

Draft Minutes - 17 April 2024

The Business Advisory Board (BAB) meets quarterly and provides an insight from the business community in Kent and Medway on current trading conditions. The headline points are presented below, and the full meeting note follows.

Highlights from economic commentary
<p>Challenges/Ambitions/Updates:</p> <ul style="list-style-type: none"> • The uncertainty and lack of direction from the government on various issues affecting different sectors, such as the border target operating model, the land-use framework, the future of the energy network, and the employment law changes. • The difficulty of recruiting and retaining staff, especially in the manufacturing, logistics, engineering, and healthcare sectors, due to wage inflation, skills shortages, competition from London and other regions, and changing work preferences. • The impact of the weather and climate change on the agricultural and horticultural sectors, affecting the production and supply of food and plants, and the need for more innovation and diversification. • The challenges of planning and development in Kent and Medway, such as the under-resourced and inconsistent planning authorities, the Stodmarsh issue, and the potential political changes in some areas. • The recovery of the visitor and creative sectors, especially the cinema and television industries, which have been affected by the pandemic, the strikes, and the changing consumer habits.
<p>Good News Stories:</p> <ul style="list-style-type: none"> • The demand for public transport is increasing and people are choosing it more as the reliability improves. • The creative sector is seeing more collaboration and innovation across sub-sectors and platforms, and has secured a partnership with the British Film Institute. • The visitor and sports sector is seeing audiences returning to theatres and events, and spending more on experiences. • The legal services sector had a record year in terms of revenue and profit and is seeing more potential activities in the region.
<p>Actions:</p> <ul style="list-style-type: none"> • Made Smarter: Steve Samson to share more details once they're available. • BAB Recruitment: Sarah Nurden to share the application process and forms with BAB members once they're finalised. • Economic framework: BAB Members to provide feedback on the draft implementation plan and potential activities. • EES: Kent County Council to share the revised traffic modelling with BAB in June. • EES: Natalie Benville said she was happy to give a more detailed presentation on Eurotunnel's plans and solutions at the next meeting – This would be great. Thanks. • Skills boot camps: BAB members to suggest any sector or industry needs that could be addressed by the programme. BAB Members also to share any recommendations on training providers.

DRAFT MINUTES - ATTENDEES

Participants:

Transport & Logistics:	Matthew Arnold, Stagecoach Josh Fenton, Logistics UK Vince Lucas, VA Rail Natalie Benville, Eurotunnel
Visitor Economy/Leisure/Sport	Kanagaratnam Rajamenon, Leaf Hotels Simon Storey, Kent Cricket
Financial & Professional Services:	Marion Brookes, Apogee Andrew Masters, Furley Page Patrick Campbell, Bank of England Iain Hawthorn, Oxbury Bank
Agri-food:	Mario Caccamo, NIAB EMR Carol Ford, Horticultural Task Force
Education	Simon Barnes, University of Kent
Life Science/ Health	Karl Hudson, KIMS Chris Broom, Discovery Park
Construction / Property services:	Roland Cooper, Considine Karl Elliot, Clague LLP Liz Gibney, Lee Evans Partnership
Digital, Creative, Media:	Andrew Metcalf, Maxim PR Jo Nolan, Screen South
Business Support	Tudor Price, Kent Invicta Chamber of Commerce
Manufacturing	Jason Davies - Baker, Unipet
Others/Observers	Steve Samson, KCC Emma Watson, KCC Natasha White, KCC Alex Riley, KCC Sarah Nurden, KCC Stephanie Holt Castle, KCC David Smith, KCC

Apologies:

Derek Murphy (Cabinet Member for Economic Development, KCC); Richard Hall, Trenport holdings; Daren Rose, Lloyds Bank; Deidre Wells, Visit Kent; Alex Hicken, DHA Planning; Emma Liddiard, Kent Global Media; Tom Chown, DigiTom; Martin Prentice, IoD; Jeremy Licence (replaced by Andrew Masters. Furley Page); Nick Fenton, Kent Developers Group; Gaurav Malhotra, Goaco

DRAFT MINUTES

1. Welcome

Liz Gibney welcomed everyone to the meeting, particularly Sarah Nurden (KMEP & BAB Manager) who has returned to work following maternity leave and Alex Riley (KCC Programme Manager for Sectors and Economic Partnerships) who has recently joined the Economy Team.

2. Actions from the last meeting

Steve Samson ran through the completed actions from the last meeting, which were:

- ✓ BAB members invited to respond to the current public & stakeholder engagement exercise to input into the new Port of Dover Master plan 2050.
- ✓ BAB members to provide suggestions for new Members that could address current gaps in membership.
- ✓ A note for future BAB meetings it would be useful to know what other counties are doing on relevant topics (benchmarking).
- ✓ KCC to update BAB on the development of KPI's for the Kent & Medway Framework.

3. Made Smarter Programme Update

- Steve Samson mentioned Made Smarter, a new government programme for the manufacturing sector, starting in March 2025.
- Made Smarter is aimed at helping manufacturers adopt new technologies and skills, including introducing robotics, automation, AI, and other new technologies to their workplaces.
- Kent and Medway will have an allocation for that programme. **ACTION:** Steve Samson will share more details once they're available.
- Made Smarter is a way to communicate about the business support programmes that are out there.

4. BAB Membership Recruitment

- Steve Samson mentioned that they were looking to recruit new members for BAB and that they had some suggestions from the previous meeting. **ACTION:** Sarah Nurden will share the application process and forms with BAB members when they were finalised.

5. Kent & Medway Growth Hub

- Steve Samson said they received a letter of comfort from the Department of Business and Trade confirming the funding allocation for the Kent and Medway Growth Hub for this financial year.
- Kent Invicta Chamber will continue to deliver the Growth Hub service, which is the main one-stop shop for business support in the area.
- He said that they had some resource to do some added value activities as well, such as communicating about the business support programmes that are available in Kent and Medway.

6. Entry-Exit System

- Stephanie Holt Castle said that the Entry-Exit System (EES) might be less alarming than the worst-case scenario of 14 hour queues, as there are some positive conversations between the UK and French governments about managing the queue lengths and delaying some of the checks. She also said that they are expecting updated traffic modelling in May, which will give them more clarity on the situation.
- **ACTION:** Natalie Benville said she was happy to give a more detailed presentation on Eurotunnel's plans and solutions at the next meeting.

7. Kent & Medway Economic Framework Implementation

- Steve Samson explained the [Kent and Medway Economic Framework](#) was endorsed by KMEP last month.
- The K&M Economic Framework sets out the shared priorities up to 2030 that will help drive forward economic growth.
- The Framework lists 5 ambitions and 21 action areas:

AMBITION	ACTION AREA
Enabling innovative, creative, and productive businesses	1: Developing an enhanced place-based innovation partnership
	2: Focusing support to business on measures that will increase long-term productivity resilience and the adoption of new ideas
	3: Attracting and welcoming investors to Kent and Medway
	4: Supporting the conditions for growth
Widening opportunities and unlocking talent	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
	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
	7: Collaborating to make the most effective use of skills budgets, focused on Kent and Medway’s shared priorities
	8: Flexibility to focus on Kent and Medway’s shared priorities
Securing resilient infrastructure for planned, sustainable growth	9: Maximising the benefit of international connectivity
	10: Understanding our infrastructure needs and developing new solutions
	11: Ensuring that Kent and Medway’s digital infrastructure meets the dynamic evolution of business need and technology development
	12: Supporting Kent and Medway’s energy potential
Placing economic opportunity at the centre of community wellbeing and prosperity	13: Ensuring that everyone who wants a job can find work
	14: Developing a strategic partnership for health and the economy
	15: Building links between anchors of growth, key investments and community opportunity
	16: Embedding economic opportunity at the centre of local regeneration
Creating diverse, distinctive, and vibrant places	17: Growing Kent and Medway’s dynamic creative and cultural economy
	18: Supporting our network of innovative and creative places
	19: Developing Kent’s rural economy
	20: Valuing the natural and historic environment
	21: Developing the visitor economy

- Work has begun on taking the framework to its next stage, which is to draft an implementation plan with activities, measures, and resourcing.
- **ACTION:** Steve Samson welcomed feedback and ideas from BAB members on the action areas and potential projects that can support the framework's ambitions.
- Steve Samson said that there are the five sub-boards and work streams to develop the implementation plan and identify some quick win projects that can have an impact on the economy.

- The intention is to have something put together in May and share a summary at the next BAB meeting.
- Liz Gibney said she wants to see more cross-sector collaboration and links emerging.
- Simon Barnes asked about the possibility of maintaining the links with Essex and Sussex that were established under the SELEP, especially for cross-border issues like the Dartford crossing and the rural economy.
- Steve Samson answered that they have been clear that they will continue to cooperate where there is a need and a mutual benefit, such as the Southeast Creative Economy Network and the Major Projects Group.
- Steve Samson will sure that they reference the cross-border cooperation in the implementation plan of the economic framework.
- Sarah Nurden said that she also recognised the importance of cross-border cooperation with Essex and Sussex. She asked Simon to email her any suggestions of groups or activities that he found useful under SELEP.
- Simon Storey mentioned that he would like to see a reference to sport linked to culture in the implementation of KMEF.

8. Border Target Operating Model (BTOM)

- Kely Tolhurst responded to the BAB letter about the Border Target Operating Model. In her letter she said:
 - Kent MPs have been meeting with Ministers regularly to discuss the new system of controls at the Border and its impact on the fresh produce sector.
 - Concerns were raised about the common user charge, nature of the classification of checks, and border checks accreditation arrangements.
 - These concerns, including the model's links to biosecurity and SPS checks, have been debated in Parliament by Natalie Elphicke MP (Dover) and the EFRA Committee, as well as in a debate on food security.
 - Government's position is that the new system targets risk in a proportionate and appropriate way, as highlighted in the Defra Minister's response to the EFRA Committee.
 - Damien Green MP is closely involved in matters regarding the Border Control Post in Sevington, Ashford.
 - The Government has said that it will keep changes under review and the Kent MPs will continue to engage with local businesses on this matter.

9. Skills Bootcamps

- Steve Samson explained that Kent and Medway have been invited to submit a funding bid to the Department for Education (DfE) for "Skills Bootcamp" funding for 2024-2025.
- This funding can be used to provide industry-specific training courses up to 16 weeks in duration.
- The courses are for people aged 19 or over, seeking employment, existing employees, or the self-employed.
- The courses are free for the individual to attend.
- For people seeking employment, employers are asked to guarantee a job interview to the course participant. For existing employees, employers are asked to consider offering the course participant a higher skilled job.
- The bid to the DfE needs to identify which 16-week courses should be provided to meet industry needs, and identify suitable providers to run this training.
- **ACTION:** Steve Samson asked BAB members to help him identify the skills and sector needs.
- The bid needs to be submitted as soon as possible, in a matter of weeks.
- Steve Samson has made contact with the Kent Association of Training Organisations, who have provided some initial insight on the available providers.
- **ACTION:** Steve asked for any recommendations of training providers from the chamber network or other sources.

10. Economic Commentary

Legal sector

Andrew Masters, Furley Page

- Andrew is a partner at Furley Page, a law firm based in Kent, with a specialism in employment law
- Andrew covered the following challenges and opportunities for legal services in the region:
 - Rising costs and wage inflation
 - Competition from London firms for recruitment and retention of staff
 - Improving market conditions for property and private client work
 - A record year of revenue and profit for Furley Page
- He announced the signing of a 25-year lease for a new office in Whitstable, which will expand their presence and cater to the growing market there
- He warned of potential changes to employment law under a Labour government, based on a document published in January 2024, and offers to assist the group with understanding the implications

Transport & Logistics

Vince Lucas, VA Rail

- The rail industry faces financial challenges due to lower revenue from reduced commuting, while costs remain high.
- Government spending on new rail projects has dried up, leading to layoffs and closures in the sector.
- Vince sees opportunities in southeastern services and new technologies that are being developed in Kent.

Matthew Arnold, Stagecoach

- Matthew Arnold reported facing challenges due to the political uncertainty, the skill shortage, and the supply chain issues
- He mentioned funding schemes that are ending this year and no clear indication of their continuation or replacement
- He mentioned the difficulty of recruiting and retaining skilled engineers for the bus maintenance and repair
- He reported a positive growth in passenger numbers due to the £2.00 fare cap and the improved reliability of the service

Josh Fenton, Logistics UK

- He mentioned the uncertainty and costs of EES and the border target operating model.
- He also highlighted the need for government guidance on the energy network for the logistics sector.
- He welcomed the consultation to reduce the age for logistics drivers and the invitation to join the critical supply chain forum.
- He praised the resilience of the sector despite the challenges and uncertainty.

Natalie Benville, Eurotunnel

- Natalie Benville reiterated the main points Josh Fenton made.
- She said that Entry/Exit System was their main focus for this year and that they invested a lot to make it seamless.
- She mentioned the border target operating model and the common user charge as challenges for their customers and said that they were lobbying and engaging with them to help.
- She announced that they had acquired Stop 24, a ChannelPorts company, and offered to give more details later.
- She said that it was their 30th anniversary of the Channel Tunnel opening and that they wanted to celebrate this.

Hospitality, Visitor Economy & Sports

Kanagaratnam Rajamenon, Leaf Hotels

- Kanagaratnam Rajamenon reported challenges of high cost of living, national minimum wages, new salary threshold for overseas staff, and staff recruitment in hospitality
- He also shared his outlook for 2024, which included the completion of a multimillion pound investment in the Folkestone hotel, the strong advance booking for summer, and the increase in European tourist market
- He further suggested that hospitality could promote cricket and other sports venues locally

Simon Storey, Kent Cricket

- Simon Storey reported facing similar challenges as the hospitality sector, such as cost increases, weather impact, and late consumer decisions
- However, he was optimistic that people were spending money on good products and experiences, such as cricket events
- He was also grateful for the commercial partners who renewed their contracts and enabled Kent to host England women's cricket team

Financial Services

Patrick Campbell, Bank of England

- Patrick Campbell said inflation was coming down in line with their forecasts, despite a slight increase in the latest numbers.
- He said the MPC members were seeing room for interest rate cuts in the second half of the year, but it would depend on more evidence of pay pressure easing.
- He said the committee was in a wait and see mode at the moment and described the situation as a glass half full picture.

Iain Hawthorn, Oxbury Bank

- Iain Hawthorn, Oxbury Bank, which is a specialist agriculture bank. He also lectures at Canterbury Christchurch University and mentors for Growing Kent and Medway.
- He said the challenges for the rural sector were the high cost of living, the national living wage, the new salary threshold for overseas staff, and the weather.
- He said the positives were the demand for diversification, retirement, land purchases, and building upgrades, and the new initiative with Planet Earth and Kent and Medway to create a centre of excellence for skills.
- He also suggested some potential areas for the skills boot camp programme, such as forklift truck drivers, pack house operators, and engineering roles.
- He promoted the Graduate Futures programme at Canterbury Christchurch University and invited people to join the Futures Day on 8th-9th May.

Food Production

Mario Caccamo, NIAB EMR

- Mario Caccamo works for NIAB a research and innovation institute in horticulture, based in East Malling.
- He reported that the sector is under pressure from costs, supply chain issues, and contraction of production.
- He said that there is a space for innovation to support food security and produce more with less.
- He mentioned a new initiative with Planet Earth and Kent and Medway to create a centre of excellence for skills.
- He invited everyone to Fruit Focus, an event at NIAB on 10th of July.

Carol Ford, Horticultural Task Force

- She said the sector is still under a lot of pressure from costs, such as the border target operating model, auditing procedures, and the weather.
- She said there are businesses that are struggling to invest or thinking about quitting the sector.

- She mentioned a new initiative with Planet Earth and Hadlow College to create a centre of excellence for skills in the rural sector, which she saw as a glimmer of hope.

Higher Education

Simon Barnes, University of Kent

- He said that the vice chancellor Karen Cox is leaving at the end of May and thanked everyone for their support.
- He mentioned the difficulties in recruiting foreign students due to the pandemic and the need for a more businesslike approach to income generation and sustainability.
- He highlighted the collaboration with Christchurch and Greenwich on various projects, such as Growing Kent and Medway, the medical school, and the School of Pharmacy.
- He also announced that the Eastern Arc Alliance, which includes Kent, Essex, and East Anglia, has been extended to include Sussex as well.

Health and Medical Services

Karl Hudson, KIMS Hospital

- Karl Hudson works for KIMS Hospital, a private healthcare provider in Kent.
- He said the main challenge for the sector is the political uncertainty and the lack of clarity on future funding for the NHS and private healthcare.
- He also mentioned the difficulty of attracting and retaining clinical staff, especially in the context of Brexit and the competition from London.
- He said the positive side is that there is a high demand for private healthcare services and that Kim's Hospital is continuing to support the NHS with clearing the waiting lists.
- He also said that the hospital is facing some capacity issues due to the high demand and the supply chain challenges.

Construction and Property Services

Roland Cooper, Considine

- Roland Cooper works for DHA Planning, a planning consultancy in Kent.
- He said the main challenges for the construction sector are the general planning issues, such as under-resourced planning authorities, lack of consistency, and good decisions being overturned by planning committees.
- He also mentioned the ongoing problem of Stodmarsh, which is affecting the development of several sites in Canterbury and elsewhere. He said there is no way forward until the Stodmarsh issue is resolved.
- He said the positive news is that some major strategic sites have come forward, such as the Duchy land in Faversham, which will bring economic benefits to the region.
- He said the sector is busy and his business is doing well, but they have to move their activities out of the region and even abroad to find work.

Liz Gibney, Lee Evans Partnership

- Liz Gibney shared her concern about the lack of government action and funding for their projects.

Karl Elliot, Clague LLP

- Karl Elliot agreed with Liz and Roland about the difficulties in dealing with local planning authorities.
- He mentioned that Canterbury had a long backlog of applications and was not sure about the reason.
- He said that wages and staffing were stable, but not because of high demand for work.
- He also reported some major strategic sites that had come forward.
- The speaker highlighted the Stodmarsh issue as a major obstacle for the city centre development in Canterbury.

Culture, Creative, PR, Marketing, Digital & Print Services

Jo Nolan, Screen South

- Jo Nolan works for Screen South, a creative development agency in Kent.
- She said the main challenges for the creative sector are the impact of COVID-19 on the film and TV industry, the uncertainty around the future of funding and the skills gap for freelancers.
- She also mentioned the difficulty of attracting audiences back to cinemas and theatres, and the need for more cross-sector collaboration and innovation.
- She said the positive news is that the Arts Council has extended the funding for the National Portfolio Organisations, which gives them more stability and planning opportunities.
- She also said that the games industry is doing well and that Screen South has partnered with the British Film Institute to develop 12 projects that combine film and games.
- She said that the sector needs to embrace new technologies and platforms, and to diversify the workforce and the content.

Andrew Metcalf, Maxim PR

- Andrew Metcalf works for Maxim PR, a public affairs and marketing agency in Tunbridge Wells.
- He described the situation of his business with pipelines getting stronger but no date for the election.
- He mentioned several development projects that came forward recently, requiring community engagement and public affairs services.
- He commented on the political landscape in Kent and how it might change.
- He expressed frustration with ghosting from potential clients after sending proposals.
- He shared some good news about one of his clients starting work on a large industrial development in Swale, bringing 1000 jobs.
- He announced that the Kent Press and Broadcast Awards were going ahead for their 10th year, and thanked the sponsors.

Marion Brooks, Apogee

- Marion Brookes works for Apogee Corporation, a workplace services provider in the printing, IT and digital solutions industry.
- She said the main challenges for her sector are attracting employees in certain segments, especially women in technology, and dealing with the impact of artificial intelligence on workplace efficiency and data protection.
- She said the positives are that attrition rates are coming down due to lower inflation and cost of living, and that the business is moving to a new factory.
- She also said she is interested in the potential employment law changes if there is a change of government and how they will affect the business.

Manufacturing

Jason Davis-Baker, Unipet

- He reported that things are good in his part of the industry and he has nothing negative to report.
- He said that his company is moving to a new factory, which is not bigger but more efficient.
- He further remarked that his staff levels are stable and he has given them a pay rise.

Local Authority

Steve Samson, Interim Head of Economy

- Steve Samson said that the local authority continues to face financial difficulties due to social care and transport costs. But despite this the economy team has expanded and collaboration with partners continues.

Written economic commentaries:

Tudor Price, Kent Invicta Chamber of Commerce

- Current Challenges
 - BAB KICC update April 2024 Current Challenges Business investment remains low, and caution persists.
 - The lack of a growth plan, global unrest and interest rates are the main considerations.
 - QES now published. [To access the QES please click on this link](#)
 - Frustrated by the Common User Charge having been set by Gov with little consideration or thought of the impact.
 - EES remains a major focus of attention as we engage with BCC and Gov to support local partner activity.
 - Continue to support the campaigns for Lower Thames Crossing, Gatwick N, as they enter critical decision-making stages.
 - Contributed to a BCC response to the enquiry for devolved DWP Employment Support.
 - Further planning and investigations are taking place with Getlink around the use of greater rail freight movements across the county. We are hosting the Low Pay Commission in Ashford this month.
- Good News
 - Membership recruitment is strong and KICC currently ranked in the top 10 in the BCC UK Benchmarking.
 - Renewed our Patrons for the next year.
 - Chamber delivered the MegaGrowth 50 awards in Partnership with Kreston Reeves, Brachers and KM with winner achieving more than 700% growth.
 - Events remain well attended typically attracting, on average, 50-60 attendees.
 - Positive Comment: The Chamber's chosen charity this year is Hypo Hounds

Tom Chown, Digitom

- Since the March 14th meeting marketing spend on content has continued to slow-down, with many clients across various sectors all holding off on spend.
- He had hoped they might see a last minute boost towards the end of clients financial year's but the Easter holidays led to absence across many departments and coming into Q2, what is usually our busiest quarter is currently down approx 50% on last year. The number of briefs are down and those that are holding off on committing.

The next meeting will be in person on 18 June at 9am, in person at Kent Invicta Chamber of Commerce.