



## **Your Weekly Business Bulletin from Thanet & East Kent Chamber**

### **Thanet & East Kent Insider**

**30<sup>th</sup> July 2011 | Issue No.: 166**

#### **1. Bank of England Deputy Governor**

The Bank of England sets the interest rate and issues bank notes. It is the UK's central bank with special powers to regulate our financial systems and reduce inflation. It helps to maintain stability in world markets and is one of the most respected independent financial institutions in the world. It is therefore important that the key decision-makers at the Bank of England should understand the challenges and strengths of our local economy in East Kent. It is fitting that the largest business support bodies in the Thanet & Dover Districts should invite the senior management of the Bank to England to visit us. It was therefore with great pleasure that the Thanet & East Kent Chamber in liaison with our sister Chamber in Dover welcomed the Deputy Governor of the Bank of England, Paul Tucker, to a meeting in Margate last Wednesday. As we have noted in the past, in order to allow a free and frank exchange of information, it is a condition of such meetings that the details remain confidential. Chamber members may be assured the discussions were comprehensive and covered issues vital to the health of the private sector such as the interpretation of planning laws. Paul Tucker received a full briefing on the Thanet and Dover Districts complete with research papers, case notes and comparative data.

#### **2. Come On, Tell Us Some More**

Confidential means confidential, but it is breaking no rules to relate that by request the meeting with Paul Tucker took place at the Turner Contemporary and included a magnificent lunch prepared by the Turner Contemporary's own caterers. In previous editions of the Thanet & East Kent Insider, we have appealed for comments on the basis that "your views are more important than our assumptions". Members have responded magnificently. The Deputy Governor received expert briefings in the following sectors: Education, Arts Regeneration, Skills, Waste Management, Design, Brand Management, Manufacturing, Exports, Property, Port Management, Commercial & Domestic Property, Accountancy, Architecture, Tourism & Heritage, Printing, Transport and Aviation. Also at the meeting was the Chamber Chairman, Dr Bill Moses, who covered international issues and brought his considerable experience of the maritime industry to bear in discussing skills and the commercial potential of the Port of Ramsgate. Chamber members may be pleased to know that their views are being represented directly to the Bank of England. These will be taken into

account by its most senior management and will be reflected in the deliberations of the Monetary Policy Committee which sets the UK interest rate each month.

### **3. Turkish Delight At East Kent**

Turkey is again in the news. Readers will recall that a delegation of trainee Turkish Governors attended our Preparing For Profit business breakfast on 30th June 2011. Cllr Simon Moores, one of the more business-friendly modernisers in Kent district councils, kindly gave the group a comprehensive briefing on local government. Last Tuesday, the group returned to Thanet and received a warm welcome from the Spitfire & Hurricane Museum, Manston Airport, the Turner Contemporary, Kingsgate Furniture and the Powell-Cotton Museum. We were grateful for the opportunity to promote the goods and services of our members to a fast growing country of 75 million inhabitants. We were assured that East Kent might expect more Turkish tourists in the future to help redress the balance. In-bound tourism has been a huge growth factor in the Turkish economy. The number of tourist arrivals in Turkey has tripled since 1998. A key factor in the stabilisation of the Turkish economy was the introduction of the new Turkish Lira. Prior to 2005, one pound sterling bought 2,500,000 Turkish Lira which was not exactly practical for exchange purposes. Six zeros were deleted from the old lira and the largest note now in circulation is 100 TL. Note: the “new” was dropped after one year. It may not surprise Chamber members to learn that our Turkish delegation expressed much enthusiasm for trading with East Kent, blessed as we are with such unique attractions, but no enthusiasm at all for joining the Eurozone.

### **4. Planning Aftermath**

Since recording the rejection on a technicality by Thanet District Council of an application for a state-of-the-art indoor Golf Academy at Manston, see Thanet & East Kent Insider of 23<sup>rd</sup> July 2011, this Chamber has received much correspondence from companies which have allegedly been deterred from setting up shop or expanding in Thanet. In one particular case, it appears that a company preferred to take its operation overseas rather than continue to battle with the Thanet District Council planning department. In another case, the delays by Thanet District Council had seen the applicant's costs allegedly soar to a six-figure sum. Among the many comments received to date about Thanet's rejection of the Golf Academy are: “I cannot understand the reasons”, “If Thanet is serious about encouraging business and attracting visitors, we should be thinking well beyond food and shopping and actively welcome and show some support to new business ideas that could enhance our area” and a more direct “madness”. As predicted, districts neighbouring Thanet are only too pleased to offer a more business-friendly approach and we have already received an invitation to discuss setting up the Golf Academy elsewhere in East Kent. Clearly, this is a situation which is not of benefit to Thanet businesses or to local job creation. We are seeking a meeting with some of the more enlightened members of Thanet District Council to see how a more business-minded policy can be implemented. Inward investors are at a premium in our current economic climate and should receive every possible encouragement.

### **5. Our Port, Our Future**

At an event yesterday lunchtime at the County Hotel in Dover organised in association with the Dover District Chamber of Commerce, delegates heard a detailed account of the history and current position of the initiative by Dover People's Port Trust Ltd (DPPTL) to buy the Port of Dover. DPPTL Chairman Neil Wiggins outlined the financial, operational and community aspects of the initiative which represents a new model for port governance in the UK. Almost uniquely in developed nations, the UK has been happy to sell its ports to private equity companies which have been only too keen to increase shareholder value without necessarily considering the commercial, cultural or social needs of the local community. Not surprisingly, the pressure from remote shareholders has tended to be targeted at maximising the return and embellishing the next quarter's figures rather than concentrating on the benefits for those who live and work in the surrounding area. Neil noted that the monopoly position of Dover in terms of cross-channel ferry services would encourage any foreign owner of the port to raise prices to levels that might put severe constraints on the operators, exporters and the economy of East Kent. DPPTL's constitution imitates that of a housing association and thus gives members of the community the right to vote for directors and play a full part in the direction of the port. DPPTL's ownership would not materially affect the efficiency of the port in the initial stages. As many readers will know, under the Transfer of Undertakings (Protection of Employment) Regulations 2006 legislation (TUPE), if there is a transfer of “a stable economic entity” [CIPD 2011] all staff would transfer automatically to the new owners. However, Neil is confident that by instituting best practice procedures and learning from the the examples set by the leading

experts at the Global Logistics Institute, success similar to that enjoyed at Valencia and Singapore could eventually follow. Such measures could transform local business. Without the benefit of due diligence and a forensic analysis of the current management's accounts, it has not been possible to give firm promises on the exact timetable for the development of the port. DPPTL's backers are nevertheless confident of a BBB- to BBB rating for their investment and will be looking to convert the loan into tranches of investment bonds in due course. One of the key features of DPPTL's management would be training for locals. Neil understands that the current management employs just one apprentice. Successive reductions to the port's workforce and an apparent policy of buying in fully trained workers from outside the district have denied local young people the opportunity for training and development which in turn has impacted on our community in a severe fashion. In a final flourish, Neil reminded delegates that a cash sum of £50 million would be available to DPPTL for regeneration of the local economy. It is hardly surprising that the union Unite, residents, the Dover MP, the main ferry operators and local businesses support DPPTL. We now await the decision of government on this flagship "Big Society" initiative.

## **6. Taking French Leave**

Readers will recall that a recent initiative by the Thanet & East Kent Chamber to stimulate exports involved going to France to locate a suitable agency with the skills and experience to promote East Kent goods and services to our nearest continental neighbour. We identified So Now near Lyon as being a suitable agency. We are delighted that so many companies have now made contact. Success in the French market depends as much on understanding the particular nuances of French culture as it does on refining a pan-European marketing model. With this mind, we would like to advise current and potential clients of So Now that in common with many other French companies large and small, during the holiday period it will be offering only a limited service next month until it returns to full production capacity on 23<sup>rd</sup> August. Until then, there may be delays to responses to telephone and postal enquiries. Emails should be sent in English or French to [contact@sonow.fr](mailto:contact@sonow.fr). As many Chamber members will know, annual breaks of this nature are quite common in the commercial culture of many Mediterranean countries.

## **7. Do We Work Too Long In The UK?**

Eurofound is the short name for the European Foundation for the Improvement of Living and Working Conditions. Established in 1975, it was one of the first European Union bodies to be established to research areas of EU policy. In a report published last Thursday, it examines working hours in EU countries in 2010. Do we work more than the French? The simple answer is a resounding "yes". Of all the European Union countries, only two have an longer average working week than the UK: 41.3 hrs in Romania, 40.8 hrs in Luxembourg and 40.5 hrs in the UK. France has the second shortest average working week, registering 38 hrs, a fraction ahead of Finland. What do the French do the rest of the time? We welcome your suggestions and will print those can be printed and smile at those that cannot.

## **8. Ramadam**

Chamber members are advised that the Muslim holy month of Ramadam is most likely to begin on 1<sup>st</sup> August 2011. Until the 29<sup>th</sup> August 2011, Muslim men and women are obliged to take no food or drink between sunrise and sunset. There are exceptions for children, for the sick and for anyone travelling a long distance. At the end of Ramadam, Muslims celebrate Eid ul-Fitr with a feast and a party. Employers might like to take into account that Muslim workers may have to get up at as early as 3.00 am in order to bathe, prepare a meal and eat before sunrise. Under the Equality Act 2010, most companies face heavy legal obligations regarding discrimination. The British Chambers of Commerce (BCC) summarises this to mean "As a matter of good practice and good business, you should treat everyone accessing your goods, facilities or services fairly, regardless of their age, gender, race, sexual orientation, disability, gender reassignment, religion or belief, and guard against making assumptions about the characteristics of individuals." This legislation covers a wide range of bodies including private clubs with more than 25 members. The BCC quotes the following example: "Brian wants to take his wife, who is a Muslim, to his golf club dinner. The club refuses admission because she is a Muslim. This is unlawful discrimination under the Equality Act 2010."

## **9. Global Warming and East Kent**

Last Monday, the Chamber was invited to Kent County Council's offices in Maidstone to learn of an INTERREG IVA funded cross-border project designed to analyze the effects of global warming on coastal communities. A budget of £2.5

million has been set aside with around £400,000 available to Kent County Council. The project looks ahead to the year 2150 with a view to mitigating the effects of global warming in the intervening period. Many Chamber members will wonder why the tax payer should contribute so much to the enterprise. With some exceptions, notably Atkins Ltd, private sector companies are generally not interested in financing such long term research and yet the results could be of critical importance to all businesses and especially those located near our coastline. We know for instance that the sea-level in Kent has risen approximately 115mm (4.5 inches) in the last 100 years. Delegates heard some other sobering statistics from Christine Wissink who outlined the latest data from UK Climate Projections.

	<b>2020</b>	<b>2040</b>	<b>2080</b>
Hotter Temperatures	+1.6°C	+2.3°C	+3.9°C
Drier Summers	-7%	-12%	-22%
Wetter Winters	+6%	+13%	+22%

The Chamber will be representing the East Kent coastal business community in ensuring that the interests of our companies are reflected in public policy. To take just one aspect of the research to date, the projected heatwaves and droughts are considered to impact particularly sharply on the following East Kent wards: Canterbury District: Harbour, Chestfield & Swalecliff, Heron; Dover: Middle Deal & Sholden, Castle; Shepway: Folkestone Harvey Centre, Folkestone Harbour, Dymchurch & St Mary's Bay, New Romney, Lydd; Thanet: Eastcliff, Margate Central. We welcome comments from readers.

## **10. Recipe For Retail Success**

Bicester Village is the UK's most successful retail park. Stores on site sell more per square metre than anywhere else in the country. Visiting motorists enjoy free parking and there are plenty of public seats available. Bluewater is Kent's busiest shopping mall accounting for 9% of the retail space for comparison goods, i.e. clothes, toys, electrical and DIY. Bluewater does not charge for parking and there are convenient places to sit without charge. Stores at Westwood Cross, Thanet's number one shopping mall, enjoyed an average increase in sales last year of over 10%. Visitors pay nothing to park their cars and there is public seating available in the central causeway. The editor of this publication paid £6.20 to park his car for two hours near Margate High Street. There was nowhere convenient to sit down. Margate High Street has more empty shops than any comparable place in England and Wales. Do we detect some sort of pattern here?

## **11. Changes At Royal Mail: A True Story**

We just received a formal letter from the Royal Mail about changes to the delivery service. We have been invited to "cascade this information to anyone in your organization who may be interested". Members will be intrigued with the main bullet points listed which are quoted here exactly as written. Point One: "Royal Mail will continue to deliver in the morning and for a longer period during the day. Many customers will continue to get their mail by lunchtime". Point Two: "The time customers receive mail will depend on where they live on the new delivery route. This may be later or possibly earlier than the current delivery times". Point Three: "When mail volumes vary, we may need to adjust delivery arrangements and times". Readers of the Thanet & East Kent Insider may not be alone in finding these words almost complete gobbledygook. Intrigued by what the Royal Mail is trying to explain to businesses in East Kent, we accepted the invitation from the author of the letter to telephone 0845 601 1399 to find out more. After negotiating the computerized switchboard and passing through several automatic exchanges, we managed to speak to "Barry" who is based in Plymouth. After checking the postcode of our head office, he said that next week our mail may be delivered sooner or it may be delivered later, "it all depends on how the new delivery schedules work in practice". He was unable to confirm when the new schedules start or at what time the mail is likely to be delivered except that it will be "before 3.00 pm". The original letter from Jon Verrall, Collections and Delivery Sector Manager of the Royal Mail based at 35 -50 Rathbone Place, London W1T 1HQ is a masterpiece of its type. We recommend that any Chamber member receiving it should store it as an example of how to annoy your customers with effortless ease. Please also note Royal Mail's lament about the decrease in letter writing: "The way in which we communicate with each other has changed dramatically". It certainly has.

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

**For details of membership, email [admin@tekc.co.uk](mailto:admin@tekc.co.uk)**

Thanet & East Kent Chamber Limited

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