

TONBRIDGE & MALLING BOROUGH COUNCIL
ECONOMIC REGENERATION ADVISORY BOARD

17 June 2019

Report of the Chief Executive

Part 1- Public

Matters for Information

1 ECONOMIC OVERVIEW OF TONBRIDGE AND MALLING BOROUGH

This report sets out an economic overview of the borough in order to demonstrate recent trends and to provide the most up-to-date statistics on the current performance of the local economy.

1.1 Background

1.1.1 From time to time, we report to the Board on the overall economic position of the Borough to keep Members informed of any emerging economic issues.

1.1.2 Over the past 15 years, Tonbridge and Malling has seen significant positive and negative changes – including inward investment at Kings Hill, the economic downturn in 2008 and the closure of Aylesford Newsprint in 2015. However, the local economy continues to perform well overall within the county-wide and national context. The statistics provided in this report provide the most up-to-date statistics on the performance of the borough across a range of economic indicators.

1.2 Economic Overview

1.2.1 The following is a brief analysis of the performance of the Tonbridge and Malling economy in comparison to Kent and Great Britain:

- **Economic Activity (2018):** The total number of people living in the borough aged 16-74 years is 91,700. Breaking this down into age groups, the largest number of economically active people are aged between 45 and 59 years of age. The number of economically active people drops off after 60, although with recent changes in legislation, the contribution made by people aged 60 and over is increasing.
- **Employment Rate (2017):** whilst there is variation between males and females, as well as different age groups, around 75% of Tonbridge and Malling residents aged 16-64 years are in employment. This is slightly lower than the Kent average, which is around 77%.

- **Unemployment Rate (2017):** changes in the unemployment rate in Tonbridge and Malling have broadly mirrored figures for Kent and Great Britain over the period 2001-2017, with a clear increase in 2008/09, a plateau between 2009 and 2012, followed by a steep decrease as the economy started to recover in 2012/13. Unemployment in Tonbridge and Malling has consistently been lower than that for the county and the country as a whole, ranging from 0.9-2.2%, with Kent 1.5-3.2% and Great Britain 2.2-3.8%.
- **Size of Firms (2018):** this data clearly shows that the economy of Tonbridge and Malling is predominantly made up of enterprises that employ 0-4 people (at 78.2% of all businesses in the borough). This is very similar to the situation for Kent (78.2%) and England & Wales (78.0%). Conversely, fewer than 0.5% of all businesses in the borough employ over 250 staff, again broadly reflecting the countywide (0.3%) and national picture (0.4%).
- **Employment by Industry (2017):** by far the biggest employer in the borough is wholesale and retail (including motor repairs), which accounts for around 19% of all jobs. This is followed by the education sector (8.7%), health and social care (around 8.3% of jobs); and construction (7%). Significant contributions are also made by professional, scientific and technical services (7.0%); manufacturing (6.1%); and finance and insurance (4.3%), which has grown hugely since the late 1990s as a result of the development of Kings Hill.
- **Qualification Attainment (2016):** around 35% of Tonbridge and Malling residents have achieved NVQ4+ (diploma/degree), yet this compares unfavourably in comparison to Kent (37%) and Great Britain (38.2%). However, in Tonbridge and Malling borough, only 5.3% of residents have no qualifications, compared to 7% across Kent and 8% across Great Britain.
- **Median Weekly Full Time Earnings – Workplace Based (2018):** these statistics illustrate that overall the median weekly full time earnings from jobs in Tonbridge and Malling (£547.70) is slightly higher than for Kent as a whole (£542.00), but lower than for Great Britain (£570.90) predominantly due to the influence of London.
- **Median Weekly Full Time Earnings – Resident Based (2018):** residents in Tonbridge and Malling have a higher earning power (£649.70) than is the case for Kent (£598.10) and Great Britain (£571.10) as a whole. This (together with the workplace statistics above) demonstrates that a significant number of Tonbridge and Malling residents commute outside of the borough (chiefly central London) to secure high earnings.
- **VAT and/or PAYE based Enterprises (2018):** this shows the business make-up of the borough is diverse, with a strong representation from professional, scientific & technical businesses (1,200); administration & support services businesses (570) and information & communication

businesses (515). Although there are 685 retail businesses in the borough, this equates to a smaller percentage of all businesses compared to that for both Kent and Great Britain.

- **Business Survival Rates (2017):** the statistics indicate that on average in the first three years of its life, a business set up in Tonbridge and Malling has a slightly lower chance of closing (39.4%) than on average for businesses in Kent (40.4%) and Great Britain (40.5%). If a business makes it successfully through its first three years, then the figures show that after five years the survival rates are also slightly better for Tonbridge and Malling based businesses on average than for Kent and Great Britain.

1.3 Comparison across West Kent

- 1.3.1 Although the information under section 1.2 provides some comparators with the picture across Kent and Great Britain, Table 1 also provides an overview of how Tonbridge and Malling Borough compares to Sevenoaks District and Tunbridge Wells Borough in order to provide an indication of how Tonbridge and Malling fares within the West Kent context.
- 1.3.2 One of the key findings from this overview comparison is that the economic performance of the district and boroughs in West Kent is relatively strong, with each area performing better than the others in specific aspects of the economy. For example, within West Kent, Tonbridge and Malling borough has the highest % of economically active residents, has the highest median weekly full time earnings (workplace based) and also has a higher output (Gross Value Added) than Sevenoaks District and Tunbridge Wells Borough. However, has a marginally higher unemployment rate and a lower 3 year survival rate.
- 1.3.3 Whilst Tonbridge and Malling Borough is home to a lower number of businesses than the other two areas, it also has a lower percentage of micro-businesses (those employing 0-4 people). Conversely, Tonbridge and Malling Borough has a higher number of businesses employing over 250 people.

Indicator	Tonbridge and Malling Borough	Sevenoaks District	Tunbridge Wells Borough
% Economically Active Population (aged 16-64) (2018)	83.2%	78.1%	82.0%
Employment Rate (2017)	74.6%	73.6%	82.9%
Unemployment Rate (2017)	0.9%	0.7%	0.8%
Output (Gross Value Added) (2016)	£3,690m	£3,204m	£3,047m

Number of Businesses (2017)	5,745	6,580	6,365
% firms employing 0-4 people (2018)	78.2%	79.5%	80.0%
3 Year Business Survival Rates (2017)	60.6%	61.9%	63.4%
Median Weekly Full Time Earnings (Workplace Based) (2018)	£547.70	£543.00	£536.20
Median Weekly Full Time Earnings (Resident Based) (2018)	£649.70	£580.50	£667.20

Table 1: Economic Performance of West Kent Boroughs and District

1.4 Legal Implications

1.4.1 There are no legal implications arising from this report.

1.5 Financial and Value for Money Considerations

1.5.1 There are no financial and value for money considerations arising from this report.

1.6 Risk Assessment

1.6.1 Not applicable.

1.7 Equality Impact Assessment

1.7.1 The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

Background papers:

None

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