

## KENT COUNTY COUNCIL

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### CABINET

MINUTES of a meeting of the Cabinet held in the Council Chamber, Sessions House, County Hall, Maidstone on Thursday, 3 March 2022.

PRESENT: Mr R W Gough (Chairman), Mrs C Bell, Mr D L Brazier, Miss S J Carey, Mrs S Chandler, Mr P M Hill, OBE, Mr D Murphy, Mr P J Oakford and Mrs S Prendergast

### UNRESTRICTED ITEMS

**1. Apologies and Substitutes**  
(Item 1)

There were no apologies for absence.

**2. Minutes of the Meeting held on 27 January 2022**  
(Item 3)

Resolved that the minutes of the meetings held on 27 January 2022 were a correct record and that they be signed by the Chair.

**3. Cabinet Member Updates**  
(Item 4)

1) Mrs Bell said the government had announced changes in the guidance for living with Covid-19. It was to be managed like other respiratory illnesses, while minimising mortality rates and maintaining the ability to respond if a new and potentially more dangerous variant emerged. The 4 key elements of living with Covid-19 were: removing domestic restrictions and encouraging safer behaviours through Public Health advice, protecting people who were the most vulnerable, maintaining resilience through ongoing surveillance and contingency planning, and securing innovations and opportunities from the Covid-19 response.

In terms of the local response to the new guidance, it was confirmed that the two test centres at Ashford and Maidstone were to close on 31 March, with a phased reduction of opening hours based on usage from 4 March.

On 2 March, the first Kent Care Summit was held at Detling Showground and over 300 people attended, in person and virtually. Thanks were given to Gina Walton and team for the organisation of the event. The Summit was opened by the Leader of KCC and delegates heard powerful and moving accounts from people with lived experience of social care. A panel of local and national representatives, including the Director General for Adult Social Care at the DHSC, the Chief Executive of Kent and Medway NHS Integrated Care System and the Head of Inspection at the Care Quality Commission shared their thoughts and views and took questions on a variety of issues.

Mrs Bell introduced the afternoon session at the Summit where delegates were split into small groups to discuss 5 key changes which had been identified to address the many challenges and how the future of social care could be shaped. The 3 main themes which emerged from the day were: support for carers, being person-centred and workforce recruitment and retention.

Feedback from the day was being collated and evaluated and would be put into an action plan and it was felt there was a recognition and understanding of the challenges and the need to work together. There was a huge amount of energy and commitment to making the changes necessary to deliver care in the future.

2) Mrs Chandler said there had been substantial progress in the completion of educational psychology assessments within SEND. At the beginning of September 2021, there had been a considerable number of historic referrals from the previous academic year on the waiting list. All children who were referred for Education, Health and Care Needs Assessment in 2021 had been allocated to an Educational Psychologist and children referred in February 2022 were now being allocated. In order to address the provision of education psychology assessments for children on the waiting list and new referrals there had been a small dip in the timeliness of reports but it was expected that this would be back on track soon.

The 27<sup>th</sup> Try Angle Awards ceremony was to be held on 20 March. The scheme had been running for a long time and the Awards ceremony was an uplifting and motivated experience.

3) Mrs Prendergast said that the top priority over the last few weeks had been SEN Transport which was to be discussed at Agenda item 6.

Tuesday 1 March was National Offer Day for secondary school places. A total of 18,311 Kent parents/carers applied for a place for their child in a school for September 2022 - the highest number of Kent applications ever seen. 79.6% of Kent families were offered a place at their first preference school - an increase just shy of 10% on last year. While last year's results were affected by the increased number of preferences parents were offered due to COVID, this year's results still exceeded the 77.7% achieved for the 2020 intake. Overall, 95.4% of families were offered a school of preference, maintaining the same level as last year – despite an increase in numbers.

Unfortunately, there remained a small proportion of families without a school of their preference - all pupils, however, had been offered an alternative school. Unfortunately, fewer than 8% of these parents made full use of their preferences to name eligible schools - which significantly limited KCC's opportunity to offer them a school of their preference. Kent's process was to continue to provide opportunities to secure alternatives before the start of the new school year. Parents were advised to read their offer letter, which explained how these ongoing processes work. KCC staff members were ready to speak to parents and carers to answer any questions as well as offer information, advice and support.

Kent had seen an increase in the number of disadvantaged children securing a Grammar assessment through the Kent Test. On National Offer Day, while the whole cohort figures for securing a grammar school places saw a small reduction (42.6% compared to 42.8% for 2021 intake), 25.8% of tested FSM pupils secured a grammar

school compared to 23.9% last year. Similarly, 26.4% of tested Pupil Premium children were offered a Grammar school compared to 25.1% last year.

Following further negotiation, all Kent Grammar schools had agreed to include priority for Pupil Premium pupils in their oversubscription criteria. This news was very welcome.

Through the Reconnect Programme, Invicta National Academy had been commissioned to deliver a full-scale Home Study Support offer accessible to all pupils in Years 5 and 6 at primary schools and all KS4 (GCSE years) pupils at secondary schools. The Home Study Support, launched on 28 February, gave virtual access to a qualified teacher two evenings a week and was to operate throughout term time in terms 4, 5, and 6.

The Reconnect Programme had also commissioned Salus to deliver its fully evaluated "A for Attendance" programme in secondary schools across the County. This was a school-based programme, working with small groups of pupils referred by their school because their attendance falls below 90%. Salus was to work closely with the participating schools and the Pupil Referral Unit, Inclusion and Attendance service.

Visit Kent had launched a brand-new project which aimed to support Key Stage 2 (KS2) teachers to deliver a series of engaging lessons to help fill the gaps in learning left by the COVID-19 pandemic and reconnect children to their local areas. The 'Lesson in a Box' project, designed carefully as part of the Reconnect programme, was to provide a packed learning resource to KS2 teachers across the county filled with everything needed to deliver a six-module lesson. It offered a fun and exciting way for pupils to develop their knowledge about historic places on their doorstep, as well as valuable skills such as team-working and persuasive writing. It was hoped KS2 teachers would be quick to take advantage of this wonderful and unique opportunity.

4) Mr Brazier said that much work had been done around the Kent Travel Saver and supported buses following the agreement of KCC's Budget. He had made a number of appearances on television and on radio. He had spoken on BBC Radio Kent about the council's decision to waive fees permitting road closures to facilitate street parties in celebration of Her Majesty, The Queen's 70 years on the throne.

On 1 February, Mr Brazier accompanied the Leader and Deputy Leader to Thanet Parkway Station which was under construction. The station on its embankment was largely completed as the pilings, the platform and access towers had been constructed. The building was to be completed in large part in May 2022, although the reconstruction of the level crossing at Cliffsend was to delay its commissioning until May 2023. He had met with the Leader and the Chief Executive of Thanet District Council (TDC) a few days prior to the site visit and TDC eagerly awaited the opening of the station and the economic and travel improvements it would bring to the area.

On 2 March, Mr Brazier went to the offices of Dover District Council (DDC) and with KCC's representatives and representatives of Colas, the principal contractors,

witnessed the DDC Leader turning the first sod in the Fasttrack network which was to be completed by autumn 2023.

Following the Budget, Mr Brazier was looking forward to the additional swathe cut on highway verges which was to enhance biodiversity and encourage bees and other pollinators.

5) Miss Carey said that Plan Bee had been named positively by Tracey Crouch, MP in a parliamentary debate. Plan Bee had led to a difference in KCC's work and a budget commitment had been made to make more wildlife corridors on rural swathes. Following the success of Plan Bee, the next stage in the work on the natural environment was 'Plan Tree'. It was to go out to Public Consultation in March 2022. Thanks were given to all the staff in Environment and Waste Teams. Work was ongoing to deliver solar parks and it was felt that recent events had highlighted the real need for energy resilience and security. It was felt that more solar energy would be part of building energy resilience. It was felt that Kent and Dungeness would make a good location for modular nuclear reactors.

6) Mr Murphy said the National Empty Homes Week 2022 was marked in Kent by the news that KCC's No Use Empty Initiative (NUE) had passed its record for the number of projects carried out in the fiscal year. This coincided with news that the scheme had been awarded a further £2.5 million from the government's Growing Places Fund to boost the cash available to bring more empty properties back into use. Delivered by KCC in partnership with all 12 district councils and Medway Council, NUE provided a model which could be replicated offering financial assistance alongside advice and guidance. Its coordinated approach had brought 7256 empty homes back into use through a range of interventions. Thanks were given to Steve Grimshaw and his team for their work on NUE.

Brompton Bicycles were to build a revolutionary and sustainable factory in Ashford on wetland near the designer outlet. The factory was to open by 2027 with the aim of producing 200,000 bicycles a year. Initially, the factory was to employ 1500 staff and once fully operational, the factory was to employ 4000 people. Brompton Bikes had pledged to work with Kent universities, schools and colleges to develop a skilled workforce. The wetlands park was to be incorporated into the development.

Grow Up Farms, a producer of high-quality salads was to build a vertical farm at Discovery Park, Sandwich. Salads were to be grown on racks inside, using 90% less water and without the need for pesticides and the farm would be powered by renewable energy. It was a sustainable enterprise and 40 people would be employed.

There was a meeting with Damian Collins, Rolls Royce and the leader of Folkestone and Hythe District council, David Monk, regarding the future of Dungeness. Development of the site offered significant opportunities to the area and economy of Kent.

7) Mr Hill said on 16 February, the Civil Society Strategy was launched. KCC had worked very hard to improve relationships with the voluntary and social sector and the structure was now in place as to how to work together and how to support each other. He looked forward to the full implementation and thanks were given to officers for their work on the Civil Society Strategy.

Millie Knight from Canterbury and James Barnes-Miller from Broadstairs were selected to take part in the Winter Paralympics. It was Millie's third Paralympics and KCC Members wished them both good fortune.

8) Mr Sweetland said the lifting of Covid-19 restrictions had caused a knock-on effect on the local tracing partnership, which was being wound down. Some Agilisys call centre staff had moved to other jobs and others were going to work in KCC's Contact Centre. All of the information from the Prime Minister's announcement had been put on KCC's website.

Managers in the Contact Centre had boosted staff numbers for the weekend of Storm Eunice. Thanks were given to front line staff for their work over a difficult weekend.

9) Mr Oakford said he was looking at the war in Ukraine and how it impacted on KCC and its companies. Actions had been taken to make sure KCC was not funding through procurement Putin's war. A review of the supply chain and procurement activity through KCC had been requested and it transpired there were no contracts or dealings with Russia. However, very few cases in the energy market were found and any new transactions had been stopped.

There were concerns about cyber security and an increase of attacks on KCC's network. Having spoken to the appropriate people, Mr Oakford had been assured the situation was being monitored closely and he, the Leader and David Cockburn were being provided with regular updates.

The impact on the KCC Budget from inflation and increased cost of procured products was being looked into and monitored. The importance of the actions that were taken as part of the Budget process had been highlighted and making sure there was the right level of reserves and emergency reserves. Reserves would be needed in the coming months and years,

10) Members noted the need to differentiate between the actions of the Russian state and Russian individuals living in Kent or in Russia.

#### **4. Revenue and Capital Budget Monitoring Report - December 2021-22** *(Item 5)*

*Zena Cooke, Corporate Director, Finance was in attendance for this item.*

1) Mr Oakford introduced the report. The report was based on the position in December 2021 and the forecast revenue position, excluding schools and Covid-19, was a £13.9 million overspend. This was an improvement from the previous monitoring report presented to Cabinet. There was decrease of £4.6 million as there was a forecast underspend from Growth, Environment and Transport directorate. Both Adult Social Care and Children's Young People and Education directorates continued to forecast significant overspends. £10 million had been set aside in a specific reserve for expected pressures; anything above this would need to be met from other reserves, which would add to the pressure on the 2022-23 Budget and would weaken KCC's financial resilience. Reserves would need to be replenished in

future years. Continued urgent action was required to address the overspend to ensure a 'breaking even' point by the end of the financial year.

The reported Covid-19 position showed a forecast spend of £36.7 million. There was a corporately held Covid-19 budget of £16.1 million and the remainder of the spend was to be met from the emergency Covid-19 reserve. Work was ongoing to establish which costs were to continue into future years.

KCC set a savings target of £39.4 million to be delivered in 2021-22, of which £30.3 million were forecast to be delivered. This was approximately a £9 million shortfall of savings forecast for the financial year.

KCC's earmarked and general reserves were forecasting a net draw down of £59.1 million. The draw down reflected the use of the emergency Covid-19 reserves and impact of the forecast overspend if it was not reduced by the end of the financial year.

The capital forecast showed an underspend of £144.3 million, of which £146.3 million was related to re-phasing. It was hoped with the 10 year programme, the re-phasing would not be seen in such numbers. There was a £2 million real overspend in capital spending.

The schools' delegated budgets had reported a £54 million overspend which reflected the impact of high demand for additional SEN support and high cost per child for high needs placements. The predicted deficit for the High Needs Budget had increased by £49 million during 2021-22. The high needs deficit was the single most significant financial risk for KCC.

The Treasury management position was consistent with regular reports made to the Governance and Audit Committee.

2) Mrs Cooke said KCC's gross expenditure is £1.8 billion, of which £1.3 billion related to directly procured goods and commissioned services. Therefore, KCC was exposed to inflation risks arising as part of general inflation rises but also as a result of world affairs. KCC already had some challenging targets in the Budget in relation to inflation and the further impact of inflation would need to be watched carefully. KCC's financial resilience had been strengthened to withstand inflationary increases and other price pressures. KCC had around £8 million spent on energy costs on KCC's estate and highway infrastructure. KCC was to continue exploring options around short-term stability on energy prices, with some progress already made via LASER (part of KCC's Commercial Services) and would continue working on activity to manage energy price increases in the future. Less than £500,000 was spent on fuel. While KCC's direct spending on energy was relatively small, there would be an impact on supply chains from rising energy and fuel costs. This would include social care providers, bus companies, waste haulage contractors and highways contractors.

Inflation would have a significant bearing on KCC's capital costs. In terms of financial resilience, KCC's general reserves were 5% of the net revenue budget (approximately £60 million) and these were required to be held for unforeseen circumstances. Just an additional 2% on £1.3 billion on the procured and commissioned services would increase spending by £26 million. If prices were to escalate there were areas of spending that would need to be looked at to constrain

the impact of prices. KCC had a strong record of sound financial management and close monitoring would be continued.

3) In response to a question from the Leader, it was noted:

- The reduction in the overspend from the previous report to Cabinet was as a result of an underspend in GET due to favourable recycling prices and additional permit and street-work income.
- Any projected reduction in outturn was welcome but unfortunately, in other areas the overspend had remained static.

4) RESOLVED to note and agreed the recommendations as outlined in the report.

## **5. SEND Transport**

*(Item 6)*

*Simon Jones, Corporate Director, GET; Matt Dunkley, Corporate Director, CYPE; Vicky Evans, Operations Manager and Alison White, Chair of Trustees of Kent Parents and Carers Together (PACT) were in attendance for this item.*

1) Ms Evans said she and Ms White had worked tirelessly across Kent on the issue of SEND transport. The issues relating to SEN transport were countywide and affected a large number of children. Moving forward, parents needed to have faith that KCC would provide a more than adequate service. Some parents of SEN children affected by the problems had not been able to go to work or had to make a choice between their child being transported to school by taxi or paying for utilities.

It was reported that there had been oversights to the physical needs of children needing transport. Huge gap in communications- people were urged to email an address or use a telephone number but there were no communications in response.

Parents had reported the uncertainty had impacted on half term. Kent PACT had been placed in difficult position as a buffer.

2) The Leader said that he had received the messages and for many families, half term was not half term- the situation facing families was understood. Thanks were given to Ms Evans and Ms White for setting out what had happened so clearly.

3) Mr Brazier said GET had assured parents, carers and PACT that all those receiving SEND transport on 7 December 2021 would have details of their future provision by 11 February 2022. It became clear just before 11 February, that something was wrong and that some families had not and would not be advised as was thought. Mr Brazier met with officers and Cabinet colleagues on 14 February and it was established that many families had not had transport allocated to them. A full audit had been commissioned so that lessons could be learned and to avoid a recurrence in the future.

4) Mr Jones said that it was recognised that the delivery of re-tendering work had become protracted and delayed beyond the completion dates that had been identified. The programme had fallen below the standard KCC sought to and expected to achieve. It had resulted in pupils not being allocated transport for the beginning of term in the middle of February 2022. Apologies were given to all the

parents, carers and pupils affected. Transport had been allocated to all those considered within the tendering process and KCC was actively addressing those children who had become eligible for transport since 7 December 2021. The urgent enquiries regarding the suitability and other particular aspects raised by parents and carers were being addressed. KCC was committed to support a review and will seek to establish a plan of continuous improvement to not only prevent a recurrence but also to provide improved performance operationally in the future.

5) Mr Dunkley said KCC was a large and complex organisation and that when things go wrong, there was a wide impact. There was a lesson for KCC around co-production with parents and Mr Dunkley regretted that good work building trust with parents by PACT had been undermined by the issues around re-tendering of the SEND transport. Large numbers of children and their families had undergone a difficult time as a result of the issues and lessons had to be learned from mistakes made.

6) Mrs Prendergast said it was important to acknowledge the pain that families had experienced. The review that officers were looking to commission was welcomed and it was important that there was not a recurrence of the issues.

7) Mrs Chandler thanked PACT for their work over the preceding fortnight and in the wider SEND agenda. Mrs Chandler said that Ms Evans and Ms White's comments about individual families had resonated with Members. Their request to be included in what happens going forward had been noted.

8) Mr Sweetland thanked Ms Evans and Ms White for their attendance at the meeting. It was noted that Mrs Prendergast had apologised in the media.

9) The Leader said it was important to acknowledge what had happened and reiterated the apology to those affected. An independent review was to be commissioned by KCC's Statutory Officers. The aim was ongoing service improvement but further steps were to be taken in due course informed by the review.

10) RESOLVED to note the update.

## **6. Levelling Up- The UK White Paper**

*(Item 7)*

*David Whittle, Director of Strategy, Policy, Relationships & Corporate Assurance was in attendance for this item.*

1) Mr Whittle presented the attached presentation regarding Levelling Up - The UK White Paper.

2) Further to questions from Members, it was noted:

- District councils were involved with the Levelling Up agenda and through the Levelling Up Fund, the Towns Fund, the UK Shared Prosperity Fund the government had placed a strong emphasis on district councils in terms of 'local Pride in Place' work such as high street regeneration.



- The White Paper set the expectation that the government's interactions would be with one body, the upper tier authority at a strategic scale. Kent's MPs would need to communicate Kent's needs and advocate with regard to Levelling Up and also MPs' role in delivering place based agendas was to be strengthened.
- The White Paper was explicit in that its preference for the unitary structure for local government. However, it was acknowledged that county councils continued to have a place due to the way they delivered people-based services.
- It was emphasised that KCC would need to articulate the differences between the county and its neighbours in the south east. It was felt that there was a synergy with some of the work already being done by KCC.
- There were very few 'hard' timeframes included within the White Paper. The ambition was set out that all local authorities that wanted a devolution deal would have this by autumn 2030. Some of the ambitions set out were to be achieved by autumn 2022. The delivery targets for some of the ambitions would be in the medium term and in some cases, longer.

3) The Leader said the system changes discussed, both at the level of national government and its configuration, as well as various iterations of devolution were the most radical elements of the White Paper.

If the current government achieve the thinking in the White Paper, it would be desirable for this to become embedded and it would amount to a significant change if it took place. KCC was to focus on what was important for Kent and Kent's role in the south east would need to be pushed. There was a focus on the role of county councils with the Levelling Up agenda. The Levelling Up agenda tied in with work KCC had done on the priorities in the strategic statement and would be building on what was already being done.

4) RESOLVED to note the presentation.

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# The Levelling Up White Paper

KCC Cabinet

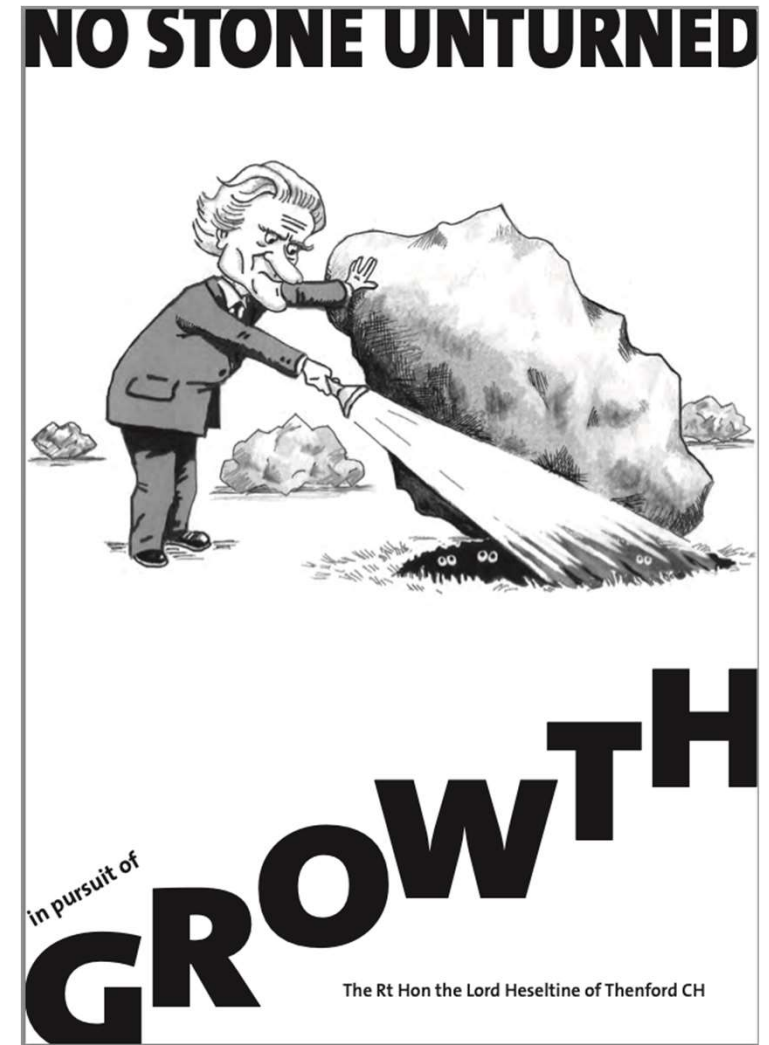
3 March 2022



# Background

- Levelling Up White paper is a **central plank of the Conservative 2019 election manifesto** - delayed by response to Covid-19 pandemic
- Important to see the White Paper as a **continuation of previous Governments attempts to tackle regional economic and social disparities** in UK
- In more modern times, that can be **traced back to the intervention from Michael Hesaltine post Liverpool riots** in the early 1980s
- To the **New Labour Governments regional focus** on economic development policy through Regional Development Agencies and aborted elected Regional Assemblies
- To the most recent Conservative/Coalition Government under George Osborne / Greg Clark agenda for **regional devolution delivered through City and Devolution Deals**
- Indeed, the structure of the Levelling Up White Paper bears an uncanny resemblance to the structure of the **Michael Heseltine's 2013 Treasury sponsored review 'No Stone Unturned – in pursuit of growth'**
- The devolution policies within the Levelling Up White Paper **begin to shape and codify the Prime Ministers commitment to County Deals** made in July 2021

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# The structure of the White Paper

- Not only is the subject matter complex – the **structure of the White Paper is also convoluted**
- Over **300 pages long** - reportedly edited down from over 450 pages according to media reports:
- Essentially the **White Paper is in 3- parts:**
  - **Part 1:** A detailed historical and economic analysis of regional economic and social disparities
  - **Part 2:** Is a historical and public policy analysis of why public policy regimes/interventions succeed or fail and sets out a new policy regime for UK Government
  - **Part 3:** Detailed policy programme for Levelling Up

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<b>6</b>	<b>'Capitals'</b> Drivers of growth that provide a framework for analysis
<b>5</b>	<b>Pillars</b> of Government activity
<b>4</b>	<b>Overarching objectives</b> defining the big ambitions
<b>12</b>	<b>Missions</b> with targets to guide activity

### Physical Capital

*Infrastructure, machine, housing*

### Human Capital

*Skills, health, workforce experience*

### Intangible Capital

*Innovation, ideas, patents*

### Financial Capital

*Financial resources, support*

### Social Capital

*Community Strength*

### Institutional Capital

*Local leadership, capacity, capability*



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### 'Capitals'

Drivers of growth that provide a framework for analysis

- White Paper argues that rather than solely focus on either physical or financial capital as in more traditional economic analysis, a more holistic or place based approach is required – hence the six capitals identified
- Gaps in the six 'capitals' leads to worse outcomes due to low productivity, lower quality of life, lack of community, local pride and lack of local leadership and agency in local places
- The capitals are mutually inclusive, in that are interrelated and drive each other. A deficiency in one can drive a gap in others. All six capitals need to be addressed to successfully achieve levelling up

A mission-orientated approach to setting policy

A reorientation of central government decision-making

Greater empowerment of local government decision-making

A revolution in data and transparency at the sub-national level

Enhanced transparency and accountability



5

**Pillars**  
of Government activity

- White Paper argues that previous Government policy approach have failed because they are too short term, not sufficiently coordinated, too centralised, weak in evaluation with limited transparency and accountability.
- The 5 Pillars are the goals of a new Policy Regime across the whole of Government which strengthen / realign government approach to policy making against these weaknesses. It goes into some details about how policy making in central government will be rewired to support levelling up.

Boost productivity, pay, jobs and living standard by growing the private sector, especially in places where they are lagging

Spread opportunities and improve public services, especially in those places where they are weakest

Restore a sense of community, local pride and belonging, especially in those places where they have been lost

Empower local leaders and communities, especially in those places lacking local agency

- The overarching objectives are borne out of the White Papers analysis of regional/spatial inequalities in the UK as seen through the prism of the six capitals
- They anchor the 12 missions intended to guide policy making and government strategy in the medium term



4

**Overarching objectives**  
defining the big ambitions



By 2030, pay, employment and productivity will have risen in every area of the UK

By 2030, domestic R&D outside the Greater SE will increase by at least 40%

By 2030, local public transport connectivity will be significant closer to the standard of London

By 2030, the UK will have nationwide gigabit-capable broadband and 4G coverage, with 5G coverage for the majority

By 2030, the number of primary schoolchildren achieving the expected standard in reading, writing and maths will have increased

By 2030, the number of people successfully complete high quality skills training will have significantly increased

By 2030, the gap in Healthy Life Expectancy between local areas will have narrowed

By 2030, wellbeing will have improved in every area of the UK

By 2030, pride in place will have risen in every area of the UK

By 2030, renters will have a secure path to ownership, with first-time buyers increasing in all areas

By 2030, homicide, serious violence and neighbourhood crime will have fallen

By 2030, every part of England that wants one will have a devolution deal



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## Missions with targets to guide activity

- Missions are intended to provide consistency, clarity and longevity to Government priorities and provide systemic challenge across the public, private and community policy spheres.
- *“As a policy tool, missions are distinct from delivery targets. Missions are intended to precipitate systems change through cooperation across the public, private and voluntary sectors, rather than acting as a mechanism for holding the government to account.*
- *This is reflected in mission design: mission end dates are far enough into the future that they are aspirational, with responsibility for delivery resting with a range of governmental and non- governmental actors”*

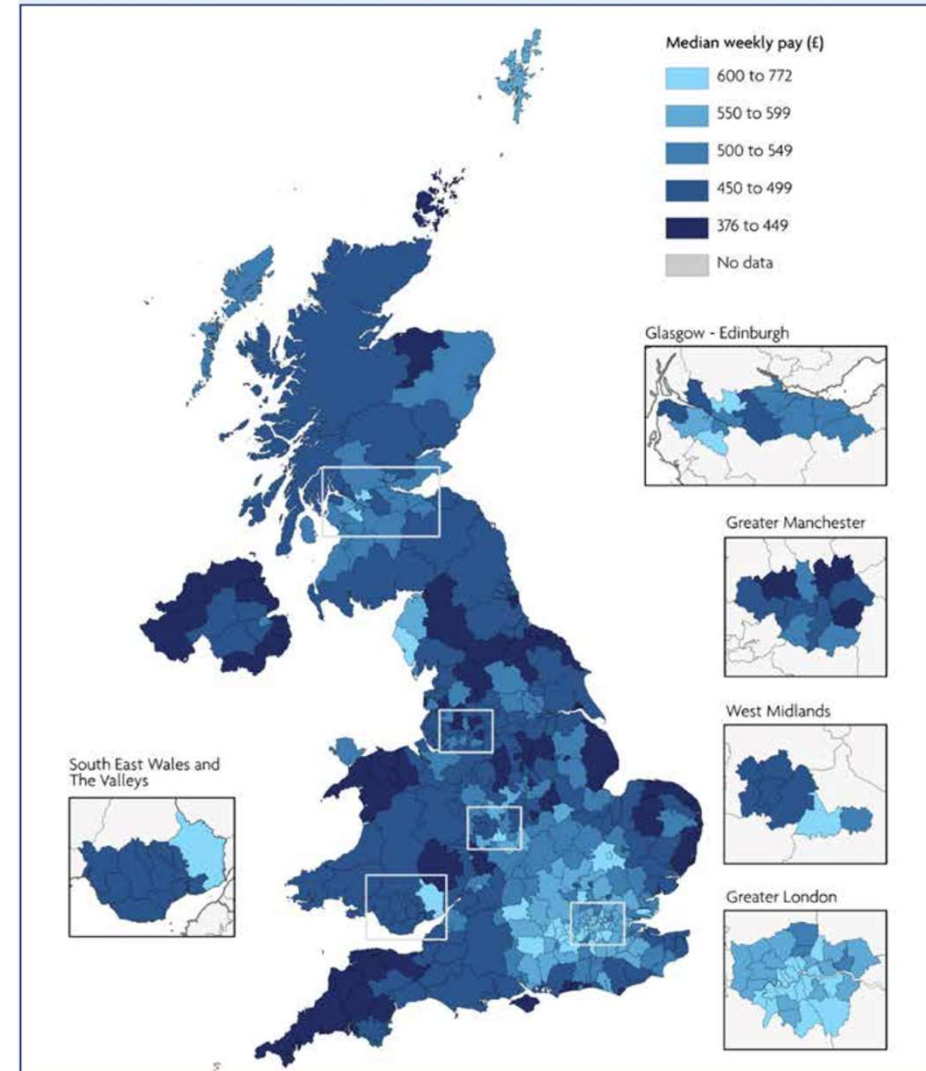
# Commentary

- The White Paper **provides clarity on what 'Levelling Up' means in practice and at a place level** – this should not be underestimated given how unclear it was as an election pledge
- Welcome recognition through the five pillars of Government activity that **there are very significant gaps in the capacity, knowledge and focus of central government** that inhibit Levelling Up
- The proposals to address these gaps, if achieved, **would be a genuine transformation of the centre of government**, that would see local government more genuinely able to shape national policy to meet local need
- The White Paper also provides **a substantive and coherent analysis of the historical and structural drivers of regional/spatial inequality** – that goes beyond traditional economic models
- However, by using the six capitals as the prism by which Levelling Up is considered, it also **broadens the scope of the White Paper to include almost anything**
- So as a framework for shaping specific **policy and policy interventions, in and of itself, it is quite weak**
- This explains why there is such a **strong focus on future legislation, white papers and already announced policy interventions**
- The litmus test is **whether the White Paper now shapes and frames future policy announcements** across all Whitehall Departments
- Whilst the Secretary of State may have the force of personality to drive that agenda, **traditionally, DLUHC has been one of the weaker departments** with limited capacity and influence, they will need wider support from across Government, particularly HM Treasury

# Kent's relative position

- Income – much of East Kent median gross weekly pay is below the wider Kent and South East average, but strong on M20/HS1 corridor

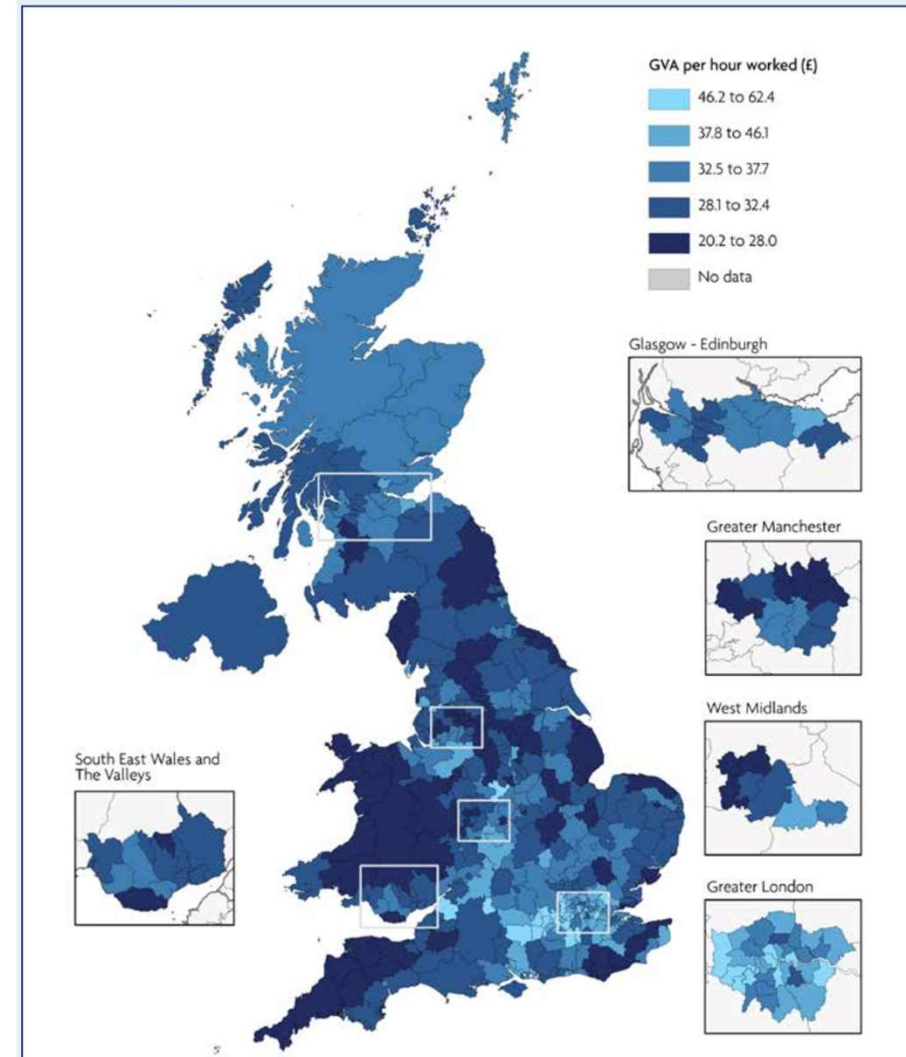
Figure 1.5 Median gross weekly pay (£) for all employee jobs, UK local authorities, 2021



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- Income – much of East Kent median gross weekly pay is below the wider Kent and South East average, but strong on M20/HS1 corridor
- **Kent suffers lower level of Gross value added (GVA) per hour worked compared to wider South East average, but some residual stronger performance is Eastern coastal districts**

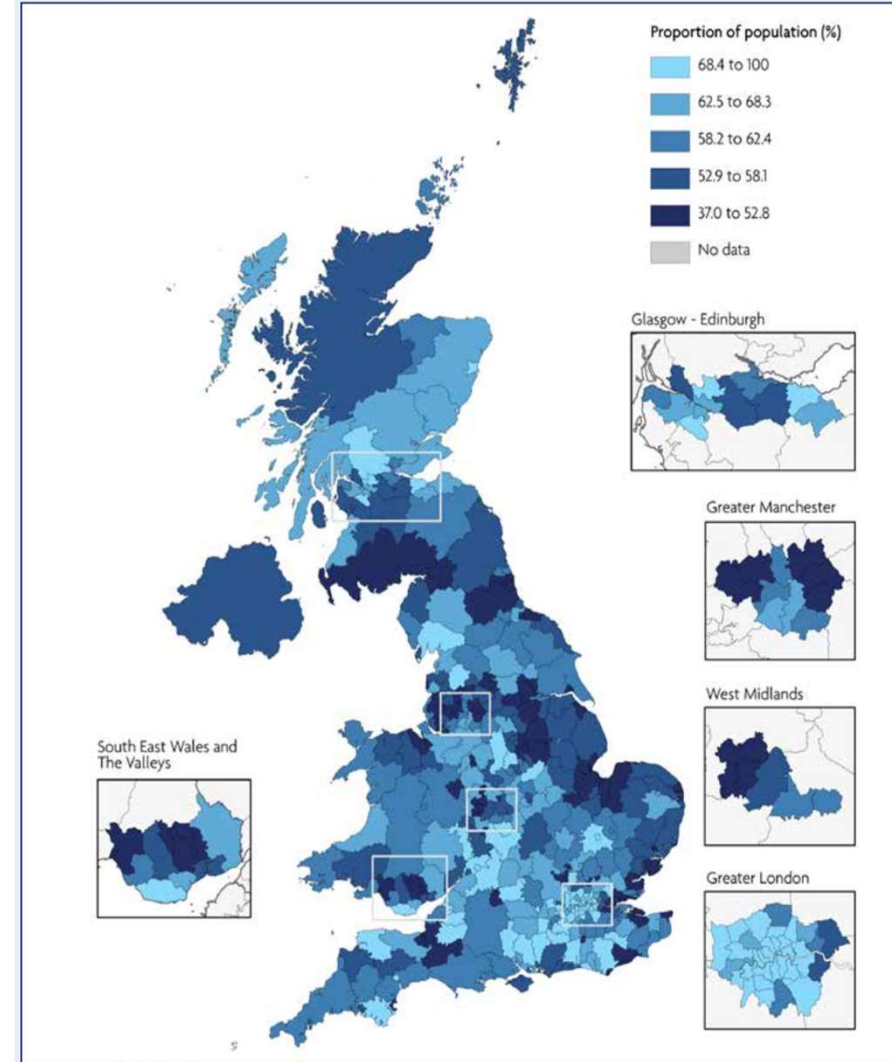
Figure 1.3 Nominal (smoothed) GVA per hour worked (£), GB local authorities and Northern Ireland, 2019



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- **A variable picture in regard to skills (level 3+ qualifications). Kent below the wider South East average but masks significant differences within Kent. Swale and Thanet particularly weak compared to stronger performance in West Kent**

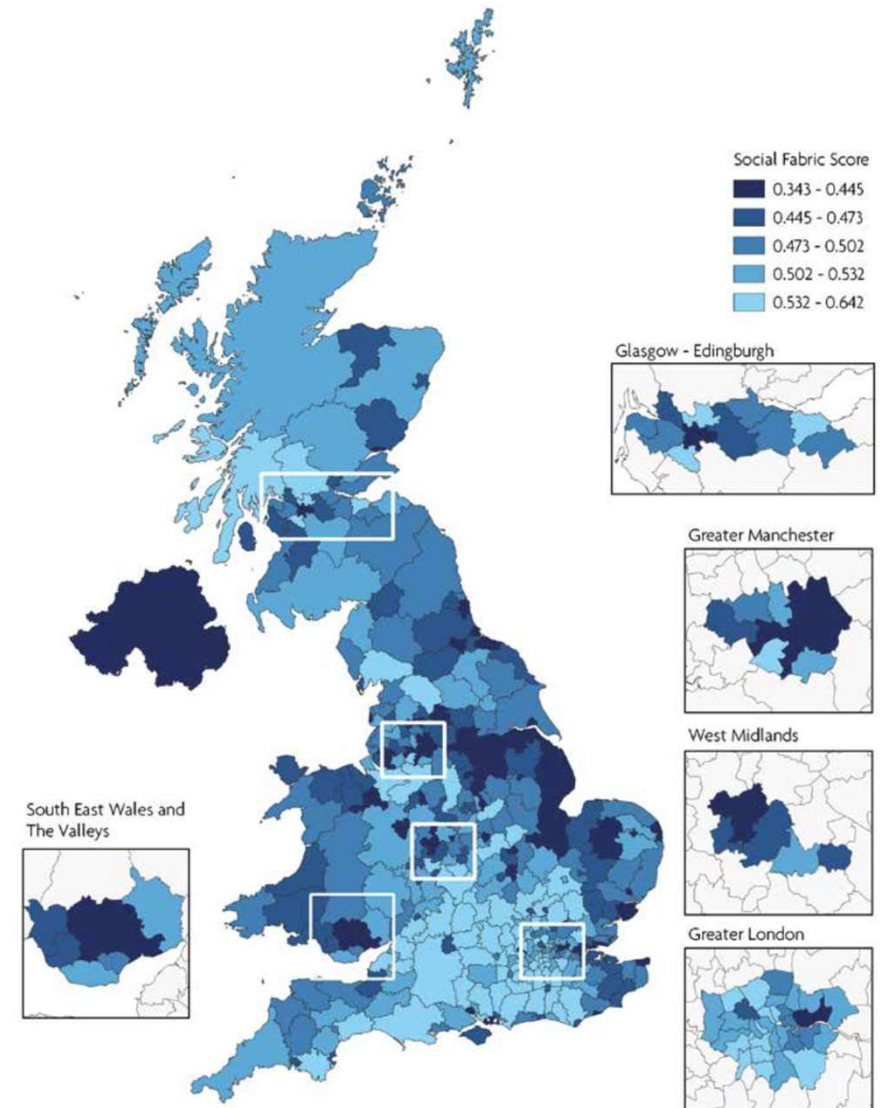
Figure 1.7 Proportion of the population aged 16-64 with level 3 + qualifications by local authority, UK, 2021



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- Kent suffers lower level of Gross value added (GVA) per hour worked compared to wider South East average, but some residual stronger performance is Eastern coastal districts
- A variable picture in regard to skills (level 3+ qualifications). Kent below the wider South East average but masks significant differences within Kent. Swale and Thanet particularly weak compared to stronger performance in West Kent
- **Social capital measures (e.g. Onward Social Fabric Score) show Kent behind the London and South East regional scores, with Kent sharing similar as other coastal regions (e.g. East Anglia, Lincolnshire)**

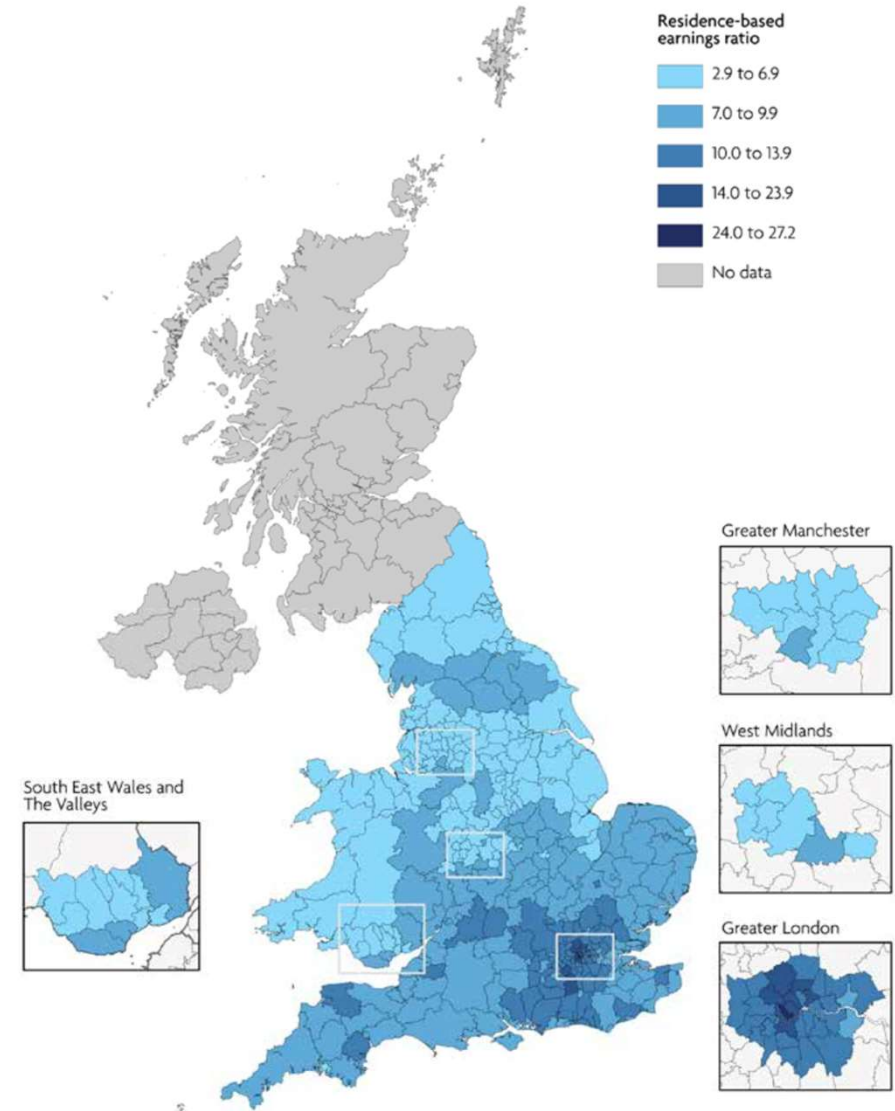
Figure 1.60 Onward Social Fabric Score, GB local authorities and Northern Ireland, 2020<sup>216</sup>



# Kent's relative position

- Income – much of East Kent median gross weekly pay is below the wider Kent and South East average, but strong on M20/HS1 corridor
- Kent suffers lower level of Gross value added (GVA) per hour worked compared to wider South East average, but some residual stronger performance is Eastern coastal districts
- A variable picture in regard to skills (level 3+ qualifications). Kent below the wider South East average but masks significant differences within Kent. Swale and Thanet particularly weak compared to stronger performance in West Kent
- Social capital measures (e.g. Onward Social Fabric Score) show Kent behind the London and South East regional scores, with Kent sharing similar as other coastal regions (e.g. East Anglia, Lincolnshire)
- **Kent house prices remain relatively affordable relative to earnings compared to the wider South East average, with exception of Sevenoaks and Canterbury**

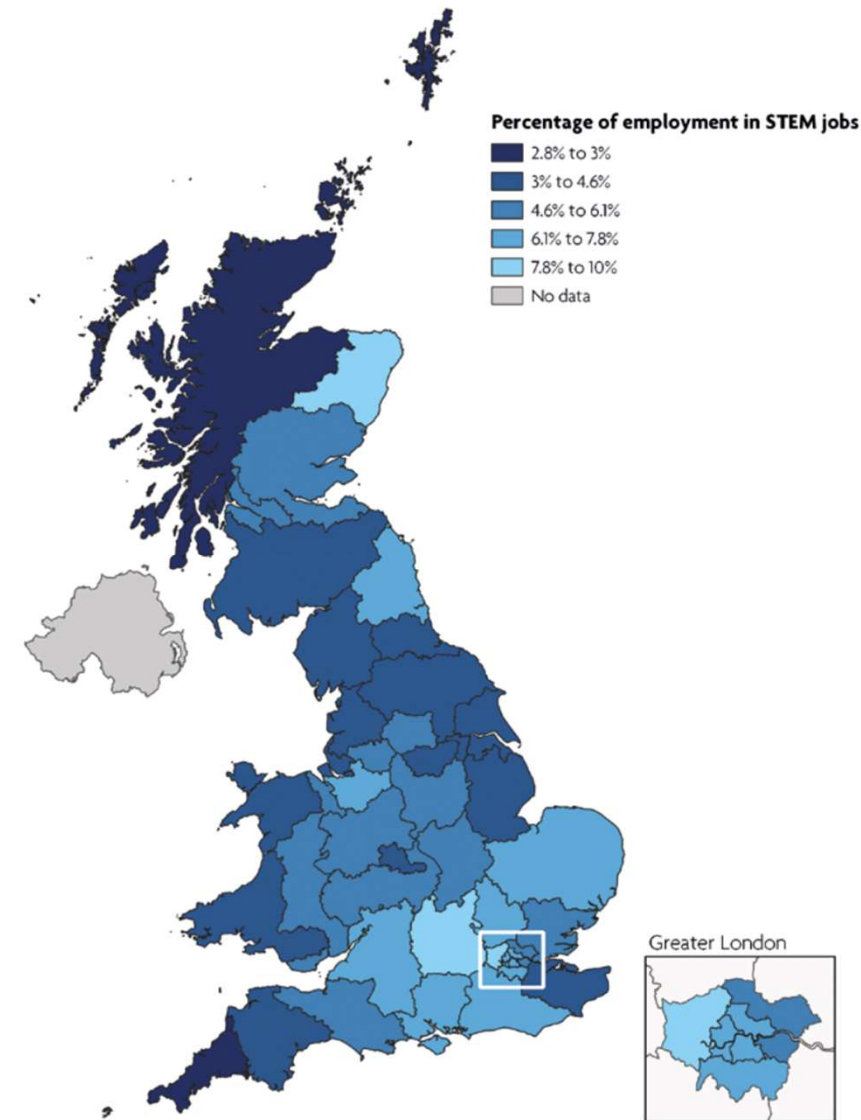
Figure 1.48 Ratio of house price to residence-based earnings, England and Wales local authority districts, 2020<sup>192</sup>



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Figure 1.55 Percentage employment in STEM jobs, UK ITL2 subregions, 2019<sup>207</sup>

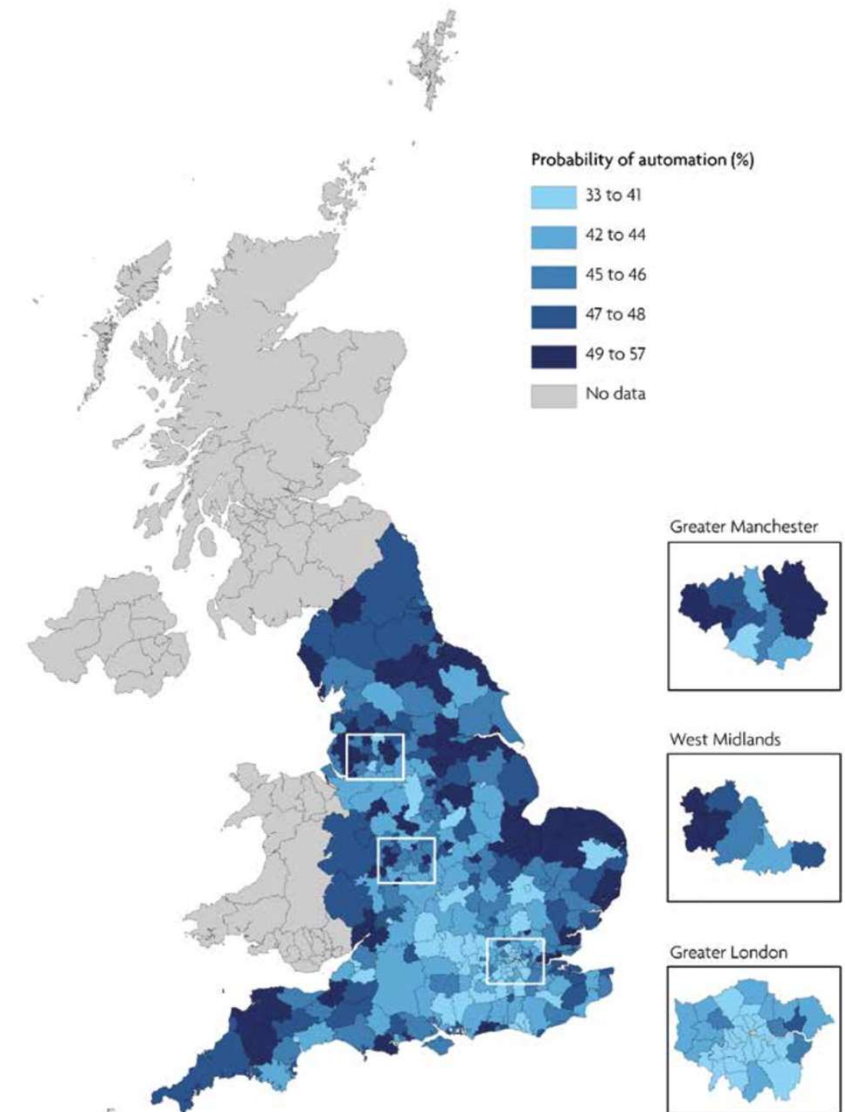




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- **Compared to London and South East average, Kent has a higher percentage of jobs at risk of automation, particularly focused in Thanet, Ashford and Swale**

Figure 1.35 Proportion of jobs at high risk of automation, England local authorities, 2017<sup>143</sup>



# Commentary

- As noted earlier, a particular strength of the White Paper is the **quality of its analysis of regional/spatial inequalities**
- **It moves the agenda beyond a narrow focus on Cities and City Regions** which has characterized the issue since 2010
- The **need to strengthen sub-national data collection and analysis** to underpin both national and local policy is particularly welcome
- **Kent Analytics are undertaking detailed research** on position of Kent against the wider range of indicators in the White Paper – we will have a strong foundation to understand and articulate Kent’s Levelling Up needs
- The technical appendix accompanying the White Paper and the commitment to an annual national report on progress of Levelling Up being reported to Parliament **feels like a first step towards a new national assessment framework**
- From the data included in the White Paper it is clear that Kent faces a significant Levelling Up challenges regarding its relative position against the South East regional average
- And individual **Kent Districts face challenges to close the gap** to the Kent average on some indicators
- **‘Aggregation to the mean’ is a significant problem** as Kent’s Levelling Up needs can be hidden in aggregated Kent and South East regional level data
- Challenge will be to highlight to Government that **Kent’s Levelling Up needs are more akin to a county outside the South East** of England, rather than one within it
- Especially challenging when **implicit focus of White Paper is on policy interventions outside of the Greater South East**

# *A smorgasbord* of policy announcements

- UK Government to **further review its formula-based spending** to ensure it is targeted where most needed.
- Creation of **new regional Levelling Up Directors**
- A requirement **for public bodies to reduce geographical variations in the outcomes relevant to their business** area
- Government will set out a plan for streamlining the funding landscape
- A new **Leadership College for Government** to be made available to local government executives, in particular local authority chief executives
- Local Government Pension Scheme (**LGPS**) **asset pools to publish plans for increasing local investment**
- **Transition to Net Zero** - strong focus on hydrogen, offshore, nuclear, green public transport and decarbonising buildings and drivers of higher level skills and growth in green economy
- **Reform of funding and accountability of further education** – continued drive from supply to demand led FE system
- **Integration of Local Enterprise Partnerships with local government** through devolution
- Proposal to streamline funding pots that local government accesses resources – including **prospectus for UK Shared Prosperity Fund**
- **Enhanced role for Homes England** in working with local places and leaders to unlock development opportunities
- Drive further school improvement in England through **new Education Investment Areas (EIAs)**
- New employer-led **Local Skills Improvement Plans (LSIPs)**
- **New White Paper on Health Disparities** later in England in 2022
- **New Strategy for Community Spaces** and a review of neighbourhood governance in England
- **Pilot new models for community partnership** and test new Community Covenants
- The **Dormant Assets Scheme to be expanded** to unlock up to a further £880m of investment monies

# Commentary

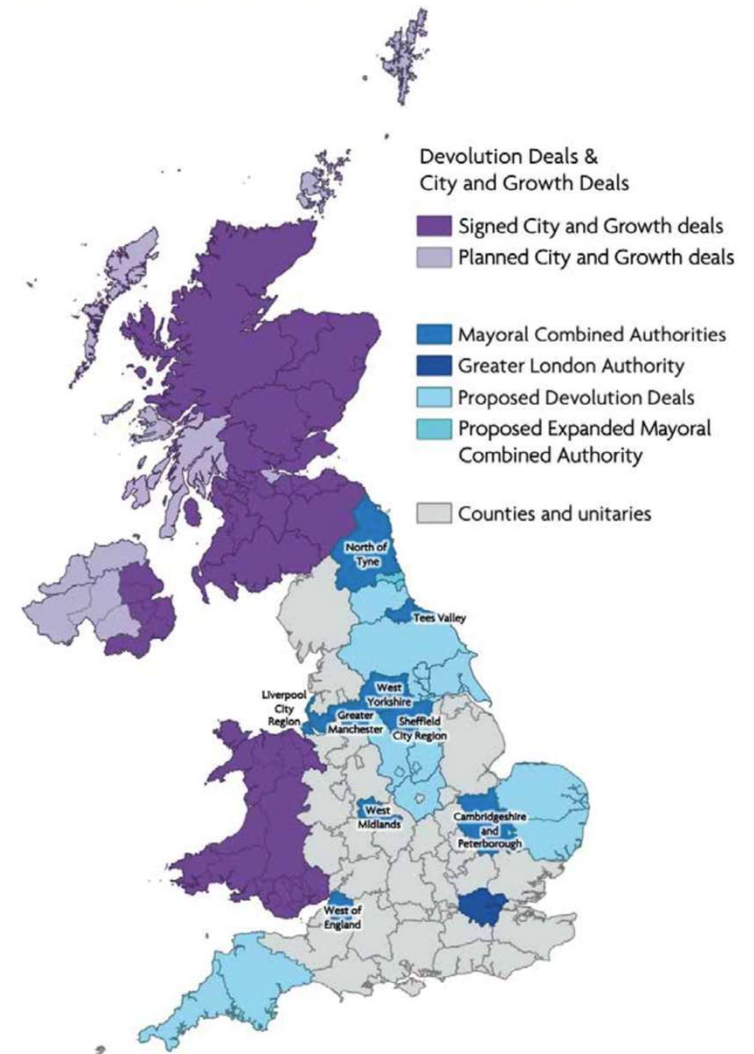
- The policy announcements in the White Paper **are arguably the weakest aspect**
- After strong analysis and radical rewiring in the first two parts of the White Paper, the policy announcements whilst numerous are limited in that they **don't add up to the systemic change to achieve the 12 missions**
- Perhaps more concerning is they appear to be **disconnected to other significant policy and system change also announced by Government**
- The **Health and Social Care Integration White Paper**, also published in February, only mentions the term 'Levelling Up' in the title of the joint foreword with Michael Gove
- Yet the Integration White Paper provides for **broad systemic changes at place level through statutory Integrated Care Systems**, which will have a broad remit to tackle the range of social and economic issues that drive health inequalities and acute demand
- There is an inherent **tension between the placed based approach set out in the Levelling Up White Paper, and the placed based approach set out in the Integration White Paper** that will need to be reconciled
- Might be a by-product of the Levelling Up White Paper being rushed to publication for political expediency, but it **highlights the challenges of cross departmental policy coordination**



# Devolution

- The devolution proposals outlined in the White Paper are arguably the strongest policy announcement. It **commits the Government to both extend, deepen and simplify devolution** in England by:
  - Inviting 10 areas to start formal negotiations for a county deal to be agreed by Autumn 2022
  - Agree an MCA for York and North Yorkshire and expanded MCA for the North East and consider areas which are undertaking unitarisation to consider and MCA
  - Open negotiations with West Midlands and Greater Manchester for new trailblazer deals – including option for other MCAs and GLA to bid for further sweeping powers - which may include fiscal devolution
  - Set out a new devolution framework to provide clarity on the devolution offer in England
  - Legislate to create a new form of Combined Authority model constituting only upper tier local authorities – to provide a model that would allow two-tier areas to more effectively operate combined authorities
- It is important to note that **none of the areas being invited to start formal negotiations for a County Deal are in the South East**
- The Government also **re-state that their policy preference for unitary local government as the most efficient form of local government**, but also that they will not mandate it unless there is broad support

Figure 2.3 English Devolution Deal and City and Growth Deal geographies



# The Devolution Framework

- The devolution framework has been **rumored to be in circulation for at least two years**. Aims to provide a **menu of devolution opportunities relative to the governance model** that an area is willing to accept
- **Highest level of devolution is offered to those who accept a Mayoral Combined Authority** or a Directly Elected Mayor (Level 3)
- Level 2 governance focusses on a single institution at county level without a Directly Elected Mayor or MCA. Level 1 governance is focused on joint committee arrangements
- It is **unclear where the new form of upper tier only combined authority fits** into this model (assume level 2)
- Whilst the framework is not unhelpful in setting out the scope of powers available at different levels those **powers, even at MCA level, remain limited in relative terms**
- **KCC is also already engaged in many of these policy areas without the need for a deal** (e.g. Enhanced Bus Partnership; strong rail partnership with South Eastern franchise; influence LEP functions through KMFP etc).
- That being said, the **Level 2 offer is probably more substantive than than expected** – means to fully integrated LEP, undertake bus franchising, control of UKSPF, devolution of Adult Ed budgets and Home England CPO powers

**Table 2.3 Devolution Framework**

**Level 3** – A single institution or County Council with a directly elected mayor (DEM), across a FEA or whole county area

**Level 2** – A single institution or County Council without a DEM, across a FEA or whole county area

**Level 1** – Local authorities working together across a FEA or whole county area e.g. through a joint committee

Function	Detail	L1	L2	L3
<b>Strategic role in delivering services</b>	Host for Government functions best delivered at a strategic level involving more than one local authority e.g. Local Nature Recovery Strategies	✓	✓	✓
	Opportunity to pool services at a strategic level	✓	✓	✓
	Opportunity to adopt innovative local proposals to deliver action on climate change and the UK's Net Zero targets	✓	✓	✓
<b>Supporting local businesses</b>	LEP functions including hosting strategic business voice		✓	✓
<b>Local control of sustainable transport</b>	Control of appropriate local transport functions e.g. local transport plans*		✓	✓
	Defined key route network*			✓
	Priority for new rail partnerships with Great British Railways – influencing local rail offer, e.g. services and stations			✓
	Ability to introduce bus franchising		✓	✓
<b>Investment spending</b>	Consolidation of existing core local transport funding for local road maintenance and smaller upgrades into a multi-year integrated settlement			✓
	UKSPF planning and delivery at a strategic level		✓	✓
<b>Giving adults the skills for the labour market</b>	Long-term investment fund, with an agreed annual allocation			✓
	Devolution of Adult Education functions and the core Adult Education Budget		✓	✓
	Providing input into Local Skills Improvement Plans		✓	✓
<b>Local control of infrastructure decisions</b>	Role in designing and delivering future contracted employment programmes			✓
	Ability to establish Mayoral Development Corporations (with consent of host local planning authority)			✓
	Devolution of locally-led brownfield funding			✓
	Strategic partnerships with Homes England across the Affordable Housing Programme and brownfield funding			✓
<b>Keeping the public safe and healthy</b>	Homes England compulsory purchase powers (held concurrently)		✓	✓
	Mayoral control of Police and Crime Commissioner (PCC) functions where boundaries align^			✓
	Clear defined role in local resilience*		✓	✓
	Where desired offer MCAs a duty for improving the public's health (concurrently with local authorities)			✓
<b>Financing local initiatives for residents and business</b>	Ability to introduce mayoral precepting on council tax*			✓
	Ability to introduce supplement on business rates (increases subject to ballot)			✓

# Commentary

- The devolution proposals in the White Paper are an **extension of existing transactional and competitive devolution arrangements** in England since 2010
- It does help codify the Government offer and places the rules/scope of any possible negotiation on a more transparent footing – **the trade offs that political leaders will have to make in county areas are now more explicit**
- **Governance involving a directly elected individual continues to be the policy preference**, even in areas that have recently undergone LGR
- Whilst a Level 2 deal may initially be attractive as a first stage of devolution, especially for those areas not willing to accept a directly elected individual, **the shelf life of a Level 2 deal may prove to be relatively short lived**
- The commitment to **new trailblazer deals for the West Midlands and Greater Manchester are likely risk further fragmenting the sector**
- The devolution model risks layering additional governance onto already complex local government structures, and **if different places have different devolved powers, the risk is it may increase complexity** in the system rather than reduce it
- Any strategic response to devolution needs to consider both the immediate short-term and longer-term response to the challenges and opportunities the devolution framework – **clarity on the strategy for future deals will be as important as clarity on the immediate deal being negotiated**

# Next Steps

- Some aspects of the Levelling Up White Paper will likely be a core part of the new Strategic Statement, currently in development
- We will respond and bring back to the relevant Cabinet/Cabinet Committee the further policy announcements from Government promised in the White Paper, for Member consideration and view
- Kent Analytics will respond to forthcoming consultation around measuring levelling up agenda and offer to work with Government on appropriate measurement mechanisms
- Clear need to work with partners across Kent & Medway, through the CCN and directly with other County Councils to ensure we both support and understand the wider local government response to the White Paper