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The Rt Hon Angela Rayner MP Secretary of State & Deputy Prime Minister Ministry for Housing, Communities and Local Government 2 Marsham Street London SW1P 4DF

By email: <u>PSAngelaRayner@communities.gov.uk</u>

11th October 2024

Dear Secretary of State,

Expression of Interest in devolution settlement from Kent and Medway

Thank you for your letter dated 16 July 2024 inviting expressions of interest (EOI) to participate in the first set of devolution settlements with the new Government. Our respective officers have returned the formal EOI to your officials as requested.

However, as the political leaders of the two councils invited to submit an Expression of Interest, and after sharing our initial thoughts with the leaders of the 12 city, district and borough councils in Kent, who will also be affected by and have a part to play in this transformation, we thought it appropriate to write jointly and set out why we believe a devolution settlement for Kent and Medway should be a priority for the new Government and outline our ambition to use devolution to improve the economic and social prosperity of our residents and businesses.

Within the Southeast, the rationale for devolution to Kent and Medway is particularly strong. Kent and Medway have a unique, strategic position as the international gateway to the UK. This brings with it distinctive challenges which are of increasing national importance, such as building border resilience and unlocking trade and inward investment, but it also has a disparate geography with significant spatial inequalities and a plurality of local communities which have different needs and challenges.

About Kent and Medway

- Kent and Medway are a defined historic, political and economic unit, with a history dating back to the Roman landings and a national and international reputation as the Garden of England.
- Kent and Medway is a coterminous public service economy, in that the operational boundaries of all major public services, including local government, police, fire and the NHS, sit within the Kent and Medway boundary. We have a strong track record of delivery across organizational and political boundaries.
- We already have an established Kent Resilience Forum, and a Kent Leaders grouping (which comprises Leaders from KCC, Medway Council and all 12 District Councils in Kent).
- Kent and Medway have the size and scale to make devolution work. With a
 residential population of 1.9 million, Kent and Medway is comparable in size with
 many other major city-regions. Devolved governance in Kent and Medway will
 therefore operate at a scale to be both impactful and cost-effective, providing a
 strong voice for the region at national level.
- With a GVA of £43.9 billion, the Kent and Medway economy is larger than that of the Liverpool, Sheffield and Bristol city regions. It is a functional economic area with recognised travel-to-work and travel-to-learn areas within the east, west and north of the county that are relatively self-contained.
- Kent and Medway contains all road and rail infrastructure south-east of London and is largely coterminous with the South East rail franchise area, providing a coherent and comparatively simple geography for devolved transport powers.
- Our position as the international gateway to UK/Europe, with the short-straits infrastructure including the Port of Dover and the Channel Tunnel makes Kent and Medway a strategic economic and transport lynchpin for UK plc
- We already have in place an effective economic partnership, the Kent and Medway Economic Partnership (KMEP), which has taken on powers of the disbanded South East LEP and is driving an ambitious economic development programme through the recently published Kent and Medway Economic Development Framework.

The opportunities for Kent and Medway are significant. Research published last year by Locate in Kent, our inward investment vehicle, forecast that over the next 25 years, Kent and Medway can deliver some 249,000 jobs and over 230,000 new homes - delivering an additional Gross Added Value (GVA) of £23 billion over the same period, which would represent a GDP uplift of 0.9% to England's economy.

Devolution for Kent and Medway can deliver

• Skills and Employment: Nine of Kent and Medway's 13 local authorities have a lower proportion of the workforce with NVQ3+ qualifications than the UK average, particularly in Swale and Thanet. We aim to develop a responsive skills system, helping communities upskill and unlocking a higher-skilled workforce for regional

and national benefit. Through the Kent and Medway Employment Task Force and partnerships like the Local Skills Improvement Plan (LSIP), we are advancing this agenda.

- Economic Development: Kent and Medway's GVA per job is 95% of the UK average, and business start-ups are below the national level. We aim to foster a productive, inclusive economy, expanding the business base and targeting investment in areas of greatest need. Leveraging the Kent and Medway Economic Framework, we plan to develop a Local Growth Plan focusing on key sectors and driving economic growth.
- **Strategic Planning and Infrastructure:** Rapid housing growth in Kent and Medway has strained infrastructure. We aim to create vibrant, sustainable communities with resilient infrastructure to support planned growth, making the most of Kent's strategic position as a gateway to London and Europe.
- **Borders**: Kent's role as an international gateway brings challenges, including border issues linked to Brexit and migration. We seek to collaborate with the Government to strengthen border resilience, minimizing local impacts and ensuring benefits reach Kent's communities as well as the wider region.
- **Transport:** Kent's commuter links and rural-urban-coastal diversity require integrated transport planning to address economic and social disparities. We aim to provide sustainable travel options, improve connectivity, and promote public transport to meet Net Zero targets.

The above list is not exhaustive but is intended to outline areas of initial focus. However, the opportunity of devolution in Kent and Medway, given the co-terminosity that exists across major public service providers, means that our ambition goes beyond the immediate economic, transport and infrastructure focus that has shaped most devolution deals to date.

We are aware that the Government is looking again at the opportunity of whole area budgets (i.e. Total Place) and believe that Kent and Medway is an area of that could be in the vanguard of more radical approach to public service delivery that is more efficient and effective for local residents and businesses, local public services and also for Government.

We are sure you will understand that whilst we are willing to set out what our preferred form of devolution governance is based on the existing options, we are doing so on a without prejudice basis to both the detail to be set out by the Government in the forthcoming English Devolution Bill, the revised Devolution Framework that will accompany it, and the relative scale of the devolved powers that may be provided pending the model of devolution governance. We would wish to engage with you and your officials as the Devolution Framework develops to ensure that we can make the most rapid progress possible.

Our planning assumption is that some form of combined authority is the best form of devolution governance for Kent and Medway now, given a KCC only county deal would

isolate Medway. The exact structure and governance of a combined authority would be decided at a later date, but the creation of an effective strategic authority for Kent and Medway is the foundation for a programme of both devolution, and wider public service reform. Strong strategic leadership must go alongside a commitment to subsidiarity and devolution to local places and communities.

Local government in Kent and Medway has a strong track record of delivery across all tiers on significant threats such as EU exit and associated border challenges, the COVID-19 pandemic (including the Kent variant) and cross-channel migration. We want to wrap as much of the existing and effective delivery architecture we already have in place, such as Kent and Medway Economic Partnership, Kent Leaders Forum and the Kent Housing Group, into a combined authority.

By ensuring the principle of subsidiarity, and using our existing partnership and local authority structures, we believe we can move swiftly to delivering the benefits of a devolution to the residents of Kent and Medway, whilst the formal governance arrangements are designed and agreed by all partners. We believe that this complements the views set out by our District and Borough Council colleagues in their letter to you regarding parity of esteem in the governance and decision-making of any combined authority, and we share the ambition for district and borough councils to have a clear and effective role in any future combined authority.

We hope the above explains our joint approach and thinking alongside our formal submission of an EOI. Both Kent County Council and Medway Council support this Expression of Interest and would like to work with our local partners, including our 12 local councils, the police, fire service and police and crime commissioner, our businesses and with your department to make Kent and Medway an even better place to live, work, learn and visit through the opportunities offered by devolution.

As ever, we are very willing to meet with yourself, your Ministers or Officials to discuss next steps and we look forward to a response at your earliest opportunity.

Yours sincerely

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