

Kent County Council
Equality Analysis/ Impact Assessment (EqIA) for decisions, policies, procedures, projects or services within the Growth, Environment and Transport Directorate.

Please complete this cover sheet, including the Document Control Section, and Part 1 initially.

Part 1 will inform your decision on whether you need to complete Part 2

Part 2 will inform your decision on whether you need to complete Part 3

Name of decision, policy, procedure, project or service:

Inward Investment Service

Contractor – new contract to be procured

Contract Reference – N/A

Record of Decision – N/A

Brief description of policy, procedure, project or service

The Inward Investment Service will be contracted to a supplier for five years from April 2020 to March 2025 on a 3+2 years basis, the final 2years subject to satisfactory performance and availability of funding. The purpose of the service will be to promote and raise the profile of Kent and Medway as an attractive business investment location for UK and foreign-owned businesses relocating and expanding within and into the county, and to create jobs from successful company investments.

The contract will be funded by KCC, Medway Council (confirmed) and the European Structural and Investment Fund (ESIF) Growth Programme (a decision is expected before end December 2019). The ESIF funding will be subject to a Grant Funding Agreement between KCC and MHCLG.

Aims and Objectives

The service will aim to promote and raise the profile of Kent and Medway as a business location with the aim of attracting new investment from Kent, UK and overseas businesses, creating jobs and economic prosperity. Contracted outputs will be 1,400 new jobs and 50 successful projects per annum. There will be subsidiary outputs for the ESIF funded part of the project to provide consultancy support to SMEs and create new jobs.

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Document Control

Revision History

Version	Date	Authors	Comment
V0.1	9/09/2019	David Hughes	

Document Sign-Off (this must be both the relevant Head of Service and the relevant Director)

Name	Signature	Title	Date of Issue
David Hughes	D.Hughes	Head of Service	19/09/2019
David Smith	D.Smith	Director	19/09/2019

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Part 1 - Screening

Regarding the decision, policy, procedure, project or service under consideration,

Could this policy, procedure, project or service, or any proposed changes to it, affect any Protected Group (listed below) less favourably (negatively) than others in Kent?

Could this policy, procedure, project or service promote equal opportunities for this group?

Please note that there is no justification for direct discrimination; and indirect discrimination will need to be justified according to the legal requirements

Protected Group	Please provide a brief commentary as to your findings			High/Medium/Low Favourable Impact
	High Negative Impact	Medium Negative Impact	Low Negative Impact	
Age			<p>The supplier will be frequently contacted directly by a range of companies (start-ups, micros, SMEs and large businesses across a range of sectors), via its website or through referrals from other organisations such as DIT and local authorities. The the companies will be seeking specialist support as part of their locational or investment decision-making processes, and the supplier will provide support tailored to the needs of individual businesses. In the case of SMEs and micros, however, LIK's support would not usually be made available to businesses identified under EU regulations as Undertakings in Difficulty. The methodology proposed is to undertake an in-house desktop appraisal of SMEs to ascertain what their risk-of-failure rating is. This will be a contractual requirement of ESIF funding.</p> <p>The Inward Investment services contract between KCC and the supplier, and between KCC and MHCLG in respect of ESIF financial support (this will</p>	
Disability				
Gender				
Race				

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			<p>be about 45% of total contract funding over the first three years), will require the supplier to meet prescribed targets for new job creation and the provision of consultancy support to client businesses.</p> <p>The contract with MHCLG will also require the supplier to request from all client businesses information about existing and new employees according to age, gender, ethnicity and disability only. The supplier will be expected to request such information following initial contact with a business, after the provision of 12 hours support and at regular (usually quarterly) intervals thereafter. In the case of SMEs, KCC is contractually obliged to report to MHCLG on a quarterly basis any information collected from client businesses.</p> <p>However, from previous experience with the current supplier (Locate in Kent), other than gender we have found that most companies have been reluctant or have refused to provide information about their employees' protected characteristics. Where information has been willingly provided by client businesses, it is collated by KCC and kept in a secure electronic file maintained by KCC Economic Development. This practice will continue under a new supplier.</p>	
Gender identity/ Transgender			<p>Under the terms of its contracts with the current supplier (LIK) and MHCLG, KCC does not collect and collate information from client businesses in relation to these protected characteristics. However, as stated above, LIK have openly engaged with all start-up, micro-businesses, SMEs and large companies across all sectors of the economy. This practice will continue under a new supplier.</p> <p>We currently do not collect from client businesses information about existing and new employees according to these protected characteristics, nor do we have plans to do so. This practice will continue under a new supplier.</p>	
Religion and Belief				
Sexual Orientation				
Pregnancy and Maternity				
Marriage and Civil Partnerships				

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Carer's Responsibilities				
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Next Steps

1. Having completed the screening, if you have identified High **and / or Medium** Non- Favourable Impacts on one or more of the Protected Groups, then move to Part 2
2. Having completed the screening, if you have identified a **Low** Non- Favourable Impact on all of the Protected Groups, then please provide the form to diversityinfo@kent.gov.uk . They will provide any comments which require to be considered and implemented.
3. The Head of Service and Director must then approve this document
4. Once the document has been formally approved and signed please send to GETcsp@kent.gov.uk. For logging and publishing on our Intranet and available to customers.
5. Please note that the EqIA must be reviewed within three years or at a time of significant change to the decision, policy, procedure, project or service, whichever is sooner. If the decision, policy, procedure, project or service is closed then GETcsp@kent.gov.uk should be advised immediately.

Part 2 - Full Equality Analysis /Impact Assessment

Brief description of policy, procedure, project or service

Context

The Inward Investment Service will be contracted for five years, on a 3+2 years basis, from April 2020 to March 2025. The final 2 years will be subject to satisfactory performance by the supplier and availability of funding. The purpose of the service is to promote and raise the profile of Kent and Medway as an attractive business investment location for UK and foreign-owned companies relocating and expanding within and into the county, and to create jobs from successful company investments.

Aims and Objectives

The service will promote and raise the profile of Kent and Medway as a business location with the aim of attracting new investment from Kent, UK and overseas businesses, creating jobs and economic prosperity. Contracted outputs will be 1,400 new jobs and 50 successful projects per annum. Subsidiary outputs for the ESIF funded project will be to provide 12 hours consultancy to SMEs and create new jobs.

Protected groups

As explained in Part 1, the Inward Investment service does not discriminate positively or negatively in relation to any of the protected groups listed above.

The current supplier is frequently contacted directly by a range of companies (start-ups, micros, SMEs and large businesses across a range of sectors), via its website or through referrals from other organisations such as DIT and local authorities. In most cases, the companies have sought specialist support as part of their locational or investment decision-making processes, and the supplier will provide support tailored to the needs of individual businesses. In the case of SMEs and micros, however, consultancy support would not usually be made available to businesses identified under EU regulations as Undertakings in Difficulty. This is a contractual requirement of ESIF funding.

The Inward Investment services contract between KCC and the supplier, and between MHCLG and KCC in respect of ESIF financial support (should the application to MHCLG be successful), will require the supplier to meet prescribed targets for new job creation and the provision of consultancy support to client businesses.

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The contracts will also require the supplier to request from all client businesses information about existing and new employees according to **age, gender, ethnicity and disability** only. The supplier will request such information following initial contact with a business, after the provision of 12 hours support and at regular (usually quarterly) intervals thereafter. KCC will be contractually obliged to report to MHCLG on a quarterly basis any information collected from the supplier's client SMEs.

Information and Data used to carry out your assessment

The evidence we have collected to shape and define the inward investment service is set out below. While it supports a targeted approach aimed at particular sectors and, where this may be outside the UK, at selected countries, the overriding imperative is to provide specialised support to companies with the potential to generate wealth and to safeguard and create employment.

Evidence suggests that a well-targeted approach would result in the most substantial economic benefits to an area like Kent and Medway due to the differing characteristics of the companies involved. This means a need for a primary and overriding focus on attracting high-quality projects that are capable of generating productivity-enhancing spillover benefits and which are likely to contribute positively to knowledge-intensive business activity in the county.

The public sector is able to intervene effectively around foreign and domestic inward investment, and whilst the benefits cannot be easily quantified, there is consistent evidence of the ability of business support services to influence high quality investment in ways likely to benefit the UK and local economies. This will underpin the approach taken in Kent and Medway. "The UK is the host of more than 45,000 foreign affiliates. Although they represent less than 2 per cent of the total number of firms in the UK, they play a major role in the UK economy. In 2010, they employed at least 3 million workers, accounting for more than 13% of the workforce employed and contributed to at least 36% of the total turnover in the UK¹."

Although the approach taken by the supplier to attract investment will be targeted at both foreign and domestic potential inward investment, data from ONS shows that just 1% of registered businesses in the UK are foreign owned, yet they account for 28% of value added². In terms of size, 28% of large companies in the UK are foreign owned, as opposed to micro (0.5%), small (3.4%) and medium (12.2%). Those large foreign owned companies contributed 40% of GVA.

¹ https://www.gov.uk/government/uploads/attachment_data/file/277171/ep7-foreign-direct-investment-trends-manufacturing.pdf

² **Business ownership in the UK, 2011, ONS**

Foreign Owned Companies are also six times more likely to export than UK owned companies. Of the 22,500 Foreign Owned Companies in the UK in 2012, 6.4% (13,600) are exporters³.

In addition, foreign-owned companies spent £8.8bn on research and development (R&D), which is more than half of the total business R&D expenditure in the UK (£17.4 billion)⁴.

Barriers to trade and investment and Market Failures

The most significant barriers faced by potential domestic and overseas investors are:

- access to the right contacts and networks
- access to information not otherwise available
- guidance in navigating the legal and regulatory framework in the UK
- limited knowledge about an area's attributes as a place to invest, and;
- In some cases, adverse perceptions of areas within the UK.

Foreign Investors are effectively influenced by advice and help when making decisions on locating in the UK and the scale and scope of a project. Foreign Investors' use of UK suppliers, involvement in joint R&D in the UK and the creation of other beneficial links are also significantly influenced by support. These activities are likely to be conduits for productivity-enhancing knowledge spill overs.

In 2014-15 more than three quarters of the jobs attracted to Kent came from foreign direct investors (FDI). Experience of previous local, regional and national FDI projects indicates that foreign owned companies add real value to the local economy, introducing new skills and technology. Kent's proximity to mainland Europe makes it highly attractive as a 'launch-pad' to export into the rest of the European market. Evidence and experience also shows that FDI adds significant value to the local and national economies, companies of this kind tend to be in high value sectors, create knowledge based jobs, introduce new technology and skills and have a greater propensity to export.

³ Exporters and importers in Great Britain, 2012, ONS

⁴ Business ownership in the UK, 2011, ONS

Who have you involved consulted and engaged with?

MHCLG and client businesses of the current supplier, Locate in Kent.

Analysis

Please see text provided in screening grid above. To date, under the current contract we have received very little information provided by businesses about the protected characteristics of their employees. This is expected to be the same under the new contract.

Adverse Impact

We have no evidence, from the information collected from the current supplier, to suggest that there have been adverse impacts on protected groups. This is expected to be the same under the new contract.

Positive Impact

We have no evidence, from the information collected from the current supplier, to suggest that there have been positive impacts on protected groups. This is expected to be the same under the new contract.

JUDGEMENT

We have no evidence, from the information collected from the current supplier, to draw any conclusions about the implications of the inward investment service for protected groups. This is expected to be the same under the new contract.

Next Steps

1. Having completed Part 2, if you have identified potential for adverse impact on particular groups and **have found scope to improve the proposal**, then move to Part 3
2. Having completed Part 2, if you have identified potential for adverse impact on particular groups but **no scope to improve the proposal** (remembering that there is no justification for direct discrimination; and indirect discrimination will need to be justified according to the legal requirements) then please provide the form to diversityinfo@kent.gov.uk who will provide any comments which require to be considered and implemented.

3. The Head of Service and Director must then sign this document off and it be finally sent to GETcsp@kent.gov.uk.

4. Please note that the EqIA will need to be repeated within three years or at a time of significant change to the decision, policy, procedure, project or service, whichever is sooner. If the decision, policy, procedure, project or service is closed then GETcsp@kent.gov.uk should be advised immediately.

Part 3 - Action Plan

Document the range of options and identify the effects of each. Identify the option(s) chosen and document the reasons for this.

Protected Characteristic	Issues identified	Action to be taken	Expected outcomes	Owner	Timescale	Resource implications
Age	None	Review information collected by the supplier from client businesses Share our findings with MHCLG on a quarterly basis.	Confirmation of low negative impact of service	KCC	For the duration of the contract and agreement with the supplier and MHCLG	To be met within project resources
Gender	None	Review information collected by the supplier from client businesses Share our findings with MHCLG on a quarterly basis.	Confirmation of low negative impact of service	KCC	For the duration of the contract and agreement with the supplier and MHCLG	To be met within project resources
Ethnicity	None	Review information collected by the supplier from client businesses Share our findings with MHCLG on a quarterly basis.	Confirmation of low negative impact of service	KCC	For the duration of the contract and agreement with the supplier and MHCLG	To be met within project resources
Disability	None	Review information collected by the supplier from client businesses Share our findings with MHCLG on a quarterly basis.	Confirmation of low negative impact of service	KCC	For the duration of the contract and agreement with the supplier and MHCLG	To be met within project resources

Have the actions been included in your business/ service plan under the current contract? Yes

Will the actions be included in your business/service plan under the new contract? Yes

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Next Steps

1. Having completed Part 3, then please provide the form to diversityinfo@kent.gov.uk who will provide any comments which require to be considered and implemented.
2. The Head of Service and Director must then sign this document off and it be finally sent to GETcsp@kent.gov.uk.
3. Please note that the EqIA will need to be repeated within three years or at a time of significant change to the decision, policy, procedure, project or service, whichever is sooner. If the decision, policy, procedure, project or service is closed then GETcsp@kent.gov.uk should be advised immediately.⁴ Please also forward a final signed electronic copy to the Equality Team by emailing diversityinfo@kent.gov.uk
4. If the activity will be subject to a Cabinet decision, the EqIA must be submitted to Democratic Services democratic.services@kent.gov.uk along with the relevant Cabinet report.
5. The original signed hard copy and electronic copy should be kept with your team for audit purposes.

