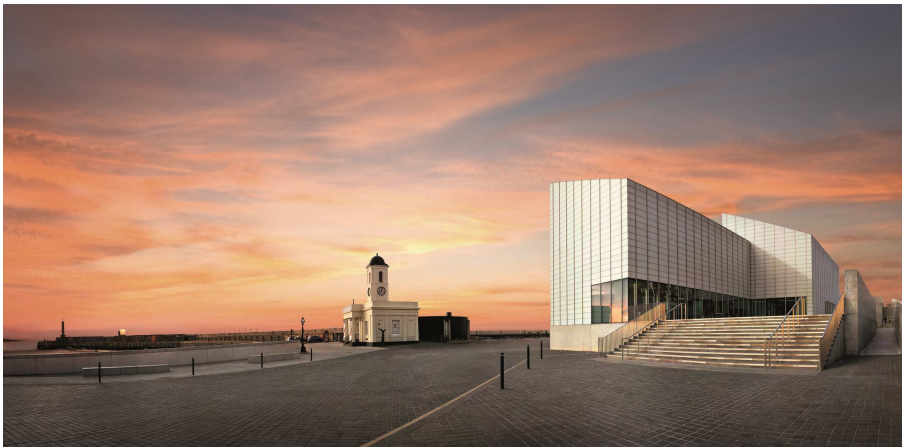


Economic Growth Strategy for Thanet

November 2016



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Executive Summary

Thanet has a distinctive local economy with substantial opportunities for sustainable and high quality economic growth. Particularly with HS1 in place, Thanet now has significant locational advantages deriving from its proximity to both London and continental Europe. It has outstanding cultural assets, epitomised particularly through the Turner Contemporary. It has a very high quality natural environment, especially its coastline.

Looking ahead, there is real potential linked to the port and historic marina at Ramsgate and emerging opportunities in the fields of advanced manufacturing, agri-tech and the creative sector. While there are some challenges – relating particularly to the creation of jobs locally and workforce skills – the opportunities are real ones, particularly in the wider context of significant planned housing and population growth.

The Economic Growth Strategy sets out a **Vision** that Thanet should be a great place to live, work and invest; and that it should grow quickly in economic terms. Underpinning the Vision are two main strands:

- **foundational priorities** that are incremental in character and a prerequisite for sustained economic growth District-wide
- **transformational initiatives** that come with greater risks and uncertainties, but which provide the scope to effect long term change.

The Economic Growth Strategy is summarised in full below.

Economic Vision for Thanet

Thanet is a great place to live, work and invest, rivalling its counterparts across the UK.
Its economy will grow quickly in both relative and absolute terms

Transformational Initiatives

- 1: Developing the Port at Ramsgate
- 2: Investing in high value manufacturing and engineering across Thanet and East Kent
- 3: Positioning Thanet as a global agritech hub
- 4: Promoting Thanet's broader cultural/leisure offer
- 5: Cultivating the creative industries across Thanet
- 6: Designing enterprise into communities
- 7: Long term feasibility modelling for Margate and Ramsgate

Foundational Priorities

- 1: Working with businesses, schools and FE/HE providers to improve workforce skills
- 2: Developing and implementing measures to support new and small businesses in the District, particularly the provision of managed workspace and focused business support
- 3: Ensuring major employment sites in Thanet are managed and promoted effectively
- 4: Working with local partners to ensure that the visitor economy continues to evolve, reflecting fast-changing patterns of demand

In order to deliver the Economic Growth Strategy, Thanet District Council will work closely with key partners and stakeholders, both within the district and more broadly; and crucially including the business community. An “Oversight Board” will be set up to steer progress, and Delivery Groups will advance specific themes, by developing clear action plans.

Progress will be monitored across headline Key Performance Indicators, which are long term in nature but crucial in charting the district’s progress. More immediately, a series of milestones have been defined to help shape the first full year of implementation.

Thanet's economy today

Located in the greater south east, and benefitting from improved connectivity (particularly through HS1), Thanet is within easy reach of London and continental Europe. It has outstanding environmental assets, including seven “Blue Flag” beaches and the longest stretch of coastal chalk nationally. It has unique cultural resources, notably Turner Contemporary, with its iconic seafront building and the Dickensian connections of Broadstairs. It is also home to leading edge and globally competitive businesses, operating successfully in sectors ranging from horticulture to advanced engineering (including Cummins, Fuji, Thanet Earth etc.).

Thanet provides a highly competitive and affordable location for businesses seeking to secure premises and recruit staff, compared to elsewhere in the greater south east. It is also well located for individuals who need to be within a reasonable distance of London and/or who want to be near the coast with the opportunity to enjoy an outstanding quality of life.

It is because of these assets and locational advantages that the recent economic performance of the District has been good. Data from ONS show that:

- the total number of enterprises in the District increased by over 400 between 2014 and 2015
- in the year to March 2016, the number of Thanet residents in employment was 5,000 higher than it had been two years previously
- between 2010 and 2015, the resident population increased by over 6,000
- over the last 9 years, annual housing completions have averaged 512 dwellings per annum, exceeding the planned rate; and since the recession, these have shown a steady improvement
- for full time employee jobs, median workplace earnings increased between 2014 and 2015
- the number of benefit claimants (Jobseekers Allowance claimant rates) declined by over 2,700 between February 2012 and February 2016.

These – and other – data point to a local economy which is “*on the up*”: businesses are choosing to invest in Thanet, and people are choosing to live and work there.

There continues to be many challenges. The skills profile could be strengthened; too many jobs are “low wage” and part time in character; and the number of jobs within the District needs to grow. There is also a need to diversify the business base so it is less reliant on ‘public sector’ type roles (36% in health, education and public administration).

However, Thanet is full of ambition and confidence. A great deal has been achieved over recent years and much more can be accomplished through the delivery of a forward looking and focused Economic Growth Strategy.

Digging deeper: opportunities and challenges in relation to economic growth

Within Thanet ...

Thanet is nationally renowned for the strength and diversity of its **tourism, culture and leisure** sectors which includes a wealth of heritage assets and distinctive architecture across the District. High value elements such as *Turner Contemporary* in Margate have become cultural destinations in their own right. Thanet's landscape assets are outstanding, although as elsewhere, traditional seaside tourism faces some challenges linked to low pay and seasonality. There is an on-going need to improve the offer and respond to changing demands. The tourism, culture and leisure sector is adapting quickly, having an impact on broadening the profile of visitors to the area.

As the largest towns in the district, **Margate and Ramsgate** need to function as confident urban hubs and focal points for economic life in both town centres and the quality of their wider built environments. There is a need to redefine their relationship to **Westwood Cross Shopping Centre** and its hinterland, which is located in a more central location within the District. It is separate from both towns, yet provides the principal retail focus (for both traditional "high street" and out of town shopping) for the whole district. Broadstairs builds on the strength of independent businesses, its food and beverage offering and connections with Schools for English.

For Ramsgate, part of the solution is linked to further development at the **Port and Marina**. Currently, this is an operation with both leisure-related and commercial uses (including servicing facilities for a number of off-shore windfarms). The Port also boasts the largest fishing fleet along the south east coast. In recent years market conditions have been changing rapidly, with the imposition of fuel tariffs / higher fuel costs for vessels coming up the Thames Estuary and the importance of shorter routes to the continent. The District Council owns the site and – with investment in further quays, ro-ro berths, enhanced servicing facilities, pontoons and a major "off-site hub" facility – the scale of port operations could be increased substantially. Investment will encourage more businesses to be attracted to the area (such as renewable energy companies and niche ferry operations), bringing economic benefits to the District and an important source of long term revenue to the Council.

Key infrastructure investment in the District will open up major opportunities. The proposed **Thanet Parkway railway station** will deliver future economic benefits and is an important investment priority for the District Council and its partners to progress. With connections to HS1, the new station will reduce the travel time from Thanet to central London to less than one hour. This will encourage more London-based workers to settle in the area, as well as providing quicker business links between Thanet and the capital.

The development of the **"Inner Circuit" transport proposals** will also be another critical investment decision, enabling the better linking / opening up of key sites and other assets in the area and a significant reduction in journey times and traffic congestion. The ability to better link for example the Parkway station with the Discovery Park Enterprise Zone would be a major advantage to a range of businesses.

Inland, the **Manston Airport site** is a serious potential opportunity for Thanet's economy going forward. As part of the Local Plan process Thanet District Council will be required to make a decision in relation to the future use of the site for the future direction of economic growth District-wide. The Local Plan will be informed by reports commissioned to provide specialist advice to the Council in relation to the feasibility of the future for an airport on the site.

Currently, major employment sites in the District include **Manston Business Park** and **Eurokent Business Park**. These can provide a good supply of employment land for future development. The recent construction of smaller units on Manston Business Park over the last two years have let well and demonstrate the level of demand for such accommodation, rather than for development land. Developing these sites and growing the economic base also benefits the local area through the payment of business rates, which potentially can be reinvested in local services.

Nearby, **Discovery Park** (which houses 130 businesses and over 2,500 jobs) is a major employment destination for both Thanet residents and others in the wider area. This is presenting opportunities for Thanet as there are supply gaps (particularly for manufacturing-related users that are seeking space) that Discovery Park cannot accommodate.

Across the District, there are some major private sector employers. These include major **advanced manufacturing and engineering** businesses. Securing the future of this sector, particularly within Thanet (for example through the development of an Advanced Manufacturing Park on the Manston Business Park) but also across the wider area, needs to be a priority. Such a development will require a consideration of essential up front infrastructure, links to higher education and further education (R&D, commercialisation of ideas), the development of supply chains, and the joint networking of opportunities between Thanet sites and Discovery Park.

In addition, the last few years have seen the rapid growth of a major **horticultural firm (Thanet Earth)** which is benefitting from Thanet's natural environment (in particular, its natural light conditions) and using approaches developed in the Netherlands as the basis for highly intensive and energy/resource efficient production. This company is genuinely "leading edge". Its success, together with the wider, longstanding agricultural base across the district, points to the wider possibilities of **agritech** applications, particularly in the context of Thanet's environmental assets and other significant resources across Kent more widely.

In this context – and more generally – the work of **East Kent College and Canterbury Christ Church University** (both with campuses at Broadstairs) needs to be supported. As noted above, investment in the **skills base** needs to continue. Existing further and higher education providers must be part of the response, alongside local schools and local employers. The current proposal by the University for an **engineering, design, growth and enterprise (EDGE) hub** is welcomed in this context, as a real opportunity for the area. EDGE will be based in Canterbury, and there is significant scope for an engineering focus at the local campus in Thanet.

These processes of economic change highlight some real opportunities for the Thanet economy. Further, they need to be seen in the context of **significant housing growth** which is being formalised through the new Local Plan. Provision will be sought, for an additional 17,140 dwellings – which could translate into population growth of over 30,000 people (noting that the current population is in the order of 140,000). This growth will bring further business opportunities, such as the development of pre-constructed, offsite, modular construction facilities, in order to accommodate the pace of housing delivery.

This target is an increase over previous levels of housing delivery and will therefore contribute to the extra jobs which will be required in the construction industry. It will also require further focus on education to ensure residents are appropriately skilled and there are enough people in the workforce to cover this increased level of development activity. **It will be very important that Thanet's economic ambition is aligned with housing growth on this scale**, so that local people can find good jobs locally. To this end **businesses will be fully supported in seeking both to invest and grow locally**.

Thanet also has opportunities to think more creatively about realising commercial value from the assets owned by the public sector, particularly through public private partnerships or innovative disposal models.

Looking outwards...

What has become clear from consultations with local businesses and stakeholders is that the possibilities which frame this Economic Growth Strategy should not be defined solely within the District.

Key assets and potentials are certainly defined within Thanet. However the District also benefits from its proximity to other places and processes. Of particular significance are:

- the **knowledge economy hub** which is developing in and around Canterbury and Sittingbourne, linked to Kent Science Park, the University of Kent and Canterbury Christ Church University
- the outstanding success of **Discovery Park** and the opportunities to complement this provision within Thanet (focusing particularly on uses linked to advanced manufacturing)
- the **long term possibilities linked to HS1**, particularly at Ashford
- the opportunities signalled by the remit of the **Thames Estuary Growth Commission**, noting that Thanet has been defined within its geography
- the opportunities/imperatives presented by Brexit, given Thanet's roles and functions, including its strategic location relative to the EU (and internationally), particularly as a gateway port and a centre for renewables and green technologies

Summary SWOT for the economy of Thanet

Drawing these strands together, a summary SWOT analysis has been compiled in order to summarise the key opportunities and challenges facing the District, and this is provided below to help the Economic Growth Strategy.

Strengths and opportunities:

- Significant recent investment in connectivity, both rail and broadband, which has positioned Thanet as a strong business location with good access to London and to the rest of Europe
- Opportunities to develop an Advanced Manufacturing Park, working collaboratively with local education providers and employers and taking advantage of the districts location to Discovery Park
- The confidence gained from recent increases in the number of enterprises in the District and the number of residents in employment
- A growing and successful cultural offer and presence linked to Turner Contemporary and other local galleries/outlets, and opportunities to build on this
- A relatively competitive location (in terms of land and labour costs) in the greater south east, which can act as an incentive to both business investment and residents
- A port that can, potentially, grow significantly further in terms of commercial throughput, offshore energy facilities, the development of an “off-site commercial hub” and leisure uses
- High quality environmental assets – with an outstanding coastline and natural light conditions that are a significant asset, and wider possibilities for agritech applications in this context
- A commitment to investment in STEM sectors within the District, from Canterbury Christ Church University and East Kent College, including the potential to develop the “green-tech” sector
- Growing business representation in the creative sector over recent years, and associated skills development through FE and HE institutions
- Substantial planned housing growth – and associated population growth, creating inherent economic potential
- Possibilities linked particularly to the work of the Thames Estuary Growth Commission
- A progressive and committed District Council, delivering award winning services for its residents and businesses

Weaknesses and threats:

- A need for further investment in workforce skills
- Viability and developer challenges in the successful delivery of new development or relocation of existing businesses on major employment sites
- A tourism sector which is important to the area, and where growth in private investment in recent years needs to be supported and developed further. Hotels are at capacity at peak times and a lack of high quality accommodation
- Towns in need of a more clearly defined economic purpose; within specific areas / zones
- Increased competition and market challenges are impacting upon town centres – which in the context of fast-changing public expectations requires a renewed focus
- Ongoing uncertainty surrounding the future of the former Manston Airport site
- Uncertainties linked to the process of Brexit
- Despite growing confidence within the area, there are still some external perception issues to be addressed
- A Local Enterprise Partnership that is becoming more complex and competitive and where Thanet needs to promote its priorities and justify its “asks”

Driving Change ...

A new Economic Growth Strategy for Thanet

Thanet has had economic/regeneration strategies in the past. However circumstances continually change, particularly from an economic, financial, political and strategic perspective.

There is a need for innovative thinking with regard to Thanet's economic growth potential, as well as ensuring that such a strategy is capable of being delivered given the tools and resources available.

This Economic Growth Strategy therefore has two main strands:

- **foundational priorities** that are incremental in character and a prerequisite for sustained economic growth District-wide
- **transformational initiatives** that come with greater risks and uncertainties, but which provide the scope to effect long term change.

These foundational priorities and the longer term transformational initiatives will be advanced in parallel, with a view to realising the same vision for Thanet, namely that:

Thanet is a great place to live, work and invest, rivalling its counterparts across the UK. Its economy will grow quickly in both relative and absolute terms.

Foundational Priorities

The focus is on **four Foundational Priorities**:

1: Working with businesses, schools and FE/HE providers to improve workforce skills

Continuing to invest in building the skills of Thanet's people is crucial: the demands of employers are constantly changing and it is important that the local residents are equipped to respond. To this end, the Council will work with other partners across the "skills ecosystem" to raise awareness of the provision that already exists; to ensure that the needs of businesses are more clearly understood; to make better connections between the demand and supply sides; and to raise awareness of the opportunities linked to apprenticeships. Beyond that, the Council, as a first class employer, will exemplify what can be done (for example by recruiting young local people as apprentices) and the promoting the local impacts that follow.

2: Developing and implementing measures to support new and small businesses in the District, particularly the provision of managed workspace and focused business support

Thanet's economy is dominated by small firms. Sustaining and encouraging small and micro businesses is therefore a real priority and the Council needs to work closely with partners in order to develop support services (including Locate in Kent, Kent Invicta Chamber and the local Thanet and East Kent Chamber). Furthermore, the provision of small business units and/or affordable managed workspace is limited and that which exists is well occupied; there is a need for more and initiatives need to be developed to secure this supply. In addition, working with SELEP will ensure that small and micro businesses in Thanet are able to secure appropriate support through the Growth Hub (currently being reviewed).

3: Ensuring major employment sites in Thanet are managed and promoted effectively

The approach to the development, management and promotion of major employment locations needs to be improved, both to ensure that sites are available for inward investors and to make provision for the development of the right kind of speculative accommodation for growing local businesses. Some of these sites are in the Council's ownership and endeavours will be made to promote and use them effectively. The Council will also work closely with private sector partners to deliver a range of premises

4: Working with local partners to ensure that the visitor economy continues to evolve, reflecting fast-changing patterns of demand

The visitor sector contributes significantly to the District's economy, and it has a very distinctive character. This includes a wealth of fascinating historic associations and heritage assets and an internationally significant coastline. Incremental improvements need to be achieved so that its existing customer base is secured and enhanced. However, priorities must be identified in a very targeted way. The Council will work with the industry to identify the smallest changes that could have the biggest impact in the short term. This may include initiatives such as the promotion of new hotel development opportunities, or introducing support initiatives to help businesses investing in the area, or more general place marketing. In this context Thanet already works in partnership with Visit Kent to promote the district as a whole, and the extent, focus and funding of this programme will need to be considered carefully, to ensure that the right exposure is achieved both Kent-wide, UK and international scale.

Transformational Initiatives

In parallel, the delivery of seven longer term possibilities will be accelerated. These are – in the main – more complicated. All of them require a “multi-partner” response. All of them also come with risks, although they have the potential to be truly transformational:

1: Developing the Port at Ramsgate

For Thanet District Council, the future of port operations at Ramsgate is important in relation to the economic well-being of the district and the future income streams which the Council itself can utilise to reinvest in services. In this context, an initial business case has been developed to invest in the port for commercial and logistics purposes in three phases, including the development of a significant “off-site hub”.

The first phase of infrastructure investment looks to improve the Port's handling capacity, particularly for unaccompanied freight vehicles (a new modern double deck ro-ro berth to increase capacity and build in resilience). The second phase will look to lever in public and private sector investment in the development of a new on-port alongside quay, and most importantly, an off-site freight logistics hub at Manston Business Park. The potential third phase, will in the longer term consider the possibilities for seaward port expansion.

A robust business plan needs to be developed over future months, with evidence to demonstrate that the demand side for all components has been fully investigated and is capable of being delivered.

Linked proposals (albeit part of separate investment decision) are in place centring on expanded berthing for the leisure marina. Further plans also concentrate on improving berthing and storage/logistics facilities for boats servicing the offshore renewables sector. Opportunities here need to be explored with the existing businesses operating from the port (London Array and Vattenfall), including the potential for servicing major component replacements over the next few years, supply chain provision, new offshore development and wider development of the “green tech” sector. Servicing facilities for vessels using the Port more generally also need to be improved. All of these aspects will help widen the offer that the Port provides and are components that the Council should focus on.

2: Investing in high value manufacturing and engineering across Thanet and East Kent

Thanet currently has a complement of high value manufacturing and engineering businesses. . Links will be forged between sites in Thanet and Discovery Park, due to the number of allied firms that are moving into Discovery Park, and thriving. These connections will support the possible development of an Advanced Manufacturing Park at Manston, as well as exploring the

potential for EZ status to encourage investment. The Council will also work actively across the wider geography of east Kent where a range of associated businesses are located.

In parallel, the Council will work with further and higher education providers to ensure appropriate STEAM skills provision. Collaborating with relevant partners and stakeholders, including Locate in Kent, will ensure that the whole offer is appropriately promoted and marketed, and that possibilities within Thanet are clearly understood and communicated in this wider context and as part of a wider offer.

There is scope also to work more closely alongside the South East LEP, whose priority sectors include advanced manufacturing and the creative, cultural and visitor economy, life sciences, and low carbon goods and services – all sectors which Thanet will also be looking to advance in the short and medium term. In addition Thanet Council will need to maximise the links to developments that form part of the wider Thames Estuary economic development vision.

3: Position Thanet as a global agritech hub

Thanet Earth is one of the leading horticulture businesses in the UK – in terms of the sophistication of its processes, the levels of resource use efficiency it has achieved, and the speed with which it has grown. Thanet Earth is exemplary in the application of agritech. Elsewhere in Kent, the NIAB East Malling Research has world class specialisms and links need to be made. But these also need to be understood both locally (in terms of the significant agricultural base) and in a national context, recognising the national and international nature of horticulture supply chains. More generally, substantial investment has been made in developing a national agritech strategy and starting to effect its practical implementation. The Council will engage fully in the process of delivery to position Thanet as a globally-relevant hub that can define the “next generation” of the Garden of England.

4: Promoting Thanet’s broader cultural/leisure offer

Thanet’s cultural/leisure offer is outstanding, and it is complemented by assets nearby. The coastline, for instance, is part of an important natural landscape offer encompassing Kent’s coastline and parts of the Thames Estuary. Considered to be the oldest-surviving amusement park in Great Britain, Dreamland was comprehensively refurbished in 2014 with contemporary branding to allow visitors to enjoy this British seaside amusement experience. Heritage attractions in Thanet (e.g. Quex House, Pugin, Dickens House and Margate Old Town Museum) also have a natural tie-in with other Kent attractions such as Godinton House, Leeds Castle and Hever Castle. These link fundamentally to the quality of life which Thanet offers to incoming businesses and residents. The different elements therefore need to be viewed – and promoted – as part of a wider offer, focusing on the cultural/leisure demands from a fast-growing population, not as competing propositions.

5: Cultivating the creative industries across Thanet

There is substantial opportunity to support the growth of the creative sector in the District. This has already put Margate on the international map with global practitioners coming to Turner Contemporary to work and collaborate, and a range of “exporters” doing business in the Far East and European markets. Investment in infrastructure (workspaces and digital) is key for growth. There are a number of creative entrepreneurs who live across the district. Thanet is ideally placed to support a greater connection between the creative and manufacturing/engineering sectors – by linking the arts and creativity with science. Many existing businesses already see the opportunity in growing this locally.

UK Policy, the South East Local Enterprise Partnership and Thames Estuary Commission offer exciting possibilities for Thanet as the district has now been identified as part of the Thames Estuary area. There could be a particular focus for the “seaside towns” on both banks of the Estuary – linking places like Southend and Whitstable, with Margate and Ramsgate. It could

also build on some major planned investment, notably that by Paramount at Swanscombe. Importantly this cluster could provide a shared focus for higher education institutions across the geography of the Estuary – particularly those with a physical presence in East Kent.

6: Designing enterprise into communities

The new housing developments planned – which are likely to be substantial in scale – must be advanced in a manner that “designs in” enterprise. Thanet’s environmental assets coupled with its relative proximity to London mean that it is ideally located for those with jobs in the capital but also with the flexibility to work from home (either direct or on a sub-contract basis) on a regular basis. Whilst not often defined as “economic development”, the potential linked to this group is significant: they are likely to be high earners and their spending patterns could become an economic driver in their own right. Provision ought to be made for them – which means that homes also need to be work places, and the quality of broadband provision needs to be exemplary. For the self-employed and sub-contractors, the provision of active working space and networking opportunities will also be important.

The Council will need to identify opportunities to influence housing developments to support innovation in the new homes planned for the district.

7: Long term feasibility modelling for Margate and Ramsgate

Thanet’s urban areas – particularly Margate and Ramsgate – ought to be the focus for its economic life. For Margate, this should have a cultural and creative dimension, and for Ramsgate, there will be both commercial and leisure links to the port and Royal Harbour, as well as the potential for a Heritage Action Zone. In both cases, though, there is a need for some holistic thinking, recognising that patterns of living and working are evolving quickly and within this context, the role of towns. This may mean that “zones / quarters” need to be identified, with secondary and tertiary retail areas considered for other uses (particularly residential and leisure) – and with linked up provision for smaller employment uses throughout. However, this should not happen on a piecemeal basis; instead, it needs to be part of a genuine economic and physical masterplan with a clear sense of what the future economic purpose of the two towns should be and feasibility modelling. Broadstairs includes direct access to one of the districts busiest beaches at Viking Bay and has a wealth of independent businesses and festivals to build on and grow.

Putting the **foundational initiatives** together with these longer term and **transformational ventures**, the overall Economic Growth Strategy for Thanet is summarised in Figure 1.

Figure 1: Economic Growth Strategy for Thanet

Economic Vision for Thanet

Thanet is a great place to live, work and invest, rivalling its counterparts across the UK.
Its economy will grow quickly in both relative and absolute terms

Transformational Initiatives

- 1: Developing the Port at Ramsgate
- 2: Investing in high value manufacturing and engineering across Thanet and East Kent
- 3: Positioning Thanet as a global agritech hub
- 4: Promoting Thanet's broader cultural/leisure offer
- 5: Cultivating the creative industries across Thanet
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Foundational Priorities

- 1: Working with businesses, schools and FE/HE providers to improve workforce skills
- 2: Developing and implementing measures to support new and small businesses in the District, particularly the provision of managed workspace and focused business support
- 3: Ensuring major employment sites in Thanet are managed and promoted effectively
- 4: Working with local partners to ensure that the visitor economy continues to evolve, reflecting fast-changing patterns of demand

Delivery, resourcing and implementation

Structures

This Economic Growth Strategy is ambitious. Thanet District Council will play an important role in driving it forward, but it will only succeed if strong and active partnerships are forged with others. The Council's key partners include:

- key private sector businesses with a presence in Thanet (particularly those in the priority sectors);
- schools, further education and higher education organisations;
- the existing Coastal Community Teams working across the district;
- existing and potential investors in the area;
- other public sector bodies with a role in the District – including Kent County Council, government departments, SELEP, Thames Estuary and immediately adjoining local authorities (e.g. Dover, Canterbury).

A mechanism is needed to enable an “oversight role” to be performed in terms of implementation activities and progress across all components. This could be developed around an existing “grouping”, for example *Invest Thanet*, which currently engages with a range of public/private organisations and considers matters of interest to the Thanet economy. Alternatively, a new structure could be developed to coordinate the range of partners and stakeholders listed above.

Oversight will be clearly distinguished from the lead role in driving forward and implementing the individual work strands and specific projects. The transformational priorities involve a range of partners/stakeholders, both public and private sector, with some located within the District, and some outside. The Foundational priorities will also require engagement with partners and relevant stakeholders for delivery.

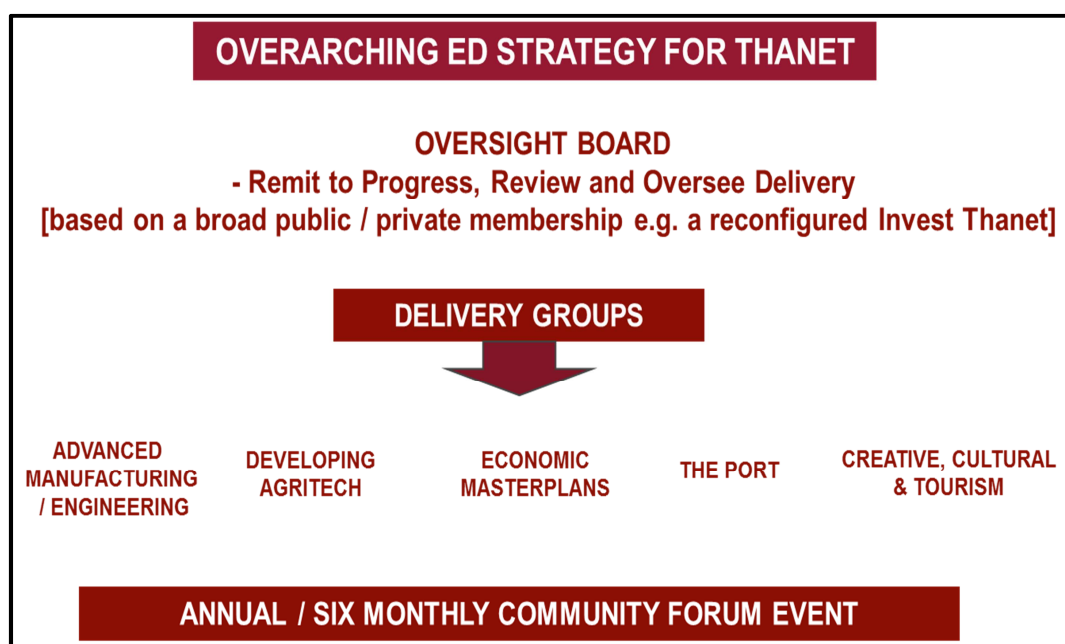
Although the Council has a role within each initiative, in several instances the focus of activity will extend beyond the District, covering an East Kent, Thames Estuary and wider perspectives. The Council will therefore not always be best placed to **lead** on such projects, although this would not affect the oversight functions.

This has been highlighted by the Commission on the future of Local Government which has stated that 'as local authorities become smaller in size, they need to become greater in influence'.

The Council will also engage further with the voluntary sector/wider community as a whole in the economic priorities going forward. It is proposed that an “Open Forum” meeting should be held, on a six or twelve monthly basis, as a public meeting, with updates on the strategy and progress under individual priority initiatives.

A potential framework for the structures/arrangements described above is set out below.

Figure 2: Delivering Thanet's Economic Growth Strategy



Implementation

Moving forward, specific themes within the Strategy will be developed in a focused way, with the involvement of key partners/stakeholders. Dedicated Delivery Groups will be formed that will comprise of a strong grouping of members, including relevant public sector agencies with a funding or implementation role, businesses within the priority sectors, funders/investors and any other key stakeholders.

Each Delivery Group will deliver a role of 'Bidding, Branding and Planning':

- draw up a robust action/business plan for the theme in question (including responsibility points)
- identify potential funding sources
- define a critical path for delivery
- identify the likely risks to be addressed in implementation
- monitor progress/outputs and report to the Oversight Board.

Delivery Groups may want to establish individual Project Teams, if specific initiatives are going to require detailed development of the project specification, and ultimate project management.

Owners of key assets will play important roles; the Council and other public bodies that own a range of assets that could play an important part in delivering some of the Transformational initiatives.

Resourcing

The Oversight Board and the Delivery Groups need to be serviced/supported in their organisational and administrative functions. To assist this process, the Council's Economic Development team will be strengthened (including two Sector Growth Managers and Area Development Officers), with a view to contributing some internal resources to concentrate on these key projects, make the most of assets, and develop stronger relationships with priority businesses, investors and partners, by providing an "account management" service.

It is recognised that these resources will only be able to provide part of the inputs needed to progress the range of initiatives set out in this Strategy. There is a clear need for other public and private stakeholders / asset owners to contribute to this programme. Indications however are that this should be possible, particularly where clear benefits are going to be gained by others, which would justify the costs involved. These stakeholders will generally be expected to head up the support/servicing functions across the priority themes, both within the Oversight Board and the Delivery Groups.

The involvement of Thanet District Council personnel in establishing/initiating the above programme and structures will be an important ingredient in making early progress on the Strategy.

Monitoring progress

Headline targets

The Economic Growth Strategy for Thanet is ambitious; in terms of key indicators, it assumes that Thanet grows more quickly than Kent as a whole over a sustained period.

Drawing on data from the East of England Forecasting Model (EEFM, 2014), the table below sets out quantified targets relating to the economy of Thanet. The headline target relates to labour productivity (measured as GVA per job). In 2016, productivity in Thanet is estimated to be about 80% of the county-wide average. To achieve the Kent-wide level by 2031, it will need to grow at 3.5% per annum. This is extremely ambitious: the baseline (business as usual) projection is for growth at 1.8% per annum across the District. However only by increased productivity will wage levels rise significantly, and these are crucial for a higher quality of life within the District.

Table 1: Overall targets for the Economic Growth Strategy

	GVA per job (productivity)	GVA per capita (wealth)
Baseline position (2016 estimate) – Thanet (2010 prices)	£32.6k	£11.8k
Projected outcome in 2031 – Thanet (2010 prices)	£42.3k	£15.6k
Projected outcome in 2031 – Kent (2010 prices)	£54.2k	£25.1k
Growth rate on business as usual assumptions (Thanet)	1.8% per annum	1.9% per annum
Growth rate required to match the Kent average by 2031 and achieve the Vision	3.5% per annum	5.2% per annum

Source: Based on EEFM, 2014

Although there are no projections through to the 2030s, it will be important that by 2031 skills levels in Thanet are on a par with those of Kent as a whole; unless this is achieved, productivity enhancements on the scale envisaged here will be impossible to achieve. Currently, the proportion of the working aged population qualified to degree level or above is over ten percentage points lower in Thanet than the Kent-wide figure.

In addition, it will be important that the employment targets set out in the emerging Local Plan are achieved. This means creating some 5,000 new jobs district-wide. This target too is challenging. EEFM projects growth of around 3,000 jobs on business as usual assumptions.

For reference, Table 1 includes data relating to GVA per capita, the headline measure of wealth. In 2016, GVA per capita in Thanet was 63% of the county average. This is a substantial gap which is explained by a combination of sectoral structure and demographics. Closing it completely would require growth at a rate of 5.2% per annum through to 2031. This rate of growth is unattainable given baseline growth projections of 1.9% per annum. Nevertheless, the aspiration is to close the gap significantly.

Intermediate milestones

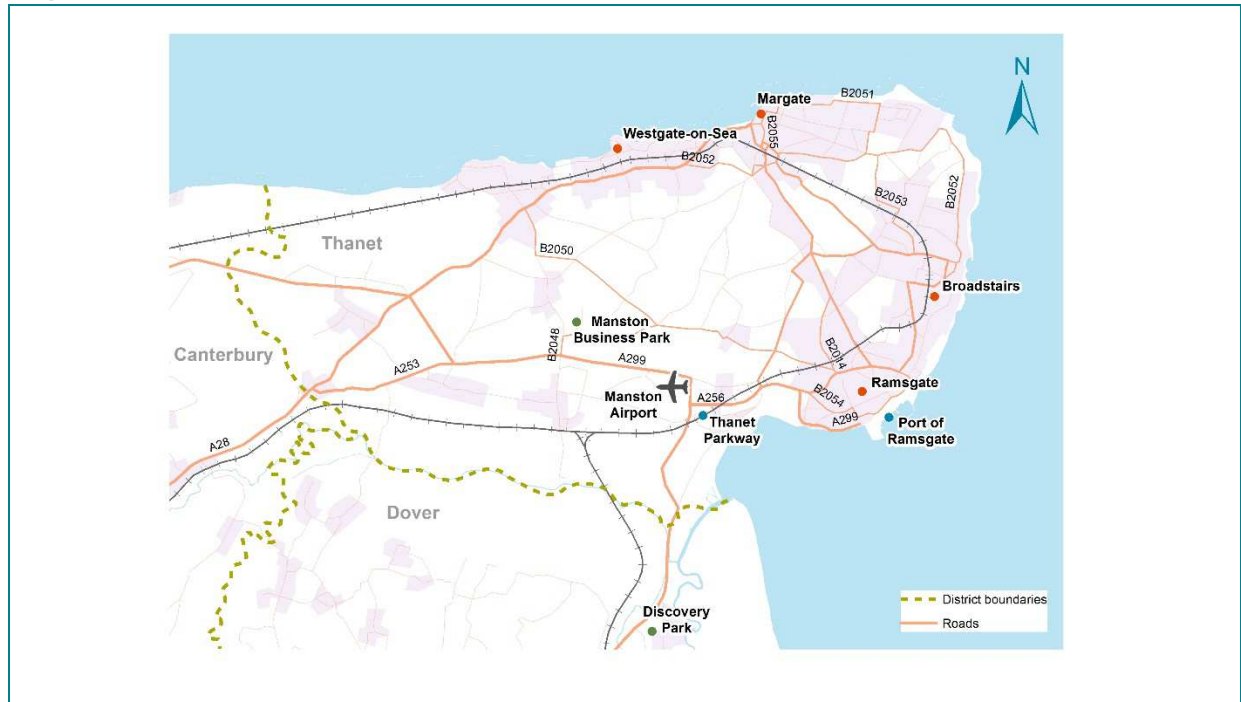
The headline targets set out above are ambitious and long term. It will be important that some intermediate milestones are defined and achieved. Over the next year, these should include:

- making a decision in relation to the future of Manston Airport – by Autumn/Winter 2016
- working up more detailed propositions for Thanet and its partners to pursue as part of the Thames Gateway Commissions priorities – by Autumn 2016
- adopting the Economic Growth Strategy – in November 2016
- putting in place the delivery structure – by March 2017
- developing action plans for each of the foundational initiatives – by Spring 2017
- developing clear plans for the transformational ventures – by Spring 2017
- developing bidding and branding tactics for funding and resources to implement the Economic Growth Strategy – by Spring 2017
- launching marketing and other material to aid implementation – by Spring/Summer 2017
- preparing the first annual report on the progress of the Strategy in delivery – by Spring 2018.

Annex A: Baseline data

This Annex provides supporting evidence to the main Economic Growth Strategy. It sets out the current socio-economic conditions within Thanet and how they are projected to change (on business as usual assumptions). As such, it outlines the context in which the Economic Growth Strategy will be delivered. It draws mainly on secondary datasets, predominately coming from the Office for National Statistics. Projections on the future of Thanet's economy are based on Oxford Economics' East of England Forecasting Model (EEFM).

Figure A-1: Maps of Thanet



Thanet is conveniently located in the South East of England – high speed trains provide a fast service to London (74mins), while close proximity to the Channel Tunnel allows for expedient journeys to the continent (2hr 30mins to Brussels; and 2hrs 42 mins to Paris).

Figure A-2 Travel times

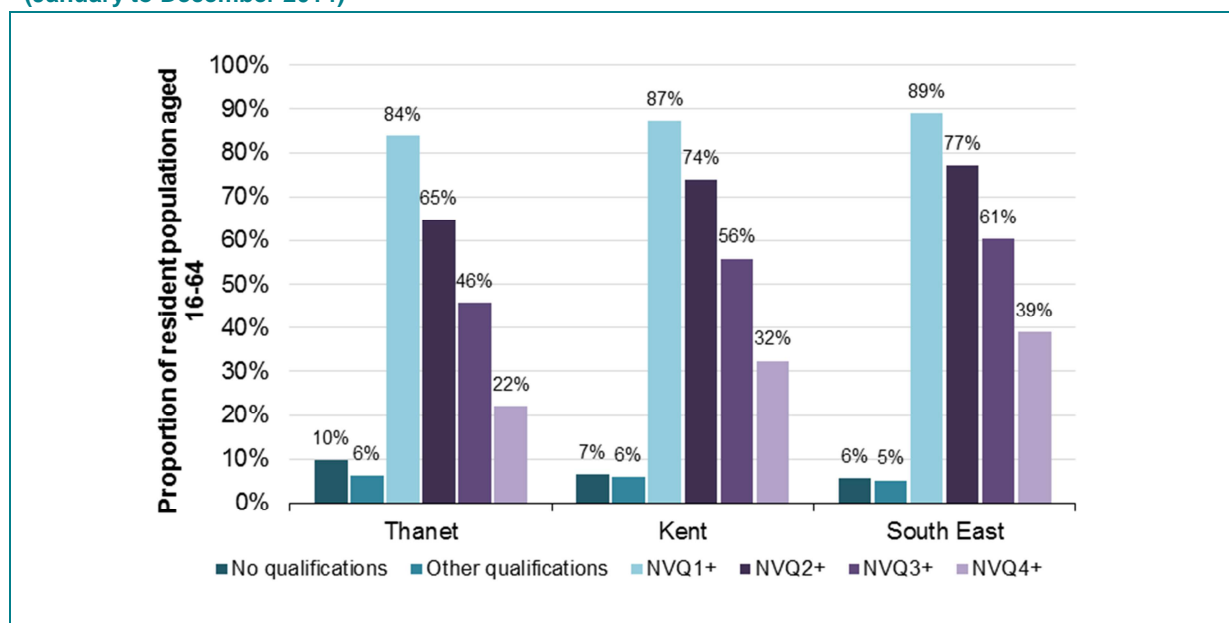


Economic baseline

The local skills profile

As shown in Figure A-3, Thanet's working age population is less well qualified than across Kent and the South East as a whole. Of its population aged 16-64, 10% have no qualifications, figures which are lower than Kent and the South East. The proportion of the Thanet working age population holding each respective qualification level is lower than the two other comparator areas. This situation is most acute for the highest qualification level: NVQ4+.

Figure A-3: Proportion of the resident population aged 16-64 holding different qualification levels (January to December 2014)



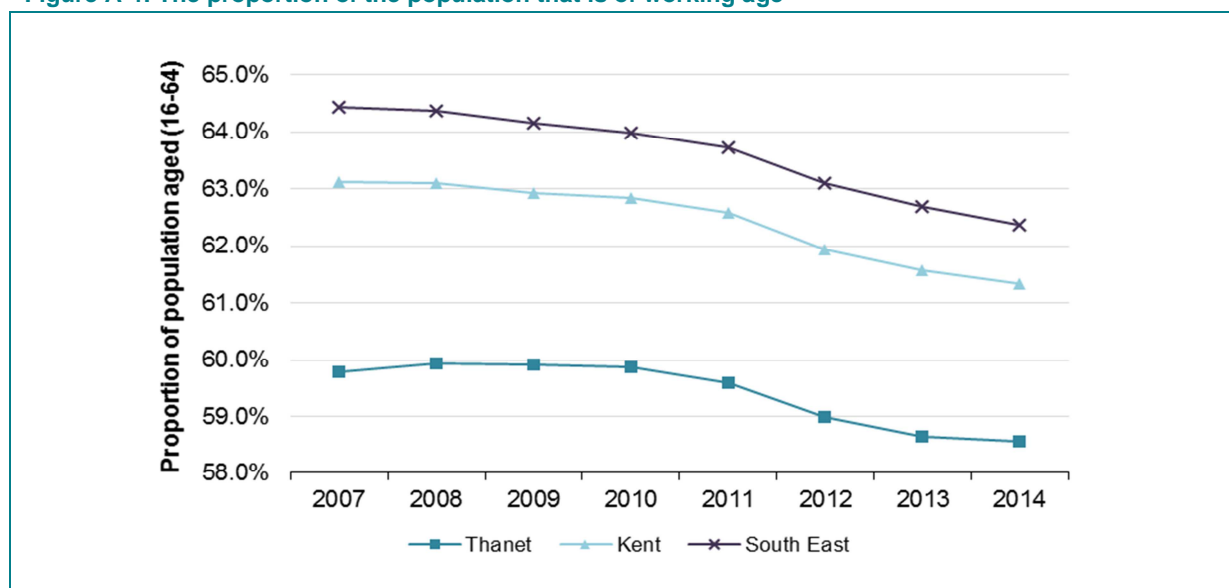
Source: Annual Population Survey

Thanet residents are also less likely to have managerial positions than their peers across Kent and the South East more generally. Of the Thanet residents in employment, 8.6% are 'managers, directors and senior officials' which compares to 11.4% for Kent, and 11.9% for the South East. Thanet also has a smaller proportion of its population in 'professional occupations' and 'associate professional and technical occupations' compared to Kent and the South East.

Working age population

In recent years, the absolute size of Thanet's working age population has been increasing, rising 4% between 2007 and 2014. This rate of increase is line with that experienced in Kent and the South East over the same period. The proportion of Thanet's population that is of working age has been in decline in recent years, as demonstrated in Figure A-4. It also highlights that compared to Kent and the South East, Thanet's population has a lower proportion of individuals aged 16-64.

Figure A-4: The proportion of the population that is of working age

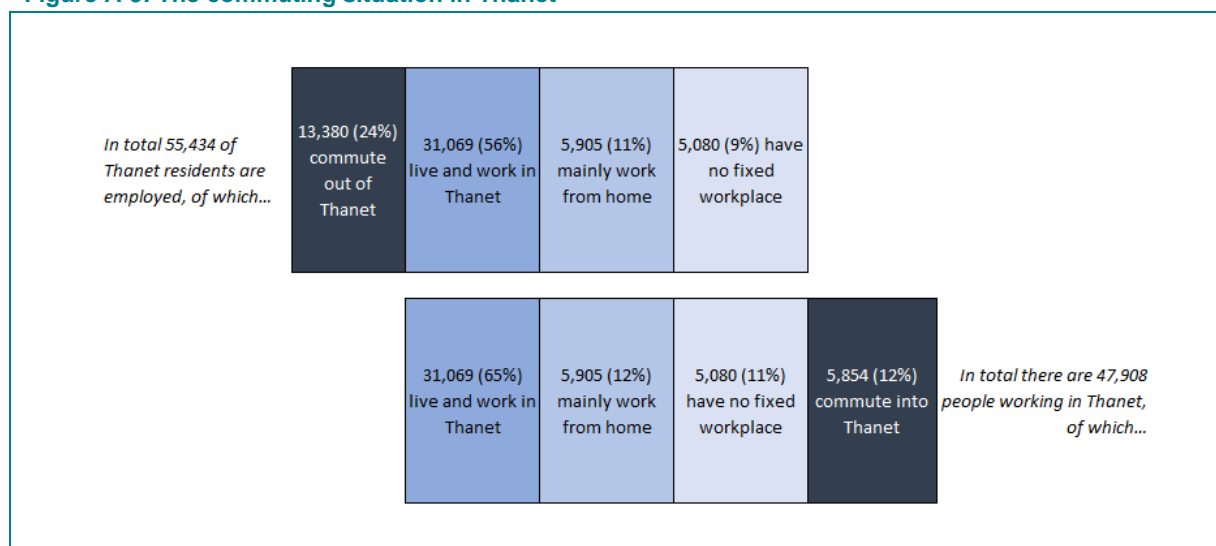


Source: ONS mid-year population estimates

Commuting and working patterns

Thanet is relatively self-contained, with approximately 65% of the district's workers also living in the area (31,069 of 47,908). Overall, Figure A-5 below shows that as a district, Thanet is a net exporter of labour. Taken together, Canterbury and Dover provide the workplace locations for 56% of Thanet residents that out-commute while 70% of those commuting into Thanet are from these two areas.

Figure A-5: The commuting situation in Thanet



Source: Neighbourhood statistics drawing on 2011 Census data

Compared to other areas nearby, levels of home working within Thanet are comparatively low. Of all those living and working within Thanet district, 19% were home workers. In contrast, of those living and working in the same local authority district, home working levels in Dover and Ashford were 22% (of 24,003) and 27% (of 27,231) respectively.

Employment rate (residence-based)

Particularly since the end of the recession, there is evidence to suggest that the employment rate in Thanet has improved much more quickly than either regionally or nationally. It remains relatively low, but it appears to be "catching up".

Table A-1: Employment rate (among the population aged 16+)

	Thanet	South East	Great Britain
Apr 2011-Mar 2012	48.1%	61.1%	57.6%
Apr 2012-Mar 2013	47.4%	60.6%	58.0%
Apr 2013-Mar 2014	49.0%	61.5%	58.5%
Apr 2014-Mar 2015	52.0%	62.1%	59.3%
Apr 2015-Mar 2016	54.5%	62.4%	60.0%

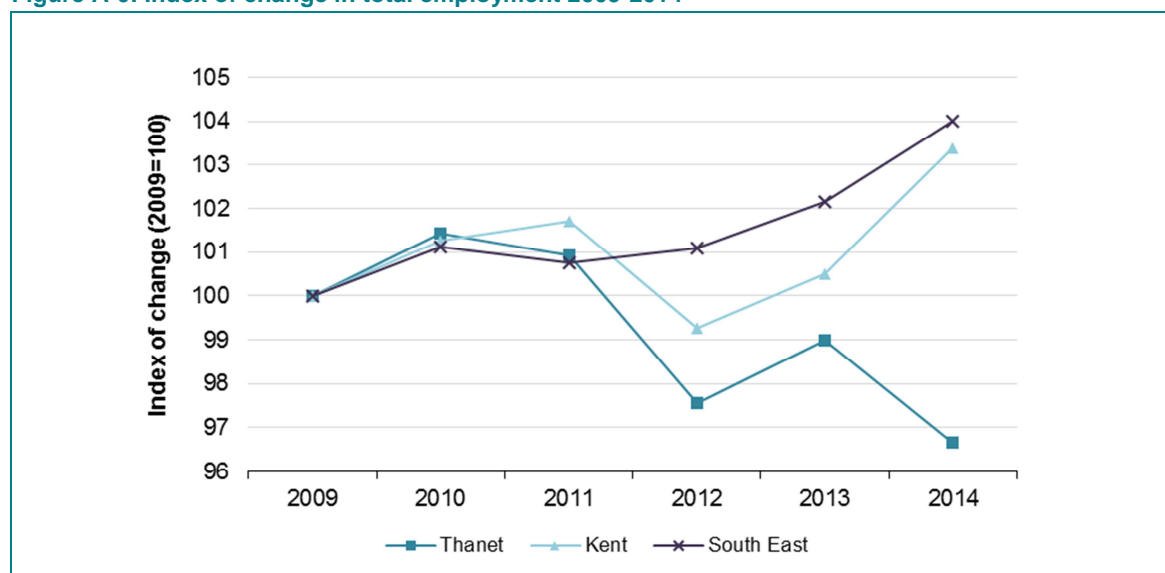
(Source: Annual Population Survey)

The data suggest further that the number of Thanet residents in employment increased to 59,900 in the year April 2015/March 2016. This was 5,000 higher than two years previously (April 2013/March 2014) and 9,400 higher than in the year April 2012/March 2013.

Local employment (workplace-based)

Figure A-6 suggests a challenging employment situation within Thanet. As shown, the district saw a fall in employment levels between 2009 and 2014. This is in contrast to Kent and the South East where 2014 employment levels are higher than those in 2009. However, it is important to note that anomalies within the survey-based data could be part of the explanation; it will be important to consider the data for 2015, once they are released by ONS.

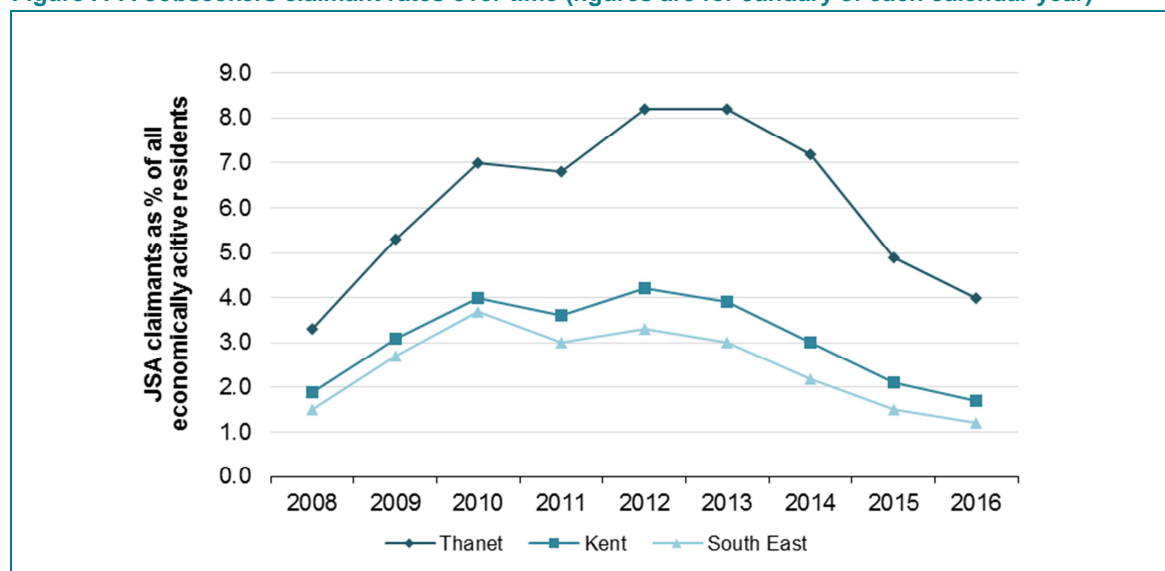
Figure A-6: Index of change in total employment 2009-2014¹



Source: Business Register and Employment Survey

Jobseekers Allowance claimant rates in Thanet have seen year-on-year falls between 2013 and 2016. This is consistent with patterns of post-recession economic recovery nationally.² However, claimant rates are higher in Thanet than in Kent and the South East (see Figure A-7).

Figure A-7: Jobseekers claimant rates over time (figures are for January of each calendar year)



Source: ONS claimant data

¹ Please note that these figures include employee and self-employed workers that are registered for VAT or Pay-As-You-Earn (PAYE) schemes

² Please note that the decline in rates of JSA claimants might be attributable to more people deciding not to claim JSA rather than more locals being able to find work.

Employment by sector

Table A-2 below shows employment by sector in Thanet, based on a three year average for the period 2012-2014. As shown, public services are an important source of employment in Thanet, accounting for 36% of employment in the area (14,300 of 40,267 in employment). Retail and accommodation were also significant sectors of employment, highlighting the importance of tourism and leisure to the local economy.

Table A-2: Employment by sector in Thanet (three year average for 2012-2014)

	Total employment	% of total
Health	7,300	18%
Retail	6,200	16%
Education	5,700	14%
Accommodation & food services	3,500	9%
Manufacturing	3,200	8%
Business administration & support services	2,400	6%
Construction	1,900	5%
Transport & storage	1,800	5%
Arts, entertainment, recreation & other services	1,800	4%
Professional, scientific & technical	1,500	4%
Public administration & defence	1,200	3%
Wholesale	900	2%
Financial & insurance	800	2%
Motor trades	600	1%
Information & communication	500	1%
Property	500	1%
Mining, quarrying & utilities	300	1%
Agriculture, forestry & fishing	0	0%
Column Total	40,300	100%

Source: Business Register and Employment Survey. Please note that averages are calculated on figures for each year which are all rounded to the nearest 100.

Table A-3 highlights that average full time employee earnings in Thanet (both for residents of the area and workers in the area) are lower than average figures for Kent and the South East. It is also worth noting that resident full time employee earnings are higher than workplace earnings – suggesting that out-commuters are accessing better paid jobs outside of their resident area.

Table A-3: Comparison of median annual resident and workplace earnings for full time employees (2015)

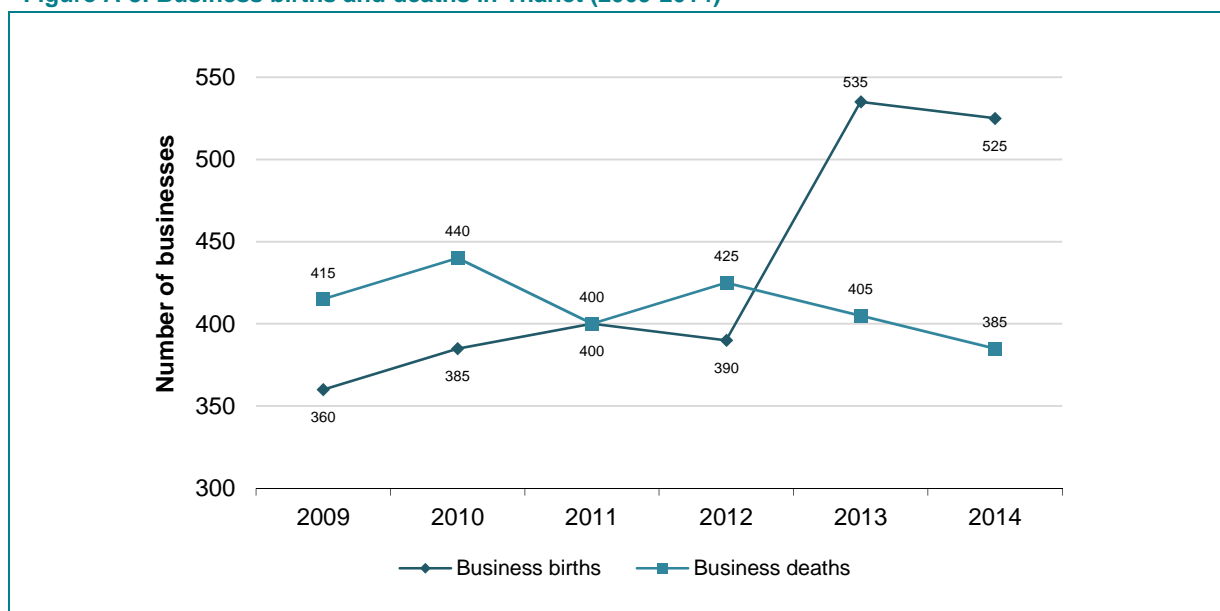
	Resident (£)	Workplace (£)	Difference (£)
Thanet	23,000	21,100	1,900
Kent	29,800	26,700	3,100
South East	30,100	29,000	1,100

Source: Annual Survey of Hours and Earnings. Figures rounded to the nearest 100.

Business demographics

Figure A-8 compares business births³ and business deaths⁴ over recent years within Thanet. For much of the period shown, the number of business deaths was higher than business births. Since 2013, business births have been higher than business deaths, implying improving business conditions for enterprises in Thanet.

Figure A-8: Business births and deaths in Thanet (2009-2014)



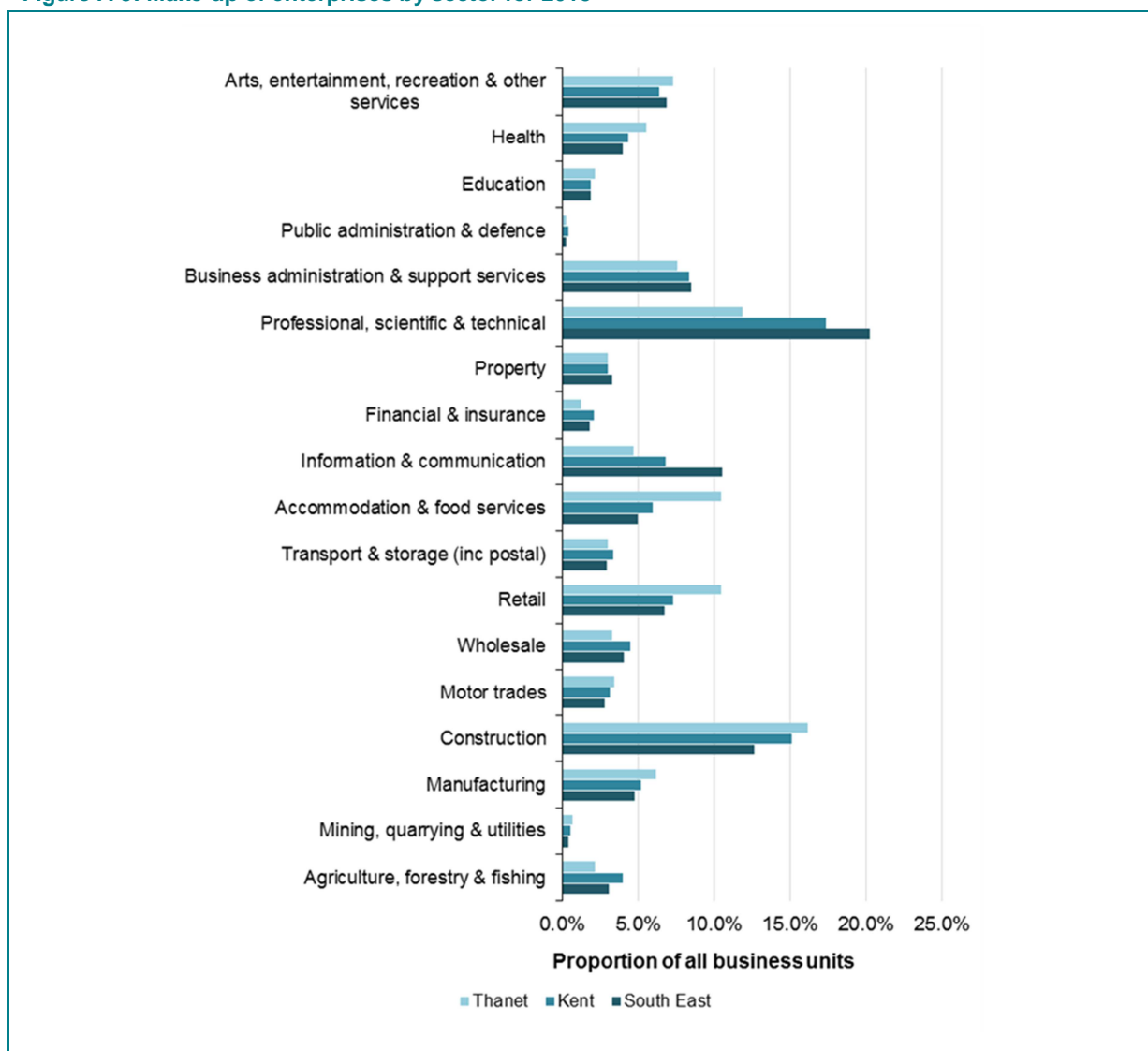
Source: ONS Business Demography data

As shown in Figure A-9, as a sector, construction accounts for the largest share of all Thanet enterprises (16%), exceeding the corresponding figures in both Kent and the South East. Thanet also has a noticeably higher proportion of its businesses in accommodation & food services, retail, health, and manufacturing relative to these two areas. It has a lower proportion of businesses in professional, scientific and technical sectors, and in information and communications. Typically, these sectors are associated with higher paid jobs.

³ A business birth is defined by the Office for National Statistics (ONS) as "a business that was present in year t , but did not exist in year $t-1$ or $t-2$."

⁴ A business death is defined by ONS as "a business that was on the active file in year t , but was no longer present in the active file in $t+1$ and $t+2$."

Figure A-9: Make-up of enterprises by sector for 2015

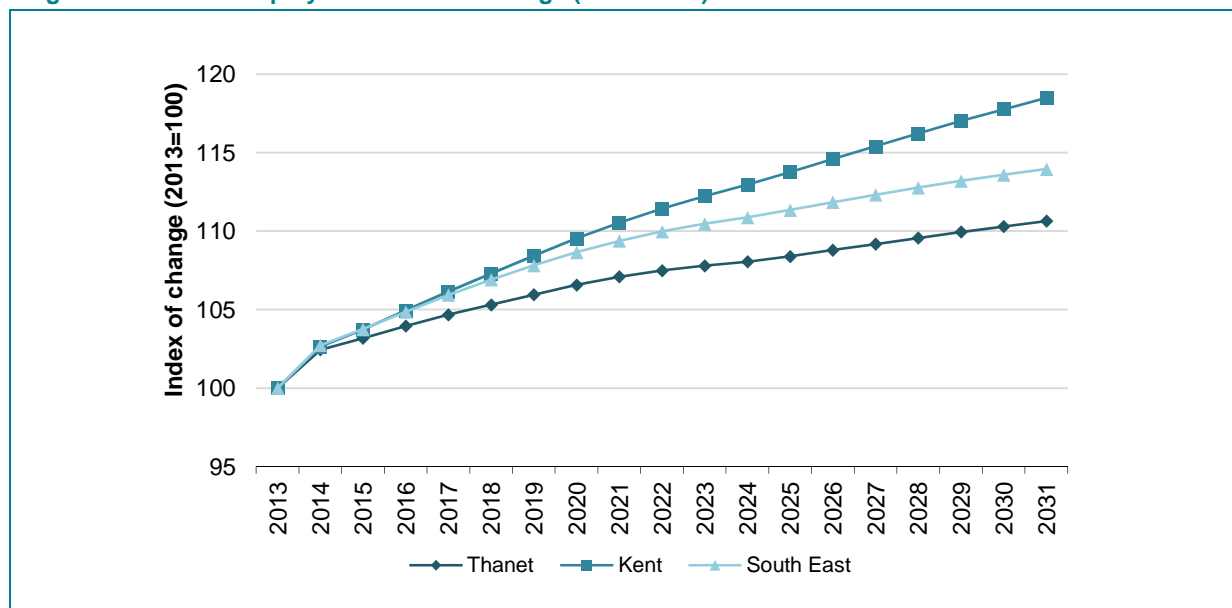


Source: ONS Business Counts data

Economic projections

As shown below, employment forecasts produced by Oxford Economics suggest future employment levels within Thanet will rise steadily over the next fifteen years. In net terms, it is expected that the number of jobs will increase by 11% between 2013 and 2031: from 48,100 to 53,200 (on business as usual assumptions).

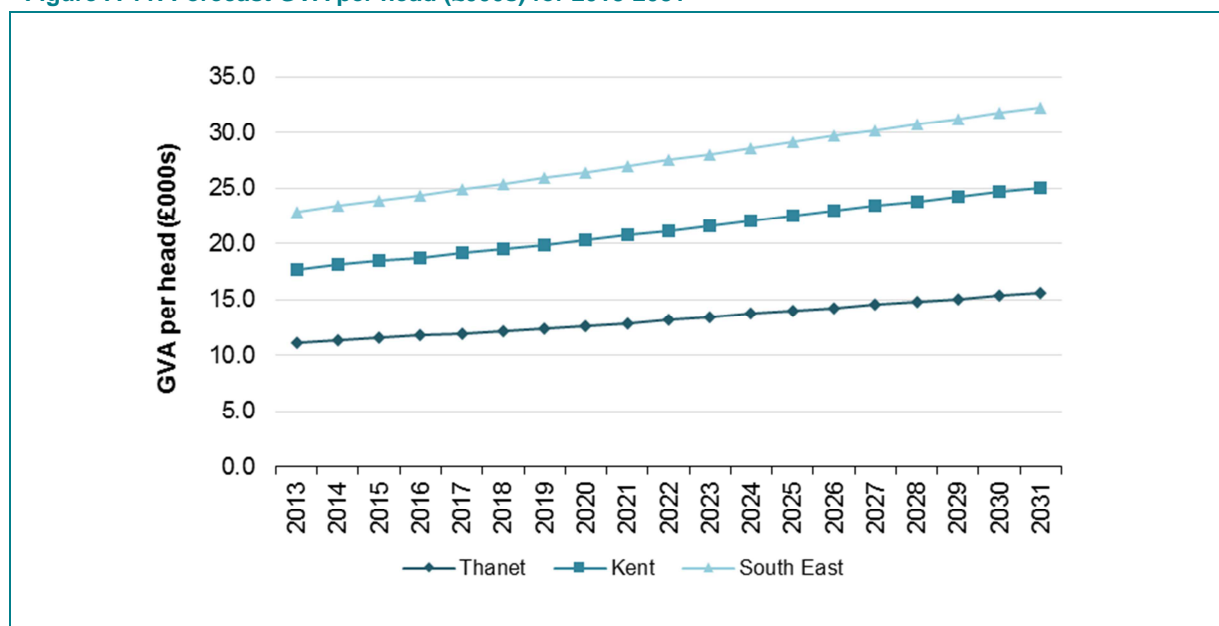
Figure A-10: Total employment index of change (2013 = 100)



Source: East of England Forecasting Model (2014 projections)

Figure A-11 below also shows that GVA per head is expected to increase year-on-year until 2031 and at a rate similar to that expected in Kent and the South East more widely.

Figure A-11: Forecast GVA per head (£000s) for 2013-2031



Source: East of England Forecasting Model (2014 projections)