

From: Mike Whiting, Cabinet Member for Economic Development
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To: Growth, Economic Development and Communities Cabinet Committee – 25th September 2020

Subject: Economic Renewal and Resilience Plan

Classification: Unrestricted

Summary: This paper introduces the Kent and Medway Economic Renewal and Resilience Plan which was launched in August, and its accompanying Economic Impacts Evidence Base.

The Plan builds on earlier drafts of a proposed plan to tackle the economic impact of the Covid-19 pandemic. The Cabinet Committee discussed the draft plan in July and the version now published incorporates the views of Members.

The Plan is focused on a positive view of the future, with the aim of establishing a more sustainable and resilient economy in the longer term.

The Plan is a Kent and Medway partnership document and it will be regularly reviewed to maintain its relevance and to ensure delivery of the appropriate actions

Recommendation:

The Cabinet Committee is recommended to note the Economic Renewal and Resilience Plan and its Evidence Base, and Members are invited to provide comments to the Cabinet Member for Economic Development on the actions underway to take the Plan forward.

1. Background

- 1.1 The health crisis caused by the Covid-19 pandemic has already had a significant impact on the Kent economy. Nationally, output fell by around 19% between March and May, with sectors such as tourism and hospitality, retail and cultural industries especially badly hit. While the summer has seen a return to growth, this remains very fragile, especially given the possibility of a ‘second wave’.
- 1.2 Within Kent and Medway, the claimant count increased by 115% between March and July – a much faster increase than in the last recession following the 2008 financial crash. It is widely expected that unemployment will rise substantially as the Coronavirus Job Retention Scheme (the ‘furlough scheme’) unwinds and comes to an end.

- 1.3 In this context, there will be an important role for KCC and its partners in supporting the county's economy through the crisis. We will clearly need to work alongside and complement the extensive central Government response.

2. The Economic Renewal and Resilience Plan

- 2.1 The Growth, Economic Development and Communities Cabinet Committee considered the draft of the economic recovery plan on 3 July. There was a consensus that we should explain more clearly the vision for the type of economy that we wanted to see in Kent and Medway post Covid-19, ensuring that we "build back better". We were asked to set out plans for a "green recovery", contributing to the net zero carbon target. And we were asked to adopt a more positive outlook, with an emphasis on renewal rather than simply recovery. It was suggested that skills development should be a central part of the employment and labour market theme. And we were encouraged to focus on digital infrastructure in the context of home working and automation.
- 2.2 The "Kent and Medway Economic Renewal and Resilience Plan" was endorsed by Kent local authority Leaders and members of the Kent and Medway Economic Partnership and launched on 10 August, accompanied by an Economic Impacts Evidence Base report,
- 2.3 The focus of the Plan is on supporting businesses and jobs in the medium term based on three cross-cutting themes that should underpin all our activities in the 'recovery' phase: supporting long-term sustainability and resilience, higher productivity and better opportunities and fairer chances.
- 2.4 The Plan sets out five 'channels' of activity. These are:

Communications, confidence and trust:

We will strengthen the relationships between economic development agencies, support providers and businesses to provide more integrated services, developing a stronger evidence base to guide our approach to renewal and resilience.

Open for business:

Our hospitality, retail and cultural sectors have been amongst the worst hit during the pandemic. We will build confidence among visitors and residents, demonstrating that our county and our towns are 'open', within Government guidelines. Immediate actions include a new campaign to attract visitors from the South East to enjoy the county's hospitality, with a potential further campaign later in the year to drive bookings for 2021

Business - Supporting innovative and resilient businesses to drive

future growth:

We will provide better co-ordinated business advice as the starting point for a more integrated and comprehensive business support offer. Immediate actions include the extension and further development of the Kent and Medway Growth Hub's support service and a further £6 million for the Kent and Medway Business Fund, offering loan support for firms with the appetite and capacity for growth.

We will also support those clusters of activity in which Kent and Medway has distinctive assets and capabilities, building our innovation infrastructure for the long term.

People - Enabling people to access work and skills to reach their potential:

We will work with central Government and with partners across Kent and Medway to address the pressing challenge of rising unemployment. We will establish an Employment Task Force as a time-limited, action-focused body to coordinate a Kent and Medway-wide response and take an active role in the labour market.

Investment - Planning and investing now for a sustainable future:

We will accelerate capital investment, where it will support a sustainable, lower-carbon recovery and will support local employment and supply chain growth, and we will seek to invest in energy efficiency and green infrastructure to support immediate employment and longer-term benefits.

- 2.5 Recognising the fast-moving nature of the crisis, the Plan is not intended to be a detailed action plan; instead, it sets out a framework for action which can evolve over time.

3. Next steps

- 3.1 The Plan has initiated some immediate actions, including:

- The creation of the Employment Task Force to galvanise local labour market action, especially in the context of the Kickstart scheme and the other employment measures announced by Government during the summer. The Task Force will be chaired by the Leader of Kent County Council and Cllr Rodney Chambers has agreed to be Deputy Chairman. The Task Force's first meeting will be on 1st October.
- Proposals for capital investment through the Government's 'Getting Building Fund', to bring forward projects that will deliver long-term economic benefit, but which are currently stalled. Funding to the value of £37 million has been identified for schemes in Kent and Medway, and we expect this to be confirmed later in the Autumn.
- Further support for business, through the relaunch of the Kent and Medway Business Fund which offers loans at a zero percent rate of

interest, and the extension of the Business Recovery Helpline operated by Kent and Medway Growth Hub.

4. Recommendation:

The Cabinet Committee is recommended to note the Economic Renewal and Resilience Plan and its Evidence Base, and Members are invited to provide comments to the Cabinet Member for Economic Development on the actions underway to take the Plan forward.

5. Background Documents

Economic Renewal and Resilience Plans for Kent:

- Backing jobs & businesses: building a sustainable future plan
- Economic Impacts Evidence Base

<https://www.kent.gov.uk/social-care-and-health/health/coronavirus/support-for-businesses/economic-renewal-and-resilience-plans-for-kent>.

6. Contact details

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