

SCRUTINY COMMITTEE

Wednesday, 28th February, 2024

10.00 am

**Council Chamber, Sessions House, County
Hall, Maidstone**





AGENDA

SCRUTINY COMMITTEE

Wednesday, 28th February, 2024, at 10.00 am
Council Chamber, Sessions House, County Hall,
Maidstone

Ask for: **Anna Taylor**
Telephone: **03000 416478**

Membership

Conservative (10): Mr A Booth (Chairman), Mr P V Barrington-King (Vice-Chairman), Mrs R Binks, Mr T Bond, Mr D L Brazier, Mrs L Game, Mrs S Hudson, Mrs S Prendergast, Mr O Richardson and Mr S Webb

Labour (1): Dr L Sullivan

Liberal Democrat (1): Mr A J Hook

Green and Independent (1): Rich Lehmann

Church Representatives (3): Mr J Constanti, Mr M Reidy and Mr Q Roper

Parent Governor (2): Ms R Ainslie-Malik and Ms H Carter

County Councillors who are not Members of the Committee but who wish to ask questions at the meeting are asked to notify the Chairman of their questions in advance.

UNRESTRICTED ITEMS

(During these items the meeting is likely to be open to the public)

A - Committee Business

- A1 Introduction/Webcast Announcement
- A2 Apologies and Substitutes
- A3 Declarations of Interests by Members in items on the Agenda for this Meeting
- A4 Minutes of the meeting held on 24 January 2024 (Pages 1 - 6)
- A5 Minutes of the meeting held on 7 February 2024 - to follow

B - Any items called-in

None for this meeting.

C - Any items placed on the agenda by any Member of the Council for discussion

- C1 23/00121 - Kent and Medway Economic Framework (Pages 7 - 98)
- C2 Making a Difference Every Day, KCC's Strategy for Adult Social Care 2022 to 2027 - update (Pages 99 - 108)
- C3 Adult Social Care Contract Extensions (Pages 109 - 166)
- C4 Work Programme (Pages 167 - 170)

EXEMPT ITEMS

(At the time of preparing the agenda there were no exempt items. During any such items which may arise the meeting is likely NOT to be open to the public)

Benjamin Watts
General Counsel
03000 416814

Tuesday, 20 February 2024

KENT COUNTY COUNCIL

SCRUTINY COMMITTEE

MINUTES of a meeting of the Scrutiny Committee held in the Council Chamber, Sessions House, County Hall, Maidstone on Wednesday, 24 January 2024.

PRESENT: Mr A Booth (Chairman), Mr P V Barrington-King (Vice-Chairman), Mrs R Binks, Mr T Bond, Mr D L Brazier, Mr A J Hook, Mrs S Hudson, Mrs S Prendergast, Mr O Richardson, Mr T L Shonk, Dr L Sullivan and Mr S Webb.

ALSO PRESENT: Mr R W Gough (Leader of the Council), Mr P J Oakford (Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services), Mr N Baker (Cabinet Member for Highways and Transport), Mrs S Chandler (Cabinet Member for Integrated Children's Services), Mr D Jeffrey (Cabinet Member for Communications and Democratic Services), Mr R C Love, OBE (Cabinet Member for Education and Skills), Mr D Watkins (Cabinet Member for Adult Social Care and Public Health) and Mr A R Hills (Deputy Cabinet Member for Environment).

IN ATTENDANCE: Mr B Watts (General Counsel), Mr J Betts (Acting Corporate Director of Finance), Ms C Maynard (Head of Commercial and Procurement), Mr D Shipton (Head of Finance Policy, Planning and Strategy), Mrs A Taylor (Scrutiny Research Officer) and Mr M Dentten (Democratic Services Officer).

IN ATTENDANCE VIRTUALLY: Rich Lehmann, Richard Smith (Corporate Director of Adult Social Care and Health) and Tim Read (Head of Transportation).

UNRESTRICTED ITEMS**37. Declarations of Interests by Members in items on the Agenda for this Meeting**
(Item A4)

There were no declarations of interest.

38. Minutes of the meeting held on 6 December 2023
(Item A5)

RESOLVED that the minutes of the meeting held on 6 December 2023 were an accurate record and that they be signed by the Chairman.

39. Minutes of the meeting held on 19 December 2023
(Item A6)

RESOLVED that the minutes of the meeting held on 19 December 2023 were an accurate record and that they be signed by the Chairman.

40. Revised Draft Revenue Budget 2024-25 and 2024-27 MTFP, Draft Capital Programme 2024-34 and Treasury Management Strategy *(Item B1)*

Committee consideration based on the draft budget issued on 3 January 2024.

1. Mr Oakford introduced the administration's budget proposals. He confirmed that the draft budget was balanced and a 4.99% increase to Council Tax was proposed, noting that an increase up to but not exceeding the referendum level was considered a prerequisite for further central government funding. It was explained that the £14m risk contingency had been removed, forming part of draft base budget and that one off monies and reserves would be deployed to balance the budget. Concerning capital receipts, it was confirmed that government had allowed KCC to use receipts for transformation, contributing £8m towards the balancing of the budget. £10.6m in proposed policy savings were highlighted. On income, Members were informed that £10m in dividends from KCC owned companies were anticipated, £3m higher than originally planned. He concluded by addressing the savings required in the second year of the Medium Term Financial Plan, noting that £35m of savings were unidentified and that all policy areas were being analysed. He gave assurance that the savings would be identified ahead of Budget County Council in February 2025.
2. Mr Shipton gave a presentation. The contents of the presentation included: residential and nursing care for older people, home to school transport and children in care as the most significant areas for forecast overspend in 2023-24; the revenue strategy and statutory requirement to set a balanced budget; provisional local government financial settlement; 2024-27 core budget; spending growth; future cost avoidance in adult social care (£30.1m) and home to school transport (£6.3m); £15.4m in additional income generation and £10.6m in policy savings identified for 2024/25; £23.9m in one-off solutions, including £8m capital receipts and use of £13.8m of reserves for savings in 2024/25; council tax, including an expected increase to the tax base of 1.7% and collection fund surplus assumed of £7m; financial risks, with high needs spending, non-delivery of savings and the Unaccompanied Asylum Seeking Children judgement the most significant exposures; and the 10 year £1.636bn capital spending programme, including funding from government grants, borrowing and other receipts.
3. Members asked a range of questions in relation to the Draft Revenue Budget (2024-25), Medium Term Financial Plan (2024-27), Draft Capital Programme (2024-34) and Treasury Management Strategy. Key issues raised by the Committee and responded to by Cabinet included the following:
 - a. In response to a question on home to school transport spending, Mr Love explained KCC's statutory responsibility and the tools available to reduce demand and cost. He advised that a personal transport budget pilot was underway for students receiving the highest cost transport. He added that there would be increased demand with 5,000 additional secondary school places planned by 2027/28 and stressed the continued need to balance support with the funding available, by ensuring that assessments were done in line with statutory guidance.

- b. Mr Gough stated, following a question from a Member on the overall division of the proposed budget, that KCC's statutory responsibilities formed the framework which largely determined how the budget was allocated. He noted that the system meant councils with social care responsibilities levied the most visible tax which was spent mainly on important but less visible services. He emphasised the importance of building in resistance to cost pressures.
 - c. Mr Oakford confirmed that there were no savings to the Household Waste Recycling Centre (HWRC) service proposed in the Draft Revenue Budget, following a question from a Member.
 - d. A Member asked whether the proposed adult social care savings were realistic and what plans had been developed to support change. Mr Watkins gave assurance that the strategy and supporting delivery plans in place were robust and savings achievable. He gave examples of the technological innovations and how they reduced residential care demand. He recognised that implementation was challenging and took time, taking account of the large and external workforce. Mr Smith added that strong analytics ensured that the delivery plans were credible, as was KCC's spend on adult social care when compared to peers.
 - e. Concerning budget monitoring, Mr Oakford confirmed the intention to keep Members up to date on the delivery of savings through updates at Cabinet Committee meetings.
 - f. Mr Oakford confirmed that the £12m risk reserve in the 2023-34 revenue budget would be deployed to balance the budget.
 - g. Mr Oakford reassured the Committee that delivery plans had been developed for the areas identified for significant savings, in order to maximise achievement and accountability.
 - h. In response to a question on the Budget Risks Register, Mr Oakford reassured Members that he met with the Chief Executive, Section 151 Officer and Monitoring Officer weekly to monitor the Council's financial risks.
4. Cabinet agreed to provide the Committee with answers to the following questions after the meeting and before Budget County Council on 19 February 2024:
 - a. Concerning the Commissioning Plan for Education Provision in Kent 2024-28, why mainstream home to school transport demand was expected to increase despite deduced pupil numbers as a result of lower birthrates since 2012?
 - b. What concurrent savings to the mainstream home to school transport budget were there as a result of children transitioning from primary to

secondary school; where were any savings cited in the budget; and how were any savings used?

- c. What would the £116k proposed spend on the Kent Association of Headteachers provide?
 - d. What financial impact would further speed limits on rural roads have on reducing future road maintenance costs?
 - e. How much income did the Kent Film Office provide KCC; what financial benefit did it provide for the Kent economy as a whole; whether the Office was financially self-sufficient; and if so, were there any opportunities to increase revenue?
 - f. Whether KCC was permitted to sell advertising space on the kent.gov.uk website to provide additional revenue?
 - g. What scope was there to rent unused KCC buildings and land for which disposal was not an option; and what financial impact would that have?
 - h. Whether copies of the delivery plans for Adult Social Care transformation under the Making a Difference Everyday Strategy for Adult Social Care could be provided?
5. Members emphasised the importance of Scrutiny's role in monitoring the achievement of key savings and transformation over the coming financial year.
 6. Following a comment from a Member, Mr Watts reminded the Committee that it had taken the decision to pause Short Focused Inquires (SFIs) in order to commission the SEND Sub-Committee. He agreed to discuss the resourcing of SFIs with the Chairman and Opposition Group Leaders following the meeting.
 7. No proposed changes to the draft capital and revenue budgets were made.
 8. Mr Oakford thanked the Committee for its comments and consideration of the Draft Revenue Budget, Medium Term Financial Plan, Draft Capital Programme and Treasury Management Strategy.
 9. The Chairman thanked the Leader, Cabinet Members and officers for their attendance and engagement with Scrutiny.

RESOLVED to note the updated revenue budget and Medium Term Financial Plan, draft capital strategy and programme, and draft Treasury Management Strategy.

POST MEETING NOTE: Cabinet provided the Committee with answers to questions 40.4 a-h on 6 February 2024.

41. Contract Management

(Item C1)

1. Mrs Maynard introduced the report which updated the Committee on the Council's policy and practice for contract management, overseen by the Commercial and Procurement division. She provided a presentation, the contents of which included: the six step contract management process which included oversight from the Contract Management Review Group (CMRG), Commissioning Partnership Board (CPB) and Commercial and Procurement Oversight Board (CPOB); accountabilities and responsibilities set out in 'Spending the Council's Money' for anyone spending on behalf of KCC and the accountabilities of Senior Officers and Members; changes to thresholds as a result of the review of 'Spending the Council's Money', which were higher across the board; confirmation that Senior Officers were ultimately responsible for the effective management of contracts within their area in line with guidance issued by the Commercial and Procurement Division; the wider role of the CMRG in commercial governance and membership which included the Head of Commercial and Procurement (Joint Chair); Deputy Cabinet Member for Finance (Joint Chair); Section 151 Officer; Monitoring Officer; Commercial Standards Manager; 3 Members from the Conservative Group and 2 Members from Opposition Groups.
2. In response to a question from a Member, Mrs Maynard explained the importance of the contract register in supporting planning and oversight.
3. A Member emphasised the importance of strong qualitative information supporting key performance indicators (KPIs) in contract management. Mrs Maynard noted that contract objectives provided a qualitative requirement of contracts and confirmed the direction of travel towards fewer KPIs which enhanced accountability and reduced cost.
4. A Member commented that spot checks of contract managers would be useful method for maximising accountability and ensuring best value.

RESOLVED to note the content of the report, including the further reporting as set out to Policy and Resources Cabinet Committee.

42. Work Programme

(Item E1)

1. The Scrutiny Research Officer noted that there would be a report updating the Committee on Making a Difference Every Day, KCC's Strategy for Adult Social Care 2022 to 2027, at its next meeting.
2. Members requested the following items:
 - a. a deep dive into the mainstream home to school transport budget; and
 - b. cross examination of the Council's school admissions, home to school transport and public transport policies.

RESOLVED to note the work programme.

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By: Anna Taylor, Scrutiny Research Officer
To: Scrutiny Committee, 28 February 2024
Subject: 23/00121 – Kent and Medway Economic Framework

Summary: As requested by Dr Sullivan and agreed by the Chairman of the Scrutiny Committee the Committee is invited to discuss the decision to endorse the Kent and Medway Economic Framework.

1. Introduction

- a) On 18 January 2024 the [Growth, Economic Development and Communities Cabinet Committee](#) endorsed the proposed decision - [23/00121 - Kent and Medway Economic Framework](#), which was subsequently taken by the Cabinet Member, on 19 January 2024, to:
- a. endorse the Kent and Medway Economic Framework
 - b. support the Kent and Medway Economic Partnership in its implementation; and
 - c. delegate to the Director, Growth and Communities to take any necessary actions including but not limited to entering into contracts or other legal agreements as required to implement this decision.
- b) Following a request from Dr Sullivan, agreed by the Chairman, this decision has been placed on the Scrutiny Committee agenda for further exploration and discussion. This is in line with paragraph 17.54 of the [Constitution](#), which states the following
- 17.54** Any Member of the Council who is not a member of the Scrutiny Committee is entitled to give notice to the proper Officer that they wish an item relevant to the functions of the Committee or Sub-Committee (which is not an excluded matter as set out in 17.55) to be included on the agenda for the next available meeting. On receipt of such a request the proper Officer will ensure that it is included on the next available agenda. The Member concerned is entitled to address the Committee or sub-committee.
- c) During the discussion, Members may wish to explore the following areas:
- a. What agreement there has been from the District Councils to the Kent and Medway Economic Framework
 - b. How will this Framework be reviewed and when?
 - c. How will delivery of actions contained within the Framework be measured?
- d) The Cabinet Member and relevant officers will be in attendance at the Scrutiny Committee meeting to respond to Members' questions.

2. Attached documents

- [23-00121 - Record of Decision](#)
- [23-00121 - Decision Report](#)
- [23-00121 - Draft Economic Framework Ambitions and Action Areas](#)
- [23-00121 - Draft Kent and Medway Economic Framework](#)
- [23-00121 - Summary of Consultation on the First Draft Framework](#)
- [23-00121 - EQIA](#)

3. Recommendation

The Scrutiny Committee is asked to consider the information provided at the meeting in response to Members' questions on the Kent and Medway Economic Framework.

Contact Details

Anna Taylor, Scrutiny Research Officer
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KENT COUNTY COUNCIL – RECORD OF DECISION

DECISION TO BE TAKEN BY:

Derek Murphy, Cabinet Member for
Economic Development

DECISION NO:

23/00121

For publication

Key decision: YES

Subject Matter / Title of Decision: Kent and Medway Economic Framework

Decision:

As Cabinet Member for Economic Development, I agree, on behalf of Kent County Council to:

- (i) ENDORSE the Kent and Medway Economic Framework;
- (ii) SUPPORT Kent and Medway Economic Partnership in its implementation; and
- (iii) DELEGATE to the Director Growth and Communities to take any necessary actions, including but not limited to entering into contracts or other legal agreements as required to implement this decision.

Reason(s) for decision:

In August 2020, Kent and Medway Leaders and Kent and Medway Economic Partnership (KMEP) approved an Economic Renewal and Resilience Plan. This was a short-to-medium term strategy which set out a series of actions to support the economy during the recovery from the Covid-19 pandemic.

As the Renewal and Resilience Plan came to the end of its natural life, Leaders agreed in late 2021 to prepare a longer-term Kent and Medway Economic Framework, which would help to guide actions to support the growth and prosperity of the region through to 2030.

Cabinet Committee recommendations and other consultation:

A first draft Framework was prepared in September 2023, following earlier consultation on the emerging themes and structure. Further consultation took place in the autumn, including with Kent and Medway Economic Partnership and Kent and Medway Leaders.

The proposed decision was considered and agreed by Members of Growth, Economic Development and Communities Cabinet Committee at their meeting on 18 January 2024.

Any alternatives considered and rejected:

Do nothing: There is no statutory requirement to develop an Economic Framework, however, the absence of an up-to-date Kent and Medway economic strategy could jeopardise the case for future public investment into the county.

Reduced scope: A Framework could have been developed with a shorter time horizon, taking account of current spending pressures. However, since the purpose of the Framework is to 'make the case' for longer term investment in Kent, this would be of no real benefit, and would mean that further work will be required in the next couple of years.

Any interest declared when the decision was taken and any dispensation granted by the Proper Officer:

None

DP Murphy

19.01.2024

.....
signed

.....
date

From: **Simon Jones, Corporate Director, Growth, Environment and Transport**

To: **Derek Murphy, Cabinet Member for Economic Development**

Subject: **Kent and Medway Economic Framework**

Classification: **Unrestricted**

Electoral Division: All

Summary: This report introduces a new draft Kent and Medway Economic Framework. This sets out a high-level strategy which will guide activity to support the sustainable growth of the county's economy, through to 2030.

The Framework is a non-statutory document. It does not set out any specific future resource commitments for KCC. It will, however, help to make the case for future Government funding and powers, in the context of the forthcoming closure of the South East Local Enterprise Partnership. It will also provide a basis on which partners in local government, business, education, and the voluntary sector can work together in support of common objectives.

A first draft Framework was prepared in September, following earlier consultation on the emerging themes and structure. Further consultation took place in the autumn, including with Kent and Medway Economic Partnership and Kent and Medway Leaders. This revised draft takes account of comments received.

Recommendations:

The Cabinet Member for Economic Development, on behalf of Kent County Council is asked to:

- endorse the Kent and Medway Economic Framework;
- support Kent and Medway Economic Partnership in its implementation; and
- delegate to the Director Growth and Communities to take any necessary actions, including but not limited to entering into contracts or other legal agreements as required to implement this decision,

as shown at appendix A.

1. Background

1.1 In August 2020, Kent and Medway Leaders and Kent and Medway Economic Partnership (KMEP) approved an *Economic Renewal and Resilience Plan*. This was a short-to-medium term strategy which set out a series of actions to support the economy during the recovery from the Covid-19 pandemic.

1.2 As the Renewal and Resilience Plan came to the end of its natural life, Leaders agreed in late 2021 to prepare a longer-term Kent and Medway Economic Framework, which would help to guide actions to support the growth and prosperity of the region through to 2030. The Framework has been developed in the context of:

- structural changes within the economy, especially the accelerating progress to decarbonisation and digital technology and the prospects that this brings for new forms of economic activity and workforce skill demands;
 - other strategic developments such as the Local Skills Improvement Plan and the range of economic strategies agreed at local authority and sub-county level; and
 - the forthcoming closure of the South East Local Enterprise Partnership, which historically has been used by Government as a vehicle for distributing and managing funding for local economic development and regeneration projects and the transfer of the Local Economic Partnership responsibilities to Kent County Council.
- 1.3 The proposed broad themes, ambitions and areas identified for action were considered by Leaders and the Cabinet Committee in 2022, and by KMEP in March 2023. Subsequently, a draft Framework document was produced in September. Consultation on the draft took place during this autumn with Kent and Medway local authorities, KMEP members and other key partners.
- 1.4 Following this consultation, an updated document has been prepared with revised ambitions and areas for action. A table summarising these is attached at Annex 1. The revised Framework document is attached at Annex 2.
- 1.5 A summary of the feedback we received during the consultation process is attached at Annex 3.
- 1.6 The equalities impact assessment is attached at Annex 4.

2. Key principles

- 2.1 Changes in Britain’s national economy shape many of the factors affecting Kent and Medway but our local economy which borders the capital city of London, the Thames Estuary and our coast facing continental Europe has many distinctive features which this new economic framework seeks to improve.
- 2.2 Five key principles have underpinned the development of the Framework:
- It is a ‘high level’ strategy aimed at improving the standard of living in Kent and Medway. It sets out an overall ‘narrative’ for the development of the Kent and Medway economy. It outlines a series of ambitions/themes that are intended to provide areas of focus for shared activity. It does not set out a detailed action plan: instead, the Framework identifies areas for action which partners in Kent and Medway can develop to forward the overall objectives of the Framework.
 - Its ambitions and suggested areas for action are evidence-based: it seeks to build on Kent and Medway’s strengths and address the county’s weaknesses.
 - It is a partnership strategy. While KCC has taken the lead in its development, it is anticipated that it will be ‘owned’ collectively by Kent and Medway Leaders and endorsed by KMEP with delivery involving a range of other partners connected to KMEP as the County’s formally recognised Economic Growth

Board. It is intended to align with, and add value, to other local plans and strategies. As already described, it has been extensively consulted upon to ensure wide stakeholder support.

- The document meets new requirements from Government to prepare and implement an Economic Strategy as former Local Economic Partnership responsibilities are transferred to Kent County Council from April 2024. The framework covers recommendations set out in the government's Local Economic Partnership transition guidance.
- It does not come with a central resource. There is no 'Economic Framework budget,' or a direct connection to a specific external funding source or central team but government has indicated that local economic strategies could be used as reference points for any future government funding streams allocated to Kent and Medway for economic development. Having a Framework in place, with partnership support, ought to be helpful in making the case for additional investment, and in helping partners to work together where there is mutual benefit.

3. Overview of content

3.1 The draft Economic Framework contains a summary analysis of Kent and Medway's economic strengths and opportunities, including its strong recent record in job creation and business stock expansion, its diverse and resilient business base, key sectoral strengths, connectivity, and innovation assets. It also highlights some challenges, especially associated with workforce skills, some significant geographical disparities and (in comparison with other parts of the Greater South East) a persistent relative productivity deficit.

3.2 Across these opportunities and current opportunities and challenges, it considers the transformational 'structural' trends (especially decarbonisation, increasingly sophisticated digitalisation, and long-term demographic change) that will impact on all aspects of the economy over the coming decade.

3.3 Based on this analysis, the draft Framework outlines a high-level objective of achieving a Kent economy which is more "productive, sustainable and inclusive" by 2030. To achieve this, it identifies five ambitions to:

- **Enable innovative, productive, and creative businesses**, through both the expansion of Kent and Medway's capabilities at the 'leading edge' of technology and by increasing opportunities for productivity growth across all sectors through adaption in response to technology and climate change, access to premises and potential for investment.
- **Widen opportunities and unlock talent**, building on (and extending) a strengthened relationship between employers and education at all levels, supporting progression within the workforce and overcoming barriers to participation in economic activity.
- **Secure resilient infrastructure for planned, sustainable growth**, supporting joint work across Kent and Medway to maintain a dynamic understanding of the county's infrastructure needs, and making the case for investment in its national connectivity infrastructure and the resilience of local business-critical infrastructure.

- **Place economic opportunity at the centre of community renewal and prosperity**, recognising the link between employment and business growth and improved health and social outcomes – aiming to improve these through innovation and higher productivity.
- **Create distinctive, diverse, and vibrant places**, identifying Kent and Medway’s diversity, ‘polycentricity’ and rural environment as a key strength and promoting investment through locally led strategies across the county.

3.4 These are brought together in the diagram below:

Fig. 1: Summary of the draft strategic framework



3.5 The key elements of the framework will be underpinned by the cross-cutting commitment to decarbonisation and reaching net zero in the county by 2050.

4. Implementation

4.1 The Economic Framework proposes 21 high-level ‘areas for action’ across the five ambitions. These are summarised in Annex 1. While flexible, these provide greater clarity to the focus of the Framework. They focus on areas for action that apply across Kent and Medway and they are intended to have county-wide significance.

4.2 The proposed actions do not imply a funding commitment from KCC. In some cases, KCC may have a leading role. But others will be led by KCC’s partners, the Kent Districts, higher and further education and elsewhere, with KCC in a

supporting role. The Framework will provide a material support for proposals for external funding and for new (delegated) powers where appropriate.

- 4.3 It is anticipated that KMEP and its new subgroups will have a significant role in overseeing delivery of the Framework. At its last meeting on 5th December, KMEP formally agreed to align its future work programme with the five Framework ambitions.

5. Implications

Financial

- 5.1 There are no direct financial implications for KCC arising from the Framework. However, it will shape KCC's future priorities in relation to economic development. This may include areas in which KCC plays a leading role, for example in relation to inward investment and direct business finance, as well as potential new areas of activity.

Equalities

- 5.2 An equality impact assessment has been prepared and is attached at Annex 4. This has not identified any negative equality impacts at strategic level (although individual initiatives taken forward with reference to the Economic Framework will be subject to further impact assessments).

Data protection

- 5.3 There are no data protection implications.

6. Next steps

- 6.1 Following Cabinet Member endorsement (and final endorsement by KMEP and Kent and Medway Leaders, anticipated at their next meetings), it is anticipated that the Framework will be launched in early spring.

7. Recommendations

- 7.1 The Cabinet Member for Economic Development, on behalf of Kent County Council, is asked to:
- endorse the Kent and Medway Economic Framework;
 - support Kent and Medway Economic Partnership in its implementation; and
 - delegate to the Director Growth and Communities to take any necessary actions, including but not limited to entering into contracts or other legal agreements as required to implement this decision,

as shown at appendix A.

8. Background documents and appendices

Appendix A: Record of Decision

Annex 1: Draft Economic Framework Ambitions and action areas

Annex 2: Draft Kent and Medway Economic Framework

Annex 3: Summary of consultation on the first draft Framework

Annex 4: Equality Impact Assessment

9. Contact details

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Relevant Director: Stephanie Holt-Castle

Director, Growth & Communities

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The table below summarises the 21 ‘action areas’ contained in the draft Framework:

Ambition 1: Enabling innovative, productive, and creative businesses.
1. Develop an enhanced place-based innovation partnership for Kent and Medway
2. Focus support to business on measures that will increase long-term productivity and resilience and the adoption of new ideas
3. Leverage Kent and Medway’s quality of life, connectivity, and other assets in ensuring that it is a welcoming place for visitors and investors
4. Support the conditions for growth, through the supply of business space and access to business support and finance
Ambition 2: Widening opportunities and unlocking talent.
5. Embed the Local Skills Improvement Plan at the heart of a closer relationship between employers, further education, and other skills providers
6. Invest in Kent and Medway’s skills infrastructure to harness the potential of the long-term transformational trends identified earlier in the Framework and support the growth of our sectoral strengths
7. Retain and develop talent, supporting young people to enter sustainable and rewarding work
8. Build flexibility across the adult skills system to support progression in work and a focus on Kent and Medway’s shared priorities
Ambition 3: Securing resilient infrastructure for planned sustainable growth.
9. Maximise the benefits of international connectivity
10. Collaborate across Kent and Medway to understand our infrastructure needs across a complex landscape
11. Ensure that Kent and Medway’s digital infrastructure meets the dynamic evolution of business need and technology development
12. Support Kent and Medway’s energy potential
Ambition 4: Placing economic opportunity at the centre of community wellbeing and prosperity.
13. Ensure that everyone who wants a job can access work
14. Develop a new strategic partnership with Health, to address the economic determinants of health inequalities
15. Build links between anchors of growth and key investors and local community opportunity
16. Embed economic opportunity at the centre of local regeneration
Ambition 5: Creating diverse, distinctive, and vibrant places.
17. Grow Kent and Medway’s dynamic creative and cultural economy
18. Support the development of a network of creative and innovative places

- | |
|--|
| 19. Develop and enhance Kent's rural economy |
| 20. Develop long-term solutions to invest in Kent and Medway's natural environment and historic assets |

Kent and Medway Economic Framework

Revised Draft

January 2024

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Introduction to the current draft

This document is a final draft of the Kent and Medway Economic Framework. It follows consultation on an earlier draft prepared in September 2023. Please note that for publication, the Framework will be formatted with images and maps, and it is anticipated that a summary version will also be prepared for wider circulation.

1. Introduction

Welcome to the draft Kent and Medway Economic Framework. Looking ahead to 2030 in a growing, diverse and dynamic county, it sets out our priorities to build and safeguard a prosperous economy: increasingly productive, sustainable and inclusive.

Introducing Kent and Medway

- 1.1 Covering some 1,400 sq miles across 13 local authority areas, Kent and Medway is a large, growing and ambitious region at the UK's gateway to continental Europe.
- 1.2 We enjoy a rich history and a distinctive environment, including the Kent Downs and High Weald Areas of Outstanding Natural Beauty, protected marshes and coastline and UNESCO World Heritage Sites at Canterbury and the White Cliffs of Dover. But we are also at the heart of the UK's European trade flows, with important science and innovation assets and we are closely integrated with the dynamic economy of London and the South East. And with rapid population, business and employment growth in recent years, we are a place where people want to live and businesses want to invest.

Figure 1-1: Kent and Medway in context



Looking back and looking forward: The case for a new Economic Framework

- 1.3** This new Economic Framework replaces the *Kent and Medway Economic Renewal and Resilience Plan*, adopted in 2020 to chart the county's recovery from the Covid-19 pandemic¹. Taking a longer view, the last county-wide economic strategy was the *Regeneration Framework* approved in 2010 as the economy started to recover from the global financial crisis.
- 1.4** Looking back over this period, much has been achieved. Just before the *Regeneration Framework* was adopted, High Speed One opened, transforming much of the county's rail infrastructure and opening up opportunities for housing and commercial growth and reinvestment in the Thames Estuary and East Kent. We have continued on this rail investment journey, with the new Thanet Parkway station opening in 2023. We have accommodated significant population growth through nationally-significant developments such as Ebbsfleet Garden City and throughout the county: between 2010 and 2021, Kent and Medway's population grew by around 144,000, roughly equivalent to an additional district the size of Thanet. Over the same period, we generated 131,000 net additional jobs. We have also substantially extended our capacity for innovation and growth, as our university clusters at Canterbury and Medway have expanded and we have seen new investment in key business locations such as Discovery Park and Kings Hill.
- 1.5** This all provides a strong platform for the future. However, as the analysis in the next chapter makes clear, there is more to be done to realise Kent and Medway's potential and to ensure that the county is as productive, sustainable and inclusive as it can be. And while local economic indicators such as overall productivity or workforce skill levels tend to change gradually over time, the technological, environmental and policy landscape has changed radically over the past decade. Looking to forward to 2030, partners in Kent and Medway have prepared this new Economic Framework to ensure that together, we can make the most of opportunities that are ahead of us – and respond to the challenges.

A flexible Framework that will evolve over time

- 1.6** This Framework looks ahead to 2030. This time horizon has been chosen carefully. It is longer than a single electoral cycle – so the ambitions that it sets out respond to longer-term need and opportunity, rather than current funding availability or detailed national policy priorities, and some will take time to be realised. But 2030 is close enough to be visible on the horizon, and for trends to be anticipated. There will also need to be some significant changes in the rest of this decade if longer-term policy commitments are to be made, especially in the context of the UK's decarbonisation agenda.

¹ Kent and Medway Leaders/ KMEP (August 2020), [Kent and Medway Economic Renewal and Resilience Plan](#)

- 1.7 In this context, we have followed a sequential approach in developing the Framework. First, we started with a fresh view of the evidence, considering the ‘state of Kent and Medway’ and the outlook for the future. This led to a set of high-level objectives - essentially, a statement of what we want the county’s economy to be (more) like, informing a series of ambitions and action areas for the future.

Figure 1-2: Framework logic sequence



Source: SQW

- 1.8 Developing our ambitions and key action areas involved extensive consultation with businesses and other partners, including through Kent and Medway Economic Partnership and its Business Advisory Board. However, we live in an uncertain and dynamic world, and even plans with strong partner support will need to respond to events. The Economic Framework is therefore a **flexible statement of shared priorities, not a detailed action plan**. It will evolve over time, as new opportunities and challenges emerge, and delivery will take place through a range of partners.

The changing strategic context

- 1.9 We have developed this Framework in the context of a range of policies, plans and strategies at national and local level. Looking across the strategic landscape, **five key themes** are especially relevant:

Devolution and the changing policy landscape for local economic growth

- 1.10 There is a growing consensus that decisions to support local economic development can best be taken locally. A series of local ‘**devolution deals**’ have been agreed between Government and cities and counties across England, especially focused on areas such as transport, workforce skills and support for business and innovation. In parts of the country, these are well-advanced, and work is underway to explore the opportunities for Kent and Medway. The Economic Framework highlights some of the priority themes towards which devolved powers or funding could make a significant difference.
- 1.11 More immediately, **the economic development landscape is changing with the Government’s recent decision to close local enterprise partnerships**. As the role of the former South East local enterprise partnership transfers to Kent and Medway, there is a new opportunity to make decisions closer to home, and to re-focus on the priorities that matter to local partners. This Framework will help to support local decision-making, and the continued

role of **Kent and Medway Economic Partnership** (KMEP) as the county-wide economic growth board².

The policy commitment to decarbonisation and net zero

- 1.12** The UK is legally committed to net zero carbon emissions (over a 1990 baseline) by 2050, a process that will involve far-reaching changes in industrial processes, transport networks and heating systems. Significant progress will need to be made towards this commitment during the lifetime of this Economic Framework, as the UK's *Net Zero Strategy* sets out³. Locally, all the local authorities in Kent and Medway have set out detailed climate change strategies: both Medway Council and Kent County Council declared a climate emergency in 2019; and KCC is committed to reducing greenhouse gas emissions from its own estate and activities to Net Zero by 2030⁴. Across Kent and Medway, the *Energy and Low Emissions Strategy* outlines a route map to achieving a “*competitive, innovative and resilient low carbon economy*”⁵.
- 1.13** From an economic strategy perspective, the decarbonisation imperative creates opportunities for innovation and technology development, as well as an urgent need for adaptation by businesses and the workforce. This has been a focus of activity for some time (for example through business support programmes such as LOCASE), although is likely to accelerate over the timeframe of this Framework.

The productivity imperative...

- 1.14** Despite its strengths as a place to do business and as an environment for innovation, the UK's relatively weak productivity performance compared with other major economies is widely recognised as a key challenge. The Government's response, set out as “*employment, education and enterprise everywhere*” sets out a commitment to ensuring the benefits of economic growth are felt across the country, linked with support for devolution highlighted above⁶. While national industrial and economic strategies tend to frequently evolve, the need to drive up productivity as a key determinant of living standards will remain central to national government.

... in the context of a broader view of the economy

- 1.15** Increasingly, national and local policy highlights the links between productivity, pay and employment and health, wellbeing and wider social outcomes. The *Levelling Up White Paper* published in 2022 made this explicit, also emphasising the importance of ‘community pride’

² This also responds to recent guidance from Government. See HM Government (2023), [Guidance for local authorities delivering business representation and local economic planning functions](#)

³ HM Government (October 2021), [Net Zero Strategy: Build Back Greener](#). See Chapter 2 for further detail.

⁴ Kent County Council, [Climate Emergency Statement](#)

⁵ [Kent and Medway Energy and Low Emissions Strategy: Meeting the Climate Change Challenge](#) (June 2020)

⁶ HM Government (March 2023), [Spring Budget 2023](#), p.44

and sense of place in creating successful local economies. Locally, the *Kent and Medway Integrated Care Strategy* contains a clear link with economic strategy, focusing on the health impacts of the cost of living crisis and the need to address the social and economic determinants of health outcomes⁷.

The local strategic landscape

1.16 Finally, there is an extensive range of key strategies and plans at local and county-wide level, many of which are relevant to this Framework:

- Across **Kent and Medway**, there is a long history of collaboration on joint strategy development. The *Kent and Medway Energy and Low Emissions Strategy* sets out a plan to achieve net zero by 2050, recognising the potential of a greener economy to "invest in new jobs and low carbon infrastructure; support innovation, re-skilling and retraining"⁸. Work is also underway to develop a county-wide *Infrastructure Mapping Tool*. There has also been a substantial strategic focus across Kent and Medway on workforce skills development, with the county acting as a national trailblazer for a *Local Skills Improvement Plan*, which was approved in 2023⁹.
- In **Kent**, the County Council's overall strategic plan for 2022-26 is set out in *Framing Kent's Future*¹⁰. Enabling economic growth, and ensuring that prosperity is shared across the county, are key priorities within *Framing Kent's Future*, within an objective to 'level up Kent'. Also relevant to this Framework is the emerging *Local Transport Plan (LTP5)*, which sets out a strategy to respond to the context of the transition to net zero and which will be published as a consultation draft in summer 2024¹¹. **Medway's Council Strategy** sets out a vision of a "waterfront university city, connecting innovation, people and place and driving growth for all"¹², and is supported by the longer-term emerging *Medway 2037* strategy.
- The economic development plans and strategies of the 12 **District Councils** are also important. In some cases, these are set out within District corporate plans; in others, they are adopted as separate strategies. In all cases, there is an important relationship between strategies for economic development and growth and the planning system, set out within the 14 local plans across Kent and Medway¹³.

⁷ Kent and Medway Integrated Care System (2022), [Kent and Medway Interim Integrated Care Strategy](#)

⁸ Kent County Council/ Medway Council (2020), [Kent and Medway Energy and Low Emissions Strategy: Meeting the Climate Change Challenge](#)

⁹ Kent Invicta Chamber of Commerce (2023), [Kent and Medway Local Skills Improvement Plan](#)

¹⁰ Kent County Council (2022), [Framing Kent's Future](#)

¹¹ Kent County Council (June 2023), [Emerging Local Transport Plan: Turning the Curve towards Net Zero](#)

¹² Medway Council (2023), [Council Strategy 2023-24](#)

¹³ i.e. the 13 Local Plans and the Kent Minerals and Waste Local Plan

1.17 Strategic partnerships are also well-established at sub-county level, enabling groups of local authorities to cooperate on economic issues at the most appropriate geography. **East Kent Leadership Group** (EKLG) brings together Ashford, Canterbury, Dover, Folkestone and Hythe, and Thanet; **Greater North Kent** involves Dartford, Gravesham, Maidstone, Medway and Swale; and **West Kent Partnership** supports Sevenoaks, Tonbridge and Malling and Tunbridge Wells. Looking beyond the county, the **Thames Estuary Growth Board** champions the transformation of the Estuary from the City of London to North Kent and South Essex, and internationally, the **Straits Committee** supports partnership working with our neighbours in France and Belgium.

1.18 The strategic landscape is complicated, as we would expect from a large and complex county. The Economic Framework does not seek to duplicate existing strategy at county-wide or local level, but we have sought to ensure alignment, and we reference the relevant strategies where appropriate later in the Framework.

Framework structure

1.19 The remainder of this Framework is set out in nine further chapters:

- **Chapter 2** sets out the economic landscape within which the Framework has been developed, outlining the strengths, weaknesses, opportunities and threats facing the county's economy and the key issues that need to be addressed.
- **Chapter 3** introduces our objectives and our five 'Ambitions' for the Kent and Medway economy.
- Building on this, **Chapters 4-8** explain the Ambitions and outline a series of areas for action over the Framework period to 2030.
- Finally, **Chapter 9** sets out our approach to delivery and how we will measure progress over time.

1.20 In addition, **Annex A** presents a summary 'SWOT' analysis of the Kent and Medway economy. A separate **Economic Evidence Base** has also been prepared as a supplementary document, providing further detail to the analysis set out in Chapter 2.

2. Kent and Medway's economic landscape

Kent and Medway has a large, diverse and distinctive economy, closely integrated with the economy of the Greater South East and with significant national infrastructure assets linked with the UK's gateway to Europe. Recent years have seen rapid employment growth and there are significant opportunities ahead linked with our entrepreneurial businesses, innovation potential and improving skills base. This chapter sets out a picture of the county's economy, highlighting recent performance, key strengths and assets on which we can build.

Scale and diversity: Kent and Medway's economic geography

A large, complex and polycentric economy...

- 2.1** With a population of around 1.87 million and generating annual gross value added of about £44 billion, Kent and Medway is a large and complex economy¹⁴.
- 2.2** The county is clearly defined by its peninsular geography, and it is widely recognised as the **'garden of England'** and as the **UK's primary gateway to continental Europe**. But its scale also embraces substantial diversity. Around 45% of the county's population lives in Greater North Kent, stretching from Dartford via Gravesham and Medway to Swale and Maidstone. Historically, an important area of industrial activity along the Thames Estuary and the Medway, North Kent has seen substantial industrial restructuring and diversification over recent decades, leading to some of the UK's most significant (and successful) regeneration projects in, for example, Bluewater, Chatham Maritime and Rochester Riverside, while the county town of Maidstone is an important regional service centre. East Kent accounts for a further 35% of the county's residents, incorporating the UK's largest passenger port at Dover, the concentration of universities at Canterbury, coastal towns historically reliant on domestic tourism but increasingly developing as vibrant creative economies, and the major growth centre of Ashford. Some 20% live in West Kent – although West Kent accounts for a somewhat higher share of total jobs in the county, reflecting the large and diverse employment base in Tonbridge and Malling, and dynamic service-based economies in Sevenoaks and Tunbridge Wells.
- 2.3** **This diversity is reflected in the county's 'polycentricity'**. While Medway is the largest single urban area, no single centre dominates: instead, there is a network of larger and medium-sized towns (as illustrated in Figure 2-1) and smaller settlements, leading to complex travel patterns. Between these urban areas, much of the county is rural, including some of England's highest-value and most productive agricultural land. Much of rural Kent is

¹⁴ For comparison, Kent and Medway's economy is about the same size as that of Northern Ireland and larger than four of the nine current Mayoral Combined Authorities.

also covered by environmental designations, including the two Areas of Outstanding Natural Beauty and extensive Metropolitan Green Belt.

Figure 2-1: Settlements with populations of over 20,000



Source: ONS Mid Year Population Estimates for Built Up Areas and Subdivisions, 2020; SQW analysis. Some contiguous urban areas are merged in the analysis. Combined settlements of 20,000 pop. minimum

... with important connections beyond Kent and Medway

- 2.4** Links *beyond* Kent and Medway are important as well. Connections with London are highly significant, both for commuters (and people working for London employers but based in Kent) and supply chain businesses. Locally, there are also important flows between Dartford and Sevenoaks and Bexley and Bromley, and between Tunbridge Wells and East Sussex. The major international connections at Dover and Eurotunnel are also important economic assets in their own right, and drive a large transport and logistics industry.

The state of Kent and Medway: Recent economic performance

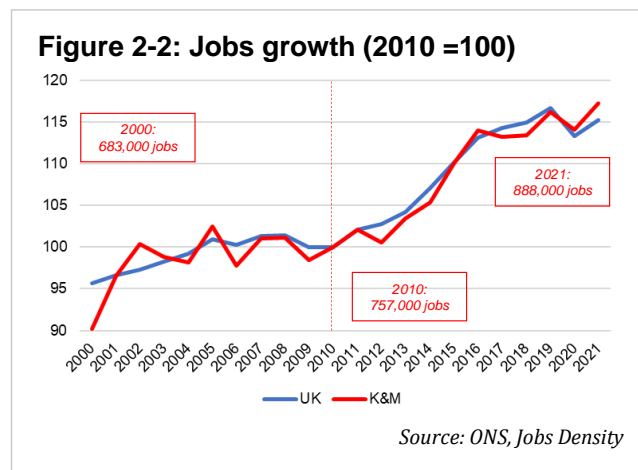
- 2.5** As set out in the Introduction, Kent and Medway has grown rapidly over the past decade, in terms of population, economic output and employment. But on some indicators, there is scope for improvement – and given the county’s scale and diversity, averages often obscure considerable divergence at local level. The following paragraphs provide a snapshot of the ‘state of the county’, which is set out in more detail in the accompanying evidence base.

We have seen rapid population and workforce growth... which is set to continue into the future

- 2.6 Kent and Medway's population has grown rapidly in recent years**, increasing by 144,000 between 2010 and 2021. This level of growth equates to a 8.4% increase in the county's population, compared with around 6.8% nationally¹⁵.
- 2.7** The 'working age' population has grown more slowly, reflecting a steadily ageing population – although it is worth noting that the concept of 'working age' (notionally defined as people aged between 16 and 64) is becoming more fluid as people work for longer, and more flexibly. But **the 'working age' population also grew at a faster rate in Kent and Medway than the national average** (with growth of 4.5%, compared with 3.7% across the UK).
- 2.8** Looking to the future, Office for National Statistics projections anticipate strong continued population growth of around 13% between 2018-30 (compared with around 9% growth nationally)¹⁶. Over the same period, the working age population is also expected to grow, by around 6% (double the UK rate of increase). The consequence is that **the county's share of the national working age population is likely to rise steadily over time, from around 2.7% in 2021, to 3.3% by 2040**. Kent County Council's own forecasts, taking account of planned housing growth, anticipate even higher levels of population growth than this.
- 2.9** A larger workforce will generate increased economic activity over time – and in relative terms, Kent and Medway's significance in the national economy will grow. But **ensuring that growth is sustainable – environmentally as well as economically – will require sustained investment in infrastructure** and in the development of the county's economic potential to make the most of its increased capacity.

We have a steady record on job creation... but there is potential for more

- 2.10** In 2021, there were **888,000 jobs** in Kent and Medway - an increase of 131,000, or 17%, since 2010. Since 2010, the pace of jobs growth has been broadly in line with the UK average, rising rapidly to 2016 and plateauing somewhat in subsequent years.
- 2.11** However, **there may be capacity for more**. The job density (the number of jobs per working age resident) has increased over time, but it is still lower than the national average¹⁷. Some of this is



¹⁵ ONS, Mid Year Population Estimates

¹⁶ ONS, Population projections, 2018 based

¹⁷ 0.78 jobs per resident aged 16-64 in Kent and Medway, compared to 0.85 in the UK (ONS, Jobs Density)

accounted for by out-commuting, although the county's overall jobs density is lower than in some other counties on the edge of London¹⁸.

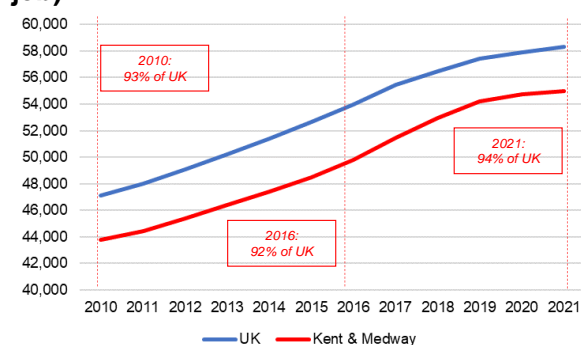
2.12 Unemployment is relatively low, with a 'claimant count' of 3.4% of residents aged 16-64¹⁹, and employers report challenges in filling vacancies. But at the same time, economic activity (i.e., people of 'working age' who are in work or looking for work) has fallen since the pandemic, partly through older workers not returning once the Covid crisis passed, and partly through increased levels of people out of the labour market through ill-health. And while county-wide figures approximate to the national picture, there are significant concentrations of local economic inactivity, especially in coastal Kent.

2.13 Overall, the labour market picture is complicated: high vacancy rates and challenges for employers in obtaining the people they need, at the same time as higher numbers outside the workforce. Maximising the potential of the local workforce is a key challenge – nationally, as well as in Kent and Medway.

There is scope to increase productivity

2.14 Kent and Medway's GVA per filled job (a conventional measure of productivity) was around **£55,000** in 2021. This equates to around 94% of the UK average, a gap which has narrowed slightly in recent years. The UK average is quite strongly influenced by London and a handful of highly productive regions: compared with other regions across the country, Kent and Medway is in the 'middle of the pack'. However, **there are significant differences within the county**: productivity is some 10% above the national average in West Kent, and 20% below in East Kent, with the consequence that it underperforms some of its neighbours in the South East.

Figure 2-3: Productivity (GVA £ per filled job)



Source: ONS, Smoothed GVA (B), current prices, by ITL1 and ITL2 regions

2.15 Productivity matters because it is the main driver of economic growth and prosperity: essentially, increased productivity (more output per hour or per job) drives salary growth and tax take. Increasing productivity is therefore a key policy goal, especially in the context of generally weak UK productivity growth (relative to historical and international comparators) over recent years. Three observations are worth making, which inform the approach set out in this Framework:

¹⁸ 0.88 in Surrey, 0.83 in West Sussex, 1.00 in Hertfordshire (although 0.77 in Essex, which in many respects has a similar economic profile to Kent and Medway).

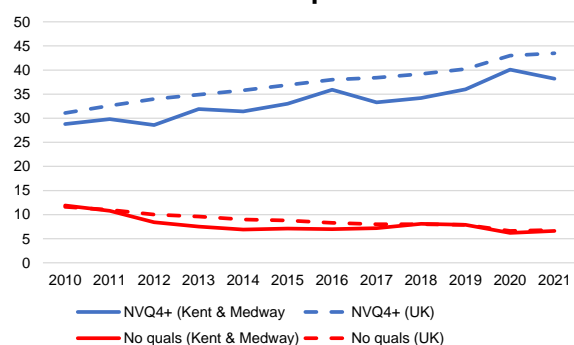
¹⁹ Compared with the UK rate of 3.7% (ONS/ DWP, July 2023)

- **Productivity growth isn't just about growing the most productive sectors**, or the highest-value jobs (although that is important). Some sectors are, on average, more productive than others and this does have an influence on overall productivity²⁰. But there is scope for productivity gain in *all* sectors, through greater technology adoption, stronger workforce skills, better connectivity to link people with jobs, and so on²¹. A broad-based economic framework should therefore take account of these opportunities for incremental improvement, as well as the potential for change at the 'leading edge'. This is likely to be especially important in Kent and Medway, given our sectorally-diverse, SME-dominated economy.
- **Productivity growth is likely to be gradual.** It may be accelerated by specific major investments, but generally it is the consequence of incremental improvements, sustained over time and heavily influenced by the national context.
- **Productivity growth is important, but it isn't quite everything.** More productive jobs ought to generate higher pay and this should, over time, lead to higher living standards. But not all valuable activity generates monetised 'output', and a highly 'productive' economy might not necessarily be a sustainable or equitable one. Overall, local strategy ought to help ensure that productivity gains are captured locally, both in pay and quality of life.

Kent and Medway has a workforce skills challenge – but a concerted focus is yielding results

2.16 Over time, there has been a steady improvement in workforce qualification levels. In 2010, around 12% of the working age population had no formal qualifications, a figure which had almost halved by 2021. The share of the 16-64 population qualified to NVQ4+ almost increased by a third over the same period. This partly reflects the steady progress of demographic change, as older workers (who are less likely to hold formal qualifications) leave the labour market and younger workers join.

Figure 2-4: Population aged 16-64 qualified to NVQ4+ and with no qualifications



Source: ONS, Annual Population Survey

²⁰ The distribution of functions *within* sectors is also important (for example, headquarters facilities and R&D functions will typically generate higher levels of output per job than sales and distribution functions within the same sector).

²¹ Institute for Government (2021), [Firing on all cylinders: Why restoring growth is a matter for every UK sector](#)

- 2.17** However, despite the positive direction of travel, **Kent and Medway continues to have a workforce skills ‘deficit’**, which has been persistent over time. Workforce qualifications lag behind the rest of the UK at intermediate and higher qualification levels. At Level 2, attainment levels are actually higher in Kent and Medway than they are nationally, but at Level 3, there is a 2.5 percentage point gap, widening to over five percentage points at Level 4²². The percentage of the workforce qualified to both Levels 3 and 4 is lower than the UK rate in nine of Kent and Medway’s 13 local authority areas (with especially low rates in Swale and Thanet). This matters both for individual outcomes and opportunities and for the ability of existing employers and new investors to secure the skills they need – and the skills they are likely to need in the future.
- 2.18** Consequently, there has been a **strong focus on addressing workforce skills challenges in recent years**. Further education provision has been consolidated and strengthened, alongside significant progress in developing links between skills providers, employers and other strategic partners. Following the *Economic Renewal and Resilience Plan* in 2020, this was given added impetus with the creation of the **Kent and Medway Employment Task Force**: since then, it has been reinforced through the new, employer-led Local Skills Improvement Plan and specific sector initiatives, the further development of which is central to the approach outlined later in the Framework.

There has been major investment in transport connectivity – but Kent and Medway faces some unique challenges

- 2.19** The period since 2010 has seen significant investment in transport infrastructure. Between 2015 and 2021, some £720 million was spent on transport capital schemes in Kent, taking account of investment from the Local Growth Fund and expenditure by national bodies such as Network Rail and National Highways²³. This contributed significantly to the delivery of the county’s last Local Transport Plan and to its objective of securing economic ‘growth without gridlock’, with major schemes including key junction improvements (such as M20 Junction 10a at Ashford and M2 Junction 5 at Sittingbourne) and numerous projects to unlock major developments, improve town centre connectivity and improve active travel opportunities.
- 2.20** The future capital investment picture is uncertain, especially in the context of high inflationary pressures. However, **Kent and Medway faces significant transport infrastructure challenges over the rest of the decade**. As well as demand generated from new developments (in the context of the county’s rapidly expanding population), the emerging LTP highlights demand from the *existing* community and the need to manage it effectively, in the context of Kent and Medway’s distributed population and business base and its complex travel patterns.

²² ONS, Annual Population Survey.

²³ Kent County Council (June 2023), [Emerging Local Transport Plan: Turning the Curve towards Net Zero](#)

2.21 In addition, **Kent and Medway’s international connectivity provides a unique set of challenges**. The Port of Dover and Eurotunnel provide the most efficient Channel crossing points for passenger traffic and roll-on-roll-off freight: as such, they are a vital link in the UK’s supply chains and export markets. However, constrained infrastructure at the ports, combined with susceptibility to disruption through weather events, strike action and so on frequently leads to negative impacts on Kent’s road network. In 2022, Operation Brock (the traffic management scheme that holds HGVs on the M20 while queuing for Eurotunnel and the Port of Dover) was activated for about a third of the year²⁴, imposing severe impacts on the wider network and the communities it serves.

2.22 At the same time, while the county has seen substantial ‘sunk’ investment in international rail connectivity²⁵, our international stations at Ashford and Ebbsfleet have not been served by stopping international trains since the pandemic, partly due to the impact of border control processes. **For Kent and Medway’s economy, international connectivity and proximity to continental Europe ought to be a key, distinctive asset: strategic infrastructure constraints prevent it being realised, imposing costs on the local economy and costs on the UK as a whole.**

Improvements in digital connectivity have been transformational

2.23 **There has been transformational progress in the delivery of digital infrastructure over the past decade.** Commercial investment and public support through the Kent and Medway Superfast Broadband Programme and successor initiatives meant that by 2022, some 95% of premises in the county were able to access a superfast service, with 62% able to access gigabit speeds²⁶. Work continues to develop solutions for the remaining premises concentrated in more rural parts of the county that are unable to secure a superfast service – although staying ahead of the curve will be important as digital technology transforms working practices and business models.

Inequalities remain significant

2.24 Within a diverse county, there are some significant concentrations of disadvantage. These are especially concentrated in coastal East Kent, parts of North Kent and on a smaller scale, in most of the county’s urban centres. Local concentrations tend to be persistent over time, and reflect a combination of limited access to opportunities for labour market progression and a range of complex factors linked with the housing market, health conditions and access to services. In this context, **overall economic growth is essential but insufficient to generate better outcomes at local level**, and the Economic Framework will need to be one element of a broader approach to ‘levelling up Kent’.

²⁴ Ibid.

²⁵ Including the stations themselves and more recent public investment in rail infrastructure.

²⁶ Ofcom (2022), [Connected Nations 2022](#)

Making the most of our key assets

2.25 The summary above suggests good progress over the past decade in relation to skills improvements, infrastructure investment and the county's overall employment and productivity trajectory – albeit with significant challenges that will need to be addressed over the rest of the decade. Beyond this, there are three key 'assets' which will provide an important platform for future growth, relating to the **diversity of the county's business stock and sectoral composition**, strengths in our **knowledge base and innovation potential**, and Kent and Medway's wider **quality of life, quality of place and the quality of its food production**. All of these need to be nurtured and invested in -

Business and sectoral diversity

2.26 Business is central to future economic growth: put simply, employment is either created by existing businesses expanding, new businesses starting up, or businesses from elsewhere deciding to locate in the county. In 2022, there were around 74,000 active enterprises in Kent and Medway, with the total business stock increasing by almost a third between 2010 and 2022²⁷.

2.27 Overwhelmingly, **the majority of businesses are small and micro enterprises** – to a somewhat greater extent than the national average. However, this dominance of SMEs overlooks some of the county's larger private sector employers (such as Laing O'Rourke in construction, Pfizer in pharmaceuticals, Saga Group in travel and financial services, and BAE Systems in manufacturing among many others), as well as the expansion of individual firms over time from micro to medium-sized businesses. Supporting SMEs with the appetite and capacity for growth has been a focus of activity for some time, through initiatives such as the Kent and Medway Business Fund.

2.28 In 'headline' terms, our sectoral profile is also diverse and complex. The largest sector in employment terms is wholesale and retail, followed by health and care, business services, construction and hospitality-related activities. Relative to the rest of the UK, the large employment sector in which Kent and Medway is 'over-represented' is construction (which has grown rapidly in recent years, and in which Kent is substantially more productive than the UK average).

2.29 This headline view masks some important local concentrations (such as manufacturing in Swale). It also overlooks significant activities which are not sufficiently captured in standard data, either because they cut across conventional sector definitions, or because they are

²⁷ ONS, UK Business Count. This figure refers to active enterprises. Alternatively, the UK Business Count refers to 86,000 'local units' (which also include branches in Kent and Medway of businesses based elsewhere). Both figures are commonly used. The 'enterprise density' (the number of businesses relative to the 'working age' population) also increased by around 15% over the same period.

relatively small in absolute employment terms, but are rapidly growing or generate disproportionately high levels of output. Examples include:

- **Life sciences**, including the large concentration of activity at Discovery Park (and to a smaller extent Kent Science Park) and links with the wider health system
- **Creative, digital and tech**, underpinned by ‘place-based’ investment (such as at Folkestone Creative Quarter and Chatham Historic Dockyard) and the Creative Estuary initiative, as well as by the emergence of an established ‘cross-sectoral’ digital media sector
- **Food production and agritech**, including Kent’s highly productive land-based sector (especially in fresh food and horticulture), as well as the county’s substantial food and drink manufacturing base.

Innovation assets and the knowledge base

2.30 Kent and Medway’s universities have expanded in recent years, and contain some significant innovation assets. Across the University of Kent, Canterbury Christ Church University and the University of Greenwich, key research capabilities include:

- **Biosciences**, including the Industrial Biotechnology Centre at the University of Kent, building on the University’s expertise in molecular processing; the Biomedical Science Research Group at the University of Greenwich and Canterbury Christ Church University’s Stem Cell Research and Bio-engineering Laboratory (SCRABEL at Medway).
- **Computing and data science**, including Kent’s Institute of Cyber Security for Society (iCSS), one of 19 Academic Centres of Excellence in Cybersecurity Research recognised by the National Cyber Security Centre and the EPSRC.
- **Engineering**, including Greenwich’s Centre for Process Innovation and, from an applied perspective, Canterbury Christ Church’s Engineering, Design, Growth and Enterprise (EDGE) Hub
- **Plant science**, especially linked with Kent’s food and drink industry, where university strengths are complemented by NIAB-EMR at East Malling, a non-university research and technology organisation in commercial horticulture and land-based science.

2.31 These capabilities map onto some of the emerging sectoral strengths highlighted above. Bringing the two together, initiatives such as the **Growing Kent and Medway** programme funded by UK Research and Innovation (see Chapter 5) seek to put innovation into practice, and there are strong (and growing) links between the county’s universities and key centres of commercial innovation, research and development such as Discovery Park.

2.32 However, **on some conventional measures of ‘innovation’, Kent and Medway performs relatively poorly.** Business and enterprise expenditure on R&D is comparatively low in Kent

and Medway, reported at around 64% of the UK average per business in 2018²⁸. Private sector non-profit R&D is also very low, and Kent and Medway's share of Innovate UK grant income is lower than in all its neighbouring counties. The challenge is to build on the county's academic and commercial strengths – especially in those areas of activity in which it has distinctive capabilities – to develop the innovation 'ecosystem' and support business growth over time, while recognising that there are opportunities for innovation throughout the economy – including in firms that are unlikely to seek any form of public support, but which are highly successful in a range of sectors.

'Sense of place' and quality of life

- 2.33** As well as the 'hard' assets described in terms of infrastructure, business stock and science and technology capabilities, Kent and Medway's quality of life offer is important in attracting and retaining investors and in creating an environment in which people want to live, work and visit. This is underpinned by the natural environment cited earlier, as well as by the county's stock of cultural and leisure assets and by its proximity and ease of access to London.
- 2.34** Importantly, much of this is inherently associated with some of Kent and Medway's key economic strengths: for example, there is a clear connection between the natural environment, the food and drink offer, the county's proposition to visitors and the creative economy – as well as the combined benefits that these provide to residents. **Quality of life and quality of place are integral to the county's economic growth, as well as consequences of it.** They are also all central to Kent and Medway's health and wellbeing, as explored further in Chapter 8.

Bringing it together: key issues for the Economic Framework

2.35 Summarising the 'state of Kent and Medway', we can see that:

- Overall, **Kent and Medway has a diverse and dynamic economy**, which has been successful in recent years in increasing employment, growing its business stock and attracting investment
- Recent and forecast population growth (including *working age* population growth) is substantially higher than the UK average, and is transformational in parts of the county. Linked with this, Kent's 'share' of the UK population is rising fairly rapidly. It's a place where people want to live, and it enjoys a substantial stock of 'quality of life' assets which are important to enhance and protect.
- **The county is polycentric and complex.** Kent is easy recognisable as a location and a brand. But in *economic geography* terms it is quite complicated: it has rural, urban, suburban and coastal dimensions, but there are strong connections across all of them.

²⁸ BEIS/ NESTA, [Research and development spatial data](#). Reported at €6,500 per business in Kent and Medway in 2018, compared with €10,200 across the UK as a whole, using Eurostat data. More recent BERD data is only published by ONS at regional (i.e., South East) level.

Local distinctiveness and diversity is therefore vital to the Framework– but so are the complex links across places and industries within a dense geography that is both ‘peninsular’ and integrated into London and the wider South East.

- **We have some very distinctive assets and characteristics.** These include the county’s role as a gateway for imports and exports (and the economic role that this plays and the challenges it brings), the cultural and creative renaissance of its coastal towns, and the highly productive land-based sector in the ‘garden of England’.
- **These are accompanied by important opportunities for innovation and economic growth.** These include the sectors highlighted above, the growing university base at Canterbury and Medway, and key centres for innovation, such as Discovery Park in relation to life sciences, in the context of a broad-base, largely small-business dominated economy with opportunities for growth that are widely dispersed and often ‘under the radar’.
- **We are impacted by workforce skills challenges and pressures** – but in the context of significant progress in recent years.
- **Spatially, the county is quite unequal** – which is visible at high level in the sub-regional disparities between West and East Kent, but which also impacts at local level and correlates with wider outcome inequalities

3. The outlook to 2030

Building on the analysis of the ‘state of Kent and Medway’ in Chapter 2, this chapter looks at the medium-term outlook for the next few years. It then considers how the future of the economy will be shaped by a series of transformational trends, which will impact all sectors and activities and to which the Economic Framework will need to respond.

The medium-term outlook

- 3.1 This Economic Framework has been prepared in the context of a challenging macroeconomic outlook.** Despite strong recovery from the Covid-19 pandemic, inflationary pressures driven by the high energy costs and supply chain challenges and exacerbated by the Russian invasion of Ukraine have led to weak economic growth. In 2023, the Office for Budget Responsibility (OBR) anticipated that the UK economy would not return to pre-Covid levels of output until mid-2024²⁹. While employment has been resilient (in Kent and Medway and across the UK), the impacts of the wider economic picture on the ‘everyday’ economy are easily visible in the cost of living crisis and the consequent impacts on consumer spending.
- 3.2** The picture is expected to brighten in the next few years: the OBR anticipates UK GDP growth of 2.5% in 2025, falling to about 1.75% by 2027, in the context of continued employment growth. However, it highlights several structural challenges for the UK, linked with weak business investment, low productivity growth and lower labour market participation than would have been the case pre-Covid. In this context, the OBR forecasts that real living standards will still be lower than pre-pandemic levels in 2027/28.
- 3.3** Three observations are worth making on this medium-term outlook. First, it gives us an indication of the conditions within which the Economic Framework will be delivered: these are likely to involve significant constraints on public spending and a need for imaginative solutions. Second, it emphasises the importance of economic growth and productivity gain and the need to focus on that locally. Third, the key factors underpinning the OBR’s forecast (Covid, Ukraine, the energy crisis) were unknown a few years ago: building our resilience to future shocks was a key pillar of the *Economic Renewal and Resilience Plan* and will remain important.

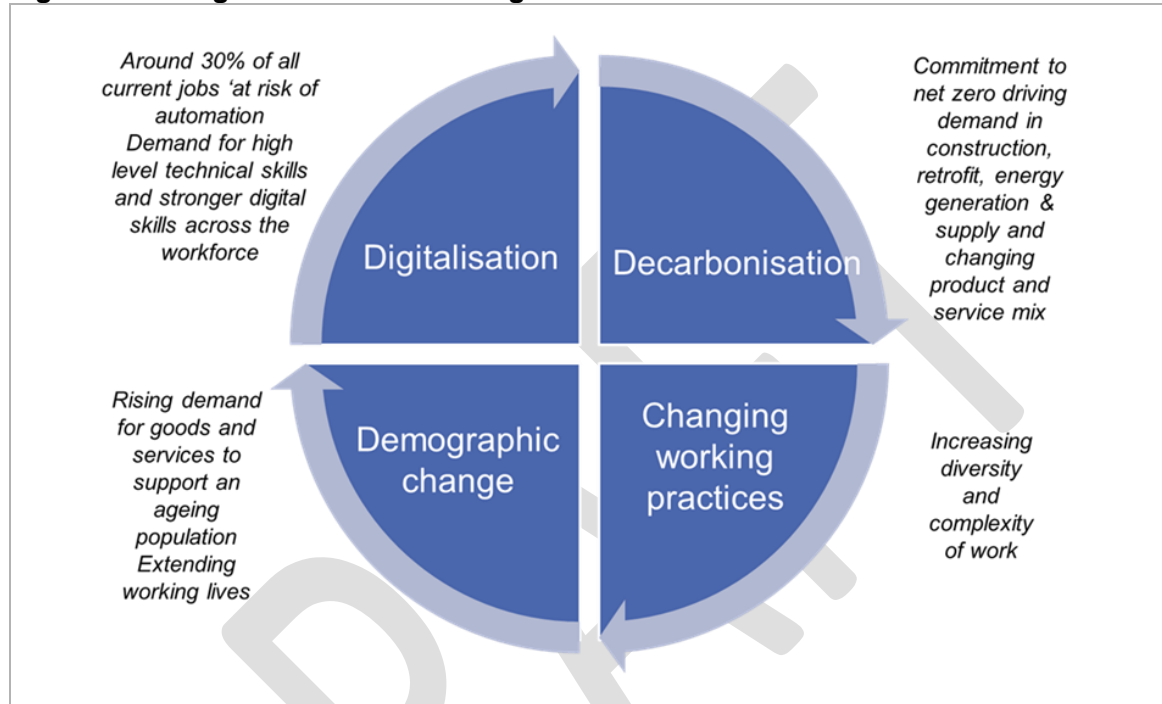
The longer term: Key transformational trends

- 3.4** These medium-term forecasts take us a long way into the period covered by the Economic Framework. In parallel, all economic activity will be influenced by longer-term structural trends. These will apply to all advanced economies, but the way in which they interact with

²⁹ Office for Budget Responsibility (March 2023), [Economic and Fiscal Outlook](#)

our economic structure will influence the opportunities we have available locally and how we can respond to them. We have identified four key ‘macro trends’: **decarbonisation and the route to net zero, digitalisation, demographic change** and the **impact of changing working practices**. These are interlinked, but we consider each in turn in the paragraphs below.

Figure 3-1: Long-term drivers of change



Source: SQW

Decarbonisation and the path to net zero

- 3.5** As highlighted in the review of the policy context in Chapter 1, the UK’s commitment to net zero carbon emissions by 2050 will have an impact across the economy: all businesses will need to become low carbon businesses, and plans for future infrastructure investment are cast in the context of the intermediate targets set by the Government. The scale of the change will be far-reaching: while different sectors will make progress at different rates depending on the availability of new technology, the Government anticipates emissions reductions by 2035 (against a 1990 baseline) of up to 76% in industry, 59% in transport and 62% in heat and buildings³⁰.
- 3.6** Kent and Medway’s economy is less carbon-intensive than that of many other parts of the country. There has also been very significant progress made in recent years: **between 2010 and 2021, total greenhouse gas emissions in Kent and Medway fell by 35%** (compared with a UK total reduction of around 30%), despite the county’s rapid population and employment growth over the same period³¹. While there is much more to do (especially in

³⁰ HM Government (October 2021), *Net Zero Strategy: Build Back Greener*, p.79

³¹ HM Government (2023), UK local authority greenhouse gas emissions 2005-21

terms of transport emissions, where the total reduction has been lower), the transition is already well underway.

3.7 Opportunities for Kent and Medway include:

- **The decarbonisation of energy generation.** There is already significant offshore wind energy generated off the Kent coast. Other opportunities being explored include the potential for a Small Nuclear Reactor at Dungeness, securing nuclear jobs in the area following the decommissioning of the existing power station, and opportunities for green hydrogen production in the Thames Estuary³², as well as opportunities for micro-generation and district heating networks.
- **Opportunities in Kent and Medway's large construction sector**, as the industry responds to requirements for higher environmental standards and the use of modern methods of construction, as well as energy efficiency retrofit in the existing building stock.
- **More resource efficient methods of production:** There is relatively little large-scale, energy-intensive industry in the county. But as regulatory pressures rise and financial incentives change, there will be an increasing demand to increase the sustainability of production across the economy.
- **Investment in sustainable agriculture and horticulture and regenerative farming methods**, and the scope for innovation that this involves. Linked with this, investment in natural carbon storage, through the management and protection of grasslands, saltmarshes etc., will make an important contribution to the county's decarbonisation targets.
- **Transport decarbonisation**, through provision of infrastructure for electric vehicles and zero carbon and active travel options and the development of railfreight infrastructure.

3.8 From an employment perspective, research has identified three categories of 'green jobs', which are likely to see growing demand: **new jobs** relating directly to the transition to net zero (such as hydrogen cell technicians), **jobs affected by the transition** that will need enhanced competencies and capabilities (such as architects and environmental consultants), and **existing jobs that will be needed in greater numbers** (such as insulation installers). Linked with Kent and Medway's Local Skills Improvement Plan, significant investment is being made by the county's further education colleges to support a network of green skills centres responding to the opportunities highlighted above.

3.9 In addition, some businesses will face structural changes and the need to adapt. Potentially, the challenges are greater for smaller firms further away from the leading edge of technology development, and it will be important to support their adaption and resilience.

³² Thames Estuary Growth Board, [Hydrogen Route Map](#)

Digitalisation

3.10 ‘Digitalisation’ refers to the transformation of the economy through massively increased use of data and the development of digital technologies such as artificial intelligence, machine learning and robotics. Digitalisation isn’t about change within a single industry; rather, it is about the use of ‘general purpose’ technologies with a wide range of applications across industries.

3.11 Three aspects of the transformational impacts of digitalisation are especially relevant:

- **Disruptive effects on industry:** Use of digital technology leads to greater efficiency, with firms that have the capacity and capability to invest and adopt more likely to benefit from productivity gains and improved competitiveness. But its ‘transformative’ power is in the convergence of technologies to drive entirely new industries (wearable devices or gaming, for example), which in turn drive applications elsewhere. A consequence is the breakdown of traditional industry sectors and markets, leading to a recognition of digitalisation as the ‘fourth industrial revolution’.
- **Impacts on the labour market:** Estimates of the potential impact of automation on jobs vary greatly, although most studies suggest that while new technologies will substitute for labour in some sectors, this is likely to be more than offset by job creation. However, technology is changing the way in which work is done, with the potential for positive and negative impacts on working conditions; the need and opportunity for job changes over the course of the working life; changing demand for skills; and the ability to work remotely.
- **Impacts on services,** potentially helping to overcome relative remoteness, and including the development of new ways of accessing health and care, which in turn impact on the development of new goods and services and demand for jobs.

3.12 Successive studies have demonstrated improved the link between digital technology adoption and productivity³³. However, relatively weak levels of technology adoption, especially among SMEs, have been cited as a key factor in the UK’s poor productivity performance compared with other major economies³⁴: as with the transition to net zero, there is a need to build resilience as well as innovation.

Demographic change

3.13 Between 2019 and 2039, Kent and Medway’s population is set to increase by 19% to 2.22 million. But the population aged between 16 and 64 will only increase by 15% - a significant rate of growth, but highlighting the county’s steadily ageing population.

³³ OECD (2020), *Digital technology adoption, productivity gains in adopting firms and sectoral spill overs*; MAKE UK (2022), [Digital Adoption: The missing link in productivity growth](#)

³⁴ Jurgen Maier (2017), [Made Smarter Review: Report to the UK Government](#)

3.14 Demographic change has three implications for the future of the economy:

- There will be **rising demand for goods and services to support the ageing population**. This includes rising demand for health and social care, but it will also mean a focus on technologies to support personal independence, and the capabilities needed to implement these.
- A **rising 'dependency ratio'** is likely to be a further spur to investment in technology to effect productivity gain. In this context, demographic change is likely to reinforce the drive to digitalisation highlighted earlier.
- Third, **working lives will become longer**. Pension reform is already extending working life, and increasing numbers want to work past conventional retirement age. For many, this presents a great opportunity; for others (especially those in physically demanding jobs or jobs vulnerable to technology change) it presents a major challenge.

Changing working practices

3.15 Finally, in the context of extended working lives, we can expect the *nature* of work to become more diverse and complex over the coming years. Key trends include:

- Increased part-time working. Part-time work as a percentage of total hours worked increased sharply after the 2008/09 recession, and has remained at around 37% of total employment since.
- Increased self-employment. Around 13% of those in employment in Kent and Medway are self-employed (compared with 10% nationally). This includes freelance workers, who are often project-based and are especially common in parts of the creative and digital industries.
- Increased 'independent' work. Official estimates of people with second jobs (about 3.5% of all in employment) have been largely constant since the 1990s. But these are unlikely to fully account for the rise in new technology-enabled forms of earning, which may also be augmented by the rise of zero hours contracts and 'gig economy' work.
- Increased diversity of working styles and locations, with the move towards 'hybrid' and home-based working for many roles (creating additional flexibility for many people, but also demanding new approaches to team development and the provision of suitable workspace) and increasing flexibility in the definition of the 'working day'.

3.16 This increase in 'alternative' forms of work contract is often seen in a negative light. But for other workers (and businesses), it can also provide greater choice, and in some sectors (such as digital media), project-based freelancing is very common. Either way, more frequent career changes are likely to become more common in the future.

3.17 Some of these changes will also bring distinct opportunities for Kent and Medway. As more people are able to work remotely, the county's 'quality of life' assets combined with relative

proximity and good connectivity to London offer an opportunity for more people to work as well as live locally, even if their employment base is 'formally' located elsewhere – helping to drive local business activity, as well as reduce the costs of out-commuting.

Looking forwards

- 3.18** Looking towards 2030, we can be reasonably certain that these trends will persist: decarbonisation is enshrined in law and international agreements; the advance of digital technology has its own momentum, and demographic change is long-term and underway. Whatever happens in the economic cycle, they will all be central to Kent and Medway's economic transition over the next few years.

DRAFT

4. Introducing our Objectives and Ambitions

Looking ahead to the rest of the decade, we want to build on the assets and strengths identified earlier to develop Kent and Medway's economy in a way that responds to the long-term structural 'drivers of change' that we face. This chapter introduces our overall framework, setting out three overarching objectives and a series of 'ambitions' that we describe in more detail in the chapters that follow.

Framework structure

4.1 Our high level economic framework sets out:

- **Three overarching Objectives:** supporting the development of an economy that is more "productive, sustainable and inclusive". These are essentially statements of general desirable outcomes: they are not unique to Kent and Medway, but set out a direction of travel.
- **Five Ambitions:** key themes, within which we have set out a series of 'areas for action' at county-wide level over the medium term.

Figure 4-1: The economic framework



- 4.2** Across all of these, we recognise that *economic, social and environmental* outcomes are inherently linked: so all the actions proposed within the Framework should have positive impacts on wider wellbeing.

Unpacking the Framework: The three objectives

- 4.3** Looking to 2030, we want Kent and Medway's economy to be more:

- **Productive:** As we set out earlier, productivity is the key driver of economic growth. To improve living standards and the competitiveness of our business base, we need to raise productivity over time.
- **Sustainable:** The climate emergency and achieving net zero is the central 'change' factor driving long-term economic adjustment. This impacts all aspects of the 'economy' (i.e., it relates to the promotion of those business activities at the leading edge of low carbon innovation, as well as adaption across the business base, but it also relates to all other factors in the economic system (energy systems, housing, transport, skills, and so on). So it impacts across the whole Framework and our subsequent Ambitions.
- **Inclusive:** Inequalities in Kent are relatively sharp and impact on most other wellbeing outcomes (and indeed economic growth overall). But while higher productivity and higher investment should drive higher pay in aggregate, it won't automatically benefit everyone. Technological advances also have transitional downsides which need to be mitigated.

- 4.4** These three Objectives are easy to state and are generally uncontentious. Progress against them can also be readily measured: for example, we can assess changes in Kent and Medway's productivity, inequality and carbon footprint over time). Although they are set out at high level...

- All action in support of economic development in Kent and Medway ought to contribute positively to them, or at least demonstrate that if there is a negative impact in relation to any one of the Objectives, then this is mitigated and substantially outweighed by positive impacts elsewhere. This should influence (for example) the support that the public sector gives to individual businesses or investors and the way in which major investments are designed.
- Achieving the Objectives won't (just) be the result of the specific action areas set out in this Framework: they will also need to be driven by other strategies and plans and by 'mainstream' activity.
- They will also depend on factors outside local control. For example, overall macroeconomic conditions will influence productivity growth, and Government policy will influence progress towards net zero. We recognise this – but in that context, we can still seek to effect change locally.

Introducing the five Ambitions

4.5 To help deliver our three Objectives, there are some key themes on which action should be focused over the next few years. We have called these the five 'Ambitions', and they seek to:

- Enable innovative, productive and creative businesses
- Widen opportunities and unlock talent
- Secure resilient infrastructure for planned, sustainable growth
- Place economic opportunity at the centre of community wellbeing and prosperity
- Create diverse, distinctive and vibrant places

4.6 The Ambitions are also interconnected, support each other and should be seen as an integrated package. Within each Ambition, we have defined a series of 'action areas': in defining these:

- **We have focused on areas for action that apply across Kent and Medway**, or are of county-wide significance. We have not sought, for example to set out specific infrastructure investments or current projects. The consequence is a limited number of strategic action areas that are principally relevant to an economic agenda.
- **The areas for action are flexible.** There may be several different ways of achieving them, both at county-wide and local level, and the detail of individual projects and initiatives will evolve over time. The point is that they help to focus the Ambitions we have outlined.
- While they are not dependent on a single source of funding, **they will require investment which is not directly within the control of any one local partner.** In that context, we recognise the significant funding constraints that are faced by local government and which are likely to persist for several years. Some of the areas for action will require central Government support – through grant, investment or devolved powers: the Ambitions provide an agenda through which delivery options can be explored and developed, not (at this stage) costed business plans.

4.7 The next five chapters introduce each of our Ambitions in turn.

5. Ambition 1: Enabling innovative, creative and productive businesses

Looking to 2030, our first Ambition focuses on increasing business investment and growing innovative capacity and resilience – both at the ‘leading edge’ of technology and across the economy.

Defining the Ambition

- 5.1** We want Kent and Medway to be – increasingly – a place in which businesses with the potential for growth can thrive. We want to attract new investment, and reinvestment into the county, and we want to ensure that firms have access to the right space and infrastructure to enable them to grow. But we also recognise that Kent and Medway has innovation assets and opportunities that are often dispersed and are not always joined up and coordinated. Through this Ambition, we focus on supporting successful firms to expand, innovate and adapt to change.

A stronger ‘place-based’ innovation partnership

- 5.2** Although on many traditional measures of innovation Kent and Medway underperforms relative to its neighbours in the South East, the evidence base set out in Chapter 2 demonstrates that there are significant opportunities for growth, especially (but not exclusively) linked with our emergent strengths in life sciences, food and agritech, digital technology and renewable energy.
- 5.3** In recent years, significant progress has been made through collaboration between local government, our universities and colleges and business in taking forward ‘transformational’ projects that strengthen the links between the knowledge base and industry – for example in the establishment of the EDGE Hub and Kent and Medway Medical School and through long-term collaboration at Discovery Park. A key example of what can be achieved is visible through the **Growing Kent and Medway** project, which brings together expertise from across the county’s research and development institutions to support innovation in the food and drink sector:

Box 5-1: Growing Kent and Medway³⁵

Growing Kent and Medway is the first project in the county to be funded by the UK Research and Innovation Strength in Places Fund, an initiative which seeks to link together local research and industrial strengths where this can lead to new opportunities for innovation and growth in the sector and support healthy and sustainable food production.

The project has a bold ambition to “*make our region the most dynamic and successful location in the world for horticulture and agri-technology*”. Led by NIAB, the UK’s largest horticultural research and development centre based in East Malling, it brings together capabilities from across the county’s R&D institutions (including the Medway Food Innovation Centre at University of Greenwich, Canterbury Christ Church University’s Industrial Agri-Engineering Hub, and University of Kent’s Biotechnology Hub), making research facilities available to industry alongside R&D grants and business support. It also coincides with the development of new commercial glasshouses at East Malling, as part of NIAB’s GreenTech Hub for Advanced Horticulture.

Growing Kent and Medway also supports a wider focus on sector development, including through the preparation of the *Workforce 2030 Agrifood Skills Strategy* and a programme of work to support firms in reducing their carbon footprint.

- 5.4** There ought to be opportunities to build on the experience of Growing Kent and Medway to strengthen the county’s ‘innovation ecosystem’ (put simply, the way in which business, research strengths and access to finance, networks and support work together to enable new ideas and collaborations to come forward). This can be challenging in Kent and Medway because of the dispersed and diverse nature of the economy – but the potential to build a cluster of higher-value activity in areas of local comparative advantage could be significant.

Action Area 1: Developing an enhanced place-based innovation partnership

Across Kent and Medway, we will develop a stronger partnership between higher and further education, government and business to develop a more coordinated approach to cluster development, focused on those areas in which the county has a relative advantage. This will aim to build stronger links between businesses and the local ‘knowledge base’, gaining greater recognition of Kent and Medway’s assets on a national scale.

³⁵ See [Growing Kent and Medway](#)

Creativity, productivity and resilience

- 5.5** While innovation is often seen as being about the invention of new products, often in a scientific context, it can also be about introducing existing technologies to the firm, introducing process improvements that increase productivity or enabling new ideas to come forward.
- 5.6** Adopting and adapting to new technologies is especially important in the light of the need to respond to the twin challenges of digitalisation and decarbonisation highlighted in Chapter 3. But there is evidence that relatively slow adaptation to new technologies among SMEs contributes to the UK's comparatively weak productivity growth. Existing programmes in Kent and Medway (such as the Kent and Medway Business Fund) already have a focus on increasing capacity for productivity improvements, and we have a positive business support landscape, delivered by 'county-wide' bodies such as Kent Invicta Chamber and at local level. Elsewhere in England, the Made Smarter has successfully had a focus on the introduction and adoption of digital enabling technologies and will be rolled out to Kent and Medway over the coming years.
- 5.7** More broadly, innovation is also about the ability to take advantage of and build on new ideas. While we say more about Kent and Medway's 'creative economy' in Chapter 9, creativity is central to opportunities in all sectors.

Action Area 2: Focusing support to business on measures that will increase long-term productivity resilience and the adoption of new ideas

Where direct support is made available to business, we will focus it increasingly on productivity and decarbonisation outcomes and drivers and opportunities for 'process innovation' and the adoption of existing innovations, as part of an increasingly joined-up business support offer.

A coordinated, practical welcome to investors

- 5.8** Kent and Medway is an open county, which welcomes new investment (and reinvestment from firms that have already located here). Since 2019, Locate in Kent, the county's inward investment agency, has supported over 300 companies to invest in Kent and Medway, supporting some 9,400 jobs³⁶. Increasingly however, the focus is less on headline job 'creation', and more on the added value that investment can bring, through the quality of employment, opportunities for training and development and the wider contribution to the local economy. In that context, there is evidence that firms securing foreign direct investment

³⁶ Locate in Kent

are more 'productive (on average) than domestic counterparts, and that they also have a positive impact on local firms within the supply chain³⁷.

- 5.9** Promoting Kent and Medway's opportunities is important in securing external investment. But attracting new business to the county also involves collaboration across a number of partners, joining up infrastructure, planning, access to workforce skills, and so on. It also involves reinforcing positive perceptions of the county: as the analysis in Chapter 2 demonstrates, Kent and Medway's assets are significant, but they can often be overlooked, especially in the context of some of the infrastructure pressures that the county faces (discussed further in Chapter 7). Communicating the offer and substantive investment need to go hand in hand, through a coordinated approach to place marketing.

Box 5-2: Brompton, Ashford

In 2022, the UK's largest bicycle manufacturer, Brompton, announced its decision to locate a new manufacturing plant and headquarters facility in Ashford. The scheme will bring around £100 million investment to the area, with some 1,500 jobs on site from 2027 (and around 4,000 in total, when supply chain jobs are taken into account).

The project demonstrates Kent's attractiveness as an investment location: the company considered several options before deciding to locate in Ashford, with access to London via High Speed One an important factor. But joint working across the local authorities, skills partners and others to ensure a joined up offer and to engage the investor in longer-term benefits were also important in securing the investment.

Action Area 3: Attracting and welcoming investors to Kent and Medway

We will leverage Kent and Medway's quality of life, skills base, connectivity and other assets to ensure that it is a welcoming place for investors. This will include joining up the offer across several partners, working flexibly to present an integrated package.

Supporting the wider conditions for growth

- 5.10** Kent and Medway has a buoyant commercial property market, with the most recent *Kent Property Market Report* highlighting strong demand for lab space (reflecting the availability of space in Kent in contrast to severely constrained supply across much of the South East); high take-up of industrial and distribution space in the context of some very large developments coming forward, such as Aylesford 750; and a post-pandemic increase in

³⁷ ONS (2015), [Foreign Direct Investment and labour productivity: A micro-data perspective 2012-15](#)

demand for flexible office space³⁸. However, a lack of expansion space for SMEs is frequently observed, potentially holding back firms' growth ambitions. Recent analysis has highlighted an imbalance between the supply of employment land and workspace and actual demand from new investors and from firms already active in the local economy: securing a better understanding of the market will be important in monitoring the Economic Framework as it is delivered.

- 5.11** Likewise, we know that many SMEs experience challenges in securing the finance they need to support their growth ambitions, especially where they are developing new products and services – the innovative activity that this Framework seeks to promote. There is also evidence that some groups of entrepreneurs are less likely to benefit from business networks and support than others, reflected in (for example) a substantial gender gap in entrepreneurship and business ownership³⁹. Together with the workforce development actions described in the next chapter, we will seek to support the 'conditions for growth' for small businesses across the economy.

Action Area 4: Supporting the conditions for growth

While commercial space will often be delivered by the market without the need for intervention, there are often barriers to bringing forward the type of workspace that the economy needs and which will support future growth. We will work to identify the economic need for workspace to support SME expansion, aggregating and demonstrating demand to the market where it exists. Beyond this, we will take an active role in bringing forward new development, investing in co-working and innovation space, de-risking sites and providing investor confidence.

Building on our experience of the Kent and Medway Business Fund, we will continue to support SMEs in accessing finance, where it will lead to our objectives of a more “productive, sustainable and inclusive” economy.

³⁸ Locate in Kent (2022), *Kent Property Market Report*

³⁹ UK Government (2019), [The Alison Rose Review of Female Entrepreneurship](#)

6. Ambition 2: Widening opportunities and unlocking talent

Our second Ambition focuses on the skills and talent of the workforce – supporting greater employer engagement and leadership in the skills system, joining up the offer and ensuring continued investment in the skills that are needed to respond to long-term structural change.

Defining the Ambition

- 6.1** Great progress has been made in recent years in strengthening workforce skills in Kent and Medway. But the skills that the economy needs and the way in which work is done are constantly evolving in the light of the structural trends set out earlier. Planning for the future and bringing supply and demand into a better balance can help to overcome the skills ‘shortages’ that employers often face, and provide more opportunities for people to enter and progress within the workforce.
- 6.2** Looking towards 2030, our ambition is for a skills system which is increasingly joined up and integrated: which informs and responds to student choice, brings employers and providers together for mutual benefit and retains flexibility and capacity for innovation. Ultimately, this will support continued improvement in Kent and Medway’s headline skills and qualification profile – but more importantly, it will support business productivity and capacity for growth, and progression in work and higher pay for employees.

Putting employers at the heart of skills planning

- 6.3** The *Economic Renewal and Resilience Plan* placed a strong emphasis on workforce skills development and access to employment as part of Kent and Medway’s pathway out of the Covid-19 crisis. This led to the creation of the multi-agency Employment Task Force at the end of 2020 and the development of a comprehensive workforce skills evidence base the following year⁴⁰, and ran in parallel with the refresh of Medway’s *Skills and Employability Plan* and a series of strategies at sub-county level.
- 6.4** In parallel, the Government launched its approach to encouraging greater employer leadership in skills planning, launching ‘Local Skills Improvement Plans’ in 2021. Led by Kent Invicta Chamber of Commerce, Kent and Medway was one of six ‘trailblazer’ LSIPs launched the following year, and in 2023, the first full LSIP was published⁴¹. The LSIP provides a “roadmap to support the region in addressing skills needs and shortages”, focused on evidence

⁴⁰ KMFP/ Employment Task Force (2021), [Kent and Medway Workforce Skills Evidence Base](#)

⁴¹ Kent Invicta Chamber of Commerce (August 2023), [Kent and Medway Local Skills Improvement Plan](#)

of current and future employer demand. Recognising the complexity of the economy and those areas of relative and emergent strength outlined earlier, it takes a sectoral approach, focusing on the construction, manufacturing, fresh food, health and care and education sectors, with scope for this to be expanded flexibly over time. As well as setting out evidence of need and demand, it identifies actions to improve sector perceptions, support in-work learning, and so on.

- 6.5** It is relatively ‘early days’ for the LSIP process. But combined with the strategic leadership of the Employment Task Force and the expanded employer links of Kent and Medway’s further education colleges, there are positive opportunities to build on the leading role that the county has taken nationally.

Action Area 5: Embedding the Local Skills Improvement Plan at the heart of a closer relationship between employers, further education and other skills providers to meet current and future skills needs

We will develop a longer-term process of flexible skills planning, with support from a wide range of partners and with growing reach into the business community. This will lead to better alignment of skills provision with current and future employer demand, reducing skills imbalances and bottlenecks and enabling greater responsiveness to the needs of the economy.

Skills infrastructure to drive technology transition

- 6.6** Planning for future demand also means investing in the infrastructure needed to provide it, especially in relation to those technologies that demand the use of new equipment and techniques. Further investment is especially important in Kent and Medway, given the need to keep pace with (and maximise the potential of) the county’s rapid population growth.
- 6.7** Over the past decade, we have been successful in securing capital investment in skills development, often by bringing together funds from a wide range of sources where there is a strong business case for investment (for example, in higher education, the compelling case for a new Kent and Medway Medical School was met through a complex and pragmatic mixture of national, local, university and philanthropic sources). Allied with the LSIP process, partners have more recently been successful in securing significant investment in new facilities to meet the skills and training demands of the decarbonisation imperative:

Box 6-1: New investment in green skills⁴²

With Government funding alongside the LSIP process, Kent's further education colleges have invested in a series of new facilities designed to address the skills needs associated with the transition to net zero.

The **Green Skills Factory** at MidKent College's Maidstone campus focuses on the construction sector, including a Home Energy Centre to provide practical experience of renewable energy technologies. At Ashford and Canterbury, EKC Group's **Green Engineering Centres** aim to help businesses recruit new staff and retrain existing employees, and also provide facilities for employers to find out how automation, robotics and other sustainable technologies can benefit their business. North Kent College's **Green Horticultural Centre** at Hadlow supports a range of courses focused on decarbonisation in the food and farming sector, helping rural land-based businesses to build their sustainability credentials.

Apart from direct benefits to businesses and learners, these three projects are important to highlight for three reasons. First, they demonstrate the extent of complementarity and joint working across the county's further education sector. Second, they illustrate alignment with Kent and Medway's industrial and sectoral opportunities. Third, they demonstrate the 'cross-industrial' nature of the decarbonisation agenda and its integration with the advance of wider digital technologies. All three dimensions will be important in future investment in the skills estate.

- 6.8** Linked with better evidence of need and a stronger 'coalition' of employers and providers, we will continue to secure long-term capital investment in future skills:

Action Area 6: Investing in Kent and Medway's skills infrastructure to harness the potential of the long-term transformational trends we have identified and support the growth of our sectoral strengths

We will seek to secure investment in skills capital to respond to the county's growing working population, reflecting its identified sectoral strengths and responding to the transformational trends we have identified. This will lead to increased capacity for high quality skills provision, enabling the delivery of the priorities set out in the LSIP (and leading to reduced skills constraints and higher productivity over time).

⁴² Kent Invicta Chamber of Commerce/ LSIP (2023), [Strategic Development Funded facilities](#)

Supporting young people into sustainable and rewarding work

- 6.9** In the context of a relatively tight labour market and our focus on developing an increasingly employer-responsive system, we aim to ensure that young people across the county, at all levels, are able to access work that is fairly rewarded, sustainable and offers the potential for future progression. Strengthened relationships with employers will make an important contribution to this, through the development of full-time programmes and the promotion of employer and learner demand for Apprenticeships.
- 6.10** In parallel, Kent and Medway’s pool of graduate talent is a significant asset for the county: in 2020/21, there were around 42,000 student enrolments in Kent and Medway at both undergraduate and postgraduate level⁴³. Significant efforts to widen participation has been made in recent years (indeed, Kent and Medway Medical School is specifically designed with this as a core objective), and the county is an important recruitment base for our universities and an important employment destination. There is a net outflow of new graduates from Kent and Medway – unsurprisingly, given the proximity of the London jobs market. But there could be benefits to local SMEs from greater engagement with the local graduate pool.

Action Area 7: Retaining and developing talent

We want to develop the pipeline of talent entering the labour market at all levels. We will focus on enabling new entrants, at all levels, to enter work that is productive, sustainable and rewarding, making the most effective use of the combined resources that the public sector has available – for example in using flexible funding to ‘bolt on’ additional provision to existing full-time programmes to help people into work.

Working with the universities and business, we will also seek to develop new approaches to the retention of graduate talent, where there are benefits to local SMEs as well as to new entrants to the workforce.

⁴³ Estimated number of students in Kent and Medway, after adjusting for estimated numbers at University for the Creative Arts and University of Greenwich campuses located outside the county.

Box 6-2: Universities at Medway

Currently hosting around 7,000 students, the Universities at Medway demonstrate the success of sustained commitment and partnership working over time, in the context of a long-term, transformational regeneration programme.

Established as a collaboration between Canterbury Christ Church, the University of Greenwich and the University of Kent at Chatham Maritime, the campus benefits from hosting some of the universities' leading institutions. Within Kent and Medway's areas of sectoral advantage, these include the University of Greenwich's Natural Resources Institute and Medway Food Innovation Centre; Canterbury Christ Church's Institute of Medical Sciences, and the University of Kent School of Pharmacy – supporting leading research and innovation activity alongside efforts to widen participation and expand the reach of higher education.

Progression at work

- 6.11** Progression in the workplace is associated with higher productivity and higher pay. But there is evidence that employees often become 'stuck' in low-paid jobs for a variety of reasons, including limited opportunities to progress in the workplace, lack of qualifications, and caring and other responsibilities that constrain choices⁴⁴. This has a negative impact on individual outcomes, especially as demand for occupations requiring lower qualifications steadily diminishes over time. But it can also limit the stock of skills available within businesses, reducing their ability to invest in new technology and ways of working and limiting their competitiveness. In a tight labour market (which over the long term is likely to tighten further as the population ages and dependency ratios rise), we also want to unlock the talent that we have available.
- 6.12** The Local Skills Improvement Plan identified employer demand for greater provision of short courses for existing employees: as the process develops, there should be further opportunities for employer leadership. In parallel, there are opportunities to collaborate further to support flexibility and make the most effective use of existing skills budgets:

⁴⁴ DWP (July 2021), [Supporting progression out of low pay: A call to action](#)

Action Area 7: Flexibility to focus on Kent and Medway's shared priorities

The Employment Task Force has already initiated work to consider how the adult education offer can be most effectively coordinated across Kent and Medway to enable people to enter and progress in work. We recognise the devolved adult skills powers that many parts of the country have: we will continue to develop collaborative solutions to make the system work as effectively as possible and we will seek to influence employers' use of available budgets.

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7. Ambition 3: Securing resilient infrastructure for planned, sustainable growth

Our third Ambition focuses on securing the infrastructure that Kent and Medway needs to support long-term sustainable growth. This will include action at national as well as local level, recognising the county's stock of nationally-important infrastructure assets.

Defining the Ambition

- 7.1** The Economic Framework is not an infrastructure plan. The 13 Local Plans set out the infrastructure requirements linked with planned growth, and there is collaboration at sub-county level to understand the cross-border impacts of development. The emerging Local Transport Plans for Kent and Medway also set strategic transport priorities. However, reliable infrastructure provision is essential to local economic growth, both in opening up new locations for housing and employment, and in making it easier for people and businesses to access jobs and markets.
- 7.2** Consequently, infrastructure quality and supply has been central to previous economic strategies and there has been a strong relationship between infrastructure prioritisation (especially transport infrastructure) and economic development objectives. For example, in Kent and Medway, most of the former Local Growth Fund (a capital fund intended to support regional economic growth plans) was invested in transport schemes.
- 7.3** Looking to 2030 and beyond, four factors underpin the continued importance of further infrastructure investment to Kent and Medway's economic growth potential. These relate to the county's **international gateway** function and the opportunities and challenges that this presents; the extent of **planned growth** and the infrastructure requirements that this will generate to enable additional employment and business expansion; the **resilience** of the infrastructure network; and the importance of the energy and transport mix in achieving **decarbonisation** at scale (and the jobs and business opportunities that will arise from it).
- 7.4** Our long-term ambition is for the county to benefit fully from its international connectivity, with a resilient transport and utilities network that can support economic need. Some elements of this extend beyond the lifetime of the Economic Framework, although funding and policy decisions in the period to 2030 will be important.

Benefiting from the UK's international gateway

Investing in infrastructure...

- 7.5** Kent and Medway's international connectivity is a major driver of employment and economic growth: some 48,000 people work in the county's transport and logistics sector, with

extensive distribution activities along the M2 and M20 corridors, as well as at the ports and Eurotunnel themselves. Ease of access to Europe is also a key element of Kent and Medway's visitor economy. Beyond local benefits, our international infrastructure is a critical national asset, with the Channel ports playing a vital role in ensuring the just in time delivery of goods and components between the UK and continental Europe.

- 7.6** The short crossing between Dover/ Eurotunnel and the Continent mean that Kent will always be the UK's primary roll-on-roll off freight and passenger route. The resilience of the crossing should therefore be a national priority. However, as the analysis in Chapter 2 demonstrates, constrained infrastructure at the Port of Dover, combined with the impact of additional disruption and border checks have meant that the use of 'Operation Brock' to manage travel flows has increased recently – with severe consequences for local residents and businesses.
- 7.7** Improving long-term reliability will demand significant national infrastructure investment, in:
- Adding **additional capacity to hold HGVs waiting to cross the Channel**, to reduce reliance on Operation Brock and the disruption it causes locally. This will need to involve new infrastructure across the South East, as well as in Kent itself.
 - **Making better use of the strategic road network** to spread the burden of traffic heading to and from the Port of Dover and Eurotunnel. Currently, most freight traffic is routed via the M20. But more use could be made of the A2/M2 corridor, linked with the proposed **Lower Thames Crossing** scheme connecting Kent and Essex⁴⁵. This would require major investment in the A2/ M2, as well as the Lower Thames Crossing, but would also help to provide more direct access to the Channel crossings from the East Midlands and the North.
 - Future **railfreight** development.
- 7.8** This will mean proposals at national scale, requiring national investment. We will continue to work with Government to build the economic case for investment, both for businesses and communities in Kent and Medway and for the UK as a whole.
- 7.9** Kent and Medway has also seen significant sunk investment in **international rail infrastructure**, through the stations at Ashford and Ebbsfleet. These are a unique asset to the county – and ought to be increasingly important, given the need to decarbonise international travel and the opportunity to shift passenger numbers from air to rail. They are also important in realising the (nationally-significant) economic potential of Ashford, Ebbsfleet Garden City and the surrounding area. While international stopping services have not been restored to Ashford or Ebbsfleet since the pandemic, they are key to the UK's European rail connectivity.

⁴⁵ The proposed Lower Thames Crossing will connect the A2/M2 in Kent with the A13 and M25 in Essex, providing a new crossing of the Thames east of the existing Dartford Crossing. See National Highways, [Lower Thames Crossing](#).

Ensuring that our connectivity is restored will reinforce Kent and Medway's role as an outward-facing county at the gateway to Europe.

... and the opportunities of new technology

- 7.10** Beyond infrastructure investment, Kent and Medway's gateway function presents important opportunities for the deployment of new technology to manage freight and passenger flows and border crossings. The logistics industry is already responsive to the application of advanced digital technology to improve efficiency and reduce carbon emissions; at the same time, the Government's *2025 Border Strategy* commits to innovation in the better use of data at border crossing points and measures to improve resilience⁴⁶. The Channel crossings are important 'testbeds' for innovation, with potentially wider benefits across the regional economy.

Action Area 9: Maximising the benefit of international connectivity

We will champion Kent and Medway's international connectivity as a key economic asset for the county – securing investment in the resilience of our ports and their surrounding infrastructure, developing the potential of international rail and making the most of the opportunities for technology and innovation that our international gateway role offers. Central Government is a key partner, especially in taking forward infrastructure investment on the scale required: we will work alongside Government to secure long-term change.

Securing resilient transport infrastructure to support a dynamic economy

- 7.11** Kent and Medway's rapid population and housing growth also creates significant infrastructure demands. The Kent and Medway *Growth and Infrastructure Framework* prepared in 2018 identified a total infrastructure funding requirement based on planned growth of some £16.7 billion between 2017 and 2031, of which almost £4 billion was 'unfunded' through secured or expected sources⁴⁷. This analysis included a wide definition of infrastructure, including education, health and community services, although around £2.3 billion of the indicative 'gap' related to transport investments - a very substantial gap, despite Kent and Medway's success in recent years in securing capital investment.
- 7.12** Kent County Council, Medway Council and the Kent Districts work together closely in identifying the infrastructure requirements linked with planned growth, making the case for advance investment where this will support speed and certainty and focusing on

⁴⁶ HM Government (2020), [2025 UK Border Strategy](#)

⁴⁷ Kent County Council (2018), [Growth and Infrastructure Framework: 2018 update](#)

opportunities to improve sustainable access to our key employment locations and our visitor economy assets. Beyond funding solutions, we also have a strong track record of innovation (for example, Fastrack in Gravesham and Dartford): linked with the county's innovation potential outlined in Chapter 5, there will be opportunities to pilot new ideas and technologies where they can support our transport resilience and contribute to our net zero objectives.

Action Area 10: Understanding our infrastructure needs and developing new solutions

We will work collaboratively across Kent and Medway to identify and prioritise infrastructure needs to support our economic potential, make the case for capital investment and identify opportunities for innovative solutions – especially where they can involve our local knowledge and business base. The planning system is crucially important, and we will continue to develop approaches to collaboration at sub-county and Kent and Medway-wide level.

Looking to the longer term, we will also continue to build the case for future strategic investment (for example, in the extension of Crossrail to Ebbsfleet) even where the timescales for this are substantially beyond current funding horizons.

Linked with the ambitions set out in the draft Kent *Local Transport Plan*, we will ensure that rural communities are supported in overcoming the challenges of relative remoteness – through active travel and public transport investment, as well as in the charging infrastructure that future mobility will require.

Staying in the forefront of digital innovation

- 7.13** The past decade has seen remarkable success in delivering greatly enhanced digital connectivity, both as a result of developments in the market and through the rollout of the Kent and Medway Superfast Broadband Programme, which ensured that the great majority of rural communities were able to secure superfast connectivity, even though it was not viable for this to be delivered by the market alone. Meanwhile, as technology has advanced, the county has seen rapid improvements in connectivity: just 10% of premises had gigabit-capable connections in 2020, compared with 67% of premises two years later. This has of course run in parallel with very significant changes in the way in which technology is used, in enabling ubiquitous remote working and access to a much wider range of digital services.
- 7.14** As the digital frontier advances, we want to ensure that Kent and Medway is on the 'front foot' – including in ensuring excellent connectivity for our highly productive rural communities.

Action Area 11: Ensuring that Kent and Medway's digital infrastructure meets the dynamic evolution of business need and technology development

We will work with local communities and businesses to ensure that Kent and Medway benefits from the delivery of the Government's 'Project Gigabit' initiative to deliver gigabit connectivity to harder-to-reach areas – ensuring that the whole county benefits from the constantly-evolving opportunities presented by digital transformation.

7.15 Linking back to our innovation ambitions set out in Chapter 5 and the 'transformational theme' of digitalisation, we also recognise the opportunities that better digital infrastructure presents for businesses in Kent – enabling more (and higher value) activities to take place locally and driving the development of new goods and services.

Developing Kent and Medway's energy potential

7.16 Kent and Medway has a long history of energy generation, including through the former coal-fired power stations at Kingsnorth and Richborough, the liquefied natural gas terminal at Grain, and the major nuclear power station at Dungeness. The past decade has also seen an expansion of offshore wind (through the London Array, Kentish Flats and Thanet wind farms) and, to a lesser extent, onshore capacity.

7.17 The drive to decarbonise the energy system is leading to new opportunities for energy innovation, including in micro-generation and the rollout of district heating networks. An extensive study of the energy potential of Kent and Medway and neighbouring counties in the South East set out a wide range of opportunities, leading from energy generation to the distribution infrastructure and scope for greater domestic and commercial energy efficiency⁴⁸: these subsequently informed Kent and Medway's *Energy and Low Emissions Strategy*⁴⁹.

7.18 Within Kent and Medway, distinctive opportunities include:

- The potential for **next-generation nuclear energy** at Dungeness through potential investment in a Small Modular Reactor
- Development of **hydrogen** production – most immediately with Ryze Hydrogen's new green hydrogen production facility in Herne Bay, and more broadly with the development of the **Thames Estuary hydrogen 'routemap'**, which links together both opportunities for production, storage and use to develop an integrated 'ecosystem'
- Scope for **renewable energy generation**, including the further development of the offshore opportunities cited above, as well as solar generation (Cleve Hill near Faversham)

⁴⁸ South East LEP/ Coast to Capital LEP/ EM3 LEP (2018), *Energy South to East*

⁴⁹ Kent County Council (2020), [Energy and Low Emissions Strategy](#)

will be the UK's largest solar farm, and is the first to be approved as a Nationally Significant Infrastructure Project).

- 7.19** Some of these opportunities remain in their early stages, and technology is advancing rapidly. Taking advantage of them may require additional investment in grid capacity, as well as work with industry to link demand and supply and to build the associated skills base. But Kent and Medway should be in a strong competitive position to build on its historic energy strengths.

Action Area 12: Supporting Kent and Medway's energy potential

We will drive forward Kent and Medway's potential in new energy technologies, identifying, promoting and making the case for investment opportunities and linking energy generation with our innovation potential and key growth sectors.

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8. Ambition 4: Placing economic opportunity at the centre of community renewal and prosperity

Our fourth Ambition focuses on ensuring that people are able to contribute to Kent and Medway's growth potential and that the benefits of that growth are widely shared, are visible across the county, and contribute to overall quality of life

Defining the Ambition

- 8.1** There are two dimensions to our fourth Ambition. On the one hand, economic growth is essential if we want to create a more prosperous Kent and Medway, where that prosperity is widely spread. Without the factors described in the first three Ambitions – strong and innovative businesses, workforce skills that meet (and help to drive) economic demand, and infrastructure that allows people to work and do business efficiently – we won't achieve the improvements in living standards (or the net zero targets, which rely on greater productivity and efficiency) that we want to see. However, it is unlikely to be *sufficient*: there are barriers that prevent people from participating as fully as they could in the economy. These are often long-term challenges, but need to be addressed to achieve our objective of a “more productive, inclusive and sustainable” economy.
- 8.2** Bringing these two dimensions together, our Ambition to 2030 is for an economy in which more people are economically active, can achieve higher pay and living standards and enjoy a better quality of life as a result. This has obvious benefits for individuals and households – but it also supports the success of the economy as a whole, as we make better use of talent and spend more locally.

Increasing participation and enabling access to work

- 8.3** There is a strong correlation between economic inactivity, ill-health and multiple forms of deprivation: those who are of ‘working age’ but who are involuntarily economically inactive are especially disadvantaged.
- 8.4** Over the long term, economic inactivity levels have fallen – and many people are ‘inactive’ for positive reasons (for example, because they are in full-time education, or because they have sufficient income to choose to retire early). But across Kent and Medway, there were around 55,000 people aged 16-64 who were economically inactive in 2021 for reasons of ill-health – many of whom would want to enter the labour force if they were able to do so. Since the pandemic, there has been a rise in economic inactivity, especially among older workers, with evidence suggesting long-term ill-health as a key driver⁵⁰. The result is an economy which is

⁵⁰ Resolution Foundation (February 2023), [Post-pandemic participation](#)

relatively 'tight', in which employers often struggle to fill vacancies – but where many people face barriers to participation.

- 8.5** Overcoming these barriers requires joint work across several organisations, including DWP, the voluntary and community sector, skills and training providers and the local authorities, linked with the skills and workforce development activities described in relation to Ambition 2. Building on the increased employer leadership through the Local Skills Improvement Plan process, it also means a strong role for business.

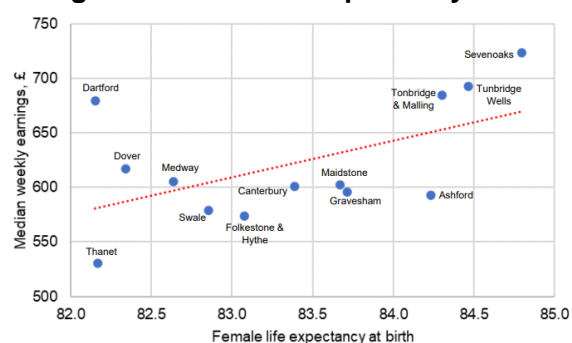
Action Area 13: Ensuring that everyone who wants a job can find work

We will seek to reduce economic inactivity, working across organisations to ensure that more people can access fair work. This will mean influencing future central Government programmes, as well as working collaboratively across organisations.

Developing a new partnership for health and the economy

- 8.6** The relationship between health outcomes and economic outcomes is widely recognised. Across the UK, good health deteriorates faster for people living in the most deprived areas, and women in the least deprived areas in England live a further 19.7 years in good health than those in the most deprived areas⁵¹. This is also visible in the relationship between earnings and life expectancy at district level across Kent and Medway, as illustrated in Figure 8-1.

Figure 8-1: Median weekly resident earnings and female life expectancy



Source: ONS, Life expectancy at birth, 2016-18; Annual Survey of Hours and Earnings 2019-21

- 8.7** Related to this is the relationship between health and productivity performance (i.e., the amount of economic output generated per worker in the local economy). Across the UK, there is a correlation at local authority level between lower output and the incidence of mental ill-health, long-term limiting health conditions and musculo-skeletal health problems⁵². Poor health also has a significant impact on workplace output across the board. Research indicates that across the UK, over 70 million

⁵¹ Health Foundation (January 2022). The equivalent male gap is 18.3 years.

⁵² Greater Manchester Independent Prosperity Review (2019), *Productivity and Pay Research Summary*

working days are lost each year to mental ill health alone⁵³: in Kent and Medway, this is likely to equate to around 1.7 million days lost and potentially £330 million in lost output⁵⁴.

- 8.8** Although the relationship between health and productivity is intuitive, it is complex: health outcomes support economic outcomes, as well as the other way round, and many of the issues underpinning performance are structural and hard to change at local level. But the close association suggests that there is an opportunity for a better-developed ‘shared agenda’ across economic development and health.
- 8.9** This agenda should extend to the resilience of (and opportunities presented by) the health and social care sector, which faces both significant workforce pressures and capacity constraints in the context of Kent and Medway’s population and housing growth, but which is also a driver of innovation and employment opportunity. Securing the right investment in health infrastructure will be critical to the county’s future resilience, while in health and social care, we continue to face a significant challenge in attracting and retaining skilled professionals to the county, especially in parts of eastern and coastal Kent. Major investments, such as in Kent and Medway Medical School are seeking to address this issue by creating new opportunities for workforce development and innovation.

Box 8-1: Kent and Medway Medical School

Kent and Medway Medical School (KMMS) is a collaboration between the University of Kent and Canterbury Christ Church University, and is the first medical school in the county. The driver for the creation of KMMS was a recognition of the severe shortages that Kent and Medway faces in the recruitment of medical professionals, especially in primary care. The case for KMMS also emphasised the need to widen participation from people who may not otherwise have considered medical careers, as well as the potential for a medical school to contribute to Kent and Medway’s growing strengths in life sciences.

KMMS is a good example of health and economic objectives coming together to benefit the county. Recognising its strategic importance, the capital for the new School was part-funded by the Local Growth Fund, which KMEP partners played a major role in securing. Since it opened in September 2020, KMMS has developed an innovative curriculum supporting its widening participation and primary care objectives, and has seen an exceptionally high level of applications for student places.

- 8.10** There are also **opportunities to support health outcomes through Kent and Medway’s key sector strengths**. These include the connections between health and our capabilities in

⁵³ Institute of Employment Studies (2018), *Unlocking Employee Productivity: The role of health and wellbeing in manufacturing*

⁵⁴ Based on gross value added per filled job

life sciences (which were also a consideration in the development of Kent and Medway Medical School). They also include the contribution that Kent's large food sector can make to the health of the population, linked with opportunities for local procurement and the development of Kent and Medway as a 'sustainable food county'.

Action Area 14: Developing a strategic partnership for health and the economy

The *Integrated Care Strategy* for Kent and Medway highlights that many of the key determinants of health are outside the control of the health system, and relate to economic and social factors. We will work together with the Integrated Care System to build a stronger focus on health and the economy, recognising the impact on outcomes and supporting the resilience of the health and care sector. This will support action at local authority level, where significant progress is already being made, as well as across Kent and Medway as a whole.

Linking 'anchors of growth' and community opportunity

- 8.11** The benefits of growth can often feel abstract and diffuse. But in a county with a very extensive programme of major development, it is important that there are direct benefits to local people and businesses as the schemes are implemented, as well as after they are delivered. In Kent and Medway, we have a strong record of ensuring positive social value from our major developments, linked with the workforce objectives that we set out in Chapter 6.

Box 8-2: Social value at Ebbsfleet Garden City

Ebbsfleet Garden City is one of the UK's largest development projects. Already substantially complete, development will continue for over another decade, creating a sustainable 'healthy town' at the heart of the Thames Estuary.

A Garden City Trust has been established to look after Ebbsfleet's community assets in the future. In the meantime, as part of the Ebbsfleet Development Corporation's commitment to social value, it has adopted a Local Employment Initiative, which seeks to secure at least 25% local labour, run a series of employability programmes to support unemployed people and young people not in education, employment or training into work, and to deliver skills development initiatives. Developers are also asked to support the local supply chain, and performance against the Local Employment Initiative and supply chain objectives is regularly monitored.

8.12 Major public and private organisations are also important economic anchors, through their role as major employers and purchasers of goods and services. NHS bodies are increasingly encouraged to see themselves as ‘anchor institutions’, and for this to influence their wider planning; likewise, Kent and Medway’s local authorities have an interest in supporting (for example) Apprenticeships and supported employment opportunities within their organisations, and in encouraging local supply chain development. Importantly, this isn’t about ‘local protectionism’: there are many SMEs in Kent and Medway that serve public sector markets in London and beyond, and we are all best served by competitive markets. But ensuring that opportunities are open to smaller local providers can help to improve quality and reliability and anchor services in the community.

Action Area 15: Building links between anchors of growth, key investments and community opportunity

We will ensure that wider opportunities for economic development, including at local community level, are embedded within Kent and Medway’s major developments and in the approach of our major employers to supply chain development and employment opportunities.

Linking economic opportunity and social need

8.13 As we set out in Chapter 2, spatial inequalities are quite high across Kent and Medway. Some of these are visible between districts: on many indicators, economic performance is generally better in West Kent than it is in East Kent. But some issues are more localised, and are associated with distinct challenges – and even where there are key drivers of economic opportunity nearby, it may not be easy for the local community to access them.

Action Area 16: Embedding economic opportunity at the centre of local regeneration

We have a good track record in joining up strategy at local level. Led by District councils and Medway, in partnership with key local employers and service providers, we will focus on building links between the new and emerging economic opportunities coming forward locally and the potential for local regeneration. We will be active in securing investment from Government and other sources – with locally-led approaches supported by partnership working and evidence at county-wide level.

9. Ambition 5: Creating diverse, distinctive and vibrant places

Our fifth Ambition focuses on maximising the potential of Kent and Medway's distinctiveness and its unique characteristics – and the specific characteristics and opportunities of towns and communities across the county.

Defining the Ambition

- 9.1** Kent and Medway has a strong and recognisable identity, underpinned by the 'Garden of England' brand and the county's distinctive coast, landscapes and heritage assets. These are central to our offer to visitors and investors, and are supported by a diverse range of towns and cities, rural communities and countryside.
- 9.2** Looking to 2030, we want to strengthen the *local* and *county-wide* offers, so that they are mutually reinforcing, support Kent and Medway as a visitor destination and a place to live and invest, and help to drive public and private investment. Within our overall Ambition, we focus on the whole ecosystem that supports our network of 'creative and innovative places': the value of nature, heritage, culture, sport and leisure, creativity and hospitality, and the contribution that our combined offer makes to the visitor economy and to local quality of life.

Championing Kent and Medway's creative economy

- 9.3** There is a strong association between Kent and Medway's 'creative economy', its cultural infrastructure and the county's sense of place and identity. Work for the Creative Industries Policy and Evidence Centre identified a concentration of 'creative micro-clusters' in Kent and Medway: places in which small and micro enterprises and freelancers concentrate, often driven by quality of life, local distinctiveness and proximity to higher education institutions and cultural institutions⁵⁵. These creative clusters – quite widely distributed in Kent and Medway, reflecting the county's polycentricity – are associated with wider benefits: recent research highlights the contribution they make to placemaking, contributing to the stock and quality of cultural institutions and developing the cultural tourism offer, as well as economic growth directly generated by creative sector businesses themselves⁵⁶.

⁵⁵ Creative Industries Policy and Evidence Centre, Newcastle University (2020), [Small Engines of Growth: Understanding creative microclusters](#)

⁵⁶ South East Creative Economy Network, [Places and People: Supporting and growing creative people and places across the South East](#)

Box 9-1: Folkestone Creative Quarter⁵⁷

Recent years have seen rapid growth in Kent and Medway's creative landscape, supported by local initiatives which have developed steadily over time, and by county-wide and regional networks.

In 2002, Creative Folkestone was launched to breathe new life into Folkestone through arts and creativity, establishing a hub of arts-related activity, including affordable workspaces and studios.

Since then, the programme of creative activity has expanded substantially, to include the Folkestone Triennial, the UK's largest exhibition of art and the public realm, which will return to the town in 2025; Folkestone Artworks; Folkestone Book Festival and the Quarterhouse events venue. Supported with substantial philanthropic investment, the Creative Quarter has acted as a focal point for wider regeneration, with Folkestone and Hythe's current £20 million Levelling Up investment supporting improved connectivity between the town centre, Creative Quarter and the harbour.

Across Kent and Medway, distinct initiatives are underway, reflecting the character and assets of local area and combining cultural programming with opportunities for creative business development: demonstrating the value of a sustained approach over time, and the links between culture, regeneration and the development of the visitor economy.

- 9.4** There is a strong evidence base underpinning support for the creative economy in Kent and Medway, which supports and draws on key initiatives such as Folkestone Creative Quarter, the Creative Estuary project, the development of the Turner Contemporary at Margate and Medway's previous bid for UK City of Culture status – all of which offer wider 'placemaking' benefits beyond the creative industries themselves.

Action Area 17: Growing Kent and Medway's dynamic creative and cultural economy

Building on recent initiatives, including the work of the South East Creative Economy Network, we will seek to develop Kent and Medway's creative economy, both as a key sector in its own right and as a contributor to the county's identity, sense of place and quality life, as well as the distinctiveness of our towns and cities.

⁵⁷ [Creative Folkestone](#)

A network of creative and innovative places

Building on local strengths and opportunities

9.5 Linked with this, we want to build Kent's network of creative and innovative places. Looking at Kent and Medway as a whole, 'county averages' often obscure specific local assets and clusters of activity. Some of these are well-known and frequently cited: the strength of the local creative economy in Folkestone and Margate, Canterbury's knowledge base, the digital media sector in Tunbridge Wells, Sittingbourne's manufacturing base, and so on. But often, local strengths and connections are less visible in the standard data, and depend on complex networks of firms and institutions. Understanding our 'network of creative and innovative places' will help in our understanding of the economy as a whole – and in making the case for investment at local level.

Town and city centres at the heart of the local economy...

9.6 Within the context of Kent and Medway's network of places, our town and city centres have a fundamental role. Across the UK, town and city centres have been under pressure in recent years, challenged by structural, technology-driven change in the retail sector. These pressures accelerated during the Covid-19 pandemic, reinforced (in those places more reliant on office-based markets) by the increased shift towards home-working.

9.7 While these challenges are faced by towns and cities across the country, solutions and opportunities depend on local conditions and are likely to be locally driven, within the context encouraging a more diverse range of town centre uses (cultural, heritage and community facilities, flexible workspace, public services, increased residential and so on) and improving the quality of the town centre environment. The Government has also recognised town centre investment as important: the *Levelling Up White Paper* emphasises 'pride in place' and the effect that vibrant town centres can have on local economies and sense of place. A series of funding programmes have also focused on town centre renewal, linked with local strategies – for example through the Levelling Up Fund in Chatham, Canterbury and Sheerness. Local authorities are also looking hard at their own assets and how these can be used to support town centre renewal. Linked with local strengths, we want our town centres to be focal points for economic, cultural and community life, supporting our growing population.

Action Area 18: Supporting our network of innovative and creative places

Across the county, we recognise local diversity and distinctiveness. To support it, we will develop local approaches to town centre investment and renewal, exchanging good practice and reducing competition where there is more to be gained by working together, and joining up investment from often complex sources.

... with a vibrant and productive rural economy

- 9.8** Our highly productive rural economy has some distinctive assets: in relation to its food sector, these are of national importance, and the innovation associated with them is cited in relation to our earlier Ambitions. Beyond this key sector, rural Kent and Medway is entrepreneurial and with a large stock of small and micro enterprises, many of them operating in ‘higher value’ services. Often overlooked, rural Kent and Medway is an important source of growth. However, there is considerable diversity within the rural economy, with some parts of the county experiencing significant isolation and disadvantage.

Action Area 19: Developing Kent’s rural economy

Recognising these distinctive strengths, we will support the sustainable development of the rural economy, ensuring that there is investment in connectivity, workspace and local services linked with the changing nature of work, the growth and resilience of Kent’s important food and farming sector and its natural assets.

Valuing our natural and historic assets

- 9.9** The principal focus of this Economic Framework is on those activities which are mostly concerned with material prosperity: work, business growth, innovation, productivity, and so on. But the ‘economy’ is not an isolated concept: it exists within a wider system and, as the decarbonisation imperative highlights, it is subject to ‘system-wide’ transformational trends. In that context, the Kent Nature Partnership, the body principally concerned with the protection and resilience of the natural environment, sees its role as “*managing the natural environment as a system benefiting biodiversity, people and the local economy*”⁵⁸. Sometimes, the goals of environmental protection and economic growth can appear to conflict – and there are trade-offs to be made, often determined through the planning and regulatory system.

Action Area 20: Valuing the natural and historic environment

Kent and Medway’s outstanding coast and landscapes and our internationally-significant heritage assets make an important economic contribution, to tourism, leisure and quality of life as well as through their intrinsic value. We will maintain and enhance their value, recognising the need for economic growth to be sustainable over time and to consider its wider economic impacts.

In valuing the natural environment, we also recognise the links between environmental quality, local food production, active leisure and health – all of which also underpin the objectives set out in Ambition 4.

⁵⁸ [Kent Nature Partnership](#)

A joined-up approach to place marketing

Developing Kent and Medway's visitor economy...

- 9.10** Our local distinctiveness, creativity and natural environment all contribute to the vibrancy of our visitor economy. Kent and Medway has a large tourism sector, accounting (in 2021) for around 59,000 jobs and £2.6 billion in gross value added (a figure which is likely to have risen substantially in the following year as the economy recovered from the pandemic)⁵⁹.
- 9.11** We are ambitious for the growth of the visitor economy. Over 80% of residents consider that tourism is important for their locality⁶⁰, and there businesses directly engaged in hospitality drive supply chain benefits elsewhere (including in Kent's distinctive food and drink sector). Visit Kent plays a key role in promoting the county and in supporting business development, with much achieved in recent years in enhancing perceptions and supporting the growth of the county as a year-round destination: reflecting this success, Visit Kent was one of the first new Local Visitor Economy Partnerships to be recognise by Visit England.
- 9.12** Looking to the future, there is scope to do more. Recent research has highlighted the range of 'overlooked' or under-appreciated assets that Kent and Medway has, including its diversity, culture and 'work-life balance', many of which are relevant to business visitors and local residents, as well as to the leisure market⁶¹.

Action Area 21: Developing the visitor economy

We will make the most of Kent and Medway's brand, location and quality offer in promoting the county to visitors, complementing our offer to investors. This will include developing an increasingly 'high value' market, through more high-quality hotels and events venues, supporting Kent and Medway's business and leisure offer.

... at the heart of a coordinated approach to the county's 'brand'

- 9.13** Promoting Kent and Medway as a visitor destination should also reinforce its attractiveness as a place to live, work and invest as well. Continuing to develop Kent's 'brand', ensuring that there is a coherent, compelling and mutually reinforcing offer, will be important in making sure that we make the most of the opportunities highlighted in this Framework.

⁵⁹ Visit Kent, Cambridge Model data

⁶⁰ Visit Kent

⁶¹ Visit Kent/ Visit Essex/ East Sussex CC/ SELEP [Toposophy], [Place Recovery Network: Stakeholder consultations, findings and implications](#)

10. Collaboration for sustainable growth: Delivering the Framework

This Framework sets out a high-level plan for taking forward our Ambitions over the medium-to-long term, looking forward to 2030. Delivery will depend on a range of funding sources and the coordination over time of a range of projects. This chapter explains our approach to delivery and how we will monitor progress.

A collaborative approach to delivery

- 10.1** This Economic Framework is ‘owned’ by the Kent and Medway Leaders and by Kent and Medway Economic Partnership, bringing together leaders in business, local government and education. The Leaders and KMEP will maintain oversight progress in relation to all our Objectives and Ambitions.
- 10.2** Aside from formal governance, the way in which we work to progress the Framework is important. This will be underpinned by:
- **Partnership:** Some areas of activity will likely require district leadership, some will probably be driven at county-wide level; all will require business insight; and many will relate to initiatives that emerge nationally. Strong practical local partnerships will be as essential as formal governance in ensuring a focus on those issues that are of distinctive importance to the Kent and Medway economy. KMEP’s Business Advisory Board, the sub-regional partnerships in East Kent, West Kent and Greater North Kent, key partnership bodies such as the Kent and Medway Employment Task Force and sector-based partnerships will all be important.
 - **Initiative:** In some cases, delivery of the Ambitions we have set out will involve central Government investment and may take a long time to come forward, especially where they involve infrastructure delivery. However, much can be achieved through partners working together, often at limited initial cost – and good ideas progressed at pace will often gather momentum and secure resources further down the track. In this context, the Economic Framework should be used flexibly: local initiative will be important, making best use of existing funds and experimenting.
 - **Pragmatism:** Typically, interventions seeking government funding go through a business case process. This needs to be proportionate: across the areas for action, we will start thinking now about the high level case for intervention (“why do we think this will work, and how will we know when it has?”), and we will be robust in that analysis – but delivery at pace will be key.

Approaches to investment

- 10.3** There is no single, central source of funding to deliver against the Ambitions in this Framework. As the Framework acknowledges at the start, public funding is currently constrained and uncertain, although the Government is committed to the devolution of investment funding and some economic development powers, and this may provide opportunities over the lifetime of the Framework.
- 10.4** However, Kent and Medway has a good track record in making the case for investment from multiple funding sources, supported by the private sector: many of the major projects and achievements cited as examples in this Framework started life as initial ideas, and over time secured a mixture of public and private funds, as the case was made. Rather than a central investment strategy, we will work through our collaborative delivery principles to secure delivery resources.

Measuring success

- 10.5** Within this decentralised approach to delivery, we will measure progress (via Kent and Medway Leaders and KMEP) through three routes:
- First, linked with the pragmatic approach to business case development highlighted above, we will monitor in ‘narrative’ terms progress against the 20 areas for action we have identified. In some cases, these areas for action lock into existing formal processes and will develop steadily over time; in others, they will need to involve concerted action from partners. We will bring these together into a high-level ‘action plan’, which can be readily kept under review.
 - Second, we will monitor the overall progress of the Kent and Medway economy against a ‘dashboard’ of indicators relevant to our Objectives of creating a more “productive, inclusive and sustainable” economy. These should be seen as contextual, since many of the influences on them will be outside the control of local partners (for example, overall productivity will be influenced by the performance of the national economy), many change slowly over time, and they should often be seen in the context of wider analysis. But they are helpful in giving us an indication of our overall ‘direction of travel’. Key indicators include:

Table 10-1: Indicative contextual monitoring indicators

Indicator	Description
Productivity	Gross value added per filled job, absolute and relative to the UK average.
Economic activity	Economic activity rates, by age group
Workforce qualifications	Qualification levels of people aged 16-64
GHG emissions	Total GHG emissions, by source
Firm creation and survival	Business starts and survival rates

- Third, these will be supplemented by performance indicators relevant to key activities as they come forward. These will be developed, within the spirit of a decentralised, 'light touch' monitoring approach.

10.6 To support KMEP and the Kent Leaders in monitoring progress, the **Kent Economic Development Officers Group** will maintain ongoing oversight of progress and performance against the action areas.

Keeping the Framework under review

10.7 Finally, it will be important to keep this Framework under review. The period to 2030 will see at least two national and local election cycles, and we will need to respond to new policies and programmes as well as unforeseen events. Alongside an annual review of progress (informed by the approach outlined above), we will consider whether the areas for action remain the right ones: we will adapt accordingly and will ensure that the Framework remains 'live' and up to date.

Annex A: Summary SWOT analysis

A.1 The Evidence Base prepared to inform this Framework contained an analysis of the strengths, weaknesses, opportunities and threats facing Kent and Medway's economy. This formed the basis for the analysis within Chapter 2 of the Framework, and is summarised below:

Table A-1: Summary SWOT

Strengths	Weaknesses
<ul style="list-style-type: none"> • Sectorally diverse, growing and resilient business base • Some significant innovation and technology strengths (e.g., in relation to health and life sciences and food production) • Some major concentrations of economic activity • Strong record of recent job creation (albeit with scope for more, relative to growth in the working age population) and increased economic activity • Proximity to London and the wider employment and business opportunities of the Greater South East • Significant investment in infrastructure over the past 10-15 years, some of which (e.g., High Speed One) has been transformational • Substantial higher education presence, supported by recent investment • Strong (and improved) record of collaboration between partners in public and private sectors • Quality of the natural and historic environment, supporting an excellent 'quality of life' offer 	<ul style="list-style-type: none"> • Relatively weak workforce skills profile (although this has improved over time) • Weak performance on most standard measures of innovation • Relatively high costs in parts of the county and in some areas of activity (for example, cost of living and the absence of London weighting is sometimes highlighted as a recruitment challenge) • High and localised inequalities and concentrations of disadvantage • Some industrial transition legacies, in parts of North and coastal East Kent • Market changes impacting on the vitality of town centres • Some perceptions of relative peripherality
Opportunities	Threats
<ul style="list-style-type: none"> • Proximity to continental Europe and potentially good international connectivity, although currently under-utilised • Population growth driving workforce expansion and higher demand • Some distinctive innovation assets with prospects for future development • Transformational developments associated with nationally-significant regeneration objectives • Potential to retain and develop talent, building on the university base 	<ul style="list-style-type: none"> • Infrastructure pressures, exacerbated by Kent and Medway's unique internationally-significant infrastructure • Economic impact of environmental pressures and climate change • Risk of loss of competitiveness in London and Greater South East • Relative Government prioritisation towards the North and Midlands (for regeneration / 'levelling up' funds) and the 'Golden Triangle' for innovation investment • Risk that existing inequalities could be exacerbated.

Strengths	Weaknesses
<ul style="list-style-type: none">• Improved collaboration and partnership working• Opportunities for growth associated with technology adoption and development• Opportunities arising from increased flexible working	

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Annex B: Summary of action areas

Ambition 1: Enabling innovative, productive and creative businesses

1. Develop an enhanced place-based innovation partnership for Kent and Medway
2. Focus support to business on measures that will increase long-term productivity and resilience
3. Leverage Kent and Medway's quality of life, connectivity and other assets in ensuring that it is a welcoming place for visitors and investors
4. Ensure access to the spaces that businesses need to expand

Ambition 2: Widening opportunities and unlocking talent

5. Embed the Local Skills Improvement Plan at the heart of a closer relationship between employers, further education and other skills providers
6. Invest in Kent and Medway's skills infrastructure
7. Retain and develop talent
8. Ensure flexibility to focus on Kent and Medway's shared priorities

Ambition 3: Securing resilient infrastructure for planned, sustainable growth

9. Maximise the benefits of international connectivity
10. Understand our infrastructure needs and develop new solutions
11. Ensure that Kent and Medway's digital infrastructure meets the dynamic evolution of business need and technology development
12. Support Kent and Medway's energy potential

Ambition 4: Placing economic opportunity at the centre of community wellbeing and prosperity

13. Ensure that everyone who wants a job can access work
14. Develop a new strategic partnership for health and the economy
15. Build links between anchors of growth, key investors and local community opportunity
16. Ensure economic opportunity at the centre of local regeneration

Ambition 5: Creating diverse, distinctive and vibrant places

17. Grow Kent and Medway's dynamic cultural and creative economy
 18. Support our network of creative and innovative places
 19. Enhance Kent's rural economy
 20. Develop long-term solutions to invest in Kent and Medway's natural environment and historic assets
 21. Grow the visitor economy
-

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Following the preparation of the first draft Framework in September, consultation has taken place with partners. Comments were received (both ‘formally’ and through informal discussion) with:

- DLUHC Area Team
- Economic Recovery Group
- Gravesham Borough Council
- Greater North Kent
- Kent Economic Development Officers Group
- Kent Business Advisors
- Kent and Medway Business Advisory Board
- Kent & Medway Economic Partnership
- Kent & Medway Integrated Care Partnership
- KMEP and BAB individual business members
- Kent Further Education
- Kent Rural Board
- Maidstone Borough Council
- Swale Borough Council
- University of Kent
- Visit Kent

In general, responses were positive regarding the overall framework, structure, and relevance of the key themes. There was also a consensus on the overarching ‘narrative’ and the balance between flexibility and specificity. However, there were two key points of general feedback:

- First, while the Framework is not intended to be a ‘marketing’ document, it was felt that more could be done to ‘capture the imagination’ through a summary narrative at the start, highlighting Kent and Medway’s unique strengths and assets. This will be added as a foreword once the document itself is approved.
- Second, it needs to capture alignment with local plans and strategies, with an additional section within the Framework setting this out; as well as additional ‘case studies’ to demonstrate relevance to all parts of Kent and Medway.

Regarding the five Ambitions, responses noted the following:

Ambition	Feedback received
1. Enable innovative, productive, and creative businesses	<ul style="list-style-type: none"> • There was support for the greater focus on innovation (compared with earlier strategies) and productivity. • In relation to the provision of commercial space, responses highlighted the need to make the case for direct public intervention where the

Ambition	Feedback received
	<p>market will not deliver, and to demonstrate demand through the effective use of data.</p>
<p>2. Widen opportunities and unlock talent</p>	<ul style="list-style-type: none"> • There was support for a range of policies and actions linking together – building on the Local Skills Improvement Plan, Employment Task Force, recent capital investment, etc., and strong recognition that this should be a core strategic theme. • However, responses considered that there is scope for extending the breadth of ambition – for example by emphasising “supporting young people into sustainable and rewarding work” beyond the narrow focus on Apprenticeships in the current draft.
<p>3. Secure resilient infrastructure for planned sustainable growth</p>	<ul style="list-style-type: none"> • There was recognition of alignment with emerging Kent Local Transport Plan. It was also noted the key infrastructure priorities and challenges are well established, and the Framework adds weight to them. • However, there is scope for additional content, in relation to: <ul style="list-style-type: none"> ➢ Acknowledging the importance of co-operation and co-ordination within the planning system ➢ The potential of rail freight ➢ The challenge presented by health infrastructure constraints
<p>4. Place economic opportunity at the heart of community renewal and prosperity</p>	<ul style="list-style-type: none"> • There was little comment in relation to this theme, but support for the focus on Health and the links with economic development – with scope for... <ul style="list-style-type: none"> ➢ Making the connection to health infrastructure constraints (as in previous Ambition) ➢ The importance of the ‘wider determinants of health’ (housing, food, skills, etc.) and the extent to which they involve a wide range of partners
<p>5. Create diverse, distinctive, and vibrant places</p>	<ul style="list-style-type: none"> • There was Support for the combination of factors that contribute to this Ambition – linking environmental quality, town centre renewal, heritage assets and the visitor economy. • But there is scope for greater reference to:

Ambition	Feedback received
	<ul style="list-style-type: none"> <li data-bbox="703 239 1358 309">➤ The rural economy, potentially defining an additional Action Area <li data-bbox="703 320 1331 434">➤ Strengthened narrative in relation to the visitor economy, linking up Kent and Medway's key assets and opportunities.

In addition, a number of specific comments points of detail were received.

These comments have been addressed in the revised draft attached at Annex 2.

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EQIA Submission – ID Number

Section A

EQIA Title

Kent and Medway Economic Framework

Responsible Officer

Natasha White - GT GC

Type of Activity

Service Change

No

Service Redesign

No

Project/Programme

No

Commissioning/Procurement

No

Strategy/Policy

Strategy/Policy

Details of other Service Activity

No

Accountability and Responsibility

Directorate

Growth Environment and Transport

Responsible Service

Growth & Communities

Responsible Head of Service

Steve Samson - GT GC

Responsible Director

Stephanie Holt-Castle - GT GC

Aims and Objectives

Summary and recommendations of equality analysis and impact assessment

Context:

- Purpose of the Economic Framework

The Kent and Medway Economic Framework is a partnership strategy to support the sustainable growth of county's economy to 2030. It will be adopted by Kent and Medway Leaders and the Kent and Medway Economic Partnership (KMEDP), and will provide the strategic basis for KMEDP's work plan and priorities over the coming years, and will help to inform future Government funding.

- Background:

The previous county-wide economic strategy was the Kent and Medway Economic Renewal and Resilience Plan, prepared in 2020. This was a short-to-medium term plan developed in the context of the need to support economic recovery from the Covid-19 pandemic. As the lifespan of the Renewal and Resilience Plan came to an end, Leaders agreed in late 2021 that a longer-term Economic Framework should be prepared, taking account of structural changes (such as transformational decarbonisation) and looking beyond immediate spending priorities.

In parallel, the Government has decided that Local Enterprise Partnerships, which were previously the main conduits for local economic development funding, will close at the end of March 2024, with responsibilities transferred to upper-tier authorities operating across functional economic areas. The Government expects areas to prepare local economic strategies to set out opportunities for growth and investment priorities: in Kent and Medway, the Economic Framework will fulfil this function.

Consultation on an outline framework took place in 2022/23. A full draft Economic Framework was prepared in September 2023. Further consultation took place in autumn 2023, including with KMEP and Kent and Medway Leaders, the business community and other stakeholders and a final version was prepared in January 2024.

- Key themes within the Economic Framework:

The Framework outlines a high-level objective of achieving an economy which is more “productive, sustainable and inclusive” by 2030. To achieve this, it identifies five ambitions to:

- Enable innovative, productive and creative businesses, through both the expansion of Kent and Medway’s capabilities at the ‘leading edge’ of technology and by increasing opportunities for productivity growth across all sectors through adaption to technology and climate change, access to premises and potential for investment.
- Widen opportunities and unlock talent, building on (and extending) a strengthened relationship between employers and education at all levels, supporting progression within the workforce and overcoming barriers to participation in economic activity.
- Secure resilient infrastructure for planned, sustainable growth, supporting joint work across Kent and Medway to maintain a dynamic understanding of the county’s infrastructure needs, and making the case for investment in its national connectivity assets and the resilience of local business critical infrastructure.
- Place economic opportunity at the centre of community renewal and prosperity, recognising the role that employment and business growth play in supporting better health and social outcomes – and recognising how these in turn support higher productivity over time.
- Create distinctive, diverse and vibrant places, identifying Kent and Medway’s diversity, ‘polycentricity’ and rural/ urban mix as a key strength and supporting investment through locally led strategies across the county.

Summary of equality impact:

- Scope

The Economic Framework is a high-level, long-term strategy. While it sets out a series of ‘action areas’, it does not detail specific investment or service delivery proposals. Consequently, the Equality Impact Assessment is focused on whether the ambitions and high-level action areas within the Framework may have an impact (either positive or negative) on any protected characteristics, and whether any action should be taken to amend the Framework or to mitigate any negative impacts.

It is anticipated that more detailed equalities impact analysis should be conducted in relation to any specific project spending or other decisions related to the implementation of the Framework when these arise, although this is not the subject of this EqIA.

Equality impact assessment:

The adverse equality impact rating is currently assessed as Low.

The rationale for this assessment is that there are no strategic ambitions set out within the Framework that are likely to have a negative impact on any protected groups. There are also several proposed action areas that seek to reduce inequalities and barriers to economic opportunity.

However, some action areas are likely to have a greater positive impact on some groups than others (given, for example, the gender or ethnic composition of business owners, or the correlation between protected characteristics and average pay, qualification levels, and so on). It will therefore be important to monitor the impact of specific measures and to consider how positive equalities impacts can be maximised, as well as to monitor cumulative and contextual impacts over time.

While the EqIA is focused on the specific protected characteristics defined in the Equality Act 2010, it also notes that:

- Disadvantage is often multi-faceted and interconnected. For example, socio-economic disadvantage will impact people with different protected characteristics in different ways. This has been taken into consideration within the EqIA and the evidence reviewed/
- Spatial impacts are important. While 'location' is not a protected characteristic, local demographics vary across the county and there are significant spatial inequalities. The Economic Framework explicitly seeks to address these.

Equality Analysis and Impact Assessment - Other:

Other issues

While the analysis works through the protected characteristics identified in the 2010 Act, it should be noted that:

- Some people will face additional challenges in maximising their economic potential as a result of the 'intersection' of different protected characteristics. For example, people with disabilities who are also part of an ethnic minority group are likely face additional barriers to employment .
- Other factors will also influence economic participation. For example, research for the British Business Bank into entrepreneurship and diversity found that "regardless of ethnicity, gender or place, poorer entrepreneurs see less success".
- Spatial differences are likely to be important. Within this analysis, we have used data at Kent and Medway level, reflecting the countywide nature of the Framework. However, there are significant disparities within and between local authority districts, and addressing these is recognised as a priority in the Framework.

Finally, there is a very substantial evidence base on economic inequalities (especially relating to age, gender and ethnicity). While the analysis in this paper provides a summary of the issues that are likely to be especially relevant to the Economic Framework, there would be scope for further investigation. It may be helpful to carry out further analysis as the Framework is delivered and specific interventions to support it come forward.

Judgement

Overall, the risk of negative equalities impacts arising from the Economic Framework is low. This is because:

- The analysis set out above indicates that for each protected characteristic considered, the ambitions and action areas set out in the Framework are likely to be neutral or positive
- Where specific economic equality issues have been identified as part of this EqIA that had not been considered in the drafting of the Framework, but which ought to be addressed, revisions have been made to the final draft
- The Framework itself is a high-level partnership strategy. There are therefore no immediate implications for service delivery or resourcing. Additional EqIAs will therefore be required for specific interventions as appropriate.

Action/ next steps

The issues identified in this EqIA should be considered in the ongoing monitoring of the Framework and in the development of interventions to meet the Framework's ambitions and priorities.

Outcome of the analysis: 'No change'.

Section B – Evidence

Do you have data related to the protected groups of the people impacted by this activity?

Yes

It is possible to get the data in a timely and cost effective way?

Yes

Is there national evidence/data that you can use?

Yes

Have you consulted with stakeholders?

Yes

Who have you involved, consulted and engaged with?

Service users, staff, members, external organisations, statutory partners

Has there been a previous Equality Analysis (EQIA) in the last 3 years?

Yes

Do you have evidence that can help you understand the potential impact of your activity?

Yes

Section C – Impact

Who may be impacted by the activity?

Service Users/clients

Service users/clients

Staff

Staff/Volunteers

Residents/Communities/Citizens

Residents/communities/citizens

Are there any positive impacts for all or any of the protected groups as a result of the activity that you are doing?

Yes

Details of Positive Impacts

1) Screening:

Overall, the analysis demonstrates positive or neutral impacts. In particular, these relate to:

- Recognition within the Framework of the need to take advantage of changing working practices, especially regarding flexible working
- The measures in Ambition 4, focused on increasing participation and enabling access to work.
- The measures proposed to develop a stronger partnership for health and the economy
- The focus in Ambition 2 on widening opportunities and unlocking talent, especially in supporting

progression at work

- The focus in Ambition 1 on enterprise and entrepreneurship, with the potential to increase access to support for groups who currently face barriers

However, the Framework does not commit resources to specific interventions. These will therefore require individual EqlAs as appropriate.

2) Analysis:

Analysis has been carried out in relation to each protected characteristic, taking into account:

- Economic factors relevant to each characteristic. These especially focus on labour market participation, business ownership, workforce qualifications and other aspects relevant to the ambitions of the Economic Framework.
- Potential equalities (positive and negative) that may be realised as a result of the strategy promoted in the Framework
- Potential negative equalities impacts and how these may be mitigated

Age:

- Older people

Evidence gathered and potential issues

Kent and Medway has an ageing population. Between 2020 and 2040, the number of people aged 65 and over is forecast to increase by 39%, compared with growth of 11% in the population overall . There is some variance across the county in the average age of the population, with higher shares of people aged 65+ in Dover, Folkestone and Hythe and Thanet .

Economic inactivity is generally somewhat higher among people aged 50+ than among the 'working age' population as a whole. While overall economic inactivity is lower in Kent and Medway than in the rest of the UK, among people aged 50-64 it is higher (23% of the population, compared with 20% nationally) . While this is not necessarily negative (some people will have sufficient money to choose to leave the workforce), there is evidence that older workers found it harder to return from furlough following the Covid-19 pandemic .

Older people of working age are more likely to be in poor health and to have caring responsibilities for older relatives which may impede their ability to access work . This is especially the case for workers in lower-paid occupational groups: over half of all process plant and machine workers and people in 'elementary occupations' leaving the labour market before state pension age do so because of poor health or caring responsibilities . Consequently, the Department for Work and Pensions identifies 'older workers' as a priority group to assist into employment.

While digital connectivity has improved significantly in recent years, benefiting all age groups, age is a key factor in digital exclusion . This has implications for re-engaging some older workers in the labour market, and in ensuring that people can access services as these are increasingly transferred online.

Regarding older people more broadly, the ageing population means that there will be more people older than retirement age, with likely rising demand for social care and health services over time. This will have a wider economic impact, through demand for labour in the health and social care sector and in the development of products and services aimed at this market.

Potential equalities impacts arising from the Economic Framework

The Framework notes 'demographic change' as a key transformational trend. This informs the series of ambitions and action areas.

More specifically, the Framework emphasises the need for measures to support older workers in the labour market:

- Ambition 2 (Widening Opportunities and Unlocking Talent) highlights the need for action to support progression at work, referencing the caring responsibilities and lack of formal qualifications.
- Ambition 4 (Placing Economic Opportunity at the Centre of Community Renewal and Prosperity) notes the rise in economic inactivity among older workers, especially as a result of ill-health.
- Linked with this, Ambition 4 proposes a "new partnership for health and the economy" which, while not specifically focused on older people, is likely to benefit this group.

It is likely that actions taken in support of these ambitions will have positive impacts on the challenges faced by older people. There are no negative equalities impacts likely to arise.

- Younger people

Evidence gathered and potential issues

Young people are more likely to be unemployed than those in older age groups. In Kent and Medway, almost 10% of people aged 20-24 were unemployed in 2022/23, compared with less than 4% in the 16-64 workforce overall. This is important for longer-term inequalities, given the effect of employment 'scarring', as time unemployed impacts on future career prospects and earnings potential.

Younger workers are also more likely to earn less than the Real Living Wage, and are more likely to work in insecure occupations. While for some, this will be transitional, there is a risk of becoming 'stuck' in low-paid work. Some groups, such as care leavers, are likely to be especially disadvantaged in the labour market.

Potential equalities impacts arising from the Economic Framework

The Framework places a strong emphasis on raising the county's workforce qualifications profile, which is identified as a key strategic challenge. In that context, Ambition 2 (Widening Opportunities and Unlocking Talent) builds on the Local Skills improvement Plan and Workforce Skills Evidence Base in "supporting young people into sustainable and rewarding work" and developing a strengthened relationship between employers and the further education sector. This builds on a wider policy focus on supporting progression among young people which has been reflected in successive county-wide economic strategies.

There are no negative equalities impacts likely to arise, although in developing interventions to deliver the Framework, it will be important to recognise inequalities relating to other protected characteristics among young people, as described below.

Disability:

Evidence gathered and potential issues

Around 22% of people aged 16-64 in Kent and Medway have a 'core' or work-limiting disability. Work-limiting conditions are more likely in women and older workers, and people with work-limiting conditions are underrepresented in professional and managerial roles. There is an earnings gap between those who report work-limiting conditions and those who do not. Nationally, the 'health pay gap' for full-time workers is £2.50 per hour, equivalent to a 15% pay gap.

While work-limiting conditions are more common among older people, there has been faster growth

among younger people of working age. This is driven by sharp increases in reported mental ill-health, although musculoskeletal and cardiovascular conditions are the most common form of work-limiting health condition.

Potential equalities impacts arising from the Economic Framework

The Framework attempts explicitly to draw a connection between economic and health outcomes (including, but not exclusively, disability). This is a new departure relative to previous county-wide economic strategies and is supported by the recent focus of the Integrated Care Partnership on the links between the economy and health. This is reflected in the specific focus in Ambition 4 on “increasing participation and enabling access to work”, including where disability and long-term ill-health is a key factor. There are no specific negative equalities impacts likely to arise.

Sex:

Evidence gathered and potential issues

Over the past 20 years, there has been substantial progress in reducing the employment rate gap between men and women. In 2004, there was a 14pp gap between the percentage of men in Kent and Medway aged 16-64 in employment and the percentage of women (82% to 68%). By 2023, the gap had fallen to 6pp (79% to 73%) . There has also been some convergence in earnings – although median annual female pay in Kent was still only 67% of male annual pay in 2023 .

Factors influencing pay inequality include the type of job they are more likely to do (job selection), how much these jobs pay (job valuation, including the extent of part-time working) and whether they can move into higher-paid jobs (job progression) . The latter is especially influenced by the long-term effects of time out of the labour market (or on lower hours or levels of pay) during childcare (see Pregnancy and maternity below).

While the earnings gap is persistent, the educational attainment gap has been reversed over the past 25 years. Nationally, women under the age of 55 are better qualified on average than men in every age cohort. Analysis for the Institute of Fiscal Studies found that this reversal of the education gap mostly explained the modest narrowing of the pay gap .

There is a gender gap in self-employment, although it appears to be narrowing over time. Around 15% of men in Kent and Medway aged 16-64 were self-employed in 2022, compared with 9% of women . However, while the male self-employment rate has been essentially static over the past two decades, female self-employment has almost doubled. This is in the context of a high rate of self-employment (for both men and women) in the county relative to the national average.

In terms of business starts, there is a long-standing gender imbalance. The ‘Total Early-stage Entrepreneurial Activity’ (TEA) rate measures new business ownership and entrepreneurship: nationally, the male TEA rate was 12.8% in 2022, compared with a female rate of 9.7%. However, there is evidence of a narrowing of the gap in recent years .

More broadly, there has been substantial analysis of the gender gap in entrepreneurship and business ownership, notably in the Rose Review commissioned by the Government in 2019. The Rose Review noted that “if the UK were to achieve the same average share of women entrepreneurs as best-in-class peer countries, this would add £200 billion of new value to the UK economy”. It identified a need to increase funding towards female entrepreneurs, provide greater family care support and “increase entrepreneurial support locally, through relatable and accessible mentors and networks” .

Potential equalities impacts arising from the Economic Framework

In relation to progression in work (and, associated with this, pay inequality), the Framework references greater flexibility in the labour market as a 'transformational trend' to which strategy should respond. It also sets out in Ambition 4 the aim of increasing participation and enabling access to work (as referenced elsewhere in this assessment). In the draft Framework, the narrative contained within this Ambition was largely focused on health: in the light of this EqIA, reference has also been made to issues relating to gender inequality, and this is also reflected in the action within Ambition 2 to support progression at work.

Regarding entrepreneurship, Ambition 1 (Enabling Innovative, Creative and Productive Businesses) references the actions needed to support the 'wider conditions for growth', including securing finance and business space. Following the analysis in this EqIA, this has been extended to specifically reference the supply of finance and business support and networks to support greater diversity in business ownership, reflecting the recommendations of the Rose Review.

Gender identity:

Evidence gathered and potential issues

In the 2021 Census, 0.44% of Kent and Medway residents considered their gender identify to be different from the sex assigned to them at birth. However, this increased to 1.02% among people aged 16-24.

There is evidence that transgender people face a range of disadvantages and vulnerabilities in employment . This includes challenges in getting into work, with prejudice and stereotypes impacting employment prospects. The Government Equalities Office reported in 2019 that trans people were less likely than others to have had a job in the preceding 12 months .

Potential equalities impacts arising from the Economic Framework

There are unlikely to be any negative impacts arising from the Economic Framework. However, Ambition 4 of the Framework sets a priority to "increase participation and access to work", noting the need to overcome barriers to participation. While gender identity is not specifically referenced (the main focus is on health-related barriers), it will be important to consider the range of barriers to employment and progression that people face (including from employers and people in the workplace) in developing interventions.

Race:

Evidence gathered and potential issues

In aggregate, Kent and Medway is somewhat less ethnically diverse than England as a whole, although there is substantial variance within the county (see table included from Census 2021 in attached evidence document).

In general, employment rates are lower for people in ethnic minority groups as a whole than they are for the total population, and economic inactivity rates are higher. However, there is considerable variance between ethnic minority groups. Across the UK, there has been a steady narrowing of the 'employment gap' over the past two decades: in 2004, there was a 14.6pp gap between the employment rate of people aged 16-64 from ethnic minority backgrounds and the employment rate in the 16-64 population overall, but by 2023, this gap had more than halved to 7% .

In relation to business starts, the Total Early-stage Entrepreneurship (TEA) rate was higher among the non-

white population than among the white population in 2022 (16.2% compared with 10.2%), reflecting the trend of the past 20 years. Entrepreneurship rates among immigrants to the UK were also higher than among life-long residents . Minority ethnic-owned businesses are also more likely to be engaged in product or service innovation than non-ethnic minority firms . However, there is evidence of a gap in securing finance and in engaging with business networks . The British Business Bank found that disparities in terms of business outcomes (turnover and profitability) are greatest for female entrepreneurs from minority ethnic backgrounds.

Potential equalities impacts arising from the Economic Framework

The commitments within the Framework to a diverse, enterprising and innovative business base, and to continued measures to support access to work (reducing the employment gap) are likely to be positive from an equalities perspective, and there are unlikely to be any negative impacts. However, it will be helpful for interventions to recognise the barriers that may exist in accessing business support and finance, especially given the important role that local programmes have in these areas.

Religion and belief:

Evidence gathered and potential issues

According to the 2021 Census, 48% of people in Kent and Medway considered themselves to be Christian (compared with 46% in England as a whole), with 41% having no religion. The next largest groups are Muslim, Hindu and Sikh (1.8%, 1.2% and 0.9% respectively), although some groups are quite strongly spatially concentrated (e.g., 8% of residents in Gravesham considered themselves to be Sikh).

There is some national evidence of differential economic outcomes among religious groups. For example, economic activity rates and average pay are lower among Muslims than among other groups . Workforce qualification levels are generally lower among Christian and Muslim groups than others (although in the case of the former, this is linked with the older average age of the population) .

Potential equalities impacts arising from the Economic Framework

The Economic Framework is neutral in respect of impacts relating to religion. There are unlikely to be any negative impacts

Sexual Orientation:

Evidence gathered and potential issues

In the 2021 census, 90.6 of Kent and Medway residents considered themselves to be heterosexual. 2.7% considered themselves to be lesbian, gay, bisexual or other.

There is limited evidence of inequality relating to employment rates, occupational levels and earnings for LGB+ people relative to the rest of the population . However, there is some evidence of discrimination in employment and promotion, despite significant improvement in recent years .

Potential equalities impacts arising from the Economic Framework

The Framework is neutral in respect of impacts relating to sexual orientation. There are unlikely to be any negative impacts, although there are no specific positive measures or impacts likely either.

Pregnancy and maternity:

Evidence gathered and potential issues

There is an established relationship between lack of material resources and poor health during pregnancy. The birth of a new baby can result in additional financial pressures, causing those close to the poverty line to fall below it, especially for single mothers in lower wage occupations.

A key equalities issue is the impact that motherhood can have on long-term earning potential and progression in work. The gender wage gap has reduced over time (mostly because of more rapid improvements in qualification levels among women relative to men), but gender gaps in employment and hours increase substantially following childbirth, as the impact of women switching to more 'family-friendly' but lower-paid work combines with a 'part-time penalty' to slow wage progression .

Potential equalities impacts arising from the Economic Framework

Changes in working practices are recognised as a long-term transformational trend to which employers should be encouraged to respond, and which ought to have positive equalities impacts. Ambition 4 also emphasises flexibility as a means of increasing access to work, including in higher-paid occupations (see also 'caring responsibilities' below).

Marriage and civil partnership:

None identified - we are not aware of any evidence of economic inequalities relating to marriage and civil partnership which are likely to be relevant to the Framework.

Carer's responsibilities:

Evidence gathered and potential issues

Caring responsibilities often limit people's working and earning potential. The distribution of caring responsibilities is strongly skewed by gender: nationally, women provided more than twice as much unpaid childcare as men in 2021, as well as spending substantially more time caring for other adults . The evidence is that this has a significant effect on hours worked, with around 45% of women with caring responsibilities indicating that they would want to take on more paid hours if this were possible . There is also an increasing age dimension to the distribution of caring responsibilities, with more older workers caring for elderly relatives as life expectancies increase .

Potential equalities impacts arising from the Economic Framework

Although unpaid caring activity is not reflected in conventional measures of economic output, it is a very substantial source of social value (and economic value, given that the some of the 'costs' of care would otherwise be borne by the state). The Framework recognises a "broader view of the economy", focusing on the links between productivity, pay and employment and health, wellbeing and wider social outcomes, and stakeholders welcomed this during the consultation process.

The key contribution of the Framework towards increasing equalities in relation to caring responsibilities is in the development of responses to enable flexible working and return to the labour market, as set out in Ambition 4.

Negative impacts and Mitigating Actions

19.Negative Impacts and Mitigating actions for Age

Are there negative impacts for age?

No
Details of negative impacts for Age
Not Applicable
Mitigating Actions for Age
Not Applicable
Responsible Officer for Mitigating Actions – Age
Not Applicable
20. Negative impacts and Mitigating actions for Disability
Are there negative impacts for Disability?
No
Details of Negative Impacts for Disability
Not Applicable
Mitigating actions for Disability
Not Applicable
Responsible Officer for Disability
Not Applicable
21. Negative Impacts and Mitigating actions for Sex
Are there negative impacts for Sex
No
Details of negative impacts for Sex
Not Applicable
Mitigating actions for Sex
Not Applicable
Responsible Officer for Sex
Not Applicable
22. Negative Impacts and Mitigating actions for Gender identity/transgender
Are there negative impacts for Gender identity/transgender
No
Negative impacts for Gender identity/transgender
Not Applicable
Mitigating actions for Gender identity/transgender
Not Applicable
Responsible Officer for mitigating actions for Gender identity/transgender
Not Applicable
23. Negative impacts and Mitigating actions for Race
Are there negative impacts for Race
No
Negative impacts for Race
Not Applicable
Mitigating actions for Race
Not Applicable
Responsible Officer for mitigating actions for Race
Not Applicable
24. Negative impacts and Mitigating actions for Religion and belief
Are there negative impacts for Religion and belief
No
Negative impacts for Religion and belief
Not Applicable
Mitigating actions for Religion and belief
Not Applicable

Responsible Officer for mitigating actions for Religion and Belief
Not Applicable
25. Negative impacts and Mitigating actions for Sexual Orientation
Are there negative impacts for Sexual Orientation
No
Negative impacts for Sexual Orientation
Not Applicable
Mitigating actions for Sexual Orientation
Not Applicable
Responsible Officer for mitigating actions for Sexual Orientation
Not Applicable
26. Negative impacts and Mitigating actions for Pregnancy and Maternity
Are there negative impacts for Pregnancy and Maternity
No
Negative impacts for Pregnancy and Maternity
Not Applicable
Mitigating actions for Pregnancy and Maternity
Not Applicable
Responsible Officer for mitigating actions for Pregnancy and Maternity
Not Applicable
27. Negative impacts and Mitigating actions for Marriage and Civil Partnerships
Are there negative impacts for Marriage and Civil Partnerships
No
Negative impacts for Marriage and Civil Partnerships
Not Applicable
Mitigating actions for Marriage and Civil Partnerships
Not Applicable
Responsible Officer for Marriage and Civil Partnerships
Not Applicable
28. Negative impacts and Mitigating actions for Carer's responsibilities
Are there negative impacts for Carer's responsibilities
No
Negative impacts for Carer's responsibilities
Not Applicable
Mitigating actions for Carer's responsibilities
Not Applicable
Responsible Officer for Carer's responsibilities
Not Applicable

By: Anna Taylor, Scrutiny Research Officer

To: Scrutiny Committee, 28 February 2024

Subject: Making a Difference Everyday (MADE): Our Strategy for Adult Social Care in Kent. 2022 - 2027

Summary: Following updates to the Scrutiny Committee in May and December 2022 a further update was requested by the Chairman and Spokespeople of the Committee. The Committee is asked to discuss and note the update provided.

1. Introduction

- a) The Council's Strategy for Adult Social Care 2022 - 2027 was adopted in April 2022. [Kent Adult Social Care Strategy 2022 - 2027](#)
- b) The Scrutiny Committee discussed and received an update on the Strategy in May and December 2022 following which a further update would be provided at an appropriate time.
 - i. Scrutiny discussion of the MADE Strategy on 17 May 2022 - [Agenda item - Call in - 21/00091 - Making a Difference Every Day: Our Strategy for Adult Social Care in Kent, 2022 - 2027](#)
 - ii. Scrutiny 6 month update on 7 December 2022 –
[Agenda item - Making a Difference Everyday Strategy - 6 month update \(kent.gov.uk\)](#)
 - iii. Presentation given to Committee on 7 December 2022 -
[Making A Difference Every Day Plan \(kent.gov.uk\)](#)
- c) Following a request from Dr Sullivan, endorsed by the Chairman and Spokespeople, an update on the MADE Strategy is being presented to the Committee on 28 February. The Cabinet Member and Corporate Director will be present to respond to Members' questions.
- d) There will be an update presentation which will be shared with Members in advance and during the discussion Members may wish to explore the following areas:

- i. What has been the impact of Securing Kent's Future on the Strategy?
- ii. What has been the impact of the Strategy on subsequent decision making?
- iii. How is the implementation of the Strategy being assessed?
- iv. Has the Strategy achieved its original aims and objectives?
- v. What are the key outcomes and achievements of the Strategy?
- vi. If this Strategy was being renewed in 2024/5 are there are changes you would make to it?

2. Attached documents

[Making a Difference Everyday - Kent Adult Social Care Strategy 2022 - 2027](#)

3. Recommendation

The Scrutiny Committee is asked to consider the information provided at the meeting in response to Members' questions on the MADE Strategy.

Contact Details

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Making a difference every day

Our strategy for Adult Social Care 2022 to 2027

April 2022

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Our strategy

This strategy sets out our vision for how we plan to make changes working with people in Kent and all our partners. We have worked with people we support and their carers to develop our new 'Making a difference every day' strategy, as the bedrock for turning our ambitions into reality.

Specific action plans support the delivery of the outcomes of the Adult Social Care Strategy. A Carers' Strategy has been developed alongside this, as one of the supporting strategies linked to this document.

This strategy should be read alongside other strategic plans such as, Framing Kent's Future, Kent and Medway Integrated Care System's plans and the national health and care integration policies. These can be found online.

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Our vision driving what we do

We have agreed an overall vision for adult social care, which will guide and help us achieve the ambitions of our 'Making a difference every day' approach which is described in this strategy

Adult Social Care is about social work, personal care and practical support for younger and older adults over 18 with a physical disability, learning disability, physical or mental illness. It also includes safeguarding for those at risk of harm and abuse, as well as support for unpaid carers. For more detail, visit www.kent.gov.uk/localaccount.

Our vision for adult social care in Kent

"Making a positive difference every day, supporting you to live as full and safe a life as possible and make informed choices."



Our core purpose and vision



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Our core purpose is supporting people to lead the lives they want to live, and in a place they call home, by putting people at the heart of everything we do.

This means carrying out and complying with the duties of Kent County Council's adult social care responsibilities that are described in several laws and regulations. This includes promoting individual's well-being, preventing, reducing or delaying the development of the need for care and support. Our role as adult social care has not changed – but you will start to see that we will be working differently during the lifetime of this strategy, with the changes delivered within the allocated budget for adult social care.

How we can achieve this

We can achieve our ambitions if we work together with the people we support, and carers differently, this means:



Putting the person first – always starting our conversation with the voice of the person, focusing on what the person can do and keeping them at the heart of everything we do; developing working relationships people can trust and helping them to achieve outcomes that are important to them.



Improving all the time – finding innovative ways of helping people and making sure that any support offer is tailored to the individual; learning from feedback from the people we support and building continuous improvements together.



Measuring what matters – understanding how we are making a difference to the life of the person we support by working with them, our staff and partners.

What will it feel like for the people we support?

The way we want to work, shown in the diagram opposite will mean that, people we support including carers, will make more informed choices about what support is right for them. Our support will be more personalised, easy to access, more joined-up and consistent for the people we support, improving their overall outcomes and experience of adult social care and how we link with our partner organisations. The voices of the people we support will be heard as individuals, making sure we focus on equality, diversity and inclusion as we work with people, as a guide towards continuous improvement.

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We will work with communities early on to help people feel empowered, resilient and develop their independence and access trusted support - this could mean informal support arranged by the person, or support that is arranged by the voluntary sector or adult social care. To do this, we will need to have the support of our workforce, both within the council and in the wider care sector.

People will experience more flexible ways of arranging support, promoting a balance of choice for the people we support, quality and value.



These examples, based on our social care model, give an idea of how our strategy should make a difference in people's lives in the future.

Community

Working with communities to help people earlier. Empowering people to find trusted help and support locally from a range of sources.

Amanda is a carer for her husband who has multiple sclerosis and feels isolated.

Amanda found information about local community support on the adult social care website. Amanda now attends a local carers group with her husband, and is aware of carer support and entitlements.

"I feel stronger as I have access to a range of local support that is helping me to live the life I want"



Initial contact

People experience personal and person-centred conversations which build on what they can do and develop support with them.

Derek lives alone. He recently experienced a fall which has affected his confidence.

After making a full physical recovery he spoke about his goals and what he felt he needed to be supported. Derek accessed an enablement service to rebuild his confidence, and a community volunteer connected him with a local choir as he is a keen singer.

"I feel reassured I can speak to someone, but also have access to online information about the options available to me"



Our support

People experience more joined-up support because of effective communication and coordination between providers and partner organisations.

Cameron struggles with mental health issues which he manages alongside his GP. His GP referred him when he began to struggle with everyday tasks. Cameron now receives a better co-ordinated therapy service from both health and social care. Joined up working has meant Cameron is connected to the right support for his personal circumstances.

"I feel safer, my strengths are recognised to help me make my own choices and I have greater control to achieve my goals."



Positive support

People experience positive person-centred support which is simple for them, allowing time to build relationships and offer innovative solutions.

David has moved from children's to adult social care. He was referred by a medical specialist after he developed a health condition which will affect his ability to be fully independent.

"I feel confident in social care and trust them because they know all about me. I only had to tell my story once. My support is coordinated, the staff work well together and I'm involved in decisions."



Commissioning

People experience flexible and creative ways of arranging support which enable a balance between choice for the person we support, quality and value.

Lynn has multiple conditions that affect her vision and movement, and this can change from day to day. She enjoys music and has a passion for social history.

"I feel in control because I can decide what kind of help I need and when, where and how to receive it. I know how this is funded and that my views and feedback shape how support is provided."



Your voice



Working on our strategy together

This strategy has been developed with input from people we support, carers and the public. To deliver our plans, we will need to continue to find innovative ways to improve our services, respond to change and work with and listen to people in Kent. Our plans for delivering the strategy are shown below:



Why not sign up to our Your voice network?

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You can join one of our focus groups or our larger virtual involvement group, take part in upcoming surveys, be part of one of our interview panels or get involved in new innovations in adult social care.

How much or how little you get involved with will always be your choice, so if you are interested in helping to shape what adult social care does, please do get in touch.

Visit www.kent.gov.uk/yourvoice to find out more, register to receive our latest updates and hear about opportunities to share your views with us and our partners in Kent.

Outcomes from this strategy

These outcomes will help us monitor our progress in making a difference. Here's what we expect to see when we get things right.

Our core purpose and vision

1. There is a positive relationship with the people we support, carers and partner organisations.
2. How we work, and our practice model are implemented successfully.
3. Kent County Council's adult social care responsibilities are met.

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Putting the person first

1. Making a difference to the lives of the people we support and to carers.
2. The people we support feel listened to and able to shape what we do and how we do it.
3. People at risk of abuse or harm are protected at the right time.

Improving all the time

1. There is proof that we are learning all the time.
2. Innovation is part of the day-to-day approach of what we do.
3. Kent County Council enthusiastically embraces digital and adopts technology that enables us to improve upon our service delivery.

Measuring what matters

1. Feedback from the people we support, carers, staff, providers, and partners is a key part of improving what we do.
2. How well we are doing to support people compares positively with other local authorities.
3. There is good quality information and evidence of the cycle of continuous improvement.

Get in touch with Kent Adult Social Care and Health

Email and website

You can email us with queries or questions about any of our services or information.

Email: social.services@kent.gov.uk or see our website at:

www.kent.gov.uk/careandsupport

Kent Connect to Support

The Kent Connect to Support website provides you with information and advice to help you (or a relative or a friend) look after yourself, stay independent and connect with your local community.

kent.connecttosupport.org

Telephone our contact centre

For non-urgent telephone calls, please contact us Monday to Friday between 8.30am and 5.00pm.

The contact centre is based in Maidstone and is open for business 24 hours a day, 7 days a week.

Telephone: 03000 41 61 61

Text relay

A text relay service is available for Deaf, hard of hearing and speech impaired customers and is available 24 hours a day, 7 days a week.

Text Relay: 18001 03000 41 61 61

Out of hours service

Not every crisis occurs during office hours. Kent and Medway Social Services provide for these times with our out of hours service that can offer advice, support and help to ensure that vulnerable people are not left at risk.

Telephone 03000 41 91 91

This booklet is available in alternative formats and can be explained in other languages.

Telephone: 03000 41 61 61 or

Text Relay: 18001 03000 41 61 61

By: Anna Taylor, Scrutiny Research Officer
To: Scrutiny Committee, 28 February 2024
Subject: Adult Social Care Contract Extensions

Summary: As requested by Mr Streatfeild and agreed by the Chairman of the Scrutiny Committee, the Committee is invited to discuss the recent Adult Social Care Contract extension decisions.

1. Introduction

- a) On 18 January 2024 the following decisions were discussed by the Adult Social Care Cabinet Committee, and the decisions were subsequently taken by the Cabinet Member on 9 February 2024:
- a. [24/00002 - SS14142 Older Persons Residential and Nursing Contract Extension](#)
 - b. [24/00003 - Care and Support in the Home Contract Extension](#)
 - c. [24/00004 - Learning Disability, Physical Disability and Mental Health Residential Care Home Services - Contract Extension](#)
 - d. [24/00005 - Supported Living - Contract Extension](#)
 - e. [24/00006 - Expansion of Kent Enablement at Home Service](#)
- b) There was extensive discussion about these decisions at the Cabinet Committee, which included criticism and challenge, from some members, of the situation regarding these contract extensions.
- c) Following a request from Mr Streatfeild, endorsed by the Chairman, these decisions have been placed on the Scrutiny Committee agenda for further exploration and discussion. This is in line with paragraph 17.54 of the [Constitution](#), which states the following:
- 17.54 Any Member of the Council who is not a member of the Scrutiny Committee is entitled to give notice to the proper Officer that they wish an item relevant to the functions of the Committee or Sub-Committee (which is not an excluded matter as set out in 17.55) to be included on the agenda for the next available meeting. On receipt of such a request the proper Officer will ensure that it is included on the next available agenda. The Member concerned is entitled to address the Committee or sub-committee.
- d) The Record of Decision and Decision Report for each decision has been included within the agenda pack. The links above include further information about the decisions. The Cabinet Member and Corporate Director will be in attendance at the meeting to answer Members' questions.

- e) During the discussion, Members may wish to explore the following areas:
- a. Exploration of alternative options considered.
 - b. The timeline running up to March 2024 when the contracts will be extended.
 - c. How these contract extensions align with the values in Securing Kent's Future.
 - d. How future cost pressures within these contracts will be managed.
 - e. What lessons are being learned to ensure that the Council has appropriate time and resources to better handle contract renewals/extensions in the future?
 - f. How these contracts will be monitored and reported back on in the future?

2. Attached documents

The Record of Decision and Decision Report for each decision is attached.

3. Recommendation

The Scrutiny Committee is asked to consider the information provided at the meeting in response to Members' questions on the Adult Social Care Contract Extensions.

Contact Details

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From: Richard Smith, Corporate Director Adult Social Care and Health

To: Dan Watkins, Cabinet Member for Adult Social Care and Public Health

Subject: **SS14142 Older Persons Residential and Nursing Contract Extension**

Key decision: 24/00002

Classification: Appendix (Exempt from publication by Schedule 12A to the Local Government Act 1972, as it contains commercially sensitive information)

Past Pathway of report: Adult Social Care Cabinet Committee – 18 January 2024

Future Pathway of report: Cabinet Member decision

Electoral Division: All

Summary The current Older Persons Residential and Nursing (OPRN) contract is due to end on 31 March 2024, with no further provision for extension.

The report sets out the anticipated activity required to ensure future care services for older people are fit for purpose and deliver on the council's ambitions of developing new models of care, as prioritised Framing Kent's Future and Securing Kent's Future and the Adult Social Care Making a Difference Everyday Strategy Kent. This is within the context of a complex and fragile care market reflecting cost of living and inflationary pressure, workforce pressures and an increase in complexity of need.

External expertise has been procured to carry out a detailed assessment of the cost of care while exploring and determining the best contracting models that support an integrated approach to future health and social care models. The outcome of this exercise, which will not be completed until March 2024, will support the redesign of regulated adult care and support services, including residential and nursing care accommodation for older people, while ensuring appropriate engagement regarding the new transformative service models with both the care market and people who draw on care and support.

Given the scale of the current contract and the anticipated impact of new models of care, it is recommended that the current Older Persons Residential and Nursing contract is extended for a maximum of up to two years from 1 April 2024 to 31 March 2026. This will secure the safe continuation of provision whilst the assessment and review are undertaken, the findings are fully considered, and a new service put in place no later than 1 April 2026.

Recommendation(s): The Cabinet Member for Adult Social Care and Public Health is asked to:

- a) **EXTEND** the current Older Persons Residential and Nursing contract for up to a maximum of two years (1 April 2024 to 31 March 2026); and
- b) **DELEGATE** authority to the Corporate Director Adult Social Care and Health to take other relevant actions, including but not limited to finalising the terms of and entering into required contracts or other legal agreements, as necessary to implement the decision.

1 Introduction

- 1.1 The current Older Persons Residential and Nursing Care contract commenced on 1 April 2016, for an initial period of four years, with the option to extend for two 24-month periods. Both extension periods have been exhausted and the contract has no provision for a further extension beyond 31 March 2024.
- 1.2 There is an opportunity to utilise external expertise to reshape the service following an external assessment, in order to achieve the council's ambitions on New Models of Care as set out in the council's strategy Securing Kent's Future.
- 1.3 A contract extension of up to a maximum of two years, will enable the council to take best advantage of this opportunity.
- 1.4 External legal advice has been sought and the risk of extending an open Dynamic Purchasing System (DPS) is considered to be relatively low with the application of the principle in Regulation 34 (28). The council will ensure that existing and new suppliers are treated equally.
- 1.5 A contract Waiver (attached as exempt Appendix 1) report was considered at Commissioning and Procurement Oversight Board (CPOB) and agreed by Finance, Legal and Procurement.

2 Background

- 2.1 The total cost of the contract (1 April 2016) was set at £800m (£100m p/a). However, as the paper sets out, various market pressures and increase in demand and complexity of care have resulted in an increased spend on the service. Robust actions are being put in place to reduce this spend wherever possible.
- 2.2 There are currently 270 residential and nursing care homes in Kent, of which, 66% (179 care homes) are on the Dynamic Purchasing System (DPS). There are also an additional 16 out of county care homes that are on the DPS.
- 2.3 Kent County Council (KCC) is presently supporting over 3370 people across both contracted and non contracted care homes. The proportion of placements to contracted and non-contracted homes has remained even over time. In 2022/2023 79% of KCC placements were made to contracted providers,
- 2.4 The contract is by way of an open DPS which allows the council to add new providers during the lifetime of the contract having passed the relevant selection criteria. The DPS and contract Lots provide a high level of flexibility that allows

for market development and new purchasing opportunities if, and when required. For example, the block purchase of Designated Beds to support hospital discharge during the Covid-19 pandemic.

- 2.5 The contract includes five Lots and each Lot has a separate specification and terms and conditions that sit under the terms and conditions of the main contract.
- i. Lot 1 Care Quality Commission (CQC) Registered Residential Homes or “Care Homes without Nursing” for the provision of Long Term, Short Term and respite care services;
 - ii. Lot 2 CQC Registered Nursing Homes or “Care Homes with Nursing” for the provision of Long Term, Short Term and respite care services;
 - iii. Lot 3 Providers of Bariatric care services (including Physical Disability);
 - iv. Lot 4 Call off Block Contract for the provision of multiples of two beds for short term respite care services across Kent; and
 - v. Lot 5 Residential or Nursing Care Home providers able to offer ‘day’ services.
- 2.6 The service should be considered in the context of the significant external and internal pressures on the service which have significantly changed from when the contract was initiated in 2016. These pressures include:
- The demand for care and support for people with a greater level of complexity of need.
 - Inflationary pressures and financial sustainability issues.
 - Increased placement costs seen across Kent and nationally.
 - Workforce pressures and the recruitment and retention of high-quality staff
 - Quality issues resulting in poor CQC rating and contract suspensions.

3 The current position

- 3.1 The Care Act 2014 gave local authorities in England, the NHS and the Care Quality Commission clear legal responsibilities for managing different elements of the adult social care market that include considering need, provider sustainability, value for money and integration.
- 3.2 Framing Kent’s Future and Securing Kent’s Future and the Adult Social Care Making a Difference Everyday Strategy Kent identify New Models of Care and Support as a key priority by recognising the importance of health and social care integration, building effective strategic partnerships with our providers through coproduction whilst being innovative in the way we look to redesign services to improve quality and importantly respond to budget constraints.
- 3.3 To help achieve this, the council has procured external expertise to undertake three distinct pieces of work that will help with the redesign of a new service:
1. A comprehensive assessment, along the lines of the ‘cost of care’ exercise to examine the pattern of current and future demands. This will lead to determination of the appropriate fee setting mechanism and

contractual models for supporting needs and aspirations, which will be more in line with peoples' preferences but at the right price.

2. To determine how a new service will support the delivery of the ambitions of the Integrated Care Board (ICB) to embed collaboration across the health and social care system and to support sustainability and efficiency within the sector by considering factors such as pooled budgets and contracting models.
3. To consider a joined-up contract model that aims to reduce the residential care market while considering associated pressures and demand for other adult social care service provisions such as the homecare market.

3.4 Outcomes to be achieved:

- The Older Person: To ensure people of Kent are in the right place with the right care and receive seamless high-quality, cost-effective care and positive outcomes.
- Quality of Care: Sustainable range of regulated care services that provides consistent high quality, safe and supportive care that meets people's needs in a regulated care service that is rated by CQC as outstanding or good.
- Value for Money: Ensures competition within the market that drives up quality alongside achieving cost efficiencies and ensuring value for money.

3.5 This will help inform the commissioning intentions for adult social care services and provide commissioners with the required information to design new specifications and a robust commissioning and procurement process.

3.6 The commissioning exercise will include extensive engagement with people who use care and support services to develop a new specification which ensures high quality and cost-effective services in the future.

3.7 The council will develop alternative care and support offers which support people to remain in their own home for longer. These include an enhanced technology offer, integrated reablement service, homecare offer, increasing direct payments and support that can be purchased such as personal assistants and niche services delivered by the voluntary sector and micro providers.

3.8 Following on from the cost of care review a new pricing model and contract fee mechanism will be developed to ensure best value for future placements. The extension will allow this activity to be completed.

3.9 The council will work closely with the market to ensure better value for the council and achieve savings where appropriate. This will include consider how to best utilise the Lots as part of the present contract model to make cost efficiencies for example, the utilisation of block contracts.

3.10 We will work to increase membership of the current framework and will review all off-framework placements regarding price, volume and value for money and seek to negotiate on this basis.

- 3.11 An extension to the current contract is required to allow the external consultants to complete the assessment and for the new service to be procured. However, it is anticipated that the exercise carried out by external experts will not be finalised until March 2024. This will enable a full procurement process to commence April 2024 once the extension to the contract has been implemented.
- 3.12 The proposed extension period will be put in place for a maximum of up to two years. However, a robust reprocurement exercise is to be completed as quickly as possible and break clauses will be written into the contract extension to allow the council to terminate the contract when appropriate and to fit in with the mobilisation of a new contract.
- 3.13 Subject to the outcome of the work currently being undertaken by consultants, we expect to commence the procurement process in April 2024 with a view to implement from early in 2025.
- 3.14 A programme plan detailing the re-design and procurement timeline will be developed and shared with members of the committee once the consultancy project has been completed.

4 The consequences of not extending the contract

- 4.1 The council can choose not to extend the current contract. However, there are significant risks to choosing this option and no benefits have been identified.
- 4.2 Risks are set out below and detailed further in Exempt Appendix 1 Waiver Report.
- 4.2.1 Legal and Policy: The council commissions residential and nursing care services for older persons from the independent sector to meet the needs of individuals deemed to be eligible in accordance with and following a Care Act assessment. If the contract ends the council will be pressured to fully meet its statutory obligation under the Care Act with regards to providing a high quality, safe service that is at an affordable price.
- 4.2.2 Financial: A lack of robust fee setting mechanisms and contractual leverage may result in a significant increase in placement costs which will be challenging to control. Savings targets set out by the council and to be met through greater partnership working and negotiation will be difficult to achieve through spot purchasing agreements and providers will be within their right to give notice on individual placements that may be hard to source at an affordable price.
- 4.2.3 Reputational: A shift to partnership working with providers will be challenged as the expectation from providers is that the contractual arrangements with the authority will be maintained due to the mutual benefits to both parties. People using this service expect a robust oversight of the service and the perception will be that this is not the case if the service is not part of a KCC Contract.

4.2.4 Resource Implications: If the contract ends there will be a requirement for the review, renegotiation and repurchasing of all individual placements with new contract and terms and conditions established. This will also require significant system and process updates.

5 Financial Implications

5.1 The total cost of the current Older Persons Residential and Nursing contract was set at approximately £800m (£100m per annum). However, due to the factors set out above, the annual cost has increased to £160m per annum. The approximate total cost of the proposed two-year extension period therefore is £304m (this takes account of the savings target on the spend on Older Persons Residential and Nursing Care Home services of 5% set for 2024/2025).

5.2 Dedicated commissioning and finance resources will be required to ensure a collaborative approach to determine a robust fee model and pricing guide and the identification of any financial risk.

5.3 This is a demand driven service and due to increases in complexity, increased demand and fee rates in excess of inflation, spend has increased year on year. Mitigations will be put in place to help limit the increased spend through the development of a robust savings action plan during the contract extension period. This will require a collaborative approach across KCC and NHS Kent and Medway ICB colleagues and proactively engaging with providers to determine fair costs for both legacy and new placements.

6 Legal implications

6.1 The Older People Residential Care, Nursing Care and Respite Care Services was procured as a Dynamic Purchasing Framework. The original Contract Notice which was advertised in the Official Journal of the EU, allowed for a contract term of four years, from 1 April 2016 to 31 March 2020. It also allowed for two 24-month extensions, from 1 April 2020 to 31 March 2022 and 1 April 2022 to 31 March 2024.

6.2 Both contract extensions have been exercised and the current extension period is due to expire on 31 March 2024.

6.3 Under Regulation 34 (Dynamic Purchasing Systems), Contracting Authorities, are permitted to extend the period of validity of Dynamic Purchasing Systems (DPS). Regulation 34 (27) requires that Contracting Authorities to indicate the period of validity of the dynamic purchasing system in the call for competition, and Regulation 34 (28) requires Contracting Authorities to notify any change in the period of validity, using the following standard forms: —

(a) where the period of validity is changed without terminating the system, the form used initially for the call for competition for the dynamic purchasing system;

- 6.4 As the UK has now exited the EU, there is no requirement for Contracting Authorities to notify the Commission. However, a change to the period of validity of the DPS, may be notified through a contract award notice under Regulation 50.
- 6.5 Additionally, the period for Expressions of Interests for the DPS in the original tender was from 5 April 2016 to 5 April 2024. By extending the DPS, the intention is to extend the Expression of Interest window further, thus ensuring that new suppliers will be able to apply to be placed on the DPS, thereby ensuring that no potential supplier is deprived of the opportunity to participate in the DPS.
- 6.6 Regulation 72 (Modification of Contracts during their term) permits Contracting Authorities to modify contracts and framework agreements, without a new procurement procedure, 72(1)(b) for additional works, services or supplies by the original contractor that have become necessary and were not included in the initial procurement, where a change of contractor—
- (i) cannot be made for economic or technical reasons such as requirements of interchangeability or interoperability with existing equipment, services or installations procured under the initial procurement, or
 - (ii) would cause significant inconvenience or substantial duplication of costs for the contracting authority,
- provided that any increase in price does not exceed 50% of the value of the original contract. The value of the original contract was £800m
- 6.7 An extension to the DPS is necessary to enable the council to undertake a detailed Cost of Care review of residential, nursing and respite care provision, which is likely to be completed by 28 February 2024. As such, the council will not be in a position to undertake a reprocurement, based on the outcome of the review, in time for a new service to be in place by 1 April 2024. Therefore, a change is not proposed at this time for economic or technical reasons. Any procurement of the service, prior to the completion of the Cost of Care review, will cause significant inconvenience and substantial duplication of cost, as the procurement will need to be undertaken again on completion of the Cost of Care review. It is also unlikely that a procurement will attract market interest, as providers may be reluctant to bid, prior to the completion of the Cost of Care review.
- 6.8 Commissioners received legal advice stating there remains a certain level of risk highlighted in terms of extending. However, provided the council ensure that existing and new suppliers are treated equally in terms of the extension the likelihood of a risk of a provider challenging the extension of an open DPS may be considered relatively low with the application of the principle in Regulation 34 (28).

7. Equalities implications

- 7.1 To ensure KCC's statutory obligations under the Equalities Act 2010 are met, a full Equality Impact Assessment has been undertaken for recommissioning purposes (attached as appendix 1). This has also been considered for the purposes of the contract extension and no major issues were identified. This will be refreshed to encompass any new negative or positive impacts identified due to the new service model.
- 7.2 New providers joining the DPS during the contract extension will need to continue to demonstrate that they have policies and procedures in place that ensure their compliance with Equality Act 2010.

8 Data Protection Implications

- 8.1 A Data Protection Impact Assessment (DPIA) has been completed and no anticipated new data protection implications have been identified. Providers tendering for the contract extension will be expected to undertake a DPIA as part of their tender submission.

9 Conclusions

- 9.1 The current Older Persons Residential and Nursing contract commenced on 1 April 2016, for an initial period of four years, with the option to extend for two 24-month periods. Both extension periods have been exhausted and the contract has no provision for a further extension beyond 31 March 2024.
- 9.2 External expertise has been procured to support the redesign of accommodation services for older people in Kent. Given the scale of the current contract and the anticipated impact of new models of care, it is recommended that the current Older Persons Residential and Nursing (OPRN) Contract is extended for a maximum of up to two years from 1 April 2024 to 31 March 2026. This will secure the safe continuation of provision whilst the proposed findings from the consultants are fully considered, and a new service put in place no later than 1 April 2026.

10. Recommendations

10.1 Recommendation(s): The Cabinet Member for Adult Social Care and Public Health is asked to:

- a) **EXTEND** the current Older Persons Residential and Nursing Care contract for up to a maximum of two years (1 April 2024 to 31 March 2026); and
- b) **DELEGATE** authority to the Corporate Director Adult Social Care and Health to take other relevant actions, including but not limited to finalising the terms of and entering into required contracts or other legal agreements, as necessary to implement the decision.

11. Background Documents

None

12. Report Author

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KENT COUNTY COUNCIL – RECORD OF DECISION

DECISION TAKEN BY:

**Cabinet Member for
Adult Social Care and Public Health**

DECISION NO:

24/00002

For publication Yes

Key decision: Yes

Title of Decision: SS14142 OLDER PERSONS RESIDENTIAL AND NURSING CONTRACT EXTENSION

Decision: As Cabinet Member for Adult Social Care and Public Health, I agree to:

- a) **EXTEND** the current Older Persons Residential and Nursing contract for up to a maximum of two years (1 April 2024 to 31 March 2026);and
- b) **DELEGATE** authority to the Corporate Director Adult Social Care and Health to take other relevant actions, including but not limited to finalising the terms of and entering into required contracts or other legal agreements, as necessary to implement the decision.

Reason(s) for decision: The Care Act 2014 gave local authorities in England, the NHS and the Care Quality Commission clear legal responsibilities for managing different elements of the adult social care market that include considering need, provider sustainability, value for money and integration.

Framing Kent's Future and Securing Kent's Future and the Adult Social Care Making a Difference Everyday Strategy Kent identify New Models of Care and Support as a key priority by recognising the importance of health and social care integration, building effective strategic partnerships with our providers through coproduction whilst being innovative in the way we look to redesign services to improve quality and importantly respond to budget constraints.

To help achieve this, the council has procured external expertise to undertake three distinct pieces of work that will help with the redesign of a new service. This will help inform the commissioning intentions for adult social care services and provide commissioners with the required information to design new specifications and a robust commissioning and procurement process.

The commissioning exercise will include extensive engagement with people who use care and support services to develop a new specification which ensures high quality and cost-effective services in the future.

The council will develop alternative care and support offers which support people to remain in their own home for longer. These include an enhanced technology offer, integrated reablement service, homecare offer, increasing direct payments and support that can be purchased such as personal assistants and niche services delivered by the voluntary sector and micro providers.

Following on from the cost of care review a new pricing model and contract fee mechanism will be developed to ensure best value for future placements. The extension will allow this activity to be completed.

The council will work closely with the market to ensure better value for the council and achieve savings where appropriate. This will include consider how to best utilise the Lots as part of the present contract model to make cost efficiencies for example, the utilisation of block contracts.

We will work to increase membership of the current framework and will review all off-framework placements regarding price, volume and value for money and seek to negotiate on this basis. An extension to the current contract is required to allow the external consultants to complete the assessment and for the new service to be procured. However, it is anticipated that the exercise carried out by external experts will not be finalised until March 2024. This will enable a full procurement process to commence April 2024 once the extension to the contract has been implemented.

The proposed extension period will be put in place for a maximum of up to two years. However, a robust reprocurement exercise is to be completed as quickly as possible and break clauses will be written into the contract extension to allow the council to terminate the contract when appropriate and to fit in with the mobilisation of a new contract.

Subject to the outcome of the work currently being undertaken by consultants, we expect to commence the procurement process in April 2024 with a view to implement from early in 2025.

The proposed decision supports objective 2 of Securing Kent's Future to deliver savings from identified opportunity areas to set a sustainable 2024/25 budget and MTFP and priority 4 of Framing Kent's Future – New Models of Care and Support

Financial Implications: The total cost of the current Older Persons Residential and Nursing contract was set at approximately £800m (£100m per annum). However, due to the factors set out above, the annual cost has increased to £160m per annum. The approximate total cost of the proposed two-year extension period therefore is £304m (this takes account of the savings target on the spend on Older Persons Residential and Nursing Care Home services of 5% set for 2024/2025).

Dedicated commissioning and finance resources will be required to ensure a collaborative approach to determine a robust fee model and pricing guide and the identification of any financial risk.

This is a demand driven service and due to increases in complexity, increased demand and fee rates in excess of inflation, spend has increased year on year. Mitigations will be put in place to help limit the increased spend through the development of a robust savings action plan during the contract extension period. This will require a collaborative approach across KCC and NHS Kent and Medway ICB colleagues and proactively engaging with providers to determine fair costs for both legacy and new placements.

Legal implications: The Older People Residential Care, Nursing Care and Respite Care Services was procured as a Dynamic Purchasing Framework. The original Contract Notice which was advertised in the Official Journal of the EU, allowed for a contract term of four years, from 1 April 2016 to 31 March 2020. It also allowed for two 24-month extensions, from 1 April 2020 to 31 March 2022 and 1 April 2022 to 31 March 2024.

Both contract extensions have been exercised and the current extension period is due to expire on 31 March 2024.

Under Regulation 34 (Dynamic Purchasing Systems), Contracting Authorities, are permitted to extend the period of validity of Dynamic Purchasing Systems (DPS). Regulation 34 (27) requires that Contracting Authorities to indicate the period of validity of the dynamic purchasing system in the call for competition, and Regulation 34 (28) requires Contracting Authorities to notify any change in the period of validity, using the following standard forms: —

(a) where the period of validity is changed without terminating the system, the form used initially for the call for competition for the dynamic purchasing system;

As the UK has now exited the EU, there is no requirement for Contracting Authorities to notify the Commission. However, a change to the period of validity of the DPS, may be notified through a contract award notice under Regulation 50.

Additionally, the period for Expressions of Interests for the DPS in the original tender was from 5 April 2016 to 5 April 2024. By extending the DPS, the intention is to extend the Expression of Interest window further, thus ensuring that new suppliers will be able to apply to be placed on the DPS, thereby ensuring that no potential supplier is deprived of the opportunity to participate in the DPS.

Regulation 72 (Modification of Contracts during their term) permits Contracting Authorities to modify contracts and framework agreements, without a new procurement procedure, 72(1)(b) for additional works, services or supplies by the original contractor that have become necessary and were not included in the initial procurement, where a change of contractor—

(i) cannot be made for economic or technical reasons such as requirements of interchangeability or interoperability with existing equipment, services or installations procured under the initial procurement, or

(ii) would cause significant inconvenience or substantial duplication of costs for the contracting authority,

provided that any increase in price does not exceed 50% of the value of the original contract. The value of the original contract was £800m

An extension to the DPS is necessary to enable the council to undertake a detailed Cost of Care review of residential, nursing and respite care provision, which is likely to be completed by 28 February 2024. As such, the council will not be in a position to undertake a reprocurement, based on the outcome of the review, in time for a new service to be in place by 1 April 2024. Therefore, a change is not proposed at this time for economic or technical reasons. Any procurement of the service, prior to the completion of the Cost of Care review, will cause significant inconvenience and substantial duplication of cost, as the procurement will need to be undertaken again on completion of the Cost of Care review. It is also unlikely that a procurement will attract market interest, as providers may be reluctant to bid, prior to the completion of the Cost of Care review.

Commissioners received legal advice stating there remains a certain level of risk highlighted in terms of extending. However, provided the council ensure that existing and new suppliers are treated equally in terms of the extension the likelihood of a risk of a provider challenging the extension of an open DPS may be considered relatively low with the application of the principle in Regulation 34 (28).

Equalities implications: To ensure KCC's statutory obligations under the Equalities Act 2010 are met, a full Equality Impact Assessment (EqIA) has been undertaken for recommissioning purposes. This has also been considered for the purposes of the contract extension and no major issues were identified. This will be refreshed to encompass any new negative or positive impacts identified due to the new service model.

New providers joining the DPS during the contract extension will need to continue to demonstrate that they have policies and procedures in place that ensure their compliance with Equality Act 2010.

Data Protection Implications: A Data Protection Impact Assessment (DPIA) has been completed and no anticipated new data protection implications have been identified. Providers tendering for the contract extension will be expected to undertake a DPIA as part of their tender submission.

Cabinet Committee recommendations and other consultation: The proposed decision was discussed at the Adult Social Care Cabinet Committee on 18 January 2024 and the recommendations were endorsed by the majority.

Any alternatives considered and rejected: The council can choose not to extend the current contract and let it end on 31 March 2024. However, there are significant risks to choosing this option and no benefits have been identified. The risks are set out below:

Legal and Policy: The council commissions residential and nursing care services for older persons from the independent sector to meet the needs of individuals deemed to be eligible in accordance with and following a Care Act assessment. If the contract ends the council will be pressured to fully meet its statutory obligation under the Care Act with regards to providing a high quality, safe service that is at an affordable price.

Financial: A lack of robust fee setting mechanisms and contractual leverage may result in a significant increase in placement costs which will be challenging to control. Savings targets set out by the council and to be met through greater partnership working and negotiation will be difficult to achieve through spot purchasing agreements and providers will be within their right to give notice on individual placements that may be hard to source at an affordable price.

Reputational: A shift to partnership working with providers will be challenged as the expectation from providers is that the contractual arrangements with the authority will be maintained due to the mutual benefits to both parties. People using this service expect a robust oversight of the service and the perception will be that this is not the case if the service is not part of a KCC Contract.

Resource Implications: If the contract ends there will be a requirement for the review, renegotiation and repurchasing of all individual placements with new contract and terms and conditions established. This will also require significant system and process updates.

Any interest declared when the decision was taken and any dispensation granted by the Proper Officer: None



8 February 2024

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signed

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date

From: Richard Smith, Corporate Director Adult Social Care and Health

To: Dan Watkins, Cabinet Member for Adult Social Care and Public Health

Subject: **CARE AND SUPPORT IN THE HOME CONTRACT EXTENSION**

Key decision: 24/00003

Classification: Unrestricted

Past Pathway of report: Adult Social Care Cabinet Committee – 18 January 2024

Future Pathway of report: Cabinet Member decision

Electoral Division: All

Summary Framing Kent's Future and Securing Kent's Future and the Adult Social Care Making a Difference Everyday Strategy Kent identify New Models of Care and Support as a key priority by recognising the importance of health and social care integration, building effective strategic partnerships with our providers through coproduction whilst being innovative in the way we look to redesign services to improve quality and importantly respond to budget constraints.

To help achieve this, the council has procured external expertise to carry out a detailed assessment of the cost of care while exploring and determining the best contracting models which support an integrated approach to future health and social care models. The outcome of this assessment will not be completed until March 2024.

The current Care and Support in the Home contract is due to end on 7 April 2024, with provision for an extension of up to three years. Given the scale of the current contract and the anticipated impact of new models of care, it is recommended that the contract is extended, this will secure the safe continuation of provision whilst the assessment and review is undertaken, the findings are fully considered, and a new service put in place.

Recommendations: The Cabinet Member for Adult Social Care and Public Health is asked to:

- a) **EXTEND** the Care and Support in the Home contract, for a maximum of up to three years from 1 April 2024 to 31 March 2027; and
- b) **DELEGATE** authority to the Corporate Director Adult Social Care and Health to take other relevant actions, including but not limited to finalising the terms of and entering into required contracts or other legal agreements, as necessary to implement the decision.

1 Introduction

- 1.1 The Care and Support in the Home commenced in 2019, for an initial period of four years, with options to extend. The current Care and Support in the Home contract is due to end on 7 April 2024 and there is an optional three-year extension built into the contract, which could take the contract through to 7 April 2027.
- 1.2 The contract is by way of closed framework with 30 providers on the framework. However, this contract and the provider market have been significantly impacted through the COVID period, with a large proportion of off framework providers (over 100) now being used.
- 1.3 There are currently on average 72,000 calls per week to people who are supported.
- 1.4 The contract includes provision to cover domiciliary care, supporting independence services (SIS), Extra Care background support hours, Care and Support in Prisons. The contract is divided by geographical provision (clusters) to cover Urban and Rural areas.

2 Background

- 2.1 The Care Act 2014 gave local authorities in England, the NHS and the Care Quality Commission (CQC) clear legal responsibilities for managing different elements of the adult social care market that include considering need, provider sustainability, value for money and integration.
- 2.2 Framing Kent's Future and Securing Kent's Future and the Adult Social Care Making a Difference Everyday Strategy Kent identify New Models of Care and Support as a key priority by recognising the importance of health and social care integration, building effective strategic partnerships with our providers through coproduction whilst being innovative in the way we look to redesign services to improve quality and importantly respond to budget constraints.
- 2.3 To help achieve this, the council has procured external expertise to undertake three distinct pieces of work that will help with the redesign of a new service:
 1. A comprehensive assessment, along the lines of the 'cost of care' exercise to examine the pattern of current and future demands. This will lead to determination of the appropriate fee setting mechanism and contractual models for supporting needs and aspirations, which will be more in line with peoples' preferences but at the right price.
 2. To determine how a new service will support the delivery of the ambitions of the Integrated Care Board (ICB) to embed collaboration across the health and social care system and to support sustainability and efficiency within the sector by considering factors such as pooled budgets and contracting models.

3. To consider a joined-up contract model that aims to reduce the residential care market while considering associated pressures and demand for other adult social care service provisions such as the homecare market.
- 2.4 Outcomes to be achieved:
 - The Older Person: To ensure people of Kent are in the right place with the right care and receive seamless high-quality, cost-effective care and positive outcomes.
 - Quality of Care: Sustainable range of regulated care services that provides consistent high-quality, safe and supportive care which meets people's needs in a regulated care service that is rated by CQC as outstanding or good.
 - Value for Money: Ensures competition within the market that drives up quality alongside achieving cost efficiencies and ensuring value for money.
 - 2.5 This will help inform the commissioning intentions for adult social care services and provide commissioners with the required information to design new specifications and a robust commissioning and procurement process.
 - 2.6 The commissioning exercise will include extensive engagement with people who use care and support services to develop a new specification which ensures high quality and cost-effective services in the future.
 - 2.7 This is a demand driven service and due to increases in complexity, increased demand and fees in excess of that funded for inflation, spend has grown year on year. It is recognised that during the contract extension period mitigations will be put in place to help halt the increased spend to the service through the development of a robust savings action plan. This will require a collaborative approach across Kent County Council (KCC) and NHS Kent and Medway ICB colleagues and proactively engaging with providers to determine fair costs for both legacy and new placements.
 - 2.8 The council will need to consider looking to develop alternative care and support offers which support people to remain in their own home for longer. These include an enhanced technology offer, integrated reablement service, homecare offer, increasing direct payments and support that can be purchased such as personal assistants and niche services delivered by the voluntary sector and micro providers.
 - 2.9 Commissioners will develop new models, supported by the cost of care exercise completed by the external consultants, which will ensure best value for future services. The extension will allow this activity to be completed.
 - 2.10 An extension to the current contract is required to allow the external consultants to complete the assessment and for the new service to be procured. However, it is anticipated that the exercise carried out by external experts will not be finalised until March 2024. This will enable a full procurement process to commence once the extension to the contract has been implemented.

- 2.11 The proposed contract extension will be put in place for a maximum of three years. However, a robust reprocurement exercise is to be completed as quickly as possible and break clauses will be written into the contract extension to allow the council to terminate the contract when appropriate and to fit in with the mobilisation of a new contract.
- 2.12 Subject to the outcome of the work currently being undertaken by consultants, we expect to commence the procurement process in April 2024 with a view to implement from early in 2025.
- 2.13 A programme plan detailing the re-design and procurement timeline will be developed and shared with members of the committee once the consultancy project has been completed.

3. The consequences of not extending the current contract

- 3.1 The council can choose not to extend the current contract. However, there are significant risks, as set out below, to choosing this option and no benefits have been identified.
- 3.2 Legal and Policy: The council commissions services from the independent sector to meet the needs of individuals deemed to be eligible in accordance with and following a Care Act assessment. If the contract ends the council will be pressured to fully meet its statutory obligation under the Care Act with regards to providing a high quality, safe service that is at an affordable price.
- 3.3 Financial: A lack of robust fee setting mechanisms and contractual leverage may result in a significant increase in placement costs which will be challenging to control. Savings targets set out by the council and to be met through greater partnership working and negotiation will be difficult to achieve through spot purchasing agreements and providers will be within their right to give notice on individual placements that may be hard to source at an affordable price.
- 3.4 Reputational: A shift to partnership working with providers will be challenged as the expectation from providers is that the contractual arrangements with the council will be maintained due to the mutual benefits to both parties. People using this service expect a robust oversight of the service and the perception will be that this is not the case if the service is not part of a KCC Contract.
- 3.5 Resource Implications: If the contract ends there will be a requirement for the review, renegotiation, and repurchasing of all individual placements with new contract and terms and conditions established. This will also require significant system and process updates.

4. Financial Implications

4.1 The initial contract cost is set out below along with the current cost. Various market pressures and increase in demand and complexity of care has resulted in an increased spend on the service. Robust actions are being put in place to limit this spend.

Contract	Initial contract cost advertised (per annum)	2022/23 spend
Care and Support in the Home	£110,000,000	£76,000,000

4.2 Dedicated commissioning and finance resources will be required to ensure a collaborative approach to determine a robust fee model and pricing guide and the identification of any financial risk.

5. Legal implications

5.2 The extension is necessary to enable the council to undertake a detailed Cost of Care review, which is likely to be completed by 28 February 2024. As such, the council will not be in a position to undertake a reprocurement, based on the outcome of the review, in time for a new service to be in place in 2024. Therefore, a change is not proposed at this time for economic or technical reasons. Any procurement of the service, prior to the completion of the Cost of Care review, will cause significant inconvenience and substantial duplication of cost. It is also unlikely that a procurement will attract market interest, as providers may be reluctant to bid, prior to the completion of the Cost of Care review.

5.3 An extension is available to be utilised in the contract. The extension was included in the Contract/PIN Notice advertising the original procurement of the service and therefore the extension is permissible and compliant under PCR 2015 regulations.

6. Equalities implications

6.2 To ensure KCC’s statutory obligations under the Equalities Act 2010 are met, a full Equality Impact Assessment (EqIA) has been undertaken for recommissioning purposes (Attached as Appendix 1). This has also been considered for the purposes of the contract extension and no major issues were identified. This will be refreshed to encompass any new negative or positive impacts identified due to the new service model.

7. Data Protection Implications

7.2 A Data Protection Impact Assessment has been completed and no anticipated new data protection implications have been identified.

8. Conclusions

- 8.1 The Care and Support in the Home commenced in 2019, for an initial period of four years, with options to extend. The current Care and Support in the Home contract end date is 7 April 2024 and there is an optional three-year extension built into the contract, which could take the contract through to 7 April 2027.
- 8.2 External expertise has been procured to support the redesign of services for people in Kent. Given the scale of the current contract and the anticipated impact of new models of care, it is recommended that the current Care and Support in the Home contract is extended for a maximum of up to three years from 1 April 2024 to 31 March 2027. This will secure the safe continuation of provision whilst the proposed findings from the consultants is fully considered and new services put in place.

9. Recommendations

9.1 Recommendations: The Cabinet Member for Adult Social Care and Public Health is asked to:

- a) **EXTEND** the Care and Support in the Home contract, for a maximum of up to three years from 1 April 2024 to 31 March 2027; and
- b) **DELEGATE** authority to the Corporate Director Adult Social Care and Health to take other relevant actions, including but not limited to finalising the terms of and entering into required contracts or other legal agreements, as necessary to implement the decision.

10. Background Documents

None

11. Report Author

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Relevant Director

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KENT COUNTY COUNCIL – RECORD OF DECISION

DECISION TAKEN BY:

**Cabinet Member for
Adult Social Care and Public Health**

DECISION NO:

23/00003

For publication Yes

Key decision: Yes

Title of Decision: CARE AND SUPPORT IN THE HOME CONTRACT EXTENSION

Decision: As Cabinet Member for Adult Social Care and Public Health, I agree to:

- a) **EXTEND** the Care and Support in the Home contract, for a maximum of up to three years from 1 April 2024 to 31 March 2027; and
- b) **DELEGATE** authority to the Corporate Director Adult Social Care and Health to take other relevant actions, including but not limited to finalising the terms of and entering into required contracts or other legal agreements, as necessary to implement the decision.

Reasons for decision: The Care Act 2014 gave local authorities in England, the NHS and the Care Quality Commission (CQC) clear legal responsibilities for managing different elements of the adult social care market that include considering need, provider sustainability, value for money and integration.

Framing Kent's Future and Securing Kent's Future and the Adult Social Care Making a Difference Everyday Strategy, identify New Models of Care and Support as key priorities by recognising the importance of health and social care integration, building effective strategic partnerships with our providers through coproduction whilst being innovative in the way we look to redesign services to improve quality and importantly respond to budget constraints.

To help achieve this, the council has procured external expertise to undertake three distinct pieces of work that will help with the redesign of a new service. This will help inform the commissioning intentions for adult social care services and provide commissioners with the required information to design new specifications and a robust commissioning and procurement process.

The commissioning exercise will include extensive engagement with people who use care and support services to develop a new specification which ensures high quality and cost-effective services in the future.

This is a demand driven service and due to increases in complexity, increased demand and fees in excess of that funded for inflation, spend has grown year on year. It is recognised that during the contract extension period mitigations will be put in place to help halt the increased spend to the service through the development of a robust savings action plan. This will require a collaborative approach across Kent County Council and NHS Kent and Medway Integrated Care Board colleagues and proactively engaging with providers to determine fair costs for both legacy and new placements.

The council will need to consider looking to develop alternative care and support offers which support people to remain in their own home for longer. These include an enhanced technology offer, integrated reablement service, homecare offer, increasing direct payments and support that can be purchased such as personal assistants and niche services delivered by the voluntary sector and micro providers.

Commissioners will develop new models, supported by the cost of care exercise completed by the external consultants, which will ensure best value for future services. The extension will allow this activity to be completed.

The Contract is by way of closed framework with 30 providers on the framework. However this contract and the provider market has been significantly impacted through the COVID period, with a large proportion of off framework providers (over 100) now being used.

There are currently on average 72,000 calls per week to people that are supported.

The contract includes provision to cover domiciliary care, supporting independence services (SIS), Extra Care background support hours, Care and Support in Prisons. The contract is divided by geographical provision (clusters) to cover Urban and Rural areas.

The Care and Support in the Home commenced in 2019, for an initial period of four years, with options to extend. The current Care and Support in the Home contract end date is 7 April 2024 and there is an optional three-year extension built into the contract, which could take the contract through to 7 April 2027.

An extension to the current contract is required to allow the external consultants to complete the assessment and for the new service to be procured. However, it is anticipated that the exercise carried out by external experts will not be finalised until March 2024. This will enable a full procurement process to commence once the extension to the contract has been implemented.

The proposed contract extension will be put in place for a maximum of three years. However, a robust reprocurement exercise is to be completed as quickly as possible and break clauses will be written into the contract extension to allow the council to terminate the contract when appropriate and to fit in with the mobilisation of a new contract.

Subject to the outcome of the work currently being undertaken by consultants, we expect to commence the procurement process in April 2024 with a view to implement from early in 2025.

Financial Implications: The initial contract cost is set out below along with the current cost. Various market pressures and increase in demand and complexity of care has resulted in an increased spend on the service. Robust actions are being put in place to curb this spend.

Contract	Initial contract cost advertised (per annum)	2022/23 spend
Care and Support in the Home	£110,000,000	£76,000,000

Dedicated commissioning and finance resources will be required to ensure a collaborative approach to determine a robust fee model and pricing guide and the identification of any financial risk.

Legal implications: An extension is necessary to enable the council to undertake a detailed Cost of Care review, which is likely to be completed by 28 February 2024. As such, the council will not be in a position to undertake a reprocurement, based on the outcome of the review, in time for a new service to be in place in 2024. Therefore, a change is not proposed at this time for economic or technical reasons. Any procurement of the service, prior to the completion of the Cost of Care review, will cause significant inconvenience and substantial duplication of cost. It is also unlikely that a procurement will attract market interest, as providers may be reluctant to bid, prior to the completion of the Cost of Care review.

An extension is available to be utilised in the contract. The extension was included in the Contract / PIN Notice advertising the original procurement of this service and therefore the extension is permissible and compliant under PCR 2015 regulations.

Equalities implications: To ensure KCC's statutory obligations under the Equalities Act 2010 are met, a full Equality Impact Assessment (EqIA) has been undertaken for recommissioning purposes. This has also been considered for the purposes of the contract extension and no major issues were identified. This will be refreshed to encompass any new negative or positive impacts identified due to the new service model.

Data Protection Implications: A Data Protection Impact Assessment has been completed and no anticipated new data protection implications have been identified.

Cabinet Committee recommendations and other consultation: The proposed decision was discussed at the Adult Social Care Cabinet Committee on 18 January 2024 and the recommendations were endorsed by the majority.

Any alternatives considered and rejected: The council can choose not to extend the current contract. However, there are significant risks, as set out below, to choosing this option and no benefits have been identified.

Legal and Policy: The council commissions services from the independent sector to meet the needs of individuals deemed to be eligible in accordance with and following a Care Act assessment. If the contract ends the council will be pressured to fully meet its statutory obligation under the Care Act with regards to providing a high quality, safe service that is at an affordable price.

Financial: A lack of robust fee setting mechanisms and contractual leverage may result in a significant increase in placement costs which will be challenging to control. Savings targets set out by the council and to be met through greater partnership working and negotiation will be difficult to achieve through spot purchasing agreements and providers will be within their right to give notice on individual placements that may be hard to source at an affordable price.

Reputational: A shift to partnership working with providers will be challenged as the expectation from providers is that the contractual arrangements with the authority will be maintained due to the mutual benefits to both parties. People using this service expect a robust oversight of the service and the perception will be that this is not the case if the service is not part of a KCC Contract.

Resource Implications: If the contract ends there will be a requirement for the review, renegotiation, and repurchasing of all individual placements with new contract and terms and conditions established. This will also require significant system and process updates.

Any interest declared when the decision was taken and any dispensation granted by the Proper Officer: None



8 February 2024

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signed

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date

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From: Richard Smith, Corporate Director Adult Social Care and Health

To: Dan Watkins, Cabinet Member for Adult Social Care and Public Health

Subject: **LEARNING DISABILITY, PHYSICAL DISABILITY AND MENTAL HEALTH RESIDENTIAL CARE HOME SERVICES – CONTRACT EXTENSION**

Decision Number 24/00004

Classification: Unrestricted

Past Pathway of report: Adult Social Care Cabinet Committee – 18 January 2024

Future Pathway of report: Cabinet Member decision

Electoral Division: All

Summary Framing Kent’s Future and Securing Kent’s Future and the Adult Social Care Making a Difference Everyday Strategy Kent identify New Models of Care and Support as a key priority by recognising the importance of health and social care integration, building effective strategic partnerships with our providers through coproduction whilst being innovative in the way we look to redesign services to improve quality and importantly respond to budget constraints.

To help achieve this, the council has procured external expertise to carry out a detailed assessment of the cost of care while exploring and determining the best contracting models which support an integrated approach to future health and social care models. The outcome of this assessment will not be completed until March 2024.

The current Residential Care Home Services (Learning Disability, Physical Disability and Mental Health) contract is due to end on 14 June 2024 and there are two, two-year extensions built into the contract. Given the scale of the current contract and the anticipated impact of new models of care, it is recommended that the contract is extended, this will secure the safe continuation of provision whilst the assessment and review are undertaken, the findings are fully considered, and a new service put in place.

Recommendation: The Cabinet Member for Adult Social Care and Public Health is asked to:

- a) **EXTEND** the Residential Care Home Services (Learning Disability, Physical Disability and Mental Health) contract for a maximum of up to two years from 15 June 2024 to 14 June 2026; and
- b) **DELEGATE** authority to the Corporate Director Adult Social Care and Health to take other relevant actions, including but not limited to finalising the terms of and

entering into required contracts or other legal agreements, as necessary to implement the decision.

1 Introduction

- 1.1 The Learning Disability, Physical Disability and Mental Health Residential Care Home Services contract commenced in 2019, for an initial period of four years, with options to extend.
- 1.2 The current Learning Disability, Physical Disability and Mental Health Residential Care Home Services contract is due to end on 14 June 2024 and there are two, two-year extensions built into the contract. It is proposed to use the first of these two-year extensions to extend the current contract from 15 June 2024 to 14 June 2026.
- 1.3 There are currently 881 people placed in a residential care home setting through this contract, and a further 523 people placed in residential care homes outside of the contract. Not all placements and/or homes will be within Kent.
- 1.4 The contract is by way of an open Dynamic Purchasing System (DPS) that allows the council to add new providers during the lifetime of the contract having passed the relevant selection criteria. The DPS provides a high level of flexibility that allows for market development and new purchasing opportunities if, and when required.
- 1.5 The service/contract above should be considered in the context of the external and internal pressures which have significantly changed from when the contract was initiated in 2019. These pressures include:
 - The demand for care and support for people with a greater level of complexity of need.
 - Inflationary pressures and financial sustainability issues.
 - Increased placement costs seen across Kent and nationally.
 - Workforce pressures and the recruitment and retention of high quality staff
 - Quality issues resulting in poor CQC rating and contract suspensions.

2 Background

- 2.1 The Care Act 2014 gave local authorities in England, the NHS and the Care Quality Commission (CQC) clear legal responsibilities for managing different elements of the adult social care market that include considering need, provider sustainability, value for money and integration.
- 2.2 Framing Kent's Future and Securing Kent's Future and the Adult Social Care Making a Difference Everyday Strategy, identify New Models of Care and Support as key priorities by recognising the importance of health and social care integration, building effective strategic partnerships with our providers through coproduction whilst being innovative in the way we look to redesign services to improve quality and importantly respond to budget constraints.

- 2.3 To help achieve this, the council has procured external expertise to undertake three distinct pieces of work that will help with the redesign of a new service:
1. A comprehensive assessment, along the lines of the 'cost of care' exercise to examine the pattern of current and future demands. This will lead to determination of the appropriate fee setting mechanism and contractual models for supporting needs and aspirations, which will be more in line with peoples' preferences but at the right price.
 2. To determine how a new service will support the delivery of the ambitions of the Integrated Care Board (ICB) to embed collaboration across the health and social care system and to support sustainability and efficiency within the sector by considering factors such as pooled budgets and contracting models.
 3. To consider a joined up contract model that aims to reduce the residential care market while considering associated pressures and demand for other adult social care service provisions such as the homecare market.
- 2.4 Outcomes to be achieved:
- The Older Person: To ensure people of Kent are in the right place with the right care and receive seamless high-quality, cost-effective care and positive outcomes.
 - Quality of Care: Sustainable range of regulated care services that provides consistent high quality, safe and supportive care that meets people's needs in a regulated care service that is rated by CQC as outstanding or good.
 - Value for Money: Ensures competition within the market that drives up quality alongside achieving cost efficiencies and ensuring value for money.
- 2.5 This will help inform the commissioning intentions for adult social care services and provide commissioners with the required information to design new specifications and a robust commissioning and procurement process.
- 2.6 The commissioning exercise will include extensive engagement with people who use care and support services to develop a new specification which ensures high quality and cost-effective services in the future.
- 2.7 This is a demand driven service and due to increases in complexity, increased demand and fees in excess of that funded for inflation, spend has grown year on year. It is recognised that during the contract extension period mitigations will be put in place to help halt the increased spend to the service through the development of a robust savings action plan. This will require a collaborative approach across KCC and NHS Kent and Medway ICB colleagues and proactively engaging with providers to determine fair costs for both legacy and new placements.
- 2.8 The council will need to consider looking to develop alternative care and support offers which support people to remain in their own home for longer. These include an enhanced technology offer, integrated reablement service, homecare offer, increasing direct payments and support that can be purchased

such as personal assistants and niche services delivered by the voluntary sector and micro providers.

- 2.9 Commissioners will develop new models, supported by the cost of care exercise completed by the external consultants, which will ensure best value for future services. The extension will allow this activity to be completed.
- 2.10 An extension to the current contract is required to allow the external consultants to complete the assessment and for the new service to be procured. However, it is anticipated that the exercise carried out by external experts will not be finalised until March 2024. This will enable a full procurement process to commence once the extension to the contract has been implemented.
- 2.11 The proposed extension period will be put in place for a maximum of up to two years. However, a robust reprocurement exercise is to be completed as quickly as possible and break clauses will be written into the contract extension to allow the council to terminate the contract when appropriate and to fit in with the mobilisation of a new contract.
- 2.12 Subject to the outcome of the work currently being undertaken by consultants, we expect to commence the procurement process in April 2024 with a view to implement from early in 2025.
- 2.13 A programme plan detailing the re-design and procurement timeline will be developed and shared with members of the committee once the consultancy project has been completed.

3. The consequences of not extending the current contract

- 3.1 The council can choose not to extend the current contract. However, there are significant risks, as set out below, to choosing this option and no benefits have been identified.
- 3.2 Legal and Policy: The council commissions services from the independent sector to meet the needs of individuals deemed to be eligible in accordance with and following a Care Act assessment. If the contract ends the council will be pressured to fully meet its statutory obligation under the Care Act with regards to providing a high quality, safe service that is at an affordable price.
- 3.3 Financial: A lack of robust fee setting mechanisms and contractual leverage may result in a significant increase in placement costs which will be challenging to control. Savings targets set out by the council and to be met through greater partnership working and negotiation will be difficult to achieve through spot purchasing agreements and providers will be within their right to give notice on individual placements that may be hard to source at an affordable price.
- 3.4 Reputational: A shift to partnership working with providers will be challenged as the expectation from providers is that the contractual arrangements with the Council will be maintained due to the mutual benefits to both parties.

People using this service expect a robust oversight of the service and the perception will be that this is not the case if the service is not part of a KCC contract.

- 3.5 Resource Implications: If the contract ends there will be a requirement for the review, renegotiation, and repurchasing of all individual placements with new contract and terms and conditions established. This will also require significant system and process updates.

4. Financial Implications

- 4.1 The initial contract cost is set out below along with the current cost. Various market pressures and increase in demand and complexity of care has resulted in an increased spend on the service. Robust actions are being put in place to limit this spend.

Contract	Initial contract cost advertised (per annum)	2022/2023 spend
Learning Disability, Physical Disability and Mental Health Residential Care Home Services	£108,000,000	£138,000,000

- 4.2 Dedicated commissioning and finance resources will be required to ensure a collaborative approach to determine a robust fee model and pricing guide and the identification of any financial risk.

5. Legal implications

- 5.1 An extension is necessary to enable the council to undertake a detailed Cost of Care review, which is likely to be completed by 28 February 2024. As such, the council will not be in a position to undertake a reprocurement, based on the outcome of the review, in time for a new service to be in place in 2024. Therefore, a change is not proposed at this time for economic or technical reasons. Any procurement of the service, prior to the completion of the Cost of Care review, will cause significant inconvenience and substantial duplication of cost. It is also unlikely that a procurement will attract market interest, as providers may be reluctant to bid, prior to the completion of the Cost of Care review.
- 5.2 An extension is available to be utilised in the contract. The extension was included in the Contract/PIN Notice advertising the original procurement of the service and the extension is permissible and compliant under PCR 2015 regulations.

6. Equalities implications

- 6.1 To ensure KCC's statutory obligations under the Equalities Act 2010 are met, a full Equality Impact Assessment (EqIA) has been undertaken for recommissioning purposes (Attached as Appendix 1). This has also been considered for the purposes of the contract extension and no major issues were identified. This will be refreshed to encompass any new negative or positive impacts identified due to the new service model.

7. Data Protection Implications

- 7.1 A Data Protection Impact Assessment has been completed and no anticipated new data protection implications have been identified.

8. Conclusions

- 8.1 The Learning Disability, Physical Disability and Mental Health Residential Care Home Services contract commenced in 2019, for an initial period of four years, with options to extend. The current Learning Disability, Physical Disability and Mental Health Residential Care Home Services contract is due to end on 14 June 2024 and there are two, two-year extensions built into the contract.
- 8.2 External expertise has been procured to support the redesign of services for people in Kent. Given the scale of the current contract and the anticipated impact of new models of care, it is recommended that the current Learning Disability, Physical Disability and Mental Health Residential Care Home Services contract is extended for a maximum of up to two years from 15 June 2024 to 14 June 2026. This will secure the safe continuation of provision whilst the proposed findings from the consultants is fully considered and new services put in place.

9. Recommendations

9.1 Recommendations: The Cabinet Member for Adult Social Care and Public Health is asked to:

- a) **EXTEND** the Residential Care Home Services (Learning Disability, Physical Disability and Mental Health) Contract for a maximum of up to two years from 15 June 2024 to 14 June 2026; and
- b) **DELEGATE** authority to the Corporate Director Adult Social Care and Health to take other relevant actions, including but not limited to finalising the terms of and entering into required contracts or other legal agreements, as necessary to implement the decision.

10. Background Documents

None

11. Report Author

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Relevant Director

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KENT COUNTY COUNCIL – RECORD OF DECISION

DECISION TAKEN BY:

**Cabinet Member for
Adult Social Care and Public Health**

DECISION NO:

24/00004

For publication: Yes

Key decision: YES

Title of Decision: LEARNING DISABILITY, PHYSICAL DISABILITY AND MENTAL HEALTH RESIDENTIAL CARE HOME SERVICES – CONTRACT EXTENSION

Decision: As Cabinet Member for Adult Social Care and Public Health, I agree to:

- a) **EXTEND** the Learning Disability, Physical Disability and Mental Health Residential Care Home Services contract for a maximum of up to two years from 15 June 2024 to 14 June 2026; and
- b) **DELEGATE** authority to the Corporate Director Adult Social Care and Health to take other relevant actions, including but not limited to finalising the terms of and entering into required contracts or other legal agreements, as necessary to implement the decision.

Reason(s) for decision: The Care Act 2014 gave local authorities in England, the NHS and the Care Quality Commission (CQC) clear legal responsibilities for managing different elements of the adult social care market that include considering need, provider sustainability, value for money and integration.

Framing Kent's Future and Securing Kent's Future and the Adult Social Care Making a Difference Everyday Strategy, identify New Models of Care and Support as key priorities by recognising the importance of health and social care integration, building effective strategic partnerships with our providers through coproduction whilst being innovative in the way we look to redesign services to improve quality and importantly respond to budget constraints.

To help achieve this, the council has procured external expertise to undertake three distinct pieces of work that will help with the redesign of a new service. This will help inform the commissioning intentions for adult social care services and provide commissioners with the required information to design new specifications and a robust commissioning and procurement process.

The commissioning exercise will include extensive engagement with people who use care and support services to develop a new specification which ensures high quality and cost-effective services in the future.

This is a demand driven service and due to increases in complexity, increased demand and fees in excess of that funded for inflation, spend has grown year on year. It is recognised that during the contract extension period mitigations will be put in place to help halt the increased spend to the service through the development of a robust savings action plan. This will require a collaborative approach across Kent County Council (KCC) and NHS Kent and Medway Integrated Care Board (ICB) colleagues and proactively engaging with providers to determine fair costs for both legacy and new placements.

The council will need to consider looking to develop alternative care and support offers which support people to remain in their own home for longer. These include an enhanced technology offer, integrated reablement service, homecare offer, increasing direct payments and support that can be purchased such as personal assistants and niche services delivered by the voluntary sector and

micro providers.

Commissioners will develop new models, supported by the cost of care exercise completed by the external consultants, which will ensure best value for future services. The extensions will allow this activity to be completed.

The current Learning Disability, Physical Disability and Mental Health Residential Care Home Services contract ends on 14 June 2024 and there are two, 2-year extensions built into the contract, which could take the contract through to 14 June 2028. This decision seeks to utilise the first of these two-year extensions from 15 June 2024 to 14 June 2026.

An extension to the current contract will allow the external consultants to complete the assessment and for the new service to be procured. However, it is anticipated that the exercise carried out by external experts will not be finalised until March 2024. This will enable a full procurement process to commence once the extension to the contract has been implemented.

The proposed extension will be put in place for a maximum of up to two years. However, a robust procurement exercise is to be completed as quickly as possible and break clauses will be written into the contract extension to allow the council to terminate the contract when appropriate and to fit in with the mobilisation of a new contract.

There are currently 881 people placed in a residential care home setting through this contract, and a further 523 people placed in residential care homes outside of the contract. Not all placements and/or homes will be within Kent.

The contract is by way of an open Dynamic Purchasing System (DPS) that allows the council to add new providers during the lifetime of the contract having passed the relevant selection criteria. The DPS provides a high level of flexibility that allows for market development and new purchasing opportunities if, and when required.

The services/contract should be considered in the context of the external and internal pressures which have significantly changed from when the contract was initiated in 2019.

Pressures include:

- The demand for care and support for people with a greater level of complexity of need.
- Inflationary pressures and financial sustainability issues.
- Increased placement costs seen across Kent and nationally.
- Workforce pressures and the recruitment and retention of high-quality staff
- Quality issues resulting in poor Care CQC rating and contract suspensions.

The proposed decision supports objective 2 of Securing Kent's Future to deliver savings from identified opportunity areas to set a sustainable 2024/25 budget and MTFP and priority 4 of Framing Kent's Future – New Models of Care and Support.

Financial Implications: The initial contract cost is set out below along with the current cost. Various market pressures and increase in demand and complexity of care has resulted in an increased spend on the service. Robust actions are being put in place to limit this spend.

Contract	Initial contract cost advertised (per annum)	2022/23 spend
Residential Care Home Services (Learning Disability, Physical Disability & Mental Health)	£108,000,000	£138,000,000

Dedicated commissioning and finance resources will be required to ensure a collaborative approach

to determine a robust fee model and pricing guide and the identification of any financial risk.

Legal implications: An extension is necessary to enable the council to undertake a detailed Cost of Care review, which is likely to be completed by 28 February 2024. As such, the council will not be in a position to undertake a reprocurement, based on the outcome of the review, in time for a new service to be in place in 2024. Therefore, a change is not proposed at this time for economic or technical reasons. Any procurement of the service, prior to the completion of the Cost of Care review, will cause significant inconvenience and substantial duplication of cost. It is also unlikely that a procurement will attract market interest, as providers may be reluctant to bid, prior to the completion of the Cost of Care review.

An extension is available to be utilised and the extension was included in the Contract/PIN Notice advertising the original procurement of this service and therefore the extension is permissible and compliant under PCR 2015 regulations.

Equalities implications: To ensure KCC's statutory obligations under the Equalities Act 2010 are met, a full Equality Impact Assessment (EqIA) has been undertaken for recommissioning purposes. This has also been considered for the purposes of the contract extension and no major issues were identified. This will be refreshed to encompass any new negative or positive impacts identified due to the new service model.

Data Protection Implications: A Data Protection Impact Assessment has been completed and no anticipated new data protection implications have been identified.

Cabinet Committee recommendations and other consultation: The proposed decision was discussed at the Adult Social Care Cabinet Committee on 18 January 2024 and recommendations were endorsed by the majority.

Any alternatives considered and rejected: The council can choose not to extend the current contract. However there are significant risks, as set out below, to choosing this option and no benefits have been identified.

Legal and Policy: The council commissions services from the independent sector to meet the needs of individuals deemed to be eligible in accordance with and following a Care Act assessment. If the contract ends the council will be pressured to fully meet its statutory obligation under the Care Act with regards to providing a high quality, safe service that is at an affordable price.

Financial: A lack of robust fee setting mechanisms and contractual leverage may result in a significant increase in placement costs which will be challenging to control. Savings targets set out by the council and to be met through greater partnership working and negotiation will be difficult to achieve through spot purchasing agreements and providers will be within their right to give notice on individual placements that may be hard to source at an affordable price.

Reputational: A shift to partnership working with providers will be challenged as the expectation from providers is that the contractual arrangements with the authority will be maintained due to the mutual benefits to both parties. People using this service expect a robust oversight of the service and the perception will be that this is not the case if the service is not part of a KCC contract.

Resource Implications: If the contract ends there will be a requirement for the review, renegotiation, and repurchasing of all individual placements with new contract and terms and conditions established. This will also require significant system and process updates.

Any interest declared when the decision was taken and any dispensation granted by the Proper Officer: None



8 February 2024

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signed

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date

From: Richard Smith, Corporate Director Adult Social Care and Health

To: Dan Watkins, Cabinet Member for Adult Social Care and Public Health

Subject: **SUPPORTED LIVING – CONTRACT EXTENSION**

Key decision: 24/00005

Classification: Unrestricted

Past Pathway of report: Adult Social Care Cabinet Committee – 18 January 2024

Future Pathway of report: Cabinet Member decision

Electoral Division: All

Summary: Framing Kent's Future and Securing Kent's Future and the Adult Social Care Making a Difference Everyday Strategy Kent identify New Models of Care and Support as a key priority by recognising the importance of health and social care integration, building effective strategic partnerships with our providers through coproduction whilst being innovative in the way we look to redesign services to improve quality and importantly respond to budget constraints.

To help achieve this, the council has procured external expertise to carry out a detailed assessment of the cost of care while exploring and determining the best contracting models which support an integrated approach to future health and social care models. The outcome of this assessment will not be completed until March 2024.

The current Supported Living contract is due to end on 30 June 2024, with provision for an extension of up to three years. Given the scale of the current contract and the anticipated impact of new models of care, it is recommended that the contract is extended, this will secure the safe continuation of provision whilst the assessment and review is undertaken, the findings are fully considered, and a new service put in place.

Recommendation: The Cabinet Member for Adult Social Care and Public Health is asked to:

- a) **EXTEND** the Supported Living contract, for a maximum of up to three years from 15 June 2024 to 14 June 2027; and
- b) **DELEGATE** authority to the Corporate Director Adult Social Care and Health to take other relevant actions, including but not limited to finalising the terms of and entering into required contracts or other legal agreements, as necessary to implement the decision.

1 Introduction

- 1.1 The Supported Living contract commenced in 2019, for an initial period of four years. The current contract is due to end on 14 June 2024 and there is an optional three-year extension built into the contract, which could take the contract through to 14 June 2027.
- 1.2 Supported Living is intended to allow people with disabilities and other long-term conditions to remain independent and have their own home. The features of the contract include access to suitable housing, which is paid for by the resident, and providing support to help with everyday life activities or in the event of physical or mental health challenges. The contracting arrangements offer access to anyone over the age of 18 years old, as this is the legal age that a person can sign a tenancy agreement.
- 1.3 The contract is a closed framework with 94 providers contracted to provide support to adults across Kent through approximately 700 properties.
- 1.4 When the contract went live (in 2019) there were 500 properties on the framework. The Supported Accommodation Team has added approximately 250 properties to the framework providers' portfolios and ensuring these are of a good standard by checking that all new properties meet the minimum design specification (developed in 2017 and in line with housing legislation), introduced at the point of tender, as well as due diligence checks to ensure safety.

2. Background

- 2.1 The Care Act 2014 gave local authorities in England, the NHS and the Care Quality Commission (CQC) clear legal responsibilities for managing different elements of the adult social care market that include considering need, provider sustainability, value for money and integration.
- 2.2 Framing Kent's Future and Securing Kent's Future and the Adult Social Care Making a Difference Everyday Strategy Kent identify New Models of Care and Support as a key priority by recognising the importance of health and social care integration, building effective strategic partnerships with our providers through coproduction whilst being innovative in the way we look to redesign services to improve quality and importantly respond to budget constraints.
- 2.3 To help achieve this, the council has procured external expertise to undertake three distinct pieces of work that will help with the redesign of a new service:
 1. A comprehensive assessment, along the lines of the 'cost of care' exercise to examine the pattern of current and future demands. This will lead to determination of the appropriate fee setting mechanism and contractual models for supporting needs and aspirations, which will be more in line with peoples' preferences but at the right price.
 2. To determine how a new service will support the delivery of the ambitions of the Integrated Care Board (ICB) to embed collaboration across the

health and social care system and to support sustainability and efficiency within the sector by considering factors such as pooled budgets and contracting models.

3. To consider a joined-up contract model which aims to reduce the residential care market while considering associated pressures and demand for other adult social care service provisions such as the homecare market.

2.4 Outcomes to be achieved

- The Older Person: To ensure the people of Kent are in the right place with the right care and receive seamless high-quality, cost-effective care and positive outcomes.
- Quality of Care: Sustainable range of regulated care services that provides consistent high-quality, safe and supportive care which meets people's needs in a regulated care service that is rated by CQC as outstanding or good.
- Value for Money: Ensures competition within the market that drives up quality alongside achieving cost efficiencies and ensuring value for money.

2.5 This will help inform the commissioning intentions for adult social care services and provide commissioners with the required information to design new specifications and a robust commissioning and procurement process.

2.6 The commissioning exercise will include extensive engagement with people who use care and support services to develop a new specification which ensures high-quality and cost-effective services in the future.

2.7 This is a demand driven service and due to increases in complexity, increased demand and fees in excess of that funded for inflation, spend has grown year on year. It is recognised that during the contract extension period mitigations will be put in place to help halt the increased spend to the service through the development of a robust savings action plan. This will require a collaborative approach across Kent County Council (KCC) and NHS Kent and Medway ICB colleagues and proactively engaging with providers to determine fair costs for both legacy and new placements.

2.8 The council will need to consider looking to develop alternative care and support offers which support people to remain in their own home for longer. These include an enhanced technology offer, integrated reablement service, homecare offer, increasing direct payments and support that can be purchased such as personal assistants and niche services delivered by the voluntary sector and micro providers.

2.9 Commissioners will develop new models, supported by the cost of care exercise completed by the external consultants, which will ensure best value for future services. The contract extension will allow this activity to be completed.

- 2.10 An extension to the current contract is required to allow the external consultants to complete the assessment and for the new service to be procured. However, it is anticipated that the exercise carried out by external experts will not be finalised until March 2024. This will enable a full procurement process to commence once the extension to the contract has been implemented.
- 2.11 The proposed extension periods will be put in place for a maximum of up to three years. However, a robust reprocurement exercise is to be completed as quickly as possible and break clauses will be written into the contract extension to allow the council to terminate the contract when appropriate and to fit in with the mobilisation of a new contract.
- 2.12 Subject to the outcome of the work currently being undertaken by consultants, we expect to commence the procurement process in April 2024 with a view to implement from early in 2025.
- 2.13 A programme plan detailing the re-design and procurement timeline will be developed and shared with members of the committee once the consultancy project has been completed.

3. The consequences of not extending the current contract

- 3.1 The council can choose not to extend the current contract. However, there are significant risks, as set out below, to choosing this option and no benefits have been identified.
- 3.2 Legal and Policy: The council commissions services from the independent sector to meet the needs of individuals deemed to be eligible in accordance with and following a Care Act assessment. If the contract ends the council will be pressured to fully meet its statutory obligation under the Care Act with regards to providing a high quality, safe service that is at an affordable price.
- 3.3 Financial: A lack of robust fee setting mechanisms and contractual leverage may result in a significant increase in placement costs which will be challenging to control. Savings targets set out by the council and to be met through greater partnership working and negotiation will be difficult to achieve through spot purchasing agreements and providers will be within their right to give notice on individual placements that may be hard to source at an affordable price.
- 3.4 Reputational: A shift to partnership working with providers will be challenged as the expectation from providers is that the contractual arrangements with the council will be maintained due to the mutual benefits to both parties. People using this service expect a robust oversight of the service and the perception will be that this is not the case if the service is not part of a KCC Contract.
- 3.5 Resource Implications: If the contract ends there will be a requirement for the review, renegotiation, and repurchasing of all individual placements with new contract and terms and conditions established. This will also require significant system and process updates.

4. Financial Implications

4.1 The initial contract cost is set out below along with the current cost. Various market pressures and increase in demand and complexity of care has resulted in an increased spend on the service. Robust actions are being put in place to limit this spend.

Contract	Initial contract cost advertised (per annum)	2022/23 spend
Supported Living	£68,000,000	£138,000,000

4.2 Dedicated commissioning and finance resources will be required to ensure a collaborative approach to determine a robust fee model and pricing guide and the identification of any financial risk.

5. Legal implications

5.2 An extension is necessary to enable the council to undertake a detailed Cost of Care review, which is likely to be completed by 28 February 2024. As such, the council will not be in a position to undertake a reprocurement, based on the outcome of the review, in time for a new service to be in place in 2024. Therefore, a change is not proposed at this time for economic or technical reasons. Any procurement of the service, prior to the completion of the Cost of Care review, will cause significant inconvenience and substantial duplication of cost. It is also unlikely that a procurement will attract market interest, as providers may be reluctant to bid, prior to the completion of the Cost of Care review.

5.3 An extension is available to be utilised in the contract. The extension was included in the Contract/PIN Notice advertising the original procurement of the service and therefore the extension is permissible and compliant under PCR 2015 regulations.

6. Equalities implications

6.1 To ensure KCC’s statutory obligations under the Equalities Act 2010 are met, a full Equality Impact Assessment (EqIA) has been undertaken for recommissioning purposes (Attached as Appendix1). This has also been considered for the purposes of the contract extension and no major issues were identified. This will be refreshed to encompass any new negative or positive impacts identified due to the new service model.

7. Data Protection Implications

7.1 A Data Protection Impact Assessment has been completed and no anticipated new data protection implications have been identified.

8. Conclusions

8.1 The Supported Living contract commenced in 2019, for an initial period of four years. The current contract is due to end on 14 June 2024 and there is an optional three-year extension built into the contract, which could take the contract through to 14 June 2027.

8.2 External expertise has been procured to support the redesign of services for people in Kent. Given the scale of the current contract and the anticipated impact of new models of care, it is recommended that the current contract is extended for a maximum of up to three years from 15 June 2024 to 14 June 2027. This will secure the safe continuation of provision whilst the proposed findings from the consultants is fully considered and new services put in place.

9. Recommendations

9.1 Recommendations: The Cabinet Member for Adult Social Care and Public Health is asked to:

a) **EXTEND** the Supported Living contract, for a maximum of up to three years from 15 June 2024 to 14 June 2027; and

b) **DELEGATE** authority to the Corporate Director Adult Social Care and Health to take other relevant actions, including but not limited to finalising the terms of and entering into required contracts or other legal agreements, as necessary to implement the decision.

10. Background Documents

None

11. Report Author

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KENT COUNTY COUNCIL – RECORD OF DECISION

DECISION TAKEN BY:

**Cabinet Member for
Adult Social Care and Public Health**

DECISION NO:

24/00005

For publication Yes

Key decision: Yes

Title of Decision: SUPPORTED LIVING – CONTRACT EXTENSION

Decision: As Cabinet Member for Adult Social Care and Public Health, I agree to:

- a) **EXTEND** the Supported Living contract, for a maximum of up to three years from 15 June 2024 to 14 June 2027; and
- b) **DELEGATE** authority to the Corporate Director Adult Social Care and Health to take other relevant actions, including but not limited to finalising the terms of and entering into required contracts or other legal agreements, as necessary to implement the decision.

Reason(s) for decision: Reason for the decision: The Care Act 2014 gave local authorities in England, the NHS and the Care Quality Commission clear legal responsibilities for managing different elements of the adult social care market that include considering need, provider sustainability, value for money and integration.

Framing Kent's Future and Securing Kent's Future and the Adult Social Care Making a Difference Everyday Strategy Kent identify New Models of Care and Support as a key priority by recognising the importance of health and social care integration, building effective strategic partnerships with our providers through coproduction whilst being innovative in the way we look to redesign services to improve quality and importantly respond to budget constraints.

To help achieve this, the council has procured external expertise to undertake three distinct pieces of work that will help with the redesign of a new service. This will help inform the commissioning intentions for adult social care services and provide commissioners with the required information to design new specifications and a robust commissioning and procurement process.

The commissioning exercise will include extensive engagement with people who use care and support services to develop a new specification which ensures high quality and cost-effective services in the future.

This is a demand driven service and due to increases in complexity, increased demand and fees in excess of that funded for inflation, spend has grown year on year. It is recognised that during the contract extension period mitigations will be put in place to help halt the increased spend to the service through the development of a robust savings action plan. This will require a collaborative approach across Kent County Council (KCC) and NHS Kent and Medway Integrated Care Board (ICB) colleagues and proactively engaging with providers to determine fair costs for both legacy and new placements.

The council will need to consider looking to develop alternative care and support offers which support people to remain in their own home for longer. These include an enhanced technology offer, integrated reablement service, homecare offer, increasing direct payments and support that can be purchased such as personal assistants and niche services delivered by the voluntary sector and micro providers.

Commissioners will develop new models, supported by the cost of care exercise completed by the external consultants, which will ensure best value for future services. The extension will allow this activity to be completed.

Supported Living is intended to allow people with disabilities and other long-term conditions to remain independent and have their own home. The features of the contract include suitable housing, paid for by the resident with support to help with everyday life activities or in the event of physical or mental health challenges. The contracting arrangements offer access to anyone over the age of 18 years old, as this is the legal age that a person can sign a tenancy agreement.

The contract is a closed framework with 94 providers contracted to provide support to adults across Kent through approximately 700 properties.

When the contract went live (in 2019) there were 500 properties on the framework. The Supported Accommodation Team in Commissioning have added approximately 250 properties to the framework providers' portfolios and ensuring these are of a good standard by checking that all new properties meet the minimum design specification (developed in 2017 and in line with housing legislation), introduced at the point of tender, as well as due diligence checks to ensure safety.

The current contract end date is 14 June 2024 and there is an optional 3-year extension built into the contract, which could take the contract through to 14 June 2027.

An extension to the current contract is required to allow the external consultants to complete the assessment and for the new service to be procured. However, it is anticipated that the exercise carried out by external experts will not be finalised until March 2024. This will enable a full procurement process to commence once the extensions to the contract has been implemented.

The proposed extension will be put in place for a maximum of up to three years. However, a robust reprocurement exercise is to be completed as quickly as possible and break clauses will be written into the contract extension to allow the council to terminate the contract when appropriate and to fit in with the mobilisation of a new contract.

Subject to the outcome of the work currently being undertaken by consultants, we expect to commence the procurement process in April 2024 with a view to implement from early in 2025.

The proposed decision supports objective 2 of Securing Kent's Future to deliver savings from identified opportunity areas to set a sustainable 2024/25 budget and MTFP and priority 4 of Framing Kent's Future – New Models of Care and Support.

Financial Implications: The initial contract cost is set out below along with the current cost. Various market pressures and increase in demand and complexity of care has resulted in an increased spend on the service. Robust actions are being put in place to limit this spend.

Contract	Initial contract cost advertised (per annum)	2022/23 spend
Supported Living	£68,000,000	£138,000,000

Dedicated commissioning and finance resources will be required to ensure a collaborative approach to determine a robust fee model and pricing guide and the identification of any financial risk.

Legal Implications: An extension is necessary to enable the council to undertake a detailed Cost of Care review, which is likely to be completed by 28 February 2024. As such, the council will not be in a position to undertake a reprocurement, based on the outcome of the review, in time for a new service to be in place in 2024. Therefore, a change is not proposed at this time for economic or

technical reasons. Any procurement of the service, prior to the completion of the Cost of Care review, will cause significant inconvenience and substantial duplication of cost. It is also unlikely that a procurement will attract market interest, as providers may be reluctant to bid, prior to the completion of the Cost of Care review.

An extension is available to be utilised in the contract. The extension was included in the Contract / PIN Notice advertising the original procurement of this service and therefore the extension is permissible and compliant under PCR 2015 regulations.

Equalities implications: To ensure KCC's statutory obligations under the Equalities Act 2010 are met, a full Equality Impact Assessment (EqIA) has been undertaken for recommissioning purposes. This has also been considered for the purposes of the contract extension and no major issues were identified. This will be refreshed to encompass any new negative or positive impacts identified due to the new service model.

Data Protection Implications: A Data Protection Impact Assessment has been completed and no anticipated new data protection implications have been identified.

Cabinet Committee recommendations and other consultation: The proposed decision was discussed at the Adult Social Care Cabinet Committee on 18 January 2024 and the recommendations were endorsed by the majority.

Any alternatives considered and rejected: The council can choose not to extend the current contract. However, there are significant risks, as set out below, to choosing this option and no benefits have been identified.

Legal and Policy: The council commissions services from the independent sector to meet the needs of individuals deemed to be eligible in accordance with and following a Care Act assessment. If the contract ends the council will be pressured to fully meet its statutory obligation under the Care Act with regards to providing a high quality, safe service that is at an affordable price.

Financial: A lack of robust fee setting mechanisms and contractual leverage may result in a significant increase in placement costs which will be challenging to control. Savings targets set out by the council and to be met through greater partnership working and negotiation will be difficult to achieve through spot purchasing agreements and providers will be within their right to give notice on individual placements that may be hard to source at an affordable price.

Reputational: A shift to partnership working with providers will be challenged as the expectation from providers is that the contractual arrangements with the council will be maintained due to the mutual benefits to both parties. People using this service expect a robust oversight of the service and the perception will be that this is not the case if the service is not part of a KCC Contract.

Resource Implications: If the contract ends there will be a requirement for the review, renegotiation, and repurchasing of all individual placements with new contract and terms and conditions established. This will also require significant system and process updates.

Any interest declared when the decision was taken and any dispensation granted by the Proper Officer: None



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signed

8 February 2024

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date

From: Richard Smith, Corporate Director Adult Social Care and Health

To: Dan Watkins, Cabinet Member for Adult Social Care and Public Health

Subject: **Kent Enablement at Home Service Expansion**

Decision Number 24/00006

Classification: Unrestricted

Past Pathway of report: Adult Social Care Cabinet Committee – 18 January 2024

Future Pathway of report: Cabinet Member Decision

Electoral Division: All

Summary: An urgent out of Cabinet Committee cycle decision was taken in December 2023 by the Leader to extend the current contract for the Discharge to Assess Service. This is currently provided in the main by Hilton Nursing Services. The time would be used to develop an alternative service model.

The purpose of this paper sets out proposals to recruit additional staff to the existing Kent Enablement at Home (KEAH) Service and support them to take on activity from the Discharge to Assess Service by 30 September 2024. This proposal will deliver cost efficiencies when compared to existing costs and activity.

Recommendations: The Cabinet Member for Adult Social Care and Public is asked to:

- a) **APPROVE** the expansion of the Kent Enablement at Home Service and support activity transfers to enable the safe decommissioning the Discharge to Assess Service; and
- b) **DELEGATE** authority to the Corporate Director Adult Social Care and Health to take other relevant actions, including but not limited to finalising the terms of and entering into required contracts or other legal agreements, as necessary to implement the decision.

1. Introduction

- 1.1 It is the ambition of Kent County Council (KCC) for the people in Kent to have home-based care and support services, in line with Home First principles and KCC’s Making a Difference Every Day Adult Social Care Strategy.
- 1.2 Discharge to Assess Services enable the council to deliver towards this ambition. The pathway relates to people being discharged from hospital with home-based support; all people needing such support should be offered reablement and rehabilitation and, where necessary, time for assessment and

future care planning. This includes people whose package of care is being restarted after lapsing during their hospital stay.

- 1.3 The Discharge to Assess service supports people who need ongoing care and support. It is essential in ensuring people recover at home following discharge from hospital and are supported until further assessment can be undertaken if required and alleviates blockages in patient flow through the system and prevents unnecessary delayed discharges; as such, it is essential that any new model of service delivery adequately supports both the process and the person.
- 1.4 The Discharge to Assess service contract was commissioned by KCC and forms part of Discharge Services, for people discharged from hospital who need support to recover at home. Across Kent, there are a few services that align with the pathway, commissioned by NHS Kent and Medway and other health partners.
- 1.5 In December 2023, the Discharge to Assess service was overspent against the KCC budget. A decision was taken to extend the current contract by nine months, to 30 September 2024, to allow time for an alternative model to be agreed and mobilised. A new model has been agreed between KCC and the Integrated Commissioning Board (ICB) and time is needed to implement this.
- 1.6 The new model will provide an integrated enablement and rehabilitation offer. The new proposed model will build capacity to create one simpler pathway and will help people in hospital return home faster whilst supporting recovery and retaining independence. The service will deliver reablement, personal care and support nutrition, while also monitoring the person's condition. They will also contribute to an overall plan of care in their own home. The new team will work in a therapeutic way with oversight from therapists the aim being to assess the long-term care needs at home.
- 1.7 The new model will differ from the current offer of a 7-14 day support period, to an offer of up to six weeks. This will lead to an improvement in outcomes anticipated by moving this service in house, as there will be more continuity of provision for people on their discharge from hospital.
- 1.8 It is proposed that the activity from the Discharge to Assess Service will transfer over to Kent Enablement at Home (KEaH) in a phased way to allow recruitment of additional staff. Recruitment will commence in January 2024.
- 1.9 The recruitment schedule for KEaH assumes no staff will transfer over from the current Discharge to Assess provider. Please see Appendix 1 for recruitment schedule.
- 1.10 The new service model is dependent upon a revised staffing model and time is needed to recruit and train new staff to support transfer of activity safely. This will be done in a phased way. Please see Appendix 2 for the KEaH additional staffing requirements and Appendix 3 for current activity in Hilton that will transfer to KEaH.

2. Financial Implications

- 2.1 The annual budget for the Discharge to Assess is £2,953,400 with additional budget of £732,600 for bridging. The service's forecast spend for 2023/2024 is £3,928,400.

Hilton Budget and Forecast - September position						
All numbers in £k						
		Contract	Bridging	subtotal	Additional	Total
Budget	Spend	2,953.4	732.6	3,686.0		3,686.0
Forecast	Spend	3,165.2	763.2	3,928.4	2,482.4	6,410.8
Variance		211.8	30.6	242.4	2,482.4	2,724.8

NB Additional is included for completeness - we commission this on behalf of the ICB, and we are forecasting that the full costs of this is recharged to them

- 2.2 Historically, the ICB has financed additional Discharge to Assess capacities; the ability to incorporate additional funding will still be available within the extension period.
- 2.3 Anticipated costs, in the first year, to expand the KEaH service to take on additional activity and facilitate decommissioning of the Discharge to Assess Service will be achieved within the existing budget and opportunities for savings will be identified through the implementation and delivery of the new model.
- 2.4 Early financial modelling has indicated greater cost savings and efficiency potential by expanding the KEaH service and taking on additional staff rather than commissioning with market providers.

3. Legal implications

- 3.1 There are no legal implications. The KEaH service already exists and the proposal is to expand this service to accommodate activity transfers from an existing service that will be decommissioned by 30 September 2024.

4. Equalities implications

- 4.1 An Equalities Impact Assessment was completed in December 2023 (attached as Appendix 4) and this found no implications to protected groups.

5. Data Protection Implications

- 5.1 As an existing provider, KEaH has completed security questions in the 'risk assessment' and these questions consider the provider's information security management policies and processes and the technical security and design of their systems. Responses have been returned and scrutinised by the KCC Compliance and Risk Team.

6. Public Engagement

- 6.1 Public consultation has not been undertaken however, engagement with stakeholders will commence in January 2024 (including people with lived experience) and feedback from this will be incorporated into the new service model.

7. Conclusions

- 7.1 The contract with the current Discharge to Assess Service provider (Hilton Nursing Services) will end on 30 September 2024. An alternative service needs to be in place by then to ensure continuity of care.
- 7.2 The KEaH Service already exists and supports the Discharge to Assess model. A new staffing model and recruitment plan has been agreed.
- 7.3 The new service will deliver efficiencies for KCC.
- 7.4 The recruitment of additional staff to the KEaH service will enable the transfer of activity to this service from the current provider before 30 September 2024.

8. Recommendations

Recommendations: The Cabinet Member for Adult Social Care and Public Health is asked to:

- a) **APPROVE** the expansion of the Kent Enablement at Home Service and support activity transfers to enable the safe decommissioning the Discharge to Assess Service; and
- b) **DELEGATE** authority to the Corporate Director Adult Social Care and Health to take other relevant actions, including but not limited to finalising the terms of and entering into required contracts or other legal agreements, as necessary to implement the decision.

9. Report Author

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Relevant Director

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KENT COUNTY COUNCIL – RECORD OF DECISION

DECISION TAKEN BY:

**Cabinet Member for
Adult Social Care and Public Health**

DECISION NO:

24/00006

For publication Yes

Key decision: Yes

Title of Decision: Kent Enablement at Home Service Expansion

Decision: As Cabinet Member for Adult Social Care and Public Health, I agree to:

- a) **APPROVE** the expansion of the Kent Enablement at Home Service and support activity transfers to enable the safe decommissioning the Discharge to Assess Service; and
- b) **DELEGATE** authority to the Corporate Director Adult Social Care and Health to take other relevant actions, including but not limited to finalising the terms of and entering into required contracts or other legal agreements, as necessary to implement the decision.

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Reason(s) for decision: It is the ambition of Kent County Council (KCC) for the people in Kent to have home-based care and support services, in line with Home First principles and KCC's Making a Difference Every Day Adult Social Care Strategy.

Discharge to Assess Services enable the council to deliver towards this ambition. The pathway relates to people being discharged from hospital with home-based support; all people needing such support should be offered reablement and rehabilitation and, where necessary, time for assessment and future care planning. This includes people whose package of care is being restarted after lapsing during their hospital stay.

The Discharge to Assess service supports people who need ongoing care and support. It is essential in ensuring people recover at home following discharge from hospital and are supported until further assessment can be undertaken if required. It alleviates blockages in patient flow through the system and prevents unnecessary delayed discharges; as such, it is essential that any new model of service delivery adequately supports both the process and the person.

The Discharge to Assess service contract was commissioned by KCC and forms part of Discharge Services, for people discharged from hospital who need support to recover at home. Across Kent, there are a few services that align with the pathway, commissioned by NHS Kent and Medway and other health partners.

In December 2023, the Discharge to Assess service was overspent against the KCC budget. A decision was made to extend the current contract by nine months, to 30 September 2024, to allow time for an alternative model to be agreed and mobilised.

A new model has now been agreed between KCC and the Integrated Care Board (ICB). Time is needed to implement this. The new model will provide an integrated enablement and rehabilitation offer. The new proposed model will build capacity to create one simpler pathway and will help people in hospital return home faster whilst supporting recovery and retaining independence. The service will deliver reablement, personal care and support nutrition, while also monitoring the person's condition. They will also contribute to an overall plan of care in their own home. The new team will work in a therapeutic way with oversight from therapists with the aim being to assess the long-term

care needs at home.

The new model will differ from the current offer of a 7-14 day support period, to an offer of up to six weeks. This will lead to an improvement in outcomes anticipated by moving this service in house, as there will be more continuity of provision for people on their discharge from hospital.

It is proposed that the activity from the Discharge to Assess Service will transfer over to Kent Enablement at Home (KEaH) in a phased way to allow recruitment of additional staff. Recruitment will commence in February 2024.

The recruitment schedule for the KEaH Service assumes no staff will transfer over from the current Discharge to Assess provider.

Financial Implications: The annual budget for the Discharge to Assess is £2,953,400 with additional budget of £732,600 for bridging.

Anticipated costs, in the first year, to extend the KEaH service to take on additional activity and facilitate decommissioning of the Discharge to Assess Service will be achieved within the existing budget and opportunities for savings will be identified through the implementation and delivery of the new model.

Early financial modelling has indicated greater cost savings and efficiency potential by expanding the in-house service (KEaH) and taking on additional staff rather than commissioning with market providers.

Legal implications: The KEaH service already exists and the proposal is to expand this service to accommodate activity transfers from an existing service that will be decommissioned by 30 September 2024.

Equalities Implications: An Equalities Impact Assessment was completed in December 2023 and this found no implications to protected groups.

Data Protection Implications: As an existing provider, KEaH has completed security questions in the 'risk assessment' and these questions consider the provider's information security management policies and processes and the technical security and design of their systems. Responses have been returned and scrutinised by the KCC Compliance and Risk Team.

Cabinet Committee recommendations and other consultation: Public consultation has not been undertaken however, engagement with stakeholders commenced in January 2024 (including people with lived experience) and feedback from this will be incorporated into the new service model.

The proposed decision was discussed at the Adult Social Care Cabinet Committee on 18 January 2024 and the recommendations were endorsed.

Any alternatives considered and rejected:

Undertake a Competitive Tender – Co-design a completely new service with experts by experience.

This will take time, circa 12 to 18 months. The current service is over-spent against the budget and is likely to continue to be so for the duration of any service re-design. This will impact on the council's financial deficit. KEaH already contribute to the Discharge to Assess model. Across Kent, there are a few services that align with the Discharge to Assess pathway. This option will not address the disparate approach to the Discharge to Assess pathway. Commissioners are looking for a fully integrated enablement and rehabilitation offer and a simpler pathway that is easier for prescribers and people who use it.

Current Provider - Direct Award a new contract to the incumbent provider.

The incumbent service is over-spent against the budget and costs are likely to continue to increase. This service is financially unsustainable for the future.

Any interest declared when the decision was taken and any dispensation granted by the Proper Officer: None



8 February 2024

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signed

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date

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By: Anna Taylor, Scrutiny Research Officer

To: Scrutiny Committee, 28 February 2024

Subject: Work Programme

Summary: This report gives details of the proposed work programme for the Scrutiny Committee.

1. Introduction

- a) Any Member of the Council is entitled to give notice that they wish an item relevant to the functions of the Committee (which is not an excluded matter) to be included on the agenda for the next available meeting.
- b) The definition of an excluded matter referenced above is:
 - a. Any matter relating to a planning or licensing decision,
 - b. Any matter relating to a person in respect of which that person has a right of recourse to a review of right of appeal conferred by or under any enactment,
 - c. Any matter which is vexatious, discriminatory or not reasonable to be included in the agenda or discussion at a meeting of the Scrutiny Committee.
- c) The Scrutiny Committee has the ability to 'call-in' decisions made by the Cabinet or individual Cabinet Members. Any two Members from more than one Political Group may give notice within five clear working days from the publication of a decision taken of their wish to call-in the decision.

2. Recommendation

The Scrutiny Committee is asked to consider and note the report.

Background Documents

None

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Work Programme - Scrutiny Committee February 2024

Items identified for upcoming meetings

Date requested	Item
06.12.23	Decision 23/00083 – Supported Accommodation Service 16-19 and transitional arrangements – Possible report back to Scrutiny December 2024.
November 2023	Update on S106 SFI – possible Member Briefing. (Cabinet Member email to Chairman 16.01.24).
November 2023	Impact on ASC Budget from high EHCP numbers and related transition arrangements (deferred from November 2023)
November 2023	Framing Kent's Future (deferred from November 2023)
06.06.23	Homeless Connect – Report back on social and financial impacts of the decision to end funding to Kent Homeless Connect.
January 2024	23/00107 Kent SEND Sufficiency Plan 2023 - Chairman request to place this decision on the Scrutiny Committee/SEND Sub-Committee agenda for discussion at an appropriate time. (This went to Cabinet Committee in November 2023 and Cabinet in January 2024)
24.01.24	Request at Scrutiny Committee for: a. a deep dive into the mainstream home to school transport budget; and b. cross examination of the Council's school admissions, home to school transport and public transport policies.

Work Programme

24 April 2024	
Item	Item background
One year on review of SEND Sub-Committee	Annual Report
The impact of Safety Valve vs. the cost of adult social care	Request from Mr Streatfeild.
Scrutiny Committee – Review of Activity report	Report from the Monitoring Officer following the Annual Governance Statement

5 June 2024	
Item	Item background
Budget Monitoring Year End	
Scrutiny Committee meeting as Crime and Disorder Committee	

November 2024 – Kent Flood Risk Management Committee Annual Report

November – Draft Budget

Jan 2025 – Draft Budget and MTFP

March/April 2025 – Review of SEND Sub-Committee – Annual Report

June 2025 – Budget monitoring year end

June 2025 – Scrutiny Committee meeting as Crime and Disorder Committee