Maidstone Economic Development Strategy State of the Nation Report

Maidstone Borough Council

Final Report

November 2020

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Structure

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

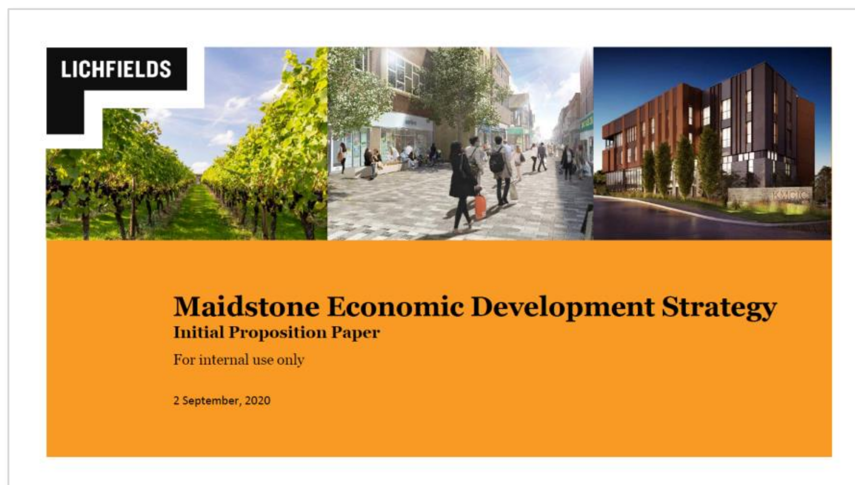
This 'State of the Nation' report has been prepared by Lichfields to provide a refreshed evidence base to inform an update of Maidstone Borough Council's Economic Development Strategy (EDS) by establishing the economic baseline for the Borough in terms of current economic performance and recent trends.

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

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

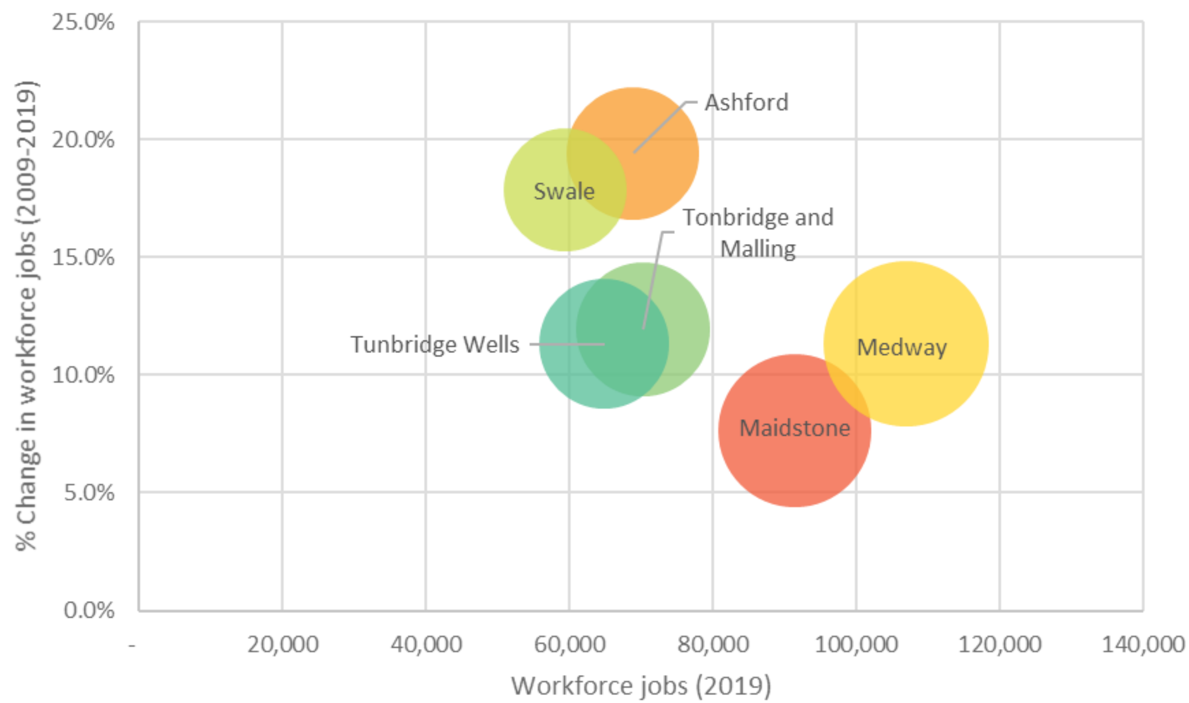
In 2019, 91,400 workforce jobs were based in Maidstone Borough, having increased by 7.7% over the 10 year period since 2009.

Compared to its five neighbouring authority areas, only Medway had a higher number of workforce jobs in 2019 (at 106,900) (Figure 1).

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

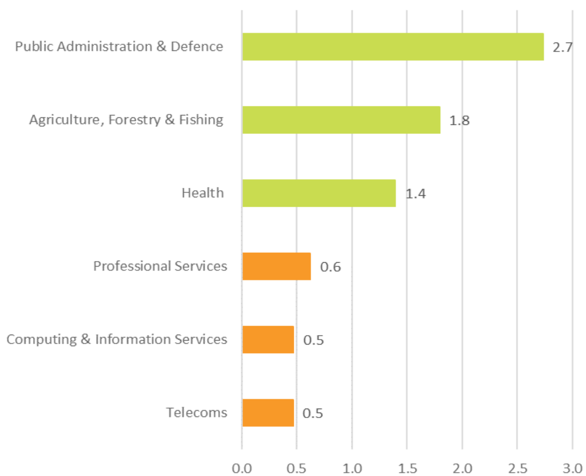
Employment in Maidstone is dominated by public administration and support services, health and construction sectors.

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).

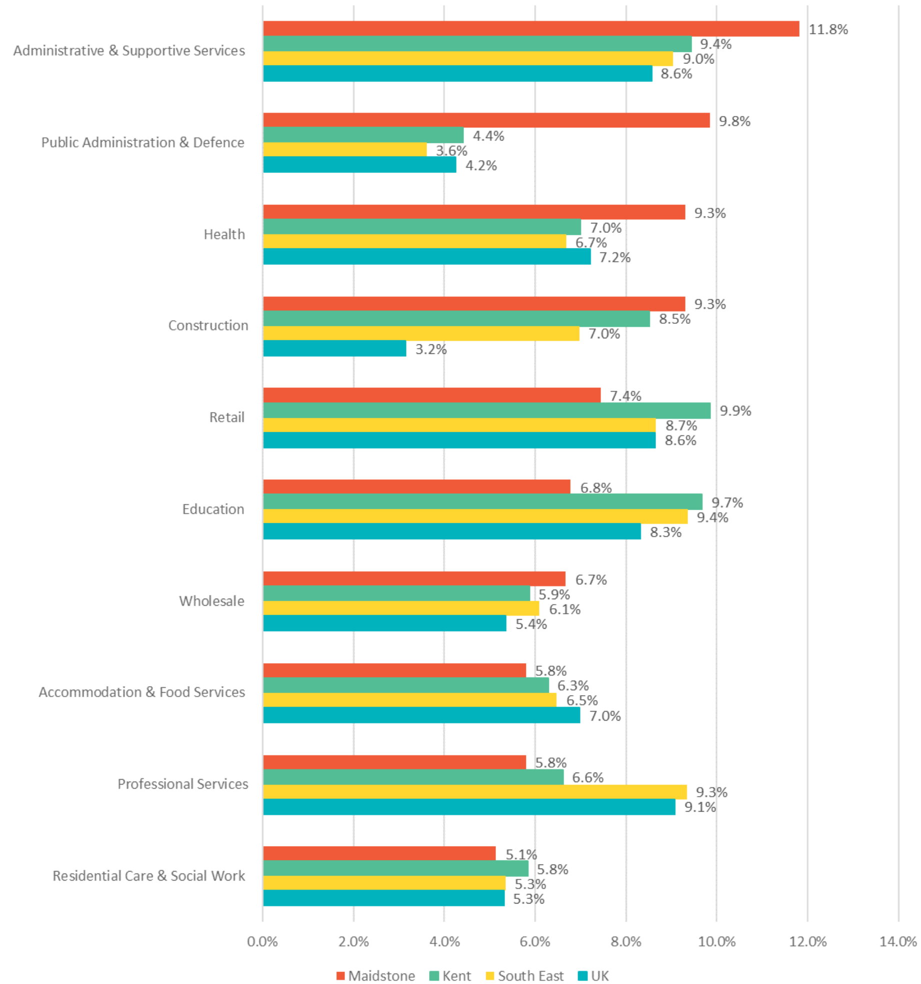
Reflecting its county town role, Maidstone has a much higher concentration of jobs in the public admin and defence sector than the South East, with a Location Quotient (LQ) of 2.7 (Figure 2). By comparison, professional services, computing & information services and telecoms have a much more limited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

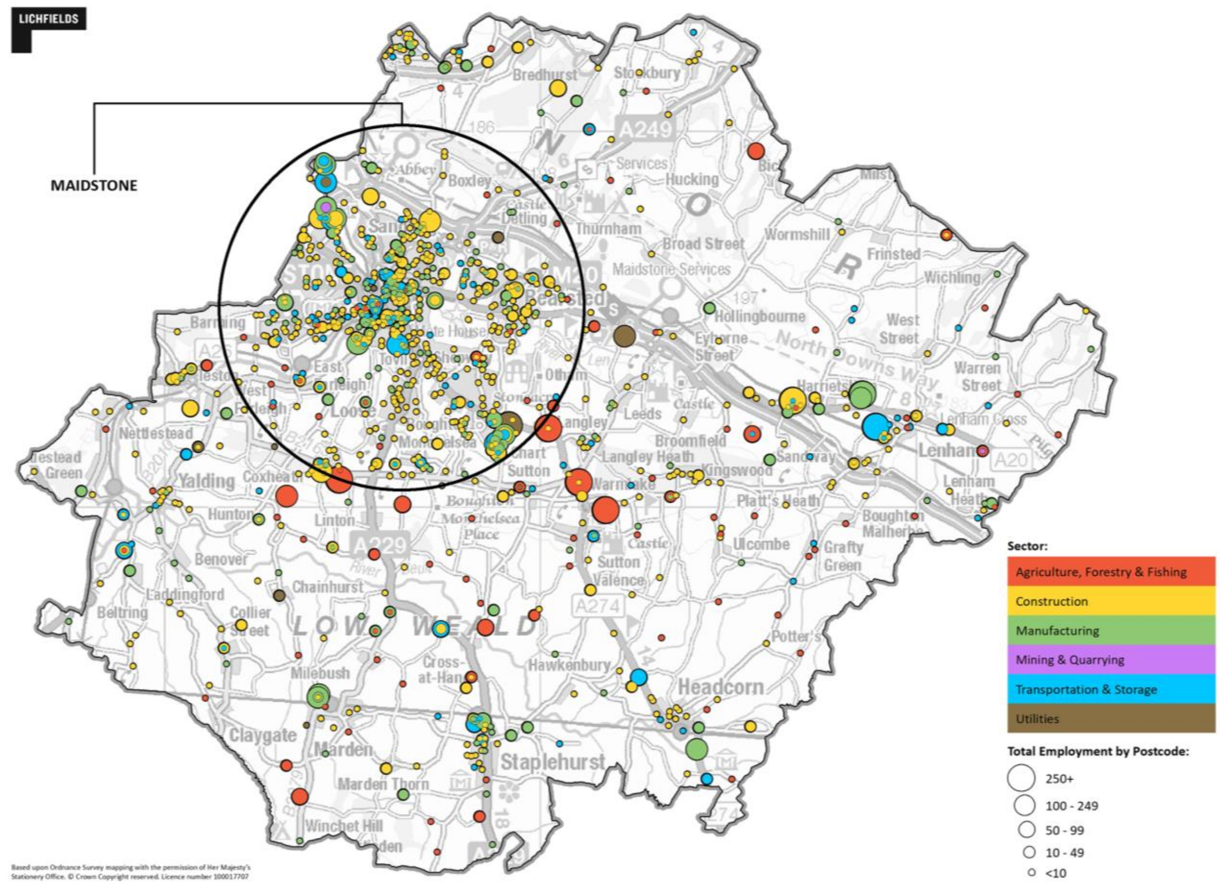
Spatial distribution

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

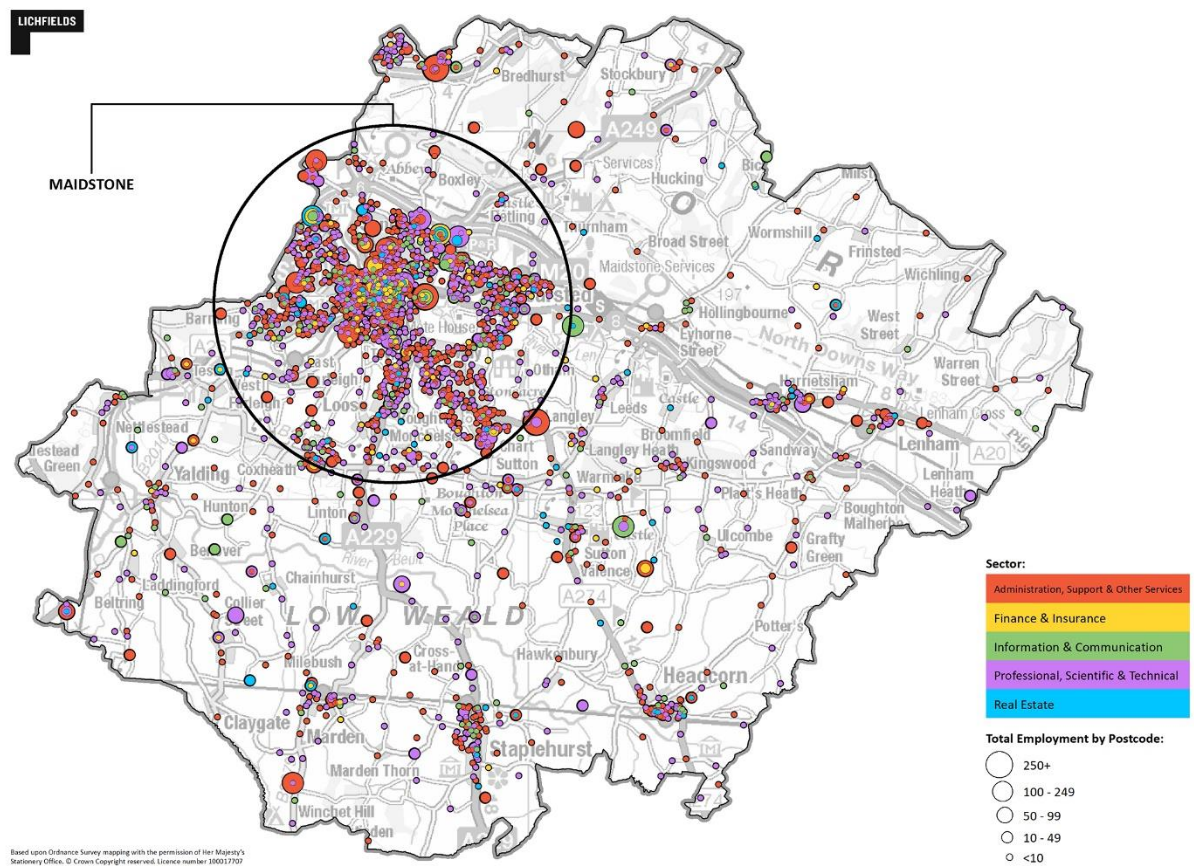
Figure 5 maps the location of employers operating in sectors of the economy typically associated with private sector and professional services.

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.

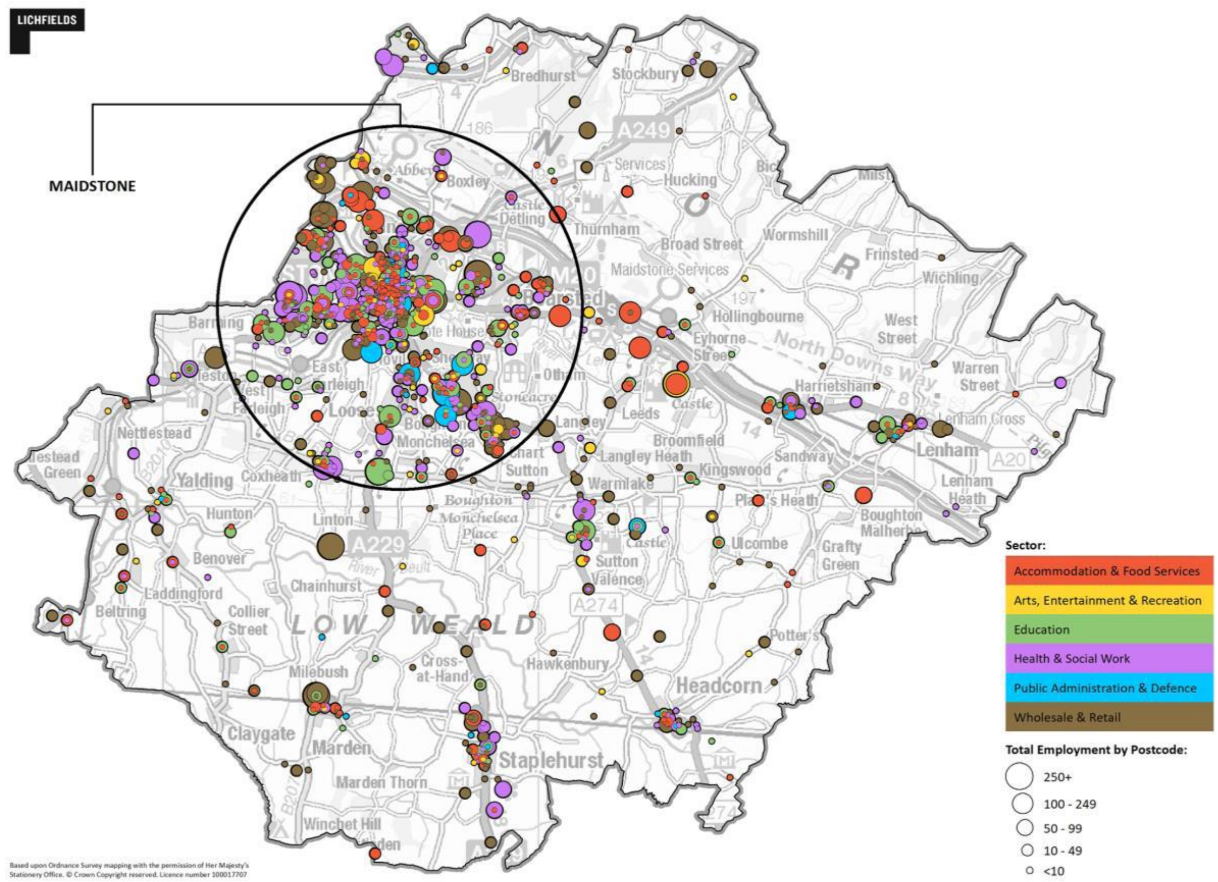
Spatial distribution

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

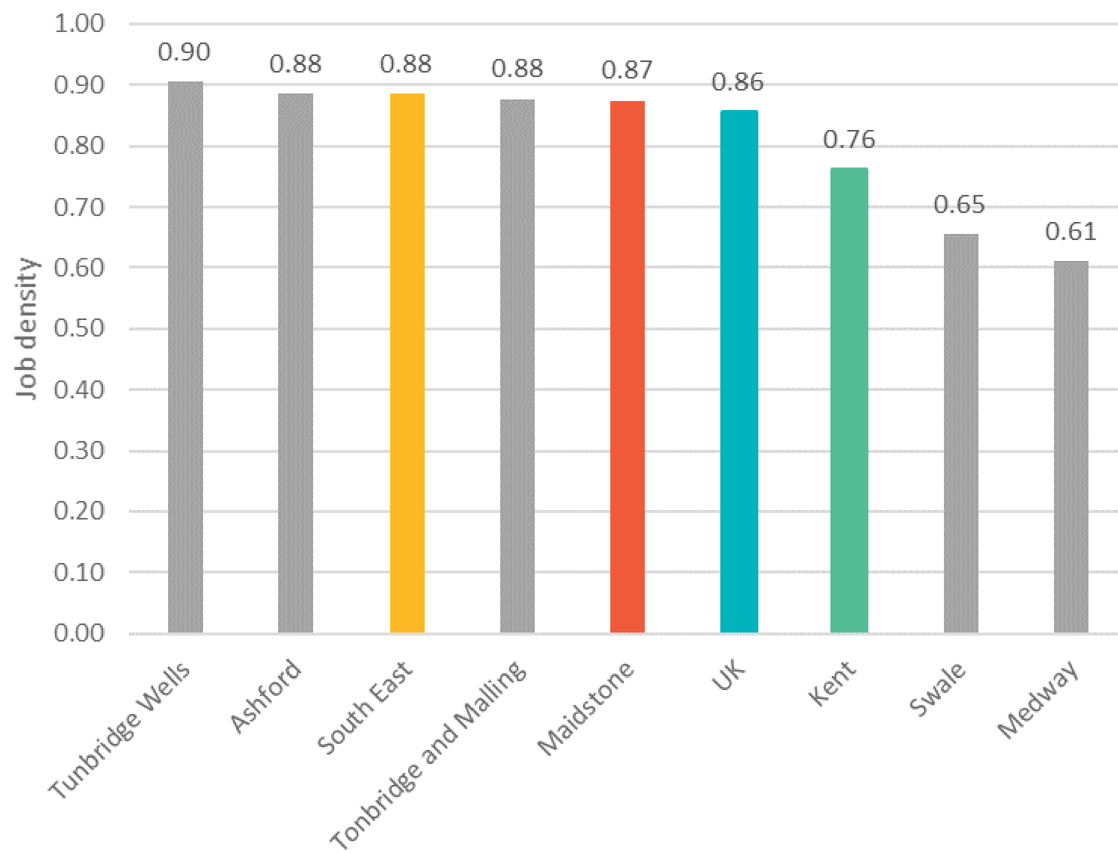
In 2019, the ratio of jobs to working age residents in Maidstone was 0.87. This means that there was 0.87 locally based jobs for each working-age resident of the Borough.

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.

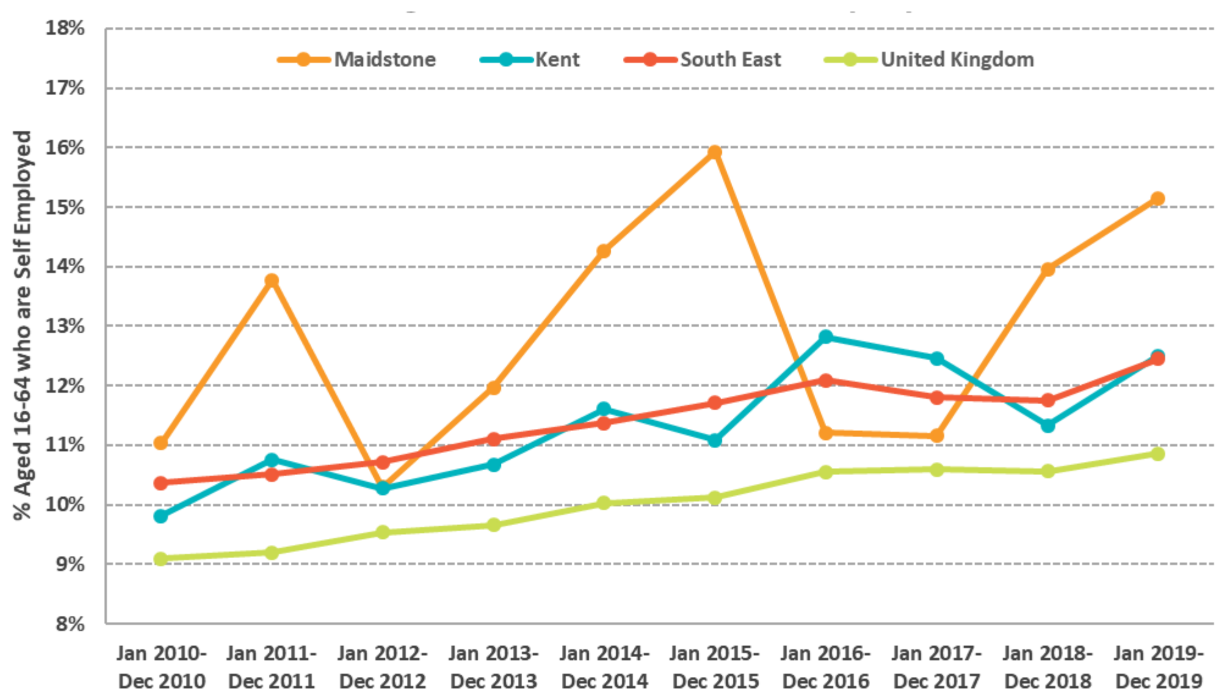
Self-employment

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 a 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

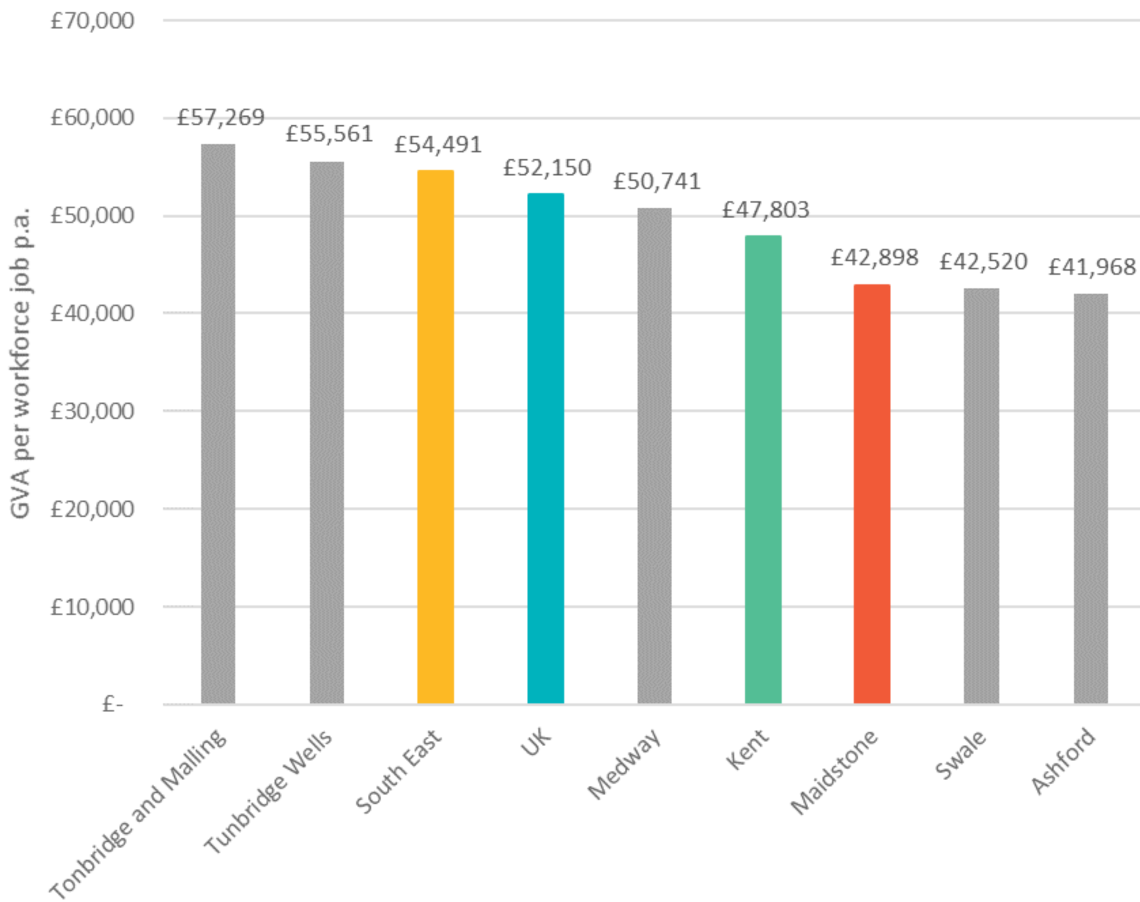
In 2019, each workforce job in Maidstone Borough was estimated to generate £42,989 in economic output, measured in terms of Gross Value Added (GVA).

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

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.

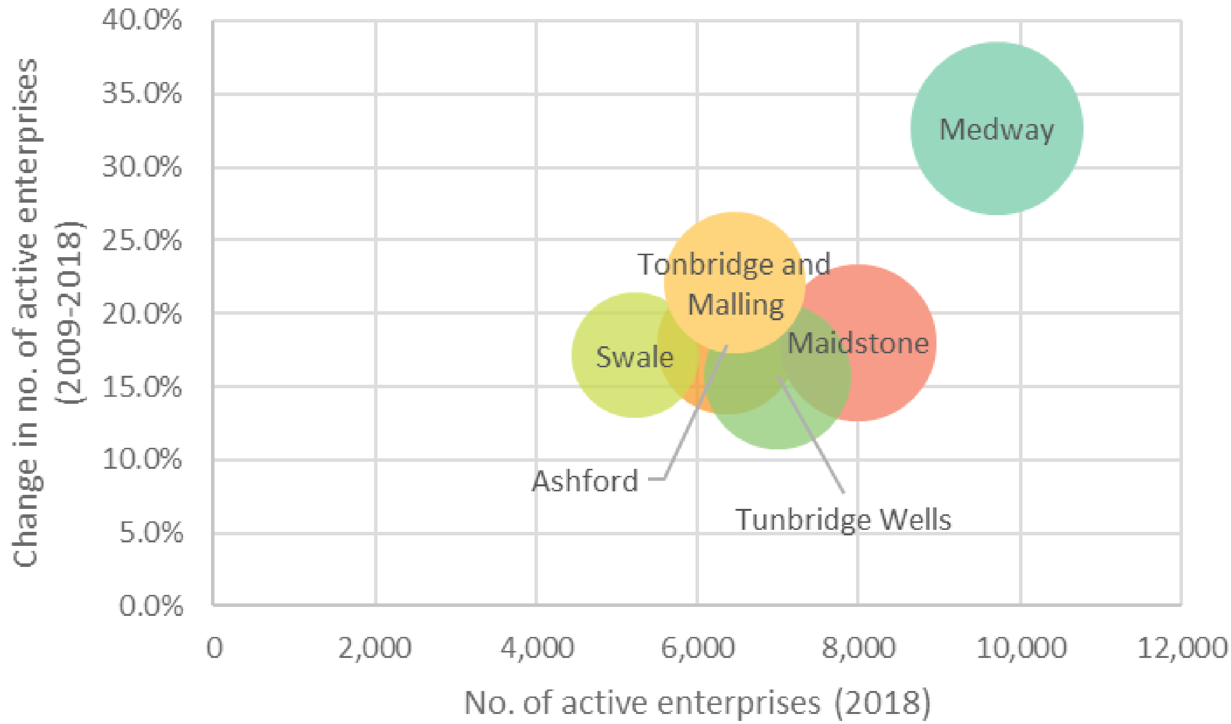
Business base and change

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

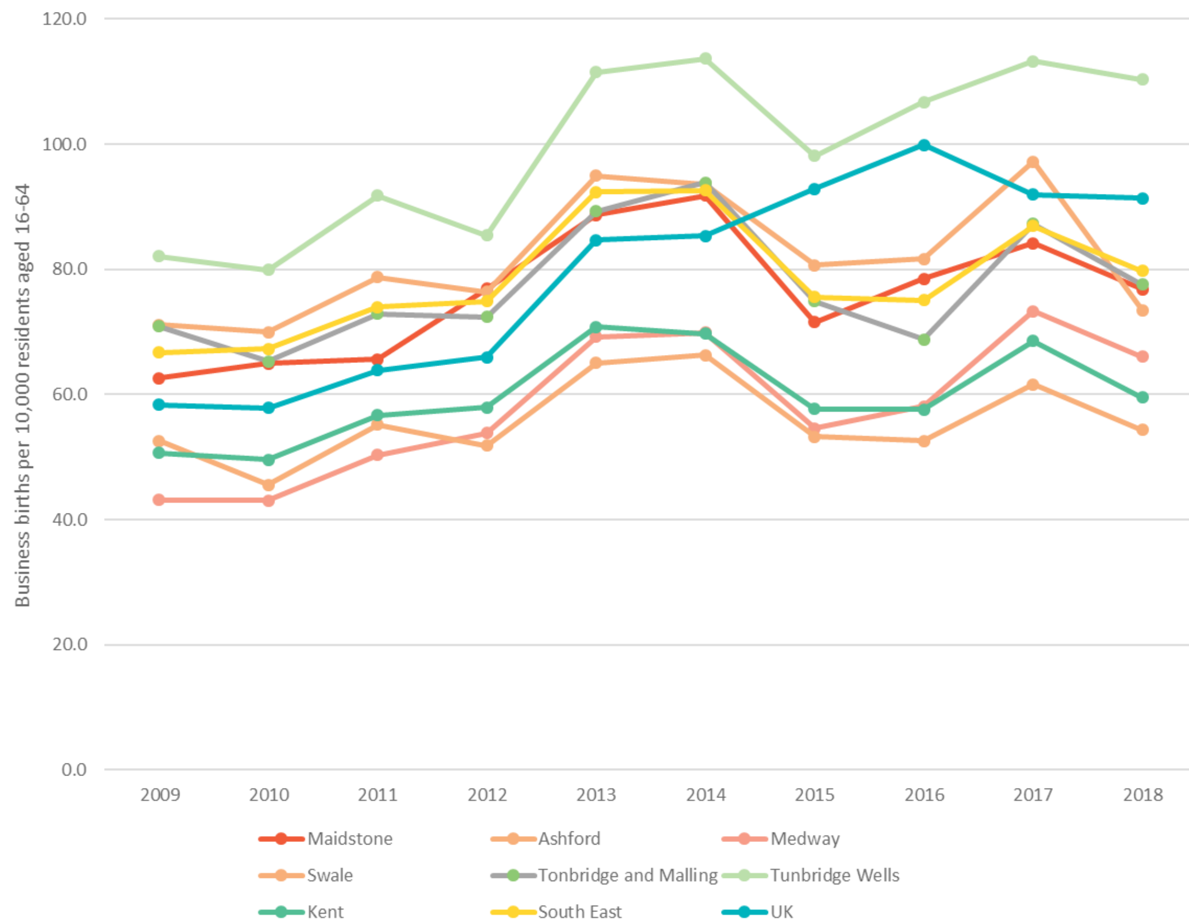
There were 795 new businesses registered in Maidstone in 2018, representing a start-up rate of 76.8 per 10,000 residents aged 16 to 64. This was higher than the rate for Kent (59.5) but lower than for the South East (79.7) and the UK as a whole (91.4).

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

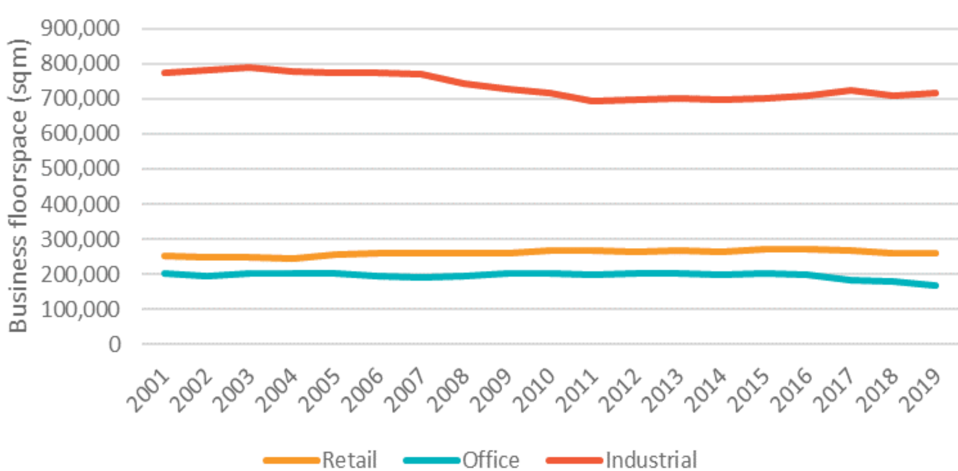
The Borough's commercial floorspace comprises some 716,000sqm of industrial floorspace (62.4%), 261,000sqm of retail floorspace (22.8%) and 168,000sqm of office floorspace (14.6%) as at 2019.

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.

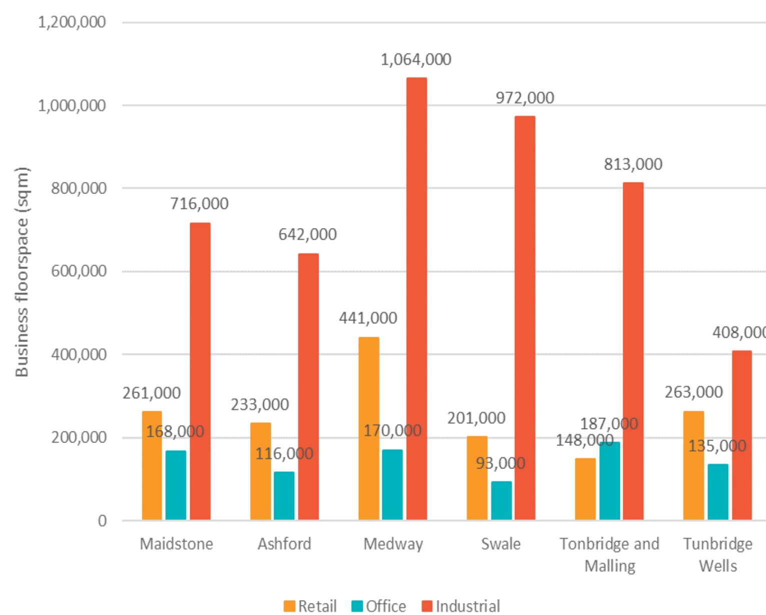
The most significant decrease was recorded for office floorspace, which declined by 17.6% in Maidstone, compared to an increase of 2.7% in Kent, 2.9% in the South East and 11.1% in England. Nevertheless, the Borough still records more office space than its neighbouring authority areas of Ashford, Swale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



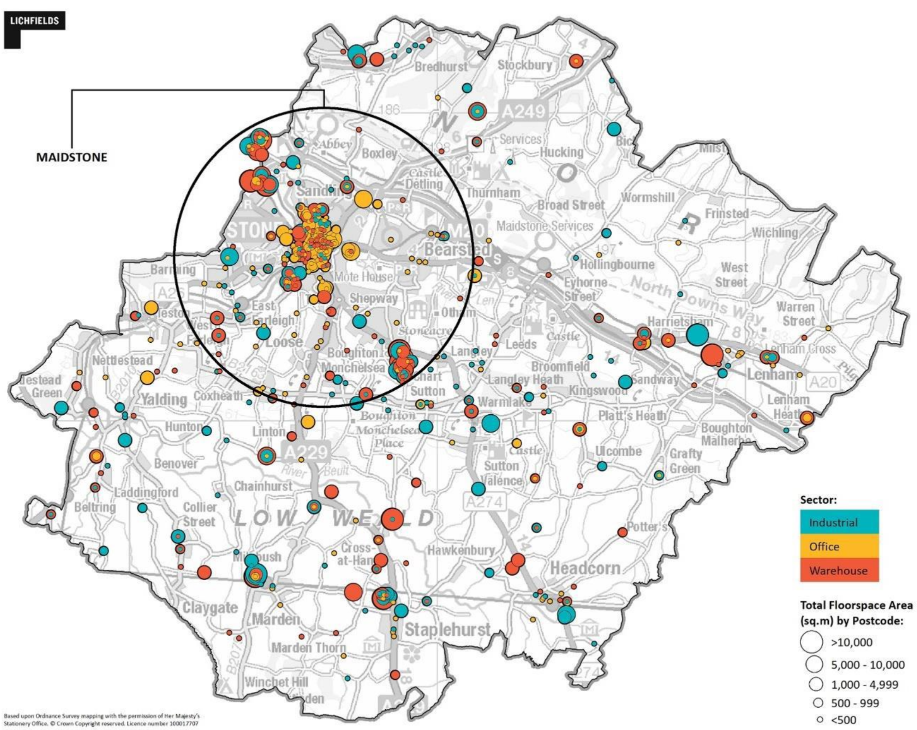
3. Business floorspace

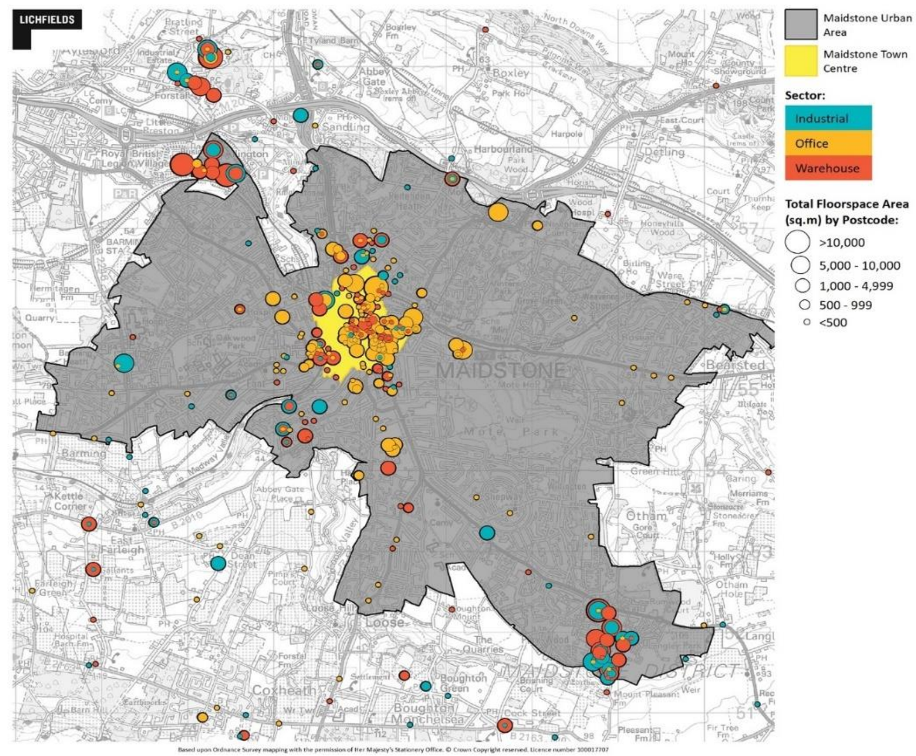
The Borough’s office market is largely concentrated within Maidstone town, with industrial space distributed more evenly across smaller and rural areas.

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/logistics 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





Source: VOA 2019 / Lichfields analysis

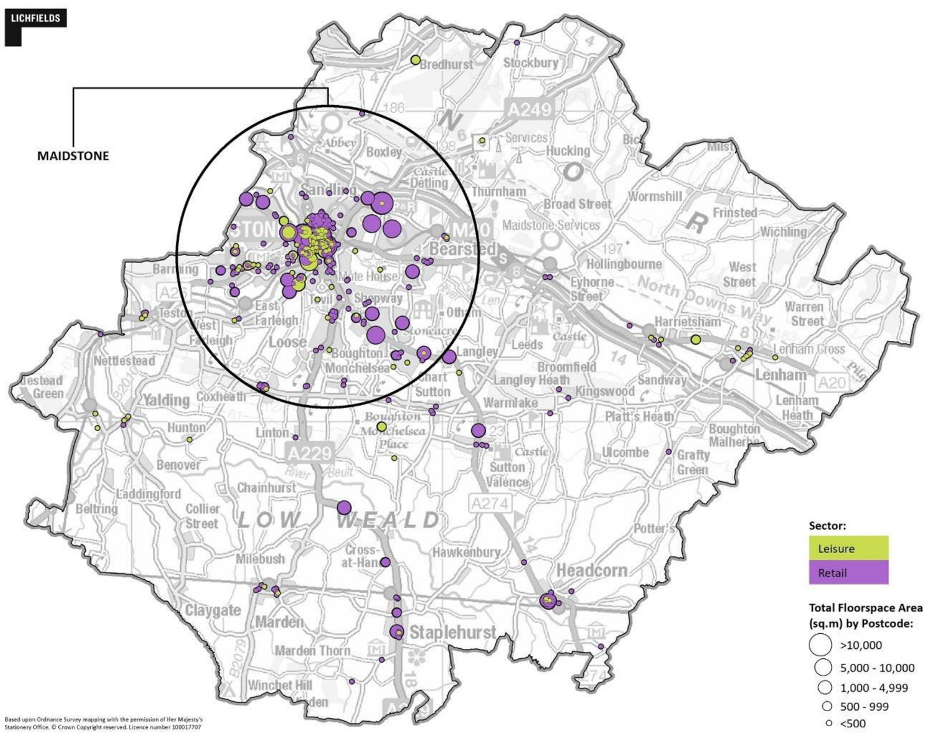
3. Business floorspace

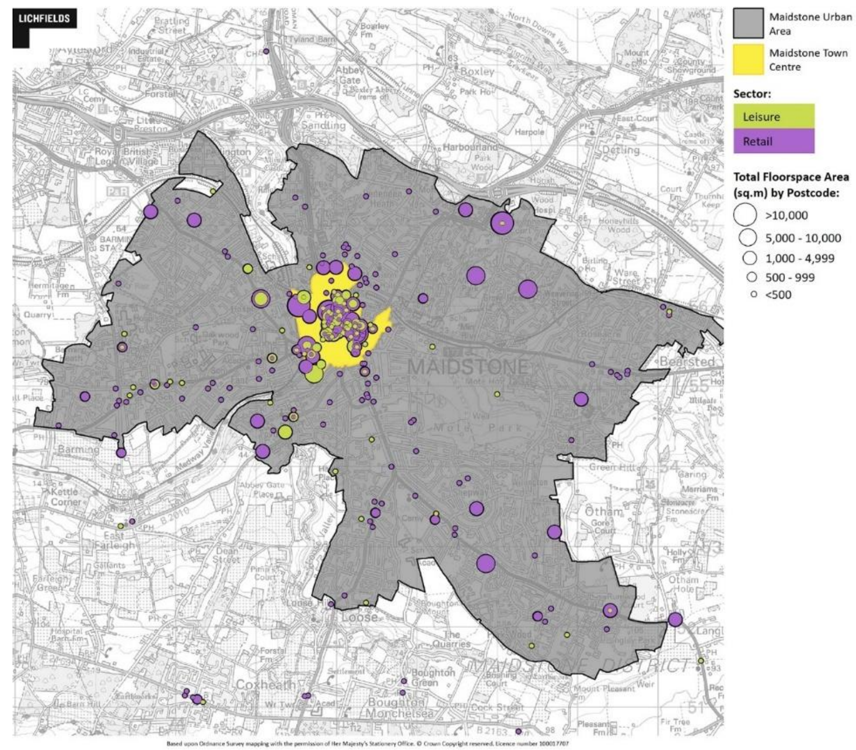
Retail and leisure space is overwhelmingly concentrated within the Maidstone urban area, reflecting the town centre’s draw and role in the retail hierarchy.

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

Structure

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.

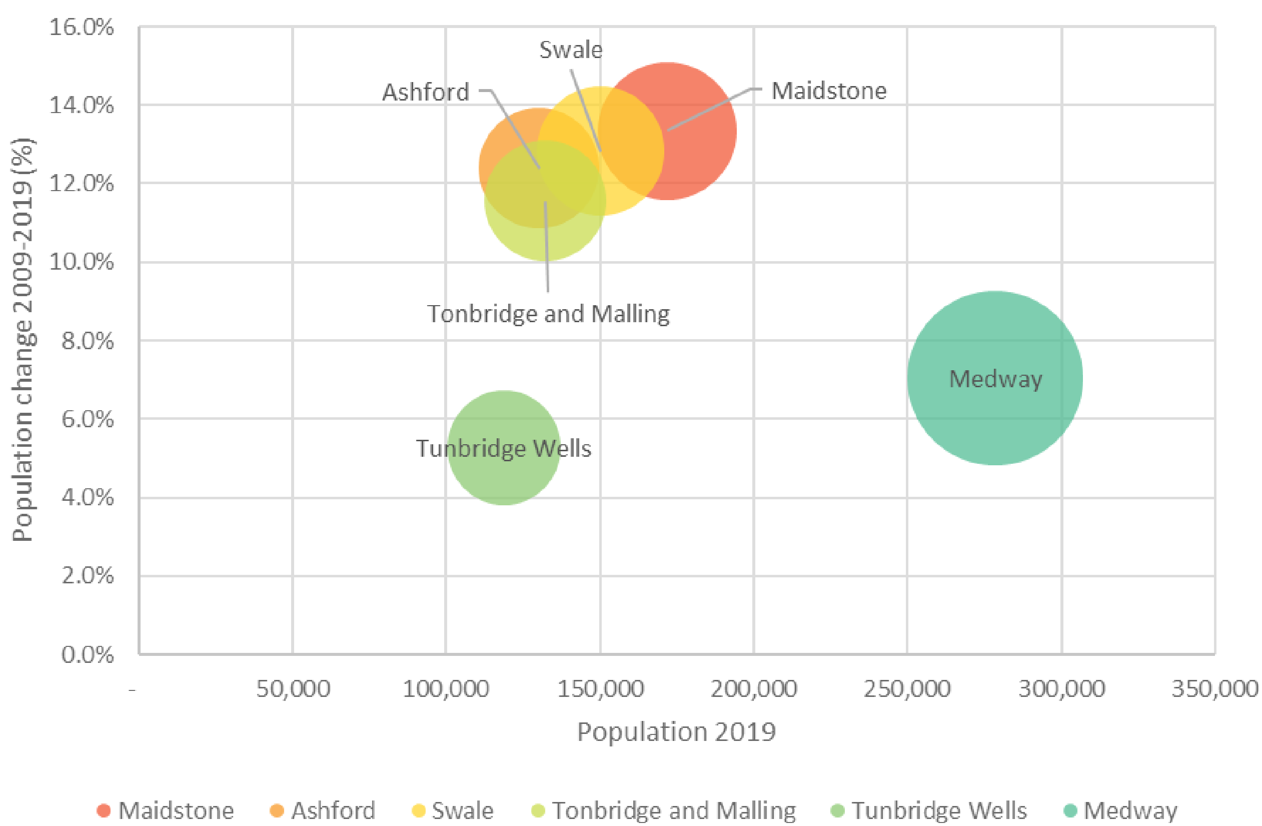
Population change

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.

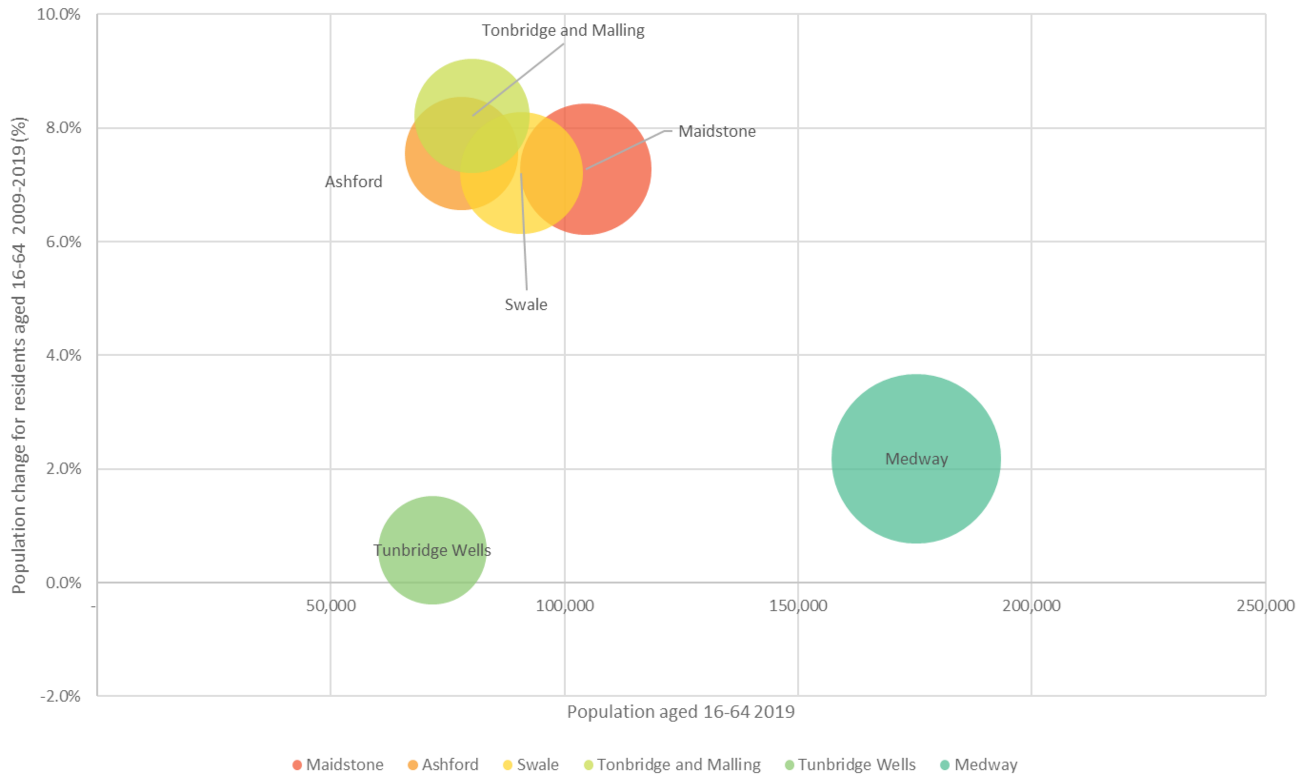
Working-age population change

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

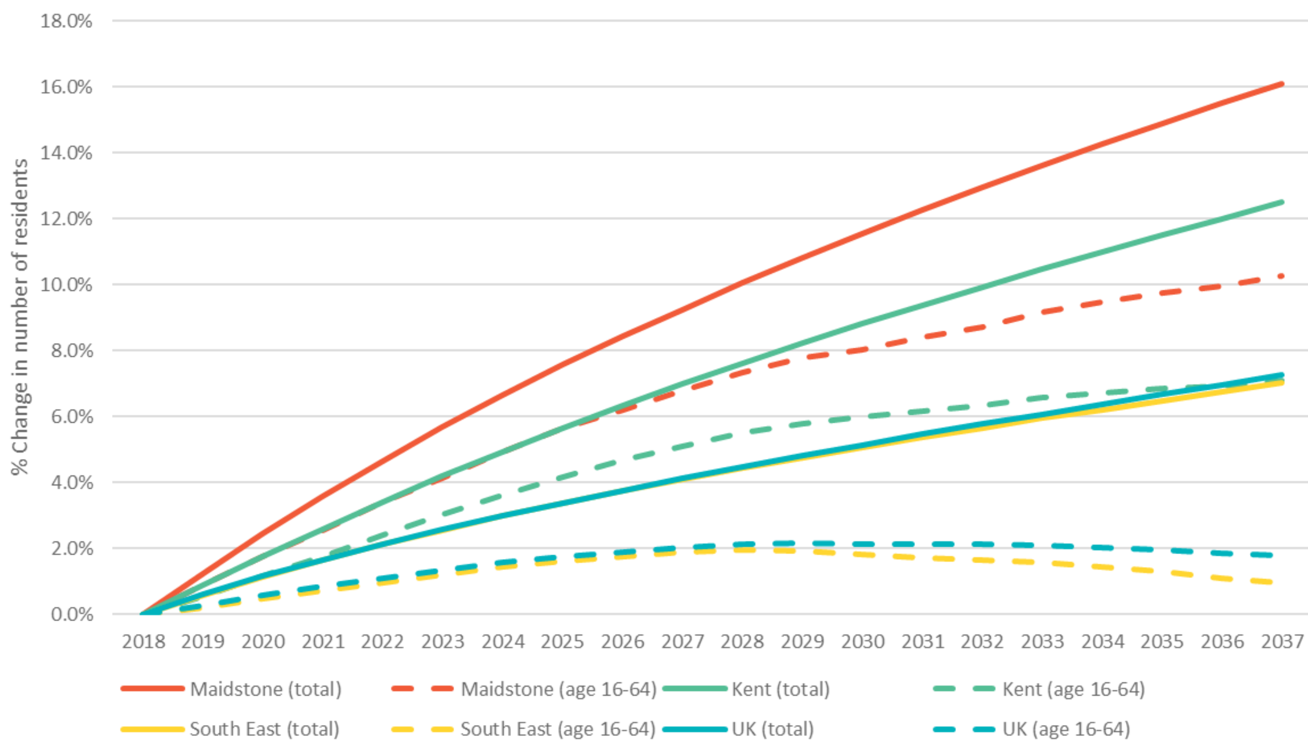
This strong population growth is expected to continue in future, with Maidstone continuing to outperform other areas, but characterised by an ageing population.

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

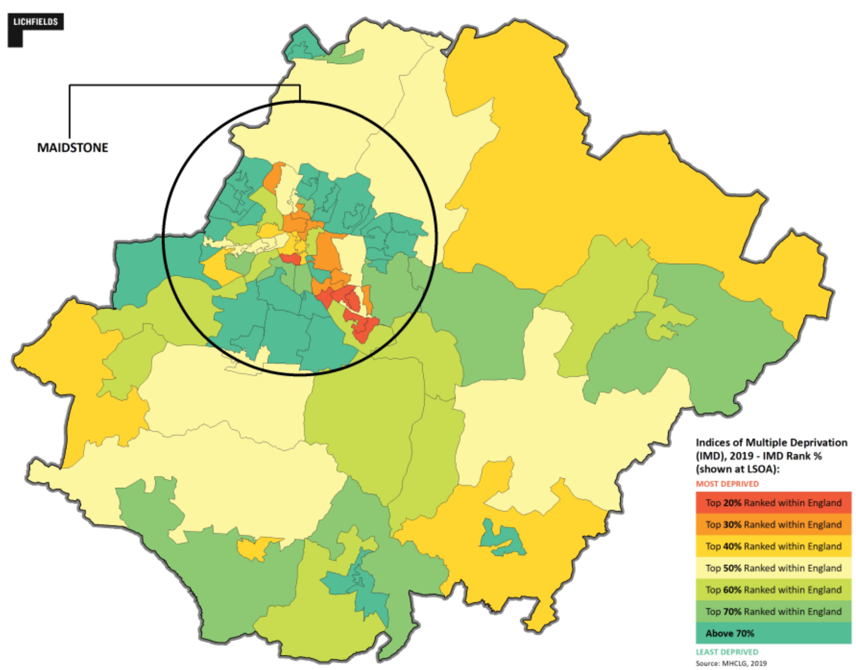
Although the Borough ranks relatively well in terms of deprivation overall, this masks some significant pockets of socio-economic challenges within urban areas.

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.

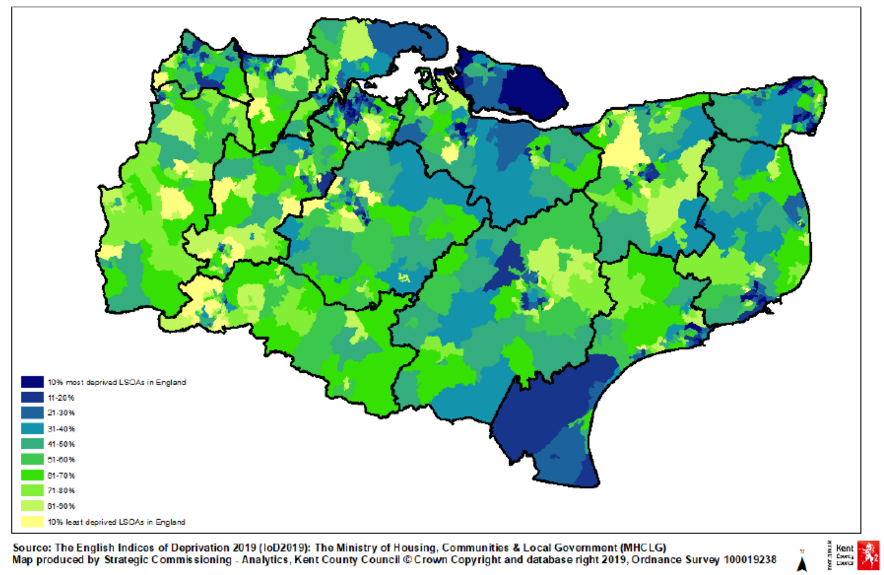
Within a Kent-wide deprivation context, the Borough performs relatively well (Figure 21) but has seen little change or improvement within its most acute pockets of socio-economic deprivation over the last few years.

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)

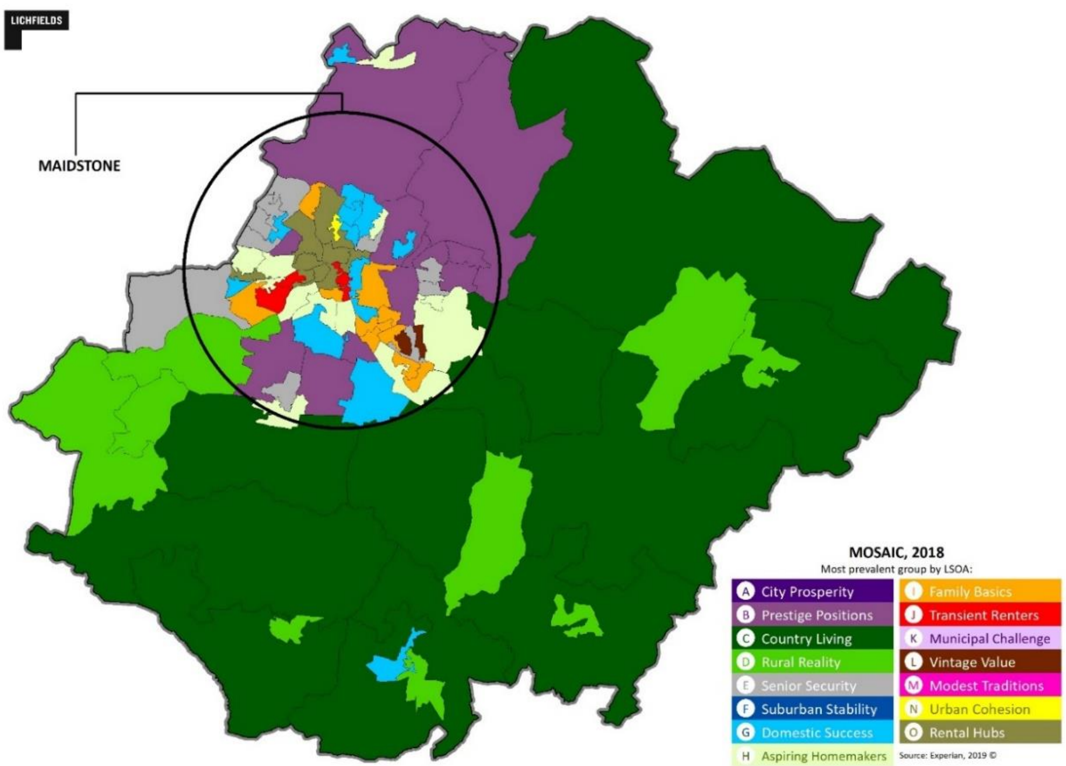
4. Demographic profile

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

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.

Structure

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).

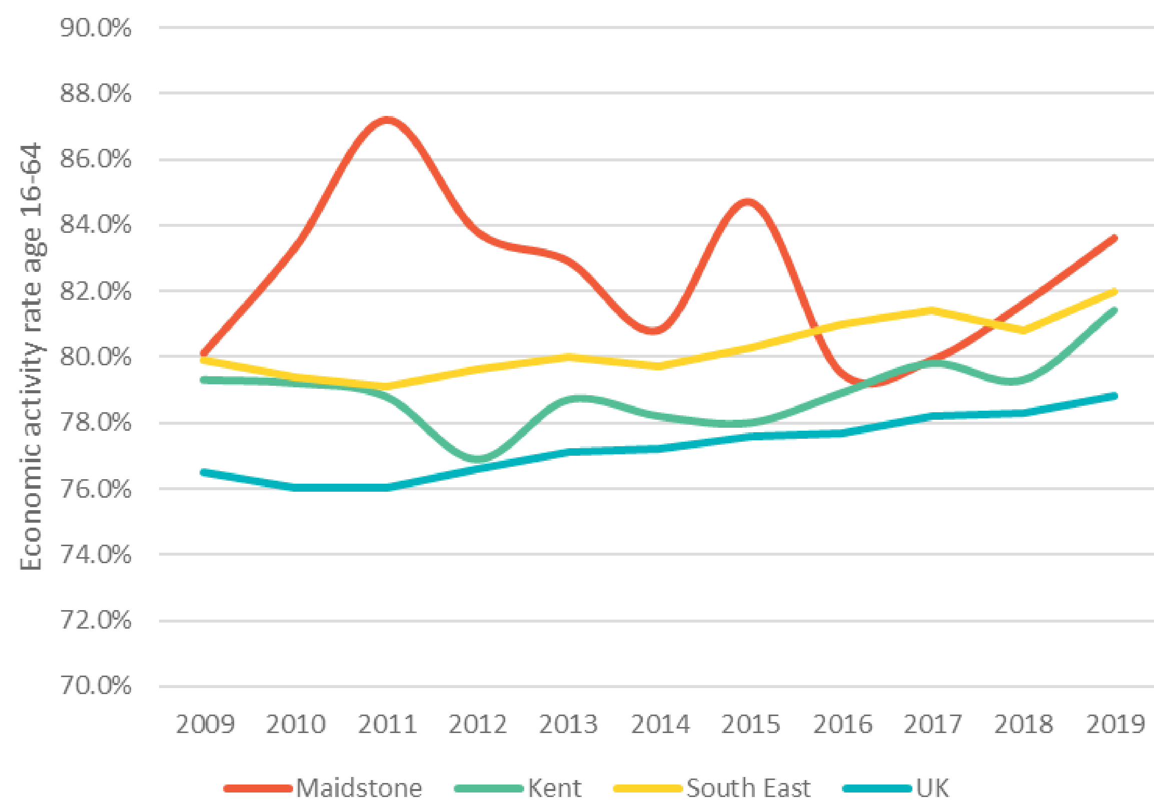
When compared to its neighbouring authorities, Maidstone's economic activity rate was the second highest, with Tonbridge and Malling recording the highest rate at 88%.

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

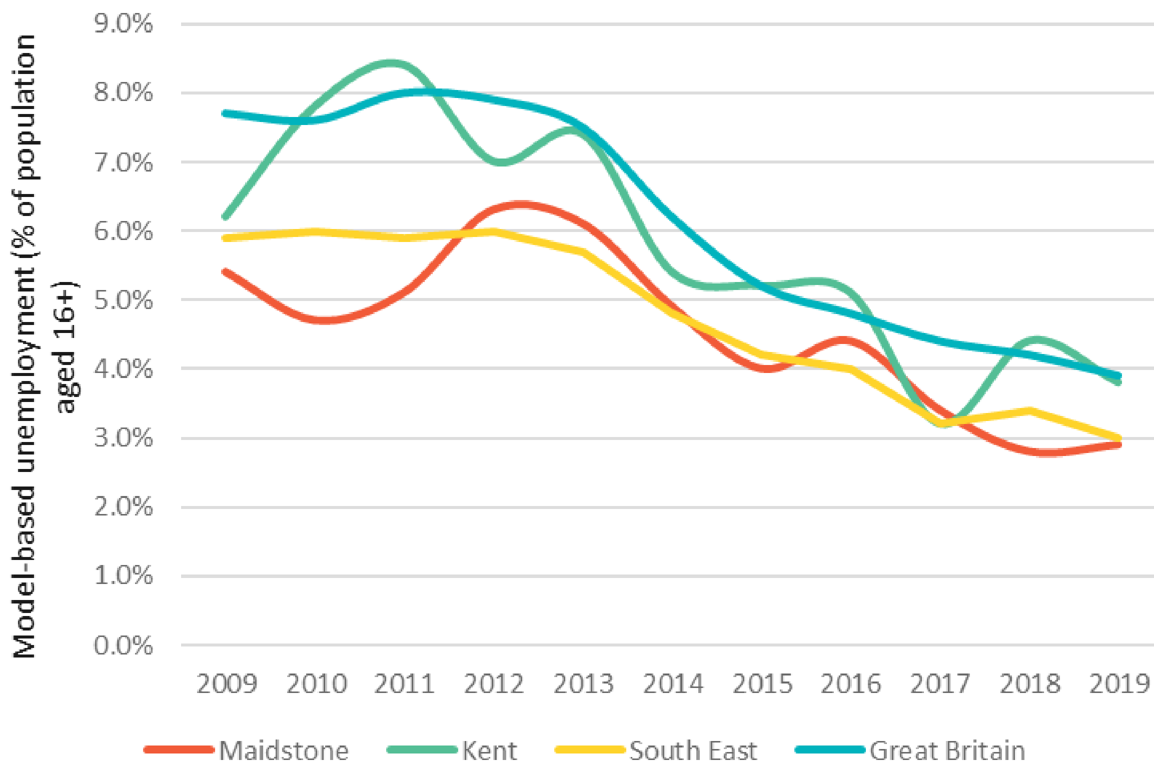
In 2019, the model-based unemployment rate for residents aged 16+ in Maidstone was 2.9%, amounting to c.2,600 people in absolute terms. This unemployment rate was lower than the averages for Kent (3.8%), the South East (3.0%) and Great Britain (3.9%).

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

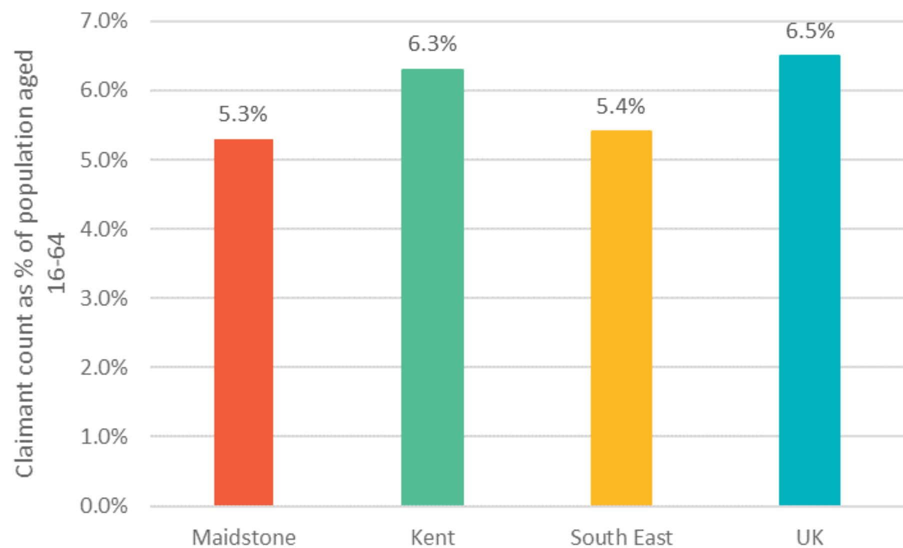
The Claimant Count in Maidstone has increased sharply following the outbreak of Covid-19 but remains lower than other parts of Kent, the South East and UK.

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).

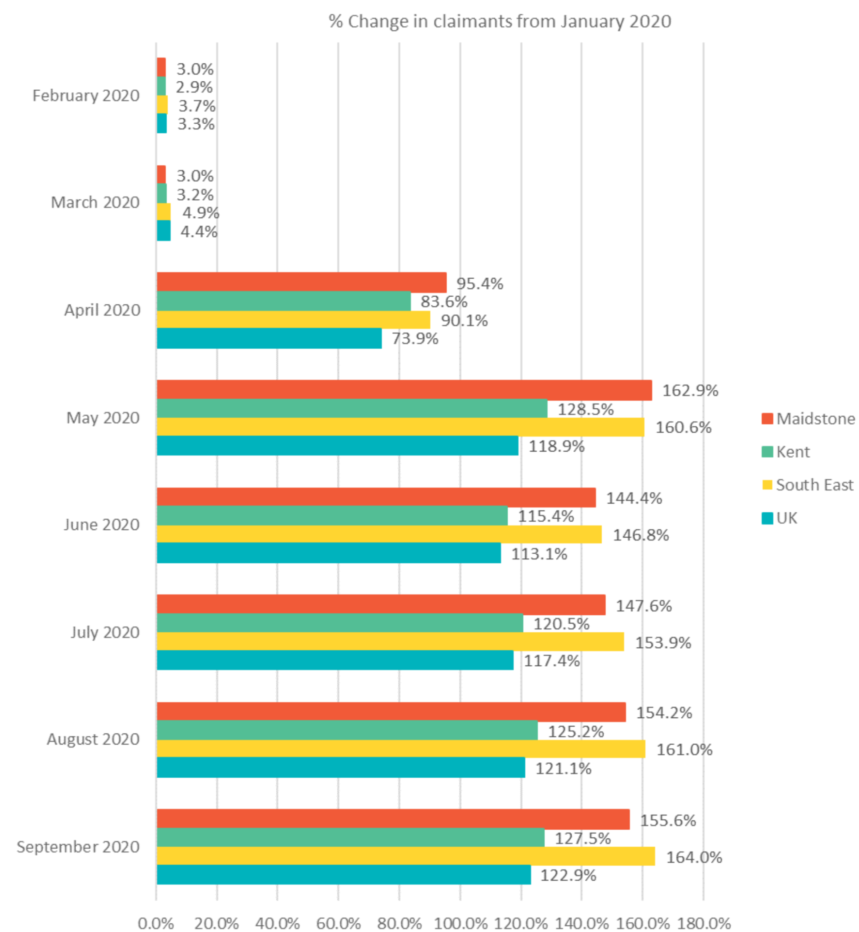
The increase in Claimant Count since the beginning of the year has been notably sharp within Maidstone, particularly by April as lockdown fully 'kicked in' and key sectors locally began to shut down. By September 2020, the number of Claimants in Maidstone had increased by 155.6% since January 2020, compared 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.

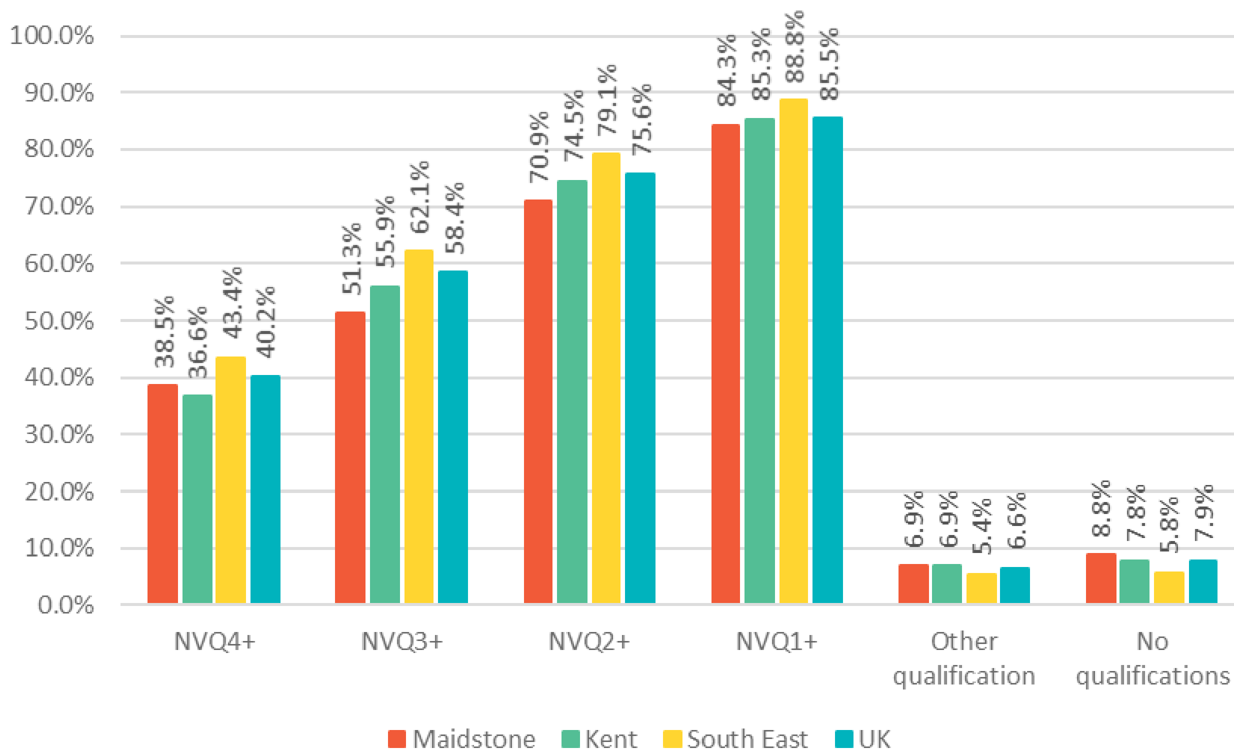
Resident skills

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

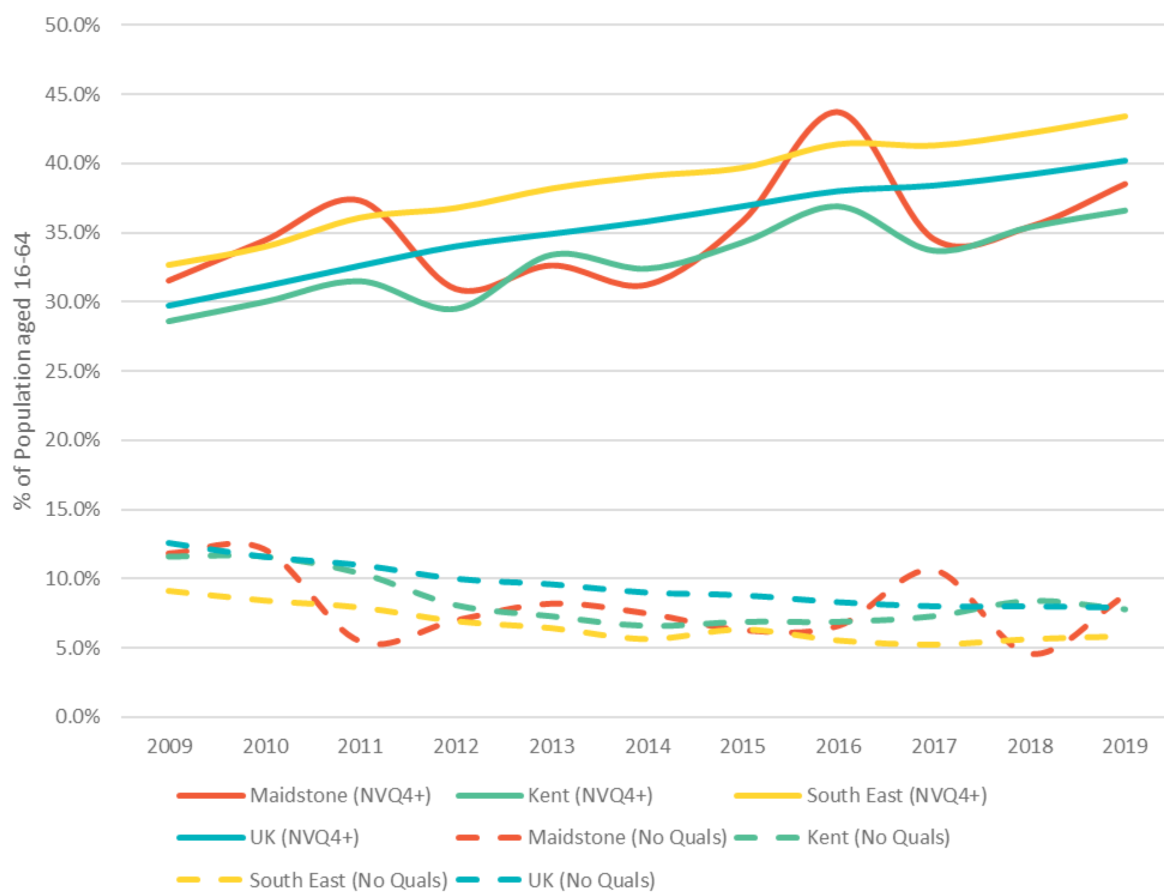
The Borough's resident skills profile has been improving over recent years, but not at quite the same rate as other parts of Kent, the South East and UK.

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

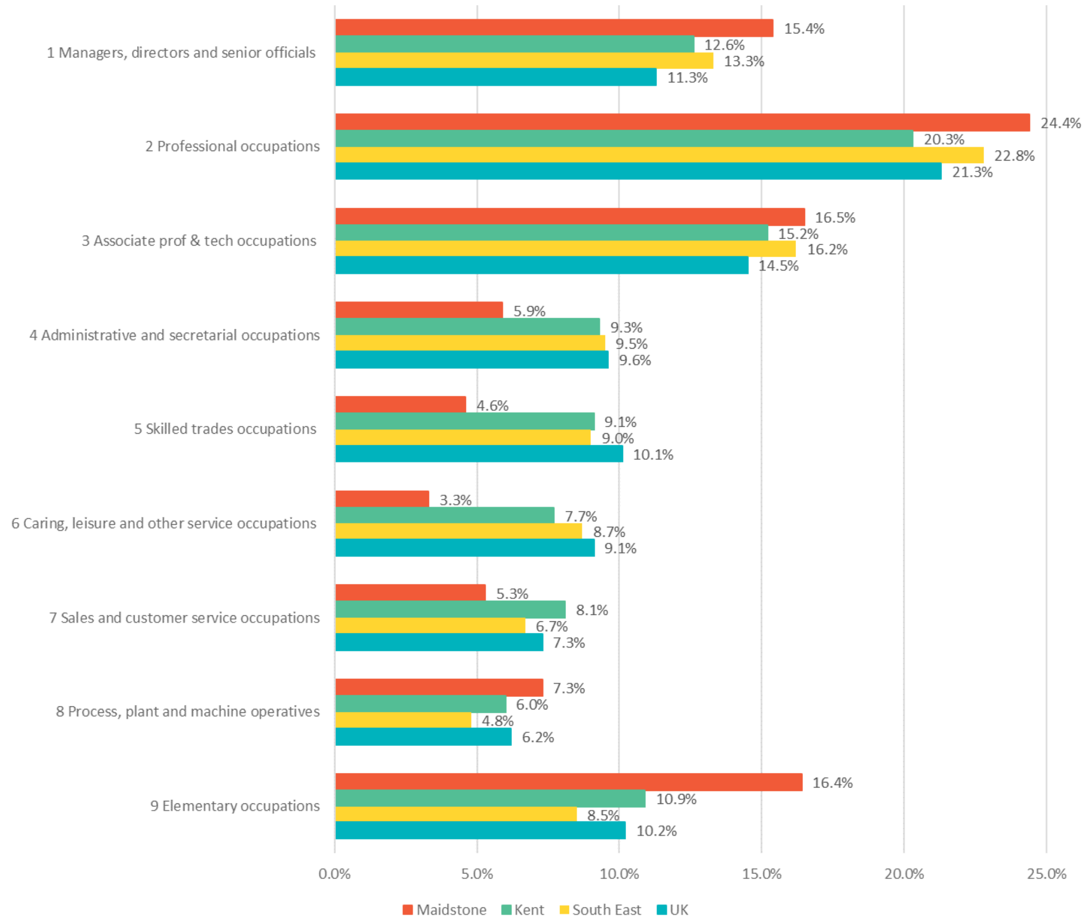
Compared with the regional and national averages, employed residents in Maidstone are more heavily represented in the highest three Standard Occupation (SOC) groups (managerial, professional and associate occupations) (56.3%) than the averages for Kent (48.1%), the South East (52.3%) and the UK (47.1%)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

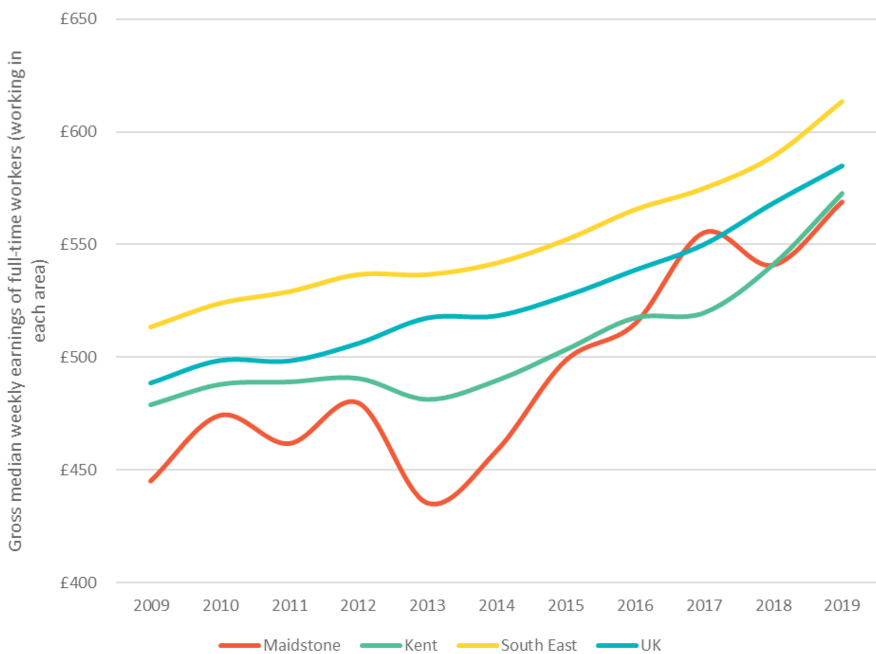
Wage growth for employed Maidstone residents has not kept pace with earnings growth associated with workplace jobs based within the Borough.

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.

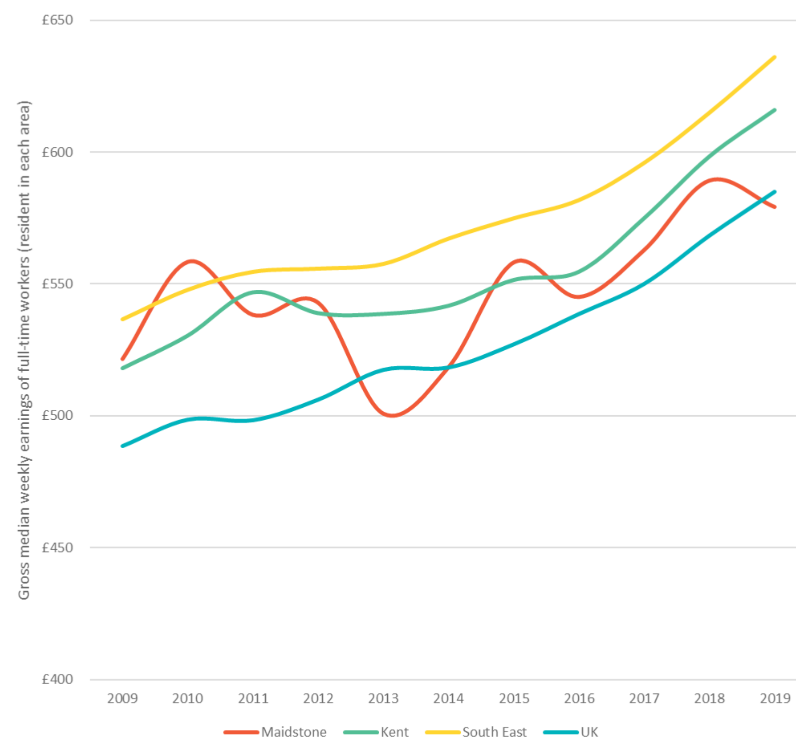
Meanwhile, average earnings for those working in Maidstone (£569) are also lower than regional and national averages, although the rate of increase over the last 10 years in Maidstone (27.8%) significantly outperformed the rate of increase across Kent as a whole (19.5%), the South East (19.5%) and the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



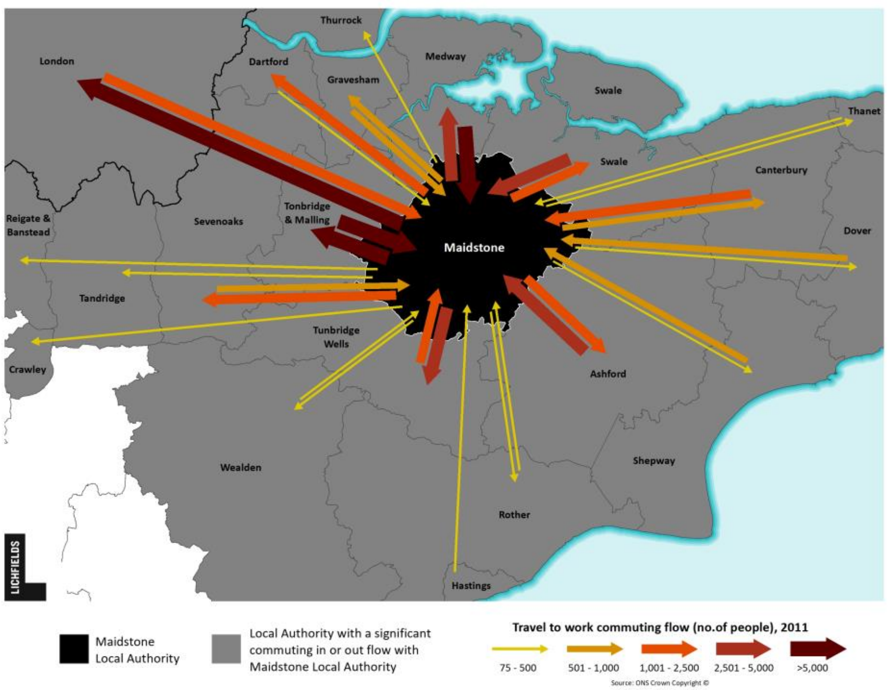
5. Commuting patterns

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

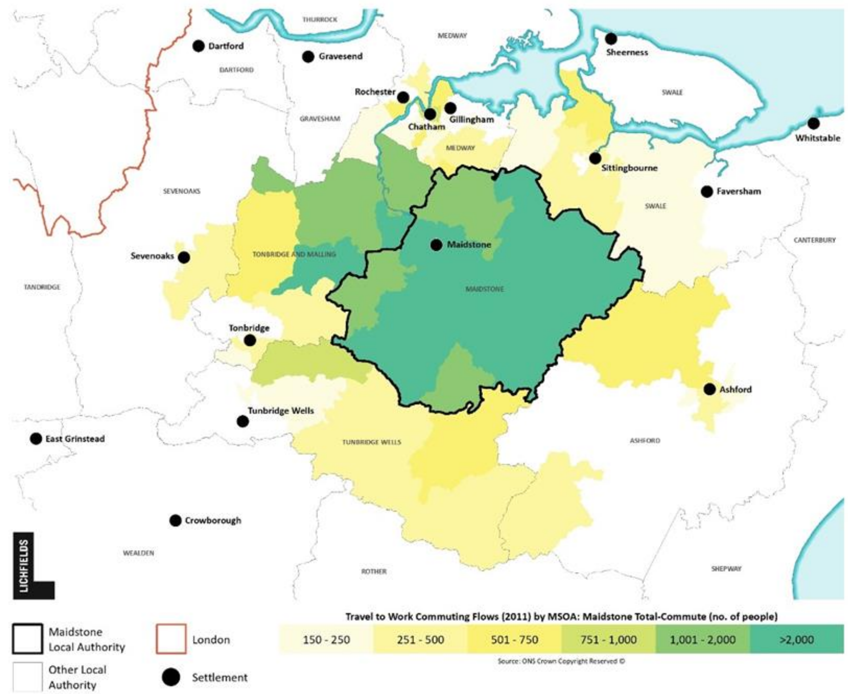
Whilst Maidstone Borough is relatively self-contained from a labour market point of view, it does share strong economic relationships with its neighbouring areas, including the 'Malling' part of Tonbridge and Malling and parts of Medway and Swale (see Figures 32 and 33). The Borough is characterised 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



Source: ONS (2011 Census) / Lichfields analysis

Figure 33: Local Travel to Work Area for Maidstone



Source: ONS (2011 Census) / Lichfields analysis

Structure

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:

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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