

Cabinet

30 April 2024

Joint Kent and Medway Economic Framework

Portfolio Holder: Councillor Lauren Edwards, Portfolio Holder for Economic and Social Regeneration and Inward Investment

Report from: Adam Bryan, Director of Place

Author: Anne Knight, Head of Service Economic Development, Innovation and Town Centres

Summary

This report introduces a new draft Kent and Medway Economic Framework (Appendix 1). The Framework sets out a high-level strategy to guide activity to support the sustainable growth of Kent & Medway's economy through to 2030.

The Framework is a non-statutory document and does not set out any specific future resource commitments for Medway Council. It will, however, help to make the case for future Government funding and powers, in the context of the forthcoming closure of the South East Local Enterprise Partnership. It is a framework within which local government, business, education, and the voluntary sector can work together in support of common objectives. It embraces a co-creation/co-production collaborative partnership working approach consistent with the values and aims of the Council.

A first draft Framework was prepared in September 2023, following earlier consultation on the emerging themes and structure. Further consultation took place in autumn 2023, including with Kent and Medway Economic Partnership and Kent and Medway Leaders. This revised draft takes account of comments received.

1. Recommendations

1.1. The Cabinet is asked to:

1.1.1. Consider and support the Kent and Medway Economic Framework;

1.1.2. Support the Kent and Medway Economic Partnership with the implementation of the Framework;

1.1.3. Delegate authority to the Director of Place, in consultation with the Portfolio Holder for Economic and Social Regeneration and Inward Investment, to take any necessary actions required to support implementation of the Framework.

2. Suggested reasons for decisions

- 2.1. The Kent and Medway Economic Framework is a joint economic strategy that has been developed for Kent and Medway to guide economic development until 2030. It provides long-term strategic direction and economic development objectives for Kent & Medway to support economic growth, productivity, and wider regeneration. It will support the delivery of Medway 2035, the Council Corporate Plan, Medway's Town Centres Strategy, which all embrace and support a co-creation and co-production approach of collaborative partnership working. It has been discussed and supported by local authority leaders across Kent & Medway and is now recommended for formal support by the Cabinet.

3. Budget and policy framework

- 3.1. The decision is within the Council's policy and budget framework including the Council Plan. There is no impact on Medway Council's budget.

4. Background

- 4.1. In August 2020, Kent and Medway Leaders and Kent and Medway Economic Partnership (KMEP) approved an Economic Renewal and Resilience Plan. This was a short-to-medium term strategy which set out a series of actions to support the economy during the recovery from the Covid-19 pandemic.
- 4.2. As the Renewal and Resilience Plan came to the end of its natural life, Leaders agreed in late 2021 to prepare a longer-term Kent and Medway Economic Framework, which would help to guide actions to support the growth and prosperity of the region through to 2030.
- 4.3. The Framework has been developed in the context of:
 - structural changes within the economy, especially the accelerating progress to decarbonisation and digital technology and the prospects that this brings for new forms of economic activity and workforce skill demands;
 - other strategic developments such as the Local Skills Improvement Plan and the range of economic strategies agreed at local authority and sub-county level; and
 - the forthcoming closure of the South East Local Enterprise Partnership, which historically has been used by Government as a vehicle for distributing and managing funding for local economic development and regeneration projects and the transfer of the Local Economic Partnership responsibilities to Medway Council and Kent County Council.
- 4.4. The proposed broad themes, ambitions and areas identified for action were considered by Kent & Medway Council Leaders and by KMEP in March 2023. Subsequently, a draft Framework document was produced in September 2023. Consultation on the draft took place during autumn 2023 with Kent and

Medway local authorities, KMEP members and other key partners. Following this consultation, an updated document has been prepared with revised ambitions and areas for action. The revised Framework document is attached at Appendix 1.

4.5. Five key principles have underpinned the development of the Framework:

- It is a 'high level' strategy aimed at improving the standard of living in Kent and Medway. It sets out an overall 'narrative' for the development of the Kent and Medway economy. It outlines a series of ambitions/themes that are intended to provide areas of focus for shared activity. It does not set out a detailed action plan: instead, the Framework identifies areas for action which partners in Kent and Medway can develop to forward the overall objectives of the Framework.
- Its ambitions and suggested areas for action are evidence-based: it seeks to build on Kent and Medway's strengths and address the county's weaknesses.
- It is a partnership strategy. It is anticipated that it will be 'owned' collectively by Kent and Medway Leaders and endorsed by KMEP with delivery involving a range of other partners connected to KMEP as Kent & Medway's formally recognised Economic Growth Board. It is intended to align with, and add value, to other local plans and strategies. As already described, it has been extensively consulted upon to ensure wide stakeholder support. It aligns with Medway's approach to drive forward co-creation/co-production and collaborative partnership and stakeholder working.
- The document meets new requirements from Government to prepare and implement an Economic Strategy as former Local Economic Partnership responsibilities are transferred to Medway Council and Kent County Council from April 2024. The framework covers recommendations set out in the government's Local Economic Partnership transition guidance.
- It does not come with a central resource. There is no 'Economic Framework budget,' or a direct connection to a specific external funding source or central team but government has indicated that local economic strategies could be used as reference points for any future government funding streams allocated to Kent and Medway for economic development. Having a Framework in place, with partnership support, will be helpful in making the case for additional investment, and in helping partners to work together where there is mutual benefit and support a co-creation/co-production approach.

4.6. Overview of content

- ##### 4.6.1. The Framework contains a summary analysis of Kent and Medway's economic strengths and opportunities, including its strong recent record in job creation and business stock expansion, its diverse and resilient business base, key sectoral strengths, connectivity, and innovation assets. It also highlights some challenges, especially associated with workforce skills, some significant geographical disparities and (in comparison with other parts of the Greater South East) a persistent relative productivity deficit.

4.6.2. Across these opportunities and current opportunities and challenges, it considers the transformational 'structural' trends (especially decarbonisation, increasingly sophisticated digitalisation, and long-term demographic change) that will impact on all aspects of the economy over the coming decade.

4.6.3. Based on this analysis, the draft Framework outlines a high-level objective of achieving a Kent and Medway economy which is more "productive, sustainable and inclusive" by 2030.

4.6.4. To achieve this, the Framework identifies five ambitions to:

- Enable innovative, productive, and creative businesses, through both the expansion of Kent and Medway's capabilities at the 'leading edge' of technology and by increasing opportunities for productivity growth across all sectors through adaption in response to technology and climate change, access to premises and potential for investment.
- Widen opportunities and unlock talent, building on (and extending) a strengthened relationship between employers and education at all levels, supporting progression within the workforce and overcoming barriers to participation in economic activity.
- Secure resilient infrastructure for planned, sustainable growth, supporting joint work across Kent and Medway to maintain a dynamic understanding of the county's infrastructure needs, and making the case for investment in its national connectivity infrastructure and the resilience of local business-critical infrastructure.
- Place economic opportunity at the centre of community renewal and prosperity, recognising the link between employment and business growth and improved health and social outcomes – aiming to improve these through innovation and higher productivity.
- Create distinctive, diverse, and vibrant places, identifying Kent and Medway's diversity, 'polycentricity' and rural environment as a key strength and promoting investment through locally led strategies across the county.

These ambitions are highlighted in the diagram over the page:

Fig. 1: Summary of the draft strategic framework



- 4.6.5. The key elements of the framework will be underpinned by the cross-cutting commitment to decarbonisation and reaching net zero in the county by 2050.
- 4.6.6. The Framework proposes 21 high-level ‘areas for action’ across the five ambitions. These are summarised in Annex 1. While flexible, these provide greater clarity to the focus of the Framework. They focus on areas for action that apply across Kent and Medway, and they are intended to have county-wide significance. The proposed actions do not imply a funding commitment from Medway. With some of the actions Medway Council may wish to have a more prominent role but overall, they will be delivered in partnership and by various partners including other Kent Districts, businesses and higher and further education.
- 4.6.7. The Framework will provide material support for proposals for external funding and for new (delegated) powers where appropriate.
- 4.6.8. It is anticipated that KMEP and its new subgroups will have a significant role in overseeing delivery of the Framework.
- 4.6.9. KMEP formally agreed to align its future work programme with the five Framework ambitions at its meeting on 5 December 2023.

5. Risk management

Risk	Description	Action to avoid or mitigate risk	Risk rating
Cabinet does not endorse KMEF	Medway would then not have a forward Economic Development Framework and if future government funding is available via the Framework would be restricted in accessing this,	Cabinet to support and endorse KMEF	CII

For risk rating, please refer to the following table:

Likelihood	Impact:
A Very likely B Likely C Unlikely D Rare	I Catastrophic II Major III Moderate IV Minor

6. Consultation

- 6.1. The proposed broad themes, ambitions and areas identified for action were considered by Kent & Medway Leaders and by KMEP in March 2023. Subsequently, a draft Framework document was produced in September 2023. Consultation on the draft took place during autumn 2023 with Kent and Medway local authorities, KMEP members and other key partners. Following this consultation, an updated document has been prepared with revised ambitions and areas for action.

7. Climate change implications

- 7.1. The key elements of the framework will be underpinned by the cross-cutting commitment to decarbonisation and reaching net zero in the county by 2050.
- 7.2. The high-level objective of the Framework is to achieve a Kent and Medway economy which is more “productive, sustainable and inclusive” by 2030.

8. Financial implications

- 8.1. There are no direct financial implications for Medway Council arising from the Framework. The development of the Framework was funded by Kent County Council. However, the Framework will shape Medway Council’s future priorities in relation to economic development.

9. Legal implications

- 9.1. The partnership between Kent and Medway will be governed by a legal agreement which will come back to Cabinet for approval once it is finalised.

Lead officer contact

Anne Knight, Head of Economic Development, Innovation and Town Centres,
Tel: 07702 898583 Email: anne.knight@medway.gov.uk

Appendices

Appendix 1 - Kent & Medway Economic Framework

Background papers

None