

EQIA Submission – ID Number

Section A

EQIA Title

Inward Investment Service - Locate in Kent

Responsible Officer

Andrew Sinclair - GT GC

Type of Activity

Service Change

Service Change

Service Redesign

No

Project/Programme

Project/Programme

Commissioning/Procurement

No

Strategy/Policy

No

Details of other Service Activity

No

Accountability and Responsibility

Directorate

Growth Environment and Transport

Responsible Service

Growth & Communities - Business & Engagement

Responsible Head of Service

David Smith - GT GC

Responsible Director

Stephanie Holt-Castle - GT GC

Aims and Objectives

The Inward Investment Service is contracted to Locate in Kent for 11 months. The purpose of the service is to promote and raise the profile of Kent and Medway as an attractive business investment location for UK and foreign-owned Small and Medium sized Enterprises (SMEs) relocating and expanding within and into the county, and to create jobs from successful company investments.

Through Locate in Kent, the service aims to promote and raise the profile of Kent and Medway as a business location with the aim of attracting new investment from Kent, UK and overseas businesses, creating jobs and economic prosperity.

Contracted outputs are 52 successful projects supported and 1,467 new jobs created involving SMEs over the eleven month period (definitions contained within the contract).

This service has been delivered in a similar format since August 2016 and to date we have no evidence, from the information collected thus far, to draw any negative conclusions about the implications of the inward investment service for protected groups.

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?
Kent Invicta Chamber of Commerce Federation of Small Businesses (FSB) Department for Business and Trade District & Local Authorities
Has there been a previous Equality Analysis (EQIA) in the last 3 years?
No
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 No
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
<p>Locate in Kent (LIK), as the existing contracted delivery agent, is frequently contacted directly by a range of companies (start-ups, micros, SMEs and large businesses across a range of sectors), via its website or through referrals from other organisations such as DIT and local authorities. In the majority of cases, the companies will be seeking specialist support as part of their locational or investment decision-making processes, and LIK will always look to provide support tailored to the needs of individual businesses.</p> <p>The Inward Investment services contract between KCC and LIK require LIK to meet prescribed targets for new job creation and the provision of support to client businesses.</p> <p>The contracts also require LIK to request from all client businesses information about existing and new employees according to age, gender, ethnicity and disability only. LIK will request such information following initial contact with a business.</p> <p>The evidence we have collected to shape and define the inward investment service, that was procured under the Open OJEU process in 2016, is set out below. While it supports a targeted approach aimed at particular sectors and, where this is outside the UK, at selected countries, the overriding imperative is to provide support to companies with the potential to generate wealth and to safeguard and create employment.</p> <p>Evidence suggests that a well-targeted approach would result in the most substantial economic benefits to an area like Kent and Medway due to the differing characteristics of the companies involved. This means a need for a primary and overriding focus on attracting high-quality projects that are capable of generating productivity-enhancing spill over benefits and which are likely to contribute positively to knowledge intensive business activity in the county.</p>

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

Although the approach taken by Locate in Kent to attract investment is targeted at both foreign and domestic inward investment, data from ONS, published in 2013, shows that in 2011, just 1% of registered businesses in the UK were foreign owned, yet they accounted for 28% of value added.

In terms of size, 28% of large companies in the UK are foreign owned, as opposed to micro (0.5%), small (3.4%) and medium (12.2%). Those large foreign owned companies contributed 40% of GVA. Foreign Owned Companies are also six times more likely to export than UK owned companies. Of the 22,500 Foreign Owned Companies in the UK in 2012, 6.4% (13,600) are exporters.

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

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

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

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

In 2014-15 more than three quarters of the jobs attracted to Kent came from foreign direct investors (FDI). Experience of previous local, regional and national FDI projects indicates that foreign owned companies add real value to the local economy, introducing new skills and technology. Kent’s proximity to mainland Europe makes it highly attractive as a ‘launch-pad’ to export into the rest of the European market.

Evidence and experience also shows that FDI adds significant value to the local and national economies, companies of this kind tend to be in high value sectors, create knowledge based jobs, introduce new technology and skills and have a greater propensity to export.

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