

Your Weekly Business Bulletin from Thanet & East Kent Chamber

Thanet & East Kent Insider

5th February 2011 Issue No.: 142

1. Pfizer

The big news in the last week has been the announcement by Pfizer that it will close its site at Sandwich which means that the majority of its 2,400 workforce is now facing redundancy. A few of the researchers will be transferred to other Pfizer facilities; but for all the staff, especially those with young families, the news represents a human calamity. Suppliers to the site face a significant loss in their turnover. There is no disguising the deleterious effect on our local economy. This Chamber has joined our elected representatives in reacting promptly to the news and in presenting the best case to government. While the Thanet & East Kent Chamber is happy to have been interviewed on BBC and ITV Meridian television, as always our main efforts are directed towards assisting our members in the private sector. For an overview of the Pfizer closure available for the next four days and the Chamber's reaction, click on

http://www.bbc.co.uk/iplayer/episode/p00d7xz3/Breakfast_with_John_Warnett_and_Clare_McDonnell_Pfizer_leaves_Kent/ and fast forward to 1:47:32. The same BBC Radio Kent broadcast also features interviews with Laura Sandys MP for South Thanet & Sandwich, Roger Gale MP for North Thanet and Paul Carter, leader of Kent County Council.

2. Should We Blame Pfizer?

To blame Pfizer would be decidedly counter-productive. Rather we should celebrate the history of the Pfizer in East Kent and assure any inward investors that they will receive honourable treatment and a friendly welcome on this magnificent 340 acre site. Venerable residents will recall the advent of Pfizer in Sandwich in 1954 at a time when food rationing had just ended and many homes were furnished with utility furniture. The arrival of foreign direct investment foreshadowed a brighter future for the generation that had survived the deprivation of the war when so much of East Kent had suffered terribly from aerial bombardment. Our towns then were still sprinkled with bombsites and our countryside showed the scars of 2,400 V1 rockets that had fallen on Kent. Here was an international company wanting to construct new buildings, employ local people and push forward the boundaries of peaceful science. There was every reason to celebrate Pfizer then and there is now.

3. What About Pfizer In The Community?

Pfizer has proved to be a responsible employer with a genuine commitment to its neighbourhood. In recent times, the Chamber estimates that around a million pounds a year of value has come to charities and voluntary groups through company-orchestrated payroll giving, direct funding and the secondment of staff. How many employers do you know who give their staff five days extra paid leave to work on community projects? Pfizer does. Any incoming

company will find it difficult to match this company's stated neighbourhood-friendly policy of "making every country and community in which it operates a better place to live and work" which is a prime value of this American pharmaceutical company.

4. Why Is Pfizer Closing In Sandwich?

In common with other major pharmaceutical companies, Pfizer claims to test around 10,000 compounds to find one commercial product. Of course, this means that 9,999 potential products do not make the desired contribution to the positive side of the balance sheet. Research and Development is very expensive. The shortened patent life of commercial successes through what the Pfizer Chairman described last April as "exclusivity loss" and the changes in national policies towards generic drugs throughout the developed world has inevitably impacted on the funds available for R&D in the UK. Although the announcement of the closure was an undoubted shock, the restructuring of Pfizer's R&D is no surprise to industry insiders who saw the demise of manufacturing in 2007. The decision announced at Pfizer's AGM in Cleveland Ohio on 22nd April 2010 to reduce costs and to "re-invest in emerging markets" suggested Sandwich's future was in the balance. Pfizer had previously announced the restructuring of its R&D into two departments: Biotherapeutics and Pharmatherapeutics. In the Proxy Statement and 2009 Annual Report of 10th March 2010, Pfizer commented on Market and Business Conditions with the words: "The Pharmaceutical industry continues to undergo dramatic change". Salary freezes for the Pfizer executive leadership team were introduced in 2009: "To ensure alignment with shareholders' interests and to recognize economic conditions". It may be that the final nail in the Pfizer Sandwich coffin has already been nailed down before last December when the Chief Executive Jeffrey Kindler was suddenly replaced by Ian Read. Commenting on Kindler's departure in the Financial Times of 6th December 2010, former R&D head John LaMattina gave the following epitaph: "Because of the multiple mergers and cost cutting initiatives he led, he is probably responsible for the elimination of more science jobs than anyone in the history of the industry."

5. Is Pfizer A Thanet Company?

Although the Pfizer site is officially defined as being in the Dover District, it sits on the border of Thanet. Seeking an agreement with Pfizer over its departure so that it leaves a benign legacy is very much part of the current discussions with the company. Thanet is listed as the most deprived district in Kent with over 4,000 unemployed {NOMIS Dec 2010}. Nearly a quarter of all households in Thanet have no adult in employment {23.4% Thanet Works 2009}. Although the National Office for Statistics places the Dover District in a healthier mid position in Kent, the data is heavily influenced by the high-paying posts at Pfizer. Public sector jobs, which represent about a third of the workforce in both districts, are currently diminishing. The announcement of the closure of Pfizer follows hard on redundancy notices issued to Council workers in Thanet and Dover.

6. Surely, There Is Some Good News?

There are some bright spots on the horizon; literally in the case of windfarms. Readers of the Thanet & East Kent Insider are fully aware Thanet Offshore Windfarm opened last September. An investment of £800 million pounds has produced the world's largest offshore windfarm of 100 turbines. This will be superseded in two years by the even

larger London Array, a little further along the coast and a costing a lot more money; £2 billion. The home port of Ramsgate is already benefiting from the influx of maintenance engineers and construction crews. Nearby Monkton is also the home of the UK's largest hydroponics facility at Thanet Earth, When in full production, this will produce 15% of the UK's supplies of cucumbers, tomatoes and peppers. A cultural experience is also in the offing when the Turner Contemporary opens on 16th April this year. Dreamland in Margate is expected to reopen as a Heritage Amusement Park in two years. Architectural plans are already in place for a National War Memorial on Dover's Western Heights which is expected to attract 500,000 visitors a year.

7. Yes, We Know All That, But

In the medium term, Manston Airport offers a realistic hope for sustained regeneration. The owner, Infratil, projects 5 million passenger movements in its current planning. With 1,000 jobs created per million passenger movements, the sooner the development happens, the better from the perspective of the local economy. When the BBC's Clare McDonnell says in the aforementioned radio interview "Do you think people who may have been against further expansion at Manston might now well be saying 'Well, we have to swallow it if it means more jobs into Kent?'" she is echoing the thoughts of many observers of our local economy where job generation initiatives are in short supply. The Thanet & East Kent Chamber is working closely with our sister body at the Dover District Chamber and our democratically elected representatives to find new tenants for the Pfizer site in Sandwich.

8. What About Dover Harbour?

Whatever form the eventual restructuring of the Port of Dover takes, it promises a much sharper focus on supporting local industry and on securing more advantages from the 13 million cross-channel passengers. Over 300,000 cruise ship passengers a year arrive at Dover and harnessing their spending power would reinvigorate our East Kent retailers.

9. Cheap Credit

Further to our comment last week about the social value of Credit Unions and the ease with which vulnerable people can obtain expensive credit, the following is taken from the website of a national provider: "XXXX provides flexible cash advances of between 1 and 31 days. Our award-winning service is super fast and available 24 hours a day, seven days a week. Use our sliders to decide exactly how much cash you want and how many days you need it for and we'll show you how much it will cost. If you're accepted, the cash will hit your bank account within minutes." Is this free money? You can bet your life that it is not.

10. Have Your Say On Manston

As Manston Airport looks to expand, it is quite naturally keen to ensure that its planning takes into account the wishes of local residents and workers. In particular, the parent company, Infratil, would like to know where you think its airlines should fly. For instance, which of the following cities would you like to visit on a direct flight from Manston: Aberdeen, Belfast, Dublin, Edinburgh, Glasgow, Leeds Bradford or Newcastle? Perhaps you have another city on mind. What about your favourite holiday destination or most frequent business trip? Paula Horne is the very

capable Group Manager for Passenger Development at Infratil and she has asked readers of the Thanet & East Kent Insider for their views. There is a simple survey available on line at <http://www.surveymonkey.com/s/MSEchamber>. It takes a few minutes to complete but will give you the opportunity to list your favourite places to visit. With the proposed Boris Island sinking increasingly quickly under the waves, the future of Manston Airport is looking better every day. This is your opportunity to state your views and preferences.

11. Asbestos

AI Asbestos Contractors Limited works in conjunction with its sister company, Advanced Asbestos Contractors (South East) Ltd of Essex. Clients in East Kent receive the advantages of a large organisation but benefit from local service designed to meet individual needs. Managing Director Ray Pollard has written to the Thanet & East Kent Chamber with news of HSE Regulations which, as he puts it: “are quite rightly becoming more stringent”. Ray points out that all his operators are bound by the Surveyors Guide HSG264 which outlines how to manage the risks from asbestos in non-domestic premises under regulation 4 of the Control of Asbestos Regulations 2006 (CAR 2006). It is a little known fact that large amounts of asbestos-containing materials (ACMs) were used for a wide range of construction purposes in new and refurbished buildings until 1999 when all use of asbestos was banned. The advice from the Health & Safety executive is clear: “The purpose of managing asbestos in buildings is to prevent or, where this is not reasonably practicable, minimise exposure for these groups of workers and other people in the premises.” Providing a company enlists the services of professional contractors with the skills and experience to match then any problems can be contained and the risks managed. Exposing any of your workforce, visitors or suppliers to untreated asbestos could result in serious repercussions. For a free discussion without obligation, give Ray a call at AI Asbestos, tel: 01843 571383 or email info@aiaasbestos.co.uk with the subject line “TEKC Asbestos Enquiry”.

12. Don't Get Stung For £500.000

Are you protected from a competitor stealing your customers, your ideas or even your identity? National Identity Fraud Prevention Week has found that just over half of businesses have a clear policy in place on how to handle sensitive documents, which means of course that just under half of businesses do not. In which half is your company? We learn from the National Fraud Authority that “every year in the UK identity fraud costs more than £2.7 billion and affects over 1.8 million people”, see <http://www.attorneygeneral.gov.uk/nfa/>. In an exclusive email to Thanet & East Kent Chamber, security expert Emily Robinson of PHS Datashred writes: “Businesses need to work harder to ensure they protect their livelihoods. Keeping confidential information secure should be a top priority, even when it's no longer of any use to your business. It could be devastating to your business should even redundant confidential information fall into the wrong hands. As of April 2010, the Information Commissioner's Office now has the power to fine organisations up to £500,000 for breaches of the Data Protection Act, which represents the seriousness of this issue, and also the need to protect all information held on paper, or in electronic form. The safest way of responsibly destroying sensitive material and data is to recruit an accredited data destruction company, such as PHS Datashred. In order to help organisations to assess their current situation when it comes to information confidentiality, PHS Datashred has developed an online "healthcheck" tool. This simple questionnaire enables the organisation to see what improvements could be made to their policies and processes, with practical guidance on how to become more secure and compliant.” Sound advice, Emily, for which every reader should be grateful. For

more information on this vital subject, contact Emily direct by email to emilyrobinson@phs.co.uk. Emily has also offered her mobile number to readers of the Thanet & East Kent Insider, Mob: 07771 667831. Give the lady a call; she could save you a lot of time, trouble and money.

13. Love Your Village

We are grateful to Anne Charman, the super efficient Community Engagement Manager at Kent County Council, for drawing our attention to the Phillips Fund. In liaison with the Kent Community Foundation, the Philips Fund supports voluntary and community groups which use volunteers to deliver small environmental projects to rural communities in Kent. Anne has given us some helpful examples of the type of projects that might qualify and these include: regeneration of hedgerows or village ponds, creation of wildflower meadows, planting of new native woodlands and restoration of local habitats. Successful applicants can expect a grant in the range from £250 to £2,000. For details, email admin@kentcf.org.uk with the subject line "Philips Fund TEKC". The closing date for applications for spring planting is 4th March 2011.

14. More About Voluntary Groups

Anyone with an interested in local charities and voluntary groups might like to find out more details of the Listening To Communities Conference at Oakwood House, Maidstone on 25th February and the Kent & Medway Funding Fair scheduled for Wednesday, 13th April 2011 at the Folkestone Academy. Details are available from KCC direct, tel: 01622 696389.

15. Blowing In The Wind

In view of the sad announcement from Pfizer, it is indeed difficult to find much humour in the East Kent coastal business community this week. But - and you just knew that there was going to be a but – some Chamber members have enjoyed a spirited dialogue following the decision by Malawi to consider criminalising breaking wind in public. The exact wording of the legislation seems to be: "Any person who vitiates the atmosphere in any place so as to make it noxious to the public to the health of persons in general dwelling or carrying on business in the neighbourhood or passing along a public way shall be guilty of a misdemeanour." This could have serious repercussions on the national diet with a consequent diminution in the sale of baked beans and chickpeas. Keen followers of football will know that not one of the gentlemanly players at Doncaster Rovers has ever been found guilty of such an offence, but the same cannot be said for Levi Foster. In November 2009, he incurred the wrath of the referee by breaking wind in his face before the kick-off of a game in the Portsmouth Sunday League. The outraged match official felt obliged to rescind his initial red card and administer a less dramatic yellow one when he was completely unable to keep a straight face and subsequently burst out laughing. Levi Foster went on to win the Man of the Match award as his team thrashed its opponents by five goals to nil. According to an account in the Daily Mirror, the offending player confessed afterwards: "I had a curry the night before." England supporters concerned about the national team's dismal performance at the last World Cup may be hoping that manager Fabio Capello treats the team to a few Onion Bhajis before next Wednesday's friendly match against Denmark. If he does and you are intending going to the match, you will surely want to get behind the players as they attempt to restore England's

fortunes. Get behind them yes, but those without gas masks might wish to avoid getting too close if you follow them as they enter the stadium.

13. Our Sponsors

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It's happening now, it's happening in Thanet & East Kent.

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Thanet & East Kent Chamber Limited

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