THAMES GATEWAY KENT

PLAN FOR GROWTH 2014-20

REVIEW OF EVIDENCE
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1 Introduction

1.1 In 2008 Shared Intelligence was commissioned by the Thames Gateway Kent Partnership to develop the North Kent Economic Development Strategy (NKEDS). This involved analysing the economic evidence base and developing a Strategy that was subsequently published in 2009.

1.2 The NKEDS identified that the economic performance of an area can be assessed through headline indicators that reveal the competitiveness of the labour market. The indicators examined in the report included:

- Human Capital – population trends, occupational structure economic activity, and skills & qualifications
- Enterprise – business start-ups and changes in business stock
- Employment and Productivity – Employment trends, sector specialisation, GVA per capita, Earnings
- Investment – housing development, inward investment
- Quality of Life – cultural facilities, quality of the environment and deprivation levels

1.3 TGKP reviewed the evidence of trends for these headline indicators across North Kent in 2011/12 to inform the revision of the Growth Plan published in April 2012.

1.4 In 2013, Kent and Medway Leaders commissioned Unlocking the Potential, a new strategy for growth setting out the priorities for economic growth in Kent and Medway over the next 10-20 years and the actions needed to deliver them. Unlocking the Potential will also inform the preparation of the South East Local Enterprise Partnership’s (SE LEP) Strategic Economic Plan and determine the use of funds, including EU Structural and Investment Funds, channelled through the LEP. Both the strategy for Kent and Medway and the SE LEP’s Plan will take account of the ambitions and priorities of the component sub-regions, including Thames Gateway Kent.

1.5 This present review of the evidence base is therefore designed to inform a revised Growth Plan for Thames Gateway Kent, and contribute towards shaping Unlocking the Potential and the SE LEP’s Plan. It takes the 2011/12 review as its starting point but re-structured to reflect the broad approach taken in the Economic Review of Kent and Medway that underpins Unlocking the Potential.

1.6 This review does not directly examine the spatial priorities for North Kent: these will be covered in the Growth Plan itself. But particular sites are mentioned as appropriate where these arise out of the evidence review.
2 Human Capital

2.1 The human capital of an area provides the supply of labour for the local economy and the level of knowledge and skills of the workforce is a important driver of competitiveness. As part of the Thames Gateway Growth Area significant population growth is anticipated for North Kent and this together with the skill levels of both the new and existing residents is important for stimulating growth and attracting new employers to the area.

Population change

*Thames Gateway Kent experienced population growth of 12.4% between 1992-2011, the same as the SE LEP area and higher than the national rate (9.8%) but lower than for Kent & Medway (13.2%). The highest rates of increase were in Dartford (+20%) and Swale (+17.3%), contrasting with far lower rates in Gravesham (+8.9%) and Medway (+8.7%). A broadly similar pattern is observed in the working age population (aged 16-64), though Medway was alone of the TGK authorities to see its proportion of population of working age increase between 1992-2011. Overall, the working age population in TGK grew by 12.1% compared with 13.4% in Kent & Medway and 12.6% in the SELEP area, but greater than the national increase of 11.3%.*

2.2 The latest mid year population estimates indicate that there were 600,600 residents in Thames Gateway Kent in 2011, with 388,300 of working age. Between 2006 and 2011 total population grew by 5.9%, below the rate for Kent & Medway (+6.2%) but greater than the SELEP area (+4.8%), and the national average (+4.4%).

2.3 Between 2001 and 2011, the working age population has increased at a higher rate than the overall population with the exception of Swale, where growth in working age population rose by 0.5% less than the overall population. However, whereas the growth in working age population exceeded that of overall population across the board between 2001-2006, between 2006-11 the overall population increased by more than the working age population.

<table>
<thead>
<tr>
<th>Population change 2001-11</th>
<th>Total Population</th>
<th>Working Age Population</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
<td>% change 2001-06</td>
</tr>
<tr>
<td>Thames Gateway Kent</td>
<td>600,600</td>
<td>2.30%</td>
</tr>
<tr>
<td>Dartford</td>
<td>97,600</td>
<td>5.50%</td>
</tr>
<tr>
<td>Gravesham</td>
<td>101,800</td>
<td>1.90%</td>
</tr>
<tr>
<td>Medway</td>
<td>264,900</td>
<td>0.60%</td>
</tr>
<tr>
<td>Swale</td>
<td>136,300</td>
<td>3.70%</td>
</tr>
<tr>
<td>Kent &amp; Medway</td>
<td>1,731,400</td>
<td>3.10%</td>
</tr>
<tr>
<td>South East LEP</td>
<td>3,987,700</td>
<td>3.10%</td>
</tr>
<tr>
<td>Great Britain</td>
<td>61,425,700</td>
<td>2.50%</td>
</tr>
</tbody>
</table>

Source: NOMIS, Mid year population estimates  Note: Working age population aged 16–64 years

Population projections

2.4 Forecasts of population change may be statistically based or strategy based. Forecasts published by ONS\(^1\) suggest that the total population of Thames Gateway Kent will grow 10.9%.

---

\(^1\) Office for National Statistics
by 2021 to 654,100, and by 19.5% by 2031 to 705,100\(^2\). These projections suggest that the rate of population growth in Thames Gateway Kent will be greater than either Kent & Medway, or the South East and national averages.

Chart 2.1 2010-based population projections

![Total population change, 2010-based projections](image)

Source: ONS, 2010-based sub-national population projections

2.5 Single year of age population projections are not readily available at all geographic levels, so it is hard to offer a forecast of working age population that equates with the 16-64 age group used for current statistics. Besides that, the definition of working age will change with reform of state pension age. However, as a proxy, we have looked at the 15-64 age group. This shows that ‘working age’ population in Thames Gateway Kent (as elsewhere) will, as expected, grow at a much lower rate: 5.2% by 2021 and 10.5% by 2031. This is less than half the rate of total population growth, indicative of increased life expectancy and an ageing population. Nonetheless, the projections of ‘working age’ population are also higher in Thames Gateway Kent than the national and sub-regional averages, suggesting growth in this cohort and a younger profile.

Chart 2.2: Change in ‘working age’ population

![Change in population aged 15-64, 2010-based projections](image)

Source: ONS, 2010-based sub-national population projections, table 2d.

2.6 Turning to strategy-based projections, Kent CC have produced strategy-based forecasts and these underpin the evidence review for Unlocking the Potential. These forecasts are based on

\(^2\) ONS, 2010-based sub-national population projections, table 5.
KCC’s latest housing-led Strategy Forecast (Nov 2012), which means they take account of the distribution of future housing across the county rather than being a projection based on past trends such as that which the Office for National Statistics produce. According to these forecasts, total population increase in Thames Gateway would be 7.1% (to 643,500) by 2021 and 13.1% (to 679,400) by 2031. The modest levels of forecast growth are skewed by very high growth in Dartford. These estimates suggest a population in 2031 around 25,000 lower than ONS projections.

**Chart 2.3 KCC Strategy-based forecasts of population growth**

![Change in total population, KCC Strategy-based forecasts](image)

Source: KCC Research & Evaluation

2.7 For the working age population, KCC’s strategy-based forecasts show a similar profile of strong growth in Dartford and minimal change, even stagnation, elsewhere.

**Chart 2.4 Change in working age population**

![Change in working age population 16-64, KCC Strategy-based forecasts](image)

Source: KCC Research & Evaluation

2.8 Though these different sets of projections offer different estimates, they both emphasise that a working population that is smaller in relative or even absolute terms will have to support an ageing population. Though some of the impacts may be mitigated by extending the working age and in-migration by a potentially younger cohort of residents, higher levels of productivity will be necessary even to maintain the status quo let alone to generate economic growth.

2.9 Kent CC’s strategy-based forecasts do not sit comfortably with TGKP’s ambitions for economic growth that includes assumptions about more substantial increases in new housing than seem to be factored into KCC’s estimates. The housing issues are considered further below. The
forecasting assumptions may need to be revisited in light of progress with districts’ core strategies.

**Occupational Structure**

*In 2007 Thames Gateway Kent had relatively few residents in management and professional occupations, whereas administrative and secretarial trades and elementary occupations were more prominent.*

2.10 Amongst Thames Gateway Kent residents, data for March 2013 show a broadly similar pattern to the earlier period except for a marked increase in those in professional occupations (+3.1%) and a modest increase in those in skilled trades occupations (+1.2%) and caring professions (+2%), but reductions in a number of other sectors, most markedly in administrative and secretarial professions (-3.0%).

**Chart 2.5: Occupational Structure, Thames Gateway Kent Residents**

![Occupational Structure Chart](chart_image)

Source: NOMIS, APS, April 2006-March 2007, April 2012-March 2013

2.11 Thames Gateway Kent continues to have an under-representation of Managerial & senior and Professional occupations, particularly by comparison with the SELEP area, Kent & Medway and national comparisons. Those in skilled trades, process, plant & machine operatives and elementary occupations are over-represented compared to the Kent & Medway and SELEP average.
2.12 Turning to the occupational structure of the workforce, based on workplace analysis, the profile is somewhat different. Senior management make up a slightly larger proportion of the workforce, but professional occupations slightly less. Skilled trades are a more significant category amongst the workforce than residents, and this has not changed between 2007 and 2013. Management roles, caring professions, professional occupations and process operatives have all increased as a proportion of the workforce since 2007, whilst others apart from skilled trades have reduced.

Chart 2.7: Occupational Structure of Thames Gateway Kent Workforce

Source: NOMIS, APS

2.13 Perhaps surprisingly, both the SELEP area and Kent & Medway workforce are below the national average for professional occupations, though both exceed the national average for managerial & senior positions. In other respects the occupational structure of the workforce virtually mirrors residents’ occupations, except for a slightly lower level of associated professional and technical occupations in Kent & Medway compared to residents and the national average for workforce. The lower skilled occupation groups of Sales and customer services, and Process, plant & machine operatives that are over-represented amongst the North Kent workforce compared to the SELEP area and national average.
2.14 The charts show that the broad distribution of occupations, in terms of overall pattern, has not changed greatly since 2007. But year-on-year changes can be quite significant. Across the SELEP area, an increase in Professional and Associated occupations far outstrip the other gains and outweigh the losses. In Thames Gateway Kent those categories have also increased but by far the most significant increase has been in skilled trades.

Table 2.2: Change in occupational structure, 2011-12

<table>
<thead>
<tr>
<th>Change in Occupational Structure of Workforce between 2011 and 2012</th>
<th>South East LEP</th>
<th>Dartford</th>
<th>Gravesham</th>
<th>Medway</th>
<th>Swale</th>
<th>Great Britain</th>
<th>Kent &amp; Medway</th>
<th>Thames Gateway Kent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Managers, Directors and Senior Officials</td>
<td>-10,100</td>
<td>300</td>
<td>-100</td>
<td>100</td>
<td>-1,000</td>
<td>64,500</td>
<td>-3,700</td>
<td>-700</td>
</tr>
<tr>
<td>2 Professional</td>
<td>13,100</td>
<td>-900</td>
<td>500</td>
<td>200</td>
<td>2,600</td>
<td>141,200</td>
<td>4,900</td>
<td>2,400</td>
</tr>
<tr>
<td>3 Associate Prof &amp; Tech</td>
<td>23,800</td>
<td>600</td>
<td>1,200</td>
<td>3,100</td>
<td>-600</td>
<td>96,200</td>
<td>11,600</td>
<td>4,200</td>
</tr>
<tr>
<td>4 Administrative and Secretarial</td>
<td>-20,900</td>
<td>-2,100</td>
<td>-800</td>
<td>0</td>
<td>-3,900</td>
<td>-21,000</td>
<td>-18,600</td>
<td>-6,900</td>
</tr>
<tr>
<td>5 Skilled Trades</td>
<td>2,000</td>
<td>3,100</td>
<td>2,400</td>
<td>2,000</td>
<td>3,900</td>
<td>-40,100</td>
<td>6,700</td>
<td>11,300</td>
</tr>
<tr>
<td>6 Caring, Leisure and Other Service</td>
<td>-1,300</td>
<td>-100</td>
<td>-1,200</td>
<td>-800</td>
<td>-600</td>
<td>13,300</td>
<td>-800</td>
<td>-2,700</td>
</tr>
<tr>
<td>7 Sales and Customer Service</td>
<td>-4,600</td>
<td>-800</td>
<td>2,200</td>
<td>600</td>
<td>200</td>
<td>36,000</td>
<td>1,100</td>
<td>2,200</td>
</tr>
<tr>
<td>8 Process, Plant and Machine Operatives</td>
<td>-4,200</td>
<td>2,700</td>
<td>1,300</td>
<td>-3,500</td>
<td>-300</td>
<td>-22,400</td>
<td>-3,400</td>
<td>300</td>
</tr>
<tr>
<td>9 Elementary</td>
<td>8,800</td>
<td>-1,500</td>
<td>700</td>
<td>600</td>
<td>36,000</td>
<td>38,700</td>
<td>10,200</td>
<td>3,400</td>
</tr>
<tr>
<td>Total Employment</td>
<td>10,600</td>
<td>1,300</td>
<td>6,200</td>
<td>2,300</td>
<td>3,900</td>
<td>306,400</td>
<td>8,000</td>
<td>13,500</td>
</tr>
</tbody>
</table>

Source: NOMIS, APS, Apr2012-Mar2013

**Employment Rates**

*The earlier evidence revealed that the 2007 employment rate for Thames Gateway Kent of 75.3% was below the South East regional average of 78.4%, but above the national average of 74.4%. Although there was a difference in rates for males and females the difference in North Kent was less than regionally.*

2.15 The latest total employment rate for Thames Gateway Kent is 71.7% which is still lower than the SELEP area (72.1%) but higher than both the Kent & Medway rate (71.1%) and the national average (Great Britain (70.7%).

2.16 Male and Female employment rates continue to be very different in Thames Gateway Kent (male 80.7%, female 62.7%), a greater disparity than the comparator areas (18% difference
compared with 10.5% nationally). The male employment rate is higher than the national, SELEP and Kent & Medway levels, whilst the female employment rate is lower than all the comparator areas (by up to 3.1%).

Chart 2.9: Employment Rates

2.17 Across Thames Gateway Kent there is significant variation in employment rates between local authority areas. Dartford (86.2%) and Swale (84.7%) have much higher male employment rates than Gravesesham (81.2%) and Medway (76.5%), whilst for female employment rates Gravesh Ham (50.3%) falls a long way below the other authorities which are at similar levels (64.6% to 66.2%).

2.18 Chart 2.10 shows that the employment rate has fluctuated far more in Thames Gateway Kent than nationally. Until 2008 it was significantly higher than the national rate, but fell below the Kent & Medway and SELEP area average from 2006. In the last 12 months the TGK rate has risen sharply above the Kent & Medway rate and is showing signs of beginning to reverse the long decline since 2006.

Chart 2.10: Change in Total Employment, 2005-12
2.19 Male unemployment has been on a generally upwards trajectory since 2009 with a sharp increase in the last 12 months, overtaking the Kent & Medway level for the first time since 2007 and the SELEP area level for the first time since 2006. Throughout these 8 years the TGK male employment rate has exceeded the national average.

Chart 2.11 Change in Male Employment, 2005-12

![Chart showing male employment rates from 2005 to 2012.]

Source: NOMIS; Annual Population Survey Jan-Dec 2005 to Jan-Dec 2012

2.20 Female employment in TGK has remained consistently below the Kent & Medway rate since 2007 and has not rallied significantly in the last 12 months, unlike the situation for male employment. Female employment has since 2010 fallen below the national, Kent & Medway and SELEP area rates. The overall upturn in employment rates is almost entirely down to the upsurge in male employment.

Chart 2.12 Change in Female Employment, 2005-12

![Chart showing female employment rates from 2005 to 2012.]

Source: NOMIS; Annual Population Survey Jan-Dec 2005 to Jan-Dec 2012

2.21 A closer look at female employment rates, including the data to March 2013, shows that for women aged 35-64 employment rates have fluctuated less than 10% over ten years, though for women aged 35-49 the current rate of 70.1% is the lowest in that period. For younger women (16-24), employment rates have seen the most fluctuation, hitting a low point of 29.3% for 16-19 year olds in March 2012 (from a peak of over 76% in 2005); recently there has been a relatively strong upward trend. For 20-24 year olds, which would include new graduates, the recovery over the last two years still leaves rates 17.2% lower than their peak in 2005. These variations are more extreme, and starting from a lower base, than male
employment rates in the same period. This suggests that particularly younger women, are consistently encountering more obstacles to employment than their male counterparts.

Chart 2.13: Female employment trends

![Female employment rates in Thames Gateway Kent](chart)

Source: NOMIS, APS, April 2005-March 2013

Economic Inactivity

**In 2007 economic inactivity rate in Thames Gateway Kent stood at 20.8% which was below the national rate (23.5%). Across the North Kent area economic inactivity rates were highest in Swale and lowest in Gravesham.**

2.22 The latest figures show that the overall economic inactivity rate for Thames Gateway Kent is 21.8% which is below the SELEP area (22.2%), national (23.1%) rates and Kent and Medway rates. Across Thames Gateway Kent, Gravesham has the highest level of economic inactivity at 27.4%, which is considerably more than Swale with the lowest rate (18.4%) – in other words, a reversal of the position in 2007. The increase in inactivity across Thames Gateway mirrors the position for SELEP area; Kent & Medway has seen an increase in inactivity compared to a reduction nationally.

Chart 2.13: Economic Inactivity Rates 2012

![Economic Inactivity rates 2012](chart)

Source: NOMIS; APS Jan 2012 – Dec 2012

2.23 Although economic inactivity rates in Thames Gateway Kent have shown a higher degree of volatility, the level was relatively low before 2008, when the SELEP area, Kent & Medway and
TGK were at similar levels. Since then there have been significant fluctuations, but the latest standings show that inactivity in Kent & Medway has risen above the national average for the first time, whereas in TGK inactivity is now at a lower level than the comparator geographies.

Chart 2.14: Change in Economic Inactivity Rates 2005-12

![Chart 2.14: Change in Economic Inactivity Rates 2005-12]

Source: NOMIS; APS Jan 2012 – Dec 2012

2.24 As well as having marginally lower rate of economic inactivity than comparison geographies, North Kent has a higher proportion of economically inactive people who want a job:

Chart 2.15: Economically inactive working age population who want a job

![Chart 2.15: Economically inactive working age population who want a job]

Source: NOMIS, APS, Jan 2012 – Dec 2012

2.25 This indicates both untapped potential in the North Kent workforce and existence of barriers to employment, perhaps particularly skills.

Unemployment

In 2007 the overall unemployment rate stood at 7.2% in Thames Gateway Kent which was above the regional rate of 4.3% and national rate of 5.3%. Across North Kent unemployment was highest in Gravesham (12.1%) and lowest in Medway (5.5%).

Those seeking Job Seekers Allowance (JSA) in Thames Gateway Kent in 2008 stood at 7.900 – 2.2% of
the working age population, which was above the South East average of 1.5%. The JSA rate in Dartford was slightly lower (1.7%) than the rate elsewhere across Thames Gateway Kent at that time.

2.26 The latest annual unemployment rate for 2013 (to March 2013) stands at 8.0% in Thames Gateway Kent, the same as the national figure and slightly above the Kent & Medway and SELEP average. This marks a significant convergence, with TGK showing a steep fall. District figures suggest a large reduction in employment in Swale, though statistical sampling errors suggest this should be treated with caution. Male unemployment is highest in Medway and female unemployment highest in Gravesham.

Table 2.3: Unemployment Rates in 2013

<table>
<thead>
<tr>
<th>Unemployment Rates in 2013</th>
<th>2013</th>
<th>% point change 2008-13</th>
<th>% point change 2010-13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thames Gateway Kent</td>
<td>Total</td>
<td>Male</td>
<td>Female</td>
</tr>
<tr>
<td>Dartford</td>
<td>8.0</td>
<td>6.9</td>
<td>9.4</td>
</tr>
<tr>
<td>Gravesham</td>
<td>9.9</td>
<td>8.7</td>
<td>11.7</td>
</tr>
<tr>
<td>Medway</td>
<td>9.4</td>
<td>8.9</td>
<td>10.1</td>
</tr>
<tr>
<td>Swale</td>
<td>3.5</td>
<td>2.1</td>
<td>5.2</td>
</tr>
<tr>
<td>Kent &amp; Medway</td>
<td>7.7</td>
<td>8.3</td>
<td>7.0</td>
</tr>
<tr>
<td>South East LEP</td>
<td>7.6</td>
<td>7.9</td>
<td>7.3</td>
</tr>
<tr>
<td>Great Britain</td>
<td>8.0</td>
<td>8.4</td>
<td>7.5</td>
</tr>
</tbody>
</table>

Source: NOMIS, APS, April 2004-March 2005 to April 2012-March 2013. NB Statistics are subject to variable sampling error margins and for Swale the 2013 male unemployment figure is imputed: the estimate and confidence interval is unreliable since the group sample size is small.

2.27 Since 2006 unemployment rose more steeply in TGK than at the national, SELEP and Kent & Medway level, but has been more volatile since 2008 with both steeper rises and falls than the comparator areas. This may reflect some seasonality in the statistics but could also indicate that TGK is both more vulnerable to negative impacts and more responsive to positive stimuli.

Chart 2.16: Change in Unemployment Rates 2004-13

Source NOMIS: Annual Population Survey Jan-Dec 2004 to April 2012-March 2013
Claimants

2.28 The latest JSA rate for Thames Gateway Kent in June 2013 is 3.4% which is considerably higher than for Kent & Medway and the SELEP area (2.9%), but just below the national average (3.5%). Across North Kent there continues to be variation with Gravesham, Medway and Swale all having significantly higher rates than Dartford where the rate is well below the Kent & Medway and regional level, maintaining this historic pattern.

Table 2.4: Number of Job Seekers Allowance and NI Credit Claimants

<table>
<thead>
<tr>
<th></th>
<th>June 2013</th>
<th>June 2010</th>
<th>June 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Rate (%)</td>
<td>Number</td>
</tr>
<tr>
<td>Thames Gateway Kent</td>
<td>13,125</td>
<td>3.4</td>
<td>13,695</td>
</tr>
<tr>
<td>Dartford</td>
<td>1,625</td>
<td>2.6</td>
<td>1,885</td>
</tr>
<tr>
<td>Gravesham</td>
<td>2,310</td>
<td>3.6</td>
<td>2,355</td>
</tr>
<tr>
<td>Medway</td>
<td>6,180</td>
<td>3.6</td>
<td>6,505</td>
</tr>
<tr>
<td>Swale</td>
<td>3,015</td>
<td>3.5</td>
<td>2,945</td>
</tr>
<tr>
<td>South East LEP</td>
<td>72,630</td>
<td>2.9</td>
<td>75,105</td>
</tr>
<tr>
<td>Kent &amp; Medway</td>
<td>31,855</td>
<td>2.9</td>
<td>31,945</td>
</tr>
<tr>
<td>Great Britain</td>
<td>1,375,625</td>
<td>3.5</td>
<td>1,383,950</td>
</tr>
</tbody>
</table>

Source: NOMIS, JSA Claimants, released July 2013

2.29 Since 2005 the JSA claimant trend was relatively steady across all local authority areas in North Kent until the end of 2008, when it rose significantly. While the North Kent trend has followed the national and regional pattern, the rate has remained consistently above the Kent & Medway and SELEP are level, and more or less on a par with the national average.

Chart 2.17: Change in JSA Claimants Rates 2005-2013

Source: NOMIS JSA claimant counts Jan 2005–Aug 2013

2.30 The chart below shows the claimant rates in Thames Gateway Kent compared to the national average of the period January 2007 to June 2013. This clearly shows that within fairly narrow tolerances the rates for male, female and total claimants closely track the national average. So whilst Thames Gateway Kent has higher claimant rates than Kent & Medway as a whole or the SELEP area, there is nothing to suggest any exceptional or abnormal patterns.
2.31 The picture for **18-24 year olds** is significantly worse than for the generality of claimants. Comparison between the charts above and below show that whereas the national claimant rate peaked at 4.1% in early 2010, the rate for 18-24 year olds has generally remained around double this, and in Thames Gateway Kent the 18-24 year olds rate has been as much as 2.5 times the national 16-64 year olds rate. At a district level, Swale stands out as having a significantly higher rate than other North Kent authorities, peaking at 12.0% in February 2012, whereas Dartford’s rate has remained consistently the lowest in North Kent and with the exception of fluctuations between September 2009 and May 2010 has remained below that national rate. The disparity at district level points to a range of factors including differentials between opportunities and skills/qualifications.

**Chart 2.18: Claimant Count in Thames Gateway Kent compared with Great Britain**

![Chart 2.18](chart2_18.png)

Source: NOMIS, APS, Claimant Count Jan 2007-June 2013

2.32 The pattern of **longer-term claimants** is more variable. Until early 2010, the proportion of 18-24 year olds claiming for between 6 and 12 months remained consistently below the rate for the working population as a whole. 2010 saw the steepest rise in over-6 month claimants followed by the sharpest fall, suggesting that relatively more progress was being made in moving young people off JSA than amongst claimants as a whole; more recently, more progress has been made in reducing the proportion of 18-24 old claimants as a whole, but those claiming over 6 months have not showed the same fall.

**Chart 2.19: Claimant Rate for 18-24 year olds**

![Chart 2.19](chart2_19.png)

Source: NOMIS, APS, Claimant Count Jan 2007-June 2013
Chart 2.20: Claimant Rates by Age and Duration

Source: ONS, NOMIS, Claimant Count, age duration with proportions, Jan 2007 – June 2013.
3 Qualifications & Skills

The earlier analysis of skills and qualification levels based on 2007 data noted that remarkably fewer residents in Thames Gateway Kent that were qualified to NVQ level 4 and above, compared to the Kent, South East and national average.

Amongst the local authority areas in North Kent, Dartford was noted as having a much higher proportion than the remaining districts, but nevertheless was still below average.

3.1 The most recent data on qualification show some variation from the trends observed in earlier analyses. For instance, at a national level, qualification at NVQ level 4+ has risen steadily in every year since 2007, and the SELEP area has followed a similar trend albeit at lower rates (the 2012 rate still lags below the national rate in 2007). In Kent & Medway and Thames Gateway Kent there has been a fall in 2012 in the percentage of residents qualified to NVQ4+ with only Medway seeing an increase on the previous year and a markedly sharp reduction in Dartford to below the Kent & Medway level after three years at or above the national level. Medway nonetheless remains with the lowest proportion of working age residents qualified to NVQ level 4+ at 23.5%. Overall the gap between North Kent and the national average has widened since 2007.

3.2 However, this overall trend masks more recent decline after strong progress in earlier years. This chart shows how attainment at NVQ 4+ has risen fairly steadily across TGKP, mirroring but slightly below the Kent & Medway level, with a slight fall in the last 12 months. This compares with continued rise at national and South East LEP level. Dartford’s strong showing at this level up to 2011, exceeding the national rate, constrasts with a sharp fall in 2012, and similar sharp falls in Gravesham.

Chart 3.1: Change in residents aged 16-64 with NVQ level 4+ qualifications

3.3 At the other end of the qualification spectrum – those with no qualifications – the Thames Gateway Kent at 10% is similar to the national level but higher than the Kent & Medway and South East LEP levels, and this represents a 4% reduction since 2010 (chart 2.21).

3.4 District level figures need to be treated with caution as they are subject to a large degree of sampling variation, but they clearly suggest that Gravesham has a higher proportion of residents without a recognised qualification, and Thames Gateway Kent still has a higher than national average rate of residents with low or no qualifications and a far lower than average rate of residents with the higher level qualifications.
3.5 Chart 3.2, showing change in qualifications profile between 2007 and 2012 shows a broadly similar pattern in Thames Gateway Kent as in the comparator geographies, with a slightly greater reduction in the proportion of residents with no qualifications an more progress at NVQ1-4+ than in Kent and Medway as a whole, though less than nationally. Medway shows the least change in its profile whilst Gravesasham has seen the biggest increase in high level qualifications. Across the piece, the greatest progress has been in NVQ 2 attainment.

Chart 3.2: Qualifications Profile

![Chart showing qualifications profile 2012 - population aged 16-64](chart.png)

Source: NOMIS, APS Jan-Dec 2012

Chart 3.3: Change in Qualifications Profile 2007-12

![Chart showing change in qualifications profile 2007-12 - residents aged 16-64](chart.png)

Source: NOMIS, APS, Jan 2007-Dec 2012

Attainment in secondary education

3.6 There have been substantial improvements to GCSE attainment levels in TGK over recent years and this has been particularly since 2008/09 when the levels in TGK were below that for the wider areas. Since then there has been a 17.2 percentage point increase in TGK, which has been well above the improvement in Kent (+13.4pp), the South East (+14.1pp) and England (+13.0pp). TGK outperforms the national, regional and Kent attainment.
Table 3.1: GCSE Attainment, 2006-12

<table>
<thead>
<tr>
<th>Achievement Levels of 5+ GCSEs grades A*-C (%)</th>
<th>2006-07</th>
<th>2007-08</th>
<th>2008-09</th>
<th>2009-10</th>
<th>2010-11</th>
<th>2011-12</th>
<th>% Point change 2006/07 to 2008/09</th>
<th>% point change 2008/09 to 2010/12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dartford</td>
<td>69.1</td>
<td>67.2</td>
<td>72.5</td>
<td>79.8</td>
<td>85.1</td>
<td>86.4</td>
<td>3.4</td>
<td>13.9</td>
</tr>
<tr>
<td>Gravesham</td>
<td>58.1</td>
<td>62.5</td>
<td>70.2</td>
<td>78.3</td>
<td>84.8</td>
<td>86.9</td>
<td>12.1</td>
<td>16.7</td>
</tr>
<tr>
<td>Medway</td>
<td>63.6</td>
<td>66.4</td>
<td>71.1</td>
<td>77.7</td>
<td>83.3</td>
<td>88.0</td>
<td>7.5</td>
<td>16.9</td>
</tr>
<tr>
<td>Swale</td>
<td>56.2</td>
<td>60.5</td>
<td>66.5</td>
<td>74.7</td>
<td>81.1</td>
<td>86.3</td>
<td>10.3</td>
<td>19.8</td>
</tr>
<tr>
<td>Thames Gateway Kent</td>
<td>61.3</td>
<td>64.2</td>
<td>69.7</td>
<td>77.2</td>
<td>84.0</td>
<td>86.9</td>
<td>8.5</td>
<td>17.2</td>
</tr>
<tr>
<td>Kent</td>
<td>64.9</td>
<td>67.6</td>
<td>73.0</td>
<td>79.3</td>
<td>82.5</td>
<td>86.4</td>
<td>8.1</td>
<td>13.4</td>
</tr>
<tr>
<td>South East</td>
<td>63.0</td>
<td>66.0</td>
<td>70.1</td>
<td>75.7</td>
<td>79.3</td>
<td>84.2</td>
<td>7.1</td>
<td>14.1</td>
</tr>
<tr>
<td>England</td>
<td>61.4</td>
<td>65.3</td>
<td>70.0</td>
<td>75.4</td>
<td>79.5</td>
<td>83.0</td>
<td>8.6</td>
<td>13.0</td>
</tr>
</tbody>
</table>

Source: DFE / ONS Neighbourhood Statistics: GCSE and Equivalent Results for Young People by Gender in England (Referenced by Location of Pupil Residence), 2011/2012

3.7 Across TGK districts there is variation in levels of GCSE attainment, with Dartford having consistently the highest GCSE attainment levels until 2011-12 when it has been overtaken by both Gravesham and Medway. Substantial improvements, particularly in Swale and Gravesham have resulted in the differences across local authorities diminishing from 12.9 points in 2006-7 to 1.7 points in 2011-12.

3.8 The picture is not so positive for TGK, however, when the GCSE attainment level for 5+ GCSEs A*-C including English and Maths is considered. TGK under-performs on this measure, with only 59.4% achieving this standard in 2011/12, though it has overtaken the national rate and is catching up with Kent and the South East. The improvement in TGK since 2008/9 is considerably greater than at national and regional levels.

Table 3.2: Attainment at GCSE Level including Maths and English

<table>
<thead>
<tr>
<th>Achievement levels of 5+ GCSEs grades A*-C including English &amp; Maths</th>
<th>2006-07</th>
<th>2007-08</th>
<th>2008-09</th>
<th>2009-10</th>
<th>2010-11</th>
<th>2011-12</th>
<th>% Point change 2006/07 to 2008/09</th>
<th>% Point change 2008/09 to 2011/12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dartford</td>
<td>47.0</td>
<td>46.8</td>
<td>49.4</td>
<td>53.6</td>
<td>60.9</td>
<td>64.0</td>
<td>2.4</td>
<td>14.6</td>
</tr>
<tr>
<td>Gravesham</td>
<td>44.6</td>
<td>48.0</td>
<td>46.9</td>
<td>54.0</td>
<td>56.2</td>
<td>56.4</td>
<td>2.3</td>
<td>9.5</td>
</tr>
<tr>
<td>Medway</td>
<td>46.9</td>
<td>47.6</td>
<td>51.7</td>
<td>53.6</td>
<td>55.7</td>
<td>60.0</td>
<td>4.8</td>
<td>8.3</td>
</tr>
<tr>
<td>Swale</td>
<td>44.2</td>
<td>42.9</td>
<td>44.3</td>
<td>52.1</td>
<td>52.1</td>
<td>57.3</td>
<td>0.1</td>
<td>13.0</td>
</tr>
<tr>
<td>Thames Gateway Kent</td>
<td>45.2</td>
<td>46.0</td>
<td>48.2</td>
<td>52.9</td>
<td>56.6</td>
<td>59.4</td>
<td>3.0</td>
<td>11.2</td>
</tr>
<tr>
<td>Kent</td>
<td>48.5</td>
<td>50.0</td>
<td>52.0</td>
<td>56.8</td>
<td>59.4</td>
<td>61.0</td>
<td>3.5</td>
<td>9.0</td>
</tr>
<tr>
<td>South East</td>
<td>49.4</td>
<td>51.8</td>
<td>53.7</td>
<td>57.5</td>
<td>59.6</td>
<td>60.3</td>
<td>4.3</td>
<td>6.6</td>
</tr>
<tr>
<td>England</td>
<td>46.3</td>
<td>47.6</td>
<td>49.8</td>
<td>53.5</td>
<td>58.9</td>
<td>58.8</td>
<td>3.5</td>
<td>9.0</td>
</tr>
</tbody>
</table>

Source: DFE / ONS Neighbourhood Statistics: GCSE and Equivalent Results for Young People by Gender in England (Referenced by Location of Pupil Residence), 2011/2012

3.9 GCSE results do not bear directly on the economy, but the positive trend in results, if continued, indicates the prospect of a better qualified workforce in future years. This will also

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3 2011-12 figure is for the SELEP area, therefore is not directly comparable with earlier years.
4 See note 6.
depend upon retaining well qualified residents as well as attracting talent from elsewhere to fill skills gaps.

3.10 TGKP’s October 2012 report on employment and skills in Thames Gateway offers additional insight into trends in education and training\(^5\).

**Participation in post-16 Education and Training**

3.11 Participation in education and training amongst 18-24 year old residents in TGK is relatively low. Enrolments by residents decreased by 13% between 2008/9 and 2010/11 (from 78,340 to 67,920), a similar percentage decrease to Kent & Medway but greater than the 10% decrease nationally. The proportion of enrolments in Further Education or Sixth Form Colleges has increased by 8% (49% to 57%) whilst those enrolling with private sector providers has decreased by roughly the same amount (26% to 17%), with the proportion of enrolments in schools remaining the same.

3.12 75,430 students enrolled with post-16 education and training providers delivering training in North Kent, a 5% decrease since 2008/9, but in the same period the percentage of achievers increased by 1%. North Kent still experiences a net outflow of student enrolments, though this halved between 2008/9 and 2010/11. The net in-flow in Dartford is outweighed by the marked out-flow from Medway and Gravesham. This partly reflects the location of providers as well as the extent to which aspirations of residents and employees are met locally.

3.13 The number of residents achieving post-16 qualifications has decreased (-6%), a greater fall than nationally (-4%) but much less than Kent & Medway (-11%).

3.14 The most popular post-16 subjects are categorised as ‘employability’. This may be a reflection of the relatively high level of residents without qualifications in TGK and the low level of attainment of 5 GCSEs including English and Maths. Other popular subjects include Construction and Business Information Technology & Telecommunication (BIT&T); but whilst construction enrolments increased, enrolments in BIT&T and Science, Engineering and Manufacturing Technologies both decreased.

3.15 The proportion of residents enrolling on unfunded courses has fallen significantly (27% in 2008/9, 12% in 2010/11), whilst those enrolling on ‘Learner Responsive Training Other’ (which is below Level 2) has increased and now accounts for almost half of the provision. The share of enrolments in Apprenticeships has also increased – from 5% to 8% - but still remains a relatively low proportion of the total. These changes in the pattern of enrolments reflect the push by government to encourage employers to take on apprentices, by focusing funding in this direction, alongside less willingness or ability on the part of employers to pay for training in the current economic climate.

3.16 TGK has seen much greater growth in Apprenticeship enrolments (+105%) than in the South East (+66%) and England (+91%) though slightly less than Kent & Medway (+108%).

3.17 In terms of **apprenticeships achieved**, there has been a 35% increase amongst TGK residents since 2008/09 - the same as in Kent & Medway as a whole, but slightly less than the South East and national average. Achievements at the Advanced and Higher Level have outstripped those at the Intermediate Level, which is similar to Kent & Medway, but below that for the South East and England.

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\(^5\) Thames Gateway Kent Employment and Skills, TGKP, October 2012. The most recent data referred to in that report are generally for 2010/11.
Participation in Higher Education by North Kent Residents

3.18 Participation in higher education increased by 6% between 2008/9 and 2010/11 (from 15,335 to 16,215), with distribution more or less similar to overall population distribution. About 4.3% of TGK residents aged 16-64 are participating in higher education, compared with an average of 5.3% in the South East and nationally.

3.19 Participation rates amongst 18-24 year olds is lower in TGK (18%) compared with 19.9% nationally and 20.9% in Kent & Medway, though the rate has increased more in TGK than others since 2008/9.

3.20 The most popular subject studied by North Kent residents in Higher Education is “Subjects Allied to Medicine” (which includes pharmacy, nursing, occupational therapy, radiography, etc) with 13%, followed by Education (11%) and Business & Administration (10%). The top 10 subject categories account for 80% of students.

Higher Education in Thames Gateway Kent Institutions

3.21 On the four HEI campuses in North Kent, there were 12,195 students in 2010/11: student numbers have remained stable since 2008/9 though there is significant variation across institutions.

3.22 The most popular subject studied in North Kent at HEI campuses is “Subjects allied to medicine”, which is taken by 27% by students in 2010/11. This is followed by Engineering & technology (10%), Creative arts & design (10%) and Education (10%). The top ten subject categories account for 93% of students.

3.23 20% of students on North Kent HEI campuses come from North Kent, 47% from the South East and London area, with the remainder coming almost equally from overseas (17%) or elsewhere in the UK (16%). 10% fewer students are coming from elsewhere in Kent & Medway, effectively ‘replaced’ by an increase in students from the East of England and additional students from the EU.

3.24 There is a net out-flow of just over 4,000 HE students in 2010/11, 29% higher than in 2008/9. This reflects an increase in TGK residents in higher education whilst student numbers at North Kent HEIs have remained at a similar level.

3.25 Only seven subjects feature in the top ten for both North Kent residents and at North Kent HEI campuses (Table 3.3 below). However, amongst these Business & administration studies and Social studies are taken by higher percentages of North Kent residents, while higher percentages of students at North Kent HEI campuses take Engineering & technology and Biological sciences. Similar percentages take Education and Creative arts & design.
Table 3.3: Top ten subjects studied by North Kent residents in Higher education campuses

<table>
<thead>
<tr>
<th>Subjects studied by North Kent residents in HE</th>
<th>% 2010/11</th>
<th>% Change 2008/09 – 2010/11</th>
<th>Subjects studied at North Kent HEI campuses</th>
<th>% 2010/11</th>
<th>% Change 2008/09 – 2010/11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subjects allied to medicine</td>
<td>13%</td>
<td>+10%</td>
<td>Subjects allied to medicine</td>
<td>27%</td>
<td>-13%</td>
</tr>
<tr>
<td>Education</td>
<td>11%</td>
<td>0%</td>
<td>Engineering &amp; technology</td>
<td>17%</td>
<td>+58%</td>
</tr>
<tr>
<td>Business &amp; admin studies</td>
<td>10%</td>
<td>+8%</td>
<td>Creative arts &amp; design</td>
<td>10%</td>
<td>+19%</td>
</tr>
<tr>
<td>Social Studies</td>
<td>9%</td>
<td>0%</td>
<td>Education</td>
<td>10%</td>
<td>+48%</td>
</tr>
<tr>
<td>Creative arts &amp; design</td>
<td>9%</td>
<td>+7%</td>
<td>Biological sciences</td>
<td>9%</td>
<td>+75%</td>
</tr>
<tr>
<td>Biological Sciences</td>
<td>8%</td>
<td>+16%</td>
<td>Business &amp; admin studies</td>
<td>5%</td>
<td>+120%</td>
</tr>
<tr>
<td>Engineering &amp; technology</td>
<td>6%</td>
<td>+11%</td>
<td>Agriculture &amp; related</td>
<td>5%</td>
<td>+143%</td>
</tr>
<tr>
<td>Combined studies</td>
<td>5%</td>
<td>+8%</td>
<td>Social studies</td>
<td>4%</td>
<td>+92%</td>
</tr>
<tr>
<td>Languages</td>
<td>5%</td>
<td>+1%</td>
<td>Law</td>
<td>3%</td>
<td>+40%</td>
</tr>
<tr>
<td>Historical &amp; Philosophical studies</td>
<td>4%</td>
<td>+9%</td>
<td>Physical sciences</td>
<td>3%</td>
<td>-41%</td>
</tr>
</tbody>
</table>

Source: HESA special data request. Note: Numbers rounded to nearest %.

3.26 The sectors identified in the previous strategies as offering the greatest capacity for economic growth in North Kent and bring higher value jobs to the area are advanced manufacturing and engineering, sustainable construction, environmental technologies, ports & logistics, business & financial services, creative industries and tourism & leisure, public sector and higher education. For many of these sectors, it is interesting to note that relatively more students are taking relevant subjects for these sectors at North Kent HEI campuses than amongst North Kent residents in Higher Education. The one subject amongst the top ten that is relevant to the priority sectors, but which is taken by a lower proportion of students at HEI campuses compared to amongst North Kent residents, is Business & administrative studies.
4 Business Enterprise

4.1 Entrepreneurial spirit, creativity and the ability of local people to turn ideas into commercial opportunities are all characteristics of competitive local economies. This is a key plank of the North Kent Economic Development Strategy and a key measure is therefore the rate of new business creation and survival.

Business Survival

4.2 The one-year survival rate for new businesses has declined markedly at all levels since 2006, and TGK is no exception; but in the most recent couple of years, one-year survival has been somewhat higher in TGK than comparator geographies.

Chart 4.1: Survival rate for new-born enterprises

![Survival rate for new-born enterprises, 2006-10](image)

Source: NOMIS, BRES

4.3 Longer-term survival rates tell a mixed story. For businesses started in 2006, survival of TGK businesses after the first year declined more sharply than the national and sub-regional averages (chart 3.2). A similar pattern is also evident for businesses born in 2007, though from 2008 onwards survival rates have been broadly comparable with or better than national rates, though lower than the sub-regional averages.

Chart 4.2: 5 year survival rate for new enterprises

![Survival rate of new born enterprises 2006](image)

Source: ONS, NOMIS, Survival Of Newly Born Enterprises 2006-2011
### Business Stock

#### 4.4 Between 2004 and 2007, the number of active enterprises in Thames Gateway Kent grew by 5.2%, which was substantially less than the national average (7.5%), Kent and Medway (6.1%) and South East LEP area (5.9%). Since 2007, growth in the business stock has stagnated in TGK, compared with modest growth at national and sub-regional levels. At a district level, Dartford has shown positive growth in the number of active enterprises throughout the period. However, when these data are benchmarked against the working age population, the growth 2004-7 is more modest at all levels, and in 2007-11 the ratio of businesses to population declined, with both TGK and Kent & Medway falling some way below the national and SELEP area averages.

#### Table 4.1 Active Enterprises

<table>
<thead>
<tr>
<th></th>
<th>Count of Active Enterprises</th>
<th>Enterprises per 10,000 population aged 16-64</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dartford</td>
<td>9.4%</td>
<td>3.5%</td>
</tr>
<tr>
<td>Gravesham</td>
<td>2.7%</td>
<td>1.6%</td>
</tr>
<tr>
<td>Medway UA</td>
<td>4.0%</td>
<td>-0.3%</td>
</tr>
<tr>
<td>Swale</td>
<td>6.2%</td>
<td>-3.0%</td>
</tr>
<tr>
<td>Thames Gateway Kent</td>
<td>5.2%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Kent &amp; Medway</td>
<td>6.1%</td>
<td>0.4%</td>
</tr>
<tr>
<td>SE LEP</td>
<td>5.9%</td>
<td>0.3%</td>
</tr>
<tr>
<td>GREAT BRITAIN</td>
<td>7.5%</td>
<td>0.9%</td>
</tr>
</tbody>
</table>

Source: ONS, NOMIS, Count of Active Enterprises, Mid Year Population Estimates 16-64 year olds

#### Table 4.2: Change in Business Stock 2004-2011

<table>
<thead>
<tr>
<th>Count of Active Enterprises</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dartford</td>
<td>2,970</td>
<td>2,980</td>
<td>3,095</td>
<td>3,210</td>
<td>3,250</td>
<td>3,280</td>
<td>3,340</td>
<td>3,365</td>
</tr>
<tr>
<td>Gravesham</td>
<td>3,005</td>
<td>3,010</td>
<td>3,010</td>
<td>3,090</td>
<td>3,085</td>
<td>3,100</td>
<td>3,095</td>
<td>3,135</td>
</tr>
<tr>
<td>Medway UA</td>
<td>7,080</td>
<td>7,200</td>
<td>7,340</td>
<td>7,385</td>
<td>7,365</td>
<td>7,320</td>
<td>7,365</td>
<td>7,340</td>
</tr>
<tr>
<td>Swale</td>
<td>4,225</td>
<td>4,350</td>
<td>4,490</td>
<td>4,585</td>
<td>4,485</td>
<td>4,460</td>
<td>4,410</td>
<td>4,350</td>
</tr>
<tr>
<td>Thames Gateway Kent</td>
<td>17,280</td>
<td>17,540</td>
<td>17,935</td>
<td>18,270</td>
<td>18,185</td>
<td>18,210</td>
<td>18,190</td>
<td>18,190</td>
</tr>
<tr>
<td>Kent &amp; Medway</td>
<td>59,755</td>
<td>60,485</td>
<td>61,045</td>
<td>62,760</td>
<td>63,385</td>
<td>63,420</td>
<td>63,670</td>
<td>63,650</td>
</tr>
<tr>
<td>SELEP</td>
<td>146,460</td>
<td>147,700</td>
<td>149,205</td>
<td>153,095</td>
<td>155,165</td>
<td>155,725</td>
<td>156,450</td>
<td>155,650</td>
</tr>
<tr>
<td>GREAT BRITAIN</td>
<td>2,106,730</td>
<td>2,129,255</td>
<td>2,151,845</td>
<td>2,222,555</td>
<td>2,265,740</td>
<td>2,282,200</td>
<td>2,292,440</td>
<td>2,285,225</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Enterprises per 10,000 population aged 16-64</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dartford</td>
<td>523</td>
<td>512</td>
<td>520</td>
<td>534</td>
<td>532</td>
<td>533</td>
<td>538</td>
<td>530</td>
</tr>
<tr>
<td>Gravesham</td>
<td>493</td>
<td>488</td>
<td>482</td>
<td>492</td>
<td>489</td>
<td>491</td>
<td>487</td>
<td>485</td>
</tr>
<tr>
<td>Medway UA</td>
<td>431</td>
<td>437</td>
<td>444</td>
<td>444</td>
<td>440</td>
<td>436</td>
<td>436</td>
<td>422</td>
</tr>
<tr>
<td>Swale</td>
<td>526</td>
<td>538</td>
<td>551</td>
<td>555</td>
<td>537</td>
<td>532</td>
<td>521</td>
<td>505</td>
</tr>
<tr>
<td>Thames Gateway Kent</td>
<td>477</td>
<td>480</td>
<td>486</td>
<td>492</td>
<td>485</td>
<td>482</td>
<td>480</td>
<td>468</td>
</tr>
<tr>
<td>Kent &amp; Medway</td>
<td>589</td>
<td>590</td>
<td>591</td>
<td>602</td>
<td>604</td>
<td>602</td>
<td>599</td>
<td>583</td>
</tr>
<tr>
<td>SELEP</td>
<td>623</td>
<td>622</td>
<td>623</td>
<td>633</td>
<td>636</td>
<td>635</td>
<td>633</td>
<td>623</td>
</tr>
<tr>
<td>GREAT BRITAIN</td>
<td>561</td>
<td>562</td>
<td>563</td>
<td>576</td>
<td>584</td>
<td>585</td>
<td>585</td>
<td>575</td>
</tr>
</tbody>
</table>

Source: ONS, NOMIS, Count of Active Enterprises, Mid Year Population Estimates 16-64 year olds
4.5 Taking a slightly broader definition of business stock (NOMIS counts of active enterprises include only VAT-registered or PAYE-registered companies), shows a much higher count of business stock:

Table 4.3: Count of Business Stock

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Kent &amp; Medway</td>
<td>136,893</td>
<td>148,819</td>
<td>142,760</td>
<td>144,060</td>
<td>142,331</td>
<td>5,439 4.0%</td>
</tr>
<tr>
<td>South East LEP</td>
<td>347,676</td>
<td>357,737</td>
<td>345,753</td>
<td>349,487</td>
<td>344,253</td>
<td>-3,424 -1.0%</td>
</tr>
<tr>
<td>England</td>
<td>4,202,151</td>
<td>4,376,728</td>
<td>4,443,579</td>
<td>4,443,579</td>
<td>4,369,246</td>
<td>167,095 4.0%</td>
</tr>
<tr>
<td>Dartford</td>
<td>7,711</td>
<td>8,707</td>
<td>8,566</td>
<td>8,534</td>
<td>8,280</td>
<td>569 7.4%</td>
</tr>
<tr>
<td>Gravesend</td>
<td>6,623</td>
<td>7,174</td>
<td>6,933</td>
<td>6,911</td>
<td>6,867</td>
<td>245 3.7%</td>
</tr>
<tr>
<td>Medway</td>
<td>17,448</td>
<td>18,826</td>
<td>17,805</td>
<td>17,869</td>
<td>17,674</td>
<td>226 1.3%</td>
</tr>
<tr>
<td>Swale</td>
<td>9,126</td>
<td>10,001</td>
<td>9,313</td>
<td>9,510</td>
<td>9,520</td>
<td>394 4.3%</td>
</tr>
<tr>
<td>North Kent</td>
<td>40,908</td>
<td>44,707</td>
<td>42,617</td>
<td>42,824</td>
<td>42,341</td>
<td>1,434 3.5%</td>
</tr>
</tbody>
</table>

Source: tbr/TCR (Dunn & Bradstreet), 2013

4.6 This indicates that although there has been 3.5% growth in number of enterprises since 2008, Thames Gateway Kent overall has not yet made up lost ground since the peak of 2009 and recovery has been at a lower rate than nationally or in Kent, though much higher than the SE LEP average. Within North Kent, Dartford has shown more resilience to the downturn than the other districts.

Innovation

4.7 One indicator of potential for innovation to drive business growth is investment in research and development (R&D). Estimates are based on sampling and therefore must be treated with caution. These suggest that North Kent companies spend a lower proportion of their turnover on R&D than in the comparator areas, and significantly less than Kent & Medway.

Table 4.4a: Expenditure on R&D

<table>
<thead>
<tr>
<th></th>
<th>Expenditure on R&amp;D (£k)</th>
<th>Proportion of Turnover spent on R&amp;D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kent &amp; Medway</td>
<td>£7,399</td>
<td>£22,451</td>
</tr>
<tr>
<td>South East LEP</td>
<td>£14,034</td>
<td>£111,943</td>
</tr>
<tr>
<td>England</td>
<td>£952,587</td>
<td>£6,921,981</td>
</tr>
<tr>
<td>North Kent</td>
<td>£2,807</td>
<td>£6,715</td>
</tr>
</tbody>
</table>

Source: Community Innovation Survey, tbr 2013

4.8 By contrast, proportion of turnover invested in innovation shows North Kent in a more positive light. Amongst districts, Swale stands out, notably for internal R&D, perhaps reflecting the presence of manufacturing and companies based at the Kent Science Park within the sample.
Table 4.4b: Expenditure on Innovation

<table>
<thead>
<tr>
<th></th>
<th>Internal R&amp;D</th>
<th>External R&amp;D</th>
<th>Acquisition of machinery or equipment or software</th>
<th>External Knowledge</th>
<th>Training</th>
<th>Design</th>
<th>Market introduction of innovations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kent &amp; Medway</td>
<td>0.65%</td>
<td>0.08%</td>
<td>0.47%</td>
<td>0.02%</td>
<td>0.04%</td>
<td>0.20%</td>
<td>0.01%</td>
<td>1.47%</td>
</tr>
<tr>
<td>South East LEP</td>
<td>0.20%</td>
<td>0.03%</td>
<td>0.51%</td>
<td>0.00%</td>
<td>0.01%</td>
<td>0.04%</td>
<td>0.01%</td>
<td>0.81%</td>
</tr>
<tr>
<td>England</td>
<td>0.39%</td>
<td>0.19%</td>
<td>0.24%</td>
<td>0.03%</td>
<td>0.03%</td>
<td>0.05%</td>
<td>0.06%</td>
<td>0.98%</td>
</tr>
<tr>
<td>North Kent</td>
<td>0.93%</td>
<td>0.11%</td>
<td>0.13%</td>
<td>0.02%</td>
<td>0.01%</td>
<td>0.21%</td>
<td>0.01%</td>
<td>1.41%</td>
</tr>
<tr>
<td>Dartford</td>
<td>0.05%</td>
<td>0.00%</td>
<td>0.06%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.12%</td>
</tr>
<tr>
<td>Swale</td>
<td>3.35%</td>
<td>0.43%</td>
<td>0.17%</td>
<td>0.04%</td>
<td>0.01%</td>
<td>0.06%</td>
<td>0.01%</td>
<td>0.57%</td>
</tr>
<tr>
<td>Gravesham</td>
<td>0.09%</td>
<td>0.02%</td>
<td>0.09%</td>
<td>0.00%</td>
<td>0.01%</td>
<td>0.01%</td>
<td>0.00%</td>
<td>0.23%</td>
</tr>
<tr>
<td>Medway</td>
<td>0.28%</td>
<td>0.01%</td>
<td>0.17%</td>
<td>0.02%</td>
<td>0.02%</td>
<td>0.76%</td>
<td>0.00%</td>
<td>4.73%</td>
</tr>
</tbody>
</table>

Source: Community Innovation Survey, tbr 2013

4.9 The proportion of businesses investing in innovation is lower in North Kent than the comparator areas (table 3.5a). But in terms of outputs from innovation, those businesses in North Kent that invest in innovation appear to generate a much higher proportion of turnover from goods and services that are new to the market (i.e. ahead of competition) than in Kent & Medway, SELEP or England as a whole, and a smaller proportion of turnover from that does not add value to goods and services (table 3.5b). Again, this is based on a sample and must be treated with caution; but it does suggest that Thames Gateway Kent companies generating turnover from innovation are performing well compared with competitors.

Table 4.5a: Proportion of businesses investing in innovation

<table>
<thead>
<tr>
<th>Proportion of businesses investing in types of innovation</th>
<th>Developed new or significantly improved</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Goods</td>
</tr>
<tr>
<td>Kent &amp; Medway</td>
<td>14.0%</td>
</tr>
<tr>
<td>South East LEP</td>
<td>15.1%</td>
</tr>
<tr>
<td>England</td>
<td>14.4%</td>
</tr>
<tr>
<td>North Kent</td>
<td>11.3%</td>
</tr>
</tbody>
</table>

Source: Community Innovation Survey: analysis by tbr, 2013

Table 4.5b: How much turnover is generated from innovation (figures and %)

<table>
<thead>
<tr>
<th>Proportion of turnover generated from innovation</th>
<th>From new to market goods/services</th>
<th>From new to business goods/services</th>
<th>From significantly improved goods/services</th>
<th>From unchanged goods/services</th>
<th>Total Turnover</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kent &amp; Medway</td>
<td>20.00%</td>
<td>10.10%</td>
<td>20.50%</td>
<td>49.40%</td>
<td>100.00%</td>
</tr>
<tr>
<td>South East LEP</td>
<td>15.10%</td>
<td>13.60%</td>
<td>21.70%</td>
<td>49.70%</td>
<td>100.00%</td>
</tr>
<tr>
<td>England</td>
<td>6.00%</td>
<td>10.20%</td>
<td>18.00%</td>
<td>65.80%</td>
<td>100.00%</td>
</tr>
<tr>
<td>North Kent</td>
<td>35.70%</td>
<td>6.00%</td>
<td>33.60%</td>
<td>24.70%</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

Source: Community Innovation Survey: analysis by tbr, 2013

4.10 The analysis by tbr suggests that North Kent companies are doing less business within regional markets than average, but a higher than average proportion of business in UK markets, compared with Kent & Medway, South East LEP and England. The proportion of companies trading in overseas markets is higher than Kent & Medway, but lower than the South East LEP or England averages.
Table 4.6: The markets where companies operate

<table>
<thead>
<tr>
<th>Markets of businesses</th>
<th>UK Regional Market</th>
<th>UK National Market</th>
<th>European Market</th>
<th>All Other Markets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kent &amp; Medway</td>
<td>73.9%</td>
<td>41.8%</td>
<td>15.6%</td>
<td>10.2%</td>
</tr>
<tr>
<td>South East LEP</td>
<td>76.1%</td>
<td>47.5%</td>
<td>22.0%</td>
<td>16.5%</td>
</tr>
<tr>
<td>England</td>
<td>70.3%</td>
<td>46.3%</td>
<td>22.5%</td>
<td>14.9%</td>
</tr>
<tr>
<td>North Kent</td>
<td>68.8%</td>
<td>49.5%</td>
<td>19.2%</td>
<td>11.1%</td>
</tr>
</tbody>
</table>

Source: Community Innovation Survey: analysis by tbr

Business Sectors

4.11 As chart 4.3 below illustrates, TGK broadly mirrors the national and sub-regional picture in having the greatest number of enterprises in the construction sector and professional, scientific and technical services. However, whilst construction businesses are more prevalent in TGK (nearly 20% of enterprises compared with 12.5% nationally), on professional, scientific and technical services TGK lags behind the national and sub-regional profile at 12.8% compared with 16.2% nationally.

4.12 Other areas of relative strength, in terms of concentration of enterprises compared to the national and sub-regional averages, are manufacturing (6.9% of enterprises), accommodation and food services (6.5%), transport and storage (4.7%) and health (4.1%). Other important sectors in absolute terms are retail (8.9%), business administration and support (7.0%) and arts and entertainment etc (6.3%), though in each of these sectors TGK has lower concentrations of enterprises, if only slightly, than national or sub-regional averages.

Chart 4.3: Distribution of enterprises by sector and geography

Source: NOMIS, UK Business Counts – Enterprises, 2011

4.13 Paragraphs 5.8 to 5.14 below give more detail of employment and GVA by sectors, including knowledge intensive industries.
5 Employment and Productivity

5.1 Job creation is at the heart of the North Kent Economic Development Strategy. Over many years there have been various job creation aspirations for the Thames Gateway as a whole and North Kent has been expected to make a significant contribution towards these. The objective of the North Kent Economic Development Strategy has been to create 58,000 new jobs by 2026 from a 2006 base line.

5.2 This target was based on the potential number of jobs that could be created in allocated employment sites in North Kent and was supported by employment projections based on growth trends from 1998. In 2006 the numbers employed in Thames Gateway Kent stood at 205,100 so the expectation was that the workforce would increase to 263,100 by 2026.

Employment Trends

5.3 Chart 5.1 below shows job changes in Thames Gateway Kent between 1998 and 2011 – the latest year for which official data are now available. Employment fell in Thames Gateway Kent by 1.6% to 201,000 jobs in 2011 – roughly the same level as 2003, below the baseline for the TGKP jobs target, and in recent years higher only than the dip of 2009.

Chart 5.1: Number of Employees in Thames Gateway Kent 1998-2011

5.4 Projecting future employment trends based on past performance is problematic: the chart above illustrates how unpredictable the picture is. The Experian forecast prepared for Kent County Council in 2009 was based on data up to 2008, and therefore does not take account of the subsequent recession.

---

6 South East Plan – the Regional Spatial Strategy for the South East, May 2009
5.5 It can be seen from this that assumed employment levels were considerably higher than the present reality, and with only modest growth up to 2025 of fewer than 14,000 additional jobs.

5.6 An alternative forecast based on a purely linear trend since 1998 shows jobs growth of around 20,000 between 2011 and 2025. This would barely take total employment above its 2005 peak. All such forecasts fall well short of the policy aspiration for up to 58,000 new jobs in Thames Gateway Kent between 2006 and 2026 reiterated in the 2012 Growth Plan, and indicates the scale of the challenge to re-invigorate the economy.

Chart 5.3: Plotting Employment Trend

5.7 Across Thames Gateway Kent, only Dartford and Swale show employment levels in 2011 higher than 1998 and the 40% growth in Dartford far outstrips the 12% growth in Swale. Both Gravesend and Medway saw employment decline by 4% over this period. Five of the past 7 years have seen an overall drop in employment.
Table 5.1: Employment Trends Across Thames Gateway Kent 1998-2010

<table>
<thead>
<tr>
<th>Year</th>
<th>Dartford</th>
<th>Gravesham</th>
<th>Medway</th>
<th>Swale</th>
<th>Thames Gateway Kent</th>
<th>Year on Year Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>No.</td>
<td>%</td>
</tr>
<tr>
<td>1998</td>
<td>37,200</td>
<td>26,500</td>
<td>83,700</td>
<td>38,700</td>
<td>186,100</td>
<td></td>
</tr>
<tr>
<td>1999</td>
<td>37,800</td>
<td>29,500</td>
<td>83,900</td>
<td>41,400</td>
<td>192,600</td>
<td>6,500</td>
</tr>
<tr>
<td>2000</td>
<td>39,500</td>
<td>27,600</td>
<td>81,100</td>
<td>38,800</td>
<td>187,000</td>
<td>-5,600</td>
</tr>
<tr>
<td>2001</td>
<td>44,100</td>
<td>28,100</td>
<td>84,900</td>
<td>42,000</td>
<td>199,100</td>
<td>12,100</td>
</tr>
<tr>
<td>2002</td>
<td>46,800</td>
<td>28,200</td>
<td>90,500</td>
<td>43,700</td>
<td>209,200</td>
<td>10,100</td>
</tr>
<tr>
<td>2003</td>
<td>47,800</td>
<td>26,300</td>
<td>84,900</td>
<td>42,400</td>
<td>201,400</td>
<td>-7,800</td>
</tr>
<tr>
<td>2004</td>
<td>46,100</td>
<td>26,800</td>
<td>85,400</td>
<td>44,400</td>
<td>202,700</td>
<td>1,300</td>
</tr>
<tr>
<td>2005</td>
<td>50,900</td>
<td>29,600</td>
<td>91,700</td>
<td>46,800</td>
<td>219,000</td>
<td>16,300</td>
</tr>
<tr>
<td>2006</td>
<td>48,600</td>
<td>27,000</td>
<td>86,300</td>
<td>43,200</td>
<td>205,100</td>
<td>-13,900</td>
</tr>
<tr>
<td>2007</td>
<td>51,500</td>
<td>27,400</td>
<td>84,200</td>
<td>44,000</td>
<td>207,100</td>
<td>2,000</td>
</tr>
<tr>
<td>2008</td>
<td>51,800</td>
<td>27,500</td>
<td>84,600</td>
<td>42,800</td>
<td>206,700</td>
<td>-400</td>
</tr>
<tr>
<td>2008*</td>
<td>52,200</td>
<td>27,100</td>
<td>84,600</td>
<td>41,900</td>
<td>205,800</td>
<td>-900</td>
</tr>
<tr>
<td>2009*</td>
<td>48,900</td>
<td>25,800</td>
<td>81,400</td>
<td>41,500</td>
<td>197,600</td>
<td>-8,200</td>
</tr>
<tr>
<td>2010*</td>
<td>49,900</td>
<td>26,000</td>
<td>83,300</td>
<td>45,100</td>
<td>204,300</td>
<td>6,700</td>
</tr>
<tr>
<td>2011*</td>
<td>52,200</td>
<td>25,400</td>
<td>80,200</td>
<td>43,200</td>
<td>201,000</td>
<td>-3,300</td>
</tr>
</tbody>
</table>

1998-2011 No. 15,000 40% -1,100 -4% -3,500 -4% 4,500 12% 14,900 8%
2008-2011 0 -1,700 -4,400 -4% 1,300 3% -4,800 -2%

Source: NOMIS; ABI, BRES Note: Numbers rounded to nearest 100; * The Business Register & Employment (BRES) replaced the ABI in 2009. BRES data is available for 2008 to allow comparisons to be made with the ABI. Nationally the BRES counted an additional 312,000 employees and 2,700 more in the KCC area in 2008. BRES excludes data on farm employment below regional level, data on business establishments and any gender breakdown. Data include full and part-time employees and excludes working proprietors (sole traders, sole proprietors, partners and directors). If working proprietors are included the total employment in TGK is increased by 7,200 in 2011.

Sectoral Employment Change

5.8 Construction (F), manufacturing (C), agriculture (A), financial services (K), public administration (O) and “other services” (S) have seen job losses across the piece. Thames Gateway Kent has been hit relatively hard in the loss of jobs in these sectors compared to national and sub-regional levels, though Kent & Medway has fared worse on public administration losses and South East LEP area on financial industries. The change in numbers of employees in high value manufacturing and engineering between 2009-11 was proportionally much greater in TGK than South East LEP or nationally, though lower than the positive growth in Kent & Medway; but for knowledge intensive industries, the rate of increase in employees in TGK was higher than national or sub-regional rates.

5.9 For TGK, the biggest growth in employment has been in the health sector (Q, perhaps indicative of support for the ageing population) accommodation and food services (I) and in transportation and storage (H). But it has also seen relatively strong growth in electricity, gas,
steam and air conditioning supply (D), information and communication (J) and the cultural sector (R), though on the last of these growth in South East LEP has been stronger.

Table 5.2: Change in employment sectors

<table>
<thead>
<tr>
<th>Thames Gateway Kent</th>
<th>Kent &amp; Medway</th>
<th>South East LEP</th>
<th>Great Britain</th>
</tr>
</thead>
<tbody>
<tr>
<td>A: Agriculture, forestry and fishing</td>
<td>-100</td>
<td>-53.1%</td>
<td>-300</td>
</tr>
<tr>
<td>B: Mining and quarrying</td>
<td>100</td>
<td>105.7%</td>
<td>200</td>
</tr>
<tr>
<td>C: Manufacturing</td>
<td>-1,300</td>
<td>-6.5%</td>
<td>-1,300</td>
</tr>
<tr>
<td>D: Electricity, gas, steam and air conditioning supply</td>
<td>400</td>
<td>42.4%</td>
<td>0</td>
</tr>
<tr>
<td>E: Water supply; sewerage, waste management and remediation activities</td>
<td>200</td>
<td>8.2%</td>
<td>1,300</td>
</tr>
<tr>
<td>F: Construction</td>
<td>-4,300</td>
<td>-26.4%</td>
<td>-10,300</td>
</tr>
<tr>
<td>G: Wholesale and retail trade; repair of motor vehicles and motorcycles</td>
<td>1,000</td>
<td>2.6%</td>
<td>5,300</td>
</tr>
<tr>
<td>H: Transportation and storage</td>
<td>1,100</td>
<td>9.4%</td>
<td>-200</td>
</tr>
<tr>
<td>I: Accommodation and food service activities</td>
<td>1,500</td>
<td>12.3%</td>
<td>6,500</td>
</tr>
<tr>
<td>J: Information and communication</td>
<td>200</td>
<td>6.4%</td>
<td>-100</td>
</tr>
<tr>
<td>K: Financial and insurance activities</td>
<td>-400</td>
<td>-8.6%</td>
<td>-400</td>
</tr>
<tr>
<td>L: Real estate activities</td>
<td>100</td>
<td>2.6%</td>
<td>400</td>
</tr>
<tr>
<td>M: Professional, scientific and technical activities</td>
<td>0</td>
<td>0.3%</td>
<td>-1,700</td>
</tr>
<tr>
<td>N: Administrative and support service activities</td>
<td>100</td>
<td>0.8%</td>
<td>1,400</td>
</tr>
<tr>
<td>O: Public administration and defence; compulsory social security</td>
<td>-1,000</td>
<td>-10.6%</td>
<td>-4,200</td>
</tr>
<tr>
<td>P: Education</td>
<td>200</td>
<td>1.1%</td>
<td>1,400</td>
</tr>
<tr>
<td>Q: Human health and social work activities</td>
<td>1,800</td>
<td>6.9%</td>
<td>5,100</td>
</tr>
<tr>
<td>R: Arts, entertainment and recreation</td>
<td>400</td>
<td>8.9%</td>
<td>1,200</td>
</tr>
<tr>
<td>S: Other service activities</td>
<td>-300</td>
<td>-8.9%</td>
<td>-700</td>
</tr>
<tr>
<td>Total change</td>
<td>-200</td>
<td>-0.1%</td>
<td>3,600</td>
</tr>
<tr>
<td>&quot;High value manufacturing &amp; engineering&quot;</td>
<td>600</td>
<td>9.3%</td>
<td>1,500</td>
</tr>
<tr>
<td>&quot;Knowledge intensive industries&quot;</td>
<td>3,000</td>
<td>3.3%</td>
<td>8,100</td>
</tr>
</tbody>
</table>

Source: BRES, NOMIS. NB numbers rounded to nearest 100, totals may not tally; percentages based on actuals. Colour-coding: red = >0.5% negative change; green = >0.5% positive change; amber = <0.5% change, whether positive or negative

5.10 One of TGKP’s ambitions is to grow key sectors that deliver high value to the economy, particularly in knowledge-intensive industries. Looking specifically at Knowledge Intensive (KI) employment7 Thames Gateway Kent has a lower proportion of jobs compared to the Greater South East and national average. However, the 3.8% increase in the proportion of these types of jobs between 2008 and 2011, whilst less than the growth in Kent and Medway, was greater

---

7 Knowledge Intensive industries based on Eurostat and OECD definitions using the UK SIC 2007
than the increase nationally (+1.5%) or in the South East, which suggests that the gap is closing.

Chart 5.4: Employment in Knowledge Intensive Industries

Table 5.2: Change in Knowledge Intensive Employment 2008-12

<table>
<thead>
<tr>
<th>Area</th>
<th>% in Knowledge Intensive Employment</th>
<th>% change</th>
<th>Absolute change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2008</td>
<td>2011</td>
<td></td>
</tr>
<tr>
<td>Dartford</td>
<td>39.4%</td>
<td>47.0%</td>
<td>19.3%</td>
</tr>
<tr>
<td>Gravesend</td>
<td>42.1%</td>
<td>46.4%</td>
<td>3.3%</td>
</tr>
<tr>
<td>Medway</td>
<td>50.3%</td>
<td>49.9%</td>
<td>-0.6%</td>
</tr>
<tr>
<td>Swale</td>
<td>41.9%</td>
<td>44.6%</td>
<td>9.6%</td>
</tr>
<tr>
<td>Thames Gateway Kent</td>
<td>44.7%</td>
<td>47.6%</td>
<td>3.8%</td>
</tr>
<tr>
<td>Kent and Medway</td>
<td>47.0%</td>
<td>46.6%</td>
<td>4.6%</td>
</tr>
<tr>
<td>South East LEP</td>
<td>47.9%</td>
<td>49.5%</td>
<td>2.6%</td>
</tr>
<tr>
<td>GSE</td>
<td>53.4%</td>
<td>55.1%</td>
<td>3.4%</td>
</tr>
<tr>
<td>Great Britain</td>
<td>49.9%</td>
<td>51.4%</td>
<td>1.5%</td>
</tr>
</tbody>
</table>

Source: NOMIS. Note: Knowledge Intensive Industries based on 2007 SIC Eurostat & OECD definitions

5.11 Within Thames Gateway Kent there is considerable variation in the importance of Knowledge Intensive jobs. Dartford had the lowest levels in 2008 and Medway had the highest. Since then, however, there has been substantial growth in Knowledge Intensive employment in Dartford, where the 19.3% increase far outweighs the loss of KI jobs in Medway, even though Medway (49.9%) remains the area with the highest percentage of Knowledge Intensive jobs in North Kent.

5.12 Tbr’s analysis for the South East LEP uses a slightly different definition of Knowledge Economy (as distinct from Knowledge Intensive) Sectors. This shows a much more select slice of the economy. Currently (2011) only 11.2% of the workforce are employed in knowledge-intensive (KI) sectors compared with 19.4% nationally and 13.8% in the South East LEP area. In this analysis, North Kent has seen no growth in knowledge economy sectors as a proportion of total employment compared with 2% growth nationally, but this indicates a more resilient performance than South East LEP area and Kent & Medway which have seen a 6% reduction between 2009-11. The proportion of such jobs remains significantly lower in North Kent than the comparator areas, indicating that actions to grow these sectors to generate higher value to the economy will be starting from a lower base.
Table 5.3: Percentage of workforce in knowledge economy sectors

<table>
<thead>
<tr>
<th>% of the workforce employed in knowledge economy sectors</th>
<th>2011</th>
<th>Knowledge Economy</th>
<th>All Employment</th>
<th>%</th>
<th>Change since 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kent &amp; Medway</td>
<td>106,868</td>
<td>737,981</td>
<td>14.5%</td>
<td>-6%</td>
<td></td>
</tr>
<tr>
<td>South East LEP</td>
<td>200,056</td>
<td>1,445,284</td>
<td>13.8%</td>
<td>-6%</td>
<td></td>
</tr>
<tr>
<td>England</td>
<td>4,470,377</td>
<td>23,058,930</td>
<td>19.4%</td>
<td>2%</td>
<td></td>
</tr>
<tr>
<td>North Kent</td>
<td>22,439</td>
<td>201,001</td>
<td>11.2%</td>
<td>0%</td>
<td></td>
</tr>
</tbody>
</table>

Source: tbr

5.13 The table below shows the top 10 Knowledge Economy sectors for North Kent, South East LEP and England.

Table 5.5: Top 10 knowledge economy sectors (by percentage of workforce)

<table>
<thead>
<tr>
<th>Knowledge Economy</th>
<th>South East LEP</th>
<th>England</th>
<th>North Kent</th>
</tr>
</thead>
<tbody>
<tr>
<td>641 : Monetary intermediation</td>
<td>6 0.84%</td>
<td>2 1.68%</td>
<td>1 1.22%</td>
</tr>
<tr>
<td>692 : Accounting, bookkeeping and auditing activities; tax consultancy</td>
<td>8 0.75%</td>
<td>7 1.01%</td>
<td>2 1.17%</td>
</tr>
<tr>
<td>620 : Computer programming, consultancy and related activities</td>
<td>1 1.33%</td>
<td>1 2.15%</td>
<td>3 1.14%</td>
</tr>
<tr>
<td>829 : Business support service activities n.e.c.</td>
<td>5 0.91%</td>
<td>8 0.91%</td>
<td>4 0.94%</td>
</tr>
<tr>
<td>711 : Architectural and engineering activities and related technical consultancy</td>
<td>2 1.12%</td>
<td>5 1.33%</td>
<td>5 0.88%</td>
</tr>
<tr>
<td>854 : Higher education</td>
<td>3 1.08%</td>
<td>3 1.60%</td>
<td>6 0.87%</td>
</tr>
<tr>
<td>702 : Management consultancy activities</td>
<td>4 1.04%</td>
<td>4 1.34%</td>
<td>7 0.63%</td>
</tr>
<tr>
<td>181 : Printing and service activities related to printing</td>
<td>10 0.56%</td>
<td>14* 0.45%</td>
<td>8 0.59%</td>
</tr>
<tr>
<td>691 : Legal activities</td>
<td>9 0.71%</td>
<td>6 1.08%</td>
<td>9 0.48%</td>
</tr>
<tr>
<td>662 : Activities auxiliary to insurance and pension funding</td>
<td>7 0.78%</td>
<td>9 0.80%</td>
<td>10 0.33%</td>
</tr>
<tr>
<td>701 : Activities of head offices</td>
<td>16** 0.37%</td>
<td>10 0.78%</td>
<td>14** 0.25%</td>
</tr>
</tbody>
</table>

* Within North Kent top 10
** Within England top 10

Source: TCR 2013 (from Trends Business Research)

5.14 The same 10 categories appear for North Kent and South East LEP, though in different ranking and proportions; and nine of these ten also appear in the national rankings. Those top ten sectors account for only 8.2% of employment compared with 12.7% in the top 10 nationally and 9.1% in the South East LEP. KI jobs in North Kent increased by 3.8% between 2008-11, compared with 1.5% nationally, suggesting that the gap is closing. Increasing employment in KI industries is therefore a strategic priority for TGKP.

Productivity Levels

The earlier evidence base indicated that: Although GVA per capita in Thames Gateway Kent was only 73% of the UK average in 2003, there had been ‘modest convergence’ since 1998. Across North Kent only Dartford district showed some convergence with the South East between 2003 and 2005. Gravesham, Medway and Swale all lost ground compared to the regional average.

5.15 2009 is the latest year for which GVA per capita statistics are available from the ONS. Official statistics are not available for Thames Gateway Kent as the lowest geographic level for which
these statistics are available is NUTS 3 – for the Kent (KCC) and Medway areas. Kent CC have published estimates of GVA to 2010 down to district level. By referencing KCC’s estimates to mid year population estimates it is possible to provide comparative estimates for Thames Gateway Kent.

5.16 Separately, Trends Business Research (tbr) have prepared estimates of GVA at local authority level within the South East LEP area for the years 2008 to 2012, with corresponding figures for each of the sub-regions including North Kent (paragraph 5.21 onwards).

5.17 In 2010, KCC estimate that GVA per capita in Kent was £17,612, and was considerably lower at £13,853 per head in Medway. Both figures are considerably below the South East regional (£21,898) and national averages (£21,054 for England). For Thames Gateway Kent, the estimate is £15,378.

5.18 At a district level, based on KCC estimates, there is wide disparity. At one extreme, Dartford has consistently exceeded the national average since 2000 and overtook the South East average in 2001 (£23,624 in 2010). Gravesham, at the other end of the scale (£11,670 in 2010) has much lower productivity at just over half the national average.

5.19 From 2000 to 2007 the rate or increase in GVA per capita was higher in Thames Gateway Kent (45% over that period) than the South East (41.5%) or GB (40.8%), but slightly below Kent (45.5%). Whereas Dartford, Kent, the South East and National GVA figures continued growing into 2008, declining thereafter, Thames Gateway Kent’s GVA started shrinking after 2007 and has not yet started to re-close the gap on the national average (chart 5.5).

Chart 5.5: Change in GVA per capita 2000-2010

![Graph showing change in GVA per capita 2000-2010](chart.png)

Source: KCC, District Profiles, GVA, August 2013; Thames Gateway Kent estimate derived from GVA estimates for Dartford, Gravesham, Medway and Swale divided by TGK working age population (mid-year estimates).

5.20 This is vividly shown in the following chart, which indexes areas’ performance against the national average (indexed at 100). Kent’s GVA per capita has remained fairly stable at a little over 80 points on the index, and the South East just above the national average. Since 2008, there has been marked improvement in Swale but for the rest of Thames Gateway Kent the gap has widened.
Chart 5.6: GVA in Thames Gateway compared with national index

Source: KCC, District Profiles, GVA, August 2013

5.21 In terms of sectors’ contribution to GVA, the table below shows the total contribution of each sector to North Kent’s estimated GVA in the years 2008 to 2012. In that period, GVA has reduced by nearly 17% compared with just over 11.5% for the South East LEP area, and 12.1% in both Kent & Medway and Thames Gateway South Essex. This indicates that North Kent has been hit relatively harder by the destruction of wealth brought about by the economic downturn.

Table 5.6: Estimated Change in Total GVA, 2008-2012

<table>
<thead>
<tr>
<th>GVA (£000s)</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>North Kent</td>
<td>8,911,070</td>
<td>8,575,388</td>
<td>8,471,338</td>
<td>8,194,028</td>
<td>7,411,568</td>
</tr>
<tr>
<td>Agriculture, Forestry &amp; Fishing</td>
<td>35,154</td>
<td>35,738</td>
<td>40,346</td>
<td>33,576</td>
<td>37,273</td>
</tr>
<tr>
<td>Mining &amp; Quarrying</td>
<td>110,593</td>
<td>50,197</td>
<td>32,053</td>
<td>27,012</td>
<td>30,460</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>1,947,265</td>
<td>1,776,863</td>
<td>1,821,790</td>
<td>1,774,623</td>
<td>1,493,889</td>
</tr>
<tr>
<td>Electric, Gas, Steam &amp; AirCon Supply</td>
<td>236,741</td>
<td>237,360</td>
<td>158,395</td>
<td>172,791</td>
<td>120,736</td>
</tr>
<tr>
<td>Water Supply Activities</td>
<td>110,167</td>
<td>95,841</td>
<td>121,797</td>
<td>106,355</td>
<td>108,578</td>
</tr>
<tr>
<td>Construction</td>
<td>1,472,474</td>
<td>1,380,264</td>
<td>1,318,952</td>
<td>1,385,411</td>
<td>1,160,672</td>
</tr>
<tr>
<td>Wholesale &amp; Retail</td>
<td>1,435,904</td>
<td>1,423,110</td>
<td>1,387,928</td>
<td>1,265,770</td>
<td>1,270,268</td>
</tr>
<tr>
<td>Transportation &amp; Storage</td>
<td>480,229</td>
<td>472,984</td>
<td>457,804</td>
<td>428,793</td>
<td>420,575</td>
</tr>
<tr>
<td>Accommodation &amp; Food Services</td>
<td>215,442</td>
<td>205,585</td>
<td>204,442</td>
<td>210,297</td>
<td>221,645</td>
</tr>
<tr>
<td>Information &amp; Communication</td>
<td>370,747</td>
<td>403,438</td>
<td>405,338</td>
<td>362,928</td>
<td>307,076</td>
</tr>
<tr>
<td>Real Estate</td>
<td>136,689</td>
<td>131,681</td>
<td>146,849</td>
<td>126,700</td>
<td>120,514</td>
</tr>
<tr>
<td>Professional, Scientific &amp; Technical</td>
<td>707,117</td>
<td>695,147</td>
<td>727,702</td>
<td>719,469</td>
<td>723,596</td>
</tr>
<tr>
<td>Admin &amp; Support Services</td>
<td>569,477</td>
<td>584,976</td>
<td>530,299</td>
<td>489,332</td>
<td>499,506</td>
</tr>
<tr>
<td>Education</td>
<td>114,764</td>
<td>161,384</td>
<td>154,653</td>
<td>142,964</td>
<td>166,488</td>
</tr>
<tr>
<td>Health &amp; Social Work</td>
<td>251,577</td>
<td>154,926</td>
<td>154,194</td>
<td>237,827</td>
<td>166,984</td>
</tr>
<tr>
<td>Arts, Entertainment &amp; Recreation</td>
<td>110,461</td>
<td>119,450</td>
<td>113,117</td>
<td>110,009</td>
<td>89,294</td>
</tr>
<tr>
<td>Other Service Activities</td>
<td>200,919</td>
<td>222,802</td>
<td>245,704</td>
<td>240,025</td>
<td>224,019</td>
</tr>
<tr>
<td>Activities of Households</td>
<td>7,552</td>
<td>6,807</td>
<td>7,237</td>
<td>8,332</td>
<td>6,872</td>
</tr>
<tr>
<td>Extraterritorial Organisations</td>
<td>480</td>
<td>39</td>
<td>40</td>
<td>37</td>
<td>37</td>
</tr>
</tbody>
</table>

Source: TCR 2013 (from Trends Business Research)
5.22 Looking at value delivered to the economy, high value sectors such as ICT and financial services are relatively small compared with the South East LEP and Kent & Medway, but manufacturing delivers more than 20% of GVA, and construction nearly 16%.

Table 5.7: Percentage and ranking of GVA contribution by sectors to the economy

<table>
<thead>
<tr>
<th>Proportion of GVA delivered, by industrial classification, 2012</th>
<th>South East LEP</th>
<th>Kent &amp; Medway</th>
<th>North Kent</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>Rank</td>
<td>%</td>
<td>Rank</td>
</tr>
<tr>
<td>Agriculture, Forestry &amp; Fishing</td>
<td>0.95%</td>
<td>16</td>
<td>0.70%</td>
</tr>
<tr>
<td>Mining &amp; Quarrying</td>
<td>0.32%</td>
<td>19</td>
<td>0.22%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>16.60%</td>
<td>2</td>
<td>17.40%</td>
</tr>
<tr>
<td>Electric, Gas, Steam &amp; AirCon Supply</td>
<td>0.56%</td>
<td>17</td>
<td>0.88%</td>
</tr>
<tr>
<td>Water Supply Activities</td>
<td>1.16%</td>
<td>15</td>
<td>1.51%</td>
</tr>
<tr>
<td>Construction</td>
<td>13.48%</td>
<td>3</td>
<td>13.18%</td>
</tr>
<tr>
<td>Wholesale &amp; Retail</td>
<td>18.25%</td>
<td>1</td>
<td>18.02%</td>
</tr>
<tr>
<td>Transportation &amp; Storage</td>
<td>6.21%</td>
<td>6</td>
<td>4.81%</td>
</tr>
<tr>
<td>Accommodation &amp; Food Services</td>
<td>2.73%</td>
<td>10</td>
<td>3.04%</td>
</tr>
<tr>
<td>Information &amp; Communication</td>
<td>5.64%</td>
<td>8</td>
<td>4.96%</td>
</tr>
<tr>
<td>Finance &amp; Insurance</td>
<td>5.67%</td>
<td>7</td>
<td>5.49%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>2.14%</td>
<td>13</td>
<td>1.94%</td>
</tr>
<tr>
<td>Professional, Scientific &amp; Technical</td>
<td>9.47%</td>
<td>4</td>
<td>10.19%</td>
</tr>
<tr>
<td>Admin &amp; Support Services</td>
<td>6.53%</td>
<td>5</td>
<td>7.38%</td>
</tr>
<tr>
<td>Public Admin &amp; Defence</td>
<td>0.37%</td>
<td>18</td>
<td>0.36%</td>
</tr>
<tr>
<td>Education</td>
<td>2.32%</td>
<td>12</td>
<td>2.27%</td>
</tr>
<tr>
<td>Health &amp; Social Work</td>
<td>3.41%</td>
<td>9</td>
<td>3.53%</td>
</tr>
<tr>
<td>Arts, Entertainment &amp; Recreation</td>
<td>1.46%</td>
<td>14</td>
<td>1.36%</td>
</tr>
<tr>
<td>Other Service Activities</td>
<td>2.62%</td>
<td>11</td>
<td>2.67%</td>
</tr>
<tr>
<td>Activities of Households</td>
<td>0.09%</td>
<td>20</td>
<td>0.09%</td>
</tr>
<tr>
<td>Extraterritorial Organisations</td>
<td>0.00%</td>
<td>21</td>
<td>0.00%</td>
</tr>
</tbody>
</table>

Source: TCR 2013 (from Trends Business Research)

Earnings

The 2007 earnings data used in the earlier report showed that:

Workplace earnings diverged significantly across the four local authority areas of Thames Gateway Kent. Wages in Dartford and Gravesham were far higher than in Medway and Swale and were also above the South East average.

Resident earnings also diverged across Thames Gateway Kent and were generally lower than worker’s wages, with the exception of Medway. They were also lower in all areas apart from Dartford compared to the South East average.

The lower resident earnings compared to workplace earnings was noted as being surprising given the scale of out commuting and that London jobs are generally better paid.

5.23 In 2012, residents’ earnings in Thames Gateway Kent (£444) are just below the South East average of £449.60, but higher than the national and Kent averages. The disparity between districts has not diminished. The gap between Dartford (highest earnings) and Medway (lowest earnings) stood at £89.90 in 2007; in 2012 the lowest earnings are found in Swale, and the gap with Dartford now stands at £105.90.
5.24 Residents’ earnings in Thames Gateway are below the national and south east averages, but above the figure for Kent. Across all areas, residents’ earnings are higher than workers’ earnings, but the disparity across districts is less marked amongst residents than workers. In 2007, the gap between Dartford (highest) and Gravesham (lowest) stood at £83.90; in 2012 the gap, now between Dartford and Swale, stands at £56.60. These data should be treated with caution, however, as they are subject to a high degree of sampling variation due to the small sample size at district level.

**Chart 5.7: Resident and Workplace Earnings across Thames Gateway Kent 2012**

<table>
<thead>
<tr>
<th>Area</th>
<th>Residents</th>
<th>Workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dartford</td>
<td>£471.3</td>
<td>£553.3</td>
</tr>
<tr>
<td>Gravesham</td>
<td>£447.2</td>
<td>£531.7</td>
</tr>
<tr>
<td>Medway</td>
<td>£421.2</td>
<td>£492.3</td>
</tr>
<tr>
<td>Swale</td>
<td>£385.3</td>
<td>£463.6</td>
</tr>
<tr>
<td>Kent</td>
<td>£431.2</td>
<td>£492.1</td>
</tr>
<tr>
<td>Great Britain</td>
<td>£483.5</td>
<td>£544.6</td>
</tr>
<tr>
<td>South East</td>
<td>£493.6</td>
<td>£554.3</td>
</tr>
<tr>
<td>Thames Gateway Kent Average</td>
<td>£444.3</td>
<td></td>
</tr>
</tbody>
</table>

Source: NOMIS  
Note: Local authority data is subject to sampling variation. Thames Gateway figure is calculated as the average of district/UA medians.

5.25 The headline percentage change in earnings between 2007-12 vividly shows the steep drop in workers’ earnings in Swale, and slight drop in residents’ earnings in Dartford. The most marked increase is in residents’ earnings in Gravesham, well above the national and regional rate.

**Chart 5.8: Change in median earnings 2007-12.**

<table>
<thead>
<tr>
<th>Area</th>
<th>Workers</th>
<th>Residents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dartford</td>
<td>+2.5%</td>
<td>-3.5%</td>
</tr>
<tr>
<td>Gravesham</td>
<td>+1.6%</td>
<td>-0.3%</td>
</tr>
<tr>
<td>Medway</td>
<td>+3.6%</td>
<td>+1.1%</td>
</tr>
<tr>
<td>Swale</td>
<td>-6.7%</td>
<td>+13.3%</td>
</tr>
<tr>
<td>Kent</td>
<td>+6.5%</td>
<td>+4.8%</td>
</tr>
<tr>
<td>Great Britain</td>
<td>+7.0%</td>
<td>+7.8%</td>
</tr>
<tr>
<td>South East</td>
<td>+7.8%</td>
<td>+7.5%</td>
</tr>
<tr>
<td>Thames Gateway Kent Average</td>
<td>+9.4%</td>
<td></td>
</tr>
</tbody>
</table>

Source: NOMIS  
Note: Local authority data is subject to sampling variation. Thames Gateway figure is calculated as the average of district/UA medians.

5.26 The story of year-on-year change over the 5 year period tells a more complex story. Residents’ earnings in Gravesham fell very steeply in 2008-9, but since 2009 have risen steadily. Residents’ earnings in Swale have fluctuated widely from one year to the next. By contrast, it is Gravesham that exhibits the most significant changes in workers’ earnings, rising
and then falling more than 30% year-on-year between 2009-12, with much narrower fluctuations elsewhere. These data need to be treated with particular caution as the coefficient of variation is far greater (= less reliable) for Gravesham’s data than for the other North Kent authorities (chart 5.9 below).

5.27 Taken with the productivity data, the earnings data paint a slightly complex picture. In absolute terms, earnings for both workers and residents in Swale are the lowest in Thames Gateway, but its productivity showed signs of improvement up to 2010 (when both workers’ and residents’ earnings fell) against the trend in the rest of TGK. Residents’ and workers’ earnings in Gravesham are now the second highest in Thames Gateway Kent, though well behind Dartford and below national and regional averages; but its productivity remains lowest in TGK and in 2010 was on a downward trajectory, suggesting structural weaknesses in the local economy.

Chart 5.9: Percentage change in residents’ and workers’ weekly earnings, 2007/8 to 2011/12

Source: ASHE; NOMIS, August 2013. Thames Gateway Kent figure is calculated as average of district/UA medians.

Travel to work patterns

5.28 North Kent is not a closed economy but is part of a wider travel to work area with strong interchange patterns nearer to London. So the productivity of the North Kent economy and the prosperity of its residents is not solely down to the wealth delivered by economic drivers in North Kent. The earnings data in the previous section suggest a significant proportion of North Kent residents commuting to better paid jobs elsewhere.
5.29 The table below shows the estimated travel to work patterns by local authority area. Rows show where residents are working, columns show the origin of workers in North Kent authorities. These estimates suggest that nearly 230,000 people are travelling within or into North Kent to work, whilst over 280,000 people are travelling within or out of North Kent to work.

Table 5.8 Travel to work patterns in Thames Gateway Kent

<table>
<thead>
<tr>
<th>Summary</th>
<th>Dartford</th>
<th>Gravesham</th>
<th>Swale</th>
<th>Medway UA</th>
<th>TGK Area</th>
<th>Rest of Kent (exc TGK)</th>
<th>Greater London</th>
<th>Elsewhere</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dartford</td>
<td>22,910</td>
<td>2,125</td>
<td>125</td>
<td>765</td>
<td>25,925</td>
<td>3,060</td>
<td>17,565</td>
<td>2,265</td>
<td>48,810</td>
</tr>
<tr>
<td>Gravesham</td>
<td>6,835</td>
<td>20,430</td>
<td>255</td>
<td>2,185</td>
<td>29,705</td>
<td>3,495</td>
<td>11,935</td>
<td>2,175</td>
<td>47,305</td>
</tr>
<tr>
<td>Swale</td>
<td>490</td>
<td>290</td>
<td>38,400</td>
<td>4,915</td>
<td>44,095</td>
<td>9,915</td>
<td>5,025</td>
<td>1,585</td>
<td>60,630</td>
</tr>
<tr>
<td>Medway</td>
<td>3,425</td>
<td>2,800</td>
<td>3,275</td>
<td>72,225</td>
<td>81,725</td>
<td>18,285</td>
<td>20,280</td>
<td>4,770</td>
<td>125,075</td>
</tr>
<tr>
<td>TGK Area</td>
<td>33,660</td>
<td>25,645</td>
<td>42,055</td>
<td>80,090</td>
<td>181,450</td>
<td>34,755</td>
<td>54,805</td>
<td>10,795</td>
<td>281,820</td>
</tr>
<tr>
<td>Rest of Kent Excluding TGK</td>
<td>5,265</td>
<td>1,910</td>
<td>5,430</td>
<td>9,215</td>
<td>21,820</td>
<td>411,975</td>
<td>51,820</td>
<td>21,570</td>
<td>507,165</td>
</tr>
<tr>
<td>Greater London</td>
<td>16,320</td>
<td>1,950</td>
<td>565</td>
<td>2,885</td>
<td>21,720</td>
<td>18,565</td>
<td>3,091,160</td>
<td>424,205</td>
<td>3,555,645</td>
</tr>
<tr>
<td>Elsewhere</td>
<td>2,025</td>
<td>610</td>
<td>440</td>
<td>1,700</td>
<td>4,775</td>
<td>19,640</td>
<td>949,805</td>
<td>20,607,860</td>
<td>21,582,105</td>
</tr>
<tr>
<td>Total</td>
<td>57,275</td>
<td>30,125</td>
<td>48,500</td>
<td>93,880</td>
<td>229,780</td>
<td>484,920</td>
<td>4,147,580</td>
<td>21,064,450</td>
<td>25,926,735</td>
</tr>
</tbody>
</table>

Source: Research & Intelligence, KCC, Revised Journey to Work Matrix 2011, June 2011 (simplified)

5.30 It is estimated that around 181,500 (64%) of working residents in North Kent work within the TGK area. Of the remainder, nearly 35,000 (12.3%) work elsewhere in Kent, nearly 55,000 (19.4%) in Greater London and nearly 11,000 (3.8%) elsewhere in the Greater South East, elsewhere in England or outside England.

Table 5.9 Travel to work patterns in Thames Gateway Kent

<table>
<thead>
<tr>
<th>Destinations</th>
<th>Dartford</th>
<th>Gravesham</th>
<th>Swale</th>
<th>Medway UA</th>
<th>TGK Area</th>
<th>Rest of Kent (exc TGK)</th>
<th>Greater London</th>
<th>Elsewhere</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dartford</td>
<td>46.9%</td>
<td>4.4%</td>
<td>0.3%</td>
<td>1.6%</td>
<td>53.1%</td>
<td>6.3%</td>
<td>36.0%</td>
<td>4.6%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Gravesham</td>
<td>14.4%</td>
<td>43.2%</td>
<td>0.5%</td>
<td>4.6%</td>
<td>62.8%</td>
<td>7.4%</td>
<td>25.2%</td>
<td>4.6%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Swale</td>
<td>0.8%</td>
<td>0.5%</td>
<td>63.3%</td>
<td>8.1%</td>
<td>72.7%</td>
<td>16.4%</td>
<td>8.3%</td>
<td>2.6%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Medway</td>
<td>2.7%</td>
<td>2.2%</td>
<td>2.6%</td>
<td>57.7%</td>
<td>65.3%</td>
<td>14.6%</td>
<td>16.2%</td>
<td>3.8%</td>
<td>100.0%</td>
</tr>
<tr>
<td>TGK Area</td>
<td>11.9%</td>
<td>9.1%</td>
<td>14.9%</td>
<td>28.4%</td>
<td>64.4%</td>
<td>12.3%</td>
<td>19.4%</td>
<td>3.8%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Rest of Kent Excluding TGK</td>
<td>1.0%</td>
<td>0.4%</td>
<td>1.1%</td>
<td>1.8%</td>
<td>4.3%</td>
<td>81.2%</td>
<td>10.2%</td>
<td>4.3%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Greater London</td>
<td>0.5%</td>
<td>0.1%</td>
<td>0.0%</td>
<td>0.1%</td>
<td>0.6%</td>
<td>0.5%</td>
<td>86.9%</td>
<td>11.9%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Elsewhere</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.1%</td>
<td>4.4%</td>
<td>95.5%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Total</td>
<td>0.2%</td>
<td>0.1%</td>
<td>0.2%</td>
<td>0.4%</td>
<td>0.9%</td>
<td>1.9%</td>
<td>16.0%</td>
<td>81.2%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Source: Research & Intelligence, KCC, Revised Journey to Work Matrix 2011, June 2011 (simplified)

5.31 Of people travelling into North Kent to work, 79% are travelling within the North Kent area, 21,800 (9.5%) from other parts of Kent, 21,700 (9.5%) from Greater London and less than 4,800 (2.1%) from elsewhere in the Greater South East, elsewhere in England or outside England.
Table 5.9 Travel to work patterns in Thames Gateway Kent

<table>
<thead>
<tr>
<th>Origins</th>
<th>Dartford</th>
<th>Gravesham</th>
<th>Swale</th>
<th>Medway UA</th>
<th>TGK Area</th>
<th>Rest of Kent (exc TGK)</th>
<th>Greater London</th>
<th>Elsewhere</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dartford</td>
<td>40.0%</td>
<td>7.1%</td>
<td>0.3%</td>
<td>0.8%</td>
<td>11.3%</td>
<td>0.6%</td>
<td>0.4%</td>
<td>0.0%</td>
<td>0.2%</td>
</tr>
<tr>
<td>Gravesham</td>
<td>11.9%</td>
<td>67.8%</td>
<td>0.5%</td>
<td>2.3%</td>
<td>12.9%</td>
<td>0.7%</td>
<td>0.3%</td>
<td>0.0%</td>
<td>0.2%</td>
</tr>
<tr>
<td>Swale</td>
<td>0.9%</td>
<td>1.0%</td>
<td>79.2%</td>
<td>5.2%</td>
<td>19.2%</td>
<td>2.0%</td>
<td>0.1%</td>
<td>0.0%</td>
<td>0.2%</td>
</tr>
<tr>
<td>Medway</td>
<td>6.0%</td>
<td>9.3%</td>
<td>6.8%</td>
<td>76.9%</td>
<td>35.6%</td>
<td>3.8%</td>
<td>0.5%</td>
<td>0.0%</td>
<td>0.5%</td>
</tr>
<tr>
<td>TGK Area</td>
<td>58.8%</td>
<td>85.1%</td>
<td>86.7%</td>
<td>85.3%</td>
<td>79.0%</td>
<td>7.2%</td>
<td>1.3%</td>
<td>0.1%</td>
<td>1.1%</td>
</tr>
<tr>
<td>Rest of Kent Excluding TGK</td>
<td>9.2%</td>
<td>6.3%</td>
<td>11.2%</td>
<td>9.8%</td>
<td>9.5%</td>
<td>85.0%</td>
<td>1.2%</td>
<td>0.1%</td>
<td>2.0%</td>
</tr>
<tr>
<td>Greater London</td>
<td>28.5%</td>
<td>6.5%</td>
<td>1.2%</td>
<td>3.1%</td>
<td>9.5%</td>
<td>3.8%</td>
<td>74.5%</td>
<td>2.0%</td>
<td>13.7%</td>
</tr>
<tr>
<td>Elsewhere</td>
<td>3.5%</td>
<td>2.0%</td>
<td>0.9%</td>
<td>1.8%</td>
<td>2.1%</td>
<td>4.1%</td>
<td>22.9%</td>
<td>97.8%</td>
<td>32.2%</td>
</tr>
<tr>
<td>Total</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Source: Research & Intelligence, KCC, Revised Journey to Work Matrix 2011, June 2011 (simplified)

5.32 London is inevitably a massive influence in the west of the TGK area: 36% and 25% respectively of Dartford and Gravesham working age residents work in Greater London; and 60% of people working in Dartford come from outside the borough, 28.5% of these from Greater London.
6 INVESTMENT IN HOUSING AND COMMERCIAL DEVELOPMENT

6.1 Private and public sector investment is a key driver of economic growth and developing new high quality homes to attract residents and businesses is a key part of the Economic Development Strategy for North Kent. Attracting inward investment, in terms of new domestic and foreign companies, is also recognised as important driver of job creation.

Housing Development

6.2 In March 2012 the total stock of dwellings across the four local authority areas in North Kent was 252,730, with around two thirds in Medway and Swale which is roughly in line with their share of North Kent’s population. Percentage change between 2010-12 in Thames Gateway Kent exceeds the national rate but falls below the Kent & Medway and South East rates. Private sector stock figures will include stock moving from public to private ownership (e.g. Right To Buy).

Table 6.1: Dwelling Stock across Thames Gateway Kent in 2011

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>% change, 2010-12</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LA, HA &amp; Public Sector</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ENGLAND</td>
<td>4,094,279</td>
<td>4,108,653</td>
<td>4,121,000</td>
<td>0.7%</td>
</tr>
<tr>
<td>Kent &amp; Medway</td>
<td>94,546</td>
<td>94,795</td>
<td>95,960</td>
<td>1.5%</td>
</tr>
<tr>
<td>SELEP</td>
<td>232,340</td>
<td>228,640</td>
<td>230,940</td>
<td>-0.6%</td>
</tr>
<tr>
<td>Thames Gateway Kent</td>
<td>29,028</td>
<td>29,061</td>
<td>29,260</td>
<td>0.8%</td>
</tr>
<tr>
<td><strong>Private Sector</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ENGLAND</td>
<td>18,744,000</td>
<td>18,867,000</td>
<td>18,990,000</td>
<td>1.3%</td>
</tr>
<tr>
<td>Kent &amp; Medway</td>
<td>642,540</td>
<td>648,640</td>
<td>652,920</td>
<td>1.6%</td>
</tr>
<tr>
<td>SELEP</td>
<td>1,488,640</td>
<td>1,439,900</td>
<td>1,513,840</td>
<td>1.7%</td>
</tr>
<tr>
<td>Thames Gateway Kent</td>
<td>220,190</td>
<td>221,950</td>
<td>223,480</td>
<td>1.5%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ENGLAND</td>
<td>22,839,000</td>
<td>22,976,000</td>
<td>23,111,000</td>
<td>1.2%</td>
</tr>
<tr>
<td>Kent &amp; Medway</td>
<td>737,090</td>
<td>743,450</td>
<td>748,880</td>
<td>1.6%</td>
</tr>
<tr>
<td>SELEP</td>
<td>1,720,990</td>
<td>1,733,030</td>
<td>1,744,770</td>
<td>1.4%</td>
</tr>
<tr>
<td>Thames Gateway Kent</td>
<td>249,210</td>
<td>251,020</td>
<td>252,730</td>
<td>1.4%</td>
</tr>
</tbody>
</table>

Source: CLG Table 125 Dwelling Stock Estimates by Local Authorities 2001-2012; Table 100 Number of Dwellings by tenure and District 2010, 2011, 2012. District estimates rounded to nearest 10, national estimates rounded to nearest 1000. Total stock figures use the census 2001 and census 2011 dwelling counts as a baseline, with information on subsequent changes to the dwelling stock collected annually as at 31st March through the Housing Flows Reconciliation form. Private stock is calculated by the residual.

6.3 Since 2001, the annual rate of change in the number of dwellings across North Kent has been similar to trends in Kent and Medway and in the South East LEP area as a whole and remains at a similar level. A slight up-turn from 2009-11, against the national trend, has been followed in 2011-12 by a further downturn. This perhaps reflects a tighter squeeze on new development, an impression reinforced by evidence collected from developers as part of a review commissioned by the Thames Gateway Strategic Group and conducted in March-June 2013. More recent signals suggest that market confidence may be returning, but this is by no means consistent across Thames Gateway Kent.
6.4 Since March 2003 the number of dwellings increased by 8.5% in Thames Gateway Kent which was more than the growth in the South East\(^8\) region (+7.9%) and nationally (+7.4%), but lower than Kent & Medway (9.5%). Across North Kent the greatest increase in dwellings since 2006 was in Dartford (+12.4%), followed by Swale (+11.2%), with Gravesham and Medway seeing lower increases of 6.3% and 6.5% respectively. Unsurprisingly, most of the growth in dwelling stock is in the period before 2008.

6.5 There has been an net addition of 12,120 dwellings in North Kent since 2006 which averages 2,020 homes a year. Alone of the North Kent authorities, Medway’s output exceeded their 2006-12 average in 2011-12. The target in the 2009 North Kent Economic Development Strategy (and subsequent Growth Plans) was for 52,000 additional homes by 2026, from a 2006 base. This target was based on the allocations in the South East Plan, which was abolished in April 2012.

6.6 Authorities have been reviewing their housing requirements for the purpose of their local plans, which are at different stages. As at September 2013\(^9\), the position is as follows:

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\(^8\) Data only available for South East region and not the Greater South East

\(^9\) Completions and projected land supply data as available in July 2013.
• Dartford’s Core Strategy was adopted in 2011 and covers the period to 2026. Whilst retaining the South East Plan target of 17,300 homes (which was still in force when the plan was adopted), to provide capacity for growth, the plan is based on assessed housing need of 11,700 units over the plan period.

• Gravesham’s draft Core Strategy, covering the period to 2028, was submitted in May 2013 and commenced Examination in Public on 10 September 2013. Gravesham propose a reduced housing requirement of 271 (from 465) based on assessed local need. The EIP Inspector has indicated that these numbers will need to be reviewed.

• Medway’s draft Core Strategy was published in August 2011, designed to run to 2026 (and beyond 2028). The Examination in Public has been prolonged in particular by issues relating to the Lodge Hill Strategic Allocation, which is fundamental to the Local Plan. In September 2013 the EIP has not yet concluded.

• Swale has submitted its draft Local Plan for public consultation in August 2013. This covers the period up to 2031.

6.7 The table below shows a downward shift, by −4.2%, in the overall target for housing provision by 2026. But if demand matches supply, the aggregate of completions to date and projected land supply would result in that revised target being exceeded by 1%. The outcome of Examinations in Public of three core strategies in North Kent could lead to further alteration of new housing targets.

<p>| Table 6.2: Housing Completions and Projected Land Supply 2006-2026 (Source: see footnotes) |
|-----------------------------------------------|-----------------|-----------------|-----------------|-----------------|</p>
<table>
<thead>
<tr>
<th>Housing numbers in Core Strategies 2006-26</th>
<th>Completions 2006/7-2011/12</th>
<th>Projected land supply 2012/13-2025/26</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of homes</td>
<td>Number of homes</td>
<td>Number of homes</td>
<td>Number of homes</td>
</tr>
<tr>
<td>as % of proposed numbers</td>
<td>as % of proposed numbers</td>
<td>as % of proposed numbers</td>
<td>as % of proposed numbers</td>
</tr>
<tr>
<td>-------------------</td>
<td>-------------------</td>
<td>-------------------</td>
<td>-------------------</td>
</tr>
<tr>
<td>Dartford 17,300</td>
<td>2,707</td>
<td>14,534</td>
<td>17,241</td>
</tr>
<tr>
<td>Gravesham 5,413</td>
<td>1,525</td>
<td>4,291</td>
<td>5,816</td>
</tr>
<tr>
<td>Medway 16,300</td>
<td>4,704</td>
<td>14,251</td>
<td>18,955</td>
</tr>
<tr>
<td>Swale 10,800</td>
<td>3,635</td>
<td>4,668</td>
<td>8,303</td>
</tr>
<tr>
<td>TGK Area 49,813</td>
<td>12,571</td>
<td>37,744</td>
<td>50,315</td>
</tr>
</tbody>
</table>

6.8 At the same time as draft plans are pointing to a possible reduced housing target for Thames Gateway Kent as a whole, there are potential developments which could radically alter the planning context. In particular, proposals for a Paramount London Resort theme park on the Swanscombe Peninsula could, if realised, bring up to 27,000 new jobs (direct and indirect) and 2,500 new homes. These proposals might prompt adjusted proposals for some existing permissions at Ebbsfleet / Eastern Quarry. It is too early to judge the impact of these proposals, but they must be seen as part of the context for estimates of future housing requirement and delivery.

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10 As adjusted through Local Plans: Gravesham = 2011-28, Swale = 2013-31, Dartford = 2006-26, Medway = 2006-26 (though emerging local plan looks to 2028). In the 2013 consultation draft local plan, Swale proposes carrying forward the same annual requirement of 540 homes as applied since 2006.

11 Percentages calculated against revised targets; comparison with original SE Plan figures would be less favourable.

12 Against reprofiled requirement in Core Strategy 2011

13 Includes actual completions in 2012/13.

14 Based on Submission Draft Local Plan 2013 with 2006/7-2011/12 requirement adjusted.

15 Includes actual completions in 2012/13
House prices

6.9 Thames Gateway Kent remains relatively affordable compared in particular with London and also with comparator geographies. Looking at median house prices relative to median earnings, between 2000-2004 Thames Gateway Kent was relatively more expensive than the England average; since 2005 it has fallen below though recent rises suggest it could once again become relatively more expensive though still below the regional and Kent & Medway averages.

Chart 6.3: Median house prices relative to median earnings

Chart 6.4: House prices relative to earnings, 2012

Household change

6.11 Based on KCC’s Strategy Forecast (November 2011), the number of households in the Thames Gateway Kent area is set to grow (from 2011 baseline) by 25,800 (10.5%) by 2021, 38,100 (15.5%) by 2026 and 48,200 (19.6%) by 2031. KCC’s strategy forecast is housing-led, in other words it is a bottom-up forecast based on the number of dwellings to be built in individual local authority areas (as notified in November 2012). This broadly corresponds with the
forecast requirement suggested in table 5.2 above, with the expectation that additional provision would be identified in later years to make up the notional shortfall. The profile of household formation in Thames Gateway Kent is expected to differ from Kent and Medway as a whole:

**Chart 6.5: Profile of household change in Thames Gateway Kent**

6.12 One person households already comprise a larger proportion of total households in Thames Gateway Kent and this is set to grow by 8% compared with 6% in Kent and Medway, but slightly fewer couple households growing by 6% compared with 7% in Kent & Medway.

6.13 Average household size is higher in Thames Gateway Kent than Kent and Medway as a whole and is forecast to reduce marginally less than the reduction in Kent and Medway.

**Table 6.3: Average Household Size**

<table>
<thead>
<tr>
<th>Average household size</th>
<th>2011</th>
<th>2021</th>
<th>2031</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thames Gateway Kent</td>
<td>2.41</td>
<td>2.34</td>
<td>2.28</td>
</tr>
<tr>
<td>Kent &amp; Medway</td>
<td>2.36</td>
<td>2.29</td>
<td>2.22</td>
</tr>
</tbody>
</table>

Source: KCC Strategy Forecast (Nov 2012)

6.14 In Thames Gateway Kent the proportion of households with dependent children is forecast to decline from 29% in 2011 to 25% in 2031, slightly greater than the 3% drop in Kent and Medway. A small decrease in the number of households with two dependent children will be significantly outweighed by increases in households with three or more dependent children, as well as one child households. So despite the increase in one person and childless households (including both young and older people), there will be a continued need for increased supply of family housing.
Commercial Development

6.15 Time series data showing the stock of commercial property across the different geographies are not readily available after 2008. Local authorities include detailed data on land allocations for commercial development, planning permissions and status, and record completions and losses across different use class categories (Table 6.4 below).

6.16 These data only show a snapshot of one year’s change, and therefore do not show overall progress towards providing fit for purpose business accommodation, particularly in target growth sectors. These latest figures do show that TGK has seen increases in A5 uses (retail, professional services, food and drink), mixed use B1/B8 (offices and storage/distribution) and leisure (D2), but net losses in purely office accommodation and light industry (B1) and particularly industrial space (B2). This may reflect demolitions of outdated office and factory buildings pending replacement with new development. Overall, Thames Gateway Kent has seen a net loss of commercial space of –14,364 m2 compared with gains of 55,880 m2 in the Kent CC area. Whilst not too much can be read into one year’s data in isolation, this suggests it is proving easier to demolish outdated commercial sites than it is to bring forward new commercial property for economic use.
Table 6.4: Commercial Property – Completions and Losses

<table>
<thead>
<tr>
<th>Year</th>
<th>Thames Gateway Kent</th>
<th>KCC Area</th>
<th>Kent &amp; Medway</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011-12</td>
<td>A1-5</td>
<td>B1a-c, B1 mixed</td>
<td>B2</td>
</tr>
<tr>
<td>Completions</td>
<td>14,420</td>
<td>35,955</td>
<td>41,424</td>
</tr>
<tr>
<td>Losses</td>
<td>11,116</td>
<td>13,878</td>
<td>21,305</td>
</tr>
<tr>
<td>Net gains/losses</td>
<td>3,304</td>
<td>5,455</td>
<td>3,849</td>
</tr>
</tbody>
</table>


Inward Investment

6.17 In the period 30 November 2011 to 28 August 2013, Locate In Kent handled 32 investments into Thames Gateway Kent, creating or retaining nearly 1,050 jobs.

Table 6.5: Inward Investment Successes in Thames Gateway Kent, November 2011 to August 2013

<table>
<thead>
<tr>
<th>Sector</th>
<th>Number</th>
<th>Jobs created</th>
<th>Indirect Jobs created</th>
<th>Jobs Retained</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automotive</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>25.0</td>
<td>25.0</td>
</tr>
<tr>
<td>Business Services</td>
<td>3</td>
<td>228.0</td>
<td>73.0</td>
<td>105.0</td>
<td>406.0</td>
</tr>
<tr>
<td>Construction &amp; Property</td>
<td>1</td>
<td>5.0</td>
<td>1.6</td>
<td>10.0</td>
<td>16.6</td>
</tr>
<tr>
<td>Creative Industries</td>
<td>1</td>
<td>8.0</td>
<td>2.6</td>
<td>8.0</td>
<td>18.6</td>
</tr>
<tr>
<td>Electronics</td>
<td>2</td>
<td>5.0</td>
<td>1.6</td>
<td>-</td>
<td>6.6</td>
</tr>
<tr>
<td>Engineering</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>21.0</td>
<td>21.0</td>
</tr>
<tr>
<td>Environmental Technologies</td>
<td>3</td>
<td>44.0</td>
<td>14.1</td>
<td>2.0</td>
<td>60.1</td>
</tr>
<tr>
<td>Financial Services</td>
<td>1</td>
<td>80.0</td>
<td>25.6</td>
<td>-</td>
<td>105.6</td>
</tr>
<tr>
<td>Food &amp; Agriculture</td>
<td>1</td>
<td>6.0</td>
<td>1.9</td>
<td>5.0</td>
<td>12.9</td>
</tr>
<tr>
<td>ICT</td>
<td>6</td>
<td>126.0</td>
<td>40.3</td>
<td>54.0</td>
<td>220.3</td>
</tr>
<tr>
<td>Life Sciences</td>
<td>2</td>
<td>35.0</td>
<td>11.2</td>
<td>10.0</td>
<td>56.2</td>
</tr>
<tr>
<td>Other Manufacturing</td>
<td>2</td>
<td>1.0</td>
<td>0.3</td>
<td>3.0</td>
<td>4.3</td>
</tr>
<tr>
<td>Printing, Paper &amp; Publishing</td>
<td>1</td>
<td>6.0</td>
<td>1.9</td>
<td>-</td>
<td>7.9</td>
</tr>
<tr>
<td>Public Administration, Education &amp; Health</td>
<td>1</td>
<td>6.0</td>
<td>1.9</td>
<td>-</td>
<td>7.9</td>
</tr>
<tr>
<td>Retail &amp; Wholesale</td>
<td>5</td>
<td>17.0</td>
<td>5.4</td>
<td>28.0</td>
<td>50.4</td>
</tr>
</tbody>
</table>

16 All figures are floor space (m2) except C1 (hotels) and C2 (residential institutions) which show number of bedrooms.
### 6.18 The sector with the most companies investing into TGK was ICT, closely followed by Retail and Wholesale. ICT also created or retained the second highest number of jobs (220) after Business Services (406). Financial services brought the third highest number of jobs (106). A substantial number of these are in sectors classified as knowledge intensive, which offers encouragement that companies with potential for higher value jobs are investing in Thames Gateway Kent.

### 6.19 Three quarters of the investments, providing 83% of the jobs, are from UK companies, either relocating to North Kent from other parts of Kent or elsewhere in the UK (chart 6.7).

#### Chart 6.7: Investments in Thames Gateway Kent by country of origin (number and jobs)

![Companies investing in Thames Gateway Kent by country of origin (30/11/11 - 28/08/13)](chart)

#### Source: Locate In Kent, September 2013

### 6.20 These successes, whilst comparing well with investments into other priority areas such as East Kent over the same period, mark a significantly lower level of investment than recorded in April 2009-November 2011 (in the 2011/12 evidence review), when 69 companies created 1,160 jobs and retained a further 1,101 jobs. The proportion of overseas companies is slightly higher in the latest survey (25% compared with 19% in 2009-11). By far the biggest contribution is made by expansion within Kent (603 jobs created, 163 retained) by 9 companies, with just 22 jobs being created by 5 re-locations into Kent.

#### Table 6.6: Reason for investments

<table>
<thead>
<tr>
<th>Nature of Success</th>
<th>Number</th>
<th>Jobs created</th>
<th>Jobs created</th>
<th>Jobs Retained</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expansion into Kent</td>
<td>5</td>
<td>74.0</td>
<td>23.7</td>
<td>-</td>
<td>97.7</td>
</tr>
<tr>
<td>Expansion within Kent</td>
<td>9</td>
<td>457.0</td>
<td>146.2</td>
<td>163.0</td>
<td>766.2</td>
</tr>
<tr>
<td>New Start Up</td>
<td>3</td>
<td>9.0</td>
<td>2.9</td>
<td>-</td>
<td>11.9</td>
</tr>
<tr>
<td>Relocation into Kent</td>
<td>5</td>
<td>17.0</td>
<td>5.4</td>
<td>-</td>
<td>22.4</td>
</tr>
<tr>
<td>Relocation within Kent</td>
<td>9</td>
<td>33.0</td>
<td>10.6</td>
<td>83.0</td>
<td>126.6</td>
</tr>
<tr>
<td>Retention in Situ</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>25.0</td>
<td>25.0</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>32</strong></td>
<td><strong>590.0</strong></td>
<td><strong>188.8</strong></td>
<td><strong>271.0</strong></td>
<td><strong>1,049.8</strong></td>
</tr>
</tbody>
</table>

#### Source: Locate In Kent
7 QUALITY OF LIFE

7.1 Improving the quality of life of Thames Gateway Kent is an important component of the Economic Development Strategy for North Kent, which recognises that improving the *quality of the natural, physical and social environment are all components of this.*

The NKEDS in 2006 recognised that the Thames Gateway Parkland Programme launched by CLG in 2007 would help to raise the quality of the environment in North Kent by helping to challenge the negative perceptions of the area by supporting the delivery of high quality public realm and landscapes'.

The quality of life in North Kent, in terms of the social environment was also recognised as an important indicator. The 2007 Index of Deprivation showed that 15 Super Output Areas (SOAs) in Thames Gateway Kent were amongst the top 10% with the highest level of deprivation in the country. Over half of these were in Swale, where Sheerness East had the SOA with the highest levels of deprivation in Thames Gateway Kent and was the 8th most deprived in Kent.

Across different indicators of deprivation, crime was an issue of concern in Gravesham with Education, skills and training issues facing communities in Swale and Gravesham.

Quality of the Environment

7.2 The 2011/12 economic review referred to expenditure on the Thames Gateway Parklands Programme between 2007-11. The Thames Gateway Parklands programme aimed to make the wider Thames Gateway a more attractive place, where people want to live, work and visit. Since that funding came to an end, there has been no centrally-funded support for environmental and green infrastructure projects in Thames Gateway Kent. Greening the Gateway Kent and Medway has led and coordinated a number of wider initiatives involving North Kent partners, including:

- The Greater Thames Marshes Nature Improvement Area, seeking to protect habitats and increase populations of endangered flora and fauna.
- GIFT-T – Green Infrastructure for Tomorrow – Together, an EU-funded project focusing on engaging the business sector in delivering green infrastructure as a foundation for prosperity; strengthening Natura 2000 sites by improving the quality of surrounding countryside; and engaging communities in 'positive planning’ using green infrastructure to help deliver growth.
- Artlands, a contemporary art programme exploring North Kent’s identity through a series of public realm commissions - responding to and engaging with the unique qualities of the area; its landscapes, its heritage and its people.

7.3 Investment in green infrastructure is secured as part of some individual development schemes, but this tends to be squeezed to the minimum essential to comply with planning requirements (for instance, sustainable urban drainage schemes). The quality of new development and the Thames Gateway ‘offer’ is potentially at risk given the low priority that environmental protection and investment in green infrastructure are currently accorded.

Deprivation

7.4 The Indices of Multiple Deprivation have not been updated since 2010,. The Review in 2011/12 observed that since 2007 deprivation had increased in some parts of North Kent. In 2007, 15 Super Output Areas fell within the 10% most deprived in the country and a further 43
within the top 20%. The more recent 2010 Index of Deprivation showed that there had been an increase in both of these categories – 19 in the worst 10% and 51 in the worst 20%. All of this increase was located in the Medway and Swale local authorities, with both Dartford and Gravesham broadly unchanged.

Figure 7.1: Levels of Deprivation in Thames Gateway Kent 2007 and 2010

<table>
<thead>
<tr>
<th></th>
<th>2007 IOD</th>
<th>2010 IOD</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of SOAs</td>
<td>No. of SOAs</td>
</tr>
<tr>
<td></td>
<td>in most deprived 10%</td>
<td>in most deprived 20%</td>
</tr>
<tr>
<td>Dartford</td>
<td>58</td>
<td>0</td>
</tr>
<tr>
<td>Gravesham</td>
<td>62</td>
<td>3</td>
</tr>
<tr>
<td>Medway</td>
<td>163</td>
<td>5</td>
</tr>
<tr>
<td>Swale</td>
<td>81</td>
<td>7</td>
</tr>
<tr>
<td>Total</td>
<td>364</td>
<td>15</td>
</tr>
</tbody>
</table>

Source: DCLG, Index of Multiple Deprivation 2007 & 2010

7.5 Comparison of the different types of deprivation in 2007 and 2010 showed that deprivation in relation to Education Skills & Training persisted in Swale, and more SOAs across North Kent figure in the worst 10% (and worst 20%) for this domain than for others in the IMD. Deprivation associated with Crime and the Living Environment has particularly risen in Medway since 2007, whereas in Gravesham the issue of crime has abated to some degree.

Chart 7.1(a) Number of SOAs within the most deprived 10% (IMD 2007) in TGK

Source: DCLG, IOD 2007. Note: SOAs Super Output Areas
Chart 7.1(b) Number of SOAs in most deprived 10% (IMD2010) in TGK

7.6 Looking at the proportion (rather than number) of SOAs in the worst 20% nationally, the stand-out category is education, with 40% of SOAs in Swale falling in the most deprived 20% and relatively high scores in the other authorities. But the main area of difference is the prominence of deprivation related to health and disability, which is particularly high in Swale and Gravesham when taking this slightly broader view of deprivation. Though this will relate to the health of the general population, this will inevitably impact upon the working age population and indicates a potential barrier to employment and economic activity. Surprisingly, the extent of deprivation in this domain is not obviously mirrored by economic inactivity rates shown in chart 2.13 above. This could suggest that deprivation is not necessarily a barrier to economic activity, but also that activity rates mask the underlying deprivation.

Chart: 7.2: Proportion of SOAs in TGK in worst 20% (IMD 2010)
8 WHAT DOES THE EVIDENCE TELL US?

8.1 Much of the evidence revisited in this review reinforces previous analyses, in other words, previously observed trends and factors remain similar to the picture revealed in 2011/12. But there are some new signs both of progress and of emerging issues that will need to be addressed positively in the revised Growth Plan in order to re-focus attention on the most relevant priorities in North Kent.

8.2 Three key challenges emerge which the Growth Plan will particularly need to address:

- **The scale of growth ambition.** The original targets of 52,000 new homes and 58,000 additional jobs by 2026 were retained in the 2011/12 refresh. There remains potential for something approaching the homes target to be achieved, but jobs growth on which economic prosperity and GVA uplift depends looks far less certain. This is where key development opportunities such as Swanscombe Peninsula, Medway Superhub, ‘Innovation Corridor’ concept and re-imagining of Town Centres could be critical.

- **Skills and occupational profile.** It is clear that North Kent needs to grow its cadre of highly qualified graduates in professional and technical disciplines, to generate the virtuous circle of highly qualified workers attracting high value companies and vice versa. This also links to how more effective support can be given to attract and grow high value sector businesses in North Kent.

- **Youth unemployment and apparent barriers to women accessing the employment market,** with significant levels of economic inactivity and unemployment amongst women despite the high proportion who want a job.

8.3 The following table summarises some of the key points arising from the preceding sections, considering both positive evidence of potential and opportunity, and also areas of weakness and challenge.

<table>
<thead>
<tr>
<th>Opportunities and strengths</th>
<th>Weaknesses and Challenges</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Human Capital</strong></td>
<td></td>
</tr>
<tr>
<td>Population change.</td>
<td></td>
</tr>
</tbody>
</table>
| • Both overall and working age population growing faster in TGK than K&M, SELEP or GB. Very high growth forecast in Dartford, shallower elsewhere. | • Gap between ONS and KCC population estimates of 25,000 by 2031.  
• Widening gap between working age and total population, demanding higher productivity even to maintain status quo, let alone economic growth. |
| Occupational structure.     |                           |
| • Modest increase in professional occupations since 2007.  
• Senior management roles more significant amongst workforce than residents.  
• Overall increase in jobs since 2011. | • TGK residents under-represented in high value occupations and over-represented in skilled trades and lower value occupations. |
| Economic activity.          |                           |
| • Overall economic inactivity in TGK is lower than K&M, SELEP or GB rates.  
• Rates of economically inactive people who want a job are higher in TGK. | • Female economic inactivity is significantly higher in TGK than GB, SELEP or K&M rates.  
• Apparent barriers to women accessing job opportunities. |
| Skills and qualifications   |                           |
| • Strong improvement in NVQ2 level attainment.  
• TGK outperforms Kent, GB and SELEP on GCSE level attainment and differential between | • Proportion of TGK residents qualified to NVQ4+ is well below national, K&M and SELEP rates.  
Gravesham has both highest levels of NVQ4+ |
<table>
<thead>
<tr>
<th>Opportunities and strengths</th>
<th>Weaknesses and Challenges</th>
</tr>
</thead>
<tbody>
<tr>
<td>districts has closed since 2007.</td>
<td>residents and residents with no qualifications.</td>
</tr>
<tr>
<td>• There has been above average growth in Apprenticeship enrolments, but below average growth in Apprenticeship completions.</td>
<td>• On GCSE 5A*-C including Maths and English, TGK falls below SELEP and Kent rates.</td>
</tr>
<tr>
<td>• Participation in HE by 18-24 year olds has increased since 2008/9 but remains below national average.</td>
<td>• TGK has higher than average rate of residents with no qualifications.</td>
</tr>
<tr>
<td>• Relatively more students are studying subjects relevant to TGK’s growth sectors at North Kent HEIs than amongst North Kent residents in HE.</td>
<td>• Participation in post-16 education and training by TGK residents is relatively low and there is a net outflow of student enrolments.</td>
</tr>
<tr>
<td>• TGK’s Employment Participation</td>
<td>• Attracting and retaining good students to North Kent HEIs, and graduate retention.</td>
</tr>
<tr>
<td><strong>Enterprise</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Business start-ups and survival</strong></td>
<td>• Encouraging more start-ups and enhancing RGF funding streams to support jobs growth, retention and innovation.</td>
</tr>
<tr>
<td>• One year survival rates higher in TGK than K&amp;M, SELEP or GB. Longer-term survival variable but improving.</td>
<td>• Since2007 business stock has stagnated in TGK compared with modest growth elsewhere, with a bigger decline in enterprises per 10,000 population.</td>
</tr>
<tr>
<td>• TIGER programme has shown value of and appetite for entrepreneurial growth.</td>
<td>• Major losses in manufacturing, construction, financial sector and public administration</td>
</tr>
<tr>
<td><strong>Business Stock</strong></td>
<td></td>
</tr>
<tr>
<td>• Strong growth in some districts (notably Dartford); need to raise performance of others to match.</td>
<td>• Fewer companies investing in innovation and lower levels of R&amp;D investment in TGK compared with K&amp;M.</td>
</tr>
<tr>
<td></td>
<td>• Balanced geographic spread of business markets, but lower percentage of companies operating in European and global markets indicates need to increase exporting activity.</td>
</tr>
<tr>
<td><strong>Innovation</strong></td>
<td></td>
</tr>
<tr>
<td>• Company spending on innovation is relatively strong.</td>
<td>• TGK lags behind national average on professional, scientific and technical services: challenge to grow high value sectors.</td>
</tr>
<tr>
<td>• TGK companies out-compete other areas in investment in new-to-market innovations.</td>
<td>• Mirroring the occupational structure, most prevalent businesses are in lower value sectors.</td>
</tr>
<tr>
<td></td>
<td>• Growing HVM and KI jobs in Gravesham and Swale; maintaining and restoring HVM and KI sector growth in Dartford and Medway respectively.</td>
</tr>
<tr>
<td><strong>Sectors</strong></td>
<td></td>
</tr>
<tr>
<td>• Relative strengths in construction and manufacturing (despite losses) and in accommodation and food services, transport and storage and health.</td>
<td>• Growth in high value manufacturing (HVM) and knowledge intensive (KI) industries proportionally greater in TGK than GB or SELEP, potentially closing the gap.</td>
</tr>
<tr>
<td>• Growth in high value manufacturing (HVM) and knowledge intensive (KI) industries proportionally greater in TGK than GB or SELEP, potentially closing the gap.</td>
<td>• Current employment is below the baseline for 2006 jobs targets. Both strategy and linear based forecasts indicate future jobs growth well short of 58,000 target.</td>
</tr>
<tr>
<td><strong>Employment and productivity</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Employment</strong></td>
<td></td>
</tr>
<tr>
<td>• Overall employment growth 1998-2011 but current employment well below peak.</td>
<td>• High male employment rates in TGK are offset by very low female employment rates.</td>
</tr>
<tr>
<td>• Employment growth in Dartford and Swale outweighs employment losses in Medway and Gravesham.</td>
<td>• Some recovery in employment rates for young women (16-24) but further ground to be made up.</td>
</tr>
<tr>
<td>• TGK employment rates higher than national and K&amp;M rates (but below SELEP).</td>
<td>• TGK perhaps more vulnerable to negative impacts but more responsive to positive stimuli.</td>
</tr>
<tr>
<td><strong>Unemployment</strong></td>
<td></td>
</tr>
<tr>
<td>• TGK unemployment rates nearing convergence with K&amp;M and SELEP levels.</td>
<td>• Need for more progress and impact in tackling longer term (over 6 months) youth unemployment.</td>
</tr>
<tr>
<td>• TGK’s JSA claimant rate considerably higher than K&amp;M and SELEP but below national rate.</td>
<td></td>
</tr>
<tr>
<td>Opportunities and strengths</td>
<td>Weaknesses and Challenges</td>
</tr>
<tr>
<td>-----------------------------</td>
<td>---------------------------</td>
</tr>
<tr>
<td>• Claimant rate for 18-24 year olds double the overall rate, with wide district variation.</td>
<td></td>
</tr>
</tbody>
</table>
| **Productivity** | • Wide disparity across TGK Districts: Dartford’s GVA per capita is more than double Gravesham’s.  
• Strategy needs to consider both raising GVA in the weakest spatial areas of the economy as well as building on strengths. |
| • Per capita GVA growth is back on upward trend after dip 2007-9, but gap with national average is widening. | |
| **Earnings** | • Workplace earnings overall have stagnated and the disparity between districts has widened from £90 to £106 per week.  
• Lower workplace earnings should mean TGK has a competitive price advantage.  
• Earnings for workers and residents in Swale are the lowest in TGK, but productivity shows the strongest improvement; Gravesham has the second highest earnings in TGK but its productivity is on a downward trajectory. There are structural weaknesses and imbalances to be addressed. |
| • TGK residents’ earnings are just below the SELEP average but above K&M and GB averages.  
• Disparity between districts on workplace weekly earnings has narrowed from £84 in 2007 to £57 in 2012. | |

### Investment in housing and commercial development

<table>
<thead>
<tr>
<th>Housing Development</th>
<th></th>
</tr>
</thead>
</table>
| • Continued growth in dwelling stock.  
• Revised expectation of 49,800 dwellings (2006-2026) of which 12,600 are built and land supply identified for further 32,000. | • Signs of reviving market confidence, but patchy.  
• Current delivery is below trajectory.  
• Major schemes such as Paramount London Resort could, if delivered, provide radical boost to housing delivery as well as jobs and the economy. |
| **House prices** | • Ratio of lower quartile house prices to lower quartile earnings is 7.2, indicating a widening affordability gap for people on lower incomes. |
| • TGK remains relatively affordable, though ratio of median house prices to median earnings (6.5) has risen sharply since 2011. | |
| **Household formation** | • Tailoring the mix and supply of new housing to the demographics of TGK, with higher average household size than K&M. |
| • TGK is forecast to have a higher proportion of single person households than K&M , but also a higher proportion of households with dependent children. | |
| **Commercial property** | • Net losses indicate more progress needed on bringing forward state of the art commercial property. |
| • Growth in provision for mixed use development and leisure. | |
| **Inward investment** | • Most inward investment activity comes from expansions and relocations within Kent, presumably taking advantage of competitive cost environment. Stronger marketing of North Kent is needed to increase investment from outside the County and UK. |
| • TGK continuing to attract positive share of inward investment, creating and retaining jobs. | |

### Quality of life

<table>
<thead>
<tr>
<th>Built and natural environment</th>
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</table>
| • Legacy of TG Parklands Programme seen in enhanced assets, some continuing to attract further investment. | • Marginalisation of investment in green infrastructure as development economics bite.  
• Reliance on EU-funded initiatives: competition for priority in EU SIF allocations. |
| **Deprivation** | • Strategy will need to ensure that policies and proposals are socially inclusive, reduce barriers to employment, increase emphasis on acquisition of skills that will enable people to |
| • The districts’ profiles on IMD2010 generally reinforce other aspects of evidence review:  
  o On most domains Swale is most deprived, | |
<table>
<thead>
<tr>
<th>Opportunities and strengths</th>
<th>Weaknesses and Challenges</th>
</tr>
</thead>
<tbody>
<tr>
<td>particularly education, skills &amp; training and health and disability; o Medway is most deprived on quality of living environment and crime; o Dartford is most deprived on access to housing and services.</td>
<td>enter the jobs market.</td>
</tr>
</tbody>
</table>