

Voice of Business – Feedback from Business Advisory Board to KMEP

Opportunities

- Most firms reporting they're **very busy / experiencing high enquiry rates**.
- The Bank of England's **interest rate cut** of 0.25% on 7 Nov has helped many firms' cashflow.
- Some activity had ceased in advance of the budget, as there were concerns over its impact. Firms are hopeful **activity will recommence** now the Government's agenda is better known.
- The **Planning Reforms** and extra financial support for planning departments has been welcomed.
- The **increase in student fees** for the first time in 8 years will help HE sector.
- **Nutrient Neutrality strategy** is in production, with firms hopeful that credits could be bought in January 25.

Recruitment & Skills

- Firms must teach **basic skills** to new employees (how to use excel, answer phone, etc).
- Firms struggling to find applicants for their vacancies.
- **Gender & diversity issues**, particular in relation to technical skills. One firm advertised 8 apprenticeships, received 200 applicants, but only 5% from women.

Challenges

- Ongoing **recruitment difficulties** in multiple sectors
- **Future energy supply is a major concern**. For example, Port of Dover has 8 MW supply currently. A cruise liner requires 15 MW to be shore-powered. Recharging an electric ferry requires 35 MW. Excluding EV chargers for cars and trucks, the Port estimates it will shortly require 160 MW in future – a **2,000% increase** on the current supply level.
- The **rapid rate of change** is a challenge (with new employment legislation, new nationalised models for train operators, etc).
- The **poor weather** has affected **farmers' planting schedules** and **reduced visitor numbers** at tourist attractions.
- Seeing **lower consumer spend** in the **hospitality and tourism** sector due to increase cost of living.

Response to Autumn Statement

- **National Insurance Contribution** increases significantly affecting firms. Most need to find **6-figures sums**. Large number of firms on fixed contracts, so cannot pass on cost to consumer. One commentary said **75%** of these cost increases will be passed to employees through low/no pay awards and reduced pension contributions.
- **Farming sector** will continue to protest the changes to the **agricultural property relief** – assets may have to be sold that will make farming unviable.
- **40% rate relief** for **retail, hospitality & leisure sectors** welcomed as gives certainty.