

Draft Minutes - 18 June 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:</p> <ul style="list-style-type: none">• General economic uncertainty, Cost of Living Crisis and low consumer and business confidence• Some positive news around companies providing opportunities for and retaining trainees• Agrifood, hospitality still facing skills shortages• Transport and infrastructure issues
<p>Good News Stories:</p> <ul style="list-style-type: none">• Visitor economy international markets picking up• Some recent economic successes in the county (new company at Discovery Park, preparatory work on EES etc.)• Opportunities to highlight key messages from business to a new government• Firms wishing to engage with social value, b-corp values etc.
<p>Actions:</p> <ul style="list-style-type: none">• Action: Natalie to share GETlink video outlining the EES changes.• Action: KCC to consider whether an interim BAB meeting might be possible before September to focus on the new government, priorities, asks etc.

DRAFT MINUTES - ATTENDEES

Participants:

Transport & Logistics:	Vince Lucas, VA Rail Natalie Benville, Eurotunnel
Visitor Economy/Leisure/Sport	Kanagaratnam Rajamenon, Leaf Hotels Hollie DuPreez, Visit Kent
Financial & Professional Services:	Marion Brookes, Apogee Salim Somjee, Cripps Jeremy Licence, Furley Page Samantha Mason, MBM Balance Emma Liddiard, Spurling Cannon
Agri-food:	Carol Ford, Horticultural Task Force Claire Eckley, Eckley Farms & NFU
Education	Simon Barnes, University of Kent
Life Science/ Health	Chris Broom, Discovery Park
Construction / Property services:	Roland Cooper, Considine
Digital, Creative, Media:	Andrew Metcalf, Maxim PR Tom Chown, Digitom Miranda Chapman, Pillory Barn
Business Support	Tudor Price, Kent Invicta Chamber of Commerce David Milham, FSB
Others/Observers	Steve Samson, KCC

DRAFT MINUTES

1. Welcome

Vince Lucas welcomed everyone to the meeting and outlined the agenda as well as thanking Kent Invicta Chamber for hosting the meeting.

2. Actions from the last meeting

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

- **Made Smarter:** Update given at meeting.
- **BAB Recruitment:** Recruitment on pause pending finalisation of KMEF Implementation plan
- **Economic framework:** BAB Members to provide feedback on the draft implementation plan and potential activities.
- **EES:** Revised traffic modelling could not be shared at meeting by KCC due to apologies from key colleagues.
- **EES:** Natalie Benville gave a Eurotunnel presentation at meeting
- **Skills boot camps:** Update given at meeting

3. Updates since the last meeting:

- **NHS Consultation** launched on developing a rules-based, integrated, predictable pathway for the evaluation, funding, and commissioning of medtech in the NHS. Deadline 15 August.

<https://www.engage.england.nhs.uk/specialised-commissioning/building-an-integrated-rules-based-medtech-pathway/>

- **Made Smarter Programme Update** - a DBT-funded programme promoting technology adoption in the manufacturing sector. Surrey County Council would be leading the programme for the South East which would be launching as pilot in March 2025. Further updates to follow in due course.
- **Skills Bootcamps:** final work underway on the Kent & Medway Pilot bid for 24-25 to focus on agri-food, construction, creative, social care. DFE has asked Kent & Medway for a high-level plan for 25-26 skills bootcamps programme by August.
- **Updated Kent & Medway Economic Dashford:** Kent Economic Indicators Report including latest unemployment figures https://www.kent.gov.uk/_data/assets/pdf_file/0006/8187/Kent-economic-indicators-report.pdf
- **KCC 2025-26 budget consultation open until 7 Aug:** Views from Businesses welcome: £81m budget gap forecast. <https://letstalk.kent.gov.uk/budget-consultation-2025-26>. BAB colleagues asked about whether non-statutory services would be at risk as part of KCC's financial situation. Steve Samson confirmed that all services are being reviewed to see where further cost savings might be possible.
- **Kent & Medway Economic Framework Update:** Work was progressing on a phase 1 implementation plan which would be available to share shortly.

4. Entry/Exit System Preparations at Eurotunnel – presentation from Natalie Benville (Getlink):

Key points shared:

- EES will be used to ensure that visitors to the EU stay for the appropriate amount of time.
- The first time that someone crosses the border, they will be a 'primo' customer with processes due to be much easier for second times or subsequent visits.
- Over 81% of Eurotunnel customers will have to go through controls including 44% of coach customers.
- There are similar rates expected at the Port of Dover.
- Some 750 cars and 2000 passengers per hour require processing at peak times.
- Eurotunnel will install kiosks whereby passengers have to get out of vehicle to input and process their data – face, fingerprint and passport scan.
- French border force agents need to be present. The PAF (French border force) is recruiting for additional roles.
- Traffic modelling indicates that queues are unlikely to build up on the motorway at the Channel Tunnel entrances.
- Work is underway on both sides of the Channel to install and connect kiosks that will collect the biometric data
- Getlink has invested £80m Euros in EES preparations
- Work will be needed to make use of any additional capacity at the Tunnel to support the port when required
- Live EES testing will take place after the Olympics
- Dover and Eurotunnel will be reliant on sufficient PAF (French border force officers) resource. Extra officers have been recruited for the Olympics so the hope is that additional officers can be deployed in the Autumn.

General points raised / discussed by the group:

- The UK government doesn't have any real powers to influence the implementation of EES and the associated technology as this is led from the EU
- EES has the potential to cause up to 6 hour delays at small European airports so the issues are not unique to Kent

- EES is a national issue and impacts on Kent should be viewed as a national issue to resolve.
- It would be important to ensure that arrival times were respected to avoid unnecessary queueing issues as this had caused delays on the May bank holiday weekend.
- There were ongoing concerns that delays at Dover could be significant.
- Once passengers have travelled once and registered their biometric data, there would be a separate border control area in place for just passport scanning on subsequent journeys.
- The roll-out date for EES would be the Autumn (Oct/Nov) 2024.
- Kent should be reassuring tour operators that there is a plan in place
- Could a stakeholder pack be made available to support communication efforts in Kent?
- Kent Invicta Chamber is organising an [online briefing meeting on 28 June](#).

Action: Natalie to share GETlink video outlining the EES changes.

5. Economic Commentary

Andrew Metcalf, Maxim PR

- General nervousness in market, hoping things will be more positive from July.
- Pipeline is good but manners in business community are not always good i.e. ghosting, not replying etc.
- Not recruiting at the moment.
- Anticipates Medway Council taking a prominent role in KMEP if a labour government is elected in July.

Action: KCC to consider whether an interim BAB meeting might be possible before September to focus on the new government, priorities, asks etc.

Tom Chown, Digitom

- Creative sector is experiencing a general slowdown. Confidence is low. Clients are holding back. Speculation that it may take 18 months for things to pick up.
- Involved in sponsorship at last week's Taste of Kent Awards.
- The '[Better Businesses Act](#)' is calling on the new government to make a simple amendment to 172 articles of association which would hold company directors to account for people, planet, communities.
- Digitom is supporting the University of Kent's Employability Points Scheme for eighth year supporting students with work experience.

Sam Mason, MBM Balance Limited

- The company works with SME business customers; compliance work is going well and demand is shifting with more interactive service to companies required, advice on AI. They are looking at enhancing consultancy roles to boost their offer to local SMEs.
- Firm working with KICC on their business growth programme.
- Firm is continuing the B-corp application journey working with a local b-corp consultant (there are only 20 b-corp businesses in Kent).

Tudor Price, Kent Invicta Chamber

- Business investment remains low. KICC, working with the British Chambers of Commerce (BCC) and economic development groups, has produced a future of the economy manifesto. BCC is engaging with all parties and KICC has ensured that the Kent & Medway voice has been heard. KICC will reach out to new MPs.
- EES messaging is a priority. KICC is also supporting the 'bring back Eurostar' campaign
- The Chamber has concerns about the Northfleet harbourside development and potential impacts on businesses.
- The Kent Construction Expo is sold out
- Customs declarations are increasing for imports but not exports.

- Recently met with Surrey & Sussex Chambers to explore opportunities from the new Singapore Gatwick route.
- KICC is running the 'Recover pivot and scale' programme which will support 40 firms over 12 months with 36 hours of high growth coaching.
- The KICC awards are now open for entries.

Claire Eckley, Eckley Farms

- Eckley Farms are regenerative arable farmers (wheat).
- Low input farming is in a good place (fewer etc.). First farmer in Kent signing for 'wild farm' status (no herbicide, pesticide, fungicide.)
- Supermarkets are demanding more sustainable crops.
- There is planning for a large solar farm in Marden which will help the business by using their land.

Salim Somjee, Cripps LLP

- There was optimism in the market at the start of year but a recent quarterly update said recovery will be slower than anticipated.
- The election should lead to some stability.
- Trainee programme going well with all recent trainees being retained
- Cripps is a B-corp firm.
- Lack of digital connectivity (phone network) seems to be an issue in some parts of Kent.

Request – would it be possible for BAB members to get emails with links to posts that BAB can share on social media e.g. getting ready for EES.

Jeremy Licence, Furley Page

- Traffic issues and roads are impacting the firm's offices with staff regularly arriving late.
- There is a need for increased compliance and regulation in the sector to police money and prevent money laundering.
- The firm has recently moved HQ from Whitstable high street to Estuary View, which has better road connectivity for staff and clients.
- Recruitment remains a challenge – there are a lot of candidates now but recruitment is time consuming and applicants are often overselling themselves.
- The firm will be celebrating 300 years of operations next year.

Carol Ford, Agri-Food Sector

- The challenge for the sector is seasonal workers and the uncertainty of getting them, numbers are declining and many firms have to recruit twice.
- Challenge – brand Kent and team Kent work – our county grows food so we need to be careful to look after food producers. Growers need economic opportunity – it is vital to retain land for agriculture support Produced in Kent and local growers.
- Good news – a centre of excellence at Hadlow College was opened last week involving the Local Skills Improvement Plan, Growing Kent & Medway, Further Education. The greenhouse will enable the teaching of 50 students including growing how techniques, supply chains etc.
- Pipeline of future workforce with secondary schools is disconnected - need to getting young people to think about food as a career.

Roland Cooper, Considine

- Construction sector – problem with uncertainty, local elections, general election
- Planning industry skills are still lacking and nutrient neutrality remains a big issue. Natural England guidance suggests that planting woods instead of agricultural land is needed to deliver housing. There is a risk that with new advice (not yet published) from Natural England that air quality and water use neutrality would be difficult for most of the country to comply with.
- Good news –projects are coming forwards with architecture.
- Skills and recruitment are still a challenge.

Chris Broom, Discovery Park

- Still working on the Pfizer situation pending some legal issues to be resolved.
- Good news – Asymchem, a Chinese company will take on some assets on site
- Lots of demand on site but finance is an issue for the life sciences and biotech sector for early stage research.

Simon Barnes, University of Kent

- Challenge for the sector with foreign student recruitment. Domestic students is often where universities lose money.
- There is a need to scale back on courses and better focus research across the sector. Some of the manifestos suggest closer University – Business links.
- Working with Discovery Park, also on plans for a follow-on to Growing Kent & Medway. Working with Kemsley Industrial Cluster – hydrogen, energy from waste, logistics opps there.
- A Project underway on HS1 line and installing infrastructure for electricity grid connections.

Hollie DuPreez, Visit Kent

- International markets are picking up, attractions had a disappointing April, general occupancy was 4% down on last year (which was a record year), Visitor spend is generally down (cost of living, costs of operations). Transport disruption – confidence needed.
- VK is finalising its Destination Management plan which (a Local Visitor Economy Partnership requirement) which will fit in with the national framework and the Kent & Medway Economic Framework.
- VK has recently secured Helping Hand funding for a skills sector programme –
- They hosted tour operators recently based on new routes into Gatwick.
- They are undertaking place marketing for Ashford BC on wine tourism
- VK continues to work on the 'It's in our nature' campaign and has also commissioned rights free assets from Visit Britain.
- Dover Castle will be opening a new visitor experience focusing on sieges.

David Milham, Federation of Small Businesses

- FSB manifesto launched which reflects that no party has yet set out a compelling vision for GDP increase.
- Construction output fell recently – is a new housebuilding strategy needed?
- FSB index – small firms' confidence climbed into positive in Q1 but the state of the domestic economy is the top barrier to growth. GDP flatlining could mean a decline in confidence for Q2.
- National living wage has risen to £11.44 which is having a significant impact on lots of firms. Employment costs are a growing pressure.
- FSB is calling in its manifesto to increase the employment allowance to £6.5K
- They are also calling for a Small Business Act which doesn't require spend but would bring benefits. e.g. clamping down on poor payment practices, access to finance, reforming business rates, better access to start-up grants etc.

Emma Liddiard, Spurling Cannon

- Recruitment has been an issue with candidates numbers dropping in general. Technology is influencing changes to workload. Work has increased since last year.
- Good news – some recent work on marketing and brand values which has made some positive recommendations for the business.

Natalie Benville, Getlink

- Elections are also taking place in France.
- Getlink recently purchased the Stop 24 services.
- Passenger numbers are down 4% and freight down 20% compared to 2018.
- Recruitment for the summer period is underway
- On 25 Aug the Paralympic torch will pass through the Channel Tunnel.
- Getlink worked with Produced in Kent on its recent 30 year event.

Miranda Chapman, Pillory Barn

- The trading environment is glitchy with many clients already signing off for the summer.
- Advice to clients is to keep messaging strong as business will come back.
- If planning systems ease, clients' work in the built environment and placemaking sectors will fly.
- Challenges – losing staff to fully remote roles whereby the company wants staff in the office for 2 days a They have just reduced their office space in the Maidstone studios.
- Positive plea – to support working with young people, Pillory Barn recently did a launchpad event with CCCU.

Menon, Leaf Hotels

- A challenge is the cost of living, clients are not coming out as often. Weather has also been a issue when 50% of takings are food and beverages.
- Good news – running at 85% occupancy overall with the Clifton hotel at 100% (space for border force staff)
- Skills is an issue with chefs asking for £38K salaries. Some hotels are now going to central kitchens to keep costs down.
- Menon also works in retail and care so can provide an update at future meetings.

Marion Brooks, Apogee

- Challenges – social value requirements in tendering. Lots of public and private sector organisations are now asking for bidders to respond to social value requirements e.g. reporting on no. of placements for unemployed people, apprentices, having a local footprint. They would be interested in talking to B-corp contacts to improve social value and deal with these challenges.
- Positives – staff are encouraged to take 2 days paid volunteering rather than traditional teambuilding. They have recently taken on 2 University of Kent interns and are sponsoring a 'Sean the Sheep' for the public Art Trail in Maidstone.

Vince Lucas

- The rail sector is £2bn worse off than before pandemic in net subsidy (a challenge for government)
- Passenger growth has slowed with overall commuting reduced.
- Rail is now a 200 year old industry now and South Eastern will celebrating next year.
- Skills is not really an issue for the sector with South Eastern currently advertising many roles.
- Positive comment – recognising the efforts that Getlink (Eurotunnel) has invested to get ready for EES having used simulations to get the right outcomes.