

Classification: Public

Key Decision: No

Gravesham Borough Council

Report to: Strategic Environment Cabinet Committee

Date: 28 September 2020

Reporting officer: Assistant Director (Communities)
Senior Economic Development Officer (Communities)

Subject: Economic Recovery and Economic Growth Strategy Update

Purpose and summary of report:

This briefing report summarises the steps that are being taken to draw from and link into economic recovery work at a county and regional level, together with an update on progress with the Economic Growth Strategy.

Recommendations:

1. That the Committee comments on the contents of the report and makes suggestions for any adjustments to the themes outlined in the Council's draft economic growth strategy prior to further consultation and approval by the Cabinet Member for Strategic Environment.

1. Introduction

- 1.1 In response to an unprecedented downturn in business activity and local employment opportunities, the Council has continued to be engaged in an emergency response.
- 1.2 The primary economic development focus has been dispensing grant funds to businesses, promoting local and national support available and maintaining contact with key businesses, third sector organisations and other stakeholders.
- 1.3 The focus is now firmly moving to recovery and this report sets out the context in which local threats and opportunities are being considered. Actions which have and are being taken. As well as emerging work-streams, agile to adapt to circumstances and seize new prospects for renewal, as these emerge.

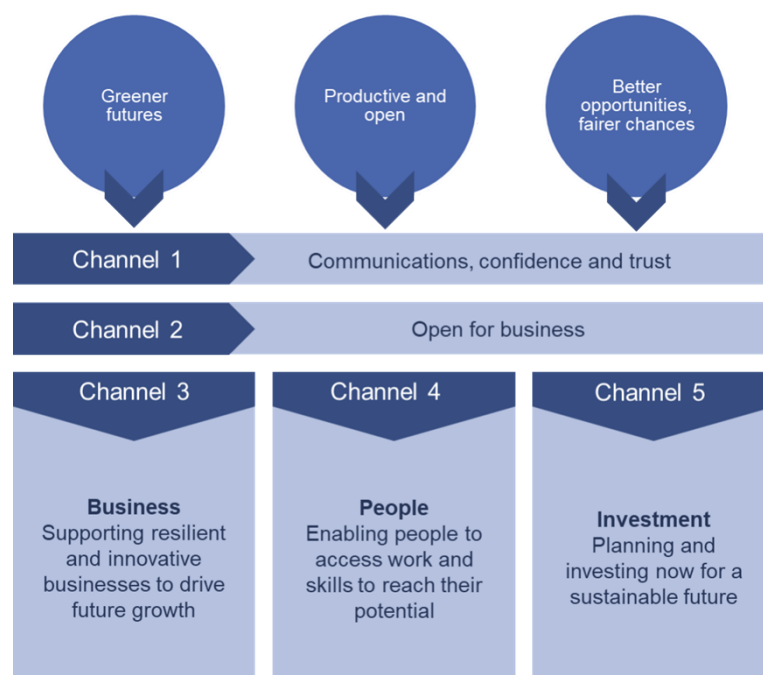
2. Economic Snapshot

- 2.1 The national economic picture is one of significant decline in output, the impact of which will continue to play out in the coming months, as schemes of emergency support are gradually withdrawn by national government. According to research compiled by Kent County Council, the national economy is projected to shrink by an unprecedented 11-14% over the course of 2020, taking into account a rebound following the gradual loosening of 'lockdown' and related measures.

- 2.2 At a local level, the longer-term impact on employment, self-employment and the sustainability of businesses and third sector organisations will become clearer as the national furlough scheme is unwound during the autumn and a new trading environment adapted to, by consumers and businesses.
- 2.3 It should be acknowledged that the social and economic impact will be significant for some residents and businesses. Within the Borough, 14,500 Gravesham employees have been furloughed (30% of the working age population) and there is clearly a risk that some of these roles will be vulnerable to redundancy. Set against this, Gravesham's July unemployment rate of 7.4% had fallen back from a high of 7.6% (June), although this should be reviewed in the context of there being an additional 2,100 individuals registered as unemployed compared with July 2019. Again, there is the prospect that this will rise, depending on the outcome of the furlough scheme and impacts more generally on local businesses.
- 2.4 Universal credit is a payment to help with living costs for those on a low income or who are out of work. The total number of Universal Credit claimants between March and July 2020 has roughly doubled, in common with other areas of Kent, to a provisional figure of in excess of 10,000 households in Gravesham. Claimants will include those eligible self-employed individuals with savings of less than £16,000 (not set aside for specified future tax liabilities).

3. Local Authority Response

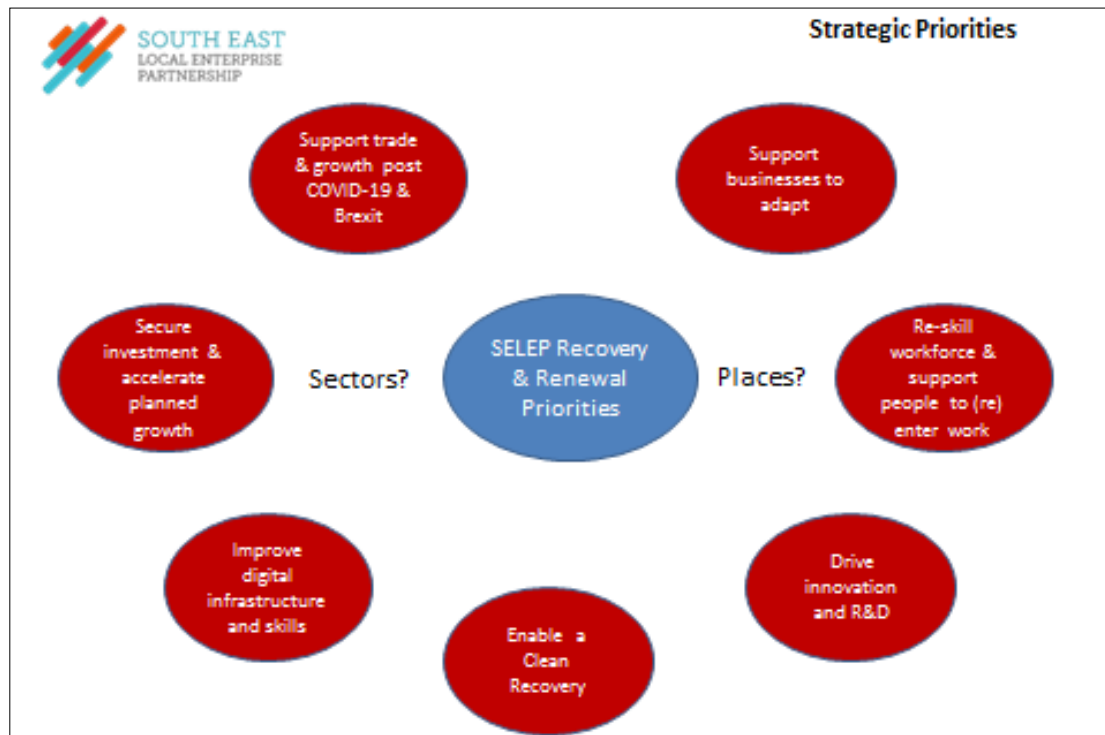
- 3.1 Gravesham's Economic Growth Strategy will guide the ongoing response to local recovery and the opportunities which present themselves, as the economy adjusts and new ventures emerge.
- 3.2 As demonstrated by the council's emergency response, the ability to act with agility and responsiveness will be important. This might involve renewing or building new partnerships and moving quickly to identify common ground.
- 3.3 The Kent and Medway Economic Renewal and Resilience Plan, prepared as part of co-ordinated activity via the Kent Resilience Forum, proposes a framework for how to approach recovery. See following diagram.



- 3.4 The Kent and Medway Renewal and Resilience Plan identifies three key principles against which to deliver. **Greener Futures** (building a more sustainable, lower carbon economy); **Open and Productive** (supporting long term productivity growth in an economy that welcomes investment and trade); and **Better Opportunities, Fairer Chances** (ensuring people are supported through recession and stand to gain more from a resilient economy in the return to growth).
- 3.5 The key principles and five channels identified in the above diagram as a focus for a medium-term recovery plan (18 months), align well with the themes identified in the Gravesham Economic Growth Strategy; not least the clear emphasis on effective, ongoing engagement with businesses.
- 3.6 As the plan develops, opportunities to deliver or add value to local interventions will be explored through the various forums for collaboration between Local Authority and other key stakeholders such as post-16 education providers, South East Local Enterprise Partnership (SELEP) and of course, directly with the business and third sector communities.
- 3.7 The evidence base compiled by the data analytics team at Kent County Council includes a 'Recovery Dashboard' of key indicators and a 'vulnerability index' which seeks to identify areas of weakness. Of the seven key criteria captured by the analysis of local economies, it is noticeable that Gravesham stands out as the only Kent local authority area with a red flag for 'No Qualifications'. This is consistent with the known business profile of the borough, which lags considerably in terms of high value jobs and economic activity.
- 3.8 With regard to business sectors, the headline analysis within the above suggests that beyond sectors such as hospitality, retail and leisure which have been very severely affected across all geographies, Gravesham has a vulnerability associated with 'Transport and storage' and 'Business administration and support services' though it is not clear as to why or to what extent, based purely on data.
- 3.9 Gravesend town centre has not suffered any major retail closures, although there is still uncertainty associated with a number of national brands which have announced national closure programmes and there has for some time been a degree of turnover in the use of smaller retail space. Footfall is currently around 33% down on what the footfall was compared to this time last year (August 2020). This compares with -45% nationally (Source: Springboard).
- 3.10 .
- 3.11 The following sections of this report summarise progress to date with regard to our local response, as well as the emergency measures.

4. South East Local Enterprise Partnership and Thames Estuary Growth Board

- 4.1 The South East Local Enterprise Partnership and Thames Estuary Growth Board are key bodies, that will influence future opportunities locally and in the wider north Kent area.
- 4.2 The following copy of a slide presented to the SELEP Board on the 4th September, is an initial summary of their refocussed strategic priorities, to be developed in conjunction with more local partnerships, including Kent and Medway Economic Partnership (KMEP) here in Kent. The reference to Recovery and Renewal echoes the above Plan compiled by Kent County Council's economic development team.



- 4.3 Rather than waiting for new priorities to be agreed with multiple stakeholders, it is suggested that the council's approach is to identify existing activity being undertaken by SELEP and to seek partnership where this adds value to local priorities. Through building on relationships in this way, the council should be best placed to shape future priorities for SELEP and ultimately access financial or other assistance. It is likely that central government initiatives relating to economic recovery will be routed through SELEP, in consultation with KMEP.
- 4.4 For example, £37 million of Getting Britain Building funding has already been allocated to strategic economic development projects in Kent through a prioritisation process administered through KMEP and SELEP, in turn. Gravesham may benefit from a £2.2 million fund to extend superfast broadband to 1,200 homes and businesses in Kent, with poor or no broadband connectivity
- 4.5 North Kent College is due to receive £12.6million for a new state-of-the-art Performing and Production Digital Arts facility within their Dartford campus. With planning permission in place, this is intended to be a key asset supporting the Thames Gateway Production Arts Corridor.
- 4.6 The Council's own bid to support the development of a Creative Hub within St George's Phase II received support through two funding rounds but was not successful. With schemes needing to be 'shovel-ready' and complete within 18 months, those capital bids with planning permission in place were prioritised.
- 4.7 The Thames Estuary Growth Board comprises 20 members, drawn from private and public sectors, including Local Authorities and led by Estuary Envoy Kate Willard. The Board has been established following the Thames Estuary 2050 Growth Commission report in March 2019 which set out ambitions for 1.3 million new jobs and a £190 billion boost to the local economy.
- 4.8 A new action plan, *The Green Blue* (which signifies good, *green* growth using the important, *blue* waterway of the Thames) was launched on the 21 July by the

Thames Estuary Growth Board. A 3-minute launch video can be viewed at www.thamesestuary.org.uk.

- 4.9 Key targets are increasing freight & passenger transport by 25% and 50% over a 5 year period. The document sets out plans for the next two years and looks ahead over the next ten, with 30 projects in development across sectors including transport, infrastructure, leisure and culture. A bid has also been formulated, to establish a Freeport which would provide different customs rules to other UK ports; as well as planning reforms, funding for infrastructure improvements and innovation incentives.
- 4.10 The headline aspirations for jobs and housing delivery associated with the Thames Gateway regeneration area are obviously long held and well-established. It is interesting to note, however, that the new Board includes a new mix of stakeholders with wide experience and a figurehead with an impressive background in partnership working, gained in senior commercial roles.

5. Business Grant Scheme Closure

- 5.1 In response to notification from Government that all grant funds must be committed by the 28th August, there was renewed activity in order to ensure that the maximum number of local organisations benefited from financial assistance.
- 5.2 There was a two-pronged approach. Analysis of records for rate payers who had not claimed, took place in order to build up target lists of potential recipients to proactively contact (subject to cross-checking of payments already made and other assurance checks).
- 5.3 Secondly, with regard to discretionary grants, a total of 75 grant awards were completed prior to the scheme end date. The outturn position was expenditure of £674,000 or just over 94% of the total funds available for discretionary grants (£716,000).
- 5.4 The final figures for the original Small Business and Retail, Hospitality and Leisure grants, were a total of £14.6m paid out (99% of identified businesses) to 1,191 businesses. The Council had received a grand total across all schemes worth £16.2m, of which £900,000 will be returned.
- 5.5 All unsuccessful applicants have also been informed, provided with a reason for their refusal and offered alternative sources of financial and other support including through participation in Gravesham Business Network. To date, only 4 rejected applicants have responded to query the decision.

6. Economic Growth Strategy Progress

- 6.1 The summary economic growth strategy is appended with this report, as a reminder of the key proposed objectives. A number of work streams are already underway, since there has been an imperative to act in the face of the unfolding economic circumstances.
- 6.2 Place Branding:
 - A brief for this important work-stream has been prepared and will seek to engage a range of stakeholders from across the business and civic community, to identify key local assets and locational opportunities, through

which to focus collective efforts for promoting the Borough as a place to live, work and visit.

6.3 Employment Land and Premises:

- St George's Phase II. Following a recent full planning approval for The Charter residential scheme, initial proposals for the next stage of town centre regeneration have recently been revealed. These include a 94,000 Sq Ft office building which will incorporate a new Civic Centre and public service hub, 500-seat theatre/cinema space, 88-bed hotel and a further 155 residential units.
- Coldharbour Road ('Trade City'). In addition to a Lidl supermarket, from the spring of 2021, this approved scheme will provide 6 no. new industrial, warehouse and trade counter units.
- Northfleet Embankment East. Within the Enterprise Zone, which offers incentives to attract businesses to this designated locality, proposals for a scheme of business units are being prepared as part of a 'joint venture' between Ebbsfleet Development Corporation and the council. This will be the first such accommodation of this type to be developed in Northfleet for a number of years and is regarded as a key strategic development that will contribute to ensuring a new supply of modern business space.

6.4 Transport and Digital Infrastructure to enhance connectivity:

- Business planning is progressing in respect of provision of fast river commuter services to and from London as part of a Thames Gateway-wide extension to services.
- Digital Hub. An outline proposal has been prepared, for a new type of facility which could combine flexible business workspace with access to a datacentre and high speed internet connectivity, which together could help to develop local talent and attract digital businesses to enable Gravesham to drive forward its digital economy. With local challenges (and opportunities) associated with transport connectivity, carbon neutral transition, health, social care and construction innovation; such a hub could provide a test bed for developing new digital innovations to address these.

6.5 Supporting Enterprise to encourage Business Growth:

- Grant schemes have offered direct assistance to businesses and ongoing engagement continues to take place through occasional business visits and regular news bulletins to Gravesham Business Network members. It was noted that the national 'digital-first' retailer, AO.com has opened a local depot.
- The ERDF funded Interreg project, GoTrade, includes a significant budget for business support activity, targeted at young entrepreneurs for whom market trading might be a low cost business start-up opportunity. A programme of activity is being drawn up.
- Conversations have been held with a river freight business, an equestrian centre with an interest in the forthcoming ERDF Interreg Experience project led by the Tourism & Town Twinning Manager team, a new real estate specialist and two businesses considering new locations within the Borough. A food and drink business affected by proposed tax changes has also been

matched with an internet radio station dedicated to providing a platform for small businesses.

6.6 Skills and Employability:

- The Government has launched a Plan for Jobs, which includes a series of financial measures to support employment. Details of a new £2 billion Kickstart scheme were announced at the beginning of September, which will provide fully-funded six month placements for those aged 16-24, claiming Universal Credit and at risk of long-term unemployment.
- Employers must offer a minimum of 30 placements in order to qualify for the scheme. As one of the larger employers in the Borough, the council is considering options for creating placements as an extension of existing efforts to create new career pathways for young people, through Apprenticeships and other potential routes such as Traineeships.
- In order to extend access to the scheme locally, it is proposed that the council considers offering individual or smaller numbers of placements to local businesses, in such a way that a minimum of 30 placements are made available to young people in the Borough. Employers would take responsibility for fulfilling the placements, with the Council acting as a conduit to co-ordinate sufficient demand across the area.
- The relationship with the council's existing Apprenticeship programme and the availability of placements for existing apprentices, will also be considered in an environment where some employers have withdrawn training placements.
- SELEP has announced a £2 million Skills COVID-19 Recovery Fund which is an 'employer-led' programme intended to trial new ways of skilling/re-skilling people of all ages. North Kent College locally are considering the potential for a partnership bid later in 2020 (where written support from the council would be helpful), in response to the draft themes that the Fund is likely to promote in relation to digital skills, industry growth sectors and innovative delivery.
- The potential to work in partnership more with North Kent College and other skills providers is taking place across a number of themes, including a potential Skills Academy and Institute of Technology which is focussed around industry relevant teaching and equipment.
- A collaborative skills and economic development forum has been established, in response to the Lower Thames Crossing proposals and is generally regarded as an exploratory model for how local communities can maximise the jobs and supply chain opportunities associated with a series of major projects, committed or planned for north Kent and the wider Thames Estuary area.

6.7 Rural Economy

- Proposals for a small number of rural employment sites have been received through representations made on behalf of the business community, partly in response to the Local Plan process. There are some encouraging signs that workspace for a range of micro and small businesses, in particular, are attracting interest in both rural and urban locations around the Borough.
- As mentioned in paragraph 4.4 above, a newly-funded broadband scheme for homes and businesses with no or poor broadband connectivity, will be

researched by officers to understand what impact this could have within rural areas of Gravesham.

6.8 Climate Change and Sustainable Economic Development

- The Council's climate change action plan is regularly updated to reflect progress with activity. How to engage local businesses in achieving the Borough's climate change goals is an area that requires outlining in greater detail and an aspect that we can work with businesses to determine how best that can be done.
- Opportunities relating to funding to help businesses to adapt to reduce their carbon footprint and take advantage of new business models, are promoted to local networks and it is anticipated that this theme will be boosted as part of wider economic recovery work set out above.

7. Business Communication

- 7.1 A virtual Gravesham Business Network is being planned for later in the autumn and is envisaged to include consultation on the council's Economic Growth Strategy. Creative input has been invited from members, which include an additional 100 members who have joined over the past 6 months. Gravesham for Business on Twitter has gained new followers, with just short of 200 in total.
- 7.2 To support future engagement and the development of new audiences, a corporate subscription to Survey Monkey software will enable online surveys of opinion and general sentiment to be undertaken on a range of subjects, to support a policy of frequent, open dialogue with businesses and third sector organisations.

8. Kent and Medway Growth Hub 'Recovery Helpline'

- 8.1 The Council has provided financial support, in partnership with the other Kent Local Authorities, to a dedicated telephone helpline service, now known as a 'Recovery Helpline' service.
- 8.2 In addition to the Growth Hub, through social and other channels, the team is in regular contact with business support organisations such as FSB Kent, LOCASE, South East Business Boost and Enterprise Nation.
- 8.3 Weekly activity reports continue to be received. Gravesham businesses are less likely than average to take up support but there were still more than 100 calls to the support line reported in the most recent period.

9. BACKGROUND PAPERS

- 9.1 Anyone wishing to inspect background papers should, in the first place, be directed to Committee and Electoral Services who will make the necessary arrangements.

| IMPLICATIONS | APPENDIX 1 |
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| Legal | No implications identified. |
| Finance and Value for Money | <p>A total of £16.2m has been dispensed through grants to more than 1200 local businesses. The administration of this very substantial grant programme was organised by a cross-departmental officer group which developed a digital form (for eligibility checking), supporting promotional campaign and new internal systems for rapidly assessing and paying grants.</p> <p>This was a significant project which required resources to be drawn from across the organisation.</p> |
| Risk Assessment | No implication. |
| Data Protection Impact Assessment | <p><i>A data protection impact assessment (DPIA) should be carried out at the start of any major project involving the use of personal data or if you are making a significant change to an existing process.</i></p> <p>a. Does the project/change being recommended through this paper involve the processing of personal data or special category data or criminal offence data? A definition of each type of data can be found on the Information Commissioner’s Office website via the above links.</p> <p>b. If yes to question a, have you completed and attached a DPIA including Data Protection Officer advice?</p> <p>c. If no to question b, please seek advice from your nominated DPIA assessor or the Information Governance Team at gdpr@medway.gov.uk. N/A</p> |
| Equality Impact Assessment | <p>a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community? If yes, please explain answer. No.</p> <p>b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality? If yes, please explain answer. Not applicable. Report is for information only.</p> <p><i>In submitting this report, the Chief Officer doing so is confirming that they have given due regard to the equality impacts of the decision being considered, as noted in the table above</i></p> |
| Corporate Plan | <p>#2 Place. Provision of direct financial assistance to businesses as part of a local response to COVID-19 has had an immediate impact upon the survival rate of businesses operating within the Borough and indirectly will have contributed to sustaining the incomes of local people. While in the short term, the ability to remain trading has been the primary concern of many enterprises, by acting quickly to dispense the overwhelming majority of funds, the focus has been on supporting the vitality of local organisations.</p> <p>Developing a digital platform for sources of business and third sector support, as</p> |

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| | well as a responsive communications approach has sought to engage the issues relevant to local businesses, including the availability of a skilled workforce as the community refocuses more towards recovery. |
| Climate Change | Engagement with businesses and infrastructure in support of economic growth will have an impact on achievement of the goals set out in the Council's climate change action plan. |
| Crime and Disorder | No implication. |
| Digital and website implications | Developing a whole new suite of inter-linked web pages has required a dedicated staff resource throughout the period, to adapt content in response to a regular flow of new and varied schemes launched by Government. This has incorporated additional functionality including web forms, promotional banners and an altered structure for the web site as a whole, which has reflected a cross-departmental response in creating a COVID-19 Business and Community Support Zone. |
| Safeguarding children and vulnerable adults | No implication. |