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To: Growth, Economic Development and Communities Cabinet Committee – 6 November 2024

Subject: Integrated Work and Health Strategy for Kent & Medway

Classification: Unrestricted

Past Pathway of report: N/A

Electoral Division: All KCC electoral divisions

Summary: This report provides an update on the development of an Integrated Health and Work Strategy for Kent & Medway which aims to tackle economic inactivity related to long-term health conditions.

Recommendation: The Cabinet Committee is asked to note the report and endorse the development of an Integrated Work and Health Strategy for Kent & Medway.

1. Introduction

- 1.1 This paper provides an update on progress with the development of an **Integrated Work and Health Strategy for Kent & Medway** to be overseen by the Kent & Medway Strategic Partnership for Health & Economy (SPHE)¹ which in turn reports to the Kent & Medway Economic Partnership (KMEP) and the Kent & Medway Integrated Care Partnership (ICP).
- 1.2 There has been a “*recent sharp rise in the number of people out of the workforce due to long-term sickness. This has significant impacts on individuals’ wellbeing, as well as large fiscal and economic costs*”² The number of people out of work in the UK due to long-term conditions is at the highest level since 2008³. The [‘Towards a Healthier Workforce’](#) report (October 2024) from the Commission for Healthier Working Lives highlights that:
- More than 8 million people (20% of 16 to 64 year olds) now have health conditions that restrict the type or amount of work they can do, up from 6 million in 2013.

¹ The SPHE includes representatives from local government including economic development, public health and social care, the NHS, businesses and business representative organisations, skills providers, voluntary groups and the Department for Work & Pensions.

² ‘Improving our Nation’s Health: A Whole-of-Government Approach to Tackling the Causes of Long-Term Sickness and Economic Inactivity’ - BCG Centre for Growth and NHS Confederation (September 2024)

³ Rising ill-health and economic inactivity because of long-term sickness, UK - Office for National Statistics (ons.gov.uk)

- Of the 4 million people currently not participating in the labour market due to a work-limiting condition, 2.6 million cite long-term sickness or disability as their main reason for being out of the workforce³.
- There has also been a significant increase in the number of people with ill health who are in work. In 2023, there were 3.9 million workers aged 16 to 64 years with a work-limiting health condition up by 1.5 million, or 64%, from a decade ago.
- Workers with a work-limiting health condition face a much higher risk of exiting the labour market (1 in 9 compared to 1 in 30 of those without a long term health condition).

1.3 As demonstrated above, unemployment and economic inactivity due to long-term health conditions are significant across England. The phenomenon is higher in Kent than elsewhere in the South East although slightly lower in Medway. In Kent, 27% of economic inactivity among 16-64 year olds is due to long term sickness compared to 20% in Medway, 22.7% in the wider South East and 27.3% nationally⁴. In response to this growing challenge, various national initiatives are underway, and this agenda is a clear priority for the new Government which recently described economic inactivity as “[the greatest employment challenge for a generation](#)”. The new Kent & Medway strategy will identify local opportunities to deliver improvements in the support available for employers and employees.

1.4 Apart from the impacts upon the health and wellbeing of individuals, these high levels of economic inactivity present significant economic challenges and most notably for local employers. In the 2023 ‘Kent and Medway Employer Skills Survey’, 35% of the 900 business respondents confirmed that they had gaps within their existing workforce capabilities and half of them highlighted that recruitment was a problem. The [Kent & Medway Local Skills Improvement Plan](#) confirms that many of Kent’s most significant industry sectors (Construction, Manufacturing, Health and Social Care, Food & Food production and Education) are all impacted by critical skills gaps which results in lower productivity and slower business growth. Identifying ways to support economically inactive people into work could play a significant role in meeting labour market demand. People in work also benefit from higher levels of personal income and are therefore able to contribute more to the local economy as consumers through, for example, supporting retail, leisure and hospitality businesses.

1.5 With regard to the existing workforce, long term conditions for mental and physical health are particularly prevalent in certain industry sectors including construction and agriculture. Equipping employers to support a healthy workforce is also important to retain skilled employees and maintain productivity levels.

1.6 With some 90% of Kent businesses being categorised as micro-businesses that employ fewer than nine people, employee sickness and skills shortages

⁴ <https://www.nomisweb.co.uk/>

can have a disproportionate impact on these firms. Small companies do not tend to have human resources departments to provide support and advice related to sickness. Despite being more agile than large firms in many senses, they lack capacity to deal with or cover the impacts of long-term health conditions in the work force. Small firms typically don't have the resource to explore and promote programmes and activities that might boost employee wellbeing. For many small firms, balancing the operational needs of the business with any flexibility required due to employee health issues is a significant challenge. Businesses need certainty to make plans, invest and operate smoothly and any opportunities to tackle workforce reliability issues (perceived and real) will boost business confidence.

- 1.7 Levels of economic inactivity are particularly high in parts of Swale, Medway, Dartford, Gravesham, Maidstone, Dover and Thanet. The issuing of 'fit notes', or 'Statements of Fitness for Work' are particularly high in Dover town, Folkestone town, Sheppey, Ashford, Ramsgate, Margate, Gravesend and the Medway towns.
- 1.8 There is national expectation and strong local support for the development of an Integrated Work and Health Strategy for all Integrated Care System (ICS) areas, including Kent and Medway. The focus of the Kent & Medway strategy will be to integrate work and health support for employers and individuals so that the general health and productivity of the workforce can be enhanced. By enabling local people with long term conditions and disabilities to start, stay and succeed in work, skills shortages can be addressed and local businesses will be more able to increase productivity and grow.

2. An Integrated Work and Health Strategy for Kent & Medway:

- 2.1 In December 2023, the Kent & Medway ICS was successful in securing funding from the Department for Work & Pensions (DWP) and the Department of Health and Social Care to take forward new workstreams on Work and Health.
- 2.2 A working group consisting of KCC and Medway Council Economy, Public Health and Policy colleagues and the NHS has been meeting regularly to take forward activity including the development of a Health & Work strategy for Kent & Medway.
- 2.3 The strategy will enable key organisations in Kent & Medway to better understand the challenges that employers face with regard to long term health conditions and the issues that prevent people with health conditions from accessing employment opportunities and sustaining work. It will also ensure that the various strands of current and potential activity can be better coordinated to avoid duplication and ensure positive outcomes for local employers, residents and the local economy.
- 2.4 As a first step, the ICP organised a workshop in April 2024 which brought together stakeholders including from the Kent & Medway Employment Taskforce, KMEP, the K&M Business Advisory Board, the ICS, the

Department for Work & Pensions and the Office for Health Improvement and Disparities. Themes explored included Skills Development, Employer Perspectives, Mental Health, Community Support, In-Work Support for People & Employers (further details are shown in **Appendix 1**). Feedback from the breakout sessions was used to inform the early development of the Strategy.

2.5 The strategy is being developed in three phases:

- **Phase 1** - Intelligence gathering (April - September 2024): to map existing provision and ask what needs to be different for people with long term health conditions and disabilities to start, stay and succeed in work with the aim of improving a coordinated offer. Partner engagement and focus groups have taken place alongside an evidence review and some data analysis. 115 stakeholders were able to feed in to this stage including through 71 interviews. **Appendix 2** shows the range of stakeholders engaged broadly grouped by category. **Appendix 3** provides a summary of relevant policies and strategies that support the work and health agenda.
- **Phase 2** - Drafting and approving the strategy (September 2024 – June 2025): This work will cover three main elements.
 - ‘Where we are now?’, the Kent and Medway context including population health data, employment rates, range of programmes underway and views elicited from engagement activity.
 - The goals and aspirations for the next five years.
 - How the goals and aspirations will be achieved including establishing targets to measure progress and outcomes.

2.6 It is intended that a public engagement exercise on the draft strategy will be launched in December 2024 and run until March 2025. This will build on the intelligence gathering phase which achieved high levels of engagement from interested stakeholders. The aim of consulting with key stakeholders, local employers (public and private sector), community groups and residents is to seek relevant views and ‘sense check’ the aims of the strategy. The intention is also to seek the views of people with lived experience via a reference group. Local businesses will be consulted via KMEP, the Kent & Medway Business Advisory Board and through local business membership organisations (Chambers of Commerce, Federation of Small Businesses, Institute of Directors, sector groups etc.).

2.7 The final scope of the strategy will be confirmed to determine what areas of focus should be included and to identify those that are already being delivered in Kent & Medway to avoid duplication and link in where appropriate.

- **Phase 3** - Implementing the strategy and monitoring delivery (June 2025 onwards): Developing monitoring and reporting mechanisms that will be as the strategy progresses.

3. Emerging Themes

3.1 A number of challenges and potential areas of focus came out of the intelligence gathering phase which are summarised in **Appendix 4**.

- 3.2 From an employer perspective:
- A lack of access to support for employers and a fear of ‘getting it wrong’ when assisting employees or potential employees with long term health conditions.
 - A potential need to consider adapted recruitment processes.
 - The potential provision of employer training and access to relevant information and resources.
 - Employer peer to peer support and improved employer-employee communications.
- 3.3 From an employee / individual perspective:
- Better consideration of the factors that become a barrier to working
 - The importance of a person-centred approach
 - A need for appropriate support to gain and retain employment
 - Help with skills development and training
- 3.4 The above considerations will help to determine the overarching priorities for the strategy which are likely to focus on:
- Building employer and employee confidence
 - Career development, training and skills (including a focus on opportunities to tackle skills gaps in particular sectors such as agri-food, construction and social care)
 - A person-centred approach
 - A healthy, thriving workforce (working to ensure that employers are equipped to support employee health and wellbeing)
- 3.5 The strategy is developed and implemented there will of course be a need to balance employer and employee needs. In particular it will be crucial to consider how small enterprises, which often find themselves lacking in resource and capacity, might be best supported in this area without compromising their ability to operate commercially and thrive.
- 3.6 Although this strategy will focus on work specifically, the wider role of economic development in supporting a healthy population will be considered by the Strategic Partnership for Health & Economy. Early topics to be explored will include the role of the visitor and leisure economy in supporting wellbeing and how access to healthy local food & drink products can support better health.
- 3.7 While the strategy is still under development, KCC and its partners will consider whether any ‘quick wins’ can be quickly implemented to respond to early feedback from local employers. This could include collating and making relevant information, tools and advice available to local businesses to support them with managing health-related issues in the workplace.

4. Strategic Alignment

- 4.1 The development of the strategy and its future implementation supports the following local priorities and strategies:

Kent & Medway Economic Framework:

- Action Area 2: Focusing support to business on measures that will increase long-term productivity and resilience.
- Action Area 4: Supporting the conditions for growth
- Action Area 6: Investing in Kent and Medway's skills infrastructure
- Action Area 7: Retaining and developing talent
- Action Area 13: Ensuring that everyone who wants a job can find work

Framing Kent's Future: Priority 1: Levelling Up Kent

- To support the Kent economy to be resilient and successfully adapt to the challenges and opportunities it faces over the coming years.
- To work with partners to develop a skills system for Kent that delivers skills that are resilient to changing workforce needs and opportunities and supports people to higher level skills.
- To see significant improvements in the economy, connectivity, educational attainment, skills and employment rates and public health outcomes in deprived communities in coastal areas so that they improve faster than the rest of Kent to reduce the gaps.
- To work with our partners to hardwire a preventative approach into improving the health of Kent's population and narrowing health inequalities.

Kent & Medway Integrated Care Strategy:

- Shared Outcome 2 - Tackle the wider determinants of health to prevent ill health
- Shared Outcome 4 - Empower people to best manage their health conditions
- Shared Outcome 6 - Support and Grow our Workforce

4.2 The strategy aligns with the recent commitment to create a **Marmot Coastal Region in Kent** with that commitment's aim of reducing health inequalities in the boroughs of Swale, Canterbury, Thanet, Dover, Folkestone and Hythe, and Ashford.

4.3 **Government priorities:** Labour's Back to Work plan includes "new **local plans for work, health and skills support** to get more people with health conditions and disabilities into work, with devolved funding and leadership from Mayors and local areas"⁵ and it is anticipated that the early work on this strategy will fulfil this requirement for Kent & Medway and may unlock future government funding.

4.4 **Securing Kent's Future:** The strategy is being developed using external funding secured for this purpose and it does not in itself commit KCC to further spend. The strategy aims to make a positive contribution to key health determinants (employment and income specifically) without which, individuals are more likely to require ongoing support from public health and social care services.

4.5 The SPHE and its direct links to the ICP and KMEP will ensure that the strategy and its implementation connects to existing initiatives and relevant partners and stakeholders. Anticipated government schemes such as a forthcoming national programme of Supported Employment to be delivered at

⁵ [Back to Work Plan will help drive economic growth in every region - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/back-to-work-plan-will-help-drive-economic-growth-in-every-region)

a local level (including Kent & Medway) will also play a key part in the local implementation of the strategy.

5. Financial Implications

5.1 The development of the strategy is being funded by the DWP/DHSC grant referred to above with support from relevant KCC and Medway Council officers as well as NHS colleagues. The strategy itself is not a funded strategy but with government announcements about the need for local 'Health, Work & Skills plans' and other potential initiatives around supported employment, it is anticipated that externally funded programmes will support the implementation phase of the strategy. Further details will be worked up in due course.

5.2 The future implementation of the strategy may bring about indirect longer term financial benefits for KCC in addition to reducing public sector spend on the ill-health prevention agenda. Programmes to help more people into work will support business growth and productivity which could lead to increased business rates receipts in Kent as companies grow and occupy new space. Similarly, additional council tax receipts could be generated if people are supported into the labour market reducing reliance on (housing) benefits.

6. Legal implications

6.1 There are no legal implications for KCC or its partners associated with the development of the Work & Health Strategy.

7. Equalities implications

7.1 A high-level Equalities Impact Assessment has been prepared for the development of the strategy phase and more detailed EqlAs will be produced to support the programmes and initiatives that will be put in place to support the implementation of the strategy. It is anticipated that these programmes will have a positive effect on groups with protected characteristics who find themselves excluded from the labour market due to health-related issues.

8. Data Protection Implications

8.1 There are no data protection implications for KCC or its partners associated with the development of the Work & Health Strategy. DPIAs will be developed in due course to support the implementation of the strategy.

9. Other corporate implications

9.1 The development of the strategy is being led by the K&M Integrated Care System with oversight from several KCC services; Economy, Public Health and Strategy, Policy, Relationships and Corporate Assurance. Different elements of the strategy will be delivered by the most appropriate partner organisation(s) in future.

10. Governance

- 10.1 A similar paper to this one was taken to the August K&M Integrated Care Partnership meeting and a presentation given to the inaugural meeting of the Strategic Partnership for Health and Economy in October 2024. Both groups provided feedback which will be taken into account as the strategy is developed.
- 10.2 Any decisions and delegations needed to support the implementation phase of the strategy will be taken by the relevant partner organisations in line with their governance policies. For KCC, future papers will be presented to GED&C Cabinet Committee and the Health Reform and Public Health Cabinet Committee.

11. Conclusions

- 11.1 Given the level of economic inactivity nationally and in Kent & Medway and the negative impacts that this has on individuals and the local economy, the development of the Integrated Work and Health Strategy for Kent & Medway and its subsequent implementation is an important area of work for KCC. Economic inactivity due to health conditions is a complex issue but with the support of local and national partners and stakeholders, the new strategy will enable Kent & Medway to improve employment possibilities from people currently excluded from the labour market.

12. Recommendation:

- 12.1 The Cabinet Committee is asked to note the report and endorse the development of an Integrated Work and Health Strategy for Kent & Medway.

13. Background Documents

- 13.1 Equality Impact Assessment

14. Appendices

- **Appendix 1:** Emerging Themes from the Integrated Care System Stakeholder Workshop in April 2024
- **Appendix 2:** Summary of Stakeholder Engagement Broad Categories
- **Appendix 3:** Summary of relevant policies and strategies that support the work and health agenda
- **Appendix 4:** Feedback from Stakeholder Interviews and Focus Groups
- **Appendix 5:** Draft Priority Themes for the Strategy

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