KENT BUSINESS SUMMIT 2019
SUMMARY REPORT

CONTENTS

Disclaimer

The Kent Business Summit Report is a summary of the keynote presentations and 15 round table discussions held on the day. The report captures the voice of stakeholders in the County. The actions listed are not prescriptive; they are a starting point for further discussions between the Kent business community, local government and academia.

INTRODUCTION

In this report you will find summaries of the round table discussions – topics which Kent businesses see as important for a thriving Kent economy – together with actions in the year ahead for working in closer collaboration.

It was very much apparent that collaboration emerged as this year's headline theme; working closer together, sharing ideas, making new connections and seeking solutions to business issues to ensure sustainability in these uncertain times.

We are each adopting different approaches. Some are understandably being cautious and waiting to see how the Brexit negotiations eventually play out; others already have plans in place to explore new markets, take innovative approaches and invest in technology, R&D and people skills.

As you plan ahead, I would encourage you to connect with us. Economic prosperity for the region is at the heart of our Civic Mission and we are here to support you through our world-class research, our business expertise and our high-calibre graduates – your workforce of the future.

The role of the University, through the Summit, is to act as a neutral facilitator for discussion, provide thought leadership and encourage collaboration. Together with our Summit partners, their members and stakeholders, we seek to capture the voice of business in the region to help inform business partnership bodies and local and national Government planning.

None of this would be possible without the support of sponsors. Martin Meyer, Dean of Kent Business School, and I, together with our Summit partners the FSB, the IoD and Locate in Kent, would like to acknowledge principal sponsor Crowe, Malcolm Hollis, Cripps Pemberton Greenish and Southeastern Railway for helping us make this year's Summit such a tremendous success. On a separate note, we would like to extend our special thanks to Sleeping Giant for designing the Summit logo.

The next Summit will take place on the 10 January 2020 at Kent Business School, Canterbury campus.

In the interim, we look forward to working with you in the year ahead.

Professor Karen Cox
Vice-Chancellor and President

Professor Karen Cox
Vice Chancellor and President,
University of Kent

Professor Martin Meyer
Dean, Kent Business School

1 KENT TRANSPORT INFRASTRUCTURE

1.1 Key developments and challenges

Connectivity is an engine for growth and essential for the UK to compete on a global scale. There is a cyclic relationship between connectivity, infrastructure and the UK economy. Currently, the UK sits in 10th and 20th place respectively on the global scale for road and rail competitiveness. Countrywide, there has been a historic underinvestment in transport infrastructure, which is revealing itself now that demand on road and rail networks is increasing.

Kent's transport infrastructure is characterised by two sharp east-west road corridors – A2/M2 and M20[1] – and a high-speed rail corridor east to west. The Port of Dover is one of the world's busiest passenger ports and handles 20% of the country's freight, with 10,000 lorries passing through daily.

Kent is seeing increasing congestion levels on its major routes, resulting in delays in the wider network. This is caused by a multitude of factors: an outdated and unevenly distributed road and rail network, a reactive rather than a proactive approach to infrastructure problems, more people on the move[2], more people occupying houses or businesses insufficiently supported by infrastructure and limited availability of funds to solve these problems.

There is a general fear that a disorderly Brexit will – at least temporarily – lead to heavy congestion on the roads to and from the Port of Dover, but the Department for Transport (DfT) and Kent County Council (KCC) remain confident that the situation is in hand.

As a crucial international gateway for people and business, improving connectivity with the rest of the UK remains one of the biggest challenges for Kent in the short-term. Providing better roads for inter-county and international traffic should, however, be balanced against improved local connectivity, especially as most Kent commuters travel within the county.

Several large infrastructure improvement projects are underway or under consideration: the Lower Thames Crossing (LTC) will solve problems in the Dartford area, whereas Crossrail – especially when it eventually expands to Ebbsfleet – will provide an alternative and quick connection to Heathrow and the west of the country. The HS4Air project – if it were to get the go ahead – would put two international airports firmly within an hour's reach of Kent.

In the medium-term, planned housing developments throughout the wider southeast will provide an additional major challenge to Kent's transport infrastructure. Kent has a population of 1.6 million, which is expected to grow by about 25% in the next decade on the back of new homes to be accommodated in the county and commercial activity. The anticipated Cambridge-Milton Keynes-Oxford Arc will see another one million homes built along its corridor.

In the longer term, changing ideas about mobility (Mobility as a Service – MaaS[3]), connectivity (digital connectivity over physical connectivity) and the environment (Active Travel[4] and public transport replacing cars), in combination with the advance of smart transport technology (autonomous cars, virtual freight queueing), may lead to a complete overhaul of our existing transport infrastructure, and may give us an entirely different set of challenges to deal with. Sustainability is increasingly on people's minds when discussing travel and transport, though few seem to understand the (drastic) measures that would need to be taken if one were to implement a truly sustainable transport system.

Transport planning in the UK is not straightforward. At national level, Network Rail and Highways England manage their respective networks separately. Strategic coordination between the DfT and district councils, boroughs and transport authorities is not taking place, and all parties work with individual budgets. This hampers long-term strategic land-use planning, which takes into account social, economic and environmental plans and policies, and leads to growing inefficiencies in the transport network. Newly established regional transport body Transport for the South East aims to change this.

1 Greatest pressures are seen on the A21, the M20 outside Dover, as well as all routes on the approach to M25 and London.

2 Since 2010, leisure journeys to Kent via HS1 pa have increased almost nine-fold, from 100,000 in 2010 to 890,000 in 2016.

3 Term used to describe digital transport service platforms that enable users to access, pay for and get real-time information on a range of public and private transport options. These platforms may also be linked to the provision of new transport services – Government Office for Science, Mobility as a service in the UK, change and its implications (December 2018).

4 Walking or cycling as a means of transport in order to get to a particular destination such as work, the shops or to visit friends. It does not cover walking and cycling done purely for pleasure, for health reasons, or simply walking the dog. Active travel can be for complete journeys or parts of a journey – www.kent.gov.uk/about-the-council/strategies-and-policies transport-and-highways-policies/active-travel-strategy

1.2 Round table on an integrated transport infrastructure for Kent

Chair: Mark Valleley, Technical Manager, Transport for the South East

Priority areas

- **Maximise the use of technology** in making (the use of) the existing transport infrastructure smarter, and invest in digital connectivity (5G) to allow for more flexible/agile working.
- **Move away from a narrow cost-benefit approach to transport infrastructure** and incorporate the economic and social benefits that an efficient transport infrastructure brings to a region.
- (In light of the above) **Devise a transport strategy for the South East** (top-down, Transport for the South East in partnership with Network Rail, Highways England and the relevant regional agencies/authorities) to ensure a joined-up approach in which housing and commercial development sites are supported by the necessary infrastructure.
- Make the case for **enhanced investment in transport infrastructure in the South East**. Our area makes a huge contribution to UK plc in terms of its GVA – which justifies investment into infrastructure to ensure continued delivery.

Suggested actions (for transport for the South East)

1. Lobby central government to invest in a smart transport infrastructure (integrated ticketing, smart future technology), and digital connectivity (5G) to allow for flexible working.
2. Incorporate the need for better north-south rail and road connectivity in Kent.
3. Seek to influence Department for Transport and the infrastructure programmes of Network Rail and Highways England, with the aim to achieve a more joined-up approach with better aligned planning and investment.
4. Seek to partner with local, regional and central authorities and agencies to devise a top-down long-term structure plan for the South East.
5. Lobby with government to commit to longer-term infrastructure spending and look into alternative, private investment schemes (with return on investment through, for example, introducing a road user charge).

"The Summit was an excellent opportunity to engage with businesses and understand industry specific issues."

Dr Umair Shafi Choksy
Lecturer in Strategy and International Business, Summit Rapporteur

1 KENT TRANSPORT INFRASTRUCTURE (CONT)

1.3 Round table on Kent transport system and sustainability

Chair: Andreas Markides, Managing Director, Markides Associates

Priority areas

- **Understanding what the development of a sustainable transport system really means:** If we want to encourage sustainable solutions to transport challenges in Kent, we may have to look more critically at large infrastructure projects currently underway or under consideration. What is their impact on the environment? Are they going to solve the problem in the longer term? If we want to promote public transport, we have to look at how to improve service and offer a better price.
- **Holistic approach to the development of a transport infrastructure for Kent:** Central transport agencies should work together with (an umbrella organisation of) regional bodies and local authorities to develop a long-term strategic transport plan, taking into account the needs of people in Kent, the environment, available technology and changing behaviours vis-à-vis travelling.

- **Learning from others:** There are numerous good examples of sustainable transport systems across the world. We should invest more time researching these examples and exploring how they can be translated to the UK context.

Suggested actions

1. We need a long-term strategic transport plan drawn up by an umbrella organisation – (Transport for the South East or some other configuration) – which brings together all the different players (KCC, transport bodies and providers, councils etc.) and bids for funding, like the examples of the Cambridge-Oxford Arc and the Northern Powerhouse and City regions.
2. Develop a pilot to showcase Mobility as a Service (MaaS) based on pilot ArrivaClick around Kent Science Park and Sittingbourne and good examples in other countries, coordinated and funded by KCC, working together with public transport service operators and other stakeholders in Ashford, Canterbury or new development projects such as Ebbsfleet Garden City or Otterpool Park.
3. Encourage modal shift[5] in Kent through:
   - Understanding the gaps in the public transport service (journey data collection and analysis).
   - Improving public transport services (routes, frequency, interchange between various modes of public transport).
   - The use of new technology (smart ticketing, travel apps).
   - Simplification of the public transport ticketing system.
   - Car-sharing clubs (to be encouraged by businesses also).
   - Improving hard infrastructure to promote active travel.
4. Local government and business to encourage people to use public transport and engage in active forms of travel.
5. Local government and educational institutions to inform young people about sustainable travel, modal shift, active travel and MaaS.

5 Modal shift means replacing a saturated means of transport with another to make the first less congested.

1.4 Round table on the role of rail transport in providing a platform for growth

Chair: David Statham, Managing Director Southeastern Railway

Priority areas

- **Network improvements:** Service provision across the county is uneven and railways are still constrained by 19th century signalling concepts (only one train in any route segment). Integration between track owner (Network Rail) and operator (Southeastern Railway) is better than in many other parts of the country, but could still be improved. Looking at the future, housing planning and railway planning should be integrated.
- **Overhaul of existing ticketing system:** Ticketing should change to suit for a flexible lifestyle, and certain features as introduced by Transport for London (pay as you go, capping) could be applied to the railways, too.
- Southeastern Railway to seek **partnership** with Kent Business School in a **data analysis project** around data collected from railway journeys, passengers etc. in order to improve customer service delivery.

Suggested actions

1 Southeastern Railway to continue building partnerships with local authorities and businesses, collaborating wherever possible to improve passengers' experience of travelling by rail.
2 Stakeholders to lobby for an extension of Crossrail extension to Ebbsfleet.
3 Train Operating Companies and the Government to work together on a simplification and modernisation of the fares system to improve passengers' confidence and trust.
4 Southeastern Railway and Network Rail to tackle rail network congestion, enhance capacity and improve journey times through improvements in signalling.

"You get a really powerful perspective today from businesses and business organisations, and some cutting edge thinking in terms of academia."

David Statham
Managing Director Southeastern Railway

1 KENT TRANSPORT INFRASTRUCTURE (CONT)

1.4 Round table on moving people, goods and services in a post-Brexit world: the LTC and other road infrastructure projects in Kent

Chair: Tim Jones, Project Director Lower Thames Crossing

Priority areas

- Promoting the application of **digital road technology** in Kent and the South East in order to maximise the flow of traffic.
- Drawing up **an integrated plan/strategy for Kent,** which looks at housing, business development, wealth distribution and the environment, with a transport infrastructure that connects all. The planning process should include criteria to satisfy the integrated planning aspects, rather than being driven by short-term targets.
- Creating **sustainable communities** in Kent (Medway, Ashford and Ebbsfleet are beginning to be beacons of change) – places where people want to live, work and play – through an effective place making campaign. Kent needs strong leaders that put place making and integrated planning at the centre of their policies.

Suggested actions

1 KCC to initiate talks with Border Force, Highways England, service providers and French authorities to discuss the implementation of the digital road network in Kent.
2 KCC in collaboration with Kent Business School to undertake data analysis, a feasibility study and business modelling into the use of disruptive digital technologies (virtual queueing, platooning[6]) to optimise the flow of traffic (freight and passenger) through Kent and the South East.
3 KCC to explore the formation of partnerships with global disruptors such as Amazon, Google and Microsoft and obtain their (free?) support in a place making campaign for Kent.
4 See Brexit as an opportunity and use existing transport and cross-sectoral networks in Kent to promote triple helix collaboration[7] and work together on a long-term vision and integrated plan for Kent.
5 KCC together with Kent MPs to pressure central government in producing a long-term connectivity vision for Kent, linked to available and anticipated budgets.

6 Technology that allows vehicles to travel in close formation on the road.

7 A triadic relationship between university-industry-government in the Knowledge Society.

"The voice of Kent businesses is loud and clear: effective transport infrastructure is vital for our region. Going forward we need a much more joined-up approach to planning, and the Government must consider the case for long-term investment. The Summit was highly constructive, bringing together leaders to explore how we can inject more innovation in our transport system."

Lesley Bennett
Head of Regional Relationships South
Institute of Directors

2 THE GARDEN OF ENGLAND: BUILDING A GREAT PLACE TO WORK, LIVE AND VISIT

2.1 Key developments and challenges

Kent has a lot to offer to visitors, (new) residents and businesses. It is an attractive and green county, boasting a 350 mile coastline and many Areas of Outstanding Natural Beauty (33% of the county[8]) taking in the Weald, the Kent Downs and the White Cliffs of Dover. The County is well-connected to London by high-speed rail (HS1, the planned Crossrail extension) and an extensive road network to the rest of the country and to the Continent (two operational ports on the Kent coast[9], Eurotunnel, Eurostar and close proximity to four international airports), whilst the proposed Lower Thames Crossing will improve its connectivity to the rest of the country. Cost of commercial and residential property is very competitive compared to London prices, and various Garden City plans across Kent are currently under application/development. The County's schools offer excellent education opportunities to a wide audience. Young talent is available through a number of colleges (such as the Hadlow Group and East Kent College Group), as well as the University of Kent (UoK), Canterbury Christ Church University (CCCU) and the University for Creative Arts (UCA).

Domestic and international visitors flock to the county: in 2017, 65 million visitors came to Kent, making it the third most visited **English** destination for **overseas** staying visitors outside of London, spending a total of £3.8 billion and supporting 77,000 jobs[10] in the County. The challenge for the tourism industry is to find ways to convince visitors to stay longer and spend more money in all parts of the county, instead of just focusing on Canterbury, Leeds Castle, Dover Castle and the White Cliffs.

Reportedly, around a fifth of the Kent working population commutes to London, which would indicate that a large part of the population lives *and* works in the county. Key industries offering scope for further growth in terms of jobs and economic activity are:

- Food & Drink: Kent and Medway had nearly 2500 food and drink production enterprises as of 2018[11], most of which are linked to the agricultural sector. The wine industry in particular is turning into a success story, epitomised by the Wine Garden of England. Other success stories include the UK's largest single unit greenhouse at Thanet Earth and the agri-tech research undertaken by NIAB EMR in West Malling.

- Creative and Digital: Adding £100bn to the economy nationally (more than the automotive, aerospace, life science and gas and oil industry combined), the creative and digital sector in 6 districts across Kent saw an above national average growth in the last five years[12]. Exciting projects such as the Thames Estuary Production Corridor, the Cultural Development Fund led by the University of Kent and Medway's strategic re-positioning as a creative city will further boost jobs.

- Manufacturing: Kent and Medway host over 3500 manufacturers employing more than 45,000 skilled staff. CCCU is currently building the EDGE Hub, a multi-million pound facility based in Canterbury, with satellite facilities at Discovery Park, Medway and other parts of Kent, which will support high-value employment, growth and investment in engineering and technology businesses.

- Life Sciences: Over 250 life science businesses operate in the county (generally well-connected to other life science hubs in the country), of which 70 are involved in medical devices and technology in Kent and Medway. Kent's technical infrastructure for life science businesses is growing, too. Discovery Park and Kent Science Park are flourishing and becoming veritable eco-systems with professional service providers relocating to the sites, whereas the growing Kent Medical Campus and future Kent and Medway Medical School will offer a new pipeline of talent and research know-how to the sector.

The food and drink industry forms a major part of the agri-food sector, a significant contributor[13] to the national economy and the guardian of the UK's characteristic landscape. The agri-food sector had a *turnover* of £557mln in 2016/17 and employed 22,400 people across Kent and Medway in 2017[14]. A lack of a joined-up approach by the various groups that make up the sector is seen as a primary reason for its relative invisibility. Brexit is generally considered a major threat due to the sector's dependency on EU funding. Jobs in the rural sector are changing fast due to increasing use of technology and innovation, with demand for skilled labour on the rise.

Key to attracting **new** businesses to Kent is the availability of sufficient commercial property of suitable quality in the right place connected to communities, infrastructure and to networks they can take advantage of. Currently, however, SMEs struggle to find medium-size plots to set up and/or further grow their business. For larger corporates, access to a local talent pool and the ability to attract international talent (who want good salaries, housing and educational opportunities for their families) is of paramount importance. Digital connectivity across Kent, particularly in West Kent, and inadequate bed stock for business visitors remain other big challenges.

Attracting and retaining talent in Kent remains difficult, though we are seeing gradual change. Kent graduates may find their first job with a Kent business, but a large percentage will eventually move to London because it is perceived as the only place where one can 'make a career' and earn good money – even though a good proportion of that will be spent on expensive accommodation. However, there is a growing reverse movement of London residents in their 30s – young families, looking for cheaper housing and a better quality of life – (back) to Kent. The percentage of the Kent population commuting to London is labelled as *latent talent* – given the right salary proposition and the prospect of better quality of living, they might also be convinced to work in the County. Finally, flexible working arrangements may lead to young people choosing to live in Kent, work from home for several days and commute to London as and when is necessary. Within Kent, certain areas (larger towns, West Kent) attract more talent than others (Thanet, with the exception of Margate and Discovery Park).

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8 www.kentdowns.org.uk/about-us/what-is-an-aonb

9 Sheerness and Dover ports

10 www.visitkentbusiness.co.uk/library/Cambridge Model_2018/Kents_Visitor_Economy.pdf

11 Statistical Bulletin January 2019, KCC – Food and Drink Production Industries in Kent

12 Statistical Bulletin October 2018, KCC – Creative Industries in Kent

13 The agri-food sector to the national economy increased from £113 billion to nearly £122 billion in 2017 according to the Defra's new State of the Farming Economy report

14 Statistical Bulletin October 2018, KCC - Business Register & Employment Survey (BRES) results for 2017, p.13

2 THE GARDEN OF ENGLAND: BUILDING A GREAT PLACE TO WORK, LIVE AND VISIT (CONT)

2.2 Round table on targeting new audiences: a new tourism strategy for Kent

Chairs: Deirdre Wells, CEO and James Dawson, Head of Creative Digital and Marketing, Visit Kent

Priority areas

- **Knowing your own customers:** Customer profiling allows for a more tailored offering and targeted marketing. Kent is a large county with a varied offering: cultural heritage, nature, leisure, retail, food and drink. Businesses operating in the visitor economy have to understand the changing preferences and profiles of their customers so that they can fine-tune their offering and feed into the targeted marketing strategy of Visit Kent's Visitor First strategy.
- **Information-sharing:** Between visitor economy promotional and membership organisations (Locate in Kent, Visit Kent, Produced in Kent, English Heritage, the National Trust, Historic England amongst others) and businesses operating in the market about:
  - Customer intelligence: customer profiles, visitor journeys, visitor feedback.
  - Customer offerings: to encourage partnerships between businesses (combined offerings, events).
  - Customer marketing: which channels are used and what works best? Info sharing can drive customer traffic among the sector.
- **Use the Kent food and drink sector as a 'magnet':** and especially the emerging wine sector – not just the Wine Garden of England group, but the entire sector including smaller producers and suppliers – as it is a clear USP for Kent. Other businesses could leverage this and benefit from it.

Suggested actions

1. Visit Kent to take the lead in promoting knowledge sharing on customers, offerings and marketing intelligence between visitor economy bodies and businesses operating in that sector, with the aim of developing a uniform marketing message and improving targeted marketing.
2. Visitor economy bodies to encourage businesses in the sector to partner up (like the Wine Garden of England model) and develop combined offerings and events which lead to visitors staying longer in Kent and spending more.
3. KCC and SELEP to provide funding for knowledge-sharing and collaboration initiatives in the visitor economy sector in Kent.

"What has not been a surprise but quite heartening is the readiness of partners to work collaboratively."

Deirdre Wells
CEO Visit Kent

2.3 Round table on Kent's draw to businesses, now and in the future

Chair: Gavin Cleary, CEO Locate in Kent

Priority areas

- **Need for research** into the reasons for businesses to locate to Kent (or not), to inform targeted marketing campaigns and to help local government prioritise actions to be taken to make the county an (even) more attractive place for businesses to set up shop.
- **Working together in making a business case for Kent:** speaking with one voice and highlighting its many strong points, such as its cultural heritage, its reputable educational institutions, its technical infrastructure, its creative community and thriving food and drink industry.
- **Changing young graduates' perspectives on career prospects in Kent**, and provide a reality check on moving to London, graduate salaries and working for large companies. A great job does not necessarily have to be with a large company, there is a great deal to learn from working for an SME, commuting to London eats into the working day and the extra money earnt in London will often be spent on expensive accommodation and/or transport.

Suggested actions

1. Lobby with local government for better digital connectivity throughout Kent.
2. Locate in Kent (LiK) and the Kent Developers' Group in conjunction with districts, KCC & Medway to look into the utilisation of Kent brownfield sites for the development of commercial property as well as additional working spaces for smaller businesses.
3. Kent Business School to explore research with LiK into why businesses choose to locate to Kent (or stay away).
4. Develop a county place-making campaign, highlighting its strong points, for businesses in order to attract and retain talent in the county.
5. Research the benefits (and challenges) of the establishment of enterprise/tax-free zones in Kent post Brexit – how would this attract (international) business?

"Kent is a region open for business, providing a supportive environment for companies to grow."

Gavin Cleary
CEO Locate in Kent

2 THE GARDEN OF ENGLAND: BUILDING A GREAT PLACE TO WORK, LIVE AND VISIT (CONT)

## 2.4 Round table on the role of the rural sector in the Kent economy

Chairs: Mark Lumsdown-Taylor and Charles Tassel, Board members Rural PLC

Priority areas

- **Collaboration in the sector:** The smaller food and farming businesses in Kent should work together to allow for upscaling (serving larger contracts).
- **Speaking with one voice:** The rural sector and its support supply chain should speak with one voice and work together in the promotion/marketing of the sector and its produce – Buy Kent campaign.
- **Cross-sector partnerships**: between the rural sector and sectors that supply to, or rely on it – the engineering/tech, tourism or educational sector – should be encouraged, in order to change the profile/perception of the rural sector and show that its role in Kent is prominent.

Suggested actions

1 Establish a rural sector cluster for farming and agri-food business as well as support supply chain businesses, and promote collaboration.

2 The cluster to draw up a profile – the rural sector is a relevant and tech-driven industry offering career prospects for a wide range of skills – and strategy for the Kent rural industry.

4 The cluster to draw up an internal and external communications plan to support the strategy and ensure the rural sector speaks with one voice.

5 The cluster to establish partnerships with clusters in other sectors (engineering/tech, education, tourism) to promote collaboration in teaching, professional education, research, business and promoting Kent/Kent produce.
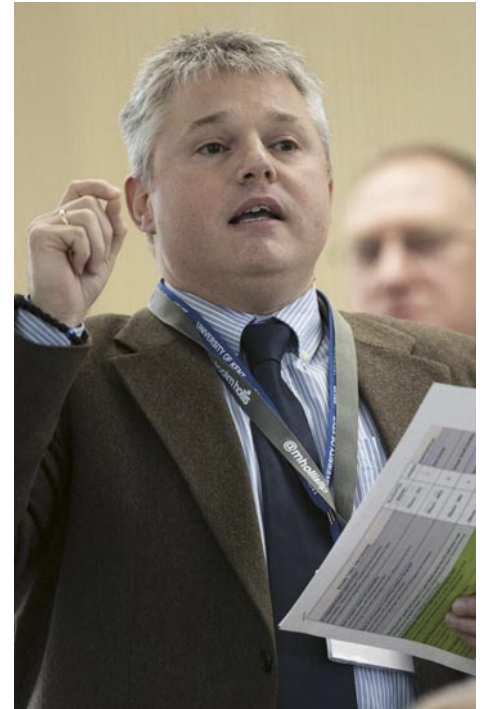
3 INNOVATION AND PRODUCTIVITY IN KENT

3.1 Key developments and challenges

The UK features high on the 2018 EU Innovation Scoreboard. It sits fifth in the ranking of 28 countries, in a group of six countries who are Innovation Leaders, with innovation performance well above the EU average. Its performance has consistently increased over time, and in 2018 the UK has extended its performance lead over the EU average by 50% compared to 2010. This reflects a real commitment in the UK to protect and grow science and innovation during the tough economic times in the past eight years.

Productivity in the UK in the last ten years has been less of a success story. We have in fact been flat-lining across all sectors since before the financial crisis in 2008. Productivity is the defining prosperity indicator so this trend indicates that standards of living in Britain are stalling. The UK finds itself behind the European productivity curve which, with Brexit looming, is undesirable. In order to retain a competitive advantage, the UK would have to outperform Europe in a post-Brexit world. Surprisingly, many businesses do not know what productivity actually is, and have trouble translating what they want to achieve into implementing day-to-day measuring mechanisms to ensure that it is actually achieved.

Leadership and management – creating the conditions, structure and culture within a firm that sets them up for success – has a huge impact on productivity. UK and international research shows that better leadership and management will drive up company productivity and therefore national productivity. Many self-appointed managers in the UK lack the required skills to run a business. In larger companies, great technical experts are often promoted to a management position on the basis of their performance or initiative, without looking whether they are good people managers. Many UK managers are not used to discussing with their employees what is expected of them on a daily, weekly and monthly basis – it is often seen as too confrontational. Too little time is spent (many SMEs state they do not have the time or the resources) on investing in work processes, performance measurement, staff training and employee participation. As a result, staff often feel undervalued, performance slips and work ethic slumps, which in turn leads to high staff turnover rates and low productivity.

Kent's productivity levels in 2018 fell behind those of the Southeast and of England.

Innovation and productivity are both priority areas for Kent County Council and it is currently working on its Enterprise and Productivity Strategy. The Council recognises that businesses in Kent still very often work in isolation, are insufficiently aware of who their customers are, what they want and which other businesses in the area they could partner with, which does not help them to become more innovative or efficient. It also sees a real need for (soft) skills training of the younger generation in order to boost productivity, but appreciates that government-supported programmes such as the apprenticeship scheme are bureaucratic and cumbersome.

Whereas local government has in past years focused its support on life science and tech businesses, the creative sector is increasingly seen as an important driver for innovation. It also has a considerable impact on the UK economy – its value UK-wide was over £1 billion last year – and is a good source of employment; it is by nature fairly resistant to automation.

Kent is fast becoming a hub for creative industries. It has taken a long time, and a lot of perseverance, bravery and public and private investment, but the face of Kent is changing. Consider coastal towns Margate and Folkestone, the transformation of Canterbury, Tunbridge Wells, Gravesend and developing areas such as Ebbsfleet (Garden City) and Medway (UK City of Culture 2025 bid). The wider Thames Estuary Production Corridor has just been granted £3.4 million in government funding. In addition to larger projects, and specific creative hubs or locations, there are numerous creative businesses working across Kent, albeit in a much less visible way.

At university level, the University of Kent has established the Institute for Creative and Cultural Industries (ICCI), which works together with other universities (CCCU, UCA, University of Essex), business and industry, and local government (Medway Council, KCC). The University of Kent is also helping Medway in its bid for 2025 UK City of Culture through the ICCI partnership.

Corporates in the region increasingly realise that working with creatives is of paramount importance to their success. The Go Ahead Group, of which Southeastern Railway is a subsidiary, for example, runs the Billion Journey Project, offering space and support to creative businesses who can help solve specific business challenges.

Promoting Kent as the new creative hub nationally and competing successfully against other creative hubs/clusters in the north or around London remains a challenge, as is safeguarding creative education which is currently slowly being etched out of the national curriculum. We need creative, curious, risk-taking young people if the UK wants to remain a leader in innovation and improve its productivity levels.

The food and drink sector in Kent drives innovation, too, embracing the newest technologies which are transforming the way produce is grown, harvested, packaged and recycled. Thanet Earth is a fantastic good news story about food tech, innovation *and* productivity, with its state-of-the-art facilities, glass house technology, recycling practices and novel growing techniques (growing vertically and in rock wool), which renders 97% of its produce within retail/supplier specification.

Despite increased efficiency through food technology, producers still fail to get adequate returns for all product grown. This is, in part, because specification requirements in the UK are so demanding and crop production profiles do not always reflect customer demand. Finding a better way to deal with food waste and improve crop utilisation remains a challenge. Whilst production volume is up due to food tech, the UK is not self-sufficient, and therefore remains dependant on imports. A 'No Deal Brexit' may lead to shortage in specific produce – and labour. The sector as a whole suffers from a skilled labour shortage.

3 INNOVATION AND PRODUCTIVITY IN KENT (CONT)

3.2 Round table on how to improve productivity in Kent

Chair: Melissa Carson, Director Research at Productivity Leadership Group, **Be The Business**

Priority areas

- More time and effort should be spent on **educating SME business leaders what productivity is**, and how to measure it in their company.
- **Promoting the creation of a participative business culture** where staff at all levels feel they can contribute ideas, and that their ideas are valued, and combined with good practices and processes that are measured in a way that is relevant to the business.
- **Encouraging SMEs to invest in productivity,** by managers taking time out of the everyday running of the business to step back and reflect on how to improve processes, and invest in services to become more productive. It is important to show managers the value of stepping back and thereby generating more long-term growth and business development opportunities, instead of focusing on low-value tasks.

- Making **management skills training** an integral part of staff training in business, from an employee's first day with the company until the day they move on.

Suggested actions

1 Kent County Council and/or business membership organisation to provide/share information to businesses about productivity: What is it and how to measure it.
2 Be the Business to explore whether it could work together with Kent Business School in providing the Productivity Through People training programme.
3 Explore whether business membership organisations (FSB or IoD for example) could offer productivity health checks to businesses in partnership with a (Kent) bank.
4 Business membership organisations to identify events and contacts businesses can go to, to get advice on business growth and productivity.

"We want our good graduates to stay here, contribute to Kent, build their businesses and be part of other businesses here in the future."

April McMahon
Deputy VC Education, University of Kent

3.3 Round table on Enterprise and Productivity Strategy in Kent

Chair: David Smith **and Johanna Howarth, Director and Deputy-Director Economic Development KCC**

Priority areas

- **Local business connectivity:** Businesses should focus on engaging in networking activities with their communities in order to get to know their customers and other local businesses. Equally, businesses should understand where they sit in the supply chain so that they can build strong relationships with suppliers and customers, which may help to mitigate risk in uncertain times.
- **Skills development:** through apprenticeships – the scheme should be made more accessible to SMEs in terms of resources required and time invested. There should also be greater focus on soft skills training for younger applicants.
- **The creation of Incubator Spaces and Innovation Hubs in designated locations:** creating a shared working environment modelled on Silicon Valley stimulates cross-communication, casual networking and sharing of resources amongst start-ups, and generates new ideas and business opportunities. Locations should be supported by transport infrastructure in order to compete with London and attract/retain talent in the county.

Suggested actions

1. Simplify the bureaucracy and processes surrounding tax, grant applications and the apprenticeship levy. The current systems take up too much time and resources for SMEs, which results in less businesses accessing and applying the available funds and support.
2. Kent businesses to be given incentives to actively take part in the networking activities of their member organisations.
3. Business intelligence data available to business membership organisations (such as Chambers of Commerce in Kent) to be used to reach out to inform its members more efficiently and in a targeted/bespoke manner of its activities.
4. University of Kent to adapt its 'Soft Skills' workshops for students (which includes training on communication, presenting, networking and professional behaviour) to A-level pupils. This would help prepare 16-18 year olds for their future in either higher education or the workplace, creating more well-rounded young professionals.
5. Developing an 'Entrepreneurship Culture' through the creation of more shared office spaces for entrepreneurs to use while in the early stages of starting their businesses. This would compete with similar set-ups currently available in London and help create an environment which promotes and cultivates an entrepreneurial spirit in Kent.

"It was good to see so many organisations very much on the same page when it comes to skills development – lifelong learning, soft skills, effective leadership and developing entrepreneurial and innovative mindsets – are some of the key areas for upskilling our teams to boost productivity and retain great people."

Martin Meyer
Dean Business School

3 INNOVATION AND PRODUCTIVITY IN KENT (CONT)

3.4 Round table on creative industries and innovation in Kent

Chair: Emma Wilcox, Emma Wilcox Associates

Priority areas

- **Bringing creative businesses together** (with each other and with non-creatives), in designated locations and networks, to encourage collaboration (handling larger contracts/projects) and increase the overall visibility of the sector. Think co-location projects, innovation centres, production sites (corridors).
- Understanding how much reach the **creative sector** has in Kent, and how to **measure its impact**. Outcomes will help to promote/market the sector as a major contributing factor to regional economic growth.
- Attracting creative businesses to the area through **big and bold projects** such as the Turner Prize, 2025 Medway UK City of Culture and the Thames Estuary Production Corridor. Be ambitious and brave and dare to ask – the money is available.
- **Improving digital connectivity** across Kent – of paramount importance to the success of businesses in general!

Suggested actions

1. Build upon brokerage, partnerships and clustering to increase visibility and the availability of talented organisations.
2. Explore the use of available, unusual and unused space across Kent to relocate creative businesses: think railway stations, empty farm buildings, university buildings outside of term time.
3. Undertake a study into the impact of the creative sector on the Kent economy and appoint champions to market the value creative businesses bring to the UK economy.
4. Work together collectively in ambitious projects such as Medway 2025 UK City of Culture and Thames Estuary Production Corridor, to pave the way for creative businesses. Lobby for high-quality place making and architecture (eye-catching housing developments, shared-office spaces etc.)
5. Lobby collectively for improved connectivity (road and digital infrastructure) across Kent.

"Our round table will draw together some ideas for real action."

Emma Wilcox
Director Emma Wilcox Associates

3.5 Round table on food tech in Kent

Chair: Des Kingsley, CEO Thanet Earth

Priority areas

- Making Kent a **hub for food tech and innovation** – increasing visibility of businesses working in this area, promoting collaboration, attracting funding, supporting start-ups.
- **Attracting and retaining skilled labour**: change public perception of food sector. Look at ways to recruit untapped labour potential in the region – organise in-house up-skilling and training.
- Looking at ways to **reduce food waste** and **reuse food packaging**.

Suggested actions

1 Establish a Food Tech Hub in Kent, open to agri-food, wine producers, breweries, food producers, and supporting supply chain, with the objective to:
   - Be the collective voice for Kent food tech and food innovation businesses.
   - Provide an incubator/production space for start-ups.
   - Provide training/support to food tech/food innovation businesses.
   - Channel available funding to the Kent food tech/food innovation industry.
   - Kent Business School to facilitate Hub meetings.
2 Work collaboratively on a definition of food tech and food innovation.

"Without a summit like this there is not much opportunity for business, government and academics to come together as one."

Des Kingsley
CEO Thanet Earth

4 SKILLS DEVELOPMENT IN KENT

4.1 Key developments and challenges

The UK finds itself at the start of a worrisome shortage in technically skilled labour. ONS statistics indicate that at present there are 854,000 job vacancies. The UK will be creating an estimated 1.2 million jobs[15] in the coming years. Add on Brexit, and we are looking at a potential crisis. Technical skills shortages in Kent are highest in the financial and IT sector, and considerable in the medical sector. Businesses in Kent also have difficulty in finding candidates with sufficiently developed soft skills or attributes, as well as an entrepreneurial mind set. Kent lags behind the South East and the rest of the UK in its population attaining even basic skills and training such as Level 2 NVQ (GCSE). The situation is particularly concerning around young people (18-24yrs) where unemployment is relatively higher than in Great Britain as a whole.

Local government, Kent education providers and several cross-sectoral bodies in Kent are looking at ways in which the skills gap can be bridged. KCC launched its Learning, Employment and Skills Strategy 2017-2020 two years ago. The KMEP Skills Commission, consisting of representatives from business, local government and educational institutions is a monitoring and advisory committee reporting on skills development and delivery to the Kent and Medway Economic Partnership.

It works together with eight KCC-led Kent Employer Guilds[16]: representing employers within a sector, along with colleges and training providers that offer training in the relevant sector. The national Careers and Enterprise Company recruits business leaders as volunteer Enterprise Advisers, who will work with schools/colleges to enhance their enterprise and employer engagement strategy and activities.

The University of Kent and Canterbury Christ Church University (CCCU) are addressing the skills gap in the medical sector with the creation of the Kent and Medway Medical School, which will be a beacon for first-class medical education and research. The University of Kent has also identified seven graduate attributes, which will be embedded in all teaching and co-curricular activity at the university. Its placement programme helps to better prepare students for the workplace. CCCU's Kent and Medway Engineering, Design, Growth and Enterprise (EDGE) hub provides a space dedicated to Engineering, where students and staff are able to work on projects in partnership with business.

Once in work, employees are not always given enough opportunities to develop and grow. Numbers of people participating in part-time learning and study while in employment has dropped considerably over the last 5-10 years.

Few SMEs in Kent have skills plans or CPD plans in place, and most invest too little time and money in upskilling their own staff, which results in stalling productivity levels and low staff retention. Businesses point out that training staff is prohibitively expensive, especially with the current fee structure in place for further education. There is little awareness of financial government support available in Kent, and ways in which skills development can be facilitated through the apprenticeship scheme.

A lack of diversity in recruitment policies in Kent businesses deserves special mention, as this may contribute to groups of qualified, skilled and talented people being overlooked for jobs in sectors with growing skills shortages – such as the IT and the financial sector. With an increasing number of staff working flexible hours or remotely, there is no reason for businesses NOT to look for candidates from across the diversity spectrum. However, because legislation on diversity in business is light and companies feel there is little support available, many shy away from investing in a diverse workforce. The lack of initiative is fed by a concern of making a mistake and being held liable rather than bias, and generally the focus is on the effort it will cost businesses to implement a diversity policy, rather than the benefits this may bring them.

Looking further ahead, deciding which skills will be most in demand in, say, ten years' time and designing the educational offering accordingly, requires much creative thinking. The advance of technology in the workplace will dramatically change the way we work and the skills we need to carry out that work, and the depletion of our natural resources will drive a shift from a growth business model to a post-growth business model, where we have to learn how to do more, or even be happy, with less. How do we make sure we educate our youngsters and returners to education to the skills specification of 2025 and beyond?

15 The estimation is made on the basis of statistics provided by the CIOB, the Edge Foundation, the Kings Fund, the Hospitality industry, the Resolution Foundation, CBI/Pertemps.

16 Hospitality and Tourism, Creative and Media, Construction and the built environment, Financial and professional services, Health and social care, Manufacturing and Engineering, Science and Land-based

4.2 Round table on HEIs and skills development

Chair: April McMahon, Deputy Vice-Chancellor Education, University of Kent

Priority areas

- A **redefinition of the drivers of business success** is required. Is it sustained economic growth, or increased productivity, employee well-being, environmental sustainability? Which skills are required to achieve this, and whose job is it to specify and deliver them?
- **Universities as place makers of a region:** helping to create and build communities, by offering relevant learning and (research) collaboration opportunities to groups outside the University – SMEs, specific sectors (creative, food and drink), socially vulnerable groups, non-academic groups – and facilitate interaction between the various communities.
- **Universities working together with business in curriculum design and skills development** in order to better prepare students for their working life after university. What do students need to learn in class and what skills set/attributes/mindset do they need (and how do they get them?) to be successful in the workplace or as an entrepreneur?

Suggested actions

1 Kent Business School to undertake research in what constitutes success for a business (SME/corporate), if not sustained economic growth. How do we achieve this and what skills are required in a non-growth working environment?

2 University to offer a single point of access ('skills specialist') to liaise between an external party (business, local entity, individual) with a particular request (research, placement, student project, event, training, learning) and the various departments within the university – a central external engagement team?

3 University (not just certain Schools) to reach out to (regional) SME community with research and technical support offering and to make the support infrastructure (JobShop, Unitemp, contact points in respective schools) more visible. Sharing best practice will be vital for Schools, which have not previously engaged.

4 The University to consider life-long learning programmes (including short courses) and reverse mentoring scheme for its alumni and the wider community, and to look at tailored support to certain community groups, for example entrepreneurial skills support to disadvantaged groups.

5 University to actively engage the (regional) business community in the design of its curriculum, technical skills development and the creation of a coaching environment to further the development of social skills and the graduate attributes. Regional business community to consider the optimal shape of this engagement.

4 SKILLS DEVELOPMENT IN KENT (CONT)

4.3 Round table on a new approach to tech and vocational education in Kent

Chair: Graham Razey, Group Principal East Kent Colleges

Priority areas

- Although the situation is particularly pressing around young people, **the UK needs a cultural shift to embrace lifelong learning** as it exists elsewhere in Europe and the world. As technology develops, the shelf-life of skills is getting shorter.
- **Deciding who takes responsibility for training (individual, government or business)**? What works best – the carrot or the stick (apprenticeship levy)?

Suggested actions

1 The apprenticeship levy system does not seem to work – instead explore using a similar mechanism to the R&D Tax Credits in training to encourage investment. This would work for self-employed and those working in the gig economy, as well as companies.
2 Secondary and tertiary educational institutions to look into (and test?) a transitional service (similar to the Army) which prepares students for the world of work and the development of right attributes, not just skills.
3 Push government to create the right conditions for young people to engage meaningfully with business. Lessen the risk and bureaucracy.
4 Educational institutions to move away from a national curriculum, which only recognises academic metrics, to one which measures the person's attributes.
5 Extend learning loans (allowances) to Level 2 training and study.

"It is important that all educational providers, but particularly universities with their research capabilities, are bringing parties together."

Graham Razey
Group Principal and Chief Executive East Kent College Group

4.4 Round table on equality, diversity and disability and skills development

Chair: Paul Andrews, CEO Jobs in Kent

Priority areas

- **Celebrate diversity as a positive thing:** enhancing a community (Kent is very diverse in its make-up), improving productivity (and the bottom line!) of your business, contributing to the local economy, with the aim to changes attitudes, make everyone feel included and represented, and to promote Kent as a trailblazer for diversity and a great place to live.
- Ensure that **all groups** across the diversity spectrum are **receiving the skills development training they need** to secure the jobs of the future.
- **Re-examine SME and corporate recruitment procedures** and practice to ensure that they do not pose any barriers for groups across the diversity spectrum.
- **Challenge UK's ruling workplace etiquette** (9-5, at the office) and promote flexible working practices to open up UK businesses to a (more) diverse work force.

Suggested actions

1 Create an awareness campaign, using role models/champions, about diversity in Kent and in the workplace, which ends with the launch of a diversity award ceremony.
2 Run workshops (at the University for example) for businesses on recruitment processes and HR practices, giving advice on anything from writing a job description, to interview techniques, tackling unconscious bias and day-to-day diversity management.
3 Check that skills development training programmes available at universities, colleges and training institutions are open and accessible to all groups across the diversity spectrum.

"It is absolutely vital that universities are embedded in the communities they serve."

Helen Walbey
Founder Recycle Scooters and FSB Diversity Chair

4 SKILLS DEVELOPMENT IN KENT (CONT)

4.5 Round table on bridging the skills gap in Kent

Chair: Paul Winter, **Chair KMEP Skills Commission**

Priority areas

- **Skills development** focusing on soft skills, an entrepreneurial mind-set and leadership skills **to start at secondary school level** and continue throughout tertiary education (university, college) in order to successfully address the skills gap in Kent and keep young graduates in Kent.
- **Skills training programmes in the education system receiving active support from businesses** – who either link the support they provide to their Corporate Social Responsibility (CSR) programmes or are incentivised to do so by government (tax credits?).
- **Businesses to better understand and address the skill gaps in their own businesses** in order to improve retention numbers. Work place skills plans (with special attention to management skills) should be the norm, and be linked to a culture of CPD.

- **Available (financial) support for skills development support and programmes to be made visible:** There is money and non-financial support available at county, regional and national level of which educational institutions and businesses are insufficiently aware.

Suggested actions

1 Research how to convince more businesses to provide entrepreneurial learning and (soft) skills training to schools and vocational training/higher education institutions: through a government incentive programme (tax credits)? By making it part of their CSR policy?
2 Map what business support to the educational system is available already: corporate schemes, existing sectoral business support for a, 'Enterprise Advisors' – and communicate this to the Kent business and educational community.
3 Develop an online teaching programme on the entrepreneurial mind-set together with a teach-the-teacher programme, and possibly an out-of-school component for the more engaging students.

4 Push Kent businesses to develop workplace skills and CPD plans within their companies as a prerequisite for receiving government support, for example through the apprenticeship scheme.
5 Map available finances for skills development programmes in Kent and make this information available to educational institutions and businesses.

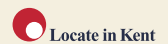# FORTHCOMING NETWORKING EVENTS AT KENT BUSINESS SCHOOL

Date	What	Where
6 June 2019	**Business Soundbites** SMEs and access to finance. *In partnership with Santander UK*	Sibson, KBS **Canterbury** 17.00-20.30
26 September 2019	**Business Soundbites** Breaking down barriers – equality in work (1919 SDA) *In partnership with Girlings Solicitors and Kent Law School*	Sibson, KBS **Canterbury** 17.00-20.30
16 October 2019	**Business Soundbites** Entrepreneurship in the era of digital transformation	Dockyard Church, KBS **Medway** 17.00-20.30
14 November 2019	**Business Soundbites** Efficiency through optimisation	Sibson, KBS **Canterbury** 17.00-20.30
10 January 2020	**Kent Business Summit** *In partnership with FSB, IOD and Locate in Kent*	Sibson, KBS **Canterbury** 17.00-20.30

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Note on authors

The Kent Business Summit report was compiled by Floortje Hoette on behalf of Kent Business School and partners FSB, IoD and LiK.

Contact

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The summit partners look forward to welcoming you at our next summit on Friday 10 January 2020.

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