

From: Derek Murphy, Cabinet Member for Economic Development
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To: Growth, Economic Development and Communities Cabinet Committee – 10 May 2022

Subject: Kent and Medway Economic Strategy

Classification: Unrestricted

Past Pathway of report: N/A

Future Pathway of report: N/A

Electoral Division: All

Summary:

This report sets out the background to the development of a new Kent and Medway Economic Strategy. It presents a draft 'strategic framework' for discussion, setting out a series of proposed high-level ambitions for the Strategy, and outlines the next steps in taking the Strategy forward.

Recommendations:

The Cabinet Committee is asked to give feedback to the Cabinet Member on the development of the Strategy and the draft framework.

1. Introduction: the case for developing a new Economic Strategy

- 1.1 In autumn 2021, Kent and Medway Leaders agreed to progress a new Kent and Medway Economic Strategy. It was agreed that this would replace the *Economic Renewal and Resilience Plan*, adopted in 2020 to coordinate the county's response to the economic impact of the Covid-19 pandemic, and that the new strategy would take a longer-term view, looking forward to 2030.
- 1.2 The Strategy is intended to provide a basis for joint working between Kent County Council, Medway Council and the Kent Districts, as well as with the business community. It should also support the case for future Government investment, both at county-wide and local level. While Kent County Council has taken a lead in initiating the Strategy, it is anticipated that it will be jointly owned by Kent and Medway Leaders and endorsed by Kent and Medway Economic Partnership.

2. Introducing the draft strategic framework

- 2.1. Since the autumn, work has taken place to assemble an evidence base to support the Strategy, which will be published as a separate *Kent and Medway Economic Review*. A first round of consultation on the key issues for the county and potential areas of focus has also taken place with the Kent

Districts, business (via KMEP and its Business Advisory Board) and within KCC.

- 2.2. Building on this, a draft 'strategic framework' has been prepared, which is attached at Annex 1. This sets out a summary analysis of the strengths, weaknesses, opportunities and threats facing the county, in the context of the overall national approach to economic development reflected in the Government's recent Levelling Up White Paper and existing national commitments (especially the drive to net zero by 2050). Based on this, it outlines three objectives for a more 'productive, sustainable and inclusive' economy, supporting five thematic ambitions:

Fig. 1: Summary of the draft strategic framework



- 2.3. Annex 1 provides further detail on the direction and potential content of each of these objectives and ambitions.

- 2.4. In preparing the Economic Strategy, there is a balance to be struck between:

- Flexibility and specificity, setting out a 'direction of travel', while recognising that the economic and policy landscape will change over time
- Distinctiveness and 'universal' opportunities and challenges: within the 'SWOT' analysis, we have highlighted those opportunities and challenges that are distinctive to Kent, and it will be important that the Strategy responds to them. But some of the issues we face are shared across the UK (for example, in relation to some of our workforce skills challenges), although still demand a local response
- County-wide coherence and local relevance: Kent and Medway have a large, complex and polycentric economy, and it is important that the

Economic Strategy is relevant to, and can achieve consensus across, the whole.

- 2.5. These issues will need to be considered in the detailed drafting of the Strategy, and it will be important that the Strategy is 'brought to life' through case studies and examples that reflect the county's geography and diversity. It is anticipated that the final Economic Strategy 'output' will be a concise (40-50 page) strategy document, supported by a supplementary Economic Review containing the evidence base.
- 2.6. Once drafted, the Strategy is likely to have several 'routes to implementation'. Within KCC, the Strategy will inform the Council's direct economic development activities, and the current Economic Interventions project within the Strategic Reset Programme envisages the development of an approach to prioritisation based on the themes of the Strategy. It will also help to frame how KCC's wider activity can achieve economic outcomes (and how economic development can help to deliver broader health and social benefits). Beyond KCC, it should help to 'make the case' for investment through joint working across Kent's local authorities and with Government.

3. Routes to implementation and links with wider Kent County Council strategy and policy

- 3.1. Once drafted, the Strategy is likely to have several 'routes to implementation'. Within KCC, the Strategy will inform the Council's direct economic development activities, and the current Economic Interventions project within the Strategic Reset Programme envisages the development of an approach to prioritisation based on the themes of the Strategy. The Economic Strategy also makes a key contribution to KCC's Strategic Reset Programme (SRP), in providing a framework for KCC's future spending on economic development activities and for understanding the relationship between economic growth and the Council's wider social and health objectives.
- 3.2. The Economic Strategy will therefore need to align with KCC's emerging Strategic Statement, and work has taken place to ensure that the overall framework is consistent with that Statement. There will also need to be alignment at strategic level with the Local Transport Plan, the Kent Environment Strategy and other key thematic plans.
- 3.3. Beyond KCC, the Strategy should also help to 'make the case' for investment through joint working across Kent's local authorities, Kent and Medway Economic Partnership and Government.

4. Financial implications

- 4.1. There are no direct financial implications for KCC associated with the Economic Strategy.
- 4.2. However, the Strategy may help to inform KCC's future economic development investment plans. It also ought to be helpful in securing additional external funding. Having a strategy based on a robust evidence-base and agreed by the Kent and Medway Economic Partnership will be vital

in seeking to secure external funding from central Government and private sector investors. In those areas where KCC should contribute directly to the programme of delivery, such as the promotion of inward investment and support for the visitor economy, these will be included in a future investment options review, linked to the Strategic Reset programme.

5. Other implications

5.1. The Strategy may have equalities implications at 'strategic' level. An Equalities Impact Assessment is currently being prepared for initial screening, based on the draft strategic framework.

5.2. There are unlikely to be any Data Protection impacts at this stage.

6. Next steps and key questions for discussion

6.1. Following comments on the strategic framework, it is anticipated that work will proceed in developing a draft Economic Strategy for discussion by Kent and Medway Leaders in late June.

6.2. Comments from the Cabinet Committee will inform the draft Strategy. Within the strategic framework in Annex 1, a series of questions are highlighted:

- Do you agree with the overall SWOT assessment (in headline terms)? Is anything missing or over/ under-emphasised?
- What are your views on the overall suggested framework?
- Do the high-level objectives make sense? What should be added, if anything?
- Do the five 'Ambitions' capture the breadth of the agenda that the Economic Strategy should address? What else would you add?
- Do you agree that the Strategy should go beyond narrowly defined 'economic development' actions and how best these be can achieved through the framework?
- How can we best ensure alignment with existing/ emerging strategy work in other fields of activity?
- What are your initial thoughts on priority areas for action?

6. Recommendations

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| 6.1 The Cabinet Committee is asked to give feedback to the Cabinet Member on the development of the Strategy and the draft framework. |
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7. Contact details

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