

From: Mark Dance, Cabinet Member for Economic Development
Barbara Cooper, Corporate Director Growth, Environment and Transport

To: Growth, Economic Development and Communities Cabinet Committee
– 5th September 2018

Subject: Developing a Kent and Medway Enterprise and Productivity Strategy:
Progress Update

Classification: Unrestricted

Past Pathway of Paper: N/A

Future Pathway of Paper: N/A

Electoral Division: All

Summary

At its meeting on 3 July, the Growth, Economic Development and Communities Cabinet Committee was given a progress update on the development of a 2050 Enterprise and Productivity Strategy for Kent and Medway. That update included an outline programme of work for the next year, with details of our approach to engagement and evidence gathering. Appendix A summarises some lessons from other economic development strategies. This paper also provides a further update on the two planned Calls for Evidence (Appendix B and Appendix C).

Recommendation

The Growth, Economic Development and Communities Cabinet Committee is asked to note and comment on the draft Call for Evidence and next steps.

1. Introduction

- 1.1. Official statistics show that the UK's productivity lags behind our international competitors. The Government has published a national Industrial Strategy to make the UK more competitive. Kent County Council, Medway Council, and the 12 Kent Districts are working in partnership to develop a Kent and Medway Enterprise and Productivity Strategy. The main objective of this strategy is to contribute to the improvement of people's living standards in the long term (to 2050). One of the key tools to do this will be improving business productivity across Kent and Medway.
- 1.2. With its 2050 time-horizon, it will also consider how external factors including changes in the environment and advances in technology might alter the living, working and business environment for Kent's residents and businesses by 2050.

2. Calls for evidence

2.1. We are starting this work with an analysis of Kent and Medway's local strengths and weaknesses. The attached calls for evidence marks the start of this process. We will aim to reach a wide audience of business representatives and advisors, local businesses, local authorities and other public agencies. It will also involve national academics and think tanks.

2.2. Views and evidence will be gathered on:

- living standards in Kent and Medway (Appendix B)
- business productivity (Appendix C)

2.3. The Calls for Evidence will be launched in mid-September with a closing date of the end of October.

3. Other planned evidence gathering

3.1. We have been analysing Kent and Medway's businesses to review current productivity levels. We have also looked at thematic data to understand how well residents in Kent and Medway currently live, and how this may have changed over time. This has shown up several areas of possible opportunities and challenges which we intend to explore in more detail, in order to identify practical solutions.

3.2. We also intend to commission in October some detailed analysis of possible scenarios to help us forecast current trends, identify possible future disruptive changes, and interpret the likely impact on Kent and Medway.

3.3. During the Autumn School Term, we shall launch our essay prize for young people.

3.4. Over the winter we will talk to business and local public agencies about the evidence we receive and the results of our in-house data analysis to identify:

- the long-term goals for places that support better standards of living;
- what works best to improve productivity in different sectors
- what could help people to become more economically active with better skills.

4. Recommendation

4.1 The Growth, Economic Development and Communities Cabinet Committee is asked to note and comment on the draft Call for Evidence and next steps.

5. Report Authors

Seán Holden

Chairman of the Enterprise & Productivity Leaders Working Group

Johanna Howarth

Deputy Director of Economic Development

03000 411797

Johanna.howarth@kent.gov.uk

Relevant Director

David Smith

Director of Economic Development

03000 417176

David.Smith2@kent.gov.uk

Appendix A: Lessons from other places economic development strategies

There are lessons that can be learnt from places like Greater Manchester and London which have been at the forefront of evidence-based policy making. They have been successful in attracting more funding, investment and devolution from Government and business. These include:

- developing an evidence led approach is a long-term project that takes time and consistency of aspiration to create an environment where evidence is asked for, created, and acted upon;
- technical knowledge is important in the development and use of evidence, but it is only through the use and right type of engagement that buy-in is achieved from a suitably wide range of organisations and individuals;
- taking the opportunity to get the views of others, particularly with an independent viewpoint, be they from academia, business, local or national Government should be welcomed;
- establishing a narrative that effectively conveys the thrust of the evidence in a way that is accessible and engaging to as wide an audience as possible;
- evidence based policy making should address the negative as well as the positive findings. Findings which show that historic approaches do not work, or that new proposals are flawed are just as valuable as positive findings.

Places that have demonstrated evidence-based policy making combined with strong collective governance over wider economic geographies have benefitted from financial rewards. For example, Greater Manchester were the first to make the case for innovative funding models like 'Earnback'. That model allowed the 10 authorities to recoup up to £30m a year from central Government from raised business rates on a payment by results basis. The funds were recycled and reinvested in further infrastructure. They have gone on since then to make the case that the metropolitan areas suffer from poorly designed national models of skills provision and public service delivery that are unable to optimise worker employability and productivity. Similarly, in London, through the functions and funding devolved (for example transport, housing, health and care) the Greater London Authority and Mayor are able to make decisions with increasing autonomy from national Government.

Appendix B – Kent and Medway Enterprise and Productivity Strategy Timeline

Strategy Development

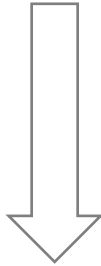
Engagement

EVIDENCE GATHERING

- Call for evidence to business, local authorities and key public organisations
- Essay prize competition to schools and colleges

July - Sept

Kent Ambassadors
Leaders Working Group
GEDCC C
KMEP (and BAB)
Kent chief execs and leaders



ANALYSIS AND POLICY DESIGN

- Call for evidence outputs – finalise themes and priorities for the strategy.
- Local workshops with business, civic and public-sector leaders to co-design local response to the strategies priorities and areas for HMG engagement
- Review outputs of essay entries from schools and colleges and run winner award event.
- External expert validation of outputs from call for evidence and stakeholder workshops.

Oct - Feb

Leaders Working Group
GEDCC C
KMEP (and BAB)
Kent chief execs and leaders
Stakeholder workshops – policy design



STRATEGY DRAFTING

- Draft strategy and iterate with a cross section of business, local authority and wider public-sector organisations.

March- May

Leaders Working Group
GEDCC C
KMEP (and BAB)
Kent chief execs and leaders
Working group – cross representatives – local authorities, business and principle public sector organisations



AGREEING THE STRATEGY

- Draft strategy and send to Kent and Medway local authorities
- Final feedback and redraft for agreement by GEDCC C , KMEP and Kent Leaders
- Publication & press release - July

June - July

Leaders Working Group
GEDCC C
KMEP (and BAB)
Kent chief execs and leaders

Living Standards in Kent and Medway

Give your Opinion

Possible strategy titles:

Kent and Medway - Planning our future

Shaping the Kent and Medway of tomorrow

Kent & Medway in 2050 - Help shape the future

Current working title:

An Enterprise & Productivity Strategy

For Kent and Medway up to 2050

Closing date for responses:

End October 2018

INTRODUCTION

1. Kent County Council, Medway Council, and the 12 Kent Districts are developing a Kent and Medway Enterprise and Productivity Strategy to look at how we can plan our region's economy and environment for the future, and improve our standards of living.
2. Improving the standards of living for **Kent's PEOPLE** sits at the very heart of this strategy.
3. This must be a long look into the future, as far ahead as 2050, to ensure that the future is bright for generations to come.

We need your help to:

- identify and help us to understand what you think makes a difference to standards of living in Kent and Medway;
- find out how future changes, in technology, the population and the environment for example, may affect people living and working in Kent and Medway.

SURVEY

Please tell us in what capacity you are completing this form:

Please select the option from the list below that most closely represents how you will be responding to this consultation.

- A Kent or Medway resident
- On behalf of an educational establishment, such as a school or college
- A representative of a local community group or residents association
- On behalf of a Parish / Town / District / County Council / Unitary Authority in an official capacity
- A Councillor
- As a member of staff of a local authority
- A local business owner
- On behalf of a charity, voluntary or community sector organisation (VCS)*

Please tell us your postcode:

We use this to help us to analyse our data. It will not be used to identify who you are.

STANDARDS OF LIVING MEASURES FOR KENT AND MEDWAY

Q1. Considering your own lifestyle / business / situation, can you say how important these indicators are to you?*

**The numbers you put into the boxes should add up to 100. You can put zero in a box/es*

Theme	Comment
Sufficient INCOME	
Having a good JOB/ CAREER	
Good EDUCATION	
Good HEALTH AND WELLBEING	
Low incidence of CRIME	

2050 KENT AND MEDWAY LIVING AND WORKING ENVIRONMENT

Q3: Looking ahead to 2050, how do you think the following issues set out below will affect Kent and Medway?

Population change

Effect on Kent and Medway

Theme ↓	No effect at all	Minimal effect	Neither here nor there	Some effect	Considerable effect	Don't know
Pop. Change						
Comment on your selection						

New technology

Effect on Kent and Medway

Theme ↓	No effect at all	Minimal effect	Neither here nor there	Some effect	Considerable effect	Don't know
New Technology						
Comment on your selection						

Environmental change

Effect on Kent and Medway

Theme ↓	No effect at all	Minimal effect	Neither here nor there	Some effect	Considerable effect	Don't know
Environmental change						
Comment on your selection						

Changing workplaces

Effect on Kent and Medway

Theme ↓	No effect at all	Minimal effect	Neither here nor there	Some effect	Considerable effect	Don't know
Changing workplaces						
Comment on your selection						

Inequality in society

Effect on Kent and Medway

Theme ↓	None	Very little	Much the same	Some inequality	Considerable and growing inequality	Don't know
Rising inequality						
Comment on your selection						

Q.5 Can you think of any other standards of living indicators not mentioned so far that matter to you? Please list them.

BUSINESS Productivity in Kent and Medway

Give your Opinion

Possible strategy titles:

Kent and Medway - Planning our future

Shaping the Kent and Medway of tomorrow

Kent & Medway in 2050 - Help shape the future

Current working title:

An Enterprise & Productivity Strategy

For Kent and Medway up to 2050

Closing date for responses:

End October 2018

INTRODUCTION

Kent County Council, Medway Council, and the 12 Kent Districts are developing a Kent and Medway Enterprise and Productivity Strategy to look at how we can plan our region's economy and environment for the future, and improve our standards of living.

Improving Kent and Medway's **BUSINESS productivity** is a core aim of this strategy. There is evidence which shows that it is the high potential and high growth firms and sectors that contribute most to the economy through their own employment, innovation and productivity growth.

We need your help to:

- Identify the characteristics that make certain businesses high performing, and the factors that may be inhibiting them from becoming even more productive;
- interpret the impact that future changes (including demographic, environmental) may have on Kent and Medway's business environment;
- the opportunities and challenges raised by technology.

SURVEY

Please tell us in what capacity you are completing this form:

Please select the option from the list below that most closely represents how you will be responding to this consultation.

- A Kent or Medway resident
- On behalf of an educational establishment, such as a school or college
- A representative of a local community group or residents association
- On behalf of a Parish / Town / District / County Council / Unitary Authority in an official capacity
- A Councillor
- As a member of staff of a local authority
- A local business owner
- On behalf of a charity, voluntary or community sector organisation (VCS)*

Please tell us your postcode:

We use this to help us to analyse our data. It will not be used to identify who you are.

Q1. What stops your business progressing and hinders your productivity in the Kent and Medway economy?

Theme ↓	Severely constrains growth	Constrains growth somewhat	Neither a positive or negative issue	Minimal effect	Doesn't matter to my business	Don't know
Access to TECHNOLOGY						
Comment on your selection						
Regulations and bureaucracy						
Comment on your selection						
Suitable commercial premises						
Comment on your selection						

Access to FINANCE						
Comment on your selection						
Finding SKILLED WORKFORCE						
Comment on your selection						
Support for training / staff development (inc. apprenticeships)						
Comment on your selection						
Quality of transport network / services						
Comment on your selection						
Quality of business						

advice						
Comment on your selection						
Planning constraints / advice						
Comment on your selection						

Q2. How well do you think you can access national and local business support services that are available to businesses in Kent and Medway? Select one

Didn't realise support available	
Some knowledge	
Aware	
Actively engaged	

Q3. Thinking about increased business productivity, would specialist business advice benefit your business?

Select one

No value at all	
Little value	
Neither here nor there	
Some value	
Very valuable	

Please comment further

2050 KENT AND MEDWAY'S BUSINESS ENVIRONMENT

Q4. Looking at the factors listed below, can you evaluate how each of these might affect business and productivity

Demographic change

Effect on Kent and Medway business

Theme ↓	No effect at all	Minimal effect	Neither a positive or negative impact	Some negative effect	Considerable negative effect	Don't know
Demographic change						
Comment on your selection						

Technological change

Effect on Kent and Medway business

Theme ↓	No effect at all	Minimal effect	Neither a positive or negative impact	Some negative effect	Considerable negative effect	Don't know
Technological change						
Comment on your selection						

Environmental Sustainability

Effect on Kent and Medway business

Theme ↓	No effect at all	Minimal effect	Neither a positive or negative impact	Some negative effect	Considerable negative effect	Don't know
Environmental sustainability						
Comment on your selection						

Changing work environments

Effect on Kent and Medway business

Theme ↓	No effect at all	Minimal effect	Neither a positive or negative impact	Some negative effect	Considerable negative effect	Don't know
Changing work environments						
Comment on your selection						

Rising inequality

Effect on Kent and Medway business

Theme ↓	No effect at all	Minimal effect	Neither a positive or negative impact	Some negative effect	Considerable negative effect	Don't know
Rising inequality						
Comment on your selection						

Political and financial uncertainty

Effect on Kent and Medway business

Theme ↓	No effect at all	Minimal effect	Neither a positive or negative impact	Some negative effect	Considerable negative effect	Don't know
Political and financial uncertainty						
Comment on your selection						

Q7: What technological advances are most relevant to your business/ sector and what impact do you expect them to have?