

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 KMED 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