

Feedback from round-table discussions

There were three sessions during the event for small round table discussions with the questions addressed during these sessions being:

- Q1a. What are the challenges facing business in North Kent?
- Q1b. What are the opportunities facing business in North Kent?
- Q2a. What is needed to help business grow in North Kent?
- Q2b. What should be in an RGF bid for North Kent?
- Q3. How can we achieve effective business engagement?

The points made are summarised below.

Q1a. Challenges facing business

General economy – Sectors, such as construction, have been badly affected by the economic downturn, but there is some evidence of it picking up lately through public sector contracts. Private sector investment remains scarce.

Investment finance - Finding finance to invest is an issue and many companies would grow if they had the finance for this. A negative perception of the Banks towards the North Kent property market is influencing their lending.

Ambition – North Kent is not perceived to have sufficient levels of ambition. More needs to be done to promote what has been achieved in North Kent and to engender a more positive attitude.

Confidence - There is a lack of confidence amongst North Kent businesses to capitalise on Kent's routes to market, including international markets. SMEs lack the corporate skills and support necessary to help them through the current economic climate.

Skills

- **Shortages** are affecting some sectors, such as precision engineering.
- **Skill Training costs** are often prohibitive for SMEs, with the result that opportunities to develop business are being lost.
- **Low skill levels** have the knock on effect that the cost of living is high for those on low level wages.
- **Lack of corporate skills** amongst North Kent workforce.
- **Poor work ethic.**
- **Wage pressure** from London caused by improved accessibility to the Capital and is bringing a 'skills drain' to North Kent.

Planning system – Delays caused by planning can be detrimental for development. The empty property rates policy is highly destructive and could lead to a significant loss of commercial property, such as at Pfizer in East Kent.

Business space provision – North Kent is an expensive area for rates and rents and there is not enough quality commercial space for existing businesses to expand into or for business start-ups.

Q1b Opportunities for business

Relatively buoyant local economy - The economy of North Kent, being part of the South East, is still relatively 'busy' and there is a lot of small building works going on. The large projects underway– such as Rochester Riverside – offer opportunities to facilitate innovative skills development, utilising s106 agreements and existing skills centres.

Positive planning changes - The new National Planning Policy Framework (NPPF) will bring positive changes to the planning system and has the potential to reduce bureaucracy. North Kent local authorities have a more welcoming approach to planning

Opportunities in Manufacturing - There are opportunities for growth in manufacturing, which continues to be important in North Kent. Some manufacturing, such as domestic furniture manufacture, that moved to the Far East is now coming back, as costs (such as for transport) are escalating.

Capitalising on recent investment - North Kent has had significant infrastructure investment over the past 10 years and as a result is now in a stronger position to move out of recession. The new developments in North Kent (such as Bluewater and Eastern Quarry) mean perceptions are becoming more positive and we need to capitalise on this.

Diverse business base - North Kent has a large proportion of small businesses that gives it a diverse business base. These are able to respond more flexibly to changing conditions and restructure to survive changes in the economic climate.

Thames Gateway branding opportunities - There is value for North Kent in the Thames Gateway brand, which gives it a 'river-focused' identity.

A quality location for business - North Kent is an attractive place to live. It is in close proximity to Europe which offers opportunities for businesses to import and export to Europe. But, we need to balance the quality of life with the quality of service provision

Q2a What is needed to help business grow in North Kent

Develop closer links with existing groups with a remit to support business – These include the group of banks working together in Kent, KEB, KEB BAB and the SELEP. We need to promote what these groups are doing to help businesses take advantage of new business grant opportunities. We need to ensure that North Kent does not lose out as a result of the Enterprise Zones in neighbouring areas.

Promote a positive attitude to growth – To realise the potential of the area there needs to be more debate and a positive attitude towards development, including a more relaxed planning regime to create the climate for growth.

Infrastructure – Need to ensure that high speed broadband is available to existing business and is also essential for attracting inward investment. There is a need for more high quality premises for both business start-ups and existing businesses

Support areas/sectors with good prospects for growth – Some sectors, such as green technology industries, offer particular opportunities for growth. We need to maximise the potential of our existing cluster of manufacturing industries

Support skills training and encourage apprentice uptake – Smaller local businesses need financial support for skills training. The benefits of taking on apprentices needs to be promoted more to business. There needs to be investment in the skills base of North Kent to ensure the continuation for skills for the future. Employability skills need to be encouraged amongst both school leavers and graduates - there is a gap between academic and work skills.

Strengthen links with universities - Businesses in North Kent need to capture more the HE capabilities, both of the academics and the students, for the benefit of the local economy.

Encourage greater engagement between businesses - Businesses would benefit from greater engagement with other businesses, such as through establishing forums or peer/sector groups where ideas can be cross-pollinated and like-minded businesses can meet. Forming business partnerships between Kent businesses with funds to invest with others that have the potential to grow but lack funds should also be encouraged. Developing a local business directory for local purchasing would also help the development of local supply chains.

Establish better engagement between the business and the public sector - recognise our common objectives as 'North Kent Ltd'.

Marketing / Promoting North Kent – Market the area more to inward investors to attract jobs to meet the needs of those currently commuting. We need to 'think bigger' in terms of inward investment.

Business support – Many SMEs no longer have the management resource to develop and grow, so business mentors and support is needed to help them grow. North Kent also underperforms internationally, so support is needed to help businesses 'internationalise' and take advantage of North Kent's close proximity to Europe. There also needs to be greater business rate flexibility locally to encourage retention of commercial property and investment for business growth.

Q2b What should be in an RGF bid for North Kent

Loans for SMEs - these should be 'secured' loans rather than 'unsecured' if we want to ensure 'pay back'.

Business support - funding for one to one business advisors and business mentors.

Business start-up grants – small businesses need small amounts of capital to get started.

Development of 'Hot Hubs' - innovation centre-style initiatives.

The bid should focus on:

- **innovation** and the **manufacturing sector**

- **enhancing the manufacturing base** of North Kent and build upon our existing reputation
- **unlocking the ability to work collaboratively** and unlock the appetite to invest – particularly as many companies have ‘millions sitting on their balance sheets
- **encouraging collaboration partnerships** between companies with ‘potential’ and companies with ‘resource’.

Q3. Achieving effective business engagement

Incentives - Businesses may be more prepared to engage if they see something in it for them. Business rate reductions in exchange for engagement was a suggestion.

Networking opportunities - There is demand amongst businesses to share their experiences and form collaborations. There is scope for setting up smaller peer groups that focus on particular sectors or look at and advise on particular issues, such as public sector procurement, government tendering procedures, EU legislation.

Range of engagement - A range of communication media should be adopted, including social media, to help ensure engagement across a wide range of businesses (especially SMEs) in North Kent. Ideas include creating a ‘linked-in’ North Kent discussion group.

Private sector led – Getting the private sector to lead will make for more effective engagement with the public sector. Try to involve the large companies in North Kent (e.g. BAE Systems).

Use intermediaries - Business accountants and lawyers can act as intermediaries to gain access to businesses and will lead to better attendance at events.

Engagement needs to be ‘managed’ - Need to ensure that the public sector is not just engaging with the same faces from the business sector

Demonstrate progress – Business needs to see progress coming from engagement, including feedback from the Breakfast Event.

Establish a Core group – Forming a smaller group of private and public sector representative could help drive the engagement agenda forward.

Existing business representatives – Make more of SELEP business members based in North Kent (3 or 4) and their established networks.

Any engagement needs to ensure that:

- There **is not a ‘them’ and ‘us’** attitude which can be reinforced by different vocabularies and use of jargon and unknown acronyms
- It **does not duplicate existing groups** - there is a concern that there are too many groups (FSB, CBI, Chamber, KEB BAB, SELEP)
- There is **a focus on ‘delivery’ and not ‘strategy’**, to ensure it does not become a ‘talking shop’.