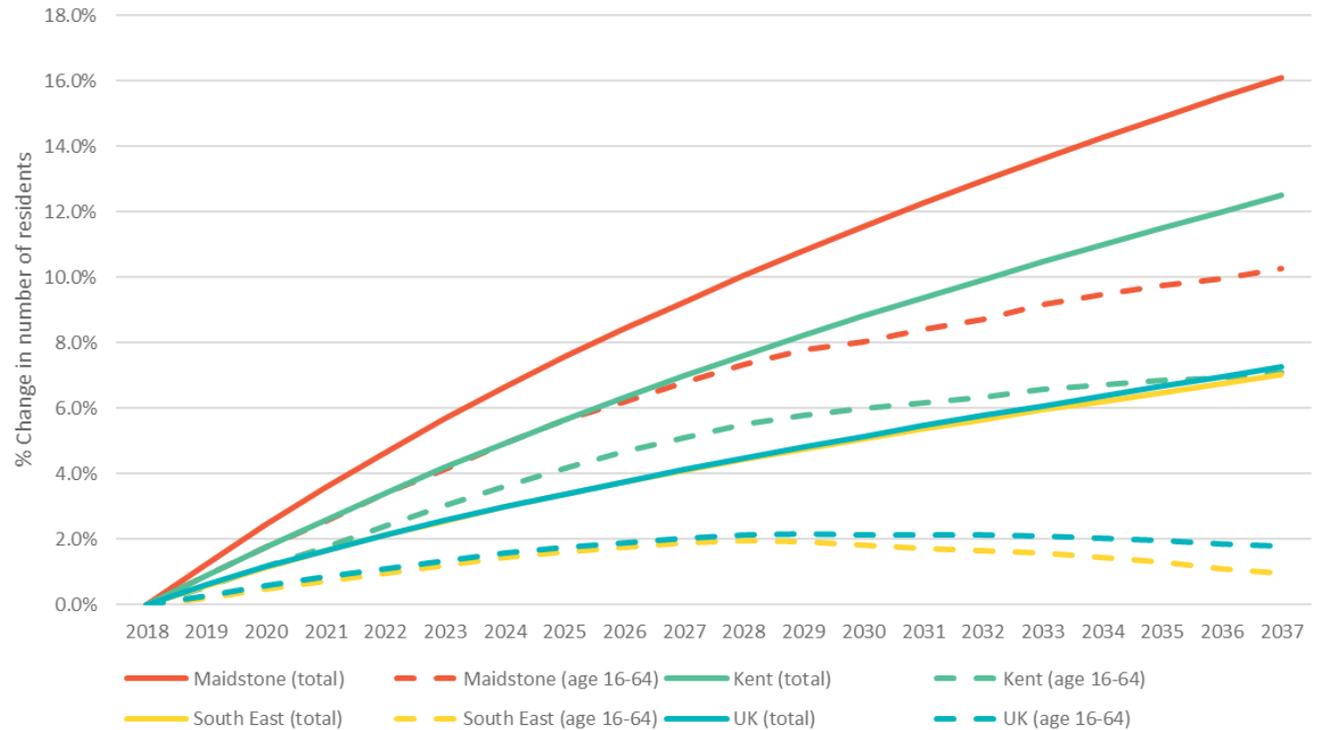
This strong population growth is expected to continue in future, with Maidstone continuing to outperform other areas, but characterised by an ageing population.

Population projections

The ONS 2018-based population projections suggest that Maidstone's population base could increase by 27,340 people (16.1%) between 2018 and 2037. This rate of increase is higher than that expected for Kent (12.5%), the South East (7.0%) and UK as a whole (7.3%).

The working age share of the Borough's population is projected to increase by just 10.2% over this time. Whilst this scale of increase is significantly higher than that expected across Kent (7.1%), the South East (0.9%) and UK (1.8%), it suggests that recent trends towards an ageing population in the Borough will continue going forward.

Figure 19: Future population change (2018-2037)



Source: ONS Population projections / Lichfields analysis

4. Socio-economic deprivation

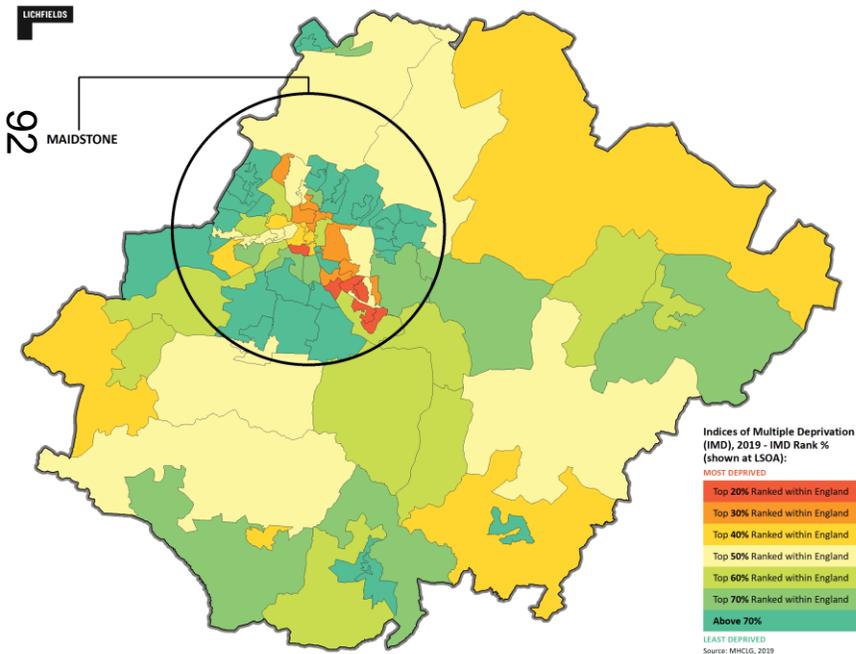
Although the Borough ranks relatively well in terms of deprivation overall, this masks some significant pockets of socio-economic challenges within urban areas.

Deprivation

MHCLG's Indices of Multiple Deprivation (IMD) measures relative levels of deprivation within local authority areas and LSOAs in England across several domains of deprivation to produce an overall score; Figure 20 illustrates how this relative level of deprivation varies across the Borough. Whilst the Borough ranks within the least 50% deprived local authorities in England in terms of deprivation, this masks some significant variation within the Borough with some entrenched pockets of deprivation found in and around Maidstone town centre and to the south of the urban area.

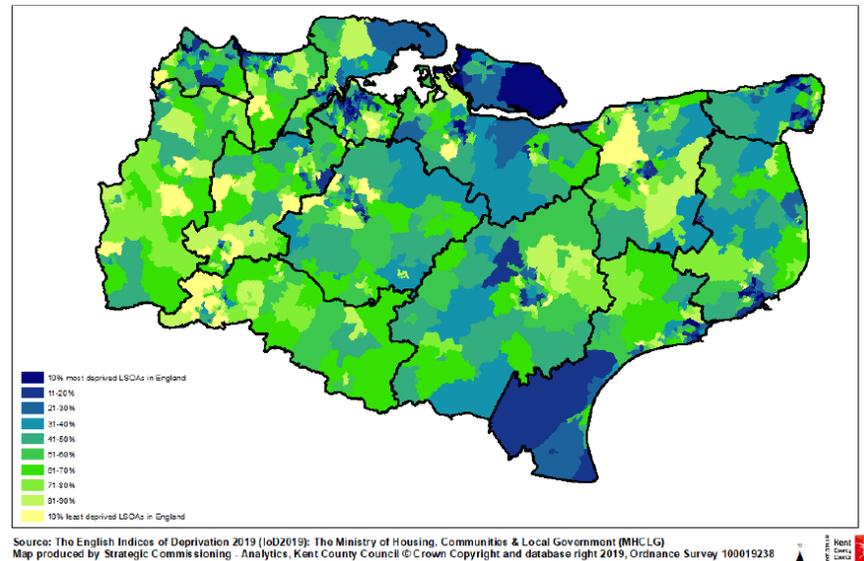
Within a Kent-wide deprivation context, the Borough performs relatively well (Figure 21) but has seen little change or improvement within its most acute pockets of socio-economic deprivation over the last few years.

Figure 20: Overall deprivation by LSOA



Source: Lichfields analysis, drawing on MHCLG, (2020); Index of Multiple Deprivation

Figure 21: Overall IMD – Rank of LSOAs in Kent & Medway



Source: Kent County Council Strategic Commissioning Statistical Bulletin: The Index of Multiple Deprivation (IMD2019): Headline findings for Kent (January 2020)

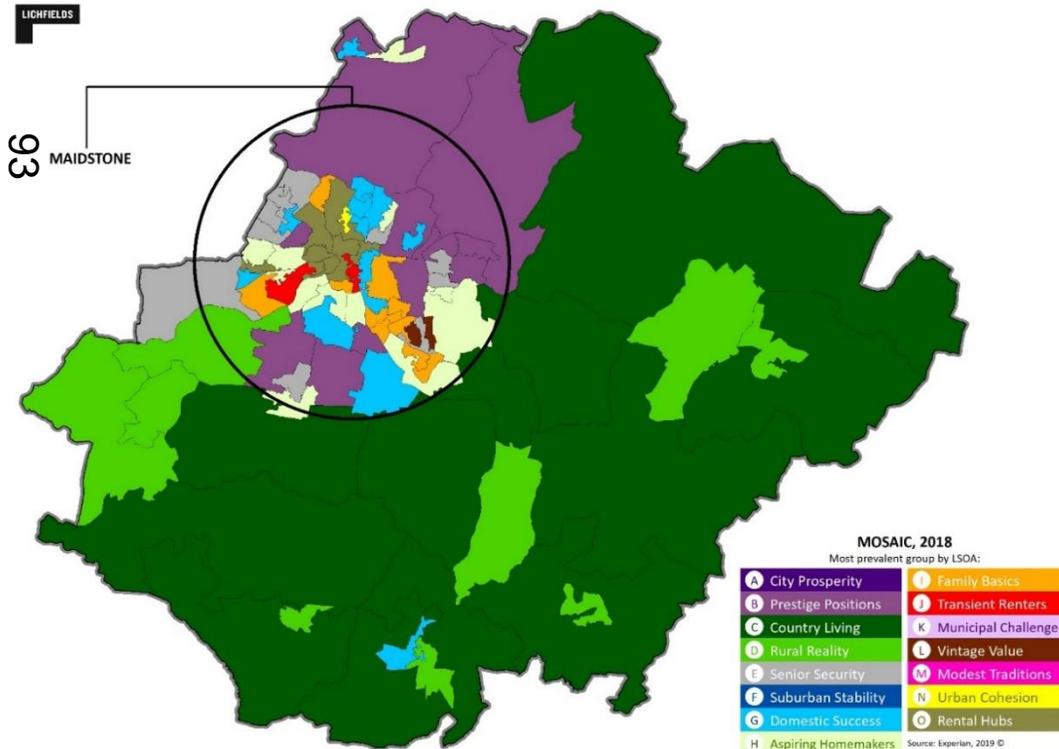
4. Demographic profile

Maidstone Borough is characterised by a mixed socio-economic profile but with stark contrasts between its urban and rural areas.

Demographic characteristics

Experian's Mosaic dataset can be used to profile the local population based on a series of person-type, household types and group typologies. Mosaic classifies areas (LSOAs) into one of fifteen categories dependent on prevailing demographic characteristics. For Maidstone Borough, this identifies a stark rural-urban split, with Maidstone town characterised by a mixed socio-economic profile, and rural parts of the Borough dominated by 'country living' and 'rural reality' socio-economic groups. A summary of the most dominant demographic groups across the Borough as a whole is provided below.

Figure 22: Mosaic socio-economic classification by Lower Super Output Area



Source: Experian 2018 / Lichfields analysis

Maidstone State of the Nation Report

Aspiring Homemakers (14.1%)

Younger households who have often only recently set up home. They usually own their homes in private suburbs.

Domestic Success (12.3%)

Well-qualified older singles with incomes from successful professional careers in good quality housing, and affluent families with growing children living in upmarket housing in city environments.

Country Living (10.7%)

Well-off homeowners who live in the countryside often beyond easy commuting reach of major towns and cities. Some are landowners or farmers, others run small businesses from home; some are retired and others commute to professional jobs.

Prestige Positions (9.9%)

Affluent couples living in financial security with spacious homes in prestigious and established residential areas. While some are mature empty-nesters or elderly retired couples, others are still supporting their teenage or older children.

Rural Reality (8.5%)

People who live in rural communities and generally own their relatively low cost homes. Their moderate incomes come mostly from employment with local firms or from running their own small businesses.

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5. Economic activity

Maidstone's economic activity rate comfortably exceeds regional and national averages but has fluctuated considerably over the last 10 years.

Economic activity

In 2019, the economic activity rate for residents in Maidstone aged 16-64 was 83.6%, which was higher than the rate for Kent (81.4%), the South East (82.0%) and the UK (78.8%) (Figure 23).

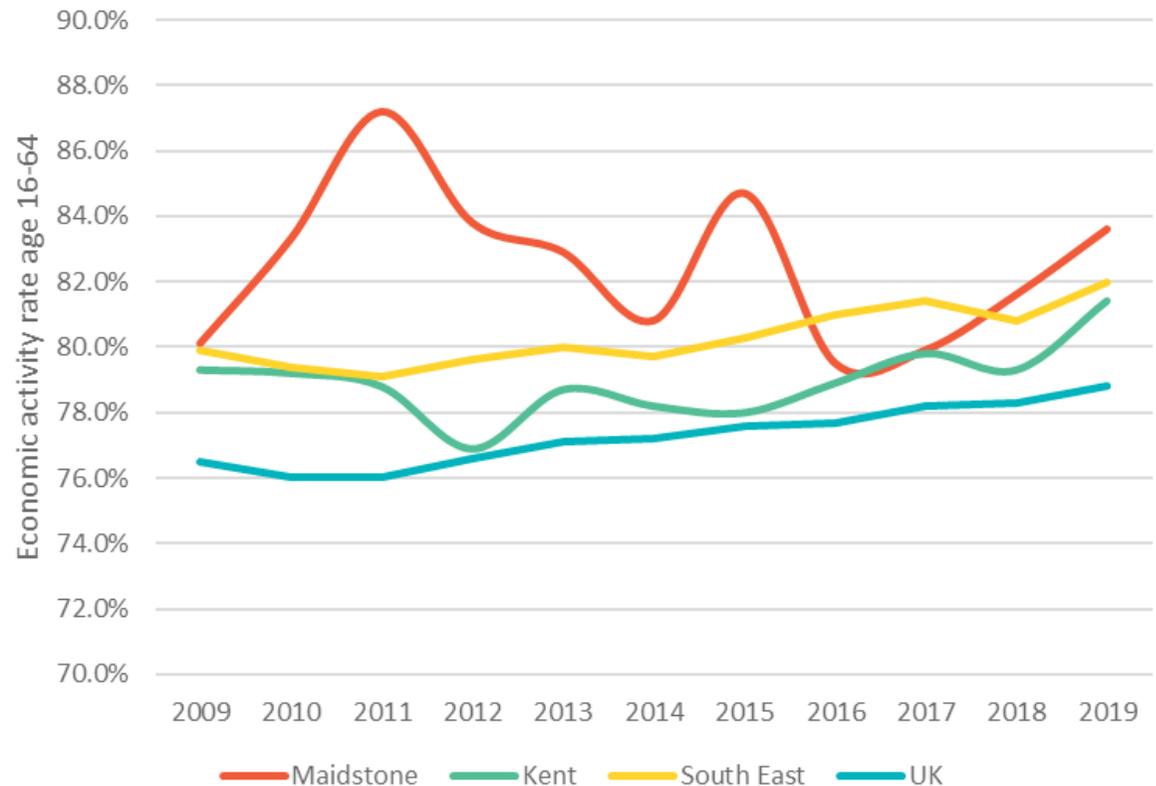
When compared to its neighbouring authorities, Maidstone's economic activity rate was the second highest, with Tonbridge and Malling recording the highest rate at 88%.

Between 2009 and 2019, economic activity within Maidstone Borough increased by 3.5 percentage points. However, this rate varied considerably year-on-year over this period, fluctuating between 79.5% in 2016 and 84.7% in 2015.

The overall increase in economic activity rates in Maidstone over this period was higher than in Kent, the South East and the UK (2.1, 2.1 and 2.3 percentage points respectively).

Across its group of neighbouring authorities, Tonbridge and Malling achieved the highest overall increase in economic activity between 2009 and 2019 (7.5 percentage points). Swale was the only neighbouring authority to experience a decline (0.3%).

Figure 23: Economic activity rate (age 16-64)



Source: ONS Annual Population Survey / Lichfields analysis

5. Unemployment

Maidstone has historically performed relatively well in terms of unemployment, with rates broadly behind other parts of Kent, the South East and Great Britain.

Unemployment

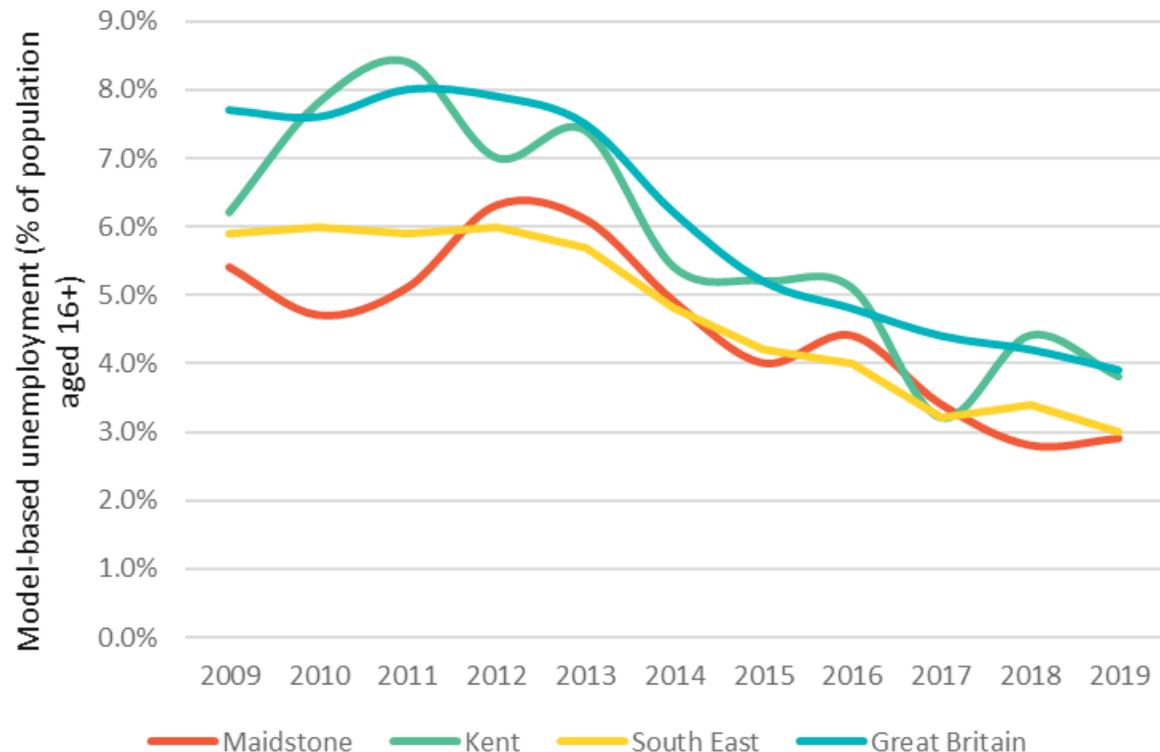
In 2019, the model-based unemployment rate for residents aged 16+ in Maidstone was 2.9%, amounting to c.2,600 people in absolute terms. This unemployment rate was lower than the averages for Kent (3.8%), the South East (3.0%) and Great Britain (3.9%).

When compared to its neighbouring authorities, Maidstone's unemployment rate (2.9%) was higher than that for Tunbridge Wells (2.5%) and Tonbridge & Malling (2.6%) but lower than in Swale (4.7%), Medway (4.1%) and Ashford (3.7%).

As shown in Figure 24, the Borough's unemployment rate has decreased by 2.5 percentage points between 2009 and 2019, representing a higher level of decrease than Kent (2.4 points), equal to that in the South East (2.9 points) but lower than the average for Great Britain (3.8 points).

In the local area, Medway experienced the largest decrease in its unemployment rate (5.3 percentage points) followed by Swale (3.2 points), then Maidstone (2.5 points).

Figure 24: Unemployment rate (age 16+)



Source: ONS Model-based unemployment / Lichfields analysis

5. Claimant Count

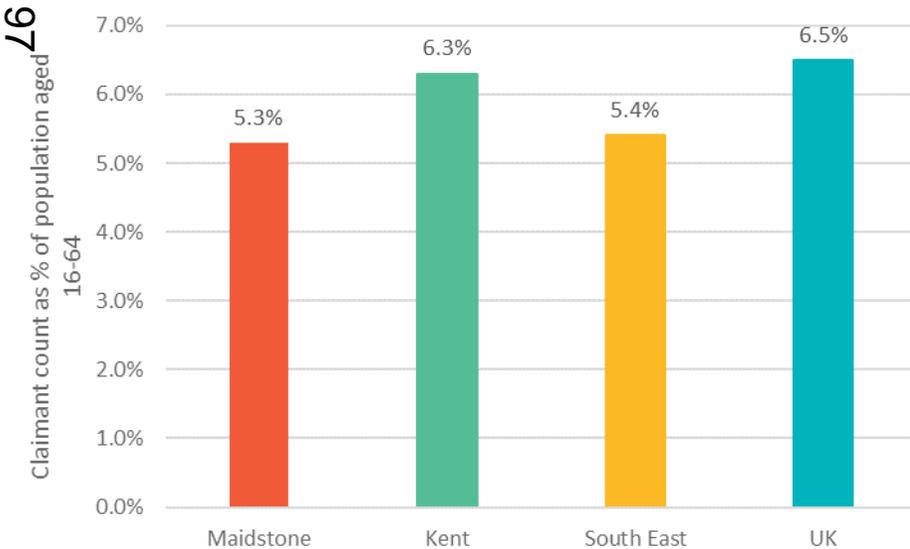
The Claimant Count in Maidstone has increased sharply following the outbreak of Covid-19 but remains lower than other parts of Kent, the South East and UK.

Claimant count

In September 2020, the Claimant Count represented 5.3% of the Borough’s working age population. This figure was lower than that in Kent (6.3%) and the UK (6.5%) and slightly lower than the proportion of Claimants in the South East (5.4%) (Figure 25).

The increase in Claimant Count since the beginning of the year has been notably sharp within Maidstone, particularly by April as lockdown fully ‘kicked in’ and key sectors locally began to shut down. By September 2020, the number of Claimants in Maidstone had increased by 155.6% since January 2020, compared to 127.5% in Kent and 122.9% in the UK. However, this was lower than the South East average of 164.0% (Figure 26).

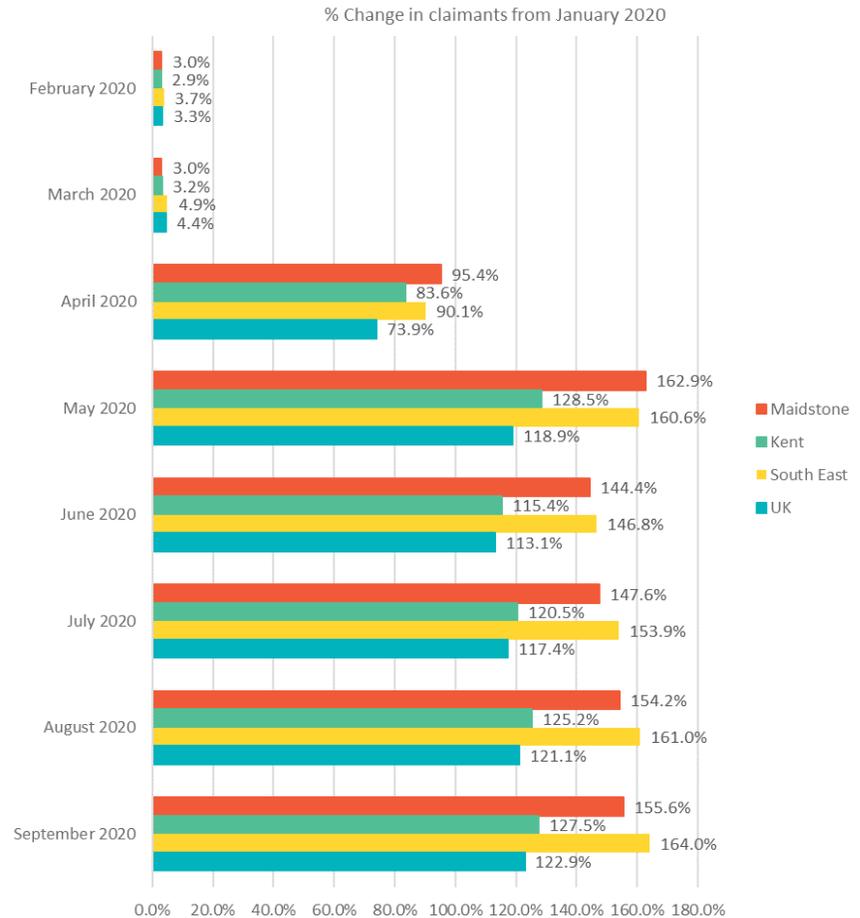
Figure 25: Claimant Count as % of working age population (September 2020)



Source: ONS (2020); Claimant Count (experimental)

Note: Includes claimants of Jobseekers Allowance (JSA) and some Universal Credit (UC) Claimants

Figure 26: Change in Claimant Count since January 2020



5. Resident skills

The skills profile of Maidstone's residents broadly matches county, regional and national averages, but with scope for improvement at either end of the spectrum.

Resident skills

In 2019, just over a third (38.5%) of residents aged 16-64 in Maidstone held a degree or higher-level qualification (NVQ4+). This proportion of highly skilled residents was higher in Maidstone than in Kent (36.6%) but fell behind the equivalent proportion for the South East (43.4%) and the UK (40.2%).

A lower proportion of Maidstone residents held NVQ levels 2 and 3 qualifications than each of the regional and national averages.

Meanwhile, the proportion of Maidstone's residents with no qualifications (8.8%) was higher than the averages in Kent (7.8%), the South East (5.8%) and the UK (7.9%).

Figure 27: Resident qualifications (2019)



Source: ONS Annual Population Survey (2019) / Lichfields analysis

5. Resident skills

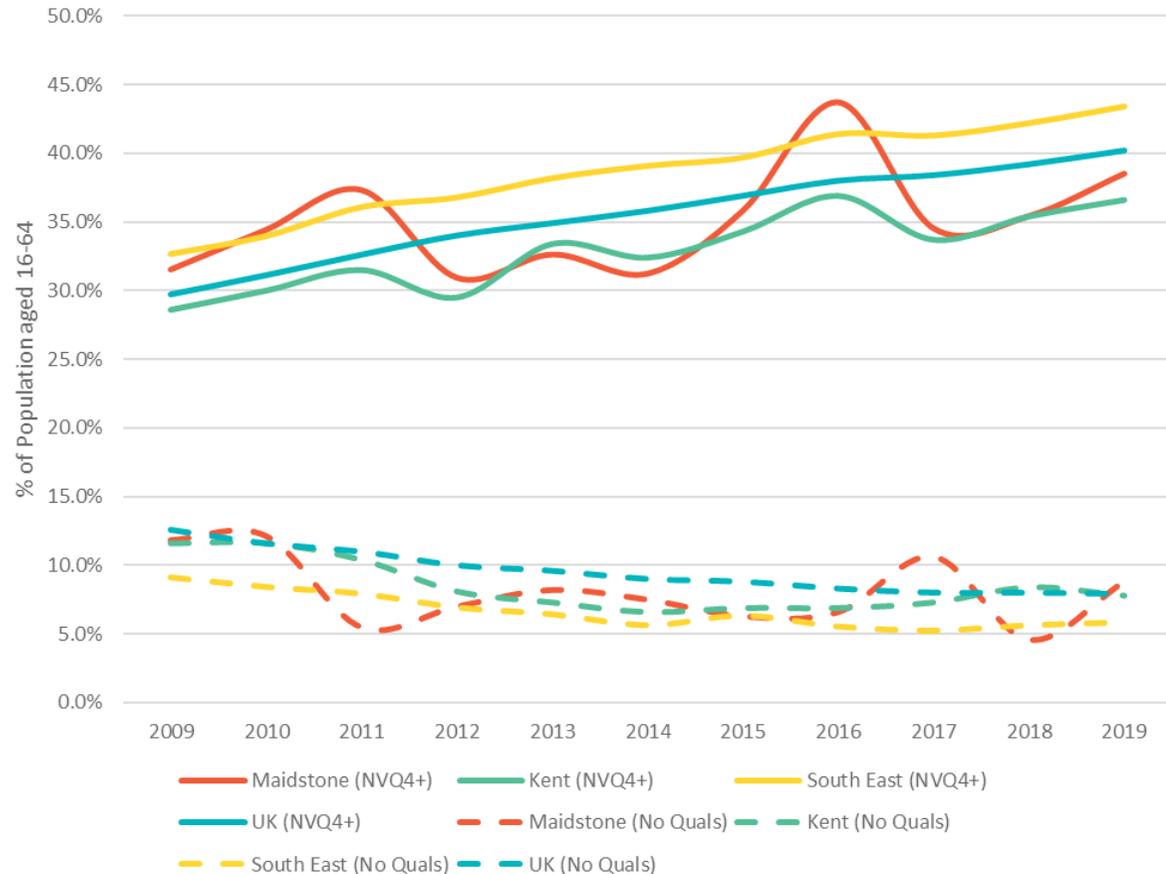
The Borough's resident skills profile has been improving over recent years, but not at quite the same rate as other parts of Kent, the South East and UK.

Resident skills

The proportion of working age residents in Maidstone with NVQ4+ level qualifications increased between 2009 and 2019 by a lower rate (7.0 percentage points) than the average for Kent (8.0 points), the South East (10.7 points) and the UK (10.5 points).

Similarly, the proportion of Maidstone's workforce with no qualifications decreased during this period but at a lower rate (3.0 percentage points) than the average for Kent (3.8 points), the South East (3.3 points) and the UK (4.7 points).

Figure 28: Change in resident qualifications (age 16-64)



Source: ONS Annual Population Survey / Lichfields analysis

5. Resident occupations

A high proportion of Maidstone residents are employed in the most highly-paid occupation groups, but with elementary occupations also over-represented.

Resident occupations

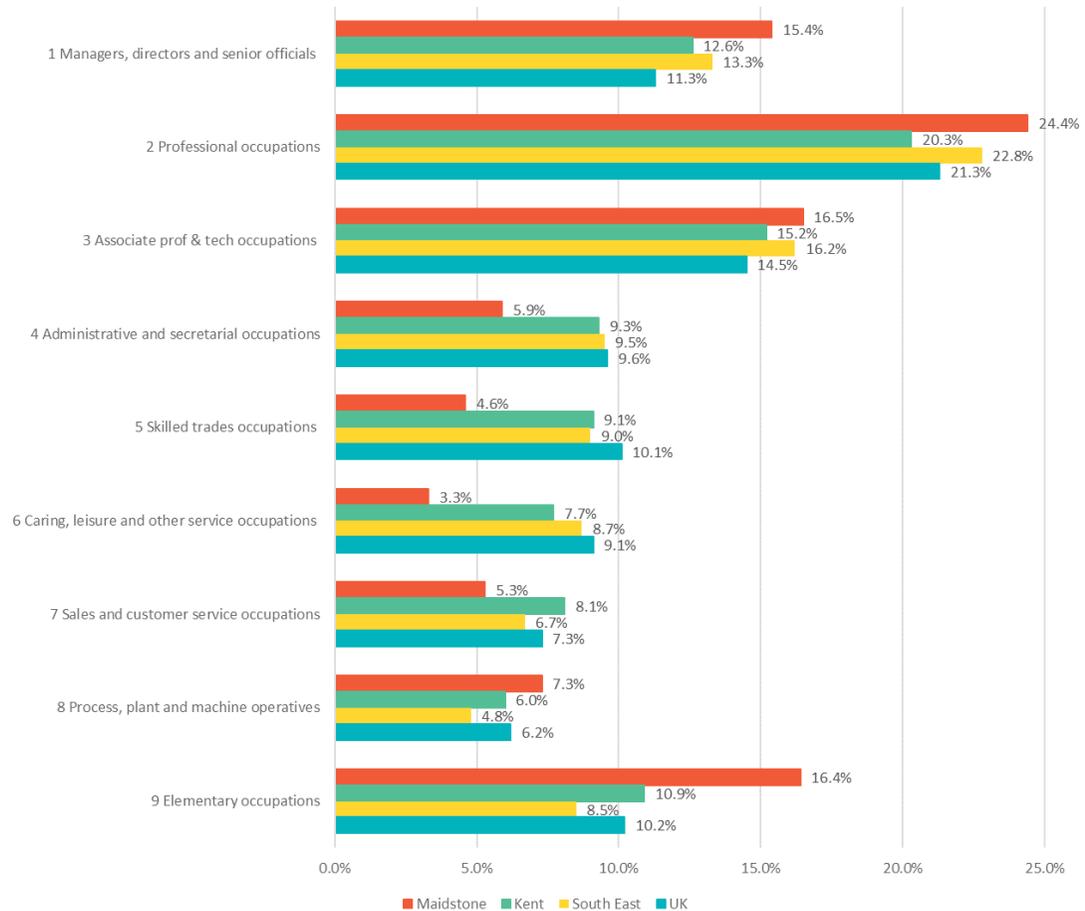
Compared with the regional and national averages, employed residents in Maidstone are more heavily represented in the highest three Standard Occupation (SOC) groups (managerial, professional and associate occupations) (56.3%) than the averages for Kent (48.1%), the South East (52.3%) and the UK (47.1%) (Figure 29).

At the same time, Maidstone residents are also significantly more represented in lower skilled elementary occupations (16.4%) than in Kent (10.9%), the South East (8.5%) and the UK (10.2%).

Meanwhile, mid tier occupation groups such as admin, customer service and caring occupations account for a much lower share of employed residents.

As shown in Figure 29, the occupational profile of Maidstone's residents is less 'balanced' than other parts of the country.

Figure 29: Occupation of employed residents aged 16-64 (2019)



Source: ONS Annual Population Survey / Lichfields analysis

5. Earnings

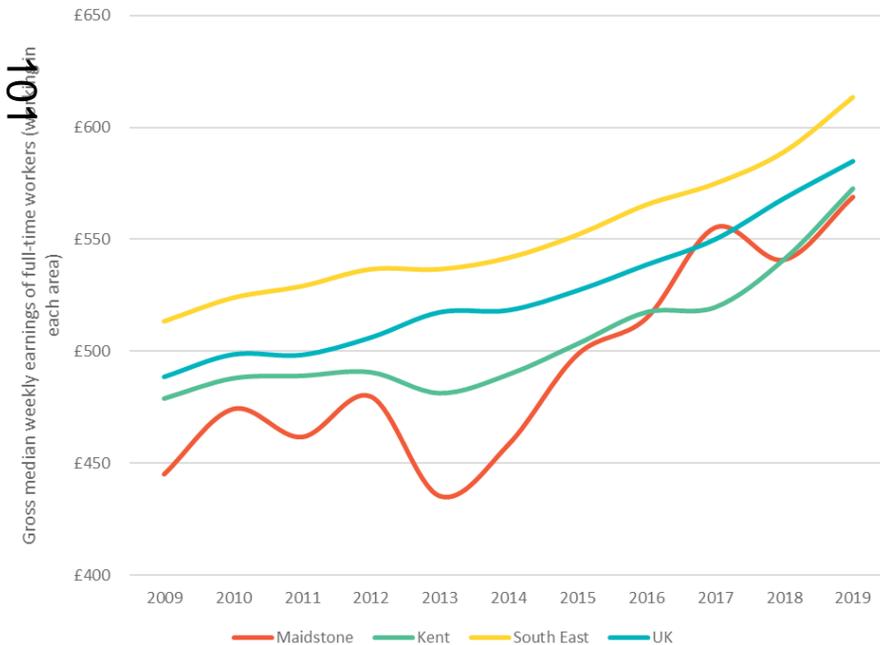
Wage growth for employed Maidstone residents has not kept pace with earnings growth associated with workplace jobs based within the Borough.

Earnings

In 2019, average gross weekly earnings for Maidstone residents amounted to £579, which was 6% lower than the average for Kent, 8.9% lower than in the South East and 1% lower than the UK average (Figure 31). This figure has increased by 11.0% between 2009 and 2019, at a significantly lower rate than in Kent (18.9%), the South East (18.5%) and the UK (19.7%) over this time.

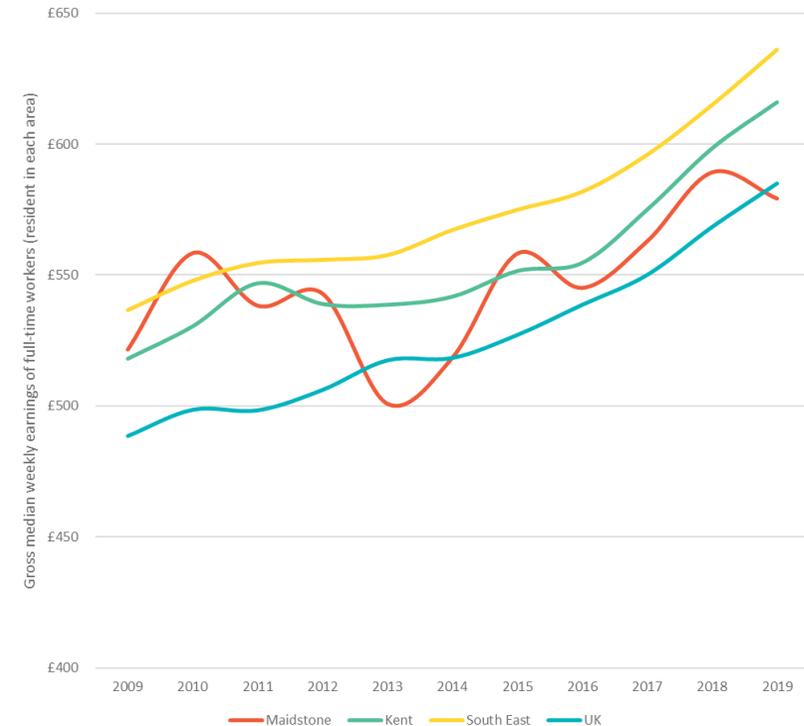
Meanwhile, average earnings for those working in Maidstone (£569) are also lower than regional and national averages, although the rate of increase over the last 10 years in Maidstone (27.8%) significantly outperformed the rate of increase across Kent as a whole (19.5%), the South East (19.5%) and the UK (19.7%).

Figure 30: Gross median weekly earnings (workers)



Source: ONS Annual Survey of Hours and Earnings / Lichfields analysis

Figure 31: Gross median weekly earnings (residents)



5. Commuting patterns

Maidstone's location at the heart of Kent means it shares strong labour market relationships with adjoining areas, in particular Tonbridge & Malling.

Travel-to-work flows

Whilst Maidstone Borough is relatively self-contained from a labour market point of view, it does share strong economic relationships with its neighbouring areas, including the 'Malling' part of Tonbridge and Malling and parts of Medway and Swale (see Figures 32 and 33). The Borough is characterised as a slight 'net exporter' of labour, with 1,180 more residents travelling out of the Borough for work than workers travelling in from other authority areas. The majority of in and out commuting flows are to/from the Borough's neighbouring areas of Tonbridge and Malling, Medway, Tunbridge Wells, Swale and Ashford, with London also accounting for a notable share of out-commuters.

Figure 32: Travel-To-Work Flows for Maidstone

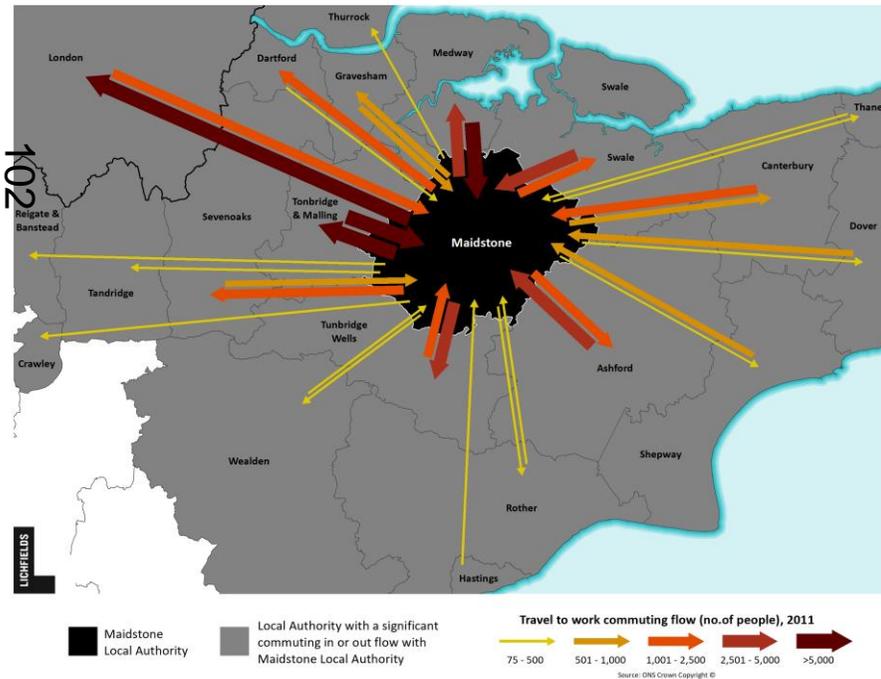
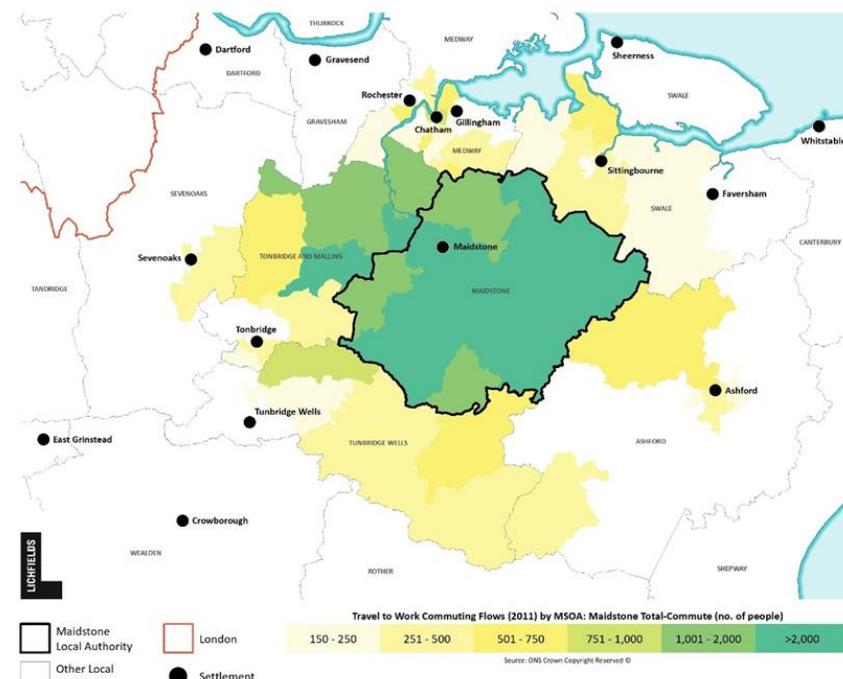


Figure 33: Local Travel to Work Area for Maidstone



Source: ONS (2011 Census) / Lichfields analysis

Source: ONS (2011 Census) / Lichfields analysis

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6. Implications of Covid-19

The outbreak of Covid-19 has already had a significant effect on the Borough's economy, with impacts still unfolding as the economic disruption continues.

Covid-19

Lichfields' earlier analysis from July 2020 brought together the latest real time data to begin to understand the significant impacts that the Covid-19 pandemic and associated economic disruption is having upon Maidstone's economy.

It provided a 'point-in-time' analysis that will need to be reviewed and updated on an ongoing basis to reflect the unfolding economic situation, emerging impacts locally, and the effects of national recovery policy and interventions.

Headline findings from the focused analysis are summarised below:

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- a. The analysis emphasised the severity of disruption to day-to-day operations being experienced by the Borough's business base, as well as the negative impact that the pandemic is having on sales/revenues and future orders.
 - b. Initial survey feedback suggests that the majority of local businesses have seen a negative impact on sales and significant disruption to business operations. Two thirds of local business respondents have furloughed staff, with tourism, hospitality and retail jobs most affected in the short term.
 - c. Across the local economy overall, over a quarter of Maidstone's working residents have been furloughed through the Coronavirus Job Retention Scheme, and while local unemployment has risen sharply, it is likely to increase further later this month as this financial subsidy is withdrawn by government.
 - d. Visits to retail, recreation and workplace venues are still significantly lower than 'normal', posing economic challenges for the town centre in particular.

- e. We know that so far, the impact on individual sectors has varied significantly reflecting the extent to which lockdown measures forced some industries to temporarily 'shut down'. Around one quarter of Maidstone's local employment, output and business base fall within sectors at highest risk from short term economic harm from Covid-19; hospitality, recreation and retail have been amongst those sectors hardest hit, but have also driven much of the job growth recorded in the Borough over recent years and remain locally significant.
- f. Coming into the pandemic, the Borough had strong economic credentials but also some key challenges that are likely to be exacerbated by Covid-19 impacts. This includes workplace productivity which 'lags behind' regional and national averages, and the need to upskill the local resident base to more effectively capture high value growth opportunities and job growth in future.
- g. A number of scenarios continue to emerge to consider the potential short and longer term impacts of Covid-19 upon the economy and these should be treated with caution given the greater than usual uncertainty. Covid-19 forecasts from Experian (prepared in June 2020) imply a short term economic impact equivalent to £575 million and 4,000 jobs across the Borough during 2020, taking at least two years for the local economy to recover to pre Covid-19 levels of economic activity. Replicating the OBR's macro scenario would equate to a short term economic impact of £366m within the Borough during Q2 2020.

The 'real time' nature of the evolving economic situation emphasises the need to keep on top of data and intelligence as it emerges, to monitor impacts as they unfold, and use this to review the Economic Development Strategy response on a timely basis.

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