State of North Kent Report
Autumn 2023

GREATER
NORTH KENT

Introduction

In Summer 2023 the South East Local Enterprise Partnership (SELEP) published its "State of the Region" report. This presented statistics and analysis looking at the performance of the economy and other metrics across the SELEP area.

Some of the data used are not disaggregated to smaller geographies such as local authority districts. But where they are, there is scope to compare the picture across North Kent and its comparison with national, regional (SELEP) and sub-regional (Kent & Medway) results.

This report therefore mainly examines the data where district-level information is available, supplemented where appropriate with other data not derived from the SELEP analysis and some more up-to-date figures where these have been published. It focuses primarily on economic indicators rather than wider socio-economic factors. It therefore does not cover indicators relating to public health, deprivation, cultural participation or the state of the environment (amongst many others) which would form a more comprehensive picture of North Kent. However, the performance of the economy is fundamental to making progress in other domains such as tackling deprivation and health inequalities.

The intention is to bring together in summary form some evidence that might be relevant to the formulation of local economic and other strategies, though these would undoubtedly need to drill deeper into each of the areas covered. Where common challenges and characteristics are identified they may point towards the potential value of developing collaborative responses.

The report is in four sections:

Place – the people, premises and some of the infrastructure shaping the economy;

Economy – some of the key metrics about business performance and characteristics;

People, Jobs and Skills – some key metrics around workforce and resident populations; and

Sectors – the broad profile of the North Kent economy and how it compares with national and regional patterns.

The final section offers some concluding observations, and an Appendix lists the data sources.

Contents

1 - PLACE

Population

The usual resident population of **GNK** in 2021 was 818,201, 44% of the total population in 'ceremonial' Kent (i.e. Kent & Medway) and 19.2% of SELEP.
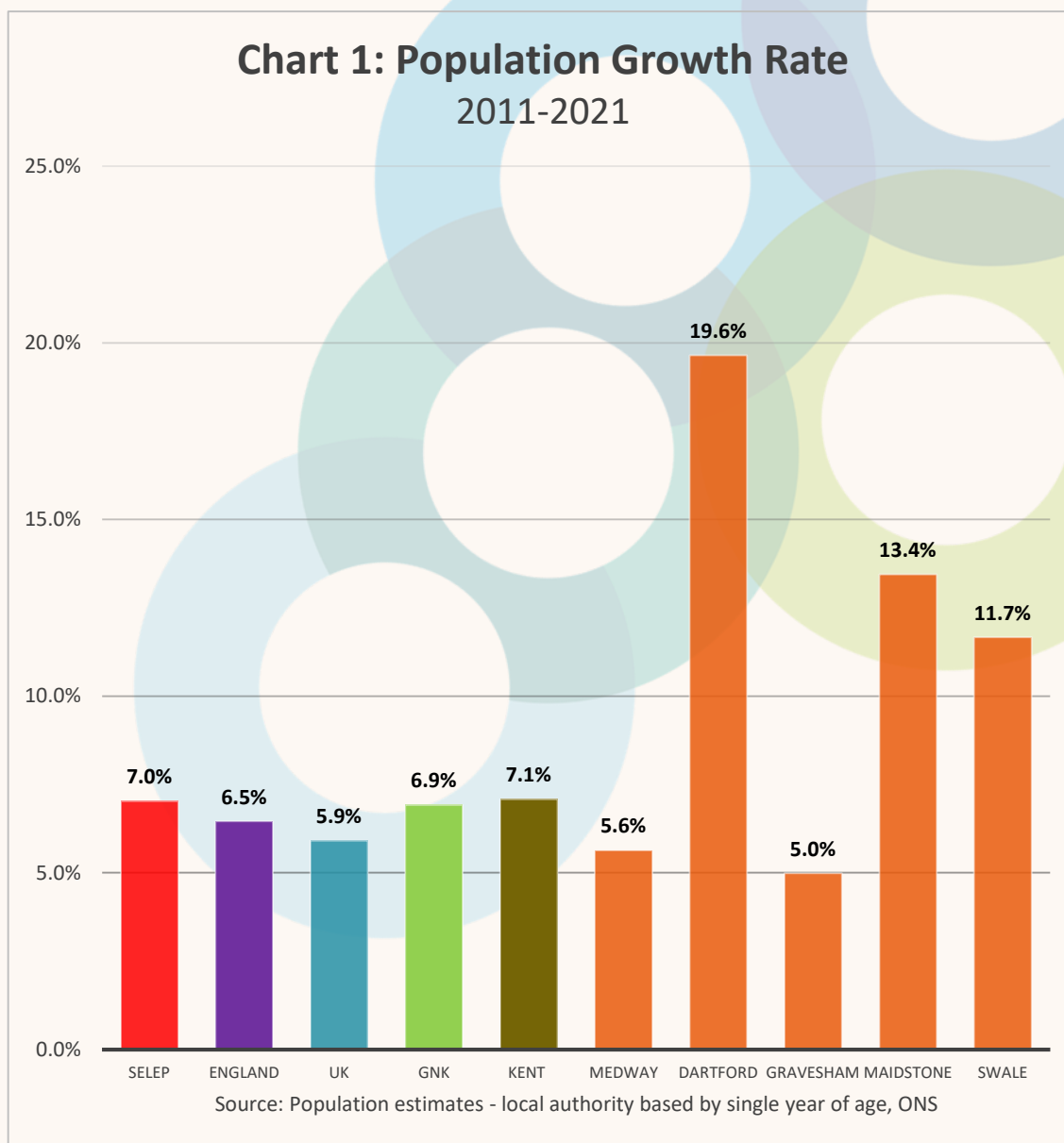
The population of **SELEP** grew by 7% in the decade to 2021, faster than the UK average of 5.9%. Kent was slightly ahead at 7.1% whilst GNK was slightly behind at 6.9%.

Growth was very uneven at local authority level. **Dartford** saw the highest growth at 19.6%, the second highest of any local authority area of the UK after Tower Hamlets. **Maidstone's** 13.4% was the second highest in Kent in percentage terms but the highest numerically (+20,948) across the whole SELEP area, whilst neighbouring Tunbridge Wells was the lowest growth both numerically and as a percentage.

Within GNK, **Gravesham** saw the least growth (18th as percentage, 21st numerically out of 32 authorities in SELEP area); **Medway's** growth was also very modest – below the UK rate – placing it 16th in percentage terms in SELEP, but 6th numerically. **Swale's** growth of 15,899 places it 6th in percentage terms and 5th numerically within SELEP.

Across Kent, only Ashford has seen population growth comparable to that seen in North Kent (+14,733, 12.5% ranked 3rd in Kent)

Chart 1: Population Growth Rate
2011-2021

Area	Growth
SELEP	7.0%
ENGLAND	6.5%
UK	5.9%
GNK	6.9%
KENT	7.1%
MEDWAY	5.6%
DARTFORD	19.6%
GRAVESHAM	5.0%
MAIDSTONE	13.4%
SWALE	11.7%

Source: Population estimates - local authority based by single year of age, ONS

Working Age Population

The overall trend since 2011 has been for the working age population to reduce as a proportion of total population, indicating an ageing population at national level.

At local level, change in the working age population can reflect a number of factors including net migration, such as over 65s retiring away from an area whilst younger people and families move in, meaning that people of working age make up a higher proportion of residents.

The decline in the proportion of working age population between 2011 and 2021 has been more marked in the SELEP area (-2.1%) and likewise in North Kent (-2%) compared with nationally (England -1.7%).

At local level the decline has been greatest in **Medway** (-2.6%) and smallest in **Dartford** (-1.2%), though this has brought Medway into line with England (at 63%) with only Dartford exceeding that proportion (at 63.9% 1st equal with Thurrock within the SELEP area) and the highest in Kent. The areas with the greatest decline within the SELEP area are Maldon (-3.5%) and Castle Point (-3.4%), and the lowest share of population of working age is in Rother (52.9%).

Within North Kent, **Gravesham** has seen the lowest numerical increase (+1,500) but only the second lowest decline in percentage terms over the decade.

Decline in share doesn't necessarily mean numerical reduction. **Dartford's** working age population has increased by 11,100 and **Maidstone** by 10,000, and all North Kent authorities have seen an increase numerically whilst some parts of Kent have seen an absolute decline (Tunbridge Wells -2,200, Folkestone & Hythe -2,000).

Across England, London has the highest proportion of working age population (68.5%) with Cornwall and the Isles of Scilly the lowest (58.4%). This will partly reflect the respective quantum and density of jobs available in each area and the more extreme manifestation of the trends referred to above.

Chart 2: Change in working age population as proportion of all residents, 2011-2021
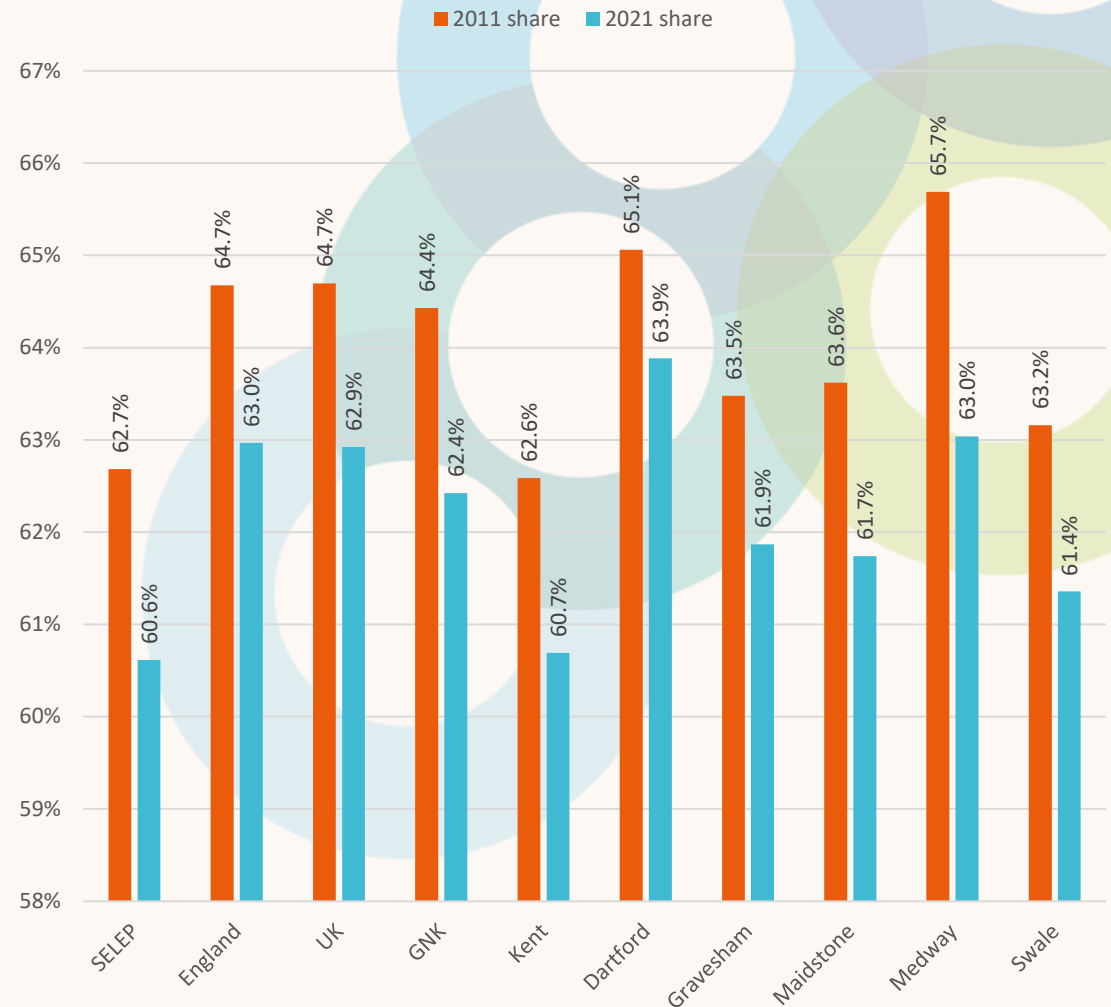
Source: Population estimates -local athority be single year of age, ONS

Migration

Comparison between 2011 and 2021 data show that in general terms North Kent authorities follow a similar pattern to change nationally and at regional level. The proportion of usual residents born in the UK has reduced whilst the proportion of those born overseas has increased.

Nationally, between 2011 and 2021, the shift from UK to non-UK born is 3.4%, and slightly lower in the SELEP area at 3.2%. But within North Kent the range is more extreme. In **Dartford** the shift is 8.4% away from UK-born, whilst in **Swale** it is only 2.3%, with the other authorities ranged in between.

In **Dartford** and **Gravesham** nearly 1 in 5 residents was born outside the UK, compared with fewer than 1 in 12 in **Swale**.

The biggest component of change in **Dartford** is people born in Africa (an increase of 2.9% from 4.3% in 2011 to 7% in 2021). **Maidstone** has seen a similar scale of change (2.9%) in the proportion of usual residents born in Europe (not distinguishing here between EU and non-EU because of the change in composition of EU member countries between 2011 and 2021).

The change across North Kent has been smallest among people from the Americas and Caribbean and from Antarctica, Oceania and Australasia (where **Dartford** and **Maidstone** have each seen a small (0.1%) reduction).

Overall, therefore, North Kent's population has become more diverse in terms of country of origin, with **Dartford** seeing the biggest demographic change.

Numerically, out of nearly 77,000 increase in North Kent's population over the decade, around 33,000 (43%) were born in the UK, over 21,500 (28%) born in Europe, 11,500 (15%) in Africa, 9,000 (12%) in the Middle East and Asia and just over 2,000 (3%) from elsewhere (percentages don't add to 100% due to rounding).

Source: NOMIS QS203EW 2011 and Census 2021 RM011

Chart 3: Migration: usual residents by country of birth, 2011 and 2021
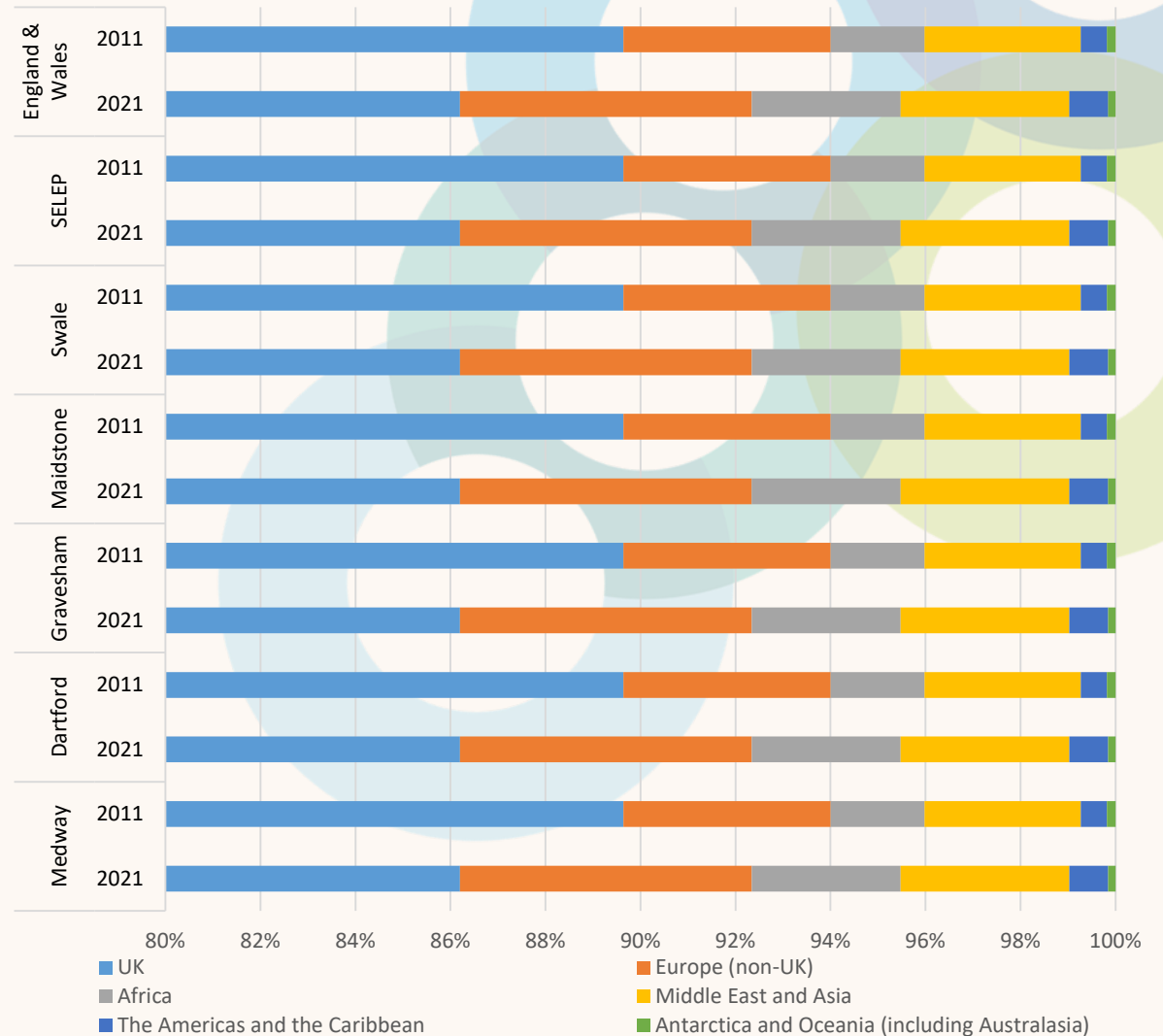
New Dwelling Starts and Completions 1

The two charts opposite track new dwelling starts and completions from 2009-10 to 2021-22.

The period covered followed the financial crash of 2008, which had a lingering impact on housing markets though as the charts show this was not uniformly spread across North Kent. North Kent hit its lowest level of starts (1,510) in 2013-14 and completions (1,420 in 2014-15) and its peak in 2019-20 (3,260 starts, 3,720 completions).

At local authority level, **Gravesham** has consistently delivered the lowest levels of new housing: an average of only 154 starts and 175 completions per year over the last decade.

By contrast, **Maidstone** (average 866 starts, 937 completions) and **Dartford** (692 starts, 689 completions) have delivered the highest levels of new housing in Kent.

However, as the next slide shows, North Kent's share of new housing delivery over the past three years has declined relative to the rest of Kent.

Source: ONS, UK house building local authority dataset, 2009-10 to 2021-22

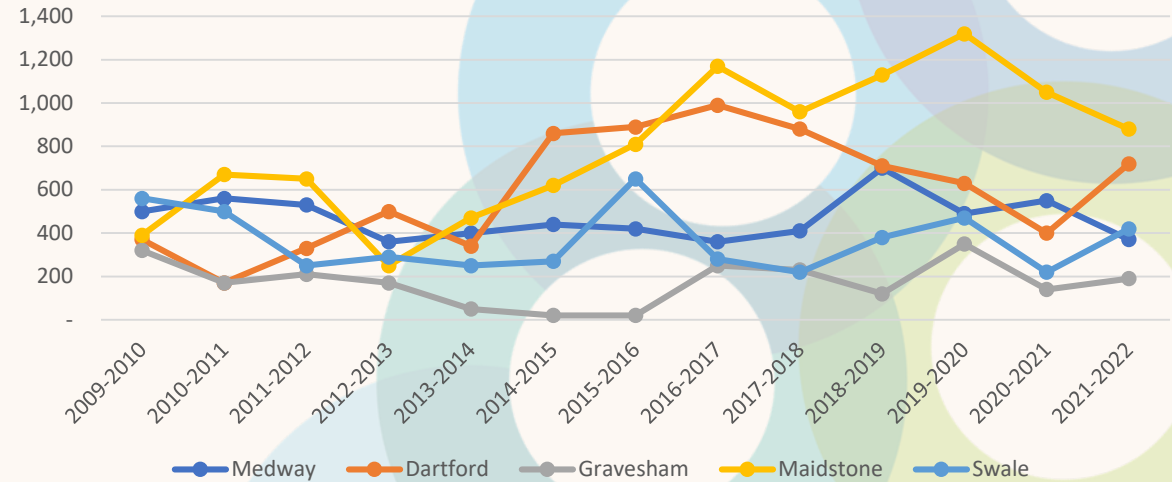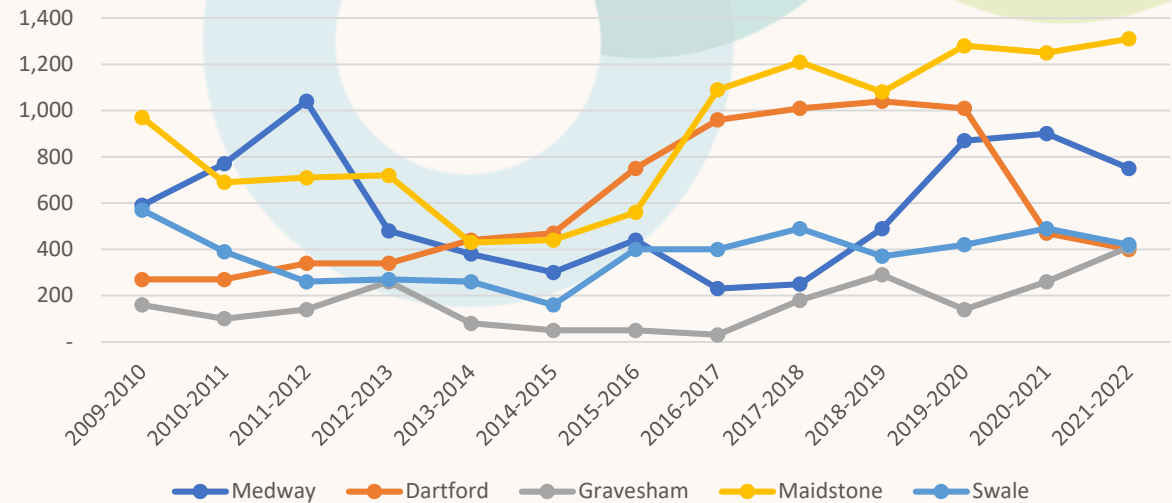Chart 4: New Dwelling Starts in Greater North Kent

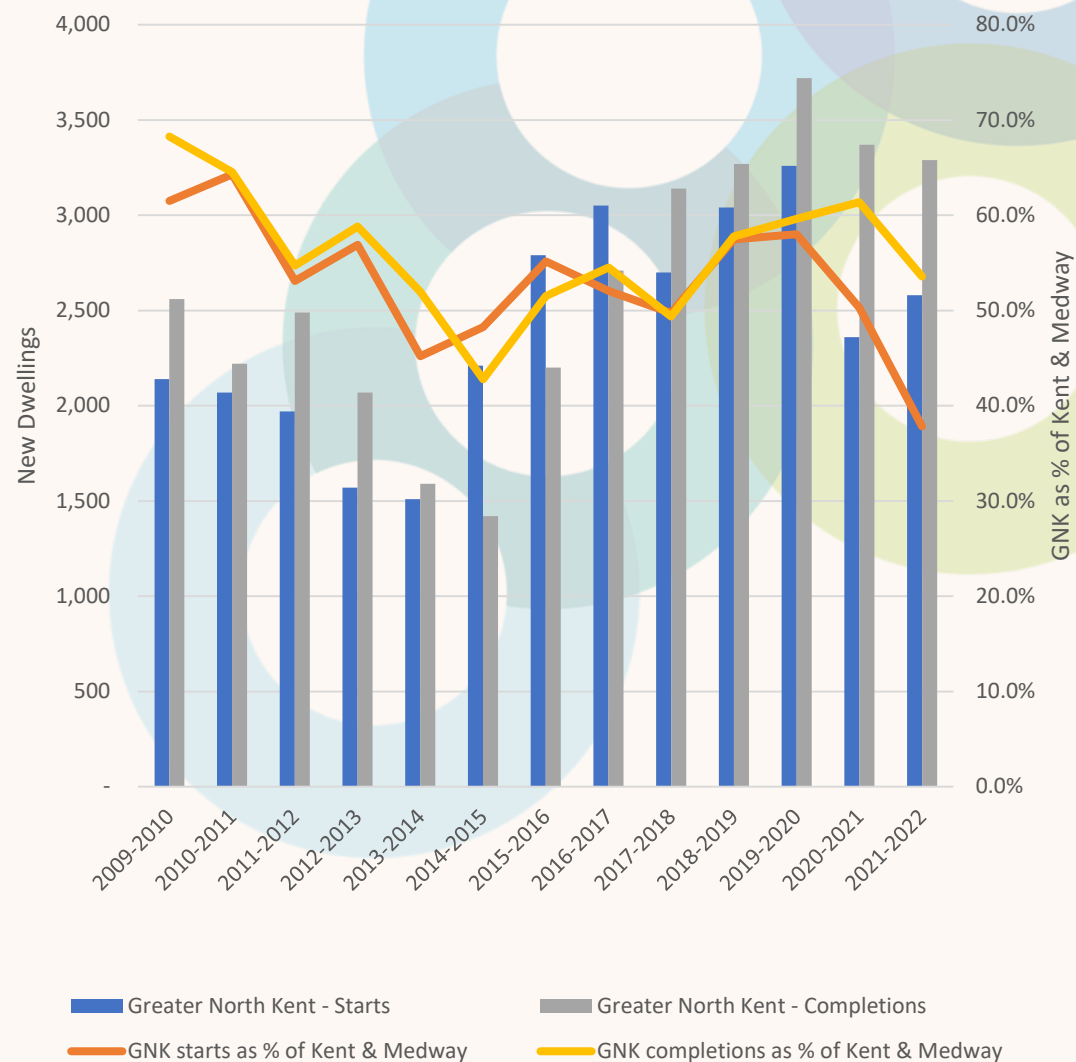Chart 5: New Dwelling Completions in Greater North Kent

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New Dwelling Starts and Completions 2

The past 3 years have shown **completions at historically high levels** over the period since 2009-10, but from a peak in 2019-20 **dwelling starts have not recovered** to the levels seen since 2015-16.

The chart also shows that for most of the period since 2009-10 completions in North Kent have made up more than 50% of the total in Kent and Medway, apart from a dip in 2014-15. But **the overall trend over the 13 years covered is downwards**, indicating that there is now relatively more activity in the rest of Kent (or parts of it) than in earlier years.

On starts the downwards trend is more marked, particularly in the last three years. There could be various explanations but issues around particular sites, political appetite for growth, the status of local plans and market confidence are almost certainly factors. Other factors such as the legacy of the COVID-19 pandemic would be expected to impact similarly in other areas. So even at historically quite high levels of delivery, **North Kent is losing market share to other parts of Kent**.

Source: ONS, UK house building local authority dataset, 2009-10 to 2021-22

Chart 6: New Dwelling Starts and Completions 2009-10 to 2021-2022

Legend: Greater North Kent - Starts; Greater North Kent - Completions; GNK starts as % of Kent & Medway; GNK completions as % of Kent & Medway

New Dwelling Starts and Completions 3

Another perspective is offered by comparing new dwelling starts and completions per head of population (based on average population over the period). This shows that for much of the decade **Dartford** consistently delivered the highest levels of new housing relative to its existing population, but overtaken in the last two or three years by **Maidstone**.

Gravesham's low absolute level of new housing delivery is tempered somewhat by comparison with population, where its trajectory is more mixed and showing an upturn in recent years.

Medway has delivered an average of 509 new dwelling completions over the past decade (ranking 3rd in Kent) but relative to its population and compared to other authorities this is relatively low. As noted on page 5, Medway's population growth across the past decade has also been very modest and below the national rate.

Swale's performance has also been more mixed but overall less volatile than its neighbours, delivering quite consistently both in absolute terms and relative to its population, but in the middle ranks of Kent authorities.

Sources: ONS, UK house building local authority dataset, 2009-10 to 2021-22; ONS, Population Estimates – local authority by single year of age

Chart 7: New Dwelling Starts per 1,000 population

Chart 8: New Dwelling Completions per 1,000 population

Non-domestic property 1

In 2022 North Kent had 22,100 non-domestic properties with a rateable value of £783 million. Both stock and rateable value have plateaued in the last three years and as the first chart shows, the growth in stock has not been matched by growth in rateable value, perhaps indicating that the increase has tended to be in lower value uses.

Compared with SELEP and the rest of Kent, **the growth in stock has been sluggish in North Kent**, rising just 4.6% over the past 5 years compared with 6.6% in SELEP and 7.8% in Kent.

Within North Kent, **Swale** has seen the greatest increase in both stock (+7.4%) and rateable value (+18.2%) over past 5 years. The lowest stock increase has been in **Gravesham** (0.9%) though its total rateable value has increased by 7.4%, the second highest in North Kent.

Source: SELEP/Valuation Office Agency, Non-domestic rating: stock of properties including business floorpace.

Chart 9: Non-domestic property stock

Legend: Non-domestic property stock, Rateable Value

Chart 10: Total Non-Domestic Property Stock

Legend: SELEP, GNK, Kent
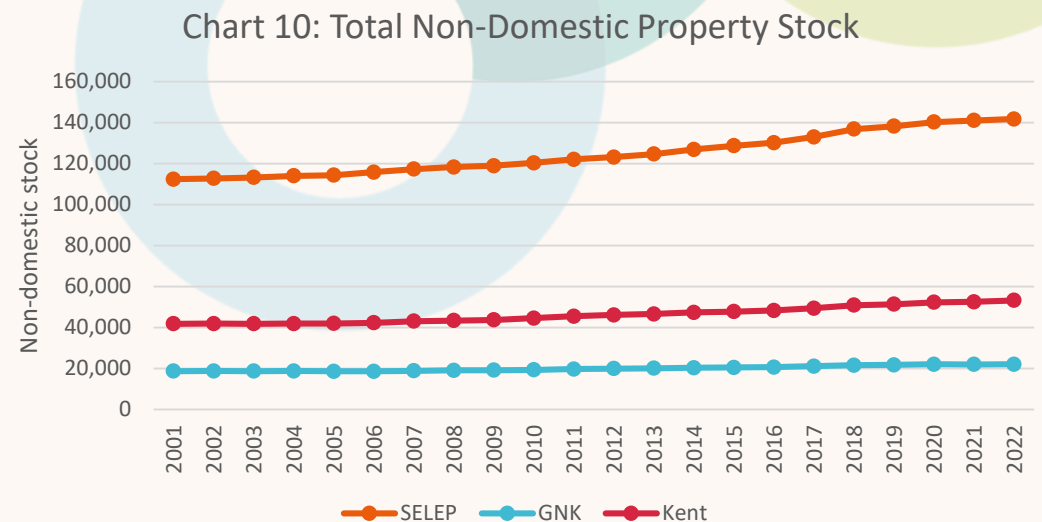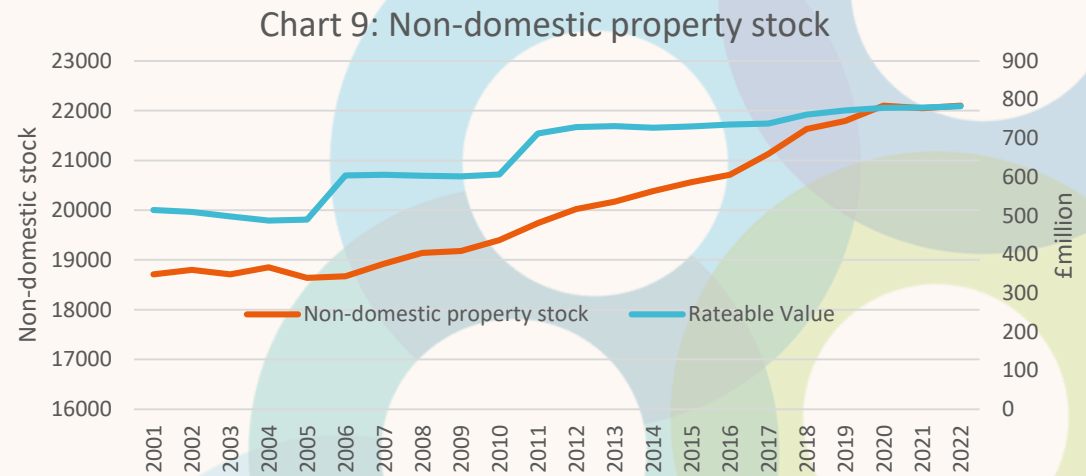
Non-domestic property 2

Chart 11 shows the change in rateable value of non-domestic stock over the past 5 years, ranked highest to lowest across the SELEP area. As noted above, **Swale's** growth is the highest in Kent and second highest in the region, with other North Kent authorities clustered in the lower half of the distribution.

Three authorities in Essex and one in Kent (Folkestone & Hythe) have seen their total RV reduce over the past 5 years. This may largely be explained by loss of office and retail uses following the Covid-19 pandemic with changes in working patterns, closure of significant local employers and trend towards increased on-line shopping rather than bricks-and-mortar.

The Valuation Office Agency classifies non-domestic properties as either Retail, Office, Industrial or Other. Most properties are assessed for non-domestic rates per square metre (sqm) and figures for this are published. However, much of the Other category is often not assessed for rates per square metre and so figures are not available, with major exclusions from the published data including holiday homes, beach huts, hotels, car parks, and public houses.

Source: SELEP/Valuation Office Agency, Non-domestic rating: stock of properties including business floorpace.

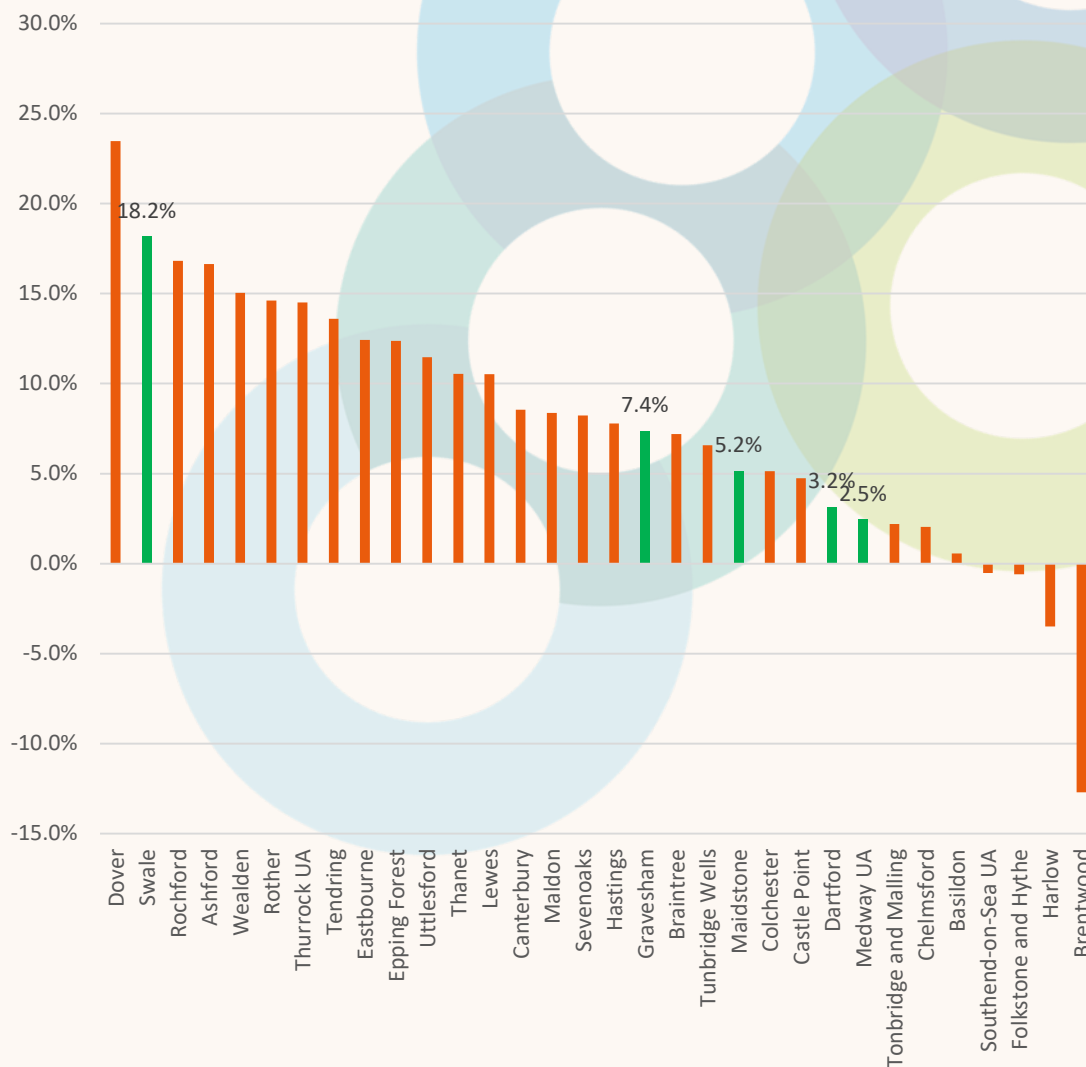Chart 11: Average 5 year change (2017-2020) in total rateable value of non-domestic stock

Retail property stock and Rateable Value

North Kent's retail stock has **reduced** 0.7% over the past 5 years, and stands about 220 properties lower than in 2001. Considering the challenges in the sector, this actually represents a remarkably resilient performance though it still lags behind SELEP as a whole which has seen a 0.7% **increase** in retail stock over the same period.

Rateable value has also dropped over the same period by -4.2% compared with only -1.5% across SELEP.

The losses in stock have been mainly in **Dartford**, **Medway** and **Swale**. Whilst Maidstone saw no significant reduction in stock, its total retail rateable value dropped by 8.6%, the biggest reduction in Kent (contrasted with an 8% increase in retail rateable value in Sevenoaks).

Source: SELEP/Valuation Office Agency, Non-domestic rating: stock of properties including business floorpace.

Chart 12: Retail property stock, North Kent 2001-2022
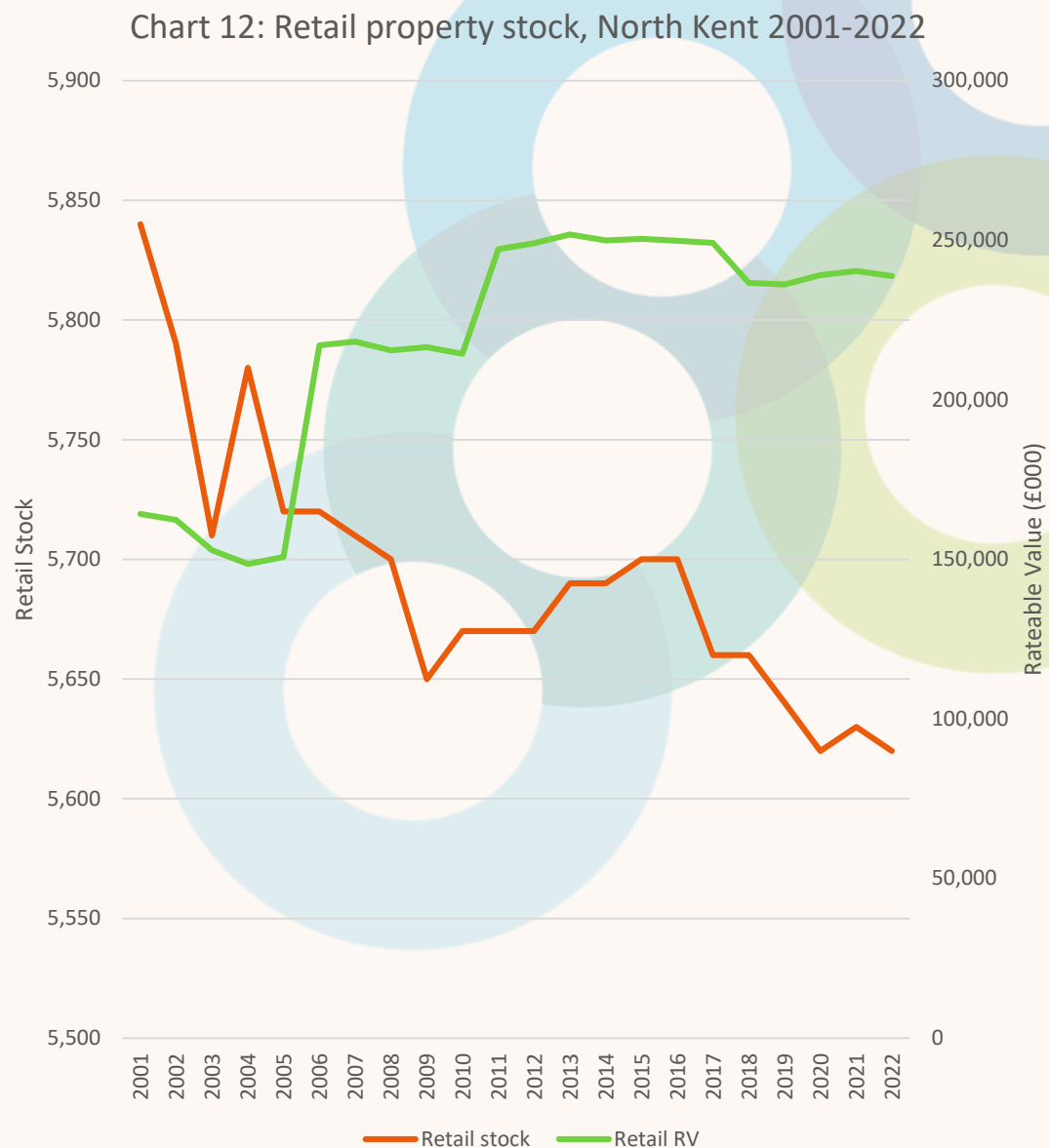
Office stock and rateable value

Despite the changes in working patterns since the Covid-19 pandemic, office stock has actually **increased** in North Kent at a greater rate (11%) than across SELEP (9.3%) or the rest of Kent (9%) over the past 5 years. Stock have been added in all authority areas, with the most in **Medway** (+14), **Swale** (+110) and **Maidstone** (+80).

Rateable value has **dropped**, however, from its peak in 2011 and by 0.9% over the past 5 years. This is considerably lower than the drop of 4.6% across the SELEP region, and 2.8% drop in Kent. Within North Kent the **biggest gains** have been **Dartford** (+7.1%) and **Swale** (+6.6%) whilst the **biggest reductions** have been in **Maidstone** (-11.8%).

Source: SELEP/Valuation Office Agency, Non-domestic rating: stock of properties including business floorpace.

Chart 13: Office stock and rateable value, North Kent 2001-2022

Office stock — Office RV

Industrial Stock and Rateable Value

North Kent's industrial stock has **grown year on year** since 2014 with exceptional surges in the numbers of properties between periods of stagnation.

Similarly the rateable value of industrial businesses has increased following a similar pattern to the numerical change. But the rate of increase in stock numbers has overtaken the rate of increase in RV, indicating that in real estate terms the relative value of businesses is not growing as strongly as their numerical growth.

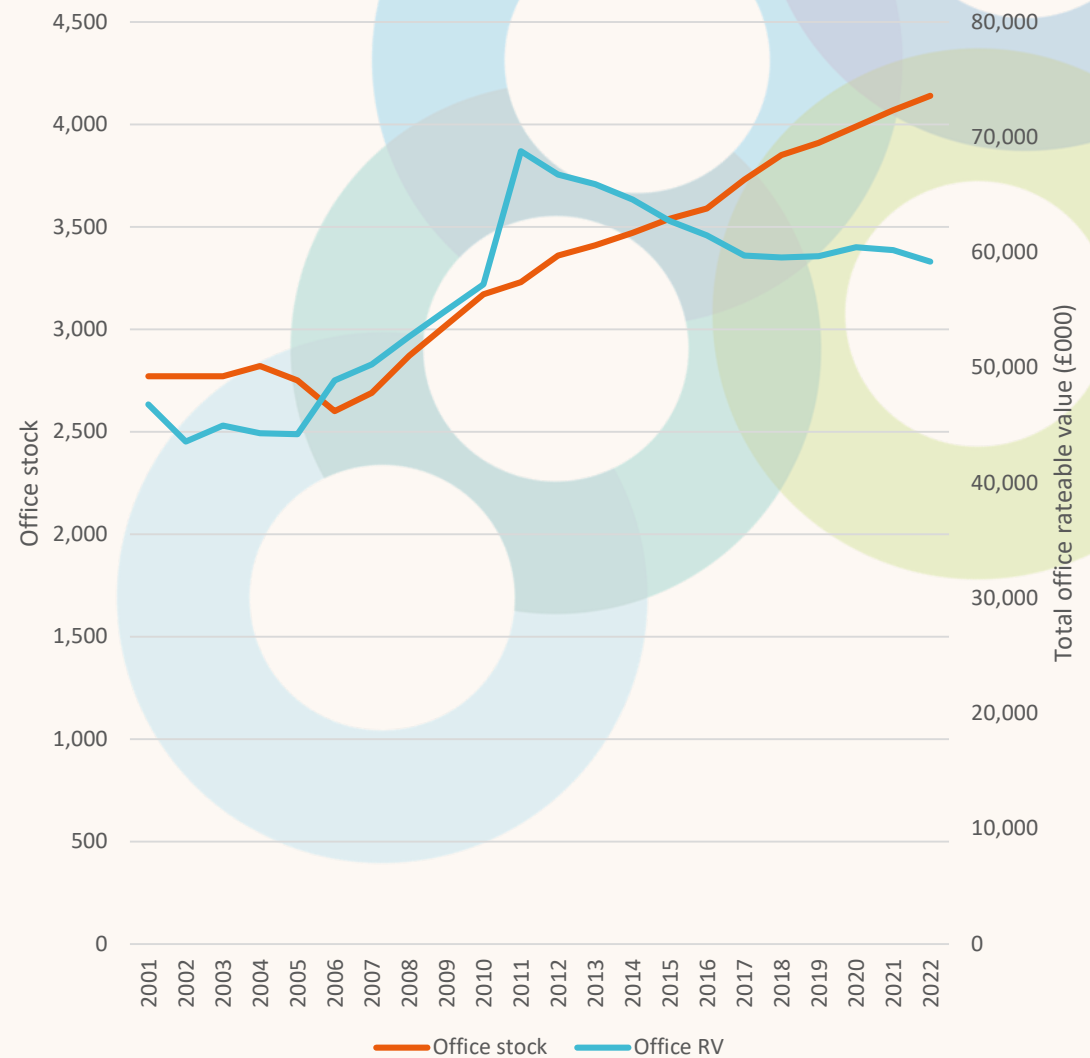Source: SELEP/Valuation Office Agency, Non-domestic rating: stock of properties including business floorpace.

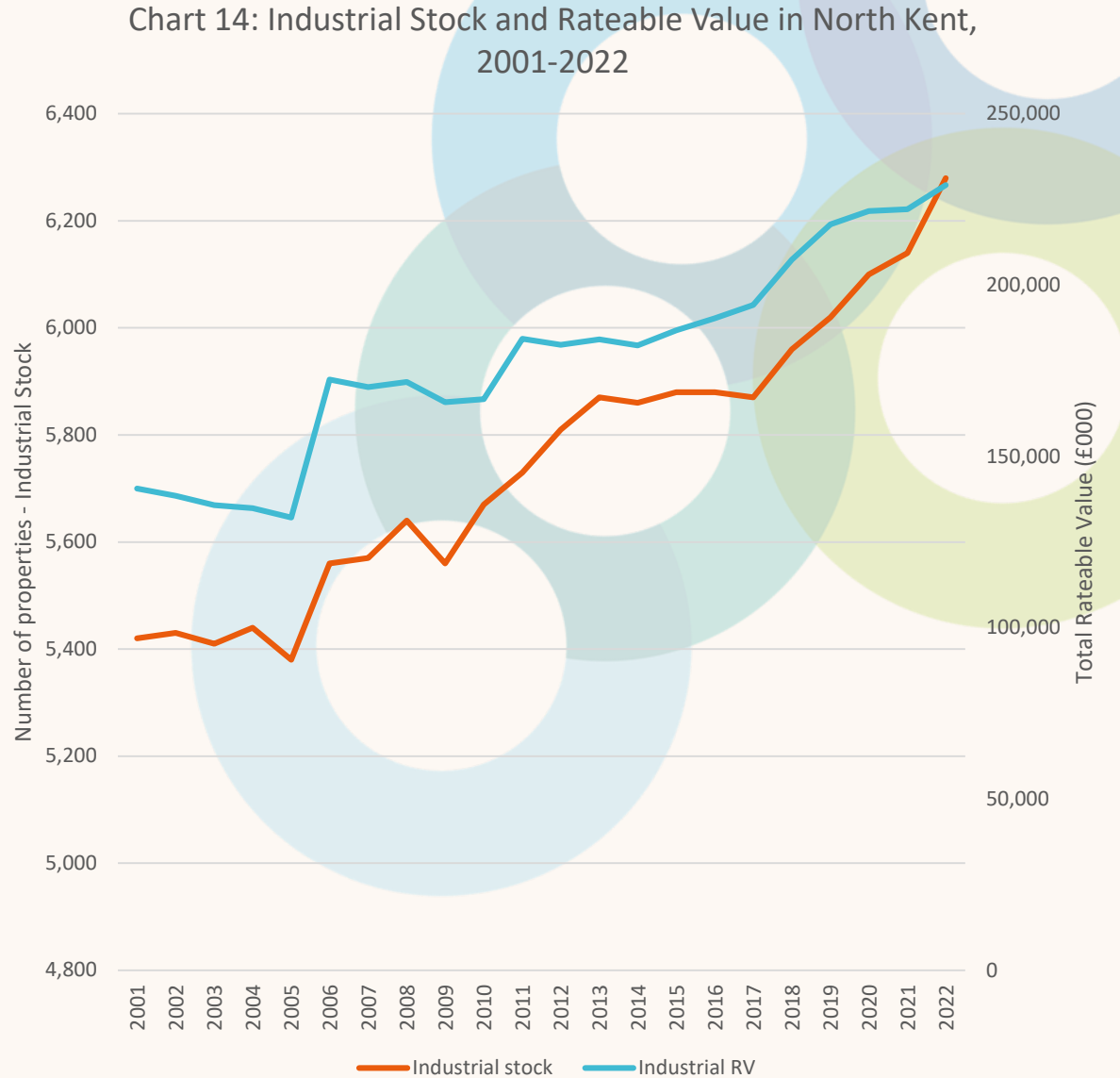Chart 14: Industrial Stock and Rateable Value in North Kent, 2001-2022

Business Floorspace

Overall in 2022 North Kent had 6.24 million m2 of business floor space, just under 46% of the Kent & Medway total. By contrast its stock of 22,100 non-domestic properties comprises only 37% of the Kent & Medway total. This suggests that North Kent businesses occupy a larger than average footprint than in other parts of Kent, perhaps particularly in industrial and retail sectors.

The make-up of business floor space across GNK differs quite significantly from the England & Wales average. The most marked different is the proportion of office floor space which is below 9% in North Kent but nearly 15% nationally, and 13% across Kent as a whole. By contrast North Kent has a high proportion of retail floor space at nearly 21% compared with 18% nationally, but below the Kent figure of 22.5%. This may reflect a combination of particular retail destinations, notably Bluewater, coupled with multiple town centres with a sizeable retail offer (e.g. Ashford's Designer Outlet). The general view is that there is too much retail floor space in town centres and there needs to be down-sizing, consolidation and re-purposing of stock for other appropriate uses to maintain and revive town centre vibrancy.

North Kent's share of industrial floorspace is slightly higher than the national average, and significantly above the Kent average, reflecting strong concentrations in Medway and Swale in particular. Gravesham has the second lowest industrial floorspace (352,000m2) after Folkestone and Hythe.

Source: Valuation Office Agency, Non-domestic rating: business floorpace, 2022

CHART 15: BUSINESS FLOORSPACE (% SHARE) 2022

Legend: ■ Retail ■ Office ■ Industrial ■ Other

Area	Retail	Office	Industrial	Other
KENT (KCC AREA)	22.5%	10.8%	53.7%	13.0%
NORTH KENT	20.8%	8.6%	59.6%	11.0%
ENGLAND AND WALES	18.0%	14.6%	57.7%	9.7%
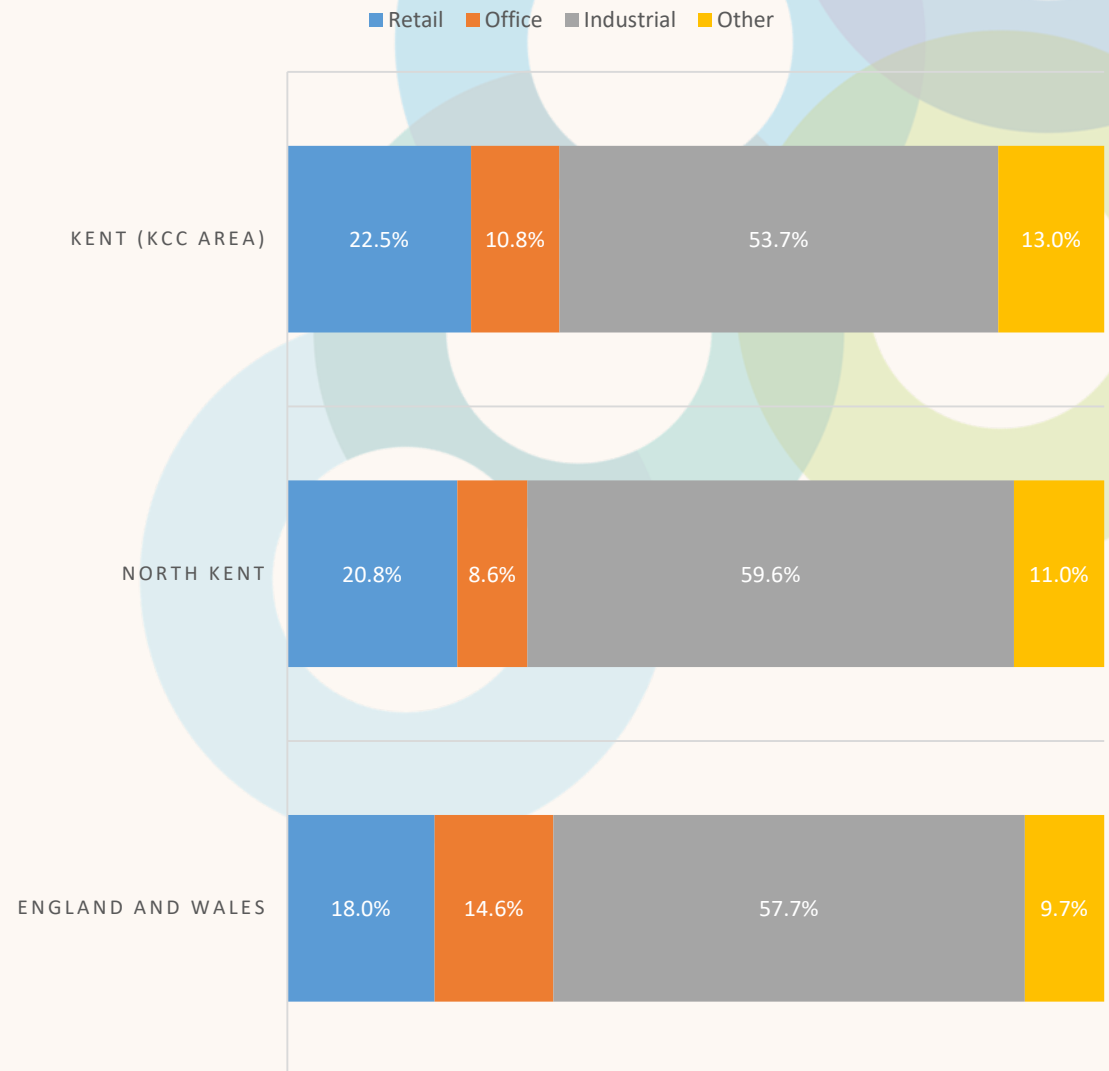
Broadband Access

SELEP's State of the Region report shows the percentage of properties with Superfast and Gigabit Broadband availability and how this has changed over the period since September 2019.

Broadband connectivity is clearly crucial enabling infrastructure both for businesses and households, with the distinction between the two more blurred than ever with the increase in home-based and hybrid working practices accelerated by the Covid-19 pandemic.
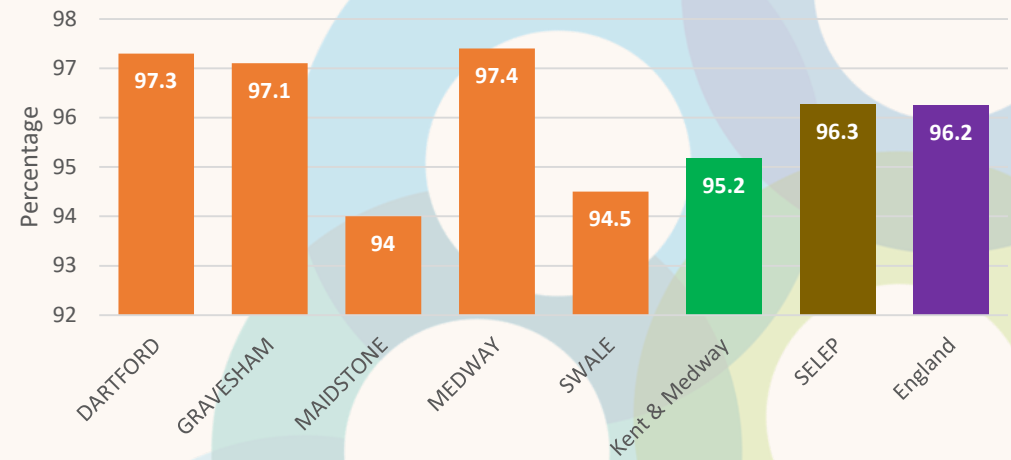
This page looks simply at 2022 as the last full year reported by Ofcom. In terms of the percentage of premises with Superfast broadband availability, SELEP is narrowly ahead of the national rate, whilst Kent & Medway sits one per cent below. **Within North Kent, Medway leads the way with Dartford, Gravesham close behind; but Maidstone and Swale lag behind.** This presumably reflects their extensive rural areas: 5.5% of Maidstone premises and 4.8% in Swale are unable to receive decent broadband (classified as 30 Mb/second).

Medway also leads the way, within the KMEP area, in the roll-out of Gigabit broadband availability, with connectivity rates 12.6% above the England rate and nearly 20% above the SELEP average. On this measure **Maidstone** and **Swale** are much closer to the England average, whilst **Dartford** and **Gravesham** are slightly above.

KCC's website states that BDUK have announced that they have allocated over £100 million to deliver gigabit-capable connections to parts of Kent and Medway that are not expected to benefit from telecom providers' upgrade programmes. BDUK estimate the Kent and Medway Project will cover around 72,000 properties. The formal procurement process has now started and a contract with a supplier is expected to be awarded in January 2024.

(See https://www.kent.gov.uk/leisure-and-community/broadband/project-gigabit)

Chart 16: % of premises with Super-Fast BroadBand available

Area	Percentage
DARTFORD	97.3
GRAVESHAM	97.1
MAIDSTONE	94
MEDWAY	97.4
SWALE	94.5
Kent & Medway	95.2
SELEP	96.3
England	96.2

Source: Ofcom Connected Nations Report 2022

Chart 17: % of premises with Gigabit Broadband available

Area	Percentage
DARTFORD	73.1
GRAVESHAM	73.2
MAIDSTONE	69.4
MEDWAY	82.4
SWALE	67.7
Kent & Medway	67.1
SELEP	62.5
England	69.8
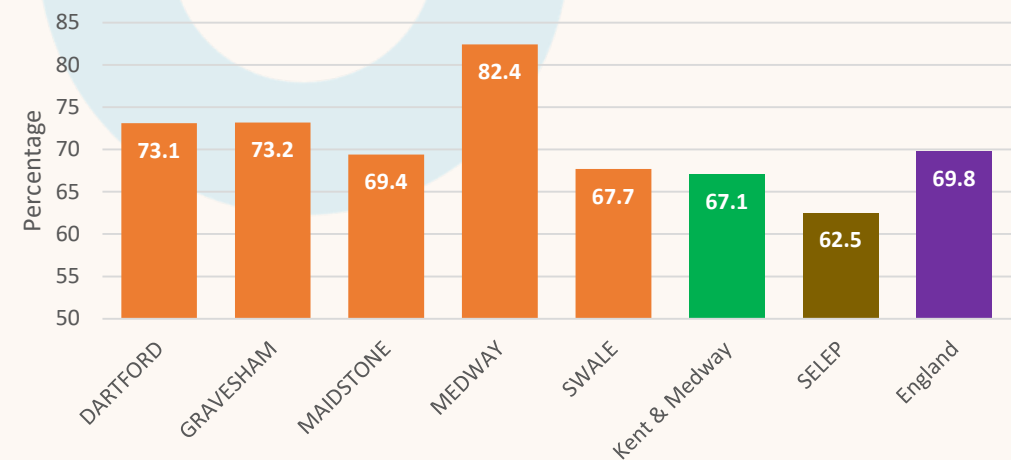
Carbon Emissions

Carbon emissions are generally maintaining a downward trend in terms of tonnes of CO2 per capita, but apart from in Gravesham have risen in the most recent year of published statistics (chart 18).

Closure of the cement industry in **Gravesham** drastically altered the profile of their per capita emissions after 2006. **Swale** sits consistently above other North Kent authorities and has the highest per capita emissions in the SELEP area, probably reflecting in particular the density of industrial development in the borough and some significant energy-hungry companies.

Overall, in 2021 **North Kent had lower per capita emissions** (4.4 tonnes) than the Kent and England averages (4.5 and 4.6 tonnes respectively), but higher than the SELEP average (4.2 tonnes). Across North Kent transport emissions comprise the largest component (39%) of emissions followed by domestic (29%) (chart 19).

At SELEP level, transport remains the category where the smallest reduction in emissions has been achieved since 2012 (-9.3%) compared with -11.3% in North Kent, and far greater reductions in Commercial, Public Sector and Domestic emissions (chart 20). **Transport** now makes up 42.5% of SELEP's emissions compared with 33.4% in 2012: so whilst emissions have reduced, they comprise a bigger component of the total as other sectors have reduced more. Electric vehicle take-up will gradually have an impact on transport emissions though zero carbon solutions for HGVs and larger goods vehicles are some distance away, and there is a high level of car dependency across the SELEP area, in which respect North Kent is no different.

The offsetting net emissions from Land Use, Land Use Change and Forestry have **increased** since 2012 (7.2% in North Kent, 10.2% in SELEP), but far lower than the England average of 39%.

North Kent's spectacular reduction in emissions from **waste management** is largely attributable to Dartford, where emissions averaged 10.5 kt per year from 2005 to 2012, but dropped abruptly to 0.1 kt per year thereafter, presumably as a result of closure of particular sites and facilities.

Transport and domestic carbon emissions are likely to remain the hardest nuts to crack, with reductions to date largely achieved through picking lower-hanging fruit. It would be challenging for the trend in per-capita reductions to be maintained. Based on the trend of the years 2016-2020, North Kent could in theory achieve overall net zero by around 2040. However the 2021 data suggest that unless ground is made up rapidly this must be viewed as doubtful. This is in any event a purely statistical projection and the reality is likely to be much harder in respect of decarbonizing energy supplies, tackling hard-to-treat domestic properties and transformational shifts in both travel behaviour and transport technologies. Opportunities to increase the switch towards renewable energy and investment in non-car travel modes could accelerate progress towards net zero.

Source: BEIS, UK Local Authority carbon emissions 2005-2021

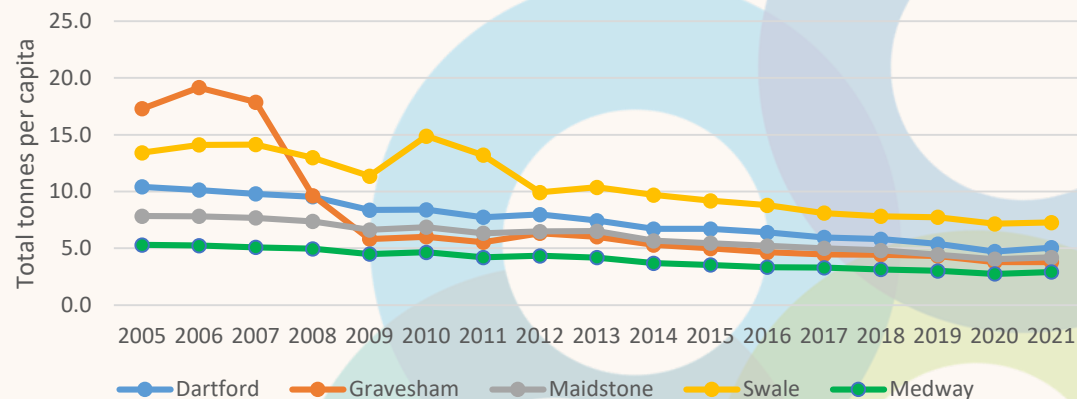Chart 18: Total per capita tonnes CO2 emissions
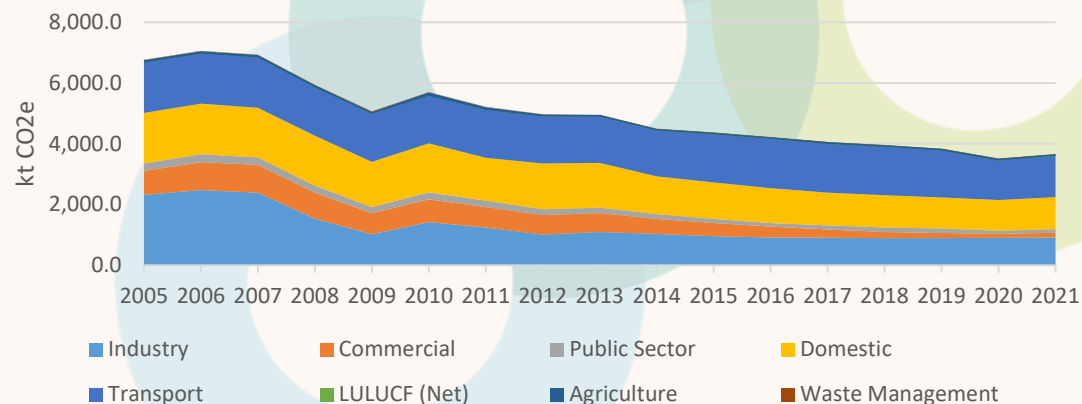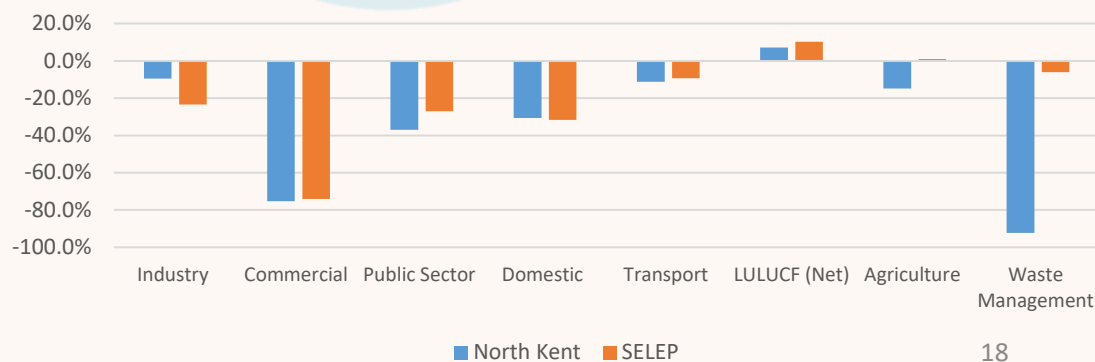
Chart 19: CO2 emissions in North Kent 2005-2021

Chart 20: % change in emissions by sector, 2012-2021 - North Kent & SELEP

New Dwelling Energy Efficiency

Over the period Q1 2018 to Q2 2023 a total 84.2% of new dwellings in SELEP had an energy efficiency rating of A or B. This was exceeded overall in North Kent (86.9%), with **Dartford** showing particularly strong performance at 95.7% and with **Swale** also above the North Kent average.

Looking at the rolling average over that period, **Maidstone** started well below its neighbours before achieving a peak by Q2 2021 that took it above the other authorities. **Swale** emerges as the biggest improver with the latest rolling 12 months average reaching 95.6%, ahead of **Dartford's** 95.3%. By contrast, **Medway's** performance has shown recent decline from a high of nearly 93% at the start of this period to only 72% in the last rolling 12 months. **Dartford's** performance has been the most consistent across the period.

The variations in performance may partly reflect the type of dwellings delivered (for example the ratio of apartments to houses) and applicable policies at the time permissions were granted. On the face of it, there does not appear to be a correlation between energy efficiency standards and general viability of development (e.g. where lower land values further from London might potentially have an impact).

Source DLUHC, Live Table NB1

Chart 21: Energy efficiency of new homes (EPC bands A and B as % of total), Q1 2018 to Q2 2023

Y-axis: % New build homes in EPC bands A and B

Authority	Value
Dartford	95.7%
Gravesham	82.7%
Maidstone	83.0%
Medway	85.4%
Swale	88.0%
SELEP	84.2%
GNK	86.9%
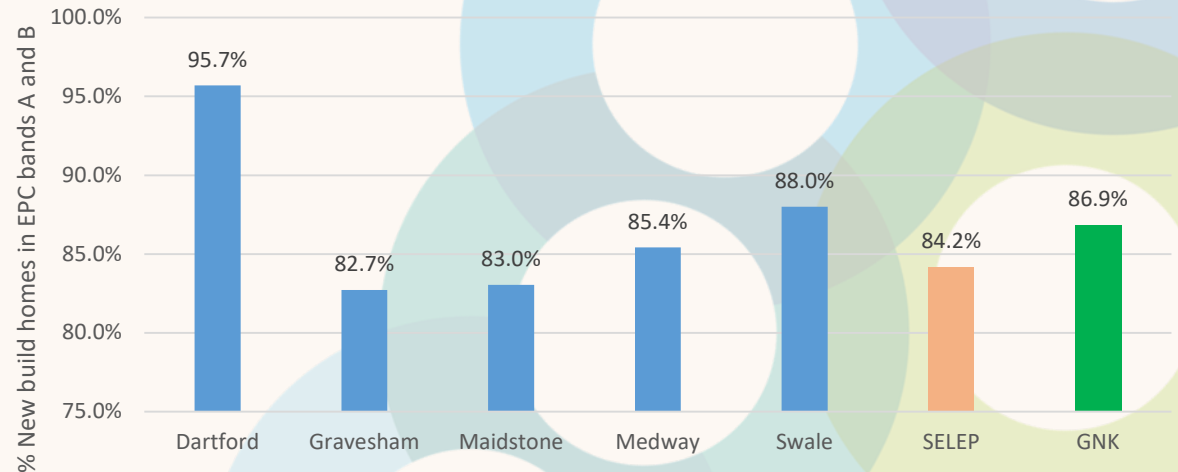
Chart 22: % of new dwellings with EPC rating A or B, North Kent Authorities (rolling 12 month (4 quarter) average)

X-axis: 2018/4, 2019/1, 2019/2, 2019/3, 2019/4, 2020/1, 2020/2, 2020/3, 2020/4, 2021/1, 2021/2, 2021/3, 2021/4, 2022/1, 2022/2, 2022/3, 2022/4, 2023/1, 2023/2

Legend: Dartford, Gravesham, Maidstone, Medway, Swale
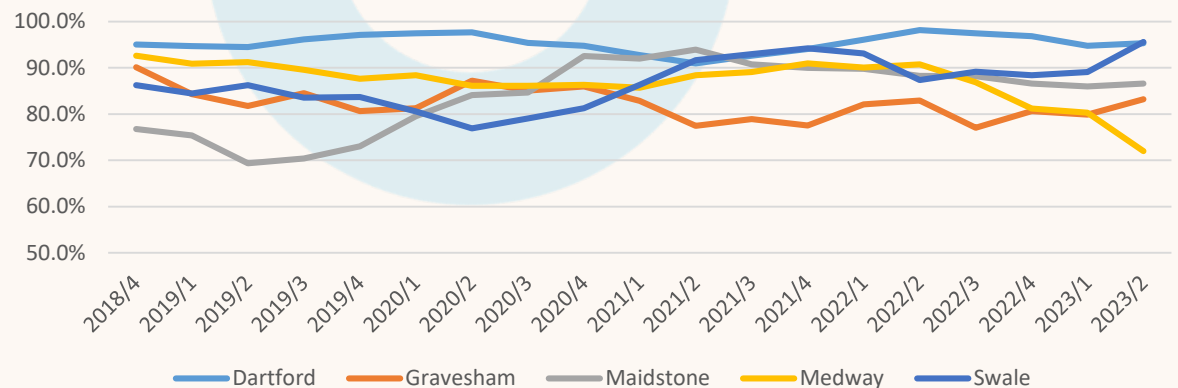
Electric vehicle charging infrastructure

The SELEP region lags behind the national rate of provision of public EV charging points. Within SELEP, Kent & Medway is some way ahead of the other federated areas*, with North Kent slightly below Kent in new charging points per head of population.

As chart 24 shows, **Medway** leads numerically, with both Medway and Dartford overtaking Maidstone during 2022. However, on a per population basis (chart 25), Medway has the lowest rate of provision in North Kent with **Dartford** clearly well ahead. Despite being bottom of the chart numerically, Gravesham is second from top per head of population.

A map of EV charging devices by local authority can be viewed at https://maps.dft.gov.uk/ev-charging-map/index.html.

* Success Essex, Opportunity South Essex, and Team East Sussex

Source: Department for Transport, Electric Vehicle Charging Device Statistics

Chart 23: Public EV charging points per 100,000 population

Chart 25: EV charging points per 100,000 population - July 2023

- Dartford: 73.6
- Gravesham: 57.1
- Maidstone: 43.0
- Medway: 39.0
- Swale: 44.7

Chart 24: Total Public EV Charging Points - North Kent Oct 2019-July 2023

2 - ECONOMY

Gross Domestic Product and Gross Value Added

As SELEP's report states, economic output for the overall economy is measured by Gross Domestic Product (GDP) and for individual sectors by Gross Valued Added (GVA). The di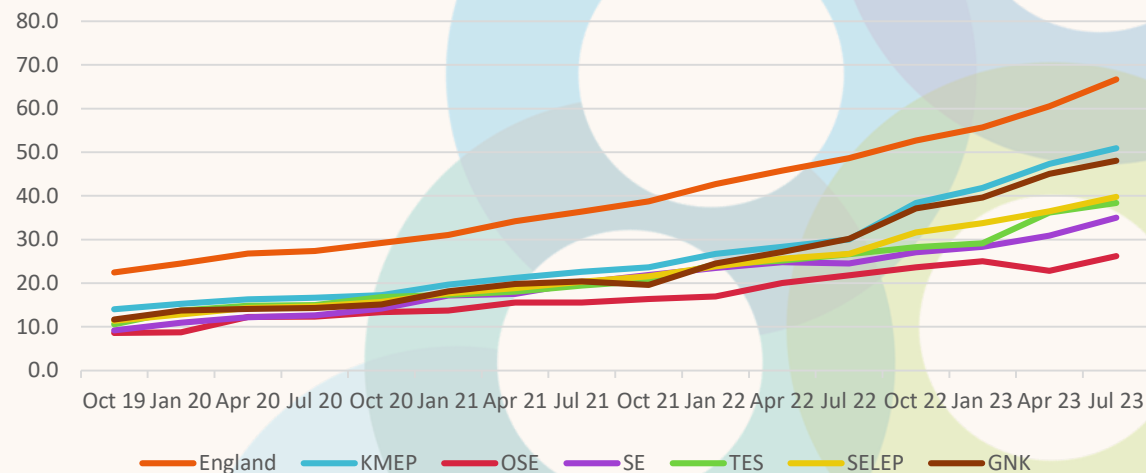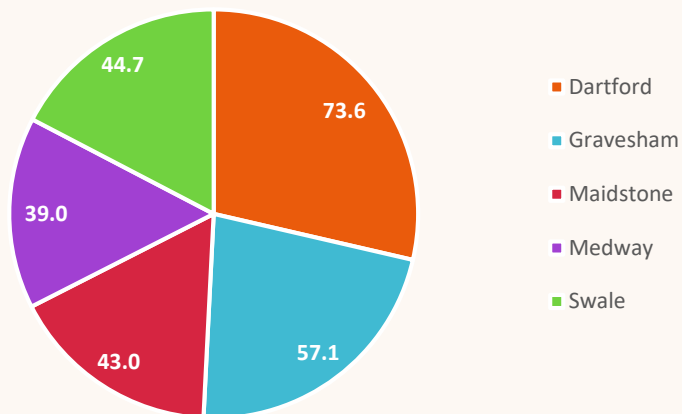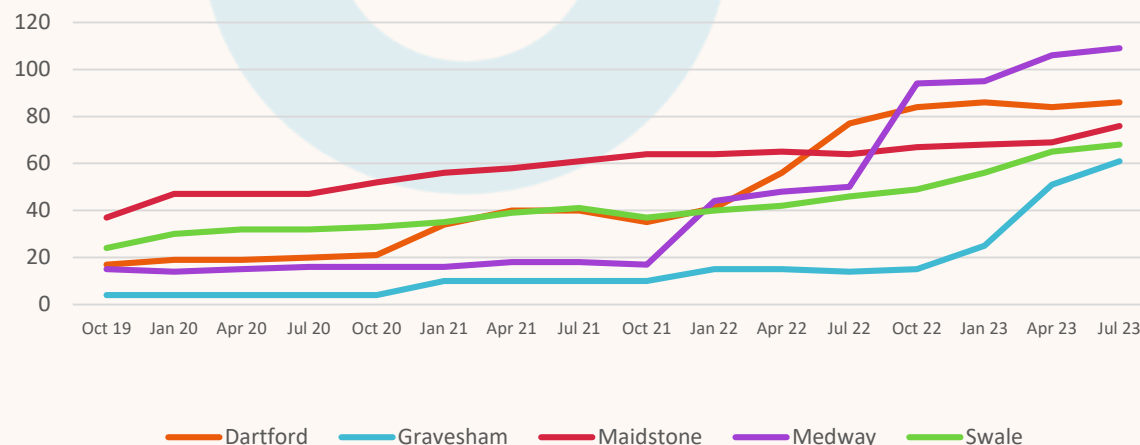fference is that Gross Valued Added figures do not include sales taxes and subsidies provided. Regional and sub-national economic output is usually examined through GVA statistics, but these come with some time delay, and the latest available is for 2021.

Moreover, the data are not broken down to district level: the lowest level of geography is "ITL3 region", in which Medway appears separately; Dartford, Gravesham and Swale are grouped as "Kent Thames Gateway"; and Maidstone is treated as part of "Mid Kent" (together with Ashford), with the rest divided between East Kent and West Kent.

The ONS data on GVA are broken down at the highest level between production sectors, construction, and service sectors which between them make up total activity.

In 2021 the Kent economy (covering the five ITL3 areas of Kent Thames Gateway, Medway, Mid Kent, East Kent and West Kent) was worth £44.6 billion, 15.6% of the South East economy and 2.7% of the England economy. At £12.3 billion the West Kent economy is the biggest in Kent at ITL3 level, though **if Greater North Kent were treated as an ITL3 area its economy would be around £19 billion**.
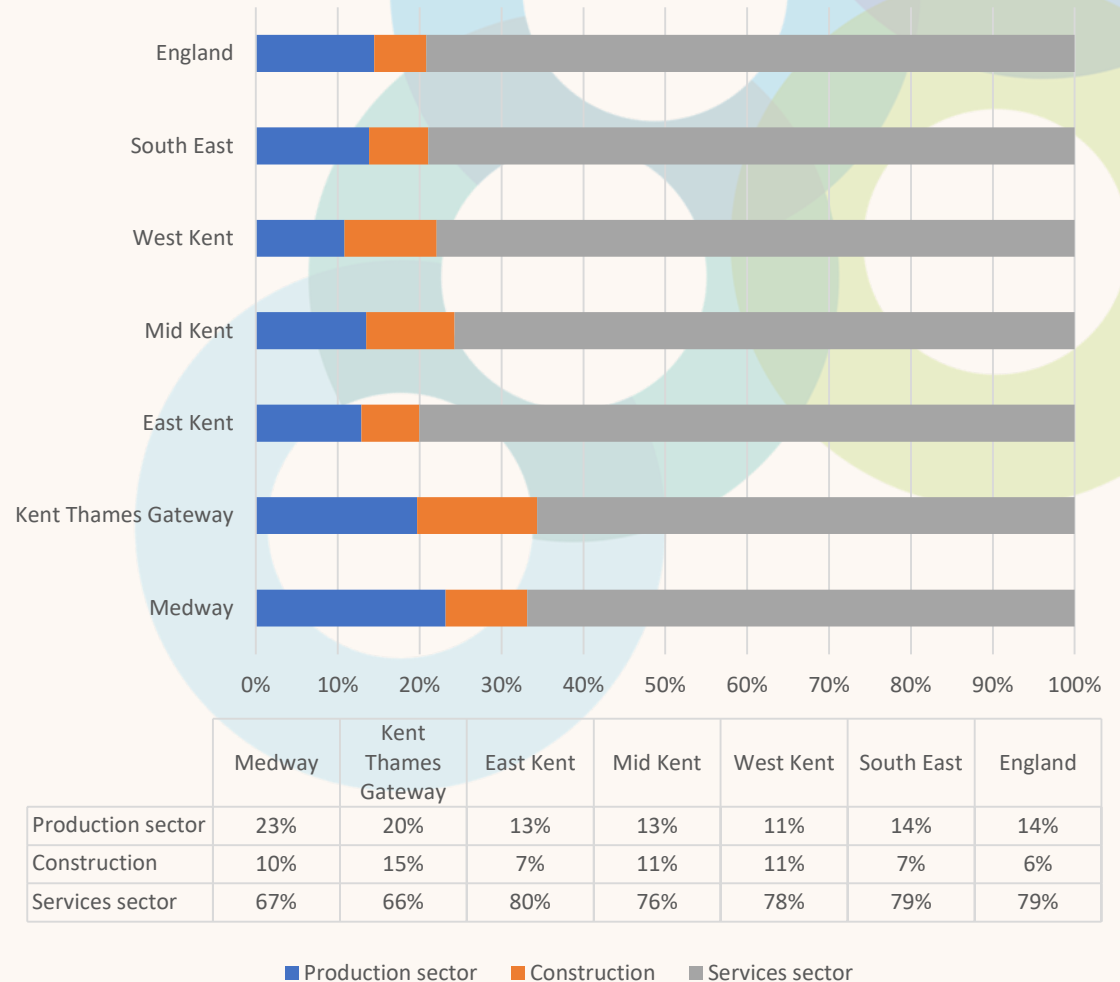
Chart 26 opposite illustrates how the balance of the Kent economy differs from England and the South East. Nationally and across the south east, the service sectors make up 79% of the economy, but **in Medway and Kent Thames Gateway** the figures are 67% and 67% respectively. Here, **the production sectors are much more significant** at 23% and 20% respectively compared with only 14% at south east and national levels, with the rest of Kent falling below the national and regional averages.

The **construction** sector is particularly important in Kent Thames Gateway, at 15% compared with 6% for England and 7% for the south east. Whilst still significant, Medway's 10% for construction is below the Kent average.

The tables 1 and 2 overleaf show the composition of the economy in 'real' terms (GVA chained volume measures in 2019 money value, £M and as %). **Manufacturing** is the largest component in Medway and Kent Thames Gateway; **construction** is significant across the piece together with **wholesale and retail trade**. This analysis excludes "Owner-occupiers' imputed rental" from Real Estate Activities: this appears more linked to property values than actual economic activity; when included it becomes the biggest sector of the economy except in Kent Thames Gateway.

The relative dominance of service sectors in East Kent is boosted by the presence of the universities at Canterbury, reflected in the contribution made by Education. The three areas that cover North Kent are relatively weak in the contribution made by Professional, scientific and technical activities, which are stronger in both East and West Kent but still below the regional and national averages. Public administration, education and health make up a conspicuously small component of the West Kent economy (10.6%) compared with nearly double that (20.8%) in Medway and 19.6% in Mid Kent, reflecting the presence of local government, prisons and public agencies as anchor employers.

Chart 26: Main sectors of the economy, 2021 (chained volume measures in 2019 money value, as percentages)

	Medway	Kent Thames Gateway	East Kent	Mid Kent	West Kent	South East	England
Production sector	23%	20%	13%	13%	11%	14%	14%
Construction	10%	15%	7%	11%	11%	7%	6%
Services sector	67%	66%	80%	76%	78%	79%	79%

■ Production sector ■ Construction ■ Services sector

Source: https://www.ons.gov.uk/economy/grossvalueaddedgva/datasets/nominalandrealregionalgrossvalueaddedbalancedbyindustry

GVA by Sector

Table 1: 2021 - Value (£m)	Medway	East Kent	Kent Thames Gateway	Mid Kent	West Kent	Kent	England	South East
All industries *	5,996	9,747	8,901	7,655	12,303	44,595	1,662,653	286,122
Agriculture, forestry and fishing; mining and quarrying	28	121	81	93	102	425	11,990	1,557
Manufacturing	731	741	1,459	687	899	4,517	178,263	26,608
Electricity, gas, water; sewerage and waste management	629	394	213	251	327	1,869	49,607	11,398
Construction	599	689	1,303	826	1,388	4,805	106,377	20,620
Wholesale and retail trade; repair of motor vehicles	490	949	1,084	1,057	1,340	4,920	153,233	30,936
Transportation and storage	171	433	600	161	293	1,633	55,596	9,144
Accommodation and food service activities	118	345	229	195	221	1,108	41,083	6,439
Information and communication	136	384	232	264	538	1,553	121,237	26,139
Financial and insurance activities	206	168	81	200	1,552	2,207	156,544	15,461
Real estate activities (excluding Owner-occupiers' imputed rental)	116	216	344	304	764	1,699	69,688	9,917
Professional, scientific and technical activities	159	609	324	382	919	2,394	135,598	23,044
Administrative and support service activities	269	457	411	479	831	2,447	90,607	15,254
Public administration and defence	297	537	267	532	198	1,838	75,586	12,224
Education	399	918	460	387	547	2,710	96,006	17,087
Human health and social work activities	551	693	475	578	554	2,851	106,589	16,913
Arts, entertainment and recreation	120	139	72	67	105	502	23,009	3,929
Other service activities	155	183	142	164	205	849	23,953	4,642
Activities of households	14	25	18	15	18	90	2,662	614

* Including Owner-occupiers' imputed rental under Real Estate Activities)

Table 2: 2021 - Value (% of total)	Medway	East Kent	Kent Thames Gateway	Mid Kent	West Kent	Kent	England	South East
All industries *	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Agriculture, forestry and fishing; mining and quarrying	0.5%	1.2%	0.9%	1.2%	0.8%	1.0%	0.7%	0.5%
Manufacturing	12.2%	7.6%	16.4%	9.0%	7.3%	10.1%	10.7%	9.3%
Electricity, gas, water; sewerage and waste management	10.5%	4.0%	2.4%	3.3%	2.7%	4.2%	3.0%	4.0%
Construction	10.0%	7.1%	14.6%	10.8%	11.3%	10.8%	6.4%	7.2%
Wholesale and retail trade; repair of motor vehicles	8.2%	9.7%	12.2%	13.8%	10.9%	11.0%	9.2%	10.8%
Transportation and storage	2.9%	4.4%	6.7%	2.1%	2.4%	3.7%	3.3%	3.2%
Accommodation and food service activities	2.0%	3.5%	2.6%	2.5%	1.8%	2.5%	2.5%	2.3%
Information and communication	2.3%	3.9%	2.6%	3.4%	4.4%	3.5%	7.3%	9.1%
Financial and insurance activities	3.4%	1.7%	0.9%	2.6%	12.6%	4.9%	9.4%	5.4%
Real estate activities (excluding Owner-occupiers' imputed rental)	1.9%	2.2%	3.9%	4.0%	6.2%	3.8%	4.2%	3.5%
Professional, scientific and technical activities	2.7%	6.2%	3.6%	5.0%	7.5%	5.4%	8.2%	8.1%
Administrative and support service activities	4.5%	4.7%	4.6%	6.3%	6.8%	5.5%	5.4%	5.3%
Public administration and defence	5.0%	5.5%	3.0%	6.9%	1.6%	4.1%	4.5%	4.3%
Education	6.7%	9.4%	5.2%	5.1%	4.4%	6.1%	5.8%	6.0%
Human health and social work activities	9.2%	7.1%	5.3%	7.6%	4.5%	6.4%	6.4%	5.9%
Arts, entertainment and recreation	2.0%	1.4%	0.8%	0.9%	0.9%	1.1%	1.4%	1.4%
Other service activities	2.6%	1.9%	1.6%	2.1%	1.7%	1.9%	1.4%	1.6%
Activities of households	0.2%	0.3%	0.2%	0.2%	0.1%	0.2%	0.2%	0.2%

GVA per head of population

GVA per head of population is another measure to compare the relative performance of different areas (other measures include GVA per filled job).

In 2021 GVA per head in England was £31,138, below the South East average of £32,442 but above the Kent average of £25,260. There is significant disparity within Kent: West Kent was £34,612 whereas East Kent was £19,791, only 57% of the West Kent average.

Over 10 years (table 3 below), GVA per head growth has been strong in Medway (+39%), but starting from a low base and in West Kent (+38%) starting from a high base. Medway has also seen the most positive change over the 3 years 2018-2021.

Chart 27 shows how West Kent and South East average GVA per head have consistently remained above the national average, whilst East Kent and Medway have consistently remained well below. But whilst East Kent has seen relative decline over that period, **Medway** has made some upward progress.

Chart 28 shows the volatility in annual growth/shrinkage rates in GVA per head, with obvious plunges during the economic crash of 2008-2009 and the Covid-19 pandemic in 2020. It is noticeable that East Kent saw the highest annual growth prior to the crash, and the deepest fall during the pandemic. Kent Thames Gateway experienced the deepest fall in 2009 and a further plunge into slightly negative territory in 2016-17, not seen – or not to anything like the same degree – in the rest of Kent. Overall, though, the gap between Kent's GVA per head and national average has widened rather than narrowed over the period 1998 to 2021. Narrowing that gap remains a major economic challenge and signals the need for levelling up.

Table 3: Change in GVA per head of population	Change 10 years (£)	Change 3 years (£)	Change 10 years (%)	Change 3 years (%)
England	7,399	1,571	31%	5%
South East	6,952	1,672	27%	5%
Kent	6,168	1,937	32%	8%
Medway	6,299	2,551	39%	13%
Kent Thames Gateway	6,231	1,873	34%	8%
East Kent	3,670	1,055	23%	6%
Mid Kent	6,096	2,358	30%	10%
West Kent	9,535	2,289	38%	7%

Chart 27: GVA per head of population as % of England
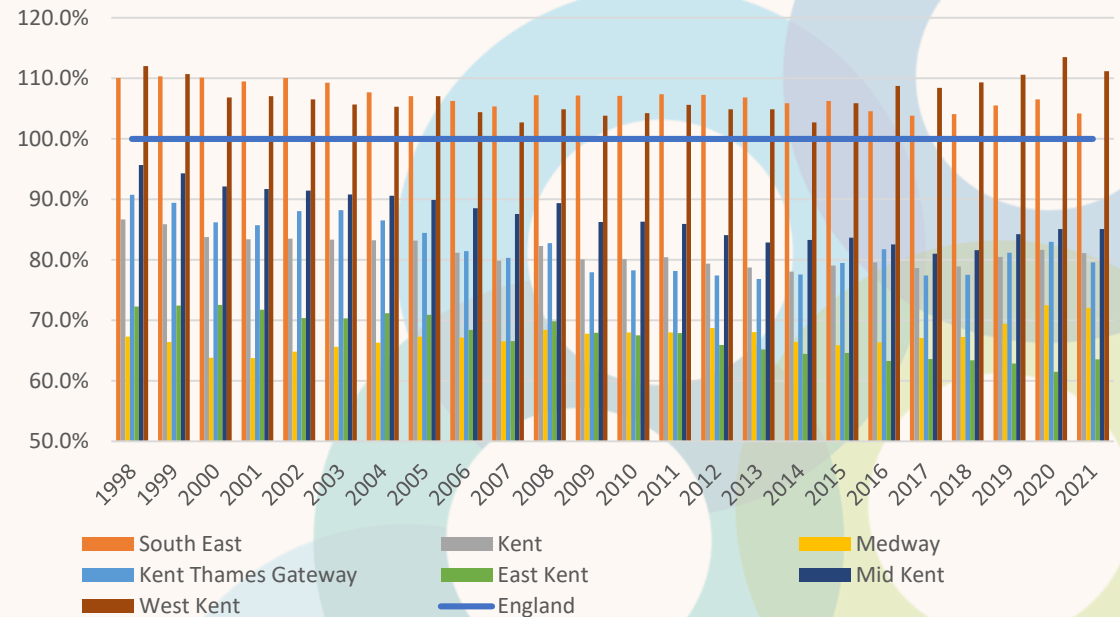
Chart 28: Annual growth rate (%) in GVA per head of population

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Source: https://www.ons.gov.uk/economy/grossvalueaddedgva/datasets/nominalregionalgrossvalueaddedbalancedperheadandincomecomponents
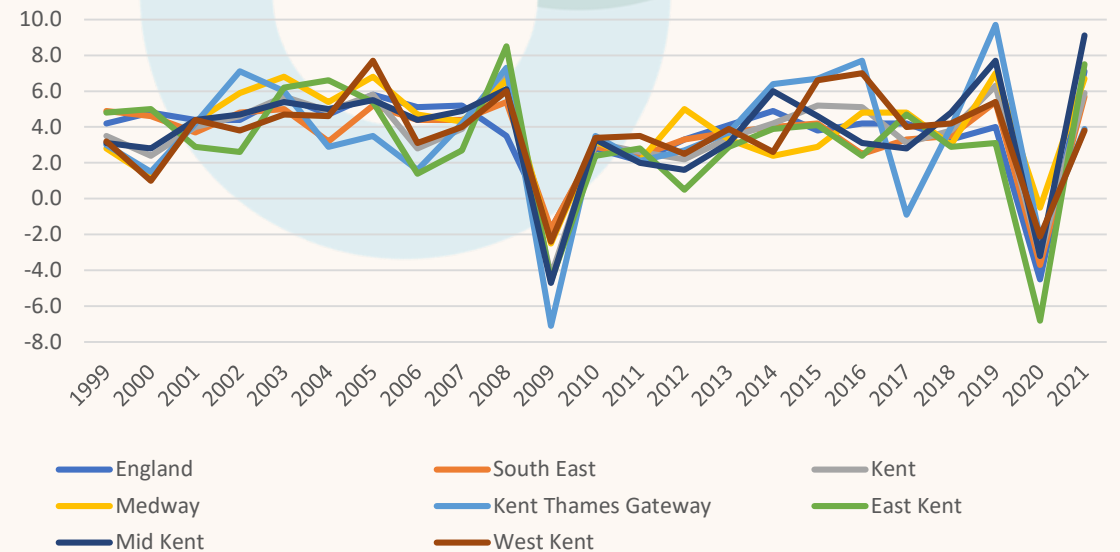
Business Counts

Business count data is available in two statistical publications. Business Demography provides information on active enterprises during the course of a year (having traded at some point in the year) along with counts of business births and deaths. The UK Business Counts publication provides a snapshot of enterprises trading during March of each year and provides much more detail on the size and sectors of the businesses. Both publications are used for this section. Both include businesses which are either registered for VAT or PAYE. Sole traders with no employees who operate below the VAT threshold are not counted in the figures.

There were **34,895 active enterprises based in North Kent during 2021**, which was 672 per 10,000 working age population, well below the national average of 728 and SELEP average of 745*.

Within North Kent, only **Maidstone** had above average concentration of active businesses relative to working age population (814). Despite having the largest number of enterprises in the KMEP area, **Medway's** rate was the lowest in North Kent at 599, with only Dover (567) having a lower ratio within Kent. The highest rate of businesses per 10,000 working population within SELEP was in Epping Forest, Uttlesford, Brentwood and Sevenoaks at above 1,000 businesses per 10,000 working age population (chart 29). The above average density of businesses in West Kent is reflected in the size of their economy shown on page 23 (table 1).

Despite the low rate of enterprises to working age population, as a share of active enterprises within SELEP, **North Kent's contribution has increased compared to other sub-regional clusters**, from 15.9% in 2010 to 18.1% in 2021 (chart 30). The share of businesses in Essex and South Essex has remained consistently higher than North Kent, but other clusters south of the Thames have remained consistently lower.

*The SELEP report refers to 736 and 749 respectively, but based on working age population data (slide 5 above) the results differ slightly.

Source: ONS, Business Demography November 2022

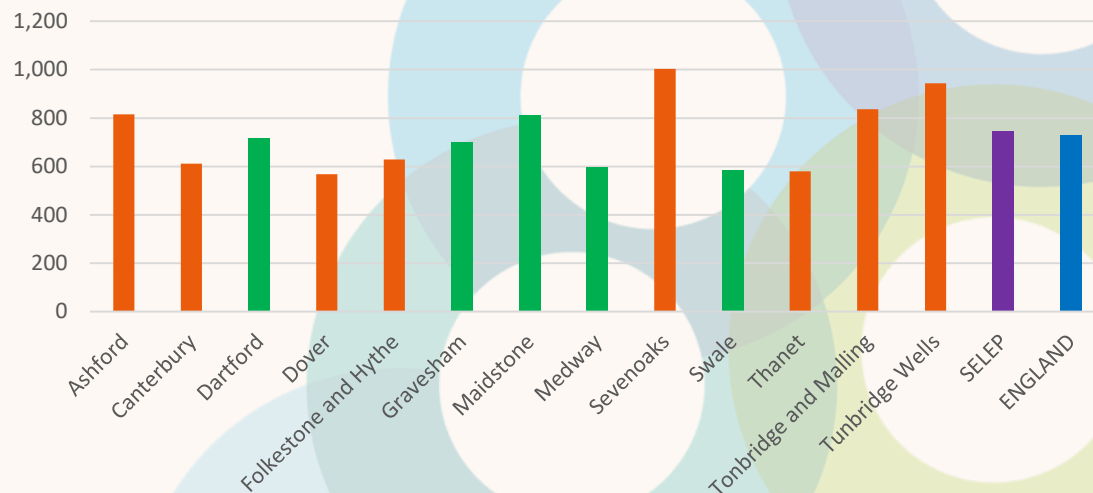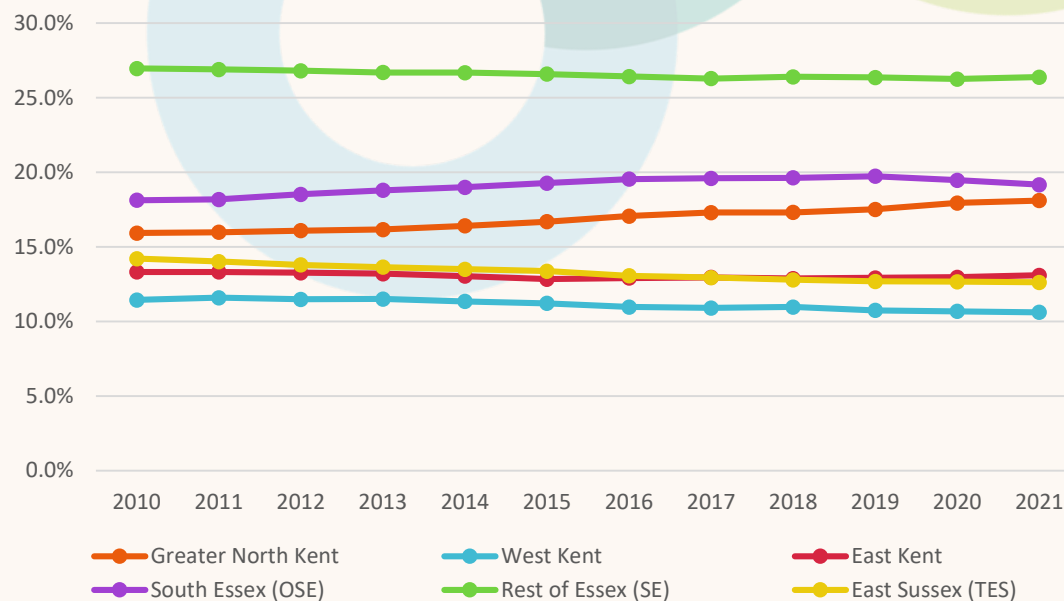Chart 29: 2021 Active enterprises per 10,000 head of working age population

Chart 30: Active enterprises as % of SELEP total

Business Births and Deaths

Nationally and regionally, the birth of new enterprises has consistently outstripped the death rate, leading to overall growth in the number of enterprises. North Kent has maintained a higher business birth rate than at regional or national level but the rate of business deaths has also risen above regional and national rates.

In 2016 there were 4,465 business births, of which 1,795 (40.2%) were surviving after 5 years. Nationally the volume of new business births has not yet recovered to levels seen in 2016, whereas in North Kent the volumes have now risen above 2016 levels. The first year survival rate is a critical test, although as the charts below show the steepest falls in survival rates tend to be in years 2 and 3 and then begin to flatten slightly.

Business survival rates in North Kent follow the same broad trend as nationally and regionally, but there are quite significant differences between authorities. The survival rate in North Kent is better than across the England as a whole but worse than the overall South East rate, by 3 percentage points after 5 years. Within North Kent the average survival rate of **Maidstone** businesses is 7.4 percentage points better than in **Dartford** after 5 years, based on businesses born in 2016.

Source: ONS, Business Demography UK, November 2022

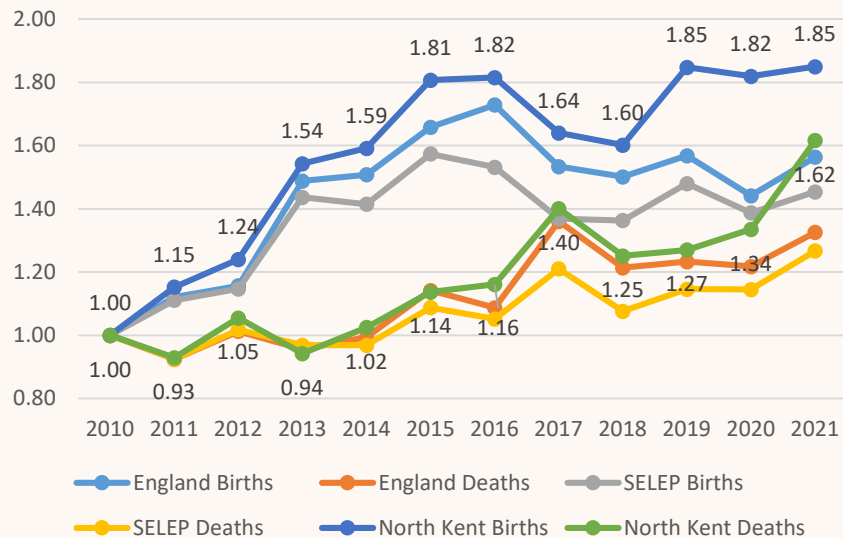## Chart 31: Business Births & Deaths 2010-21 (indexed against 2010)

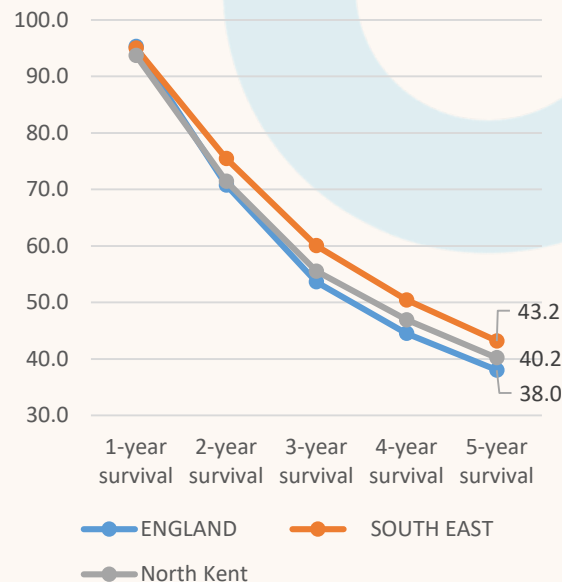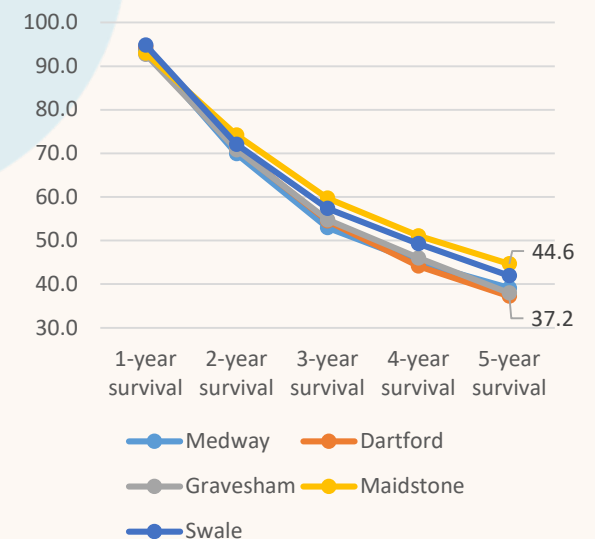## Chart 32a: Survival Rate of businesses born in 2016

Chart 32b: Survival Rate of businesses born in 2016 - GNK authorities

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Regional Trade: Exports 1

Regional trade data on exports are not disaggregated by district, and a breakdown of the category of goods exported is not available below county level (the SELEP report shows the broad categories for Kent and Essex comparing 2019 and 2021).

Chart 33 shows the value of goods exported, distinguishing between EU and non-EU destinations, broken down to ITL3 areas (see explanation on page 22); and Chart 34 shows the number of businesses involved in export activity.

The line charts on the next page simplify the presentation, but a few key observations can be taken from this juxtaposition:

- West Kent tops the league for the number of businesses exporting to both EU and non-EU destinations, with EU customers making up the larger share, but the value of exports is low relative to the number of businesses actively exporting.

- Consistent with its low density of businesses relative to population (see page 25) Medway also has the lowest levels to businesses involved in export activity both numerically and by value (but it should be borne in mind that it is a single authority, albeit upper tier, compared with clusters in the other areas).

- In value terms, EU exports picked up in 2021 compared with 2020 in all areas except East Kent, whereas non-EU exports increased in value across all areas except Thames Gateway Kent.

- East Kent exports peaked in 2019 and have dropped back significantly in value though far less in terms of active businesses. Similarly, Mid Kent has seen a decline in export activity since 2017/2018 but 2021 showed signs of recovery.

- Compared with other parts of Kent, Mid Kent's exports to non-EU countries comprise a much smaller proportion of total exports - 35% in 2021 compared with an average of 48% across other parts of Kent.

Source: Regional Trade Statistics, Smaller Geographic Areas, HM Revenue & Customs
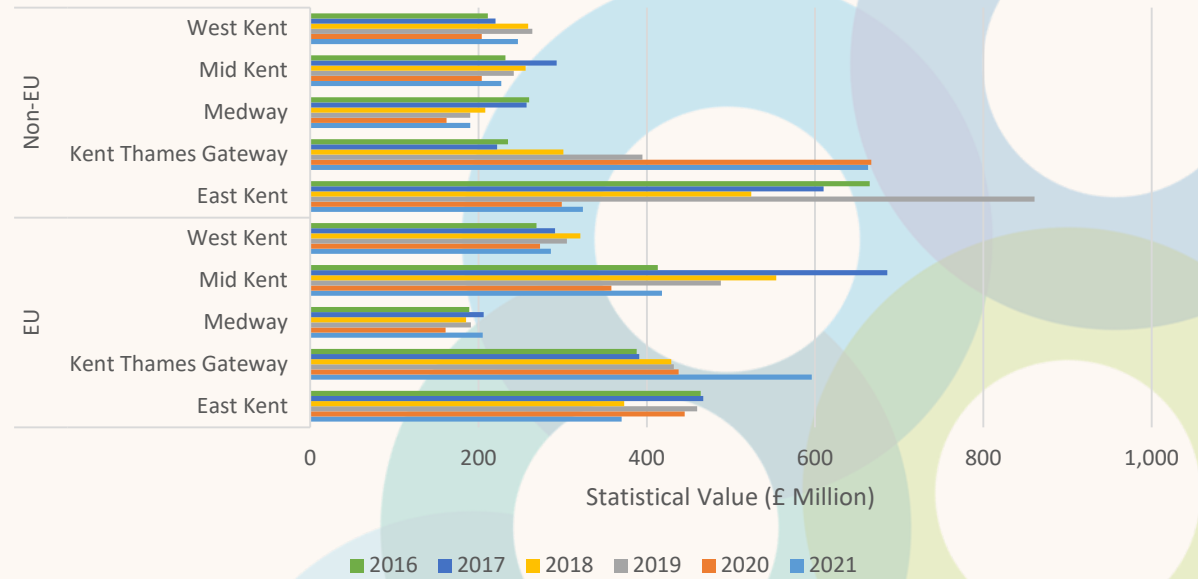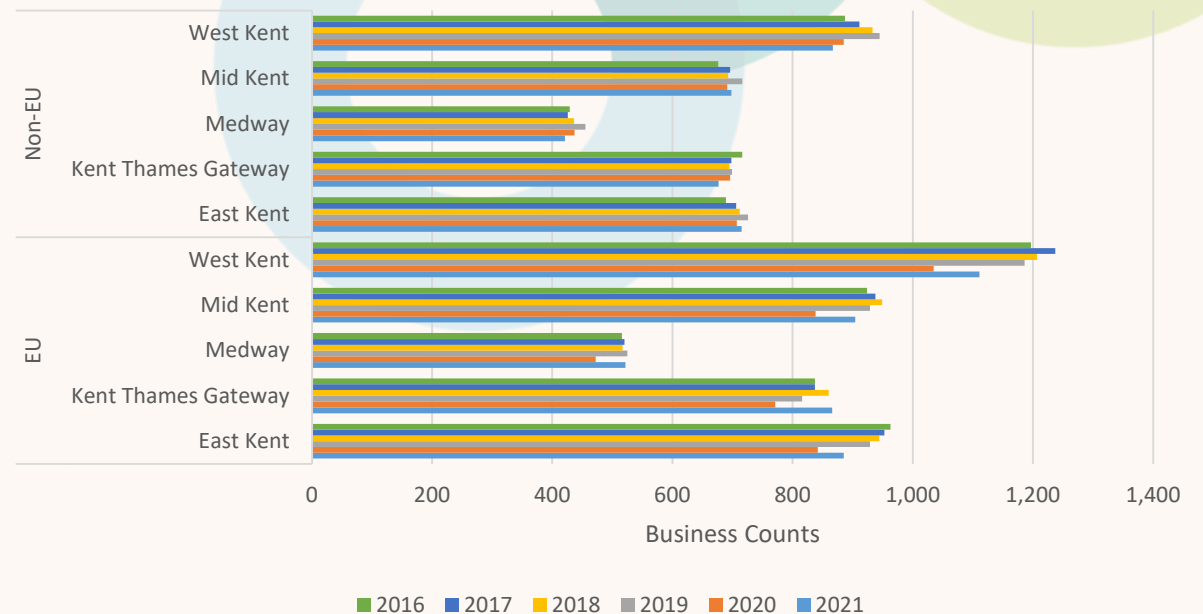
Chart 33: Exports - Value (£m)

Legend: ■ 2016 ■ 2017 ■ 2018 ■ 2019 ■ 2020 ■ 2021

Chart 34: Exports - Business Counts

Legend: ■ 2016 ■ 2017 ■ 2018 ■ 2019 ■ 2020 ■ 2021

Regional Trade: Exports 2

The charts below show the value of exports and number of active businesses between 2016 and 2021. These reveal some marked characteristics:

- In terms of the **number of businesses actively exporting**, Kent Thames Gateway, Mid Kent and East Kent are clustered with quite similar numbers, converging even more closely in 2021 in exports to the EU, slightly diverging in 2021 in exports to non-EU coutnries.

- Implementation of Brexit in 2020, together with the Covid-19 pandemic, visibly impacted the number of businesses exporting to the EU. 2021 saw some recovery but fewer Kent businesses overall are now exporting to the EU than in 2016. But the number of companies exporting to non-EU countries is also lower in 2021 than in 2016 but without the Brexit effect and without the signs of recovery seen with EU exports in 2021.

- Medway and Mid Kent are consistently outliers, broadly following the same trends over the period but with Mid Kent well above the average numbers and Medway well below exporting to EU and non-EU countries alike. However, **in value terms** Medway's exports to non-EU countries have risen markedly above the rest in the last two years, perhaps signifying a small number of high value contracts. Over the period, Mid Kent's exports have been the most volatile in value terms, whilst East Kent shows an overall decline, particularly in the last year whilst other areas saw an appreciable uplift.

Source: Regional Trade Statistics, Smaller Geographic Areas, HM Revenue & Customs

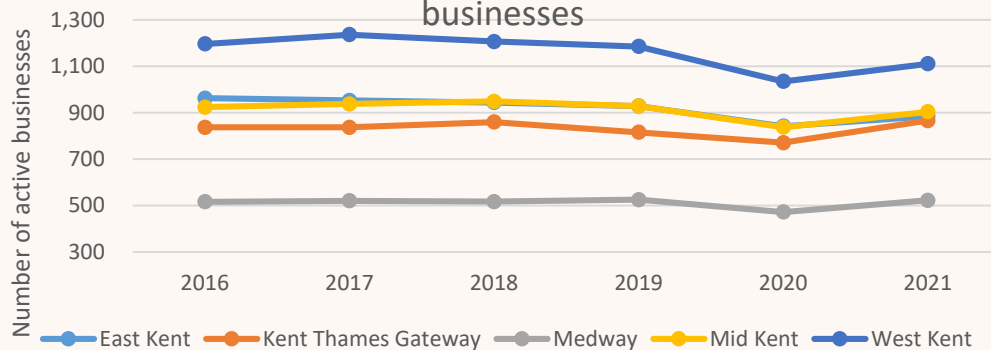Chart 35: Exports to EU countries - Number of active businesses

Chart 37: Exports to EU countries - Value (£ miliions)
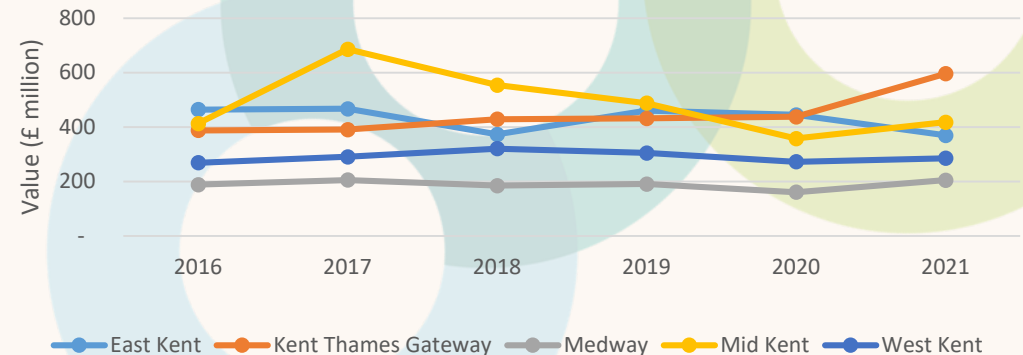

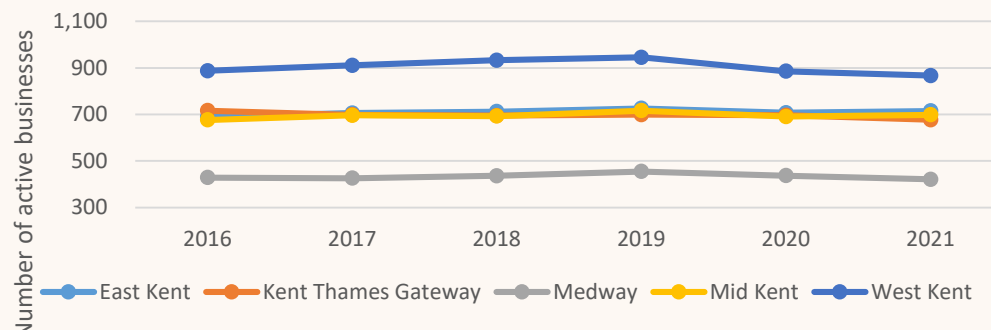Chart 36: Exports to non-EU countries - Number of active businesses

Chart 38: Exports to non-EU countries - Value (£ millions)
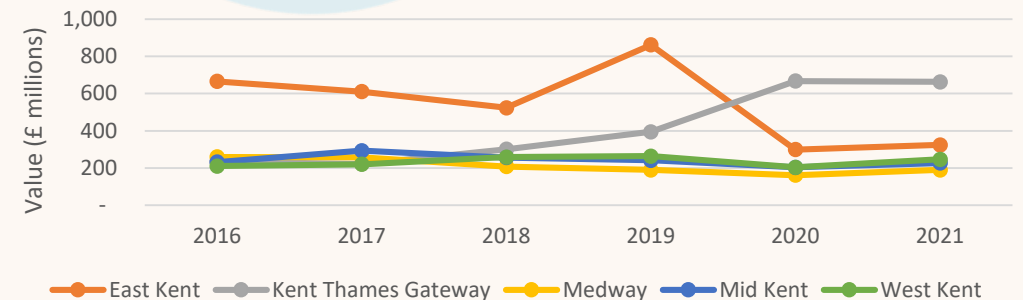
Regional Trade: Exports and Imports compared

The balance of trade involving Kent businesses is heavily skewed towards imports compared to exports, reflecting both national and regional patterns.

In 2021, the value of imports into Kent was more than double the value of exports from Kent. On average, 40% more businesses are active in importing than with exporting: but it should be noted that many businesses may be involved in both import and export activity.

The average value of imports per business is around 50% higher than the value of exports per business. Thames Gateway Kent (Dartford, Gravesham and Swale) shows much higher values per active business for both imports and exports, whilst amongst sub-county clusters West Kent shows the lowest values per business in both categories.

The average value of Kent exports per business is significantly lower than for both the South East and UK as a whole: exports to EU countries were worth an average of £437k compared with £1.19m in the South East and £1.54m for the UK. The equivalent figures for exports to non-EU countries were £489k for Kent compared with £1.32m and £2.03m for the South East and UK respectively.

Overall these data indicate that Kent businesses are some distance behind competitors in other regions and sub-regions in terms of the scale and value of export activity. This may partly reflect the largely SME economy (and particularly micro enterprises) for whom exporting presents logistical challenges. This would therefore justify continued focus in business support activities to help businesses overcome real and perceived barriers to engaging with and expanding export markets.

Source: Regional Trade Statistics, Smaller Geographic Areas, HM Revenue & Customs

Chart 39: Imports and Exports by Kent businesses, 2021

Chart 40: 2021 Exports - Average value (£000) per active business
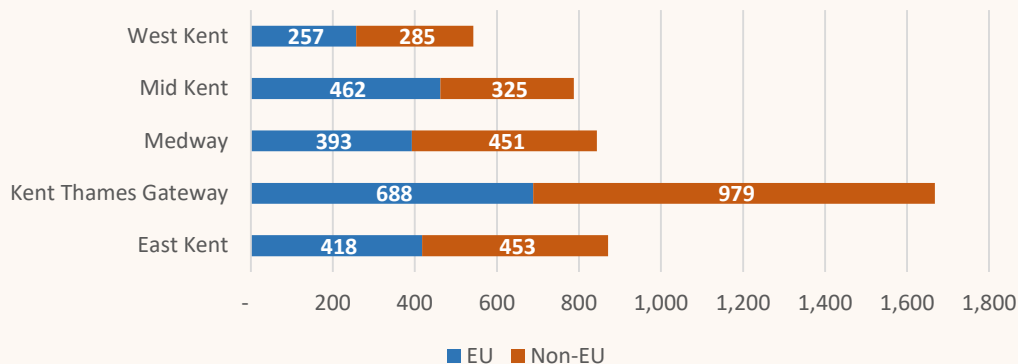
Chart 41: 2021 Imports - average value per active business (£000) - 2021

29

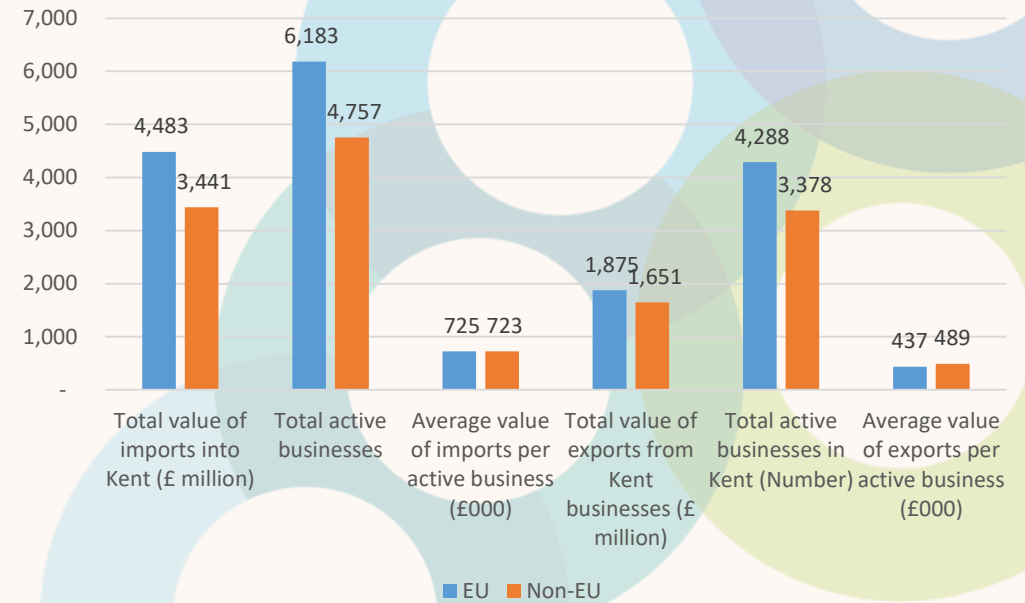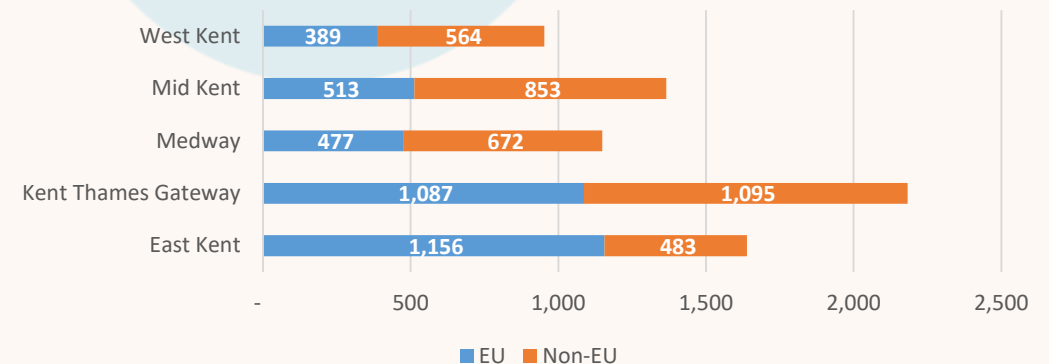# 3 - PEOPLE, JOBS AND SKILLS

Employee Jobs

Data from the Business Register and Employment Survey (ONS/NOMIS) recorded an **estimated 322,913 employee jobs in North Kent in 2021**. There was an estimated 5.6% growth in employee numbers over the previous five years (2017-2021), representing about 17,000 more jobs. This was was above the regional (SELEP) and Kent & Medway rates and also other sub-county clusters in Kent. **Over the past 2 years the rate of jobs growth has been highest in South Essex followed by North Kent**.

Drilling down to local authority level (chart 42), **Dartford** saw the greatest 5 year (13.6%) and 2 year (7.2%) growth. **Medway** saw a decline (0.7%) over the past two years, not seeing the bounce-back observed in other areas after the squeeze on jobs generally seen in 2020.

Looking at sub-county clusters in Kent (chart 43), there are similar stories of wins and losses. All East Kent authorities have seen growth over 5 years except for Canterbury (-0.5%), but Folkestone & Hythe which saw a big decline (-4.6%) since 2019. In West Kent the overall picture is boosted by Tonbridge & Malling's strong performance (11.8% and 5.7% over 5 and 2 years respectively), but Sevenoaks saw big losses over both periods (-10.3% and -5.1% respectively), the biggest numerically in the SELEP area. The most significant growth numerically and in percentage terms was in Thurrock (+14.7% or 9,500 jobs over 5 years).

It should be noted that point comparisons between selected years can produce distorted or misleading results. Chart 44 below, using 2015 as the baseline, shows the volatility of employee jobs over the period. North Kent saw a marked drop between 2016 and 2017 so figures for growth since 2017 present a more flattering picture than if the comparison were with 2016.

Source: ONS/NOMIS, BRES

Chart 42: Employee Jobs in North Kent 2015-2021
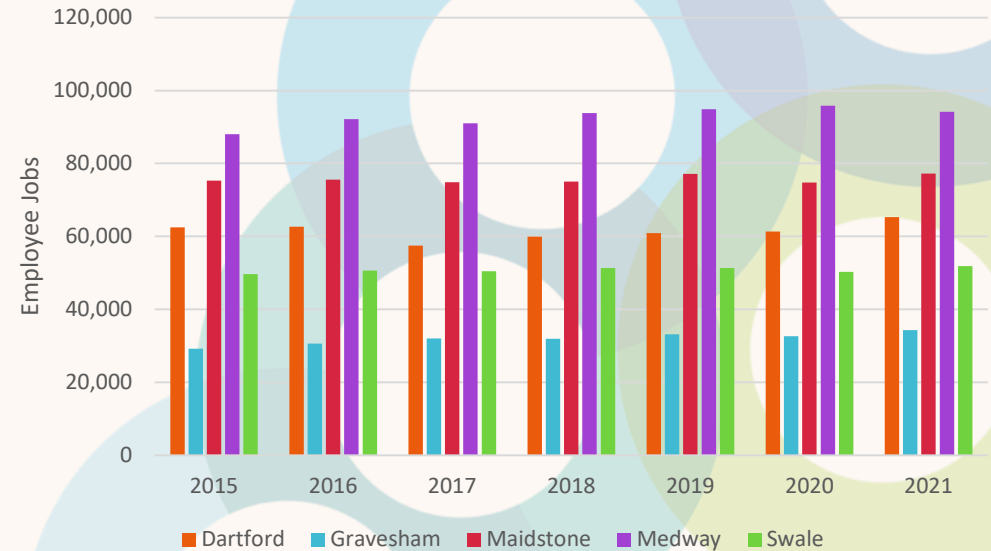
Chart 43: Employee Jobs Growth - last 5 years and 2 years
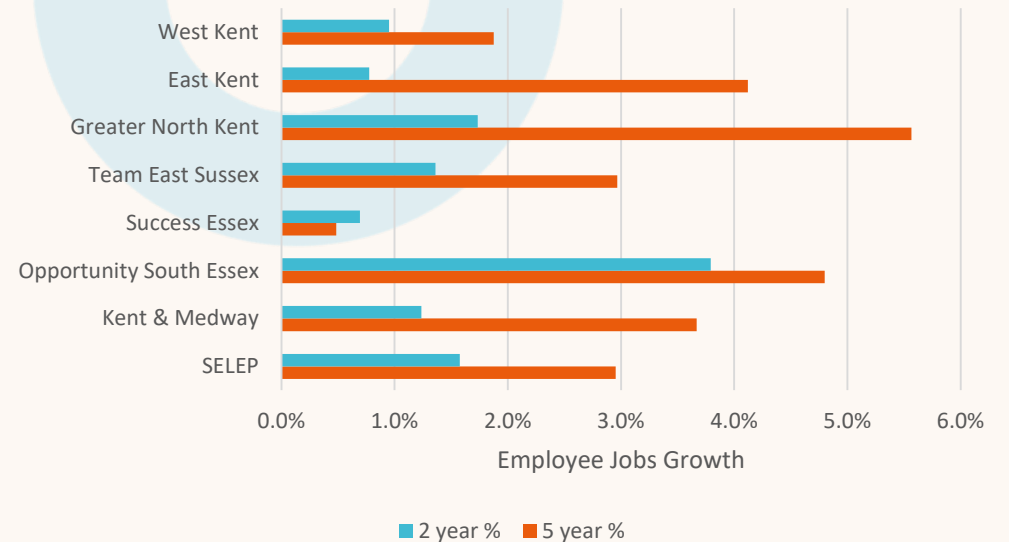
Chart 44: Change in employee jobs since 2015 (2015 = 0)
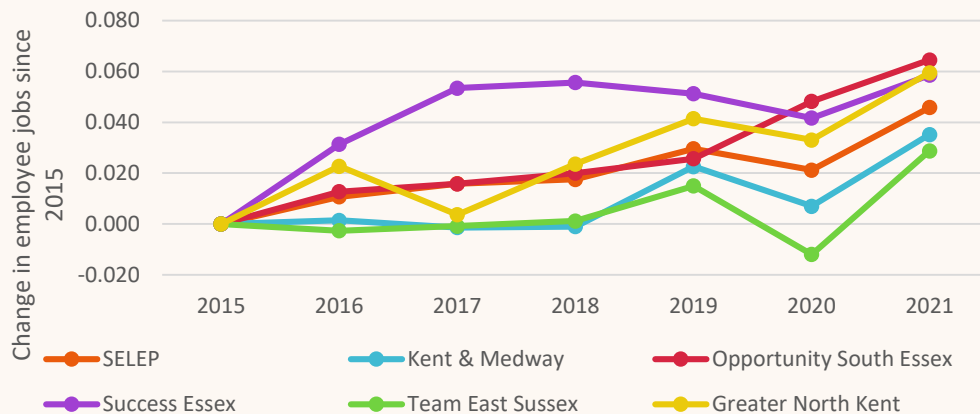
Jobs Density

Job density is defined as the number of jobs in the local area for every 100 working age people in the area. Job density figures also include self-employed people which are not counted in employee numbers.

The England average job density for 2021 was 87 jobs per 100 working age residents (expressed as a density of 0.87), reflecting both that not all working age people are economically active and that there are fewer jobs in the economy than the workforce theoretically available. Local variance from the national rate largely reflects how closely the availability of jobs in an area matches the resident workforce. For the SELEP area the figure was 77 (0.77), identifying that SELEP residents have a reliance on commuting out of area to obtain sufficient jobs for local needs.

The chart opposite shows that **Dartford** and **Maidstone** had job density rates over the regional average but only Dartford has had rates consistently above the national average. Despite its proximity to London and high rates of out-commuting into the capital, Dartford has generally been a net importer of labour.

By contrast, **Swale, Gravesham and Medway** have much lower job density, indicating significant levels of out-commuting to access jobs, but like Dartford their overall trend is for an increase in density over the past decade.

Maidstone's jobs density has declined over the past decade, and particularly over the past 4 years. There could be many factors affecting this which may deserve closer analysis. As seen on earlier pages, Maidstone's net workforce has increased (despite the reduction in the proportion of population of working age), its stock of non-residential (i.e. commercial) premises has risen, as has the count of active businesses. Moreover, the Census analysis of distance travelled to work indicates that Maidstone's results closely mirror Kent as a whole. Taken together these do not suggest a radically different relationship between local job opportunities and resident workforce that would make it a significant outlier compared with other North Kent authorities.

Source: NOMIS, Jobs Density; ONS, Census 2021, Table TS058

Chart 45: Jobs Density in North Kent 2011-2021

Legend: Dartford, Gravesham, Maidstone, Medway, Swale, Linear (Dartford), Linear (Gravesham), Linear (Maidstone), Linear (Medway), Linear (Swale)

Economic Activity and Employment

The Annual Population Survey estimates that there were **512,000 people of working age (aged 16-64) in North Kent in 2022**. Of these **84.5% were economically active** (chart 46), **more than five percentage points above the national rate** and 4.4% above the regional rate.

Correspondingly, the **employment rate** (chart 47) was also higher, with 417,200 people (81.5%) in employment compared with just 75.8% nationally.

Unemployment (chart 48) at 3.6% was just below the national average, with the rate at each of these geographic levels converging to within 0.2 percentage points in 2022, the narrowest margin in the past five years.

On all these measures the APS estimates a marked improvement in North Kent in 2022 compared with 2021 – when all areas were still experiencing the effects of the Covid-19 pandemic and interventions such as furloughing staff – and the overall trend in the period 2018-2021.

At individual authority level the picture is naturally more nuanced (chart 49). Far more so than other areas, these estimates suggest **Dartford** saw a sharp decline in economic activity in 2021, translating into low employment – dipping to just 67% before climbing steeply to nearer the North Kent average in 2022. These estimates should be treated with caution because of relatively small sample sizes. And whilst it is not straightforward to compare the APS with Census 2021 data, the latter suggest that economic activity rates were probably closer to the pattern of previous years. All the same, the estimates illustrate that there may be some significant variations upon broader trends that impact local communities differentially.

Source: NOMIS, Annual Population Survey

Chart 46: Economic Activity Rate - Population Aged 16-64
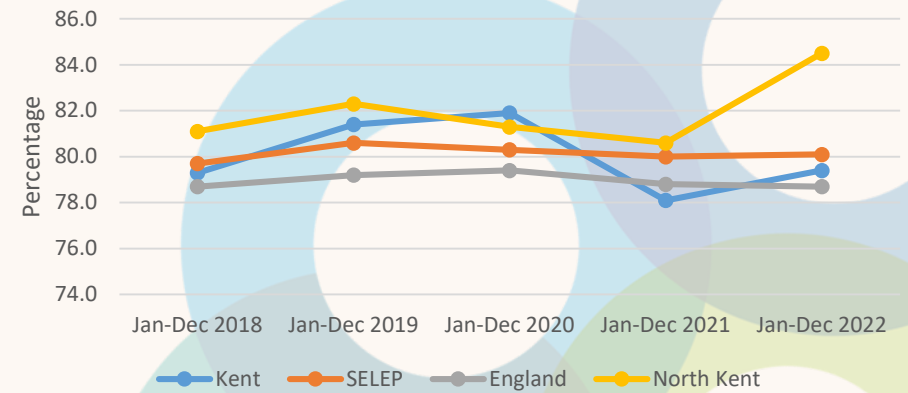
Chart 47: Employment Rate - Population Aged 16-64
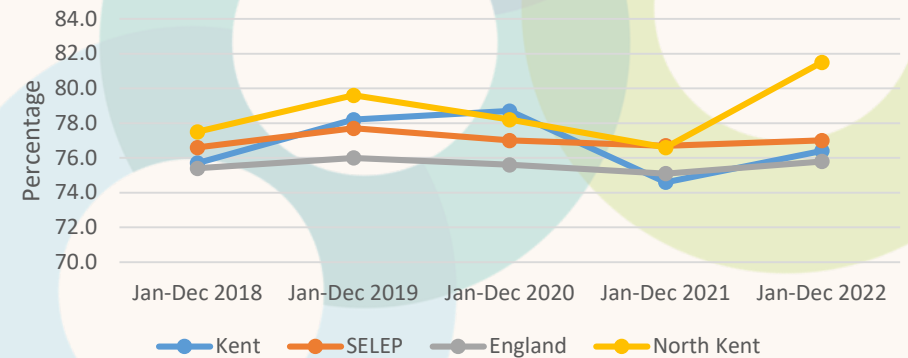
Chart 48: Unemployment rate - population aged 16-64

Chart 49: Employment rate in North Kent authorities (population aged 16-64)
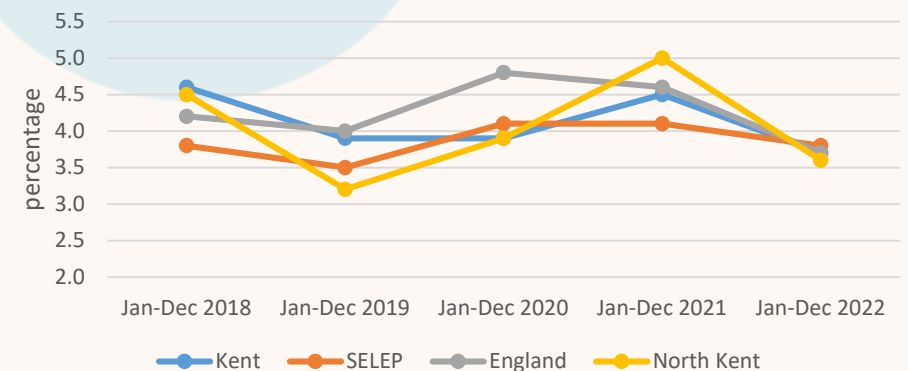
Economic Inactivity

79,500 people of working age in North Kent were estimated to be economically inactive in 2022. For North Kent, the rate of economic activity has consistently been **below** the national rate over the past 5 years, and significantly below in 2022 (top right, subject to the usual caveat about sample sizes).

A narrative that associates low productivity with low levels of economic activity is demonstrably <u>not</u> applicable in North Kent. So recalling the comparison of GVA per head of population (page 24 above), the widening gap between areas such as Thames Gateway Kent and the national level is clearly more about the **quality of jobs** and the **relative value of industrial sectors** represented in the economy than it is about residents' participation in the workforce.

This is reinforced by charts 51 and 52 opposite which show that compared to the other geographies, a higher proportion of economically inactive people in North Kent want a job, and the proportion who do not want a job is lower. The issue then is what **barriers** people may be encountering – whether skills, health & well-being, or ability to access employment opportunities, e.g. through lack of transport, or caring responsibilities – that are preventing them from becoming economically active.

Source: NOMIS, Annual Population Survey

Chart 50: % who are economically inactive - aged 16-64
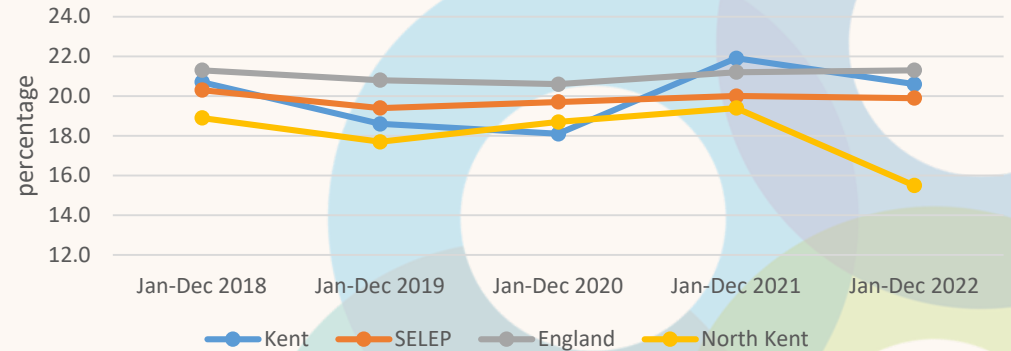
Chart 51: % of economically inactive people who want a job
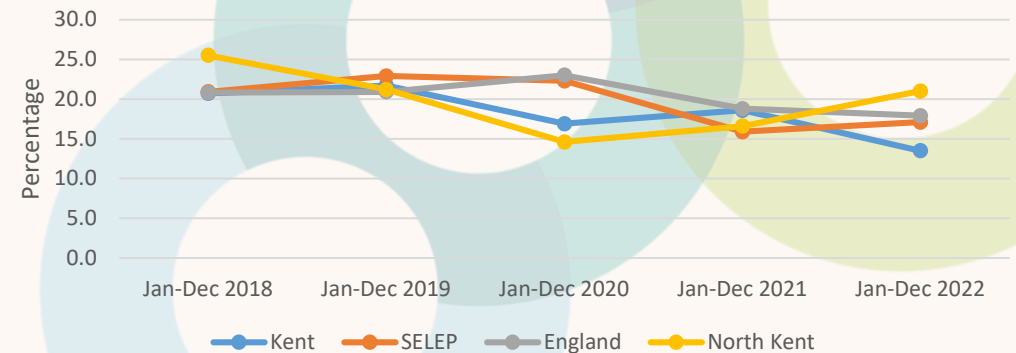
Chart 52: % of economically inactive people who do not want a job
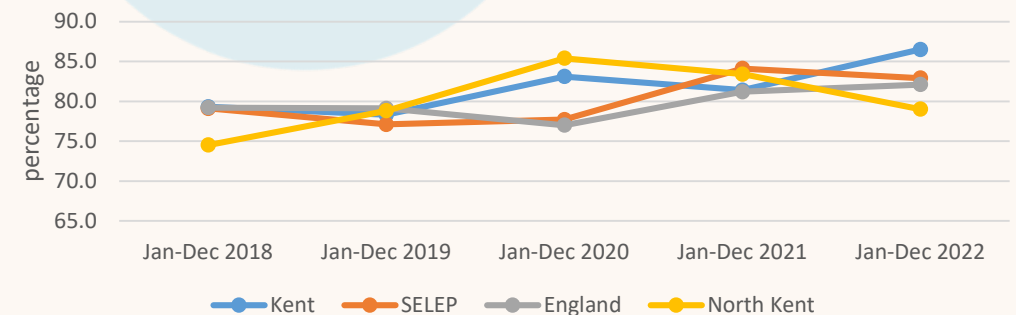
Type of employment

Perhaps contrary to the perception of North Kent as the territory of "White Van Man", and the relative high proportion of micro-businesses in the business demography of the county, North Kent is consistently estimated to have **a higher proportion of working people who are employees (chart 53) as opposed to self-employment (chart 55)**.

In 2022, 369,600 people (72.2% of working age) were employees compared with 45,300 (8.9%) who were self-employed. This is only narrowly below the national average but significantly below the Kent and regional averages. And just as the proportion who are employees has risen over the past 5 years (+35,900, +5.9%) the proportion who are self-employed has also fallen steadily (-10,300, -2.2%).

Chart 54 shows the picture at local authority level: the significant drop in employees in Dartford in 2021 echoes the drop in the employment rate shown on page 33, denoting a greater than average economic shock. However, the same caveat applies that small sample size means that results at small geographic level have to be treated with caution.

Source: NOMIS, Annual Population Survey

Chart 53: % of population aged 16-64 who are employees
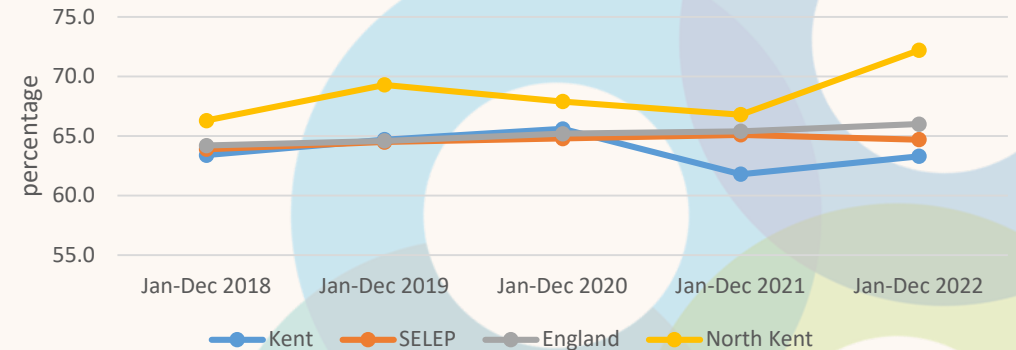
Chart 54: % of population aged 16-64 who are employees - North Kent authorities
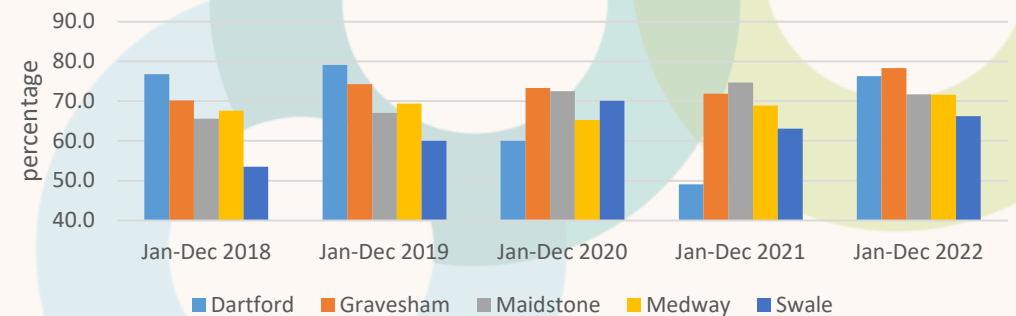
Chart 55: % of population aged 16-64 who are self-employed
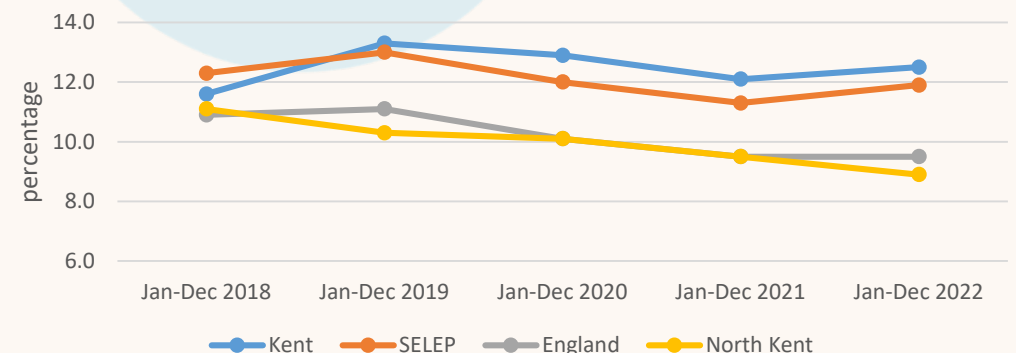
Occupational Profile

Estimates of the working population according to broad occupational categories (Standard Occupational Categories 2020) gives a general indication of how North Kent compares with the national and regional profile. This in turn is likely to reflect and reinforce other metrics around skills attainment levels, earning power and productivity per head.

Compared to England, **North Kent is significantly under-represented (-4.7%) in professional occupations compared with the national rate and over-represented (+3%) in administrative and secretarial occupations**. But North Kent does have a higher proportion of managers, directors and senior officials (12.7% compared with 11% in England). The variations between other categories are all below +/-1%.

The 'top' three categories account for over 50% of employees at national (52.6%), regional (50.8%) and Kent (51.3%) level, but just below 50% in North Kent (49.8%). The 'bottom three' categories yield similar proportions in all four geographies.

Source: NOMIS, Annual Population Survey, June 2023

Chart 56: Occupational Profile (% of all in employment, year to June 2023)

	1: managers, directors and senior officials	2: professional occupations	3: associate professional occupations	4: administrative and secretarial occupations	5: skilled trades occupations	6: caring, leisure and other service occupations	7: sales and customer service occupations	8: process, plant and machine operatives	9: elementary occupations
North Kent	12.7	22.4	14.7	12.0	9.4	7.7	6.8	4.8	9.2
England	11.0	27.1	14.5	9.6	8.7	7.9	6.0	5.5	9.4
SELEP	11.4	25.0	14.4	10.9	9.4	8.0	5.8	5.4	9.2
Kent	11.9	26.1	13.3	11.0	8.8	7.3	5.5	5.0	10.5

Unemployment

Estimates of unemployment at district level are not available on a consistent basis: many data are missing, regarded as statistically unreliable or where the group sample is small, zero or disclosive. Better estimates are available at a higher spatial geography.

Chart 57 tracks quarterly change in the annual unemployment rates over the past 5 ¼ years. Overall, the range of difference between national, regional and sub-regional rates is relatively narrow, but the different profiles show subtle differences. Coming into the period displayed, unemployment in North Kent (and Kent) was on the rise at a time when it was declining at national and SELEP level. By Q1 of 2019 unemployment in North Kent had dropped below the other comparators.

The subsequent rise during the Covid-19 pandemic hit slightly harder at national level than in North Kent, though not reaching the peak of 5.4% experienced in North Kent in 2017-18. Since then North Kent's rate has both risen above the national rate and fallen below it, but matching at the end of the period. **The peaks and troughs in North Kent appear both steeper but of shorter duration than comparator areas**.

The **overall trend is downward**, indicating a fairly tight labour market where, coupled with the relatively high rate of economic active people who want a job (page 34), competition for jobs would be expected to be high. Much then depends on people having the skills employers are looking for.

Although the overall rate is below 4% by the end of the most recent period, the chart lower right indicates much higher rates among 16-24 year olds particularly. The estimates should be treated with caution because of small sample sizes, but the broad picture speaks for itself: **getting onto the employment ladder, and overcoming barriers, is a particular challenge for younger people**.

Source: NOMIS, Annual Population Survey

Chart 57: Unemployment as % of population aged 16-64
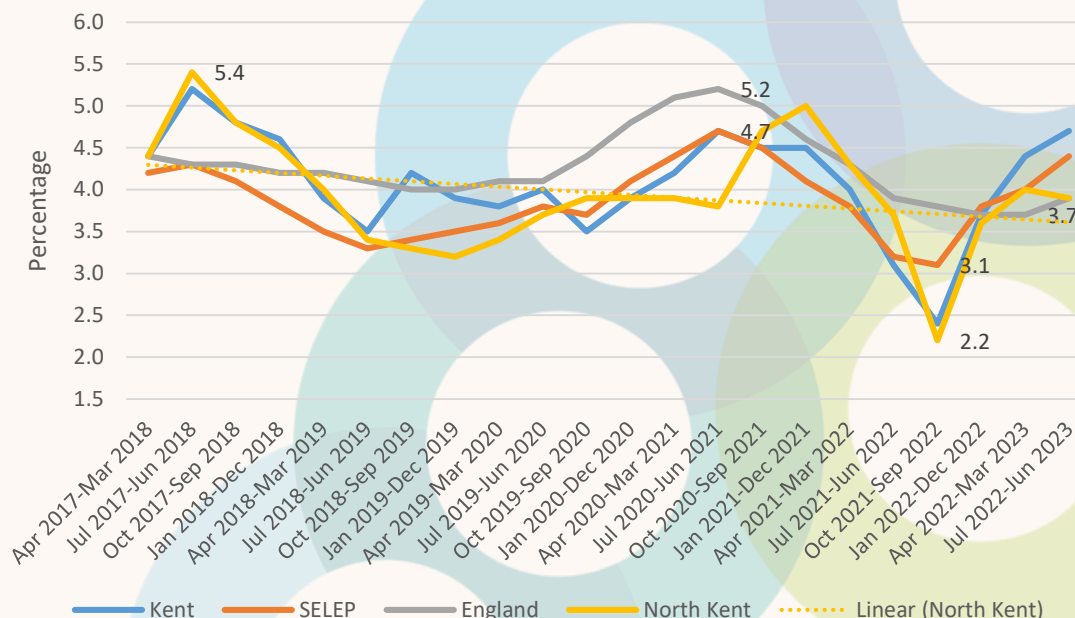
Chart 58: Unemployment rate in North Kent, by age group (%)
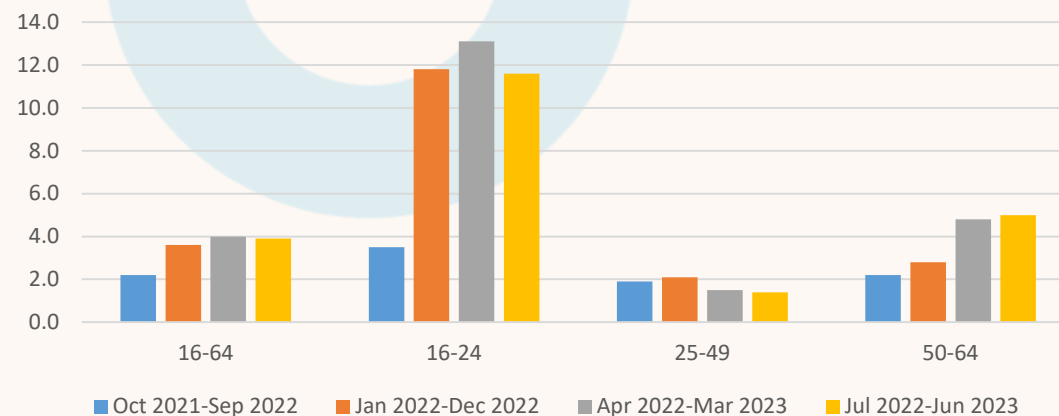
Claimant rates

Claimant rates are usually expressed as a percentage of the population aged 16-64. Whilst this gives an overview of the claimant population as a whole, it masks what is happening within particular age groups. The chart 59 below gives the overview of total claimants (**September 2023**). Although presenting a snapshot, much the same pattern can be observed over the preceding 12 months. This shows that the largest claimant cohort is among the population aged 25-49 – but this is not surprising as this is covers a 25-year age bracket compared with 9 years for 16-24 and, typically, 15 years for aged 50+.

Looking instead at claimants as a proportion of the total population within their age category shows a more nuanced picture. The charts 60-62 opposite break this down by all persons, male and female claimants. In North Kent, in proportion to their age group, those aged 16-24 have the highest claimant rate: this is also reflected in **Dartford**, **Maidstone** and, to a marked degree, in **Swale**. This is particularly pronounced among male claimants, where this patterns is found across North Kent; but in Swale this is also seen among female claimants aged 16-24.

This reinforces evidence elsewhere about the barriers young people are facing, particularly in Swale. At the other end of the scale, the claimant rate among older (50+) people is lower than the other categories and, in North Kent, below the England rate with the exception of **Gravesham**, which also **has the highest overall claimant rate** among North Kent authorities.

Source: NOMIS, Claimant Rate and Mid-Year Population Estimates

Chart 60: All Claimants as % of population within age category

Legend: Aged 16-24, Aged 25-49, Aged 50+
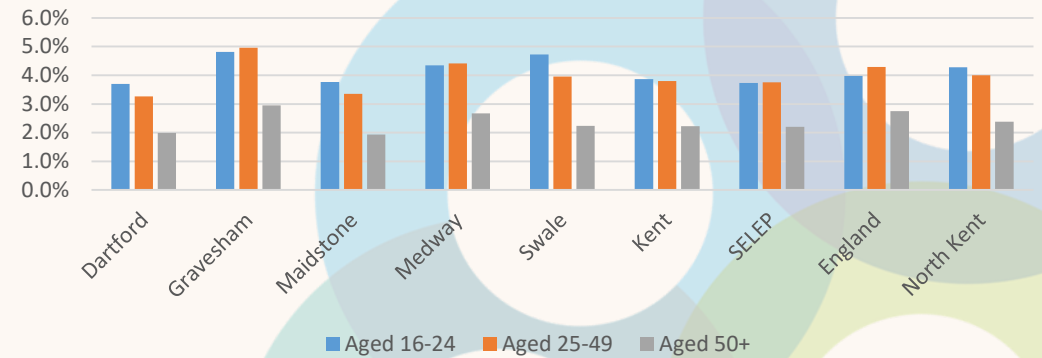
Chart 61: Male Claimants as % of population within age category

Legend: Aged 16-24, Aged 25-49, Aged 50+

Chart 59: All Claimants as % of population aged 16-64, by age category

Legend: Aged 16-24, Aged 25-49, Aged 50+
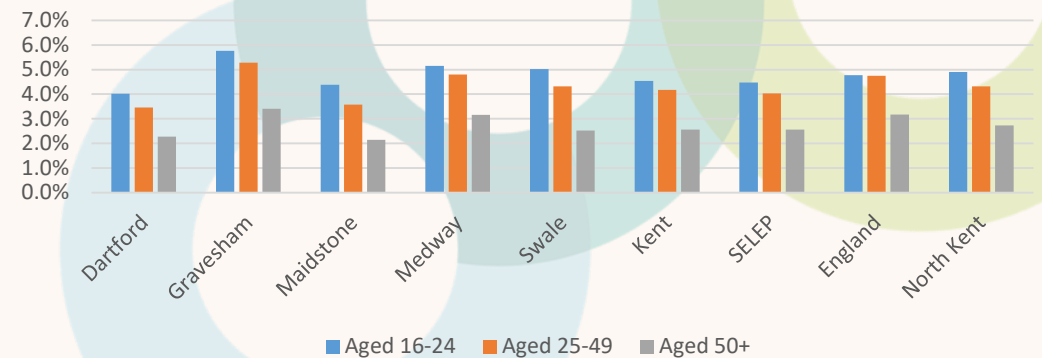
Chart 62: Female Claimants as % of population within age category

Legend: Aged 16-24, Aged 25-49, Aged 50+
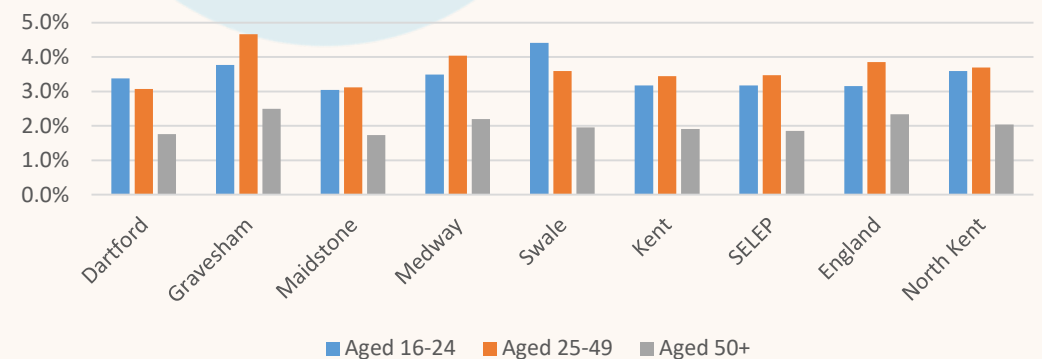
Unique Job Postings

In both SELEP and North Kent, online job postings reached a record high in the first quarter of 2022 and have generally remained above pre-pandemic levels. **March 2022 reached a high of 33,444 unique job postings in North Kent compared with the low of 8,139 in June 2020**.

Per 1,000 of the working age population, North Kent's average over the period June 2018 to December 2022 was 35.8 unique postings, **below the national average** of 39.9 **but above the regional (SELEP) average** of 30.5 and Kent average 33.9.

At individual authority level, however, there was significant variation. Whilst following the general pattern nationally and at SELEP level, chart 63 shows that unique postings in **Gravesham** were consistently the **lowest** in North Kent (average 19.8 over the period) followed by **Swale** (22.3) and **Medway** (27.2). By contrast **Dartford** (average 55.8) and **Maidstone** (57.1) had far more buoyant levels of job postings, indicating far more healthy business recruitment activity.

Source: SELEP - Job Postings Analytics, Lightcast

Chart 63: Unique job postings per 1000 working age population

Legend: England, SELEP, Dartford, Gravesham, Maidstone, Medway, Swale

Qualifications

Growing a more productive economy with higher value jobs and industries will require higher skills. Many employers who would have accepted people with NVQ level 2 qualifications in the past are now seeking a minimum of level 3. A conventional measure of higher skills attainment is the proportion of working age people with level 4+ qualifications (higher education).

Estimates and results for individual years can be volatile and misleading. The charts on the right take **rolling 3-year averages**, from 2007 to 2021. At higher geographic levels there is a steady progression mirroring the national change. However, **the gap is not closing between North Kent and national attainment rates**, nor likewise across Kent and SELEP, despite the strategic attention this has been given in successive economic strategies.

At local authority level, **Maidstone has the strongest cohort of working age people with level 4+ qualifications**, exceeding the national average, and **Swale has the smallest**. Progress appears to have stalled in **Dartford** and gone into reverse in **Gravesham** and **Swale**. This could reflect not just the skill levels of people entering the workforce, but also retirement or migration of higher-skilled workers, but is a cause for concern.

Generally, **the proportion of working people with no qualifications has more or less halved since 200**7, reflecting both older less well-qualified people leaving the workforce as well as in-work training of others. Gravesham appears to have seen a reversal of this trend in the most recent three-year period: small sample sizes mean that these estimates should be treated with caution. But this trend should be monitored closely, alongside the apparent decline in higher qualification levels.

The 2021 Census presents the **highest level of qualification** for usual residents aged 16 years and over (below). This therefore includes people who have retired and are not part of the working / economically active population. The Census analysis also includes Apprenticeships as a category in their own right. Nationally around 59% of adults are qualified to apprenticeship level or higher, but Gravesham (-6.4%) and particularly Swale (-8.8%) stand out as lagging below this level.

Sources: NOMIS Annual Population Survey; Census 2021 TS067

Chart 66: Highest Qualification 2021 (usual residents aged 16+)

	No Qualifications	Level 1	Level 2	Apprenticeship	Level 3	Level 4+	Other vocational qualification
England	18.1%	9.7%	13.3%	5.3%	16.9%	33.9%	2.8%
South East	18.5%	11.3%	15.3%	5.6%	17.4%	29.1%	2.9%
Swale	22.0%	12.3%	15.6%	6.3%	17.2%	23.7%	2.9%
Maidstone	17.4%	10.9%	15.3%	6.0%	17.5%	29.9%	2.9%
Gravesham	20.3%	11.9%	15.2%	5.9%	16.5%	26.7%	3.5%
Dartford	16.2%	11.0%	15.3%	5.6%	16.7%	32.4%	2.8%
Medway	19.4%	12.1%	15.9%	6.1%	18.0%	25.6%	3.0%

Legend:
- No Qualifications
- Level 1
- Level 2
- Apprenticeship
- Level 3
- Level 4+
- Other vocational qualification

Chart 64: NVQ 4+ and equivalent qualifications, population aged 16-64 (rolling 3-year averages)

Legend: 2007-09, 2008-10, 2009-11, 2010-12, 2011-13, 2012-14, 2013-15, 2014-16, 2015-17, 2016-18, 2017-19, 2018-20, 2019-21
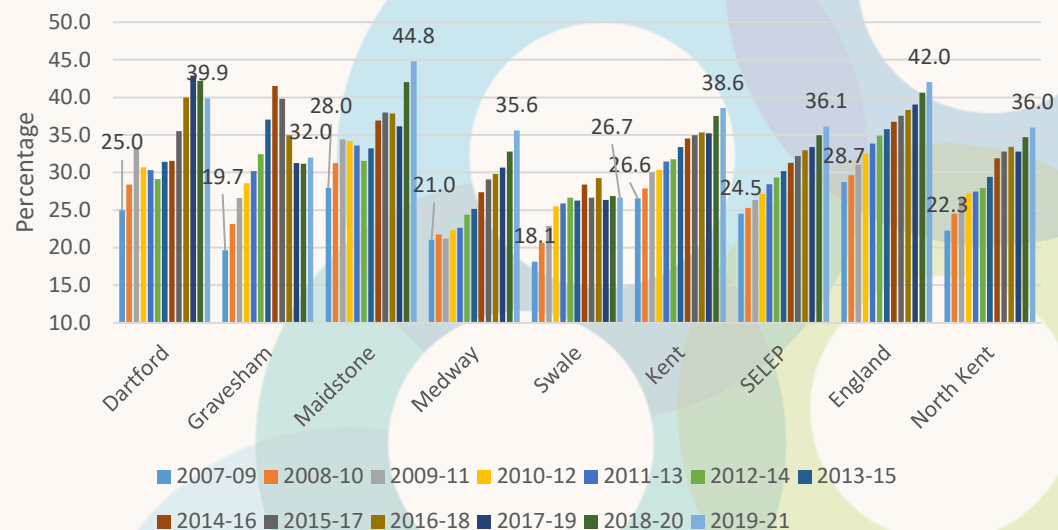
Chart 65: Population aged 16-64 with no qualifications (rolling 3-year average)

Legend: 2007-09, 2008-10, 2009-11, 2010-12, 2011-13, 2012-14, 2013-15, 2014-16, 2015-17, 2016-18, 2017-19, 2018-20, 2019-21

40
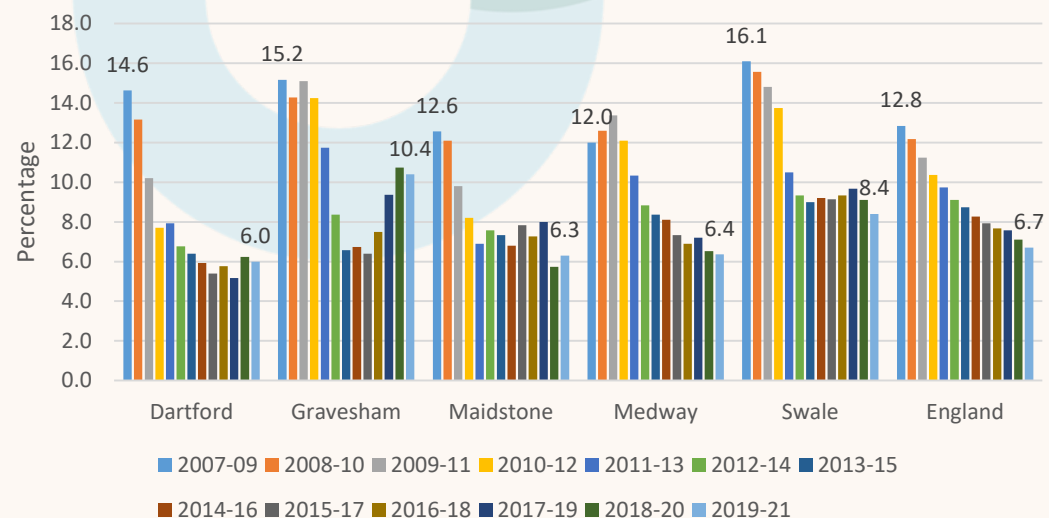
Other education data

The SELEP State of the Region report includes data relating to the following:

- Post 16-18 education destinations.
- Apprenticeships
- Higher Education Progression
- A-level and other 16-18 results

These data are not disaggregated below upper tier (education authority) level, so district level analysis is not available. In any event, the catchment areas and student enrolments for schools, colleges and HE institutions do not bear any direct relationship to local authority boundaries.

The Covid-19 pandemic led to interruption of data series and the reliance on Teacher Assessed Grades in the absence of external exams in 2020/21 (the most recent year for which data are published).

The relevant section of the SELEP report is pages 60-67.

Data on education in Kent are published by KELSI. The latest publication relates to 2019 (https://www.kelsi.org.uk/__data/assets/pdf_file/0006/136482/Facts-and-Figures-2022.pdf): there are no equivalent data for 2020 and 2021 due to the pandemic. These data provide some breakdown by district.

Medway Council produces an annual report on schools performance (most recently 2020-21 https://democracy.medway.gov.uk/mgconvert2pdf.aspx?id=63747). This is compiled on a different basis from the KELSI report.

Data on higher education are published by the Higher Education Statistics Agency. The Open Data available do not enable more layered analysis such as to overlay, for example, a combination of where students come from, what subjects they study, attainment levels and destinations; these datasets can only be considered in isolation from each other. Drilling down to that level of data, for instance to gain insight into where Kent students study and who studies at Kent-based institutions, would require a tailored request to HESA. If GNK partners would find it helpful to understand better the composition of the student population, they may wish to consider making a tailored request (these are chargeable). Where strategic ambitions include, for instance, objectives around retaining graduates in the county (whether those whose homes are in Kent or those who come to Kent to study), any supportive interventions would benefit from being underpinned by the more nuanced evidence that tailored data could provide.

Earnings

The Annual Survey of Hours and Earnings provides estimates of earnings based at workplace level. Kent Analytics produces a Bulletin analysing the position in Kent. The table below extrapolates from this and from AHSE source data to include the average across North Kent, adding comparisons with national and regional averages.

The data show that in most cases, **with the single exception of Medway, median resident earnings exceed workplace earnings**: in other words, people living in Kent earn more than people working in Kent. **North Kent is close to the national average for resident earnings but below average for workplace earnings**, reflecting out-commuting to better paid jobs particularly in London and elsewhere in the South East.

Dartford has the highest median earnings in the county in both categories. Within North Kent, **Swale shows the largest difference between resident and workplace earnings**, indicating that a high proportion of residents are travelling to better-remunerated jobs outside the local area. In **Gravesham** workplace earnings are only narrowly below resident earnings and are actually the second highest among Kent districts. Gravesham has also seen the highest workplace earnings growth since 2018 (+21.1%) and the second highest increase (after Dartford) in resident earnings (+14.5%) over the same period. Dartford is the only Kent district where both resident and workplace earnings exceed both the regional and national averages; **Maidstone and Medway,** together with Thanet, **fall below regional and national averages in both categories**.

Given the relative sizes of the different economies, the low results for Maidstone and higher results for Gravesham may seem surprising. The differences between the sectoral composition of their economies and, for instance, the extent of knowledge-intensive, higher-value jobs, would generally appear to weigh in favour of Maidstone being a higher-wage area than Gravesham. Median earnings are likely to be pulled downwards by certain high volume, low wage sectors such as agriculture, retail and parts of the public sector, which are more significant components of Maidstone's economy than Gravesham's. It may be that location and proximity to London plays a significant part in wages in Gravesham holding up better than Maidstone. The usual caution around sample sizes should also be borne in mind, but it would be good to understand better the reasons underlying the picture these data paint.

Sources: Annual Survey of Hours and Earnings (Workplace and Residents), KCC Statistical Bulletin – Earnings in Kent 2022 (January 2023).

Table 4: Comparison of resident and workplace based full time weekly earnings 2022	Resident	Workplace	Difference (£s)	Difference %	Resident as % of England	Resident as % of South East	Workplace as % of England	Workplace as % of South East
Ashford	£668.40	£590.90	-£77.50	-11.6%	4.1%	-2.5%	-8.0%	-11.0%
Canterbury	£658.80	£624.00	-£34.80	-5.3%	2.6%	-3.9%	-2.8%	-6.1%
Dartford	£732.10	£719.10	-£13.00	-1.8%	14.0%	6.8%	12.0%	8.2%
Dover	£670.30	£614.10	-£56.20	-8.4%	4.4%	-2.2%	-4.3%	-7.6%
Shepway	£684.30	£645.20	-£39.10	-5.7%	6.6%	-0.1%	0.5%	-2.9%
Gravesham	£660.90	£651.60	-£9.30	-1.4%	2.9%	-3.6%	1.5%	-1.9%
Maidstone	£615.10	£582.40	-£32.70	-5.3%	-4.2%	-10.2%	-9.3%	-12.3%
Sevenoaks	£731.90	£604.40	-£127.50	-17.4%	14.0%	6.8%	-5.9%	-9.0%
Swale	£663.30	£537.00	-£126.30	-19.0%	3.3%	-3.2%	-16.4%	-19.2%
Thanet	£591.80	£539.90	-£51.90	-8.8%	-7.8%	-13.6%	-15.9%	-18.7%
Tonbridge and Malling	£703.60	£608.80	-£94.80	-13.5%	9.6%	2.7%	-5.2%	-8.4%
Tunbridge Wells	£676.70	£623.20	-£53.50	-7.9%	5.4%	-1.3%	-2.9%	-6.2%
Medway	£601.70	£609.10	£7.40	1.2%	-6.3%	-12.2%	-5.1%	-8.3%
Kent	£669.30	£603.70	-£65.60	-9.8%	4.2%	-2.3%	-6.0%	-9.1%
South East	£685.30	£664.30	-£21.00	-3.1%	6.7%	0.0%	3.5%	0.0%
Great Britain	£642.20	£642.00	-£0.20	0.0%	0.0%	-6.3%	0.0%	-3.4%
North Kent average	£641.88	£614.20	-£27.67	-4.3%	-0.0%	-6.3%	-4.3%	-7.5%

Low Pay

In their report, SELEP have defined low pay sectors as those that nationally have a median wage 20% or more below the all-industry median wage, or where the median wage is at most 30% more than the minimum national wage. Low pay sectors include retail, food and accommodation, social care activities and some areas of manufacturing such as textiles.

Nationally (England) 26.7% of jobs are classified as low pay in 2021, a slight reduction from 27.4% in 2016. But in SELEP the proportion has increased slightly from 29.8% in 2016 to 30.2% in 2021.

Within North Kent (chart 67 below), **only Dartford has seen a reduction (-0.5%) in the proportion of low-pay jobs, but it remains above the national and regional average**. In the other districts the rates have increased, particularly in Gravesham (+4.8%). **The percentage of jobs that are low paid in Maidstone, Medway and Swale are below the regional average**.

Source: NOMIS, BRES

These results reinforce the point that although employment may be increasing, the quality and remuneration of jobs is tending to be in lower value occupations. As indicated on page 42, the sectors employing the most people in North Kent include some of those where median wages nationally are significantly below the average.

Drawing on Annual Survey of Hours and Earnings data (tables 5 and 6 opposite), sectors where, at national level, median pay is more than 15% below the national average account for **36.8% of jobs in North Kent compared with 28.5% nationally**; and just over 60% of jobs in North Kent are in sectors where nationally pay is below the median, compared with 58.5% of jobs nationally.

Sources: ASHE, Work Region Industry Table 5.1

Chart 67: Percentage of jobs that are low pay - 2016 and 2021

Chart 67: Percentage of jobs that are low pay - 2016 and 2021

	2021	2016
England	26.7%	27.4%
SELEP	30.2%	29.8%
Gravesham	35.9%	31.0%
Swale	29.8%	28.1%
Maidstone	26.3%	25.2%
Medway	28.2%	27.5%
Dartford	32.2%	32.7%
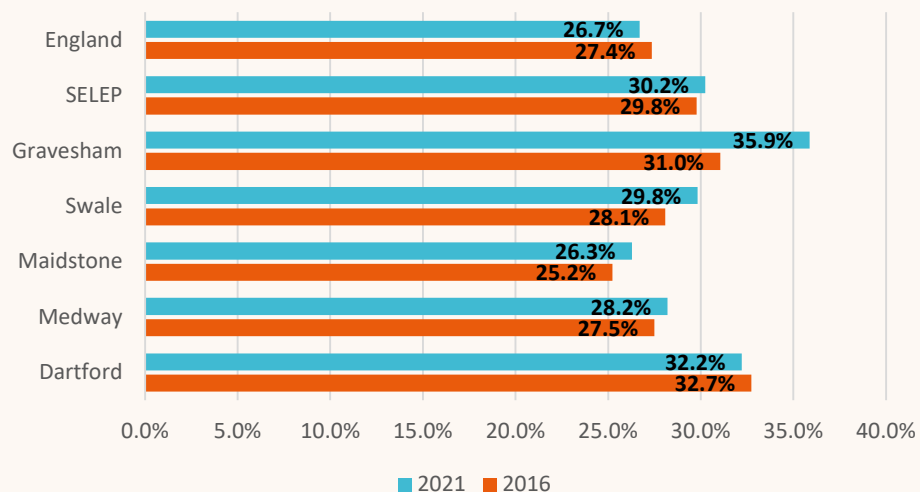
Table 5: Median Weekly Wages by Industry Sector (UK) 2023 Provisional	1	2	3	4	5
Description	Code	Median UK weekly pay - gross (£)	Sector median earnings: variance from all industries and services median (UK)	North Kent sectors with earnings below median - % of employee jobs	North Kent Sectors with earnings above median - % of employee jobs
All Industries And Services		574.9			
Agriculture, Forestry And Fishing	A	504.8	-12.2%	1.8%	
Mining And Quarrying, Electricity, Gas, Steam And Air Conditioning Supply, Water Supply; Sewerage, Waste Management And Remediation Activities	B, D, E	784.26	36.4%		1.5%
Manufacturing	C	663	15.3%		6.7%
Construction	F	688.4	19.7%		7.6%
Wholesale And Retail Trade; Repair Of Motor Vehicles And Motorcycles	G	482.9	-16.0%	15.5%	
Transportation And Storage	H	655.8	14.1%		8.2%
Accommodation And Food Service Activities	I	267.5	-53.5%	7.0%	
Information And Communication	J	810.5	41.0%		2.7%
Financial And Insurance Activities	K	831.8	44.7%		1.5%
Real Estate Activities	L	575.2	0.1%		1.5%
Professional, Scientific And Technical Activities	M	724.9	26.1%		5.5%
Administrative And Support Service Activities	N	486.9	-15.3%	10.6%	
Public Administration And Defence; Compulsory Social Security	O	658.1	14.5%		4.6%
Education	P	572.8	-0.4%	8.8%	
Human Health And Social Work Activities	Q	524	-8.9%	12.8%	
Arts, Entertainment And Recreation, Other Service Activity, Activity of Households, Activities of Extraterritorial organisations etc	R, S, T, U	428.6	-25.4%	3.7%	

Table 6: Percentage of jobs above or below median wage	North Kent	United Kingdom
% jobs earning below median wage	60.2%	58.5%
% jobs earning above median wage	39.8%	41.5%
% jobs where national wages are more than 15% below median	36.8%	28.5%

4 - SECTORS

Employee Jobs - Sectors

The Business Register and Employment Survey (ONS/NOMIS) estimates **show 329,000 jobs in North Kent in 2022, an increase of around 5,500 since 2021** (rounding means that estimates do not match with 2021 data quoted on page 31).

Table 7 highlights in pink the top six sectors in terms of employee jobs for North Kent compared with England, SELEP and the rest of Kent, and (in Table 8) the breakdown within North Kent. **Not surprisingly for an economy dominated by services rather than production, retail, business administration, education and health appear in the top six across all the areas compared**. **Construction** and **Transport & Storage** also appear in North Kent's top six.

Compared with England, North Kent has a **much lower proportion of employees in Professional, scientific and technical disciplines**, and slightly lower in Accommodation and Food Services. The creative industries (arts, entertainment etc) do not figure in North Kent's top six categories by employee jobs, but show as significant in East Kent probably reflecting the relative importance of the visitor economy. **Manufacturing does not appear in the top six categories across any of these higher level geographies**.

Within North Kent, Manufacturing shows as significant in Swale and Medway: for Swale it is the largest category of employment (6,000 out of 53,100 in the borough). Dartford has the most polarized distribution: the top 6 sectors account for more than 75% of jobs, whilst at the other end of the scale the top 6 in Swale only account for 53% of jobs. In this respect the other authorities perhaps have more balanced economies than Dartford, with more sectors accounting for more than 3% of jobs each – 13, compared with only 11 in Dartford and Gravesham.

For North Kent as a whole, the biggest sectors in terms of jobs are Health (12.8%), Business Administration (10.6%), Retail (9.4%), Education (8.8%), Transport & Storage (8.2%), and Construction (7.6%).

One of the challenges in terms of strategic policy is that metrics such as GVA, jobs and business growth **do not necessarily reflect the social value of particular sectors**. For example, the charts on this page and on page 23 would suggest that the creative industries sector could be regarded as of little consequence (as one sub-set of category 18 in the tables oppposite). In economic scale it is certainly one of the smaller (but not the smallest) sector, but it arguably has disproportionately greater value in terms of place-making and contribution to cultural vibrancy, health and wellbeing of residents and crucial links to the visitor economy and hospitality sectors.

Table 7: % of employee jobs by sector Category	SELEP	Kent & Medway	North Kent	England	East Kent	West Kent
1 : Agriculture, forestry & fishing (A)	1.14%	1.62%	1.82%	0.59%	1.22%	1.67%
2 : Mining, quarrying & utilities (B,D and E)	1.26%	1.48%	1.52%	1.13%	1.38%	1.73%
3 : Manufacturing (C)	6.12%	5.79%	6.69%	7.48%	5.57%	4.92%
4 : Construction (F)	7.50%	6.86%	7.60%	4.79%	5.37%	7.75%
5 : Motor trades (Part G)	2.34%	2.29%	2.13%	1.72%	2.13%	2.83%
6 : Wholesale (Part G)	4.08%	3.90%	3.95%	3.85%	3.55%	4.62%
7 : Retail (Part G)	9.90%	9.83%	9.42%	8.46%	10.34%	9.23%
8 : Transport & storage (inc postal) (H)	6.24%	6.19%	8.21%	5.11%	4.86%	4.92%
9 : Accommodation & food services (I)	8.04%	7.40%	6.99%	7.90%	8.51%	6.55%
10 : Information & communication (J)	2.64%	2.83%	2.74%	4.77%	2.41%	3.72%
11 : Financial & insurance (K)	2.94%	2.29%	1.52%	3.34%	2.09%	4.17%
12 : Property (L)	1.74%	1.62%	1.52%	1.92%	1.20%	2.23%
13 : Professional, scientific & technical (M)	6.30%	6.33%	5.47%	9.39%	5.78%	8.94%
14 : Business administration & support services (N)	8.64%	9.69%	10.64%	9.18%	8.21%	9.53%
15 : Public administration & defence (O)	4.20%	4.17%	4.56%	4.32%	4.86%	2.17%
16 : Education (P)	9.06%	9.83%	8.81%	8.53%	11.76%	8.34%
17 : Health (Q)	13.44%	13.19%	12.77%	13.18%	14.80%	11.92%
18 : Arts, entertainment, recreation & other services (R,S,T and U)	4.44%	4.71%	3.65%	4.35%	5.98%	4.77%

Table 8: % of employee jobs by sector, LAs in NK Category	Dartford	Gravesham	Maidstone	Swale	Medway
1 : Agriculture, forestry & fishing (A)	0.15%	0.30%	2.60%	5.65%	0.42%
2 : Mining, quarrying & utilities (B,D and E)	1.45%	0.90%	1.04%	1.88%	1.83%
3 : Manufacturing (C)	5.08%	5.24%	4.54%	11.30%	7.34%
4 : Construction (F)	10.17%	7.49%	7.79%	6.59%	7.34%
5 : Motor trades (Part G)	2.18%	1.80%	2.60%	2.35%	1.57%
6 : Wholesale (Part G)	3.63%	2.10%	5.19%	4.71%	3.14%
7 : Retail (Part G)	11.62%	10.49%	7.79%	9.42%	9.43%
8 : Transport & storage (inc postal) (H)	13.07%	7.49%	4.54%	8.47%	7.34%
9 : Accommodation & food services (I)	5.81%	10.49%	6.49%	7.53%	6.29%
10 : Information & communication (J)	3.27%	1.50%	3.24%	1.69%	2.36%
11 : Financial & insurance (K)	0.73%	0.67%	1.95%	0.38%	3.14%
12 : Property (L)	1.31%	1.35%	1.62%	1.88%	1.57%
13 : Professional, scientific & technical (M)	3.63%	4.49%	6.49%	7.53%	4.19%
14 : Business administration & support services (N)	14.52%	14.98%	9.09%	7.53%	9.43%
15 : Public administration & defence (O)	0.87%	5.99%	9.09%	3.77%	4.19%
16 : Education (P)	5.81%	10.49%	7.79%	8.47%	11.53%
17 : Health (Q)	14.52%	8.99%	14.28%	7.53%	14.68%
18 : Arts, entertainment, recreation & other services (R,S,T and U)	2.18%	5.24%	3.89%	3.30%	4.19%

Location Quotient - Jobs

Another perspective on the relative strength of sectors in terms of number of jobs is the location quotient (LQ) – how the number of jobs in that place and sector compares with the proportion of jobs in that sector at national level. National comparisons often use Great Britain as the base: the table (9) below uses England. A value of 1 means that an industry's share of employee jobs in the specified area is the same as its share of national employee jobs in England. An LQ greater than 1 is shaded red, greater than 2 is shaded green and greater than 3 is shaded blue.

Reinforcing the picture on page 45, **Swale has a strong LQ for manufacturing**, more so than any other part of Kent and 2nd highest in the SELEP region. All North Kent authorities have a high LQ for Construction: no other sector has a strong LQ in more than 4 out of 5 of the areas. **Maidstone and Swale have a particularly high LQ for Agriculture.** The SELEP State of the Region report suggests that an LQ of 3 or more indicates particular strength. On this basis, the only category that scores in North Kent is Agriculture, suggesting that even where there are clusters or agglomerations of companies in particular sectors (see next page) they are relatively small and in aggregate do not employ a very large proportion of the working population.

It is notable that North Kent's relative sector strengths, as measured by LQ/jobs, are **concentrated in lower value sectors**. Higher value sectors such as ICT, Financial & Insurance, and Professional, Scientific and Technical, are under-represented. Indeed, only Sevenoaks, Tunbridge Wells and Brentwood in Essex, of authorities in the SELEP region, have an LQ above 1 for PS&T occupations. **This highlights the scale of the challenge to grow higher value, higher-skilled occupational sectors**, particularly in competition with the London-Oxford-Cambridge triangle and other Home County areas to the west and north of London.

Source: NOMIS, BRES

Table 9: Location Quotient	England	SELEP	Kent & Medway	North Kent	Dartford	Gravesham	Maidstone	Swale	Medway	East Kent	West Kent
1 : Agriculture, forestry & fishing (A)	1.0	1.9	2.7	3.1	0.3	0.5	4.4	9.6	0.7	2.1	2.8
2 : Mining, quarrying & utilities (B,D and E)	1.0	1.1	1.3	1.3	1.3	0.8	0.9	1.7	1.6	1.2	1.5
3 : Manufacturing (C)	1.0	0.8	0.8	0.9	0.7	0.7	0.6	1.5	1.0	0.7	0.7
4 : Construction (F)	1.0	1.6	1.4	1.6	2.1	1.6	1.6	1.4	1.5	1.1	1.6
5 : Motor trades (Part G)	1.0	1.4	1.3	1.2	1.3	1.0	1.5	1.4	0.9	1.2	1.6
6 : Wholesale (Part G)	1.0	1.1	1.0	1.0	0.9	0.5	1.4	1.2	0.8	0.9	1.2
7 : Retail (Part G)	1.0	1.2	1.2	1.1	1.4	1.2	0.9	1.1	1.1	1.2	1.1
8 : Transport & storage (inc postal) (H)	1.0	1.2	1.2	1.6	2.6	1.5	0.9	1.7	1.4	1.0	1.0
9 : Accommodation & food services (I)	1.0	1.0	0.9	0.9	0.7	1.3	0.8	1.0	0.8	1.1	0.8
10 : Information & communication (J)	1.0	0.6	0.6	0.6	0.7	0.3	0.7	0.4	0.5	0.5	0.8
11 : Financial & insurance (K)	1.0	0.9	0.7	0.5	0.2	0.2	0.6	0.1	0.9	0.6	1.3
12 : Property (L)	1.0	0.9	0.8	0.8	0.7	0.7	0.9	1.0	0.8	0.6	1.2
13 : Professional, scientific & technical (M)	1.0	0.7	0.7	0.6	0.4	0.5	0.7	0.8	0.5	0.6	1.0
14 : Business administration & support services (N)	1.0	0.9	1.1	1.2	1.6	1.6	1.0	0.8	1.0	0.9	1.0
15 : Public administration & defence (O)	1.0	1.0	1.0	1.1	0.2	1.4	2.1	0.9	1.0	1.1	0.5
16 : Education (P)	1.0	1.1	1.2	1.0	0.7	1.2	0.9	1.0	1.4	1.4	1.0
17 : Health (Q)	1.0	1.0	1.0	1.0	1.1	0.7	1.1	0.6	1.1	1.1	0.9
18 : Arts, entertainment, recreation & other services (R,S,T and U)	1.0	1.0	1.1	0.8	0.5	1.2	0.9	0.8	1.0	1.4	1.1

Location Quotient – Business Counts

In addition to calculating Location Quotient according to the volume of jobs, another measure is by the **business count** in industry sub-sectors. Table 10 opposite shows the sectors, by North Kent local authority, with an LQ exceeding 1.0. This paints a somewhat different and more nuanced picture than the previous page. The top-ranked sectors, by business counts, are listed for each authority. Where a sector has an LQ above 1.0 in more than one authority these are shaded blue. This shows that each authority has unique strengths as well as some complementary sectors.

Gravesend has the **fewest** sectors (6) with strong business numbers according to this analysis whilst **Maidstone** has the **most** (16), followed by **Swale** (13) and **Dartford** and **Medway** (10 each). Swale has the most sectors (8) that are also represented in at least one other North Kent authority's area.

Several sectors shown separately here would broadly be grouped under Advanced Manufacturing, but as a category of its own this appears as unique to Medway. Overall there is a quite strong emphasis on high technology STEM sectors, more so than looking at LQ in terms of employee jobs.

The extremely high LQ for modular construction in Dartford is striking and suggests a broad definition of modular construction (e.g. including various off-site component manufacturing processes).

This links to an observation about the SELEP report, where the final section (Focus on Sectors, pages 72-88) uses analysis by Data City showing the concentration of businesses by sector and location. SELEP have clarified in correspondence that the analysis is based on registered addresses held at Companies House. These do not always correspond with the location of companies' operations and employment. Hence, for example, Gravesham does not show as having companies in the modular housing sector (despite the presence of Berkeley Modular), and Swale does not score as having any Supply Chain Logistics, despite the obvious presence of substantial distribution activity (which is possibly classified according to the business activity, e.g. supermarkets, rather than distribution per se).

On the other hand, the SELEP/Data City analysis does show the significant presence of life science companies in Medway (52), yet this does not appear in the table opposite (the LQ for Life Sciences in Medway is only 0.8). But SELEP's report points out that even places with strong clusters such as Dover and Harlow do not even appear in the top 20 of SELEP local authorities by business count, because of its widespread presence across the region.

This perhaps reinforces the point that statistical data only offer part of a picture: local knowledge and employer engagement are crucial to enable local authorities to understand the dynamics of business activity in their area.

Source: BRES, NOMIS (via SELEP)

Table 10: Location Quotient by Business Counts									
Dartford		Gravesham		Maidstone		Medway		Swale	
Modular Construction	21.11	FinTech	1.57	Media and Publishing	2.03	Computer Hardware	2.34	Autonomy and Robotics	2.80
EdTech	2.64	Immersive Technologies	1.25	Wearables and Quantified Self	1.98	Land Remediation	2.33	Quantum Economy	2.43
Omics	2.24	Supply Chain Logistics	1.21	Legal Services	1.79	Autonomy and Robotics	1.82	Energy Management	2.26
Land Remediation	2.05	Business Support Services	1.14	Data Infrastructure	1.76	Geospatial Economy	1.68	Wearables and Quantified Self	1.77
Energy Management	2.04	Quantum Economy	1.09	Geospatial Economy	1.45	Advanced Manufacturing	1.29	Geospatial Economy	1.66
Supply Chain Logistics	1.96	Streaming Economy	1.02	Digital Creative Industries	1.22	E-Commerce	1.26	Advanced Materials	1.51
Telecommunications	1.40			Business Support Services	1.21	Modular Construction	1.10	In-Orbit Space Manufacturing	1.40
Software Development	1.28			Design and Modelling Technologies	1.17	Supply Chain Logistics	1.09	Land Remediation	1.35
Business Support Services	1.16			Agency Market	1.16	Business Support Services	1.09	Business Support Services	1.27
Data Infrastructure	1.02			Software as a Service (SaaS)	1.16	Electronics Manufacturing	1.07	AgriTech	1.14
				Research and Consulting - Physical Sciences and Engineering	1.14			Streaming Economy	1.14
				Sensors	1.08			Life Sciences	1.11
				FinTech	1.06			Net Zero	1.03
				AdTech	1.03				
				Life Sciences	1.02				
				Computer Hardware	1.01				

Knowledge Intensive Industries

Knowledge intensive sectors are defined as those which have a higher percentage of the workforce with a level 4 or above qualification than the all-industry average, with Scientific research and development being the most knowledge intensive sector.

In SELEP's analysis (chart 68), in 2021, 43.7% of the local workforce were employed in knowledge intensive industries in SELEP, below the national average of 49.8%. And whereas England has seen that proportion grow since 2016, in the South East and the authorities of North Kent the proportion of local workforce in KI industries has declined. **In 2016, Maidstone exceeded the national rate, and Medway exceeded the regional rate. But whilst both still exceed the regional rate in 2021, Maidstone has fallen below the England rate. Dartford and Swale have particularly low levels of local people working in KI jobs compared with the rest of North Kent**.

KCC Analytics use a more selective definition of Knowledge Intensive Industries but also based on BRES data (chart 69). This shows the **relative weakness of KI sectors in the North Kent economy**, comprising only around 37,500 and 11.6% of jobs, nearly 10% below the England average. Unsurprisingly, West Kent authorities have higher concentrations of KI jobs.

Sources: SELEP – ONS, BRES; KCC Statistical Bulletin: The Knowledge Economy, April 2023.
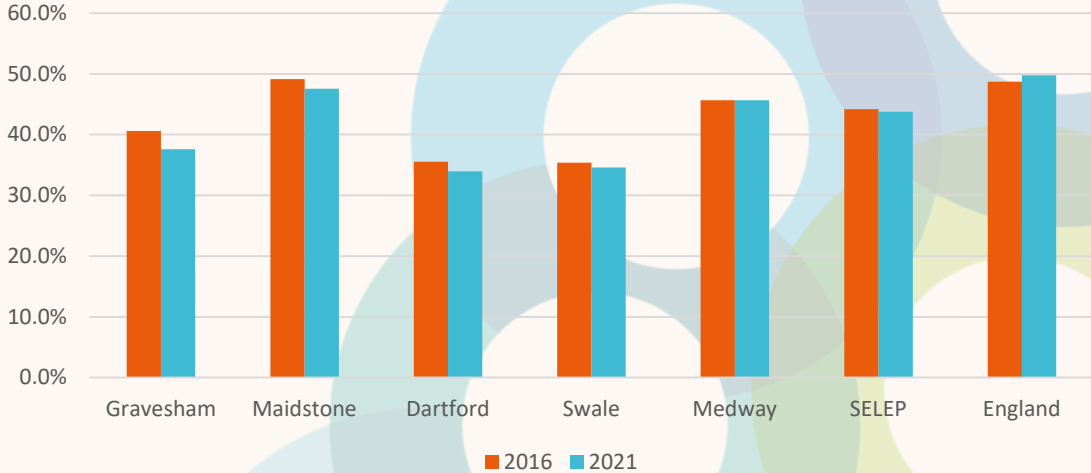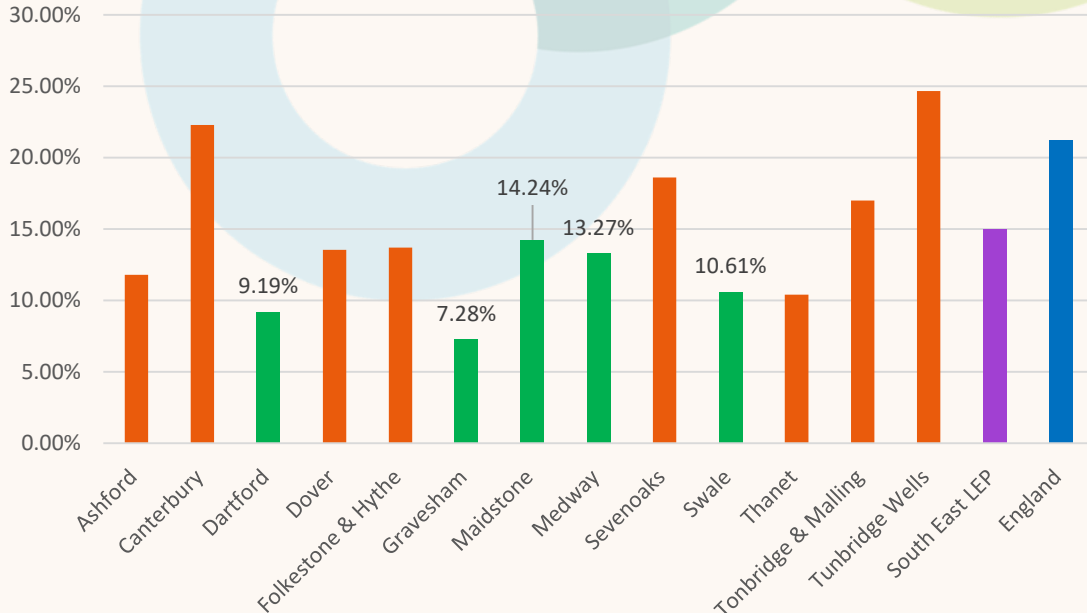
Chart 68: Knowledge Intensive Industries

Chart 69: Percentage of employees in Knowledge Intensive jobs (KCC definition), 2021

Knowledge Intensive Sectors

KCC Analytics' examination of knowledge intensive jobs and enterprises identifies jobs within 7 sector categories. Chart 70 shows the proportions across these sectors in each authority. There is some statistical rounding hence the percentages do not sum to 100%. The chart illustrates that **in broad terms the sectoral distribution of KI jobs in North Kent is similar to England and the South East LEP area**. At individual authority level, **Dartford** has a relatively high proportion of jobs in **Computing** (25%), but the stand-out categories are **Higher Education in Canterbury** (43%), **R&D in Dover** (44%), reflecting the presence of Discovery Park, and **Business Services in Tunbridge Wells** (84%). The categorization is imperfect: for instance, it assigns zero jobs in Public Services in Dartford and Gravesham. But others showing zero, such as R&D (in Gravesham and Maidstone), may simply be in sufficiently small numbers to be lost in the rounding (e.g. <50).

According to KCC's analysis there were 7,670 Knowledge Intensive enterprises in North Kent in 2022, a reduction of around 520 enterprises compared with 2017, or -6.3%. In percentage terms this is below the national reduction of -8.9% and slightly below the SELEP at -6.8%, but a significantly greater reduction than across Kent as a whole (-2.3%) In terms of the number of enterprises.

The comparison between the number of KI jobs (previous page and chart 72 below) and KI enterprises shows that nationally 1 in 5 jobs and 1 in 3 enterprises are in KI sectors, but in SELEP it is more like 1 in 4 enterprises and 1 in 7 jobs. Dartford stands out in this respect with nearly 1 in 3.5 businesses in KI sectors but fewer than 1 in 10 jobs, indicating a concentration of smaller than average businesses. Potentially, relatively modest growth in individual businesses could translate into quite significant jobs growth overall, but it is clear that North Kent as a whole has a significant distance to travel to catch up with national averages in terms of the contribution of knowledge intensive sectors to the economy.

Sources: KCC Statistical Bulletin: The Knowledge Economy, April 2023; ONS, BRES Business Counts

Chart 70: Proportion of jobs in Knowledge Intensive Sectors (KCC definition, 2021)

Legend: Business Services, Computing, Higher Education, Media, Public Services, Research & Development, Telecommu-nications

Chart 72: KI jobs compared with KI Enterprises

Legend: % of KI jobs, 2021; % of KI Enterprises, 2022
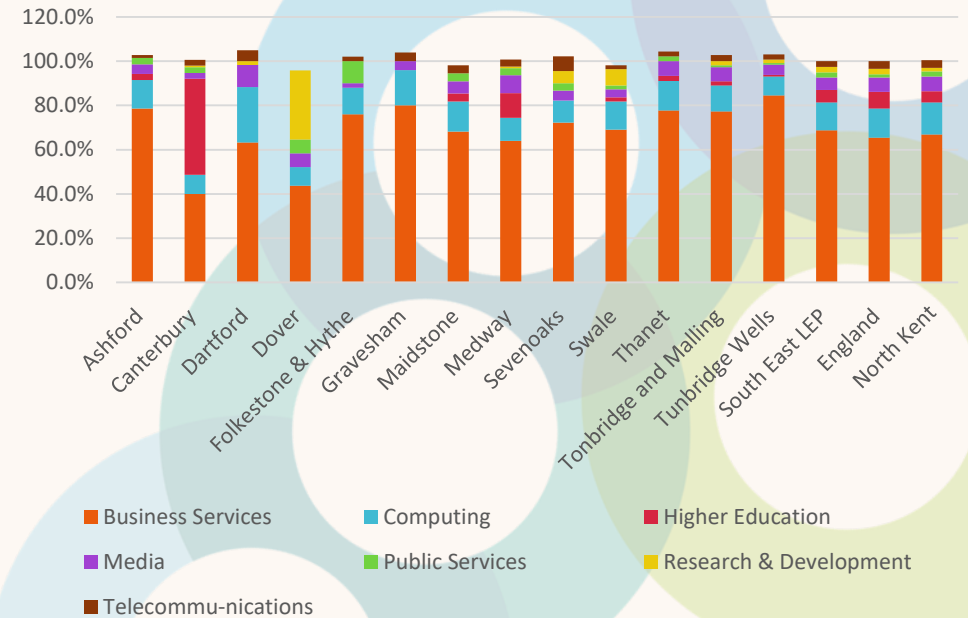
Chart 71: Change in Knowledge Intensive Enterprises 2017-2022

Legend: KI Enterprises 2022; KI Enterprises 2017
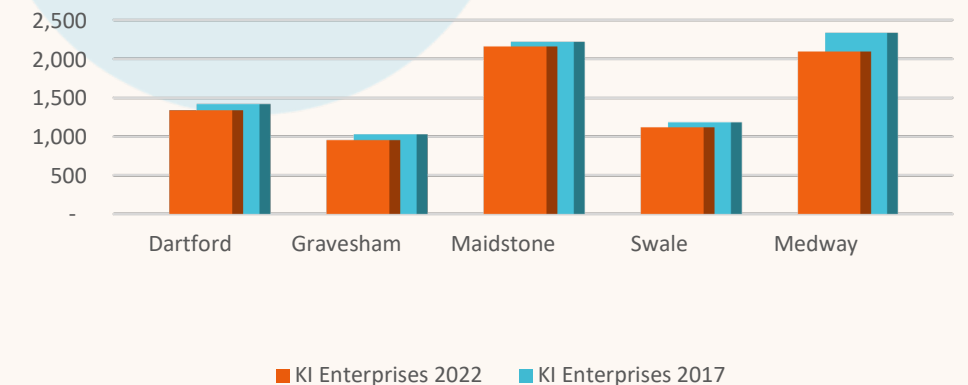
5 - Observations

Observations

The rationale, as stated in the introduction, is to examine where possible those indicators considered in the SELEP State of the Region report where district level data are available. In a few instances the nearest proxy is sub-county clusters (ITL3 areas) which do not fully map onto the North Kent footprint.

The data on population and housing growth reinforce well-established understanding of high rates of growth in Dartford and Maidstone but much lower rates elsewhere in North Kent. The ageing population is reflected in the reduced proportion of working age people, meaning that the economic burden has to be carried by a smaller cohort relative to the general population. On the positive side, North Kent remains an entrepreneurial sub-region, with high levels of new business creation and reasonable rates of business survival over time. Overall, though, the economy remains heavily skewed towards sectors such as manufacturing, construction, wholesale and retail, healthcare and business support services that generate a significant proportion of its GVA but some of which tend to the lower end of the scale in terms of pay and productivity. The LQ analysis by business counts shows that high technology companies are present in significant numbers, but aggregate job numbers in these industries are relatively small.

The gap between the proportion of North Kent residents attaining higher level skills and the national average remains as great a challenge as ever. The prospects of attracting employers and investors seeking a highly-skilled workforce are hampered by the reality of a gap that remains stubbornly wide despite the progress that has been made. This is something that needs to be tackled at all levels – schools, colleges, higher education institutions, and with employers – to foster aspiration linked to a lifelong learning culture and sustained commitment to enabling people to fulfil their potential. This should continue to be a strategic priority for North Kent authorities and relevant stakeholders.

It is clear that businesses are still adjusting to the impacts and legacy of the Covid-19 pandemic and, perhaps to a lesser extent, Brexit. Certainly increasing the volume and value of exports would be one area worth focusing on, from an economic development perspective, in terms of targeted business support and upskilling to help more businesses engage with and grow export markets.

The supply of commercial property stock has continued to increase; what is less clear is how well matched supply is to business need, or in locations attractive to investors. The continued reduction in retail stock and stagnation in values confirms the ongoing adjustment being seen particularly in town centres and high streets, and reinforces the importance of strategic support and interventions that authorities are already pursuing to help regenerate town centres and their transition to more multi-functional places.

The small basket of indicators relating to the journey to net zero carbon and greater digital connectivity show variable performance across North Kent and perhaps highlight scope for closer collaboration both in policy and implementation to share knowledge and good practice, push for higher standards (e.g. energy efficiency in new homes), and build political commitment and focus. It is too early to detect whether the rise in 2021 per capita emissions is simply a blip in the longer-term downward trajectory in emissions or marks a setback in carbon reduction ambitions that will require more innovative and concerted measures, particularly in relation to transport and domestic energy use.

Overall the indicators examined, though limited, show something of the complexity of the North Kent economy. Individual local authority areas cannot consistently be assigned to particular boxes: stronger and weaker performance against different indicators are spread around. However, they do highlight particular challenges faced in Swale and, to a lesser extent, Gravesham which justify their priority in levelling up terms. Medway's performance is somewhat masked by its size relative to other Kent authorities: on some measures it is doing well, but on key indicators such as the number of businesses per head of population it is one of the weakest in the region. It reinforces the importance of proactive economic development activity and positive planning to help create the conditions for increased business investment, supported by the requisite physical and social infrastructure to foster sustainable place-making. That applies, of course, to all North Kent authority areas.

GNK, Autumn 2023

Appendix – Data Sources

Data Sources used in this Report	
Population	Population estimates – local authority based by single year of age, Office for National Statistics
Migrant Population	Census 2021, Office for National Statistics, RM011
	Census 2011, Office for National Statistics / NOMIS QS203EW
Dwellings	ONS, New Dwelling Starts and Completions, 2009-10 to 2021-22. House building starts: permanent dwellings started, by local authority area, United Kingdom, financial year. House building completions: permanent dwellings completed, by local authority area, United Kingdom, financial year.
Non-domestic property stock	Non-domestic rating: stock of properties including business floorspace, Valuation Office Agency
Broadband access	Connected Nations and infrastructure reports, Ofcom 2022
Carbon Emissions	UK local authority and regional greenhouse gas emissions national statistics, 2005-2021, Department for Business, Energy & Industrial Strategy
New dwelling energy efficiency	Table NB1, Live tables on Energy Performance of Buildings Certificates, Department for Levelling Up, Housing and Communities
Electric Vehicle charging	Electric vehicle charging device statistics, July 2023, Department for Transport
Economic output	Office for National Statistics: Regional gross value added (balanced) by industry: local authorities by ITL1 region, Regional economic activity by gross domestic product. Regional gross value added (balanced) per head and income components.
Business counts	UK Business Counts – enterprises by industry and employment size band, Office for National Statistics via NOMIS/BRES 2022 and 2023
Business growth	Business demography, UK, Office for National Statistics – Business Births and Deaths 2010-2021
Exports	Regional trade statistics, Smaller Geographic Areas, HM Revenue and Customs, 2016-2021
Employee jobs	Business Register and Employment Survey, Office for National Statistics / NOMIS, 2015-2021
Job density	Jobs density, Office for National Statistics via NOMIS, 2011-2021; Census 2021 Table TS058
Economic activity rate/ Self-employment rate	Annual Population Survey, Office for National Statistics via NOMIS, 2018-2022
Occupational Profile	Annual Population Survey, NOMIS, June 2023
Unemployment Rate	Annual Population Survey, NOMIS, April 2017 to June 2023
Claimant rate	Claimant Count, Office for National Statistics via NOMIS, September 2023
Online job postings	Job Postings Analytics, Lightcast – from SELEP SOTRR – June 2018 – December 2022
Qualifications	Annual Population Survey, NOMIS, 2007-2021
Highest level of qualification	Census 2021, Office for National Statistics, Table TS067
Wages	Annual Survey of hours and earnings, Office for National Statistics via NOMIS - Workplace and Residents KCC Analytics – Statistical Bulletin – Earnings in Kent 2022 (January 2023)
Jobs in low pay sector	Business register and Employment Survey, Office for National Statistics via NOMIS, 2016 and 2021
	Annual Survey of hours and earnings, Office for National Statistics, Work Region Industry Table 5.1
Jobs in knowledge intensive sectors	Business register and Employment Survey, Office for National Statistics, 2016-2021
	KCC Analytics: The Knowledge Economy – Bulletin April 2023
Sectors - Size and growth/Sector Specialisation/Location Quotient/Employee Jobs	Business register and Employment Survey, Office for National Statistics via NOMIS, 2018-2022

Data Sources (Continued)

Data Sources in SELEP SOTRR not used in this report	
Population	Subnational population projections for England, 2018-based, 2016-based, 2014-based & 2012-based, Office for National Statistics
Dwellings	Table 122, Live tables on housing supply: net additional dwellings, Department for Levelling Up, Housing and Communities
	Table 100, Live tables on dwelling stock (including vacants), Department for Levelling Up, Housing and Communities
R&D and Innovation	Corporate tax: Research and Development Tax Credits, HM Revenue and Customs
	Government grants register, Government grants statistics, Cabinet Office
	Innovate UK funded projects since 2004, UK Research and Innovation
	UK Innovation Survey, Department for Business, Energy & Industrial Strategy
PAYE employee jobs	Earnings and employment from Pay As You Earn Real Time Information, seasonally adjusted, Office for National Statistics
Destinations after completing 16-18 education	16-18 destination measures, Department for Education
Apprenticeships	Apprenticeships and traineeships, Department for Education
Higher Education Progression Rate	Widening participation in higher education, Department for Education
A level and other 16 to 18 results	A level and other 16 to 18 results, Department for Education
Qualifications	Industry (SIC07) at 2 digit level by level of highest qualification held: 2004 to 2015,
Focus on Sectors	The Data City - a data as a service company providing unique, real-time industrial data on the most dynamic emerging economic sectors

We are grateful to SELEP for sharing the public access data used in the State of the Region Report. GNK takes responsibility for any errors or misrepresentations in this report.