

Your Weekly Business Bulletin from Thanet & East Kent Chamber

Thanet & East Kent Insider

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1. Manston Update

Flights to Belfast will begin from Manston Airport on 26th April 2011. By cutting the flight to Manchester, Flybe will be looking to maintain its revenue streams into 2011/12 following a successful year that saw revenues meet the board's predictions despite nearly 2,000 flights cancelled due to bad weather in December 2010 and disruptions due to volcanic ash. Flybe remains the UK's largest domestic airline and Europe's largest regional airline. In a presentation to analysts last January, Flybe claimed that the average passenger takes 5.5 flights a year with one in ten passengers flying more than 20 times a year. East Kent businesses and residents will be interested to know that 43% of passengers travel on business and 24% for family reasons or to reach a second home. Holiday makers constitute 24% of the client list. Of the ten European countries served, half the Flybe routes go to France (39) with the other destinations being Germany (13), Spain (7), Croatia (5), Italy (3) and currently two routes to Belgium, Holland, Ireland, Norway and Portugal. The withdrawal of flights to Manchester was a disappointment to this Chamber and we said so in various interviews with the press and the BBC. We also mentioned that Manston Airport offers a serious opportunity to generate jobs and economic development which would be considerably enhanced by the construction of a Parkway Station at Manston with a fast rail link to London.

2. What's the latest On Pfizer?

At 8.30 am on 15th March 2011 before an invited audience in Committee Room 14 of the House of Commons, the leader of Kent County Council rose to his feet to brief his audience on the "First Report of the Sandwich Economic Development Task Force to HM Government". Flanked by Science Minister David Willetts and MPs Laura Sandys and Charlie Elphicke, Paul Carter presented the 21-page report with the comment that this represents the first of a series of recommendations. It will be followed in 30 days with an update on how the East Kent economy can respond to the announcement by Pfizer that it will be withdrawing from its Sandwich site by December 2012.

3. What Is The Task Force Doing?

Paul Carter emphasized that the task force is looking for a better understanding of Pfizer's exit strategy but remains committed to maintaining a positive dialogue with the company in order to secure the best result for East Kent. He said that the negotiations would continue and that this first report should be seen as just the first step in a long journey towards December 2012 and beyond. Some discussions were of necessity confidential as they deal with commercial sensitivities which must remain private if potential investors are to receive the best possible welcome. He maintained nonetheless that open and transparent communication with businesses and residents of East Kent will feature as a matter of general policy.

4. Can We Stop A Brain Drain?

Paul Carter recognised public sector job cuts in East Kent and the departure of Pfizer put especial strains on the local economy. Although he was keen not to over-promise, he remained optimistic that the measures in the current and future reports will meet the challenge posed to stimulate business growth and to attract inward investors. He stressed that the 'best brains in venture capital' had been meeting with David Willetts and that prompt action is essential to avoid a 'brain drain from which it would be very difficult to recover'. He then listed some of the options discussed in relation to the three development phases recommended to government for the period to December 2012, including examining the feasibility of establishing an aviation research facility at Manston to complement Farnborough which has now reached capacity.

5. What About After Pfizer?

Phase 4 of the initial planning envisages a post-Pfizer marketing of any remaining assets. Anyone who has heard this Chamber's comments on the BBC lunchtime news that "Thanet is not an area where people change their cars when the ashtrays are full" and our many published pleas for greater government attention to the East Kent coastal business community would have been pleased to learn that Paul Carter's discussions with Secretary of State Vince Cable had included a briefing on the significant areas of deprivation in East Kent 'comparable to many in the North East' and that the KCC Leader is sure that 'we are winning the argument'. There was no mention of unemployment but readers of this Chamber's regular bulletins know that one ward in Thanet has an unemployment rate of six times the South East average, see below under the headline, "How Are We Doing?".

6. Haven't We Heard All This Before?

Paul Carter said the tour of the area by Roger Gale and Lord Adonis had been instrumental in focusing attention on the need to 'significantly aid and abet inward investment'. The financial argument behind securing government investment was summed up when he claimed that 1,000 redundancies could cost the government around £9 million in benefit payments. Not everyone in the room may have known what is meant by 'the need to attract CROs' and it was with some relief that a glance at the accompanying documentation revealed that CRO did not stand for Cheque Recognition Orders or Criminal Records Offices but in fact referred to Contract Research Organisations, sometimes also glossed as Clinical Research Organisations.

7. Have There Been Pfizer-like Departures Elsewhere In The UK?

KCC's Leader made many references to the experience of Runcorn in the aftermath of ICI's departure. He said that the task force had found a visit there to be most instructive and he noted how the support of a major bank in Liverpool had led to the regeneration of the site which now employs 2,000 people in 160 businesses, more than during the ICI era. In answer to a question from this Chamber, Paul Carter confirmed the recommendation to support start-up companies, to create an exemption zone for Empty Rates legislation and to reform regulatory processes for local businesses.

8. What About The Science Minister?

David Willetts gave some of the reasoning behind the proposals to establish a Research, Innovation and Technology Zone (RITZ) and supported the call for better transport links to East Kent, especially to Manston. He forecast that the imminent budget would include measures to support Life Sciences .

9. Did Laura Sandys MP Speak?

Laura Sandys then took the floor and reminded those present that Pfizer's premises are in the 64th most deprived area of the country but are the home to 'world-class skills, site and equipment'. Her ambition was for the economy of South Thanet and Sandwich to 'look, talk and function like the rest of South East' with exciting and innovative enterprises. She mentioned that the process in achieving this transformation would require 'stamina not a sprint'.

10. Was Any Other MP There?

Charlie Elphicke completed the briefings from the panel, reserving some particularly warm words of praise for Laura Sandys and Paul Carter for all the hard work they had put into the report. He also declared that the government had acted with great expedition in getting to the current stage and that he was confident that the challenge posed by Pfizer's departure would be met.

11. What's All This About Transformation Phases?

The report lists five phase of transformation as follows:

Phase 1: Attract CROs. Transfer assets and staff from Pfizer.

Phase 2: Based on functioning CROs, establish business start ups.

Phase 3: Attract other R&D such as food sciences, aviation, environmental technology,

Phase 4: Post December 2012: links with neighbouring locations, establish solid ownership and management plans.

Phase 5: Delivery of long term strategy for East Kent

12. What About The Recommendations to Government?

The authors of the report made the following recommendations:

1. Transitional Support: Coordinating European, national and local funding streams to support the Pfizer workforce and local community.
2. Joint Action Plan: Involving public bodies UKTI, Locate In Kent in liaison with Pfizer.
3. Economic Impact Study: To determine the wider economic change caused by the exit of Pfizer
4. Higher Education: Enlisting the support of the University of Kent for business development
5. Establish a Research, Innovation and Technology Zone at Sandwich, Manston and key sites in East Kent Assisted Area with a) Full exemption from business rates on empty properties b) National Insurance contributions holiday for start ups c) R&D Tax Credits d) Incentives to attract Equity investments and e) Streamlined regulatory processes.

6. East Kent Recovery and Growth Package: Improve High Speed One and train times to Dover, Deal, Sandwich and Thanet.

13. Can I Obtain The Full Report?

A copy of the full 21-page report is available from the Chamber by email to manager@tekc.co.uk with the subject line "Pfizer Task Force Report 21 pages". The full report supports the construction of a Parkway Station at Manston in line with the recommendations of KCC's Growth Without Gridlock proposals of 1 December 2010.

14. Can We Move On From Pfizer Now?

Yes.

15. Solar Energy

There are some good deals available to householders and businesses looking to install solar panels on preferential terms. A return on investment is promised that we think might give cause for wide-eyed rejoicing if you live in sunny East Kent. Jon Dahms of Chamber member The Property Management Company in Ramsgate has been doing some research on our behalf and has written to the Thanet & East Kent Insider with some interesting news of two offerings which he would like to bring to the attention of readers. He has partnered with a company providing domestic and small systems up to 3.3Kw at retail rates. It appears that even without a roof facing South, with one option you can invest and receive a handsome reward from the Government's Feed-In Tariff. An 8% return on a typical investment of £15,000 is allegedly guaranteed by the Partner Company Cleantech. A buyout option at 3 years is part of the deal if you want it. More information is available at www.propmanco.com/solar. The second option is targeted at large businesses with suitable roof-spaces of at least 800 sq m. of South-facing elevations. Jon has sourced a company which can install large-scale arrays which would normally cost up to £500,000 at no cost to the property owner except for a modest introduction fee. Installations of this size can generate between £12,000 and £15,000 of free energy for the owners of the building. Does this sound too good to be true? Give Jon a call and find out. Jon Dahms can be reached direct to his mobile, tel: 07866 567181 or by email to solar@propmanco.com.

16. How Are We Doing?

We present these latest unemployment figures with thanks to the ever excellent Kent Research & Information team at Kent County Council which leaves us with the thought that if their jobs disappear, we might never know. Of the wards in Thanet with at least 100 registered unemployed, the star performer is Viking Ward which has 26.6% fewer people out of work than a year ago. Sadly, Cliftonville West is at the other end of the scale with an increase of 12.1% unemployed. The opening of the Turner Contemporary on nearby Margate's sea front on 16th April next month cannot come quickly enough for this part of Thanet. Jeremy Kyle's loss will be the tax-payer's gain. Unsurprisingly, the fall in year-on-year unemployment is highest in Tunbridge Wells and Sevenoaks where deprivation can be measured by the sales of vintage claret and hats for Ascot. After all a lady can never wear the same hat twice in the

Royal Enclosure and a gentleman cannot serve Blue Nun to his friends at his club. For the rest of us, if you are sitting comfortably with your Coca Cola and chips, here are the facts:

	February 2011		Change since Feb 2010	
	Unemployed	% of workforce	Number	%
Cliftonville West	752	15.6%	+81	+12.15%
Margate Central	439	14.8%	+28	+6.8%
Viking Ward	102	2.5%	-37	-26.6%
Ashford	1,975	2.8%	-85	-4.1%
Canterbury	2,279	2.4%	-331	-12.7%
Dover	2,362	3.6%	-246	-9.4%
Maidstone	2,288	2.4%	-391	-14.6%
Sevenoaks	1,253	1.8%	-260	-17.2%
Swale	3,172	3.8%	-213	-6.3%
Thanet	4,421	5.6%	-61	-1.4%
Tunbridge Wells	1,111	1.7%	-277	-20%
Kent	34,076	3.2%	-3,668	-9.7%
South East	139,851	2.6%	-21,581	-13.4%

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17. Jobs Fair Free For Employers

We are grateful to Penny Dadds, Account Manager at Jobcentre Plus in Ramsgate for informing us of a Jobs Fair organised in conjunction with Thanet District Council, and Employ Thanet on 15th April 2011. Of interest to any employer or organisation looking for part-time or full-time workers, the event starts at 10 am and lasts until 3 pm. A stand consisting of a table and two chairs will be available free of charge to participating companies who will also be entered into a free draw to win “a luxury food hamper”. Penny admits that some firms might find it difficult to make the arrangements in time “in view of Easter, the Royal Weddings & all the coming Bank Holidays”. But think how that hamper could improve your coffee breaks enormously. For more details, contact Penny by email to penny.dadds@jobcentreplus.gsi.gov.uk or by telephone to 01843 258150.

18. Free Parliamentary Workshop

We are grateful to Marie Hamm of East Kent LSP and Matt Ringer of Parliamentary Outreach for informing us of a Public Bill Workshop at the Attlee Suite, Portcullis House, Houses of Parliament on 4th May 2011. Chamber members are informed that “The workshop is free to attend, and open to any individual or organisation interested in how Parliament passes laws. This workshop will be of use for people who work in the private, public and voluntary sectors, as well as individuals with an interest in Parliament’s work.” Speakers include Hugh Edwards, former MP for Monmouth, Natascha Engel, MP for North East Derbyshire, Lord Kirkwood of Kirkhope, Lord Norton of Louth and Baroness Thornton of Manningham. To book your place or for more information, call Daniel Wood tel: 079 174 88839 or Matt Ringer tel: 020 7219 4623.

19. News From Dover

Dover Cruise Terminal was the setting last Sunday for the 4th Archant KOS Media's Travel & Leisure Show. A numerous contingent from France brought an international flavour to the proceedings which showcased Kent's tourism economy and the growing market for cruise ship holidays. Among the busiest stands was that of Quex Park which continues to build its brand as the most enterprising agricultural business in East Kent. Visitors to the show could not fail to be impressed by the splendid new coach at the entrance. One of a fleet of ten vehicles operated by Carol Peters Travel, it revealed again how excellent service and attention to detail can help a local company grow and succeed even in difficult trading conditions.

20. Tax Events

Jon Cleverdon of J Cleverdon Accountants reminds us that the final tax deadline of 5th April 2011 is relevant to individuals who have not considered year end tax planning. Issues at stake include utilising your annual capital gains tax exemption, utilising your annual inheritance tax exemption for gifts, utilising your annual Individual Savings Account investment limit and making additional pension contributions for 2010/11.

21. And Finally ...

News has reached the Chamber of a taxi driver in Ramsgate who picked up a fare at the station. "Where to?" he enquired. "Take me to Margate", came the brusque reply. "Which part?" the taxi driver asked. The passenger replied: "All of me, of course".

22. Our Sponsors

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