

# Kent and Medway Economic Framework

Revised Draft

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January 2024

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## **Introduction to the current draft**

This document is a final draft of the Kent and Medway Economic Framework. It follows consultation on an earlier draft prepared in September 2023. Please note that for publication, the Framework will be formatted with images and maps, and it is anticipated that a summary version will also be prepared for wider circulation.

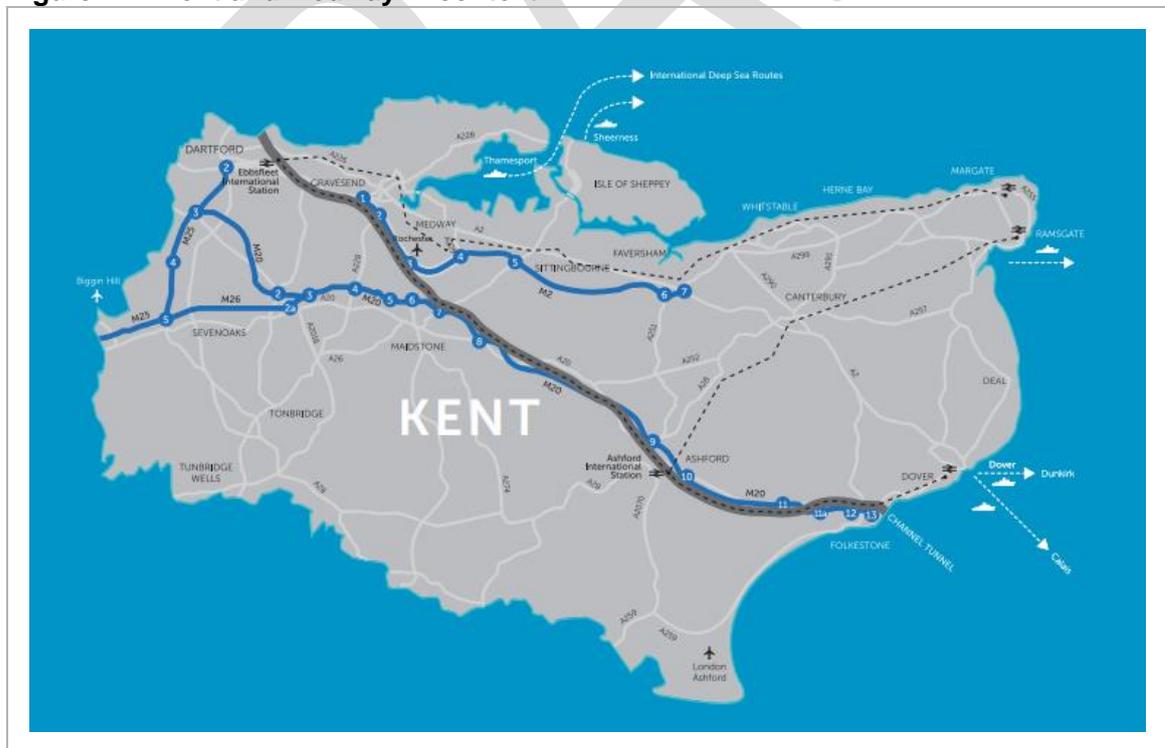
# 1. Introduction

Welcome to the draft Kent and Medway Economic Framework. Looking ahead to 2030 in a growing, diverse and dynamic county, it sets out our priorities to build and safeguard a prosperous economy: increasingly productive, sustainable and inclusive.

## Introducing Kent and Medway

- 1.1** Covering some 1,400 sq miles across 13 local authority areas, Kent and Medway is a large, growing and ambitious region at the UK's gateway to continental Europe.
- 1.2** We enjoy a rich history and a distinctive environment, including the Kent Downs and High Weald Areas of Outstanding Natural Beauty, protected marshes and coastline and UNESCO World Heritage Sites at Canterbury and the White Cliffs of Dover. But we are also at the heart of the UK's European trade flows, with important science and innovation assets and we are closely integrated with the dynamic economy of London and the South East. And with rapid population, business and employment growth in recent years, we are a place where people want to live and businesses want to invest.

**Figure 1-1: Kent and Medway in context**



## Looking back and looking forward: The case for a new Economic Framework

- 1.3** This new Economic Framework replaces the *Kent and Medway Economic Renewal and Resilience Plan*, adopted in 2020 to chart the county's recovery from the Covid-19 pandemic<sup>1</sup>. Taking a longer view, the last county-wide economic strategy was the *Regeneration Framework* approved in 2010 as the economy started to recover from the global financial crisis.
- 1.4** Looking back over this period, much has been achieved. Just before the *Regeneration Framework* was adopted, High Speed One opened, transforming much of the county's rail infrastructure and opening up opportunities for housing and commercial growth and reinvestment in the Thames Estuary and East Kent. We have continued on this rail investment journey, with the new Thanet Parkway station opening in 2023. We have accommodated significant population growth through nationally-significant developments such as Ebbsfleet Garden City and throughout the county: between 2010 and 2021, Kent and Medway's population grew by around 144,000, roughly equivalent to an additional district the size of Thanet. Over the same period, we generated 131,000 net additional jobs. We have also substantially extended our capacity for innovation and growth, as our university clusters at Canterbury and Medway have expanded and we have seen new investment in key business locations such as Discovery Park and Kings Hill.
- 1.5** This all provides a strong platform for the future. However, as the analysis in the next chapter makes clear, there is more to be done to realise Kent and Medway's potential and to ensure that the county is as productive, sustainable and inclusive as it can be. And while local economic indicators such as overall productivity or workforce skill levels tend to change gradually over time, the technological, environmental and policy landscape has changed radically over the past decade. Looking to forward to 2030, partners in Kent and Medway have prepared this new Economic Framework to ensure that together, we can make the most of opportunities that are ahead of us – and respond to the challenges.

### A flexible Framework that will evolve over time

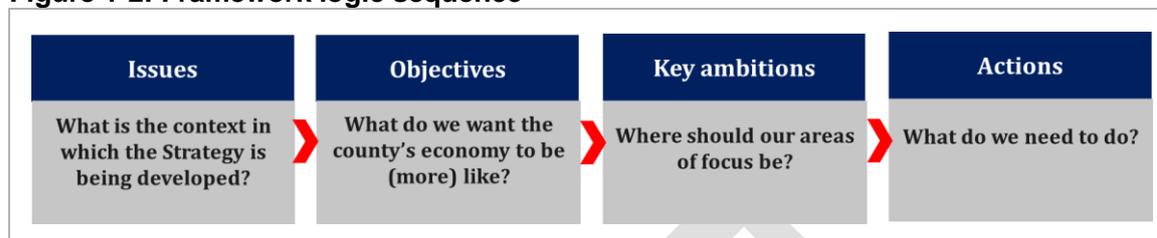
- 1.6** This Framework looks ahead to 2030. This time horizon has been chosen carefully. It is longer than a single electoral cycle – so the ambitions that it sets out respond to longer-term need and opportunity, rather than current funding availability or detailed national policy priorities, and some will take time to be realised. But 2030 is close enough to be visible on the horizon, and for trends to be anticipated. There will also need to be some significant changes in the rest of this decade if longer-term policy commitments are to be made, especially in the context of the UK's decarbonisation agenda.

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<sup>1</sup> Kent and Medway Leaders/ KMEP (August 2020), [Kent and Medway Economic Renewal and Resilience Plan](#)

- 1.7 In this context, we have followed a sequential approach in developing the Framework. First, we started with a fresh view of the evidence, considering the ‘state of Kent and Medway’ and the outlook for the future. This led to a set of high-level objectives - essentially, a statement of what we want the county’s economy to be (more) like, informing a series of ambitions and action areas for the future.

**Figure 1-2: Framework logic sequence**



Source: SQW

- 1.8 Developing our ambitions and key action areas involved extensive consultation with businesses and other partners, including through Kent and Medway Economic Partnership and its Business Advisory Board. However, we live in an uncertain and dynamic world, and even plans with strong partner support will need to respond to events. The Economic Framework is therefore a **flexible statement of shared priorities, not a detailed action plan**. It will evolve over time, as new opportunities and challenges emerge, and delivery will take place through a range of partners.

## The changing strategic context

- 1.9 We have developed this Framework in the context of a range of policies, plans and strategies at national and local level. Looking across the strategic landscape, **five key themes** are especially relevant:

### ***Devolution and the changing policy landscape for local economic growth***

- 1.10 There is a growing consensus that decisions to support local economic development can best be taken locally. A series of local ‘**devolution deals**’ have been agreed between Government and cities and counties across England, especially focused on areas such as transport, workforce skills and support for business and innovation. In parts of the country, these are well-advanced, and work is underway to explore the opportunities for Kent and Medway. The Economic Framework highlights some of the priority themes towards which devolved powers or funding could make a significant difference.
- 1.11 More immediately, **the economic development landscape is changing with the Government’s recent decision to close local enterprise partnerships**. As the role of the former South East local enterprise partnership transfers to Kent and Medway, there is a new opportunity to make decisions closer to home, and to re-focus on the priorities that matter to local partners. This Framework will help to support local decision-making, and the continued

role of **Kent and Medway Economic Partnership** (KMEP) as the county-wide economic growth board<sup>2</sup>.

### The policy commitment to decarbonisation and net zero

- 1.12** The UK is legally committed to net zero carbon emissions (over a 1990 baseline) by 2050, a process that will involve far-reaching changes in industrial processes, transport networks and heating systems. Significant progress will need to be made towards this commitment during the lifetime of this Economic Framework, as the UK's *Net Zero Strategy* sets out<sup>3</sup>. Locally, all the local authorities in Kent and Medway have set out detailed climate change strategies: both Medway Council and Kent County Council declared a climate emergency in 2019; and KCC is committed to reducing greenhouse gas emissions from its own estate and activities to Net Zero by 2030<sup>4</sup>. Across Kent and Medway, the *Energy and Low Emissions Strategy* outlines a route map to achieving a “*competitive, innovative and resilient low carbon economy*”<sup>5</sup>.
- 1.13** From an economic strategy perspective, the decarbonisation imperative creates opportunities for innovation and technology development, as well as an urgent need for adaptation by businesses and the workforce. This has been a focus of activity for some time (for example through business support programmes such as LOCASE), although is likely to accelerate over the timeframe of this Framework.

### The productivity imperative...

- 1.14** Despite its strengths as a place to do business and as an environment for innovation, the UK's relatively weak productivity performance compared with other major economies is widely recognised as a key challenge. The Government's response, set out as “*employment, education and enterprise everywhere*” sets out a commitment to ensuring the benefits of economic growth are felt across the country, linked with support for devolution highlighted above<sup>6</sup>. While national industrial and economic strategies tend to frequently evolve, the need to drive up productivity as a key determinant of living standards will remain central to national government.

### ... in the context of a broader view of the economy

- 1.15** Increasingly, national and local policy highlights the links between productivity, pay and employment and health, wellbeing and wider social outcomes. The *Levelling Up White Paper* published in 2022 made this explicit, also emphasising the importance of ‘community pride’

<sup>2</sup> This also responds to recent guidance from Government. See HM Government (2023), [Guidance for local authorities delivering business representation and local economic planning functions](#)

<sup>3</sup> HM Government (October 2021), [Net Zero Strategy: Build Back Greener](#). See Chapter 2 for further detail.

<sup>4</sup> Kent County Council, [Climate Emergency Statement](#)

<sup>5</sup> [Kent and Medway Energy and Low Emissions Strategy: Meeting the Climate Change Challenge](#) (June 2020)

<sup>6</sup> HM Government (March 2023), [Spring Budget 2023](#), p.44

and sense of place in creating successful local economies. Locally, the *Kent and Medway Integrated Care Strategy* contains a clear link with economic strategy, focusing on the health impacts of the cost of living crisis and the need to address the social and economic determinants of health outcomes<sup>7</sup>.

### The local strategic landscape

**1.16** Finally, there is an extensive range of key strategies and plans at local and county-wide level, many of which are relevant to this Framework:

- Across **Kent and Medway**, there is a long history of collaboration on joint strategy development. The *Kent and Medway Energy and Low Emissions Strategy* sets out a plan to achieve net zero by 2050, recognising the potential of a greener economy to "invest in new jobs and low carbon infrastructure; support innovation, re-skilling and retraining"<sup>8</sup>. Work is also underway to develop a county-wide *Infrastructure Mapping Tool*. There has also been a substantial strategic focus across Kent and Medway on workforce skills development, with the county acting as a national trailblazer for a *Local Skills Improvement Plan*, which was approved in 2023<sup>9</sup>.
- In **Kent**, the County Council's overall strategic plan for 2022-26 is set out in *Framing Kent's Future*<sup>10</sup>. Enabling economic growth, and ensuring that prosperity is shared across the county, are key priorities within *Framing Kent's Future*, within an objective to 'level up Kent'. Also relevant to this Framework is the emerging *Local Transport Plan (LTP5)*, which sets out a strategy to respond to the context of the transition to net zero and which will be published as a consultation draft in summer 2024<sup>11</sup>. **Medway's Council Strategy** sets out a vision of a "waterfront university city, connecting innovation, people and place and driving growth for all"<sup>12</sup>, and is supported by the longer-term emerging *Medway 2037* strategy.
- The economic development plans and strategies of the 12 **District Councils** are also important. In some cases, these are set out within District corporate plans; in others, they are adopted as separate strategies. In all cases, there is an important relationship between strategies for economic development and growth and the planning system, set out within the 14 local plans across Kent and Medway<sup>13</sup>.

<sup>7</sup> Kent and Medway Integrated Care System (2022), [Kent and Medway Interim Integrated Care Strategy](#)

<sup>8</sup> Kent County Council/ Medway Council (2020), [Kent and Medway Energy and Low Emissions Strategy: Meeting the Climate Change Challenge](#)

<sup>9</sup> Kent Invicta Chamber of Commerce (2023), [Kent and Medway Local Skills Improvement Plan](#)

<sup>10</sup> Kent County Council (2022), [Framing Kent's Future](#)

<sup>11</sup> Kent County Council (June 2023), [Emerging Local Transport Plan: Turning the Curve towards Net Zero](#)

<sup>12</sup> Medway Council (2023), [Council Strategy 2023-24](#)

<sup>13</sup> i.e. the 13 Local Plans and the Kent Minerals and Waste Local Plan

**1.17** Strategic partnerships are also well-established at sub-county level, enabling groups of local authorities to cooperate on economic issues at the most appropriate geography. **East Kent Leadership Group** (EKLG) brings together Ashford, Canterbury, Dover, Folkestone and Hythe, and Thanet; **Greater North Kent** involves Dartford, Gravesham, Maidstone, Medway and Swale; and **West Kent Partnership** supports Sevenoaks, Tonbridge and Malling and Tunbridge Wells. Looking beyond the county, the **Thames Estuary Growth Board** champions the transformation of the Estuary from the City of London to North Kent and South Essex, and internationally, the **Straits Committee** supports partnership working with our neighbours in France and Belgium.

**1.18** The strategic landscape is complicated, as we would expect from a large and complex county. The Economic Framework does not seek to duplicate existing strategy at county-wide or local level, but we have sought to ensure alignment, and we reference the relevant strategies where appropriate later in the Framework.

## Framework structure

**1.19** The remainder of this Framework is set out in nine further chapters:

- **Chapter 2** sets out the economic landscape within which the Framework has been developed, outlining the strengths, weaknesses, opportunities and threats facing the county's economy and the key issues that need to be addressed.
- **Chapter 3** introduces our objectives and our five 'Ambitions' for the Kent and Medway economy.
- Building on this, **Chapters 4-8** explain the Ambitions and outline a series of areas for action over the Framework period to 2030.
- Finally, **Chapter 9** sets out our approach to delivery and how we will measure progress over time.

**1.20** In addition, **Annex A** presents a summary 'SWOT' analysis of the Kent and Medway economy. A separate **Economic Evidence Base** has also been prepared as a supplementary document, providing further detail to the analysis set out in Chapter 2.

## 2. Kent and Medway's economic landscape

Kent and Medway has a large, diverse and distinctive economy, closely integrated with the economy of the Greater South East and with significant national infrastructure assets linked with the UK's gateway to Europe. Recent years have seen rapid employment growth and there are significant opportunities ahead linked with our entrepreneurial businesses, innovation potential and improving skills base. This chapter sets out a picture of the county's economy, highlighting recent performance, key strengths and assets on which we can build.

### Scale and diversity: Kent and Medway's economic geography

#### A large, complex and polycentric economy...

- 2.1** With a population of around 1.87 million and generating annual gross value added of about £44 billion, Kent and Medway is a large and complex economy<sup>14</sup>.
- 2.2** The county is clearly defined by its peninsular geography, and it is widely recognised as the **'garden of England'** and as the **UK's primary gateway to continental Europe**. But its scale also embraces substantial diversity. Around 45% of the county's population lives in Greater North Kent, stretching from Dartford via Gravesham and Medway to Swale and Maidstone. Historically, an important area of industrial activity along the Thames Estuary and the Medway, North Kent has seen substantial industrial restructuring and diversification over recent decades, leading to some of the UK's most significant (and successful) regeneration projects in, for example, Bluewater, Chatham Maritime and Rochester Riverside, while the county town of Maidstone is an important regional service centre. East Kent accounts for a further 35% of the county's residents, incorporating the UK's largest passenger port at Dover, the concentration of universities at Canterbury, coastal towns historically reliant on domestic tourism but increasingly developing as vibrant creative economies, and the major growth centre of Ashford. Some 20% live in West Kent – although West Kent accounts for a somewhat higher share of total jobs in the county, reflecting the large and diverse employment base in Tonbridge and Malling, and dynamic service-based economies in Sevenoaks and Tunbridge Wells.
- 2.3** **This diversity is reflected in the county's 'polycentricity'**. While Medway is the largest single urban area, no single centre dominates: instead, there is a network of larger and medium-sized towns (as illustrated in Figure 2-1) and smaller settlements, leading to complex travel patterns. Between these urban areas, much of the county is rural, including some of England's highest-value and most productive agricultural land. Much of rural Kent is

<sup>14</sup> For comparison, Kent and Medway's economy is about the same size as that of Northern Ireland and larger than four of the nine current Mayoral Combined Authorities.

also covered by environmental designations, including the two Areas of Outstanding Natural Beauty and extensive Metropolitan Green Belt.

**Figure 2-1: Settlements with populations of over 20,000**



Source: ONS Mid Year Population Estimates for Built Up Areas and Subdivisions, 2020; SQW analysis. Some contiguous urban areas are merged in the analysis. Combined settlements of 20,000 pop. minimum

### ... with important connections beyond Kent and Medway

- 2.4** Links *beyond* Kent and Medway are important as well. Connections with London are highly significant, both for commuters (and people working for London employers but based in Kent) and supply chain businesses. Locally, there are also important flows between Dartford and Sevenoaks and Bexley and Bromley, and between Tunbridge Wells and East Sussex. The major international connections at Dover and Eurotunnel are also important economic assets in their own right, and drive a large transport and logistics industry.

### The state of Kent and Medway: Recent economic performance

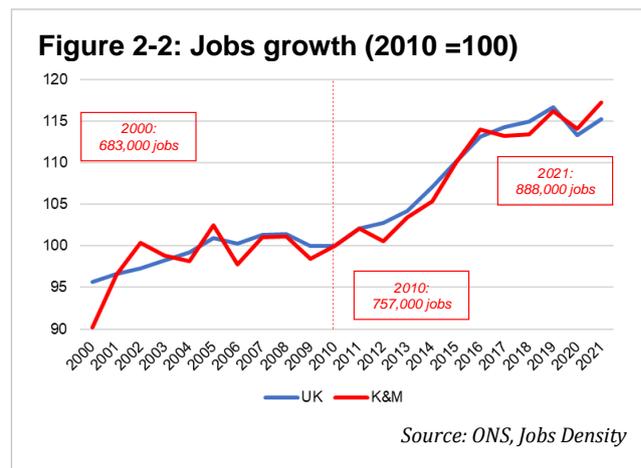
- 2.5** As set out in the Introduction, Kent and Medway has grown rapidly over the past decade, in terms of population, economic output and employment. But on some indicators, there is scope for improvement – and given the county’s scale and diversity, averages often obscure considerable divergence at local level. The following paragraphs provide a snapshot of the ‘state of the county’, which is set out in more detail in the accompanying evidence base.

## We have seen rapid population and workforce growth... which is set to continue into the future

- 2.6 Kent and Medway's population has grown rapidly in recent years**, increasing by 144,000 between 2010 and 2021. This level of growth equates to a 8.4% increase in the county's population, compared with around 6.8% nationally<sup>15</sup>.
- 2.7** The 'working age' population has grown more slowly, reflecting a steadily ageing population – although it is worth noting that the concept of 'working age' (notionally defined as people aged between 16 and 64) is becoming more fluid as people work for longer, and more flexibly. But **the 'working age' population also grew at a faster rate in Kent and Medway than the national average** (with growth of 4.5%, compared with 3.7% across the UK).
- 2.8** Looking to the future, Office for National Statistics projections anticipate strong continued population growth of around 13% between 2018-30 (compared with around 9% growth nationally)<sup>16</sup>. Over the same period, the working age population is also expected to grow, by around 6% (double the UK rate of increase). The consequence is that **the county's share of the national working age population is likely to rise steadily over time, from around 2.7% in 2021, to 3.3% by 2040**. Kent County Council's own forecasts, taking account of planned housing growth, anticipate even higher levels of population growth than this.
- 2.9** A larger workforce will generate increased economic activity over time – and in relative terms, Kent and Medway's significance in the national economy will grow. But **ensuring that growth is sustainable – environmentally as well as economically – will require sustained investment in infrastructure** and in the development of the county's economic potential to make the most of its increased capacity.

## We have a steady record on job creation... but there is potential for more

- 2.10** In 2021, there were **888,000 jobs** in Kent and Medway - an increase of 131,000, or 17%, since 2010. Since 2010, the pace of jobs growth has been broadly in line with the UK average, rising rapidly to 2016 and plateauing somewhat in subsequent years.
- 2.11** However, **there may be capacity for more**. The job density (the number of jobs per working age resident) has increased over time, but it is still lower than the national average<sup>17</sup>. Some of this is



<sup>15</sup> ONS, Mid Year Population Estimates

<sup>16</sup> ONS, Population projections, 2018 based

<sup>17</sup> 0.78 jobs per resident aged 16-64 in Kent and Medway, compared to 0.85 in the UK (ONS, Jobs Density)

accounted for by out-commuting, although the county's overall jobs density is lower than in some other counties on the edge of London<sup>18</sup>.

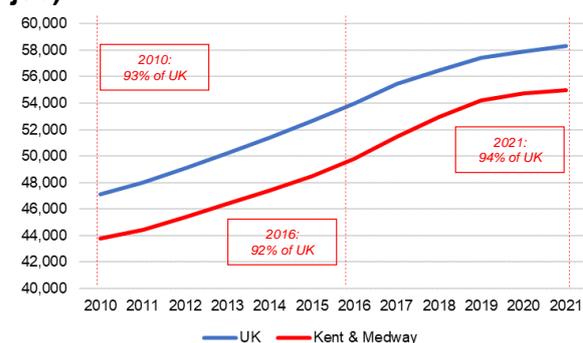
**2.12 Unemployment is relatively low**, with a 'claimant count' of 3.4% of residents aged 16-64<sup>19</sup>, and employers report challenges in filling vacancies. But at the same time, economic activity (i.e., people of 'working age' who are in work or looking for work) has fallen since the pandemic, partly through older workers not returning once the Covid crisis passed, and partly through increased levels of people out of the labour market through ill-health. And while county-wide figures approximate to the national picture, there are significant concentrations of local economic inactivity, especially in coastal Kent.

**2.13** Overall, the labour market picture is complicated: high vacancy rates and challenges for employers in obtaining the people they need, at the same time as higher numbers outside the workforce. Maximising the potential of the local workforce is a key challenge – nationally, as well as in Kent and Medway.

### There is scope to increase productivity

**2.14** Kent and Medway's GVA per filled job (a conventional measure of productivity) was around **£55,000** in 2021. This equates to around 94% of the UK average, a gap which has narrowed slightly in recent years. The UK average is quite strongly influenced by London and a handful of highly productive regions: compared with other regions across the country, Kent and Medway is in the 'middle of the pack'. However, **there are significant differences within the county**: productivity is some 10% above the national average in West Kent, and 20% below in East Kent, with the consequence that it underperforms some of its neighbours in the South East.

**Figure 2-3: Productivity (GVA £ per filled job)**



Source: ONS, Smoothed GVA (B), current prices, by ITL1 and ITL2 regions

**2.15 Productivity matters because it is the main driver of economic growth and prosperity:** essentially, increased productivity (more output per hour or per job) drives salary growth and tax take. Increasing productivity is therefore a key policy goal, especially in the context of generally weak UK productivity growth (relative to historical and international comparators) over recent years. Three observations are worth making, which inform the approach set out in this Framework:

<sup>18</sup> 0.88 in Surrey, 0.83 in West Sussex, 1.00 in Hertfordshire (although 0.77 in Essex, which in many respects has a similar economic profile to Kent and Medway).

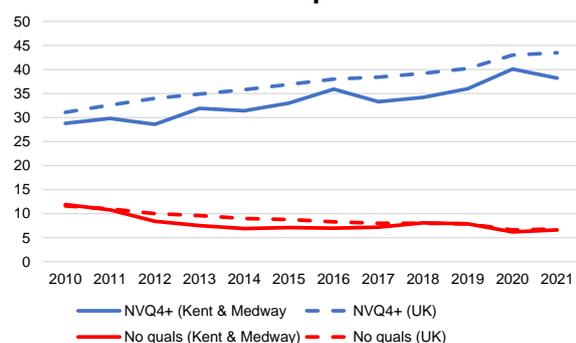
<sup>19</sup> Compared with the UK rate of 3.7% (ONS/ DWP, July 2023)

- **Productivity growth isn't just about growing the most productive sectors**, or the highest-value jobs (although that is important). Some sectors are, on average, more productive than others and this does have an influence on overall productivity<sup>20</sup>. But there is scope for productivity gain in *all* sectors, through greater technology adoption, stronger workforce skills, better connectivity to link people with jobs, and so on<sup>21</sup>. A broad-based economic framework should therefore take account of these opportunities for incremental improvement, as well as the potential for change at the 'leading edge'. This is likely to be especially important in Kent and Medway, given our sectorally-diverse, SME-dominated economy.
- **Productivity growth is likely to be gradual**. It may be accelerated by specific major investments, but generally it is the consequence of incremental improvements, sustained over time and heavily influenced by the national context.
- **Productivity growth is important, but it isn't quite everything**. More productive jobs ought to generate higher pay and this should, over time, lead to higher living standards. But not all valuable activity generates monetised 'output', and a highly 'productive' economy might not necessarily be a sustainable or equitable one. Overall, local strategy ought to help ensure that productivity gains are captured locally, both in pay and quality of life.

### Kent and Medway has a workforce skills challenge – but a concerted focus is yielding results

**2.16 Over time, there has been a steady improvement in workforce qualification levels.** In 2010, around 12% of the working age population had no formal qualifications, a figure which had almost halved by 2021. The share of the 16-64 population qualified to NVQ4+ almost increased by a third over the same period. This partly reflects the steady progress of demographic change, as older workers (who are less likely to hold formal qualifications) leave the labour market and younger workers join.

**Figure 2-4: Population aged 16-64 qualified to NVQ4+ and with no qualifications**



Source: ONS, Annual Population Survey

<sup>20</sup> The distribution of functions *within* sectors is also important (for example, headquarters facilities and R&D functions will typically generate higher levels of output per job than sales and distribution functions within the same sector).

<sup>21</sup> Institute for Government (2021), [Firing on all cylinders: Why restoring growth is a matter for every UK sector](#)

- 2.17** However, despite the positive direction of travel, **Kent and Medway continues to have a workforce skills ‘deficit’**, which has been persistent over time. Workforce qualifications lag behind the rest of the UK at intermediate and higher qualification levels. At Level 2, attainment levels are actually higher in Kent and Medway than they are nationally, but at Level 3, there is a 2.5 percentage point gap, widening to over five percentage points at Level 4<sup>22</sup>. The percentage of the workforce qualified to both Levels 3 and 4 is lower than the UK rate in nine of Kent and Medway’s 13 local authority areas (with especially low rates in Swale and Thanet). This matters both for individual outcomes and opportunities and for the ability of existing employers and new investors to secure the skills they need – and the skills they are likely to need in the future.
- 2.18** Consequently, there has been a **strong focus on addressing workforce skills challenges in recent years**. Further education provision has been consolidated and strengthened, alongside significant progress in developing links between skills providers, employers and other strategic partners. Following the *Economic Renewal and Resilience Plan* in 2020, this was given added impetus with the creation of the **Kent and Medway Employment Task Force**: since then, it has been reinforced through the new, employer-led Local Skills Improvement Plan and specific sector initiatives, the further development of which is central to the approach outlined later in the Framework.

**There has been major investment in transport connectivity – but Kent and Medway faces some unique challenges**

- 2.19** The period since 2010 has seen significant investment in transport infrastructure. Between 2015 and 2021, some £720 million was spent on transport capital schemes in Kent, taking account of investment from the Local Growth Fund and expenditure by national bodies such as Network Rail and National Highways<sup>23</sup>. This contributed significantly to the delivery of the county’s last Local Transport Plan and to its objective of securing economic ‘growth without gridlock’, with major schemes including key junction improvements (such as M20 Junction 10a at Ashford and M2 Junction 5 at Sittingbourne) and numerous projects to unlock major developments, improve town centre connectivity and improve active travel opportunities.
- 2.20** The future capital investment picture is uncertain, especially in the context of high inflationary pressures. However, **Kent and Medway faces significant transport infrastructure challenges over the rest of the decade**. As well as demand generated from new developments (in the context of the county’s rapidly expanding population), the emerging LTP highlights demand from the *existing* community and the need to manage it effectively, in the context of Kent and Medway’s distributed population and business base and its complex travel patterns.

<sup>22</sup> ONS, Annual Population Survey.

<sup>23</sup> Kent County Council (June 2023), [Emerging Local Transport Plan: Turning the Curve towards Net Zero](#)

**2.21** In addition, **Kent and Medway’s international connectivity provides a unique set of challenges**. The Port of Dover and Eurotunnel provide the most efficient Channel crossing points for passenger traffic and roll-on-roll-off freight: as such, they are a vital link in the UK’s supply chains and export markets. However, constrained infrastructure at the ports, combined with susceptibility to disruption through weather events, strike action and so on frequently leads to negative impacts on Kent’s road network. In 2022, Operation Brock (the traffic management scheme that holds HGVs on the M20 while queuing for Eurotunnel and the Port of Dover) was activated for about a third of the year<sup>24</sup>, imposing severe impacts on the wider network and the communities it serves.

**2.22** At the same time, while the county has seen substantial ‘sunk’ investment in international rail connectivity<sup>25</sup>, our international stations at Ashford and Ebbsfleet have not been served by stopping international trains since the pandemic, partly due to the impact of border control processes. **For Kent and Medway’s economy, international connectivity and proximity to continental Europe ought to be a key, distinctive asset: strategic infrastructure constraints prevent it being realised, imposing costs on the local economy and costs on the UK as a whole.**

#### **Improvements in digital connectivity have been transformational**

**2.23** **There has been transformational progress in the delivery of digital infrastructure over the past decade**. Commercial investment and public support through the Kent and Medway Superfast Broadband Programme and successor initiatives meant that by 2022, some 95% of premises in the county were able to access a superfast service, with 62% able to access gigabit speeds<sup>26</sup>. Work continues to develop solutions for the remaining premises concentrated in more rural parts of the county that are unable to secure a superfast service – although staying ahead of the curve will be important as digital technology transforms working practices and business models.

#### **Inequalities remain significant**

**2.24** Within a diverse county, there are some significant concentrations of disadvantage. These are especially concentrated in coastal East Kent, parts of North Kent and on a smaller scale, in most of the county’s urban centres. Local concentrations tend to be persistent over time, and reflect a combination of limited access to opportunities for labour market progression and a range of complex factors linked with the housing market, health conditions and access to services. In this context, **overall economic growth is essential but insufficient to generate better outcomes at local level**, and the Economic Framework will need to be one element of a broader approach to ‘levelling up Kent’.

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<sup>24</sup> Ibid.

<sup>25</sup> Including the stations themselves and more recent public investment in rail infrastructure.

<sup>26</sup> Ofcom (2022), [Connected Nations 2022](#)

## Making the most of our key assets

**2.25** The summary above suggests good progress over the past decade in relation to skills improvements, infrastructure investment and the county's overall employment and productivity trajectory – albeit with significant challenges that will need to be addressed over the rest of the decade. Beyond this, there are three key 'assets' which will provide an important platform for future growth, relating to the **diversity of the county's business stock and sectoral composition**, strengths in our **knowledge base and innovation potential**, and Kent and Medway's wider **quality of life, quality of place and the quality of its food production**. All of these need to be nurtured and invested in -

### Business and sectoral diversity

**2.26 Business is central to future economic growth:** put simply, employment is either created by existing businesses expanding, new businesses starting up, or businesses from elsewhere deciding to locate in the county. In 2022, there were around 74,000 active enterprises in Kent and Medway, with the total business stock increasing by almost a third between 2010 and 2022<sup>27</sup>.

**2.27** Overwhelmingly, **the majority of businesses are small and micro enterprises** – to a somewhat greater extent than the national average. However, this dominance of SMEs overlooks some of the county's larger private sector employers (such as Laing O'Rourke in construction, Pfizer in pharmaceuticals, Saga Group in travel and financial services, and BAE Systems in manufacturing among many others), as well as the expansion of individual firms over time from micro to medium-sized businesses. Supporting SMEs with the appetite and capacity for growth has been a focus of activity for some time, through initiatives such as the Kent and Medway Business Fund.

**2.28** In 'headline' terms, our sectoral profile is also diverse and complex. The largest sector in employment terms is wholesale and retail, followed by health and care, business services, construction and hospitality-related activities. Relative to the rest of the UK, the large employment sector in which Kent and Medway is 'over-represented' is construction (which has grown rapidly in recent years, and in which Kent is substantially more productive than the UK average).

**2.29** This headline view masks some important local concentrations (such as manufacturing in Swale). It also overlooks significant activities which are not sufficiently captured in standard data, either because they cut across conventional sector definitions, or because they are

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<sup>27</sup> ONS, UK Business Count. This figure refers to active enterprises. Alternatively, the UK Business Count refers to 86,000 'local units' (which also include branches in Kent and Medway of businesses based elsewhere). Both figures are commonly used. The 'enterprise density' (the number of businesses relative to the 'working age' population) also increased by around 15% over the same period.

relatively small in absolute employment terms, but are rapidly growing or generate disproportionately high levels of output. Examples include:

- **Life sciences**, including the large concentration of activity at Discovery Park (and to a smaller extent Kent Science Park) and links with the wider health system
- **Creative, digital and tech**, underpinned by ‘place-based’ investment (such as at Folkestone Creative Quarter and Chatham Historic Dockyard) and the Creative Estuary initiative, as well as by the emergence of an established ‘cross-sectoral’ digital media sector
- **Food production and agritech**, including Kent’s highly productive land-based sector (especially in fresh food and horticulture), as well as the county’s substantial food and drink manufacturing base.

### Innovation assets and the knowledge base

**2.30** Kent and Medway’s universities have expanded in recent years, and contain some significant innovation assets. Across the University of Kent, Canterbury Christ Church University and the University of Greenwich, key research capabilities include:

- **Biosciences**, including the Industrial Biotechnology Centre at the University of Kent, building on the University’s expertise in molecular processing; the Biomedical Science Research Group at the University of Greenwich and Canterbury Christ Church University’s Stem Cell Research and Bio-engineering Laboratory (SCRABEL at Medway).
- **Computing and data science**, including Kent’s Institute of Cyber Security for Society (iCSS), one of 19 Academic Centres of Excellence in Cybersecurity Research recognised by the National Cyber Security Centre and the EPSRC.
- **Engineering**, including Greenwich’s Centre for Process Innovation and, from an applied perspective, Canterbury Christ Church’s Engineering, Design, Growth and Enterprise (EDGE) Hub
- **Plant science**, especially linked with Kent’s food and drink industry, where university strengths are complemented by NIAB-EMR at East Malling, a non-university research and technology organisation in commercial horticulture and land-based science.

**2.31** These capabilities map onto some of the emerging sectoral strengths highlighted above. Bringing the two together, initiatives such as the **Growing Kent and Medway** programme funded by UK Research and Innovation (see Chapter 5) seek to put innovation into practice, and there are strong (and growing) links between the county’s universities and key centres of commercial innovation, research and development such as Discovery Park.

**2.32** However, **on some conventional measures of ‘innovation’, Kent and Medway performs relatively poorly.** Business and enterprise expenditure on R&D is comparatively low in Kent

and Medway, reported at around 64% of the UK average per business in 2018<sup>28</sup>. Private sector non-profit R&D is also very low, and Kent and Medway's share of Innovate UK grant income is lower than in all its neighbouring counties. The challenge is to build on the county's academic and commercial strengths – especially in those areas of activity in which it has distinctive capabilities – to develop the innovation 'ecosystem' and support business growth over time, while recognising that there are opportunities for innovation throughout the economy – including in firms that are unlikely to seek any form of public support, but which are highly successful in a range of sectors.

### 'Sense of place' and quality of life

- 2.33** As well as the 'hard' assets described in terms of infrastructure, business stock and science and technology capabilities, Kent and Medway's quality of life offer is important in attracting and retaining investors and in creating an environment in which people want to live, work and visit. This is underpinned by the natural environment cited earlier, as well as by the county's stock of cultural and leisure assets and by its proximity and ease of access to London.
- 2.34** Importantly, much of this is inherently associated with some of Kent and Medway's key economic strengths: for example, there is a clear connection between the natural environment, the food and drink offer, the county's proposition to visitors and the creative economy – as well as the combined benefits that these provide to residents. **Quality of life and quality of place are integral to the county's economic growth, as well as consequences of it.** They are also all central to Kent and Medway's health and wellbeing, as explored further in Chapter 8.

## Bringing it together: key issues for the Economic Framework

**2.35** Summarising the 'state of Kent and Medway', we can see that:

- Overall, **Kent and Medway has a diverse and dynamic economy**, which has been successful in recent years in increasing employment, growing its business stock and attracting investment
- Recent and forecast population growth (including *working age* population growth) is substantially higher than the UK average, and is transformational in parts of the county. Linked with this, Kent's 'share' of the UK population is rising fairly rapidly. It's a place where people want to live, and it enjoys a substantial stock of 'quality of life' assets which are important to enhance and protect.
- **The county is polycentric and complex.** Kent is easy recognisable as a location and a brand. But in *economic geography* terms it is quite complicated: it has rural, urban, suburban and coastal dimensions, but there are strong connections across all of them.

<sup>28</sup> BEIS/ NESTA, [Research and development spatial data](#). Reported at €6,500 per business in Kent and Medway in 2018, compared with €10,200 across the UK as a whole, using Eurostat data. More recent BERD data is only published by ONS at regional (i.e., South East) level.

Local distinctiveness and diversity is therefore vital to the Framework– but so are the complex links across places and industries within a dense geography that is both ‘peninsular’ and integrated into London and the wider South East.

- **We have some very distinctive assets and characteristics.** These include the county’s role as a gateway for imports and exports (and the economic role that this plays and the challenges it brings), the cultural and creative renaissance of its coastal towns, and the highly productive land-based sector in the ‘garden of England’.
- **These are accompanied by important opportunities for innovation and economic growth.** These include the sectors highlighted above, the growing university base at Canterbury and Medway, and key centres for innovation, such as Discovery Park in relation to life sciences, in the context of a broad-base, largely small-business dominated economy with opportunities for growth that are widely dispersed and often ‘under the radar’.
- **We are impacted by workforce skills challenges and pressures** – but in the context of significant progress in recent years.
- **Spatially, the county is quite unequal** – which is visible at high level in the sub-regional disparities between West and East Kent, but which also impacts at local level and correlates with wider outcome inequalities

## 3. The outlook to 2030

Building on the analysis of the ‘state of Kent and Medway’ in Chapter 2, this chapter looks at the medium-term outlook for the next few years. It then considers how the future of the economy will be shaped by a series of transformational trends, which will impact all sectors and activities and to which the Economic Framework will need to respond.

### The medium-term outlook

- 3.1 This Economic Framework has been prepared in the context of a challenging macroeconomic outlook.** Despite strong recovery from the Covid-19 pandemic, inflationary pressures driven by the high energy costs and supply chain challenges and exacerbated by the Russian invasion of Ukraine have led to weak economic growth. In 2023, the Office for Budget Responsibility (OBR) anticipated that the UK economy would not return to pre-Covid levels of output until mid-2024<sup>29</sup>. While employment has been resilient (in Kent and Medway and across the UK), the impacts of the wider economic picture on the ‘everyday’ economy are easily visible in the cost of living crisis and the consequent impacts on consumer spending.
- 3.2** The picture is expected to brighten in the next few years: the OBR anticipates UK GDP growth of 2.5% in 2025, falling to about 1.75% by 2027, in the context of continued employment growth. However, it highlights several structural challenges for the UK, linked with weak business investment, low productivity growth and lower labour market participation than would have been the case pre-Covid. In this context, the OBR forecasts that real living standards will still be lower than pre-pandemic levels in 2027/28.
- 3.3** Three observations are worth making on this medium-term outlook. First, it gives us an indication of the conditions within which the Economic Framework will be delivered: these are likely to involve significant constraints on public spending and a need for imaginative solutions. Second, it emphasises the importance of economic growth and productivity gain and the need to focus on that locally. Third, the key factors underpinning the OBR’s forecast (Covid, Ukraine, the energy crisis) were unknown a few years ago: building our resilience to future shocks was a key pillar of the *Economic Renewal and Resilience Plan* and will remain important.

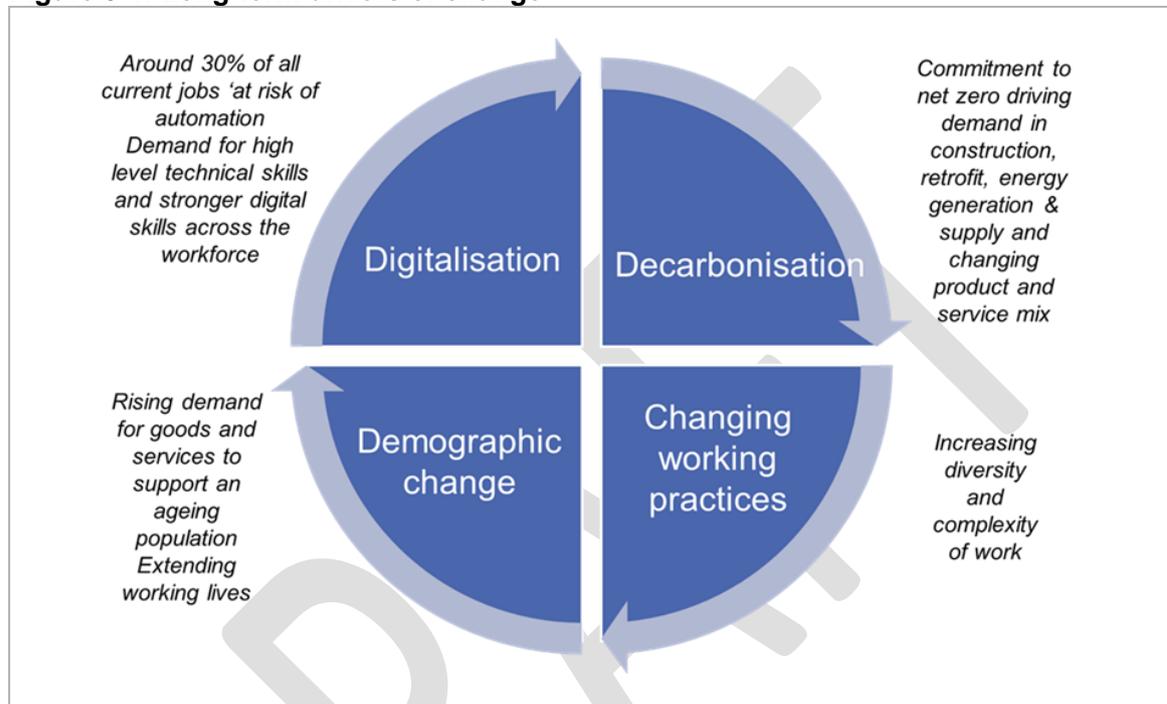
### The longer term: Key transformational trends

- 3.4** These medium-term forecasts take us a long way into the period covered by the Economic Framework. In parallel, all economic activity will be influenced by longer-term structural trends. These will apply to all advanced economies, but the way in which they interact with

<sup>29</sup> Office for Budget Responsibility (March 2023), [Economic and Fiscal Outlook](#)

our economic structure will influence the opportunities we have available locally and how we can respond to them. We have identified four key ‘macro trends’: **decarbonisation and the route to net zero, digitalisation, demographic change** and the **impact of changing working practices**. These are interlinked, but we consider each in turn in the paragraphs below.

**Figure 3-1: Long-term drivers of change**



Source: SQW

### Decarbonisation and the path to net zero

- 3.5** As highlighted in the review of the policy context in Chapter 1, the UK’s commitment to net zero carbon emissions by 2050 will have an impact across the economy: all businesses will need to become low carbon businesses, and plans for future infrastructure investment are cast in the context of the intermediate targets set by the Government. The scale of the change will be far-reaching: while different sectors will make progress at different rates depending on the availability of new technology, the Government anticipates emissions reductions by 2035 (against a 1990 baseline) of up to 76% in industry, 59% in transport and 62% in heat and buildings<sup>30</sup>.
- 3.6** Kent and Medway’s economy is less carbon-intensive than that of many other parts of the country. There has also been very significant progress made in recent years: **between 2010 and 2021, total greenhouse gas emissions in Kent and Medway fell by 35%** (compared with a UK total reduction of around 30%), despite the county’s rapid population and employment growth over the same period<sup>31</sup>. While there is much more to do (especially in

<sup>30</sup> HM Government (October 2021), *Net Zero Strategy: Build Back Greener*, p.79

<sup>31</sup> HM Government (2023), UK local authority greenhouse gas emissions 2005-21

terms of transport emissions, where the total reduction has been lower), the transition is already well underway.

### 3.7 Opportunities for Kent and Medway include:

- **The decarbonisation of energy generation.** There is already significant offshore wind energy generated off the Kent coast. Other opportunities being explored include the potential for a Small Nuclear Reactor at Dungeness, securing nuclear jobs in the area following the decommissioning of the existing power station, and opportunities for green hydrogen production in the Thames Estuary<sup>32</sup>, as well as opportunities for micro-generation and district heating networks.
- **Opportunities in Kent and Medway's large construction sector**, as the industry responds to requirements for higher environmental standards and the use of modern methods of construction, as well as energy efficiency retrofit in the existing building stock.
- **More resource efficient methods of production:** There is relatively little large-scale, energy-intensive industry in the county. But as regulatory pressures rise and financial incentives change, there will be an increasing demand to increase the sustainability of production across the economy.
- **Investment in sustainable agriculture and horticulture and regenerative farming methods**, and the scope for innovation that this involves. Linked with this, investment in natural carbon storage, through the management and protection of grasslands, saltmarshes etc., will make an important contribution to the county's decarbonisation targets.
- **Transport decarbonisation**, through provision of infrastructure for electric vehicles and zero carbon and active travel options and the development of railfreight infrastructure.

**3.8** From an employment perspective, research has identified three categories of 'green jobs', which are likely to see growing demand: **new jobs** relating directly to the transition to net zero (such as hydrogen cell technicians), **jobs affected by the transition** that will need enhanced competencies and capabilities (such as architects and environmental consultants), and **existing jobs that will be needed in greater numbers** (such as insulation installers). Linked with Kent and Medway's Local Skills Improvement Plan, significant investment is being made by the county's further education colleges to support a network of green skills centres responding to the opportunities highlighted above.

**3.9** In addition, some businesses will face structural changes and the need to adapt. Potentially, the challenges are greater for smaller firms further away from the leading edge of technology development, and it will be important to support their adaption and resilience.

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<sup>32</sup> Thames Estuary Growth Board, [Hydrogen Route Map](#)

## Digitalisation

**3.10** ‘Digitalisation’ refers to the transformation of the economy through massively increased use of data and the development of digital technologies such as artificial intelligence, machine learning and robotics. Digitalisation isn’t about change within a single industry; rather, it is about the use of ‘general purpose’ technologies with a wide range of applications across industries.

**3.11** Three aspects of the transformational impacts of digitalisation are especially relevant:

- **Disruptive effects on industry:** Use of digital technology leads to greater efficiency, with firms that have the capacity and capability to invest and adopt more likely to benefit from productivity gains and improved competitiveness. But its ‘transformative’ power is in the convergence of technologies to drive entirely new industries (wearable devices or gaming, for example), which in turn drive applications elsewhere. A consequence is the breakdown of traditional industry sectors and markets, leading to a recognition of digitalisation as the ‘fourth industrial revolution’.
- **Impacts on the labour market:** Estimates of the potential impact of automation on jobs vary greatly, although most studies suggest that while new technologies will substitute for labour in some sectors, this is likely to be more than offset by job creation. However, technology is changing the way in which work is done, with the potential for positive and negative impacts on working conditions; the need and opportunity for job changes over the course of the working life; changing demand for skills; and the ability to work remotely.
- **Impacts on services,** potentially helping to overcome relative remoteness, and including the development of new ways of accessing health and care, which in turn impact on the development of new goods and services and demand for jobs.

**3.12** Successive studies have demonstrated improved the link between digital technology adoption and productivity<sup>33</sup>. However, relatively weak levels of technology adoption, especially among SMEs, have been cited as a key factor in the UK’s poor productivity performance compared with other major economies<sup>34</sup>: as with the transition to net zero, there is a need to build resilience as well as innovation.

## Demographic change

**3.13** Between 2019 and 2039, Kent and Medway’s population is set to increase by 19% to 2.22 million. But the population aged between 16 and 64 will only increase by 15% - a significant rate of growth, but highlighting the county’s steadily ageing population.

<sup>33</sup> OECD (2020), *Digital technology adoption , productivity gains in adopting firms and sectoral spill overs*; MAKE UK (2022), [Digital Adoption: The missing link in productivity growth](#)

<sup>34</sup> Jurgen Maier (2017), [Made Smarter Review: Report to the UK Government](#)

**3.14** Demographic change has three implications for the future of the economy:

- There will be **rising demand for goods and services to support the ageing population**. This includes rising demand for health and social care, but it will also mean a focus on technologies to support personal independence, and the capabilities needed to implement these.
- A **rising 'dependency ratio'** is likely to be a further spur to investment in technology to effect productivity gain. In this context, demographic change is likely to reinforce the drive to digitalisation highlighted earlier.
- Third, **working lives will become longer**. Pension reform is already extending working life, and increasing numbers want to work past conventional retirement age. For many, this presents a great opportunity; for others (especially those in physically demanding jobs or jobs vulnerable to technology change) it presents a major challenge.

### Changing working practices

**3.15** Finally, in the context of extended working lives, we can expect the *nature* of work to become more diverse and complex over the coming years. Key trends include:

- Increased part-time working. Part-time work as a percentage of total hours worked increased sharply after the 2008/09 recession, and has remained at around 37% of total employment since.
- Increased self-employment. Around 13% of those in employment in Kent and Medway are self-employed (compared with 10% nationally). This includes freelance workers, who are often project-based and are especially common in parts of the creative and digital industries.
- Increased 'independent' work. Official estimates of people with second jobs (about 3.5% of all in employment) have been largely constant since the 1990s. But these are unlikely to fully account for the rise in new technology-enabled forms of earning, which may also be augmented by the rise of zero hours contracts and 'gig economy' work.
- Increased diversity of working styles and locations, with the move towards 'hybrid' and home-based working for many roles (creating additional flexibility for many people, but also demanding new approaches to team development and the provision of suitable workspace) and increasing flexibility in the definition of the 'working day'.

**3.16** This increase in 'alternative' forms of work contract is often seen in a negative light. But for other workers (and businesses), it can also provide greater choice, and in some sectors (such as digital media), project-based freelancing is very common. Either way, more frequent career changes are likely to become more common in the future.

**3.17** Some of these changes will also bring distinct opportunities for Kent and Medway. As more people are able to work remotely, the county's 'quality of life' assets combined with relative

proximity and good connectivity to London offer an opportunity for more people to work as well as live locally, even if their employment base is 'formally' located elsewhere – helping to drive local business activity, as well as reduce the costs of out-commuting.

## Looking forwards

- 3.18** Looking towards 2030, we can be reasonably certain that these trends will persist: decarbonisation is enshrined in law and international agreements; the advance of digital technology has its own momentum, and demographic change is long-term and underway. Whatever happens in the economic cycle, they will all be central to Kent and Medway's economic transition over the next few years.

## 4. Introducing our Objectives and Ambitions

Looking ahead to the rest of the decade, we want to build on the assets and strengths identified earlier to develop Kent and Medway's economy in a way that responds to the long-term structural 'drivers of change' that we face. This chapter introduces our overall framework, setting out three overarching objectives and a series of 'ambitions' that we describe in more detail in the chapters that follow.

### Framework structure

4.1 Our high level economic framework sets out:

- **Three overarching Objectives:** supporting the development of an economy that is more "productive, sustainable and inclusive". These are essentially statements of general desirable outcomes: they are not unique to Kent and Medway, but set out a direction of travel.
- **Five Ambitions:** key themes, within which we have set out a series of 'areas for action' at county-wide level over the medium term.

Figure 4-1: The economic framework



- 4.2** Across all of these, we recognise that *economic, social and environmental* outcomes are inherently linked: so all the actions proposed within the Framework should have positive impacts on wider wellbeing.

## Unpacking the Framework: The three objectives

- 4.3** Looking to 2030, we want Kent and Medway's economy to be more:

- **Productive:** As we set out earlier, productivity is the key driver of economic growth. To improve living standards and the competitiveness of our business base, we need to raise productivity over time.
- **Sustainable:** The climate emergency and achieving net zero is the central 'change' factor driving long-term economic adjustment. This impacts all aspects of the 'economy' (i.e., it relates to the promotion of those business activities at the leading edge of low carbon innovation, as well as adaption across the business base, but it also relates to all other factors in the economic system (energy systems, housing, transport, skills, and so on). So it impacts across the whole Framework and our subsequent Ambitions.
- **Inclusive:** Inequalities in Kent are relatively sharp and impact on most other wellbeing outcomes (and indeed economic growth overall). But while higher productivity and higher investment should drive higher pay in aggregate, it won't automatically benefit everyone. Technological advances also have transitional downsides which need to be mitigated.

- 4.4** These three Objectives are easy to state and are generally uncontentious. Progress against them can also be readily measured: for example, we can assess changes in Kent and Medway's productivity, inequality and carbon footprint over time). Although they are set out at high level...

- All action in support of economic development in Kent and Medway ought to contribute positively to them, or at least demonstrate that if there is a negative impact in relation to any one of the Objectives, then this is mitigated and substantially outweighed by positive impacts elsewhere. This should influence (for example) the support that the public sector gives to individual businesses or investors and the way in which major investments are designed.
- Achieving the Objectives won't (just) be the result of the specific action areas set out in this Framework: they will also need to be driven by other strategies and plans and by 'mainstream' activity.
- They will also depend on factors outside local control. For example, overall macroeconomic conditions will influence productivity growth, and Government policy will influence progress towards net zero. We recognise this – but in that context, we can still seek to effect change locally.

## Introducing the five Ambitions

**4.5** To help deliver our three Objectives, there are some key themes on which action should be focused over the next few years. We have called these the five 'Ambitions', and they seek to:

- Enable innovative, productive and creative businesses
- Widen opportunities and unlock talent
- Secure resilient infrastructure for planned, sustainable growth
- Place economic opportunity at the centre of community wellbeing and prosperity
- Create diverse, distinctive and vibrant places

**4.6** The Ambitions are also interconnected, support each other and should be seen as an integrated package. Within each Ambition, we have defined a series of 'action areas': in defining these:

- **We have focused on areas for action that apply across Kent and Medway**, or are of county-wide significance. We have not sought, for example to set out specific infrastructure investments or current projects. The consequence is a limited number of strategic action areas that are principally relevant to an economic agenda.
- **The areas for action are flexible.** There may be several different ways of achieving them, both at county-wide and local level, and the detail of individual projects and initiatives will evolve over time. The point is that they help to focus the Ambitions we have outlined.
- While they are not dependent on a single source of funding, **they will require investment which is not directly within the control of any one local partner.** In that context, we recognise the significant funding constraints that are faced by local government and which are likely to persist for several years. Some of the areas for action will require central Government support – through grant, investment or devolved powers: the Ambitions provide an agenda through which delivery options can be explored and developed, not (at this stage) costed business plans.

**4.7** The next five chapters introduce each of our Ambitions in turn.

## 5. Ambition 1: Enabling innovative, creative and productive businesses

Looking to 2030, our first Ambition focuses on increasing business investment and growing innovative capacity and resilience – both at the 'leading edge' of technology and across the economy.

### Defining the Ambition

- 5.1** We want Kent and Medway to be – increasingly – a place in which businesses with the potential for growth can thrive. We want to attract new investment, and reinvestment into the county, and we want to ensure that firms have access to the right space and infrastructure to enable them to grow. But we also recognise that Kent and Medway has innovation assets and opportunities that are often dispersed and are not always joined up and coordinated. Through this Ambition, we focus on supporting successful firms to expand, innovate and adapt to change.

### A stronger 'place-based' innovation partnership

- 5.2** Although on many traditional measures of innovation Kent and Medway underperforms relative to its neighbours in the South East, the evidence base set out in Chapter 2 demonstrates that there are significant opportunities for growth, especially (but not exclusively) linked with our emergent strengths in life sciences, food and agritech, digital technology and renewable energy.
- 5.3** In recent years, significant progress has been made through collaboration between local government, our universities and colleges and business in taking forward 'transformational' projects that strengthen the links between the knowledge base and industry – for example in the establishment of the EDGE Hub and Kent and Medway Medical School and through long-term collaboration at Discovery Park. A key example of what can be achieved is visible through the **Growing Kent and Medway** project, which brings together expertise from across the county's research and development institutions to support innovation in the food and drink sector:

### **Box 5-1: Growing Kent and Medway<sup>35</sup>**

Growing Kent and Medway is the first project in the county to be funded by the UK Research and Innovation Strength in Places Fund, an initiative which seeks to link together local research and industrial strengths where this can lead to new opportunities for innovation and growth in the sector and support healthy and sustainable food production.

The project has a bold ambition to “*make our region the most dynamic and successful location in the world for horticulture and agri-technology*”. Led by NIAB, the UK’s largest horticultural research and development centre based in East Malling, it brings together capabilities from across the county’s R&D institutions (including the Medway Food Innovation Centre at University of Greenwich, Canterbury Christ Church University’s Industrial Agri-Engineering Hub, and University of Kent’s Biotechnology Hub), making research facilities available to industry alongside R&D grants and business support. It also coincides with the development of new commercial glasshouses at East Malling, as part of NIAB’s GreenTech Hub for Advanced Horticulture.

Growing Kent and Medway also supports a wider focus on sector development, including through the preparation of the *Workforce 2030 Agrifood Skills Strategy* and a programme of work to support firms in reducing their carbon footprint.

- 5.4** There ought to be opportunities to build on the experience of Growing Kent and Medway to strengthen the county’s ‘innovation ecosystem’ (put simply, the way in which business, research strengths and access to finance, networks and support work together to enable new ideas and collaborations to come forward). This can be challenging in Kent and Medway because of the dispersed and diverse nature of the economy – but the potential to build a cluster of higher-value activity in areas of local comparative advantage could be significant.

#### **Action Area 1: Developing an enhanced place-based innovation partnership**

Across Kent and Medway, we will develop a stronger partnership between higher and further education, government and business to develop a more coordinated approach to cluster development, focused on those areas in which the county has a relative advantage. This will aim to build stronger links between businesses and the local ‘knowledge base’, gaining greater recognition of Kent and Medway’s assets on a national scale.

<sup>35</sup> See [Growing Kent and Medway](#)

## Creativity, productivity and resilience

- 5.5** While innovation is often seen as being about the invention of new products, often in a scientific context, it can also be about introducing existing technologies to the firm, introducing process improvements that increase productivity or enabling new ideas to come forward.
- 5.6** Adopting and adapting to new technologies is especially important in the light of the need to respond to the twin challenges of digitalisation and decarbonisation highlighted in Chapter 3. But there is evidence that relatively slow adaptation to new technologies among SMEs contributes to the UK's comparatively weak productivity growth. Existing programmes in Kent and Medway (such as the Kent and Medway Business Fund) already have a focus on increasing capacity for productivity improvements, and we have a positive business support landscape, delivered by 'county-wide' bodies such as Kent Invicta Chamber and at local level. Elsewhere in England, the Made Smarter has successfully had a focus on the introduction and adoption of digital enabling technologies and will be rolled out to Kent and Medway over the coming years.
- 5.7** More broadly, innovation is also about the ability to take advantage of and build on new ideas. While we say more about Kent and Medway's 'creative economy' in Chapter 9, creativity is central to opportunities in all sectors.

### **Action Area 2: Focusing support to business on measures that will increase long-term productivity resilience and the adoption of new ideas**

Where direct support is made available to business, we will focus it increasingly on productivity and decarbonisation outcomes and drivers and opportunities for 'process innovation' and the adoption of existing innovations, as part of an increasingly joined-up business support offer.

## A coordinated, practical welcome to investors

- 5.8** Kent and Medway is an open county, which welcomes new investment (and reinvestment from firms that have already located here). Since 2019, Locate in Kent, the county's inward investment agency, has supported over 300 companies to invest in Kent and Medway, supporting some 9,400 jobs<sup>36</sup>. Increasingly however, the focus is less on headline job 'creation', and more on the added value that investment can bring, through the quality of employment, opportunities for training and development and the wider contribution to the local economy. In that context, there is evidence that firms securing foreign direct investment

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<sup>36</sup> Locate in Kent

are more 'productive (on average) than domestic counterparts, and that they also have a positive impact on local firms within the supply chain<sup>37</sup>.

- 5.9** Promoting Kent and Medway's opportunities is important in securing external investment. But attracting new business to the county also involves collaboration across a number of partners, joining up infrastructure, planning, access to workforce skills, and so on. It also involves reinforcing positive perceptions of the county: as the analysis in Chapter 2 demonstrates, Kent and Medway's assets are significant, but they can often be overlooked, especially in the context of some of the infrastructure pressures that the county faces (discussed further in Chapter 7). Communicating the offer and substantive investment need to go hand in hand, through a coordinated approach to place marketing.

#### **Box 5-2: Brompton, Ashford**

In 2022, the UK's largest bicycle manufacturer, Brompton, announced its decision to locate a new manufacturing plant and headquarters facility in Ashford. The scheme will bring around £100 million investment to the area, with some 1,500 jobs on site from 2027 (and around 4,000 in total, when supply chain jobs are taken into account).

The project demonstrates Kent's attractiveness as an investment location: the company considered several options before deciding to locate in Ashford, with access to London via High Speed One an important factor. But joint working across the local authorities, skills partners and others to ensure a joined up offer and to engage the investor in longer-term benefits were also important in securing the investment.

#### **Action Area 3: Attracting and welcoming investors to Kent and Medway**

We will leverage Kent and Medway's quality of life, skills base, connectivity and other assets to ensure that it is a welcoming place for investors. This will include joining up the offer across several partners, working flexibly to present an integrated package.

## Supporting the wider conditions for growth

- 5.10** Kent and Medway has a buoyant commercial property market, with the most recent *Kent Property Market Report* highlighting strong demand for lab space (reflecting the availability of space in Kent in contrast to severely constrained supply across much of the South East); high take-up of industrial and distribution space in the context of some very large developments coming forward, such as Aylesford 750; and a post-pandemic increase in

<sup>37</sup> ONS (2015), [Foreign Direct Investment and labour productivity: A micro-data perspective 2012-15](#)

demand for flexible office space<sup>38</sup>. However, a lack of expansion space for SMEs is frequently observed, potentially holding back firms' growth ambitions. Recent analysis has highlighted an imbalance between the supply of employment land and workspace and actual demand from new investors and from firms already active in the local economy: securing a better understanding of the market will be important in monitoring the Economic Framework as it is delivered.

- 5.11** Likewise, we know that many SMEs experience challenges in securing the finance they need to support their growth ambitions, especially where they are developing new products and services – the innovative activity that this Framework seeks to promote. There is also evidence that some groups of entrepreneurs are less likely to benefit from business networks and support than others, reflected in (for example) a substantial gender gap in entrepreneurship and business ownership<sup>39</sup>. Together with the workforce development actions described in the next chapter, we will seek to support the 'conditions for growth' for small businesses across the economy.

#### **Action Area 4: Supporting the conditions for growth**

While commercial space will often be delivered by the market without the need for intervention, there are often barriers to bringing forward the type of workspace that the economy needs and which will support future growth. We will work to identify the economic need for workspace to support SME expansion, aggregating and demonstrating demand to the market where it exists. Beyond this, we will take an active role in bringing forward new development, investing in co-working and innovation space, de-risking sites and providing investor confidence.

Building on our experience of the Kent and Medway Business Fund, we will continue to support SMEs in accessing finance, where it will lead to our objectives of a more “productive, sustainable and inclusive” economy.

<sup>38</sup> Locate in Kent (2022), *Kent Property Market Report*

<sup>39</sup> UK Government (2019), [The Alison Rose Review of Female Entrepreneurship](#)

## 6. Ambition 2: Widening opportunities and unlocking talent

Our second Ambition focuses on the skills and talent of the workforce – supporting greater employer engagement and leadership in the skills system, joining up the offer and ensuring continued investment in the skills that are needed to respond to long-term structural change.

### Defining the Ambition

- 6.1** Great progress has been made in recent years in strengthening workforce skills in Kent and Medway. But the skills that the economy needs and the way in which work is done are constantly evolving in the light of the structural trends set out earlier. Planning for the future and bringing supply and demand into a better balance can help to overcome the skills ‘shortages’ that employers often face, and provide more opportunities for people to enter and progress within the workforce.
- 6.2** Looking towards 2030, our ambition is for a skills system which is increasingly joined up and integrated: which informs and responds to student choice, brings employers and providers together for mutual benefit and retains flexibility and capacity for innovation. Ultimately, this will support continued improvement in Kent and Medway’s headline skills and qualification profile – but more importantly, it will support business productivity and capacity for growth, and progression in work and higher pay for employees.

### Putting employers at the heart of skills planning

- 6.3** The *Economic Renewal and Resilience Plan* placed a strong emphasis on workforce skills development and access to employment as part of Kent and Medway’s pathway out of the Covid-19 crisis. This led to the creation of the multi-agency Employment Task Force at the end of 2020 and the development of a comprehensive workforce skills evidence base the following year<sup>40</sup>, and ran in parallel with the refresh of Medway’s *Skills and Employability Plan* and a series of strategies at sub-county level.
- 6.4** In parallel, the Government launched its approach to encouraging greater employer leadership in skills planning, launching ‘Local Skills Improvement Plans’ in 2021. Led by Kent Invicta Chamber of Commerce, Kent and Medway was one of six ‘trailblazer’ LSIPs launched the following year, and in 2023, the first full LSIP was published<sup>41</sup>. The LSIP provides a “roadmap to support the region in addressing skills needs and shortages”, focused on evidence

<sup>40</sup> KMFP/ Employment Task Force (2021), [Kent and Medway Workforce Skills Evidence Base](#)

<sup>41</sup> Kent Invicta Chamber of Commerce (August 2023), [Kent and Medway Local Skills Improvement Plan](#)

of current and future employer demand. Recognising the complexity of the economy and those areas of relative and emergent strength outlined earlier, it takes a sectoral approach, focusing on the construction, manufacturing, fresh food, health and care and education sectors, with scope for this to be expanded flexibly over time. As well as setting out evidence of need and demand, it identifies actions to improve sector perceptions, support in-work learning, and so on.

- 6.5** It is relatively ‘early days’ for the LSIP process. But combined with the strategic leadership of the Employment Task Force and the expanded employer links of Kent and Medway’s further education colleges, there are positive opportunities to build on the leading role that the county has taken nationally.

**Action Area 5: Embedding the Local Skills Improvement Plan at the heart of a closer relationship between employers, further education and other skills providers to meet current and future skills needs**

We will develop a longer-term process of flexible skills planning, with support from a wide range of partners and with growing reach into the business community. This will lead to better alignment of skills provision with current and future employer demand, reducing skills imbalances and bottlenecks and enabling greater responsiveness to the needs of the economy.

### Skills infrastructure to drive technology transition

- 6.6** Planning for future demand also means investing in the infrastructure needed to provide it, especially in relation to those technologies that demand the use of new equipment and techniques. Further investment is especially important in Kent and Medway, given the need to keep pace with (and maximise the potential of) the county’s rapid population growth.
- 6.7** Over the past decade, we have been successful in securing capital investment in skills development, often by bringing together funds from a wide range of sources where there is a strong business case for investment (for example, in higher education, the compelling case for a new Kent and Medway Medical School was met through a complex and pragmatic mixture of national, local, university and philanthropic sources). Allied with the LSIP process, partners have more recently been successful in securing significant investment in new facilities to meet the skills and training demands of the decarbonisation imperative:

### **Box 6-1: New investment in green skills<sup>42</sup>**

With Government funding alongside the LSIP process, Kent's further education colleges have invested in a series of new facilities designed to address the skills needs associated with the transition to net zero.

The **Green Skills Factory** at MidKent College's Maidstone campus focuses on the construction sector, including a Home Energy Centre to provide practical experience of renewable energy technologies. At Ashford and Canterbury, EKC Group's **Green Engineering Centres** aim to help businesses recruit new staff and retrain existing employees, and also provide facilities for employers to find out how automation, robotics and other sustainable technologies can benefit their business. North Kent College's **Green Horticultural Centre** at Hadlow supports a range of courses focused on decarbonisation in the food and farming sector, helping rural land-based businesses to build their sustainability credentials.

Apart from direct benefits to businesses and learners, these three projects are important to highlight for three reasons. First, they demonstrate the extent of complementarity and joint working across the county's further education sector. Second, they illustrate alignment with Kent and Medway's industrial and sectoral opportunities. Third, they demonstrate the 'cross-industrial' nature of the decarbonisation agenda and its integration with the advance of wider digital technologies. All three dimensions will be important in future investment in the skills estate.

- 6.8** Linked with better evidence of need and a stronger 'coalition' of employers and providers, we will continue to secure long-term capital investment in future skills:

#### **Action Area 6: Investing in Kent and Medway's skills infrastructure to harness the potential of the long-term transformational trends we have identified and support the growth of our sectoral strengths**

We will seek to secure investment in skills capital to respond to the county's growing working population, reflecting its identified sectoral strengths and responding to the transformational trends we have identified. This will lead to increased capacity for high quality skills provision, enabling the delivery of the priorities set out in the LSIP (and leading to reduced skills constraints and higher productivity over time).

<sup>42</sup> Kent Invicta Chamber of Commerce/ LSIP (2023), [Strategic Development Funded facilities](#)

## Supporting young people into sustainable and rewarding work

- 6.9** In the context of a relatively tight labour market and our focus on developing an increasingly employer-responsive system, we aim to ensure that young people across the county, at all levels, are able to access work that is fairly rewarded, sustainable and offers the potential for future progression. Strengthened relationships with employers will make an important contribution to this, through the development of full-time programmes and the promotion of employer and learner demand for Apprenticeships.
- 6.10** In parallel, Kent and Medway’s pool of graduate talent is a significant asset for the county: in 2020/21, there were around 42,000 student enrolments in Kent and Medway at both undergraduate and postgraduate level<sup>43</sup>. Significant efforts to widen participation has been made in recent years (indeed, Kent and Medway Medical School is specifically designed with this as a core objective), and the county is an important recruitment base for our universities and an important employment destination. There is a net outflow of new graduates from Kent and Medway – unsurprisingly, given the proximity of the London jobs market. But there could be benefits to local SMEs from greater engagement with the local graduate pool.

### **Action Area 7: Retaining and developing talent**

We want to develop the pipeline of talent entering the labour market at all levels. We will focus on enabling new entrants, at all levels, to enter work that is productive, sustainable and rewarding, making the most effective use of the combined resources that the public sector has available – for example in using flexible funding to ‘bolt on’ additional provision to existing full-time programmes to help people into work.

Working with the universities and business, we will also seek to develop new approaches to the retention of graduate talent, where there are benefits to local SMEs as well as to new entrants to the workforce.

<sup>43</sup> Estimated number of students in Kent and Medway, after adjusting for estimated numbers at University for the Creative Arts and University of Greenwich campuses located outside the county.

### **Box 6-2: Universities at Medway**

Currently hosting around 7,000 students, the Universities at Medway demonstrate the success of sustained commitment and partnership working over time, in the context of a long-term, transformational regeneration programme.

Established as a collaboration between Canterbury Christ Church, the University of Greenwich and the University of Kent at Chatham Maritime, the campus benefits from hosting some of the universities' leading institutions. Within Kent and Medway's areas of sectoral advantage, these include the University of Greenwich's Natural Resources Institute and Medway Food Innovation Centre; Canterbury Christ Church's Institute of Medical Sciences, and the University of Kent School of Pharmacy – supporting leading research and innovation activity alongside efforts to widen participation and expand the reach of higher education.

## **Progression at work**

- 6.11** Progression in the workplace is associated with higher productivity and higher pay. But there is evidence that employees often become 'stuck' in low-paid jobs for a variety of reasons, including limited opportunities to progress in the workplace, lack of qualifications, and caring and other responsibilities that constrain choices<sup>44</sup>. This has a negative impact on individual outcomes, especially as demand for occupations requiring lower qualifications steadily diminishes over time. But it can also limit the stock of skills available within businesses, reducing their ability to invest in new technology and ways of working and limiting their competitiveness. In a tight labour market (which over the long term is likely to tighten further as the population ages and dependency ratios rise), we also want to unlock the talent that we have available.
- 6.12** The Local Skills Improvement Plan identified employer demand for greater provision of short courses for existing employees: as the process develops, there should be further opportunities for employer leadership. In parallel, there are opportunities to collaborate further to support flexibility and make the most effective use of existing skills budgets:

<sup>44</sup> DWP (July 2021), [Supporting progression out of low pay: A call to action](#)

**Action Area 7: Flexibility to focus on Kent and Medway's shared priorities**

The Employment Task Force has already initiated work to consider how the adult education offer can be most effectively coordinated across Kent and Medway to enable people to enter and progress in work. We recognise the devolved adult skills powers that many parts of the country have: we will continue to develop collaborative solutions to make the system work as effectively as possible and we will seek to influence employers' use of available budgets.

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## 7. Ambition 3: Securing resilient infrastructure for planned, sustainable growth

Our third Ambition focuses on securing the infrastructure that Kent and Medway needs to support long-term sustainable growth. This will include action at national as well as local level, recognising the county's stock of nationally-important infrastructure assets.

### Defining the Ambition

- 7.1** The Economic Framework is not an infrastructure plan. The 13 Local Plans set out the infrastructure requirements linked with planned growth, and there is collaboration at sub-county level to understand the cross-border impacts of development. The emerging Local Transport Plans for Kent and Medway also set strategic transport priorities. However, reliable infrastructure provision is essential to local economic growth, both in opening up new locations for housing and employment, and in making it easier for people and businesses to access jobs and markets.
- 7.2** Consequently, infrastructure quality and supply has been central to previous economic strategies and there has been a strong relationship between infrastructure prioritisation (especially transport infrastructure) and economic development objectives. For example, in Kent and Medway, most of the former Local Growth Fund (a capital fund intended to support regional economic growth plans) was invested in transport schemes.
- 7.3** Looking to 2030 and beyond, four factors underpin the continued importance of further infrastructure investment to Kent and Medway's economic growth potential. These relate to the county's **international gateway** function and the opportunities and challenges that this presents; the extent of **planned growth** and the infrastructure requirements that this will generate to enable additional employment and business expansion; the **resilience** of the infrastructure network; and the importance of the energy and transport mix in achieving **decarbonisation** at scale (and the jobs and business opportunities that will arise from it).
- 7.4** Our long-term ambition is for the county to benefit fully from its international connectivity, with a resilient transport and utilities network that can support economic need. Some elements of this extend beyond the lifetime of the Economic Framework, although funding and policy decisions in the period to 2030 will be important.

### Benefiting from the UK's international gateway

#### Investing in infrastructure...

- 7.5** Kent and Medway's international connectivity is a major driver of employment and economic growth: some 48,000 people work in the county's transport and logistics sector, with

extensive distribution activities along the M2 and M20 corridors, as well as at the ports and Eurotunnel themselves. Ease of access to Europe is also a key element of Kent and Medway's visitor economy. Beyond local benefits, our international infrastructure is a critical national asset, with the Channel ports playing a vital role in ensuring the just in time delivery of goods and components between the UK and continental Europe.

- 7.6** The short crossing between Dover/ Eurotunnel and the Continent mean that Kent will always be the UK's primary roll-on-roll off freight and passenger route. The resilience of the crossing should therefore be a national priority. However, as the analysis in Chapter 2 demonstrates, constrained infrastructure at the Port of Dover, combined with the impact of additional disruption and border checks have meant that the use of 'Operation Brock' to manage travel flows has increased recently – with severe consequences for local residents and businesses.
- 7.7** Improving long-term reliability will demand significant national infrastructure investment, in:
- Adding **additional capacity to hold HGVs waiting to cross the Channel**, to reduce reliance on Operation Brock and the disruption it causes locally. This will need to involve new infrastructure across the South East, as well as in Kent itself.
  - **Making better use of the strategic road network** to spread the burden of traffic heading to and from the Port of Dover and Eurotunnel. Currently, most freight traffic is routed via the M20. But more use could be made of the A2/M2 corridor, linked with the proposed **Lower Thames Crossing** scheme connecting Kent and Essex<sup>45</sup>. This would require major investment in the A2/ M2, as well as the Lower Thames Crossing, but would also help to provide more direct access to the Channel crossings from the East Midlands and the North.
  - Future **railfreight** development.
- 7.8** This will mean proposals at national scale, requiring national investment. We will continue to work with Government to build the economic case for investment, both for businesses and communities in Kent and Medway and for the UK as a whole.
- 7.9** Kent and Medway has also seen significant sunk investment in **international rail infrastructure**, through the stations at Ashford and Ebbsfleet. These are a unique asset to the county – and ought to be increasingly important, given the need to decarbonise international travel and the opportunity to shift passenger numbers from air to rail. They are also important in realising the (nationally-significant) economic potential of Ashford, Ebbsfleet Garden City and the surrounding area. While international stopping services have not been restored to Ashford or Ebbsfleet since the pandemic, they are key to the UK's European rail connectivity.

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<sup>45</sup> The proposed Lower Thames Crossing will connect the A2/M2 in Kent with the A13 and M25 in Essex, providing a new crossing of the Thames east of the existing Dartford Crossing. See National Highways, [Lower Thames Crossing](#).

Ensuring that our connectivity is restored will reinforce Kent and Medway's role as an outward-facing county at the gateway to Europe.

### ... and the opportunities of new technology

- 7.10** Beyond infrastructure investment, Kent and Medway's gateway function presents important opportunities for the deployment of new technology to manage freight and passenger flows and border crossings. The logistics industry is already responsive to the application of advanced digital technology to improve efficiency and reduce carbon emissions; at the same time, the Government's *2025 Border Strategy* commits to innovation in the better use of data at border crossing points and measures to improve resilience<sup>46</sup>. The Channel crossings are important 'testbeds' for innovation, with potentially wider benefits across the regional economy.

#### Action Area 9: Maximising the benefit of international connectivity

We will champion Kent and Medway's international connectivity as a key economic asset for the county – securing investment in the resilience of our ports and their surrounding infrastructure, developing the potential of international rail and making the most of the opportunities for technology and innovation that our international gateway role offers. Central Government is a key partner, especially in taking forward infrastructure investment on the scale required: we will work alongside Government to secure long-term change.

### Securing resilient transport infrastructure to support a dynamic economy

- 7.11** Kent and Medway's rapid population and housing growth also creates significant infrastructure demands. The Kent and Medway *Growth and Infrastructure Framework* prepared in 2018 identified a total infrastructure funding requirement based on planned growth of some £16.7 billion between 2017 and 2031, of which almost £4 billion was 'unfunded' through secured or expected sources<sup>47</sup>. This analysis included a wide definition of infrastructure, including education, health and community services, although around £2.3 billion of the indicative 'gap' related to transport investments - a very substantial gap, despite Kent and Medway's success in recent years in securing capital investment.
- 7.12** Kent County Council, Medway Council and the Kent Districts work together closely in identifying the infrastructure requirements linked with planned growth, making the case for advance investment where this will support speed and certainty and focusing on

<sup>46</sup> HM Government (2020), [2025 UK Border Strategy](#)

<sup>47</sup> Kent County Council (2018), [Growth and Infrastructure Framework: 2018 update](#)

opportunities to improve sustainable access to our key employment locations and our visitor economy assets. Beyond funding solutions, we also have a strong track record of innovation (for example, Fastrack in Gravesham and Dartford): linked with the county's innovation potential outlined in Chapter 5, there will be opportunities to pilot new ideas and technologies where they can support our transport resilience and contribute to our net zero objectives.

### **Action Area 10: Understanding our infrastructure needs and developing new solutions**

We will work collaboratively across Kent and Medway to identify and prioritise infrastructure needs to support our economic potential, make the case for capital investment and identify opportunities for innovative solutions – especially where they can involve our local knowledge and business base. The planning system is crucially important, and we will continue to develop approaches to collaboration at sub-county and Kent and Medway-wide level.

Looking to the longer term, we will also continue to build the case for future strategic investment (for example, in the extension of Crossrail to Ebbsfleet) even where the timescales for this are substantially beyond current funding horizons.

Linked with the ambitions set out in the draft Kent *Local Transport Plan*, we will ensure that rural communities are supported in overcoming the challenges of relative remoteness – through active travel and public transport investment, as well as in the charging infrastructure that future mobility will require.

## **Staying in the forefront of digital innovation**

- 7.13** The past decade has seen remarkable success in delivering greatly enhanced digital connectivity, both as a result of developments in the market and through the rollout of the Kent and Medway Superfast Broadband Programme, which ensured that the great majority of rural communities were able to secure superfast connectivity, even though it was not viable for this to be delivered by the market alone. Meanwhile, as technology has advanced, the county has seen rapid improvements in connectivity: just 10% of premises had gigabit-capable connections in 2020, compared with 67% of premises two years later. This has of course run in parallel with very significant changes in the way in which technology is used, in enabling ubiquitous remote working and access to a much wider range of digital services.
- 7.14** As the digital frontier advances, we want to ensure that Kent and Medway is on the 'front foot' – including in ensuring excellent connectivity for our highly productive rural communities.

### Action Area 11: Ensuring that Kent and Medway's digital infrastructure meets the dynamic evolution of business need and technology development

We will work with local communities and businesses to ensure that Kent and Medway benefits from the delivery of the Government's 'Project Gigabit' initiative to deliver gigabit connectivity to harder-to-reach areas – ensuring that the whole county benefits from the constantly-evolving opportunities presented by digital transformation.

**7.15** Linking back to our innovation ambitions set out in Chapter 5 and the 'transformational theme' of digitalisation, we also recognise the opportunities that better digital infrastructure presents for businesses in Kent – enabling more (and higher value) activities to take place locally and driving the development of new goods and services.

### Developing Kent and Medway's energy potential

**7.16** Kent and Medway has a long history of energy generation, including through the former coal-fired power stations at Kingsnorth and Richborough, the liquefied natural gas terminal at Grain, and the major nuclear power station at Dungeness. The past decade has also seen an expansion of offshore wind (through the London Array, Kentish Flats and Thanet wind farms) and, to a lesser extent, onshore capacity.

**7.17** The drive to decarbonise the energy system is leading to new opportunities for energy innovation, including in micro-generation and the rollout of district heating networks. An extensive study of the energy potential of Kent and Medway and neighbouring counties in the South East set out a wide range of opportunities, leading from energy generation to the distribution infrastructure and scope for greater domestic and commercial energy efficiency<sup>48</sup>: these subsequently informed Kent and Medway's *Energy and Low Emissions Strategy*<sup>49</sup>.

**7.18** Within Kent and Medway, distinctive opportunities include:

- The potential for **next-generation nuclear energy** at Dungeness through potential investment in a Small Modular Reactor
- Development of **hydrogen** production – most immediately with Ryze Hydrogen's new green hydrogen production facility in Herne Bay, and more broadly with the development of the **Thames Estuary hydrogen 'routemap'**, which links together both opportunities for production, storage and use to develop an integrated 'ecosystem'
- Scope for **renewable energy generation**, including the further development of the offshore opportunities cited above, as well as solar generation (Cleve Hill near Faversham)

<sup>48</sup> South East LEP/ Coast to Capital LEP/ EM3 LEP (2018), *Energy South to East*

<sup>49</sup> Kent County Council (2020), [Energy and Low Emissions Strategy](#)

will be the UK's largest solar farm, and is the first to be approved as a Nationally Significant Infrastructure Project).

- 7.19** Some of these opportunities remain in their early stages, and technology is advancing rapidly. Taking advantage of them may require additional investment in grid capacity, as well as work with industry to link demand and supply and to build the associated skills base. But Kent and Medway should be in a strong competitive position to build on its historic energy strengths.

#### **Action Area 12: Supporting Kent and Medway's energy potential**

We will drive forward Kent and Medway's potential in new energy technologies, identifying, promoting and making the case for investment opportunities and linking energy generation with our innovation potential and key growth sectors.

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## 8. Ambition 4: Placing economic opportunity at the centre of community renewal and prosperity

Our fourth Ambition focuses on ensuring that people are able to contribute to Kent and Medway's growth potential and that the benefits of that growth are widely shared, are visible across the county, and contribute to overall quality of life

### Defining the Ambition

- 8.1** There are two dimensions to our fourth Ambition. On the one hand, economic growth is essential if we want to create a more prosperous Kent and Medway, where that prosperity is widely spread. Without the factors described in the first three Ambitions – strong and innovative businesses, workforce skills that meet (and help to drive) economic demand, and infrastructure that allows people to work and do business efficiently – we won't achieve the improvements in living standards (or the net zero targets, which rely on greater productivity and efficiency) that we want to see. However, it is unlikely to be *sufficient*: there are barriers that prevent people from participating as fully as they could in the economy. These are often long-term challenges, but need to be addressed to achieve our objective of a “more productive, inclusive and sustainable” economy.
- 8.2** Bringing these two dimensions together, our Ambition to 2030 is for an economy in which more people are economically active, can achieve higher pay and living standards and enjoy a better quality of life as a result. This has obvious benefits for individuals and households – but it also supports the success of the economy as a whole, as we make better use of talent and spend more locally.

### Increasing participation and enabling access to work

- 8.3** There is a strong correlation between economic inactivity, ill-health and multiple forms of deprivation: those who are of ‘working age’ but who are involuntarily economically inactive are especially disadvantaged.
- 8.4** Over the long term, economic inactivity levels have fallen – and many people are ‘inactive’ for positive reasons (for example, because they are in full-time education, or because they have sufficient income to choose to retire early). But across Kent and Medway, there were around 55,000 people aged 16-64 who were economically inactive in 2021 for reasons of ill-health – many of whom would want to enter the labour force if they were able to do so. Since the pandemic, there has been a rise in economic inactivity, especially among older workers, with evidence suggesting long-term ill-health as a key driver<sup>50</sup>. The result is an economy which is

<sup>50</sup> Resolution Foundation (February 2023), [Post-pandemic participation](#)

relatively 'tight', in which employers often struggle to fill vacancies – but where many people face barriers to participation.

- 8.5** Overcoming these barriers requires joint work across several organisations, including DWP, the voluntary and community sector, skills and training providers and the local authorities, linked with the skills and workforce development activities described in relation to Ambition 2. Building on the increased employer leadership through the Local Skills Improvement Plan process, it also means a strong role for business.

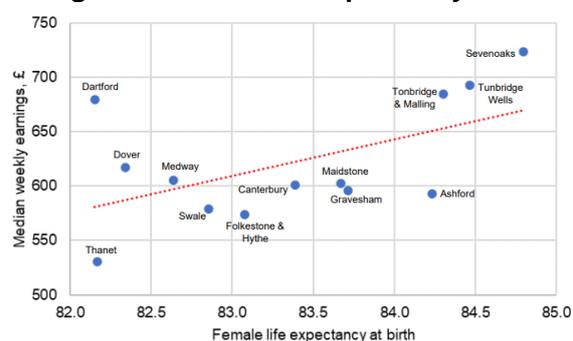
### Action Area 13: Ensuring that everyone who wants a job can find work

We will seek to reduce economic inactivity, working across organisations to ensure that more people can access fair work. This will mean influencing future central Government programmes, as well as working collaboratively across organisations.

## Developing a new partnership for health and the economy

- 8.6** The relationship between health outcomes and economic outcomes is widely recognised. Across the UK, good health deteriorates faster for people living in the most deprived areas, and women in the least deprived areas in England live a further 19.7 years in good health than those in the most deprived areas<sup>51</sup>. This is also visible in the relationship between earnings and life expectancy at district level across Kent and Medway, as illustrated in Figure 8-1.

**Figure 8-1: Median weekly resident earnings and female life expectancy**



Source: ONS, Life expectancy at birth, 2016-18; Annual Survey of Hours and Earnings 2019-21

- 8.7** Related to this is the relationship between health and productivity performance (i.e., the amount of economic output generated per worker in the local economy). Across the UK, there is a correlation at local authority level between lower output and the incidence of mental ill-health, long-term limiting health conditions and musculo-skeletal health problems<sup>52</sup>. Poor health also has a significant impact on workplace output across the board. Research indicates that across the UK, over 70 million

<sup>51</sup> Health Foundation (January 2022). The equivalent male gap is 18.3 years.

<sup>52</sup> Greater Manchester Independent Prosperity Review (2019), *Productivity and Pay Research Summary*

working days are lost each year to mental ill health alone<sup>53</sup>: in Kent and Medway, this is likely to equate to around 1.7 million days lost and potentially £330 million in lost output<sup>54</sup>.

- 8.8** Although the relationship between health and productivity is intuitive, it is complex: health outcomes support economic outcomes, as well as the other way round, and many of the issues underpinning performance are structural and hard to change at local level. But the close association suggests that there is an opportunity for a better-developed ‘shared agenda’ across economic development and health.
- 8.9** This agenda should extend to the resilience of (and opportunities presented by) the health and social care sector, which faces both significant workforce pressures and capacity constraints in the context of Kent and Medway’s population and housing growth, but which is also a driver of innovation and employment opportunity. Securing the right investment in health infrastructure will be critical to the county’s future resilience, while in health and social care, we continue to face a significant challenge in attracting and retaining skilled professionals to the county, especially in parts of eastern and coastal Kent. Major investments, such as in Kent and Medway Medical School are seeking to address this issue by creating new opportunities for workforce development and innovation.

#### **Box 8-1: Kent and Medway Medical School**

Kent and Medway Medical School (KMMS) is a collaboration between the University of Kent and Canterbury Christ Church University, and is the first medical school in the county. The driver for the creation of KMMS was a recognition of the severe shortages that Kent and Medway faces in the recruitment of medical professionals, especially in primary care. The case for KMMS also emphasised the need to widen participation from people who may not otherwise have considered medical careers, as well as the potential for a medical school to contribute to Kent and Medway’s growing strengths in life sciences.

KMMS is a good example of health and economic objectives coming together to benefit the county. Recognising its strategic importance, the capital for the new School was part-funded by the Local Growth Fund, which KMEP partners played a major role in securing. Since it opened in September 2020, KMMS has developed an innovative curriculum supporting its widening participation and primary care objectives, and has seen an exceptionally high level of applications for student places.

- 8.10** There are also **opportunities to support health outcomes through Kent and Medway’s key sector strengths**. These include the connections between health and our capabilities in

<sup>53</sup> Institute of Employment Studies (2018), *Unlocking Employee Productivity: The role of health and wellbeing in manufacturing*

<sup>54</sup> Based on gross value added per filled job

life sciences (which were also a consideration in the development of Kent and Medway Medical School). They also include the contribution that Kent's large food sector can make to the health of the population, linked with opportunities for local procurement and the development of Kent and Medway as a 'sustainable food county'.

#### **Action Area 14: Developing a strategic partnership for health and the economy**

The *Integrated Care Strategy* for Kent and Medway highlights that many of the key determinants of health are outside the control of the health system, and relate to economic and social factors. We will work together with the Integrated Care System to build a stronger focus on health and the economy, recognising the impact on outcomes and supporting the resilience of the health and care sector. This will support action at local authority level, where significant progress is already being made, as well as across Kent and Medway as a whole.

### Linking 'anchors of growth' and community opportunity

- 8.11** The benefits of growth can often feel abstract and diffuse. But in a county with a very extensive programme of major development, it is important that there are direct benefits to local people and businesses as the schemes are implemented, as well as after they are delivered. In Kent and Medway, we have a strong record of ensuring positive social value from our major developments, linked with the workforce objectives that we set out in Chapter 6.

#### **Box 8-2: Social value at Ebbsfleet Garden City**

Ebbsfleet Garden City is one of the UK's largest development projects. Already substantially complete, development will continue for over another decade, creating a sustainable 'healthy town' at the heart of the Thames Estuary.

A Garden City Trust has been established to look after Ebbsfleet's community assets in the future. In the meantime, as part of the Ebbsfleet Development Corporation's commitment to social value, it has adopted a Local Employment Initiative, which seeks to secure at least 25% local labour, run a series of employability programmes to support unemployed people and young people not in education, employment or training into work, and to deliver skills development initiatives. Developers are also asked to support the local supply chain, and performance against the Local Employment Initiative and supply chain objectives is regularly monitored.

**8.12** Major public and private organisations are also important economic anchors, through their role as major employers and purchasers of goods and services. NHS bodies are increasingly encouraged to see themselves as ‘anchor institutions’, and for this to influence their wider planning; likewise, Kent and Medway’s local authorities have an interest in supporting (for example) Apprenticeships and supported employment opportunities within their organisations, and in encouraging local supply chain development. Importantly, this isn’t about ‘local protectionism’: there are many SMEs in Kent and Medway that serve public sector markets in London and beyond, and we are all best served by competitive markets. But ensuring that opportunities are open to smaller local providers can help to improve quality and reliability and anchor services in the community.

**Action Area 15: Building links between anchors of growth, key investments and community opportunity**

We will ensure that wider opportunities for economic development, including at local community level, are embedded within Kent and Medway’s major developments and in the approach of our major employers to supply chain development and employment opportunities.

### Linking economic opportunity and social need

**8.13** As we set out in Chapter 2, spatial inequalities are quite high across Kent and Medway. Some of these are visible between districts: on many indicators, economic performance is generally better in West Kent than it is in East Kent. But some issues are more localised, and are associated with distinct challenges – and even where there are key drivers of economic opportunity nearby, it may not be easy for the local community to access them.

**Action Area 16: Embedding economic opportunity at the centre of local regeneration**

We have a good track record in joining up strategy at local level. Led by District councils and Medway, in partnership with key local employers and service providers, we will focus on building links between the new and emerging economic opportunities coming forward locally and the potential for local regeneration. We will be active in securing investment from Government and other sources – with locally-led approaches supported by partnership working and evidence at county-wide level.

## 9. Ambition 5: Creating diverse, distinctive and vibrant places

Our fifth Ambition focuses on maximising the potential of Kent and Medway's distinctiveness and its unique characteristics – and the specific characteristics and opportunities of towns and communities across the county.

### Defining the Ambition

- 9.1** Kent and Medway has a strong and recognisable identity, underpinned by the 'Garden of England' brand and the county's distinctive coast, landscapes and heritage assets. These are central to our offer to visitors and investors, and are supported by a diverse range of towns and cities, rural communities and countryside.
- 9.2** Looking to 2030, we want to strengthen the *local* and *county-wide* offers, so that they are mutually reinforcing, support Kent and Medway as a visitor destination and a place to live and invest, and help to drive public and private investment. Within our overall Ambition, we focus on the whole ecosystem that supports our network of 'creative and innovative places': the value of nature, heritage, culture, sport and leisure, creativity and hospitality, and the contribution that our combined offer makes to the visitor economy and to local quality of life.

### Championing Kent and Medway's creative economy

- 9.3** There is a strong association between Kent and Medway's 'creative economy', its cultural infrastructure and the county's sense of place and identity. Work for the Creative Industries Policy and Evidence Centre identified a concentration of 'creative micro-clusters' in Kent and Medway: places in which small and micro enterprises and freelancers concentrate, often driven by quality of life, local distinctiveness and proximity to higher education institutions and cultural institutions<sup>55</sup>. These creative clusters – quite widely distributed in Kent and Medway, reflecting the county's polycentricity – are associated with wider benefits: recent research highlights the contribution they make to placemaking, contributing to the stock and quality of cultural institutions and developing the cultural tourism offer, as well as economic growth directly generated by creative sector businesses themselves<sup>56</sup>.

<sup>55</sup> Creative Industries Policy and Evidence Centre, Newcastle University (2020), [Small Engines of Growth: Understanding creative microclusters](#)

<sup>56</sup> South East Creative Economy Network, [Places and People: Supporting and growing creative people and places across the South East](#)

### **Box 9-1: Folkestone Creative Quarter<sup>57</sup>**

Recent years have seen rapid growth in Kent and Medway's creative landscape, supported by local initiatives which have developed steadily over time, and by county-wide and regional networks.

In 2002, Creative Folkestone was launched to breathe new life into Folkestone through arts and creativity, establishing a hub of arts-related activity, including affordable workspaces and studios.

Since then, the programme of creative activity has expanded substantially, to include the Folkestone Triennial, the UK's largest exhibition of art and the public realm, which will return to the town in 2025; Folkestone Artworks; Folkestone Book Festival and the Quarterhouse events venue. Supported with substantial philanthropic investment, the Creative Quarter has acted as a focal point for wider regeneration, with Folkestone and Hythe's current £20 million Levelling Up investment supporting improved connectivity between the town centre, Creative Quarter and the harbour.

Across Kent and Medway, distinct initiatives are underway, reflecting the character and assets of local area and combining cultural programming with opportunities for creative business development: demonstrating the value of a sustained approach over time, and the links between culture, regeneration and the development of the visitor economy.

- 9.4** There is a strong evidence base underpinning support for the creative economy in Kent and Medway, which supports and draws on key initiatives such as Folkestone Creative Quarter, the Creative Estuary project, the development of the Turner Contemporary at Margate and Medway's previous bid for UK City of Culture status – all of which offer wider 'placemaking' benefits beyond the creative industries themselves.

### **Action Area 17: Growing Kent and Medway's dynamic creative and cultural economy**

Building on recent initiatives, including the work of the South East Creative Economy Network, we will seek to develop Kent and Medway's creative economy, both as a key sector in its own right and as a contributor to the county's identity, sense of place and quality life, as well as the distinctiveness of our towns and cities.

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<sup>57</sup> [Creative Folkestone](#)

## A network of creative and innovative places

### Building on local strengths and opportunities

- 9.5** Linked with this, we want to build Kent's network of creative and innovative places. Looking at Kent and Medway as a whole, 'county averages' often obscure specific local assets and clusters of activity. Some of these are well-known and frequently cited: the strength of the local creative economy in Folkestone and Margate, Canterbury's knowledge base, the digital media sector in Tunbridge Wells, Sittingbourne's manufacturing base, and so on. But often, local strengths and connections are less visible in the standard data, and depend on complex networks of firms and institutions. Understanding our 'network of creative and innovative places' will help in our understanding of the economy as a whole – and in making the case for investment at local level.

### Town and city centres at the heart of the local economy...

- 9.6** Within the context of Kent and Medway's network of places, our town and city centres have a fundamental role. Across the UK, town and city centres have been under pressure in recent years, challenged by structural, technology-driven change in the retail sector. These pressures accelerated during the Covid-19 pandemic, reinforced (in those places more reliant on office-based markets) by the increased shift towards home-working.
- 9.7** While these challenges are faced by towns and cities across the country, solutions and opportunities depend on local conditions and are likely to be locally driven, within the context encouraging a more diverse range of town centre uses (cultural, heritage and community facilities, flexible workspace, public services, increased residential and so on) and improving the quality of the town centre environment. The Government has also recognised town centre investment as important: the *Levelling Up White Paper* emphasises 'pride in place' and the effect that vibrant town centres can have on local economies and sense of place. A series of funding programmes have also focused on town centre renewal, linked with local strategies – for example through the Levelling Up Fund in Chatham, Canterbury and Sheerness. Local authorities are also looking hard at their own assets and how these can be used to support town centre renewal. Linked with local strengths, we want our town centres to be focal points for economic, cultural and community life, supporting our growing population.

#### **Action Area 18: Supporting our network of innovative and creative places**

Across the county, we recognise local diversity and distinctiveness. To support it, we will develop local approaches to town centre investment and renewal, exchanging good practice and reducing competition where there is more to be gained by working together, and joining up investment from often complex sources.

## ... with a vibrant and productive rural economy

- 9.8** Our highly productive rural economy has some distinctive assets: in relation to its food sector, these are of national importance, and the innovation associated with them is cited in relation to our earlier Ambitions. Beyond this key sector, rural Kent and Medway is entrepreneurial and with a large stock of small and micro enterprises, many of them operating in ‘higher value’ services. Often overlooked, rural Kent and Medway is an important source of growth. However, there is considerable diversity within the rural economy, with some parts of the county experiencing significant isolation and disadvantage.

### **Action Area 19: Developing Kent’s rural economy**

Recognising these distinctive strengths, we will support the sustainable development of the rural economy, ensuring that there is investment in connectivity, workspace and local services linked with the changing nature of work, the growth and resilience of Kent’s important food and farming sector and its natural assets.

## Valuing our natural and historic assets

- 9.9** The principal focus of this Economic Framework is on those activities which are mostly concerned with material prosperity: work, business growth, innovation, productivity, and so on. But the ‘economy’ is not an isolated concept: it exists within a wider system and, as the decarbonisation imperative highlights, it is subject to ‘system-wide’ transformational trends. In that context, the Kent Nature Partnership, the body principally concerned with the protection and resilience of the natural environment, sees its role as “*managing the natural environment as a system benefiting biodiversity, people and the local economy*”<sup>58</sup>. Sometimes, the goals of environmental protection and economic growth can appear to conflict – and there are trade-offs to be made, often determined through the planning and regulatory system.

### **Action Area 20: Valuing the natural and historic environment**

Kent and Medway’s outstanding coast and landscapes and our internationally-significant heritage assets make an important economic contribution, to tourism, leisure and quality of life as well as through their intrinsic value. We will maintain and enhance their value, recognising the need for economic growth to be sustainable over time and to consider its wider economic impacts.

In valuing the natural environment, we also recognise the links between environmental quality, local food production, active leisure and health – all of which also underpin the objectives set out in Ambition 4.

<sup>58</sup> [Kent Nature Partnership](#)

## A joined-up approach to place marketing

### Developing Kent and Medway's visitor economy...

- 9.10** Our local distinctiveness, creativity and natural environment all contribute to the vibrancy of our visitor economy. Kent and Medway has a large tourism sector, accounting (in 2021) for around 59,000 jobs and £2.6 billion in gross value added (a figure which is likely to have risen substantially in the following year as the economy recovered from the pandemic)<sup>59</sup>.
- 9.11** We are ambitious for the growth of the visitor economy. Over 80% of residents consider that tourism is important for their locality<sup>60</sup>, and there businesses directly engaged in hospitality drive supply chain benefits elsewhere (including in Kent's distinctive food and drink sector). Visit Kent plays a key role in promoting the county and in supporting business development, with much achieved in recent years in enhancing perceptions and supporting the growth of the county as a year-round destination: reflecting this success, Visit Kent was one of the first new Local Visitor Economy Partnerships to be recognise by Visit England.
- 9.12** Looking to the future, there is scope to do more. Recent research has highlighted the range of 'overlooked' or under-appreciated assets that Kent and Medway has, including its diversity, culture and 'work-life balance', many of which are relevant to business visitors and local residents, as well as to the leisure market<sup>61</sup>.

#### Action Area 21: Developing the visitor economy

We will make the most of Kent and Medway's brand, location and quality offer in promoting the county to visitors, complementing our offer to investors. This will include developing an increasingly 'high value' market, through more high-quality hotels and events venues, supporting Kent and Medway's business and leisure offer.

### ... at the heart of a coordinated approach to the county's 'brand'

- 9.13** Promoting Kent and Medway as a visitor destination should also reinforce its attractiveness as a place to live, work and invest as well. Continuing to develop Kent's 'brand', ensuring that there is a coherent, compelling and mutually reinforcing offer, will be important in making sure that we make the most of the opportunities highlighted in this Framework.

<sup>59</sup> Visit Kent, Cambridge Model data

<sup>60</sup> Visit Kent

<sup>61</sup> Visit Kent/ Visit Essex/ East Sussex CC/ SELEP [Toposophy], [Place Recovery Network: Stakeholder consultations, findings and implications](#)

## 10. Collaboration for sustainable growth: Delivering the Framework

This Framework sets out a high-level plan for taking forward our Ambitions over the medium-to-long term, looking forward to 2030. Delivery will depend on a range of funding sources and the coordination over time of a range of projects. This chapter explains our approach to delivery and how we will monitor progress.

### A collaborative approach to delivery

- 10.1** This Economic Framework is ‘owned’ by the Kent and Medway Leaders and by Kent and Medway Economic Partnership, bringing together leaders in business, local government and education. The Leaders and KMEP will maintain oversight progress in relation to all our Objectives and Ambitions.
- 10.2** Aside from formal governance, the way in which we work to progress the Framework is important. This will be underpinned by:
- **Partnership:** Some areas of activity will likely require district leadership, some will probably be driven at county-wide level; all will require business insight; and many will relate to initiatives that emerge nationally. Strong practical local partnerships will be as essential as formal governance in ensuring a focus on those issues that are of distinctive importance to the Kent and Medway economy. KMEP’s Business Advisory Board, the sub-regional partnerships in East Kent, West Kent and Greater North Kent, key partnership bodies such as the Kent and Medway Employment Task Force and sector-based partnerships will all be important.
  - **Initiative:** In some cases, delivery of the Ambitions we have set out will involve central Government investment and may take a long time to come forward, especially where they involve infrastructure delivery. However, much can be achieved through partners working together, often at limited initial cost – and good ideas progressed at pace will often gather momentum and secure resources further down the track. In this context, the Economic Framework should be used flexibly: local initiative will be important, making best use of existing funds and experimenting.
  - **Pragmatism:** Typically, interventions seeking government funding go through a business case process. This needs to be proportionate: across the areas for action, we will start thinking now about the high level case for intervention (“why do we think this will work, and how will we know when it has?”), and we will be robust in that analysis – but delivery at pace will be key.

## Approaches to investment

- 10.3** There is no single, central source of funding to deliver against the Ambitions in this Framework. As the Framework acknowledges at the start, public funding is currently constrained and uncertain, although the Government is committed to the devolution of investment funding and some economic development powers, and this may provide opportunities over the lifetime of the Framework.
- 10.4** However, Kent and Medway has a good track record in making the case for investment from multiple funding sources, supported by the private sector: many of the major projects and achievements cited as examples in this Framework started life as initial ideas, and over time secured a mixture of public and private funds, as the case was made. Rather than a central investment strategy, we will work through our collaborative delivery principles to secure delivery resources.

## Measuring success

- 10.5** Within this decentralised approach to delivery, we will measure progress (via Kent and Medway Leaders and KMEP) through three routes:
- First, linked with the pragmatic approach to business case development highlighted above, we will monitor in ‘narrative’ terms progress against the 20 areas for action we have identified. In some cases, these areas for action lock into existing formal processes and will develop steadily over time; in others, they will need to involve concerted action from partners. We will bring these together into a high-level ‘action plan’, which can be readily kept under review.
  - Second, we will monitor the overall progress of the Kent and Medway economy against a ‘dashboard’ of indicators relevant to our Objectives of creating a more “productive, inclusive and sustainable” economy. These should be seen as contextual, since many of the influences on them will be outside the control of local partners (for example, overall productivity will be influenced by the performance of the national economy), many change slowly over time, and they should often be seen in the context of wider analysis. But they are helpful in giving us an indication of our overall ‘direction of travel’. Key indicators include:

**Table 10-1: Indicative contextual monitoring indicators**

Indicator	Description
Productivity	Gross value added per filled job, absolute and relative to the UK average.
Economic activity	Economic activity rates, by age group
Workforce qualifications	Qualification levels of people aged 16-64
GHG emissions	Total GHG emissions, by source
Firm creation and survival	Business starts and survival rates

- Third, these will be supplemented by performance indicators relevant to key activities as they come forward. These will be developed, within the spirit of a decentralised, 'light touch' monitoring approach.

**10.6** To support KMEP and the Kent Leaders in monitoring progress, the **Kent Economic Development Officers Group** will maintain ongoing oversight of progress and performance against the action areas.

### Keeping the Framework under review

**10.7** Finally, it will be important to keep this Framework under review. The period to 2030 will see at least two national and local election cycles, and we will need to respond to new policies and programmes as well as unforeseen events. Alongside an annual review of progress (informed by the approach outlined above), we will consider whether the areas for action remain the right ones: we will adapt accordingly and will ensure that the Framework remains 'live' and up to date.

## Annex A: Summary SWOT analysis

**A.1** The Evidence Base prepared to inform this Framework contained an analysis of the strengths, weaknesses, opportunities and threats facing Kent and Medway's economy. This formed the basis for the analysis within Chapter 2 of the Framework, and is summarised below:

**Table A-1: Summary SWOT**

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• Sectorally diverse, growing and resilient business base</li> <li>• Some significant innovation and technology strengths (e.g., in relation to health and life sciences and food production)</li> <li>• Some major concentrations of economic activity</li> <li>• Strong record of recent job creation (albeit with scope for more, relative to growth in the working age population) and increased economic activity</li> <li>• Proximity to London and the wider employment and business opportunities of the Greater South East</li> <li>• Significant investment in infrastructure over the past 10-15 years, some of which (e.g., High Speed One) has been transformational</li> <li>• Substantial higher education presence, supported by recent investment</li> <li>• Strong (and improved) record of collaboration between partners in public and private sectors</li> <li>• Quality of the natural and historic environment, supporting an excellent 'quality of life' offer</li> </ul>	<ul style="list-style-type: none"> <li>• Relatively weak workforce skills profile (although this has improved over time)</li> <li>• Weak performance on most standard measures of innovation</li> <li>• Relatively high costs in parts of the county and in some areas of activity (for example, cost of living and the absence of London weighting is sometimes highlighted as a recruitment challenge)</li> <li>• High and localised inequalities and concentrations of disadvantage</li> <li>• Some industrial transition legacies, in parts of North and coastal East Kent</li> <li>• Market changes impacting on the vitality of town centres</li> <li>• Some perceptions of relative peripherality</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• Proximity to continental Europe and potentially good international connectivity, although currently under-utilised</li> <li>• Population growth driving workforce expansion and higher demand</li> <li>• Some distinctive innovation assets with prospects for future development</li> <li>• Transformational developments associated with nationally-significant regeneration objectives</li> <li>• Potential to retain and develop talent, building on the university base</li> </ul>	<ul style="list-style-type: none"> <li>• Infrastructure pressures, exacerbated by Kent and Medway's unique internationally-significant infrastructure</li> <li>• Economic impact of environmental pressures and climate change</li> <li>• Risk of loss of competitiveness in London and Greater South East</li> <li>• Relative Government prioritisation towards the North and Midlands (for regeneration / 'levelling up' funds) and the 'Golden Triangle' for innovation investment</li> <li>• Risk that existing inequalities could be exacerbated.</li> </ul>

Strengths	Weaknesses
<ul style="list-style-type: none"><li>• Improved collaboration and partnership working</li><li>• Opportunities for growth associated with technology adoption and development</li><li>• Opportunities arising from increased flexible working</li></ul>	

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## Annex B: Summary of action areas

### **Ambition 1: Enabling innovative, productive and creative businesses**

1. Develop an enhanced place-based innovation partnership for Kent and Medway
2. Focus support to business on measures that will increase long-term productivity and resilience
3. Leverage Kent and Medway's quality of life, connectivity and other assets in ensuring that it is a welcoming place for visitors and investors
4. Ensure access to the spaces that businesses need to expand

### **Ambition 2: Widening opportunities and unlocking talent**

5. Embed the Local Skills Improvement Plan at the heart of a closer relationship between employers, further education and other skills providers
6. Invest in Kent and Medway's skills infrastructure
7. Retain and develop talent
8. Ensure flexibility to focus on Kent and Medway's shared priorities

### **Ambition 3: Securing resilient infrastructure for planned, sustainable growth**

9. Maximise the benefits of international connectivity
10. Understand our infrastructure needs and develop new solutions
11. Ensure that Kent and Medway's digital infrastructure meets the dynamic evolution of business need and technology development
12. Support Kent and Medway's energy potential

### **Ambition 4: Placing economic opportunity at the centre of community wellbeing and prosperity**

13. Ensure that everyone who wants a job can access work
14. Develop a new strategic partnership for health and the economy
15. Build links between anchors of growth, key investors and local community opportunity
16. Ensure economic opportunity at the centre of local regeneration

### **Ambition 5: Creating diverse, distinctive and vibrant places**

17. Grow Kent and Medway's dynamic cultural and creative economy
  18. Support our network of creative and innovative places
  19. Enhance Kent's rural economy
  20. Develop long-term solutions to invest in Kent and Medway's natural environment and historic assets
  21. Grow the visitor economy
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