

WINTER BUSINESS BREAKFAST – 10TH DECEMBER 2014

REPORT ON FEEDBACK

SUMMARY

The discussions indicated broad consensus on certain issues, and more divergent views on others. Feedback included a number of suggestions for further consideration, either by participants, by TGKP itself or on which the Partnership and participants might wish to make representations to others, notably central Government and its Agencies. These suggestions are highlighted in each section of the report below. The key messages highlighted in the final session were:

- The importance of the **London Paramount** development to the future prospects for North Kent's economy, businesses and residents:
 - o Opportunities for local businesses to be part of the supply chain for the Resort, both during construction and long-term operation. Demonstrable evidence of corporate commitment to objectives around local employment, training, supply chain and stakeholder engagement was critically important to build and maintain community buy-in and to help make delivery of the Resort a success.
 - o Employment opportunities for local residents, and the importance of preparing the way by providing the right types of skills training. Effective and on-going engagement with schools, colleges and UTCs would be an essential part of those preparations
- **Apprenticeships**
 - o The reform agenda was welcome but still regarded as complex and presenting challenges for Small and Medium Sized Enterprises (SMEs) that make up the majority of North Kent businesses. Several suggestions pointed towards the need for a local intermediary to help SMEs deal with the necessary bureaucracy, and to overcome the ebb and flow of work in some sectors by brokering consortia of SMEs that can collectively offer apprenticeships.
- **SME funding**
 - o Anecdotal evidence from participants suggested that access to finance schemes were still needed, particularly for SMEs, to address an ongoing market failure in terms of traditional lending. Other mechanisms were also needed to help unlock bank lending. Access to finance was particularly tight in the construction sector, compounded by a shortage of skilled labour.
- **Growth Hub**
 - o The Growth Hub needs to have a human face and contact at the outset of a business enquiry before signposting to online or other sources.
 - o There could be value in having a forum for non-executive directors to support and critique businesses, particularly start-ups.
- **Schools and businesses**
 - o Further work was needed in schools and colleges to raise awareness of apprenticeships and other vocational career pathways.
 - o The feedback indicated scope and appetite for some joint working with schools and businesses to strengthen engagement.

INTRODUCTION

1. The Winter Business Breakfast included four presentations, Q&A sessions and table discussions giving participants the opportunity to feed back on questions or issues relating to the main topics or of broader relevance. In welcoming participants, TGKP's Chairman, Rob Bennett, particularly welcomed representatives from some of North Kent's secondary schools and University Technical Colleges. It was hoped this would be the start of fostering closer links with the education sector and promoting more engagement between businesses, schools and colleges.

PRESENTATIONS

2. The four presentations can be found on the TGKP website at www.tgkp.org/business-events.
3. **David Liston-Jones (Chief Executive, TGKP): North Kent Update**
 - Items of specific interest to North Kent in the Chancellor's Autumn Statement included the £1 billion for the second round of Local Growth Fund (from 2016/17); the first £100 million for infrastructure to support Ebbsfleet Garden City; review of transport provision in North Kent, including Crossrail; major highways schemes including the A2 Bean and Ebbsfleet Junctions and a new commitment to improve the M2 Junction 5; and inclusion of the Lower Thames Crossing in the top 5 national priority infrastructure investments.
 - TGKP's Plan for Growth sets out framework for partnership actions, including support for key sectors with growth potential. TGKP has been providing significant support to developing the South East Centre for Offshore Renewable Engineering.
 - Delivering new housing is a key element of sustainable growth in North Kent. The HCA's Builders' Finance Fund is currently open for bids for schemes of between 5 and 250 units: the newly lowered threshold potentially extends the programme to more small schemes¹.
4. **David Testa (Director, London Resort Company Holdings): London Paramount Project Update**
 - Preparations for the planning application through the NSIP process were proceeding apace. The development boundary identifies the area in which LRCH are carrying out environmental scoping etc. Masterplanning is being led by Farrells; LRCH are liaising closely with the shadow Ebbsfleet UDC and other stakeholders on the masterplanning process.
 - A key stage in the process will be around a dozen themed workshops proposed for the first quarter in 2015, including skills, training and engagement with local businesses on supply chain opportunities. Things are still at an early stage (year 1 of a 6 year project to opening at Easter 2020) but there is firm commitment to get local companies involved in the supply chain and to ensure employment opportunities are open to local people (which a skills audit currently underway will help to scope). LRCH are keen to work closely with stakeholders such as TGKP, Locate In Kent, Visit Kent, as well as engage with schools, colleges and the UTCs. Engagement with schools could include work experience placements later in the process (though not currently).
 - David's presentation coincided with the announcement of an agreement signed with BBC Worldwide granting rights to certain intellectual property such as Dr Who, Sherlock, etc to be featured in the entertainment resort. More announcements on other deals would be made in the new year.

¹ Details at www.gov.uk/government/collections/builders-finance-fund.

5. **Katherine Daynes (Employer and Delivery Services Manager, Skills Funding Agency): Apprenticeship Reform**
 - January 2015 will see changes to the present Apprenticeship Grant for Employers, restricting the scheme to companies with fewer than 50 employees (previously 1,000) and with a maximum of 5 grants per employer (previously 10).
 - The main reforms are intended to make the system simpler, employer-led and delivering better quality apprenticeships. The new system will apply to all new apprenticeship starts from 2017/18. Trailblazers will trial the new funding model from January 2015 (phase 1) and then further groups in successive phases during 2015/16 and 2016/17. There will therefore be some 'dual running' between the current system and the trailblazer model, but the Skills Funding Agency/BIS is not intending transitional arrangements. Guidance on the trailblazer frameworks and standards agreed so far, and on designing new apprenticeship standards, can be found on the SFA website (links in the presentation). The reforms should have no impact on existing Apprenticeships.
 - SMEs would be encouraged to collaborate to use their collective purchasing power to negotiate effectively with training providers.
 6. **Ross Gill (Economic Policy and Strategy Manager, Kent County Council): Growth Hub**
 - The Growth Hub concept is particularly meant to respond to the call from businesses for a simplified and streamlined business support offer, where locally-tailored provision can add value to national programmes and initiatives. The proposed service, for which a specification is being drafted, will be part of a national network offering a central, web-based signposting service supported by business advisers.
 - The revenue support for the Growth Hub through the South East LEP is relatively small, but may be boosted by European programme funding and other national programmes. Kent & Medway has also secured £6 million to provide direct access to finance for business, following on from TIGER and other RGF programmes: subject to Government approval, the intention is to launch this in April 2015.
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FEEDBACK FROM DISCUSSIONS

Topic 1: What impact – positive or negative – could reforms to the Apprenticeships system have on your business? What else might help you in developing a better skilled workforce?

7. Familiarity with apprenticeships amongst participants was mixed, with some very experienced and some approaching the issue for the first time. There was a fair consensus amongst those with experience of apprenticeships that the quality of outcomes for both the apprentice and the business depends on what both parties invest in the process. This included remuneration: businesses prepared to pay above the minimum rate were more likely to attract good quality candidates.
8. The financial equation was less significant than the attitude of both employer and apprentice. The funding arrangements proposed in the reforms were generally regarded positively. But it was suggested that the minimum wage for apprentices should be harmonised with the non-apprentice rate for their age group to remove a potential disincentive. A more significant factor for some employers was around premises and accommodation – the additional space, facilities and equipment that an apprentice might require – as well as management and supervision.
9. Feedback suggested that the **branding** of apprenticeships is still problematic. There are still perceptions that apprenticeships are only for 16-18 year olds, only involve 'dirty' trades, only

last up to 12 months, and do not offer genuine career path opportunities. These perceptions are found among parents, employers, schools and school leavers themselves. The image potentially undermined 'selling' of the whole package, particularly advanced and multi-year apprenticeships that lead to degree-equivalent qualifications. By contrast, some participants saw apprenticeships becoming more popular with students as an alternative to higher education; and some employers positively valued the role of apprenticeships in skills development. But the range of opportunities available locally was feared to lack breadth (based on a snapshot of the listings in Kent, which may be unrepresentative but were nonetheless dominated by the hospitality sector or administration).

10. One area of debate was around what kind of messages schools instil in students, and whether ideals (or, indeed, targets) for higher education destinations for school leavers, and value placed on academic rather than vocational career paths, distorted the approach taken to supporting students in making post-16 (or indeed, post-14) choices.
11. There seemed relatively low awareness of where to go for information, or of any support that might be available (e.g. from the National Apprenticeship Service Small Business Team or Vacancy Matching services). Both support services and apprenticeship opportunities themselves perhaps need better promotion – seeking to address the branding / perception issues at the same time. Attention was drawn to both Kent County Council² and National Apprenticeship Service³ websites showing apprenticeship vacancies, and the Kent Messenger's dedicated webpage with details about current apprenticeships⁴.
12. Turning to the **reforms** themselves, most participants were positive about the direction of travel and found the presentation encouraging. Guidance on the reforms was seen as helpful but understanding those alongside the present system (and lack of transitional arrangements between the two) is challenging for employers, training providers and potential apprentices alike.
13. It was felt that dual running of existing style apprenticeships and trailblazers, with the different funding arrangements, could be confusing. The forthcoming change in Apprenticeship Grant for Employers was seen as radical but unlikely to impact negatively in North Kent as 98% of enterprises had fewer than 50 employees.
14. Others were less convinced the reforms really helped the situation of SMEs – recognising that about 90% of businesses are micro-businesses with fewer than 10 employees and many are far smaller than this. Hence, the management and administrative burdens associated with offering apprenticeships were seen as beyond most SMEs' capacity, unlike larger companies which have HR departments etc. In more niche sectors, where trailblazers are less likely to emerge, the challenge for SMEs of developing and gaining approval for their own standard may be too challenging.
15. In some professional sectors such as legal, chartered surveyors etc, it was thought employers might stick to established training routes (e.g. paralegal, RICS qualifications) rather than embrace apprenticeships⁵. A few participants from the engineering skills sector remained to be convinced as to whether the reforms would be positive for their industry.
16. There were similarly some adverse views about 'red tape' and bureaucracy associated with apprenticeships. Whilst employers welcome in principle the opportunity to shape training

² <http://www.kent.gov.uk/jobs/starting-your-career/apprenticeships>

³ <https://www.gov.uk/browse/education/find-course>

⁴ <http://www.kentjobs.co.uk/apprenticeships.aspx>

⁵ It should be noted that the 'Live List' of Apprenticeship Frameworks at <https://www.gov.uk/government/publications/apprenticeship-frameworks-live-list> includes Legal Services, Legal Advice and Surveying.

provision and apprenticeship frameworks, smaller SMEs feared this might increase bureaucracy. Some would prefer simply to go to training providers for the elements of skills training they need for their workforce. There was some concern about what impact a possible change of Government in May 2015 might have and how this might affect an area which was already perceived as complex and involving significant churn.

17. An issue identified by a number of participants concerned how SMEs might offer effective apprenticeships, in sectors such as construction that are both highly mobile and experience ebb and flow of workload/contracts and personnel. On the mobility point, apprentices will normally only be able to travel relatively locally, whereas many Kent-based firms work all over the South East and London. A single firm might not be able to offer continuity within a locality or offering the full range of skills training required. A mechanism is needed to consolidate the offer to an apprentice and opportunity to gain experience and qualifications across range of placements with different firms reflecting work dynamics.
18. Another area of concern was amongst niche sector SMEs who felt that both their small size and specialised business activity militated against being able to offer apprenticeships, and it could be hard for local providers to respond to such bespoke requirements. Further discussions suggested that there may be more generic business skills – e.g. office skills, administration, sales – which form part of even niche businesses’ activities, and where an apprenticeship might both be feasible and add value to the business, without specifically designing a framework or standard relating to that niche sector. A number of employers reiterated the observation that effective communication and ‘softer’ skills were often more valuable than academic qualifications when it came to identifying potential recruits who could then be trained in the skills required for the business. Both school leavers and unemployed young people needed work-ready skills: traineeships could help the latter group and more awareness-raising would perhaps be beneficial.
19. For UTCs and FE Colleges, the new frameworks present a similar challenge to the existing system: trying to ensure that the courses offered are viable. There was a bit of confusion as to how training providers are meant to respond between now and 2017/18: is the idea to use the trailblazer frameworks and standards where these have been approved, even though the funding changes will not have commenced, or to continue with existing frameworks? Participants also queried whether there would be any cap on the number of apprenticeship frameworks available: narrowly specialised apprenticeships might suit a particular employer but limit transferability of skills and labour.
20. The question of quality control was raised in most of the discussions. SFA confirmed that Ofsted would be responsible for auditing and inspecting training providers, whether these were public or private sector.
21. **Suggestions for consideration:**
 - **Lobby for harmonization of the minimum wage for apprentices and non-apprentices.**
 - **Explore the potential role and establishment of Apprenticeship Training Agencies and other intermediaries to support SMEs. Roles could include:**
 - **better signposting to information and guidance, including employer-apprentice matching services;**
 - **providing HR-type services to help SMEs cope with administration associated with apprenticeship placements;**
 - **create consortia of SMEs (in same or complementary sectors) to provide a portfolio of experience for apprentices where individual SMEs are not able to commit to the full requirements of the Framework, giving apprentices in small businesses the**

equivalent experience to those in larger companies.

- **Use local business networks (including at Innovation Centres and Business Parks) for SMEs to share best practice.**
- **Develop more case studies to promote the depth and range of the apprenticeship offer.**
- **Encourage ex-pupils to go back into their schools to share their experience of apprenticeships, to help promote awareness of what is involved and the impact on career and employment opportunities.**
- **Increase awareness of traineeships, offering unemployed young people work experience and skills training as a stepping stone to apprenticeships or employment.**

Topic 2: What could individual businesses and educational establishments each do to improve engagement and raise students' awareness of opportunities?

22. There was broad consensus around the propositions both that schools needed to be more outward-looking and increase their contacts with local businesses, and that businesses needed to go into schools more. The issues are around how to make these desirable outcomes happen.
23. There is a number of obstacles to overcome to improve schools-business engagement. It was acknowledged that curriculum and timetable pressures might constrain the opportunities for schools to welcome businesses into the classroom (or otherwise into non-teaching time such as breaks or after school clubs). It requires proactivity on both sides, which in turn requires capacity, access to contacts and appropriate links. This is difficult for many schools and for businesses, particularly SMEs. Businesses also needed to show more initiative in engaging with schools (as part of their local community): having clear and well-publicised points of contact within schools would help businesses know who to approach where they don't already have contacts through other networks. It was suggested that some kind of effective one-stop shop to assist and broker connections would help. The crucial thing is a positive mindset and mutual commitment on the part of both schools and businesses, recognising the cost and logistical implications – as well as the potential benefits – on both sides.
24. Schools with a strong commitment to work experience are always keen to identify new opportunities. Health and safety issues militate against some placements e.g. on construction sites and other risky environments, some of which cannot accept under-16s by law. Managing work experience has resource implications – e.g. visiting students on placement, risk assessments, etc, as well as the process of brokering placements (though it is normally meant to be up to students to find themselves a placement for which schools then do the necessary administration. Work experience was a vital element in helping students think about their future careers. Wherever possible, companies should considering offering work experience placements.
25. The UTCs see it as fundamental to their role to engage with local companies, and it may be easier for them than conventional secondary schools. It may be that other schools see UTCs as competitors in preparing students for more vocational outcomes.
26. There was a perception that schools perhaps nurture particular ideals or preconceptions about career paths and these need to be broadened to embrace the full range of opportunities. It was suggested equal emphasis needed to be given to both academic and vocational pathways. It was suggest that the competitive 'market' in education was perhaps encouraging schools to promote options that might enhance their statistics (e.g. leavers entering higher education)

rather than being the most appropriate outcomes for the students. There was always a balance to strike between nurturing ambition and desire amongst young people and managing their expectations, which were not always realistic. Whilst less academically able students might both wish and be encouraged to explore vocational options, some bright students might also find vocational pathways and apprenticeships associated with them an attractive option (including areas such as IT and accountancy).

27. It was important that both schools and businesses were aware of, and contributing to, information portals such as Kent Choices, which is the key website for Year 11 students thinking about post-16 education and training⁶.

28. **Suggestions for consideration:**

- **Develop brokerage services to help the interface between schools and businesses to support work experience placements and careers information.**
- **Host local careers exhibitions in high street locations to strengthen the visibility of local businesses (particularly those 'tucked away' in business parks and industrial estates).**
- **Schools to make more use of tools that test students' aptitude for vocational training and career options.**
- **Schools and businesses to share experience and best practice e.g. through web-based portals, case studies and networking events.**
- **The impact of personal testimony. Facilitate former students to come back and tell the story of their experience with an organisation.**

Topic 3: What information do you think the Growth Hub should offer?

29. There was limited awareness of the Growth Hub concept. Businesses suggested that it will need plenty of publicity and marketing to raise awareness and clarity about what the offer is.

30. Businesses echoed previous feedback that with the fragmentation of much of the public sector offer, and the existence of all kinds of private sector, not-for-profit and 3rd sector organisations offering services, they don't know where to go for information and advice. One expectation of the Growth Hub would therefore be that it provided some clear signposting as to which organisation does what, what is free (i.e. tax-payer funded) and what is likely to be charged for. Access to information appropriate to the size and sector of business was crucial.

31. It was understood that the Growth Hub would be part of a national network and therefore that the core content would be a menu of national information sources and links. Comments suggested that businesses found existing websites rather opaque, and it was hoped the new site⁷ would be easier to navigate. The Kent & Medway Growth Hub therefore needed to bring additional dimensions to business support rather than simply duplicate the national site.

32. There was a firm consensus that however good a website is, and the information it contains, enquirers wanted a human face (or voice) to whom they could talk at the initial stage of their enquiries, so that subsequent on-line searching could be better focused and directed. This would be an essential ingredient of effective signposting. Ideally, businesses would like to speak to named contacts who would in effect be their case-handler: this would build confidence in the service and enable better follow-up and accountability. Businesses contacting the Hub should only have to provide the same information once: effective CRM

⁶ <http://www.kent.gov.uk/education-and-children/college-sixth-form-employment-and-training>; also its counterpart for Medway unitary authority area, <http://www.yourchoiceinmedway.org.uk/>.

⁷ <http://www.greatbusiness.gov.uk/>

systems should enable advisers to check facts and signpost enquirers without rehearsing previous conversations.

33. It would be helpful for advice and information to be structured according to the stage in a business's evolution – e.g. pre-start, start-up, consolidation, growth, sustainability, diversification, etc.
34. Suggestions of information that businesses would like from the Growth Hub included:
 - Announcement of new products, e.g. local or national initiatives, funding programmes and other support packages. In the case of national provision, provide local 'interpretation' (e.g. eligibility of areas, companies, categories etc). This could include targeted communication with clients/users to raise awareness of products pertinent to the subject of their previous contact with the Growth Hub.
 - Good practice resources and up to date advice on aspects of running a business, e.g.: business planning, employment law, recruitment, health & safety, planning, trading standards, tax, company law etc.
 - Information about forthcoming regulatory and legislative measures relevant to business, and interpretative information about their likely impact / what businesses need to do to prepare or respond.
 - Sources of funding / access to finance schemes to support different business needs, including the current offerings from commercial lenders (banks etc) as well as other business grants and loan schemes.
 - Up to date registers of business premises - offices, workshops, incubation space, industrial units, etc.
 - Up to date lists / database of local training providers
 - Information about the availability of cross-sectoral apprenticeships; and more generally links to apprenticeship vacancies website and other relevant personnel-related information.

35. **Other suggestions for consideration:**

- **Story-led approach.** As with the previous topics, personal testimony and case studies can be a powerful tool for communicating messages and information, for instance about how advice and information has been used and the impact it had on a business. Presentationally, case studies might work well as up-front on the Growth Hub site, with information behind to drill down into.
- **Develop a list of recommended, professional non-executive directors who could be appointed to boards of SMEs to provide mentoring, strategic experience and direction, and rigour to help ensure SMEs achieve their business objectives and targets. Though essentially pro-bono, expenses or subsidised fees should be publicly funded, ideally sponsored by central Government.**

Topic 4: What kind of advice or support would be most helpful to your business?

36. Business support needed to be more than being directed to web-portals and self-help approaches. The discussion about what types of advice and support were most valued overlapped with and reinforced the comments and suggestions about the type of information that would be useful from the Growth Hub. But the emphasis was clearly on human

interaction – businesses and entrepreneurs being able to talk to someone about their ideas and issues. And those advisers needed to be knowledgeable and positive, with a pro-business attitude.

37. There were likely to be different tiers and intensity of advice needed: superficial direction to appropriate information; a more diagnostic stage so as to narrow the scope of the enquiry and point to relevant detailed information and support; direct engagement (at different levels, and iterative) to help the ‘customer’ to progress on an agreed course of action. Some businesses, particularly start-ups, might need patient listeners and a degree of hand-holding.
38. Most businesses – like anyone else seeking advice – want to know who they can talk to for free, and at what stage, and for what services, they must expect to pay, and how much. It might be difficult, and might not be appropriate, for the Growth Hub to try and list all organisations seeking to offer services on a commercial basis, though there could be ways of doing this reactively. But the Hub needed to be proactive in listing at the very least publicly-funded and not-for-profit sources of advice

39. Other suggestions for consideration:

- **Transparency about any fees and charges arising from using services offered through the hub or by organisations to which enquiries are referred.**
- **Providing some kind of centralised corporate/HR-type services for SMEs to give them access to the kinds of expertise and disciplines available within large companies**
- **Create on-line forum(s) to facilitate discussions and peer-support amongst businesses around topics where support is sought, and to encourage sharing of good practice.**

TGKP

December 2014