



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

### Thanet & East Kent Insider

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#### 1. Enterprise Zone

There have been some big news stories in the past week which impact directly on our East Kent coastal business community. A veritable scoop by our good friends at BBC South East on the Tuesday evening news ensured that there was no great surprise the following morning at 0900 hrs in the Sandwich Guildhall when the Leader of Kent County Council, Paul Carter, introduced the Minister for Science & Universities, David Willetts MP to announce an Enterprise Zone on the Discovery Park, known to most locals as the Pfizer site. Flanked by Kent MP Greg Clarke and Chamber presidents Laura Sandys MP and Charlie Elphicke MP, David Willetts outlined the advantages to the East Kent economy as a whole as a result of the government's announcement. First on the web with a news report was Chamber member Kent Business TV, see the video at [http://www.kentbusinesstv.com/business/enterprise-zone-for-east-kent/?utm\\_campaign=twitter&utm\\_medium=twitter&utm\\_source=twitter](http://www.kentbusinesstv.com/business/enterprise-zone-for-east-kent/?utm_campaign=twitter&utm_medium=twitter&utm_source=twitter) for commentary. The Chamber's reaction appears in the video and also on the BBC Radio broadcast to be found at [http://www.bbc.co.uk/iplayer/episode/p00jlbmm/Breakfast\\_with\\_John\\_Warnett\\_and\\_Clare\\_McDonnell\\_17\\_08\\_2011/](http://www.bbc.co.uk/iplayer/episode/p00jlbmm/Breakfast_with_John_Warnett_and_Clare_McDonnell_17_08_2011/) and fast forward to 1:08:50, available for four days. We have been assured that further support to the East Kent economy should follow any successful bid to the Regional Growth Fund and that the interests of commercial property owners in Thanet will be respected in the details of the incentives on offer to companies seeking to move onto the site.

#### 2. What Does Enterprise Zone Status Mean?

Unlike many other Enterprise Zones, the 99.4 hectare site at Sandwich site already benefits from fast broadband connections. [SWIFT Codes for all Banks in Australia](#). The main target is to attract companies specialising in life sciences, pharmaceutical, bio-technology and broader research in sectors such as chemicals, food and renewable energy. The successful development of Manston Airport would also provide an incentive to companies in aviation technology and allied industries. The tax breaks available amount to a significant £21.4 million. The government is planning to bring 190 companies to the site with the objective of replacing by 2015 each and every one of the 2,400 employees displaced or made redundant through the departure of Pfizer. The official details can be found on the Treasury website at [http://www.hm-treasury.gov.uk/press\\_96\\_11.htm](http://www.hm-treasury.gov.uk/press_96_11.htm).

### **3. How Many Enterprise Zones Are There?**

During the last budget, the Chancellor announced 11 Enterprise Zones with 10 more to follow. It will not escape the notice of astute readers that this round of bidding by Local Enterprise Partnerships (LEP) has produced one more EZ than was envisaged by the government, i.e. 11 and not 10 bringing a total of 22 and not 21 as forecast by the Chancellor last May. Our uniformly intelligent readership will also notice that the restriction of one EZ per LEP has been exceeded in one area alone: the LEP of Kent, East Sussex and Essex. This suggests some energetic behind-the-scenes campaigning by our team as both Sandwich and Harlow in Essex have been favoured with an EZ. It might appear to some that like indulgent parents, when the child makes enough fuss about choosing between a model aircraft or model ship (made by Chamber member Hornby of Margate of course), the parents decide to buy them both. We trust that in this case parental retribution at a later date will not harm our chances of a successful bid to the Regional Growth Fund.

### **4. Do We Know Why Pfizer Is Leaving?**

David Willetts confessed to being profoundly shocked late last January when the new Chief Executive of Pfizer entered his office and said that he was going to close the whole of the Sandwich site. "It was immediately clear what a blow that would be". The Minister added that he was determined that: "We should not simply accept passively that decision". The subsequent creation of a task force chaired by Paul Carter and featuring Laura Sandys and Charlie Elphicke was part of that response and has led directly to the creation of the EZ on the site. It must also have been a contributory factor in the extension of the High Speed rail link to Sandwich. When looking at the pharmaceutical research industry as whole, it is not difficult to see the reasons behind Pfizer's demise in the UK. Pfizer's great UK rival GlaxoSmithKline announced at the beginning of February 2010 that it was reducing its research budget by £500 millions as part of a £1.7 billion cost reduction programme. CEO and Nottingham University graduate, Andrew Witty, said: "We are not going to hide away from the decisions that need to be made". Governments around the world were switching to generic drugs. Pharmaceutical companies were finding that many of the costs and risks of original research were no longer justified in what Witty described as: "white pill and Western markets". Developing economies offered better prospects for investment with growth of over 20%; GSK's diversification policy had literally paid dividends for shareholders who took advantage of the increase in UK sales of GSK's health related products such as Sensodyne, Ribena and Lucozade. With the Treasury's resources at his disposal, it cannot have been a tremendous surprise to David Willetts. As one venerable Chamber member put it, the announcement of the beginning of the Second World War was not a surprise, but it was still a considerable shock.

### **5. Manston Airport**

The other big local news story this week was the announcement by Charles Buchanan, Managing Director of Manston Airport, that unless the planning committee of Thanet District Council looks favourably on the development of the airport next September, it is possible that it would close. We have commented extensively in the last month on the contrast between the friendly welcome businesses receive from neighbouring districts and the apparent hostility from the planners in Thanet. Here is surely a litmus test for our district council's planning committee. The excellent John Ryall of ITV Meridian summed up the issues succinctly in his report for Meridian Tonight see <http://www.itv.com/meridian-east/night-flights-for-kent/4604/>. Thanet has the highest unemployment in Kent and the poorest record for sustaining private sector companies. As this Chamber notes in the Meridian interview: "Here is an opportunity to not only develop the airport, but to boost the whole of the East Kent economy". It is comforting to know that the Leader of Thanet District Council, Cllr Bob Bayford, is fully aware of the potential calamity if Charles Buchanan and his backers should depart. Our Council Leader is filmed as saying: "It would be absolutely disastrous for the area were the airport to shut". Bearing in mind that the Pfizer site is in the Dover District and thus benefits from a more enlightened planning regime, we have more than once posed the question "Where in Thanet can we produce 3,000 jobs?" In the last five years, there has only ever been one answer: "Manston Airport".

### **6. Chamber Planning Symposium**

August 2011 from 1500 to 1630 hrs. The Symposium is open to Chamber members with a professional interest in planning issues in Thanet. To ensure a concentrated agenda and discussions, the number of delegates will be limited to

12 and accepted on a 'first come, first served' basis. To book your place, email [manager@tekc.co.uk](mailto:manager@tekc.co.uk) with the subject line "Chamber Planning Symposium".

## **7. Business Networking Breakfast**

September 2011 and will feature some star names as speakers including Kieran Ring, Chief Executive of the Global Institute of Logistics of New York and Dr Mark Gilman of Kent Business School located at the University of Kent. To book your place, email [manager@tekc.co.uk](mailto:manager@tekc.co.uk) with the subject line "Business Networking Breakfast 9 September 2011". Tickets cost £12 for members and £16 for non-members. A delegation of 11 from the Port of Dakkar will be in attendance.

## **8. Chamber Maritime Symposium**

This is advance notice of the Chamber Maritime Symposium which will take place at the offices of our sister Chamber in Dover, the Dover District Chamber of Commerce on the afternoon of 9th September 2011. Established in 1850, the Dover Chamber has a long history of support for the maritime sector. The symposium will feature a presentation by the Director of the Port of Dakkar, Mr Ousmane Toure, who will be accompanied by 10 of his senior staff. Also making an extended presentation will be Kieran Ring, Chief Executive of the Global Institute of Logistics, fresh from his introduction at that morning's Business Networking Breakfast in Kingsgate, Broadstairs. Open only to those with a professional interest in maritime transportation and logistics, bookings can be made by email to [mail@doverchamber.co.uk](mailto:mail@doverchamber.co.uk) with the subject line "Chamber Maritime Symposium". Tickets cost £5 for Chamber members and £20 for non-members if space is available.

## **9. VAT And House Builders**

We are grateful to Chamber member Canterbury Christ Church University for drawing our attention to the VAT implications of letting a new house to temporary tenants prior to its sale. We understand that HMRC has introduced several measures which could reduce the amount of VAT payable through partial exemption. We recommend that anyone with an interest in this issue or any VAT matter to contact one or more of the following Chamber members who will be pleased to give further guidance: Acorn Bowman Finance & Investment Management of Broadstairs tel: 01843 609365; J Cleverdon Chartered Accountants of Broadstairs 01843 866599; J W Accountancy Services of Shepshwell tel: 01304 830229; Kemps Accounting Solutions Ltd of Broadstairs tel: 01843 861188; KJA Bookkeeping Services Ltd of Canterbury tel: 08941 653034; Levicks Chartered Accountants of Broadstairs, Canterbury and Maidstone tel: 01843 862716; Michael Martin Partnership Ltd of Whitstable tel: 01227 770500 and Neville Weston Chartered Certified Accountants of Ramsgate tel: 01843 594571.

## **10. Training Grant Up To £1,000 Available**

Sue Sharpe of Training South East has asked us to remind members that owner/managers, managing directors and senior managers in companies and social enterprises with 10 or more staff may apply for funding to support training in Leadership and Management of up to £1,000. Conditions are attached. For further details, contact Sue direct at [sue.sharpe@skillsoutheast.co.uk](mailto:sue.sharpe@skillsoutheast.co.uk) or see the website at [www.skillsoutheast.co.uk](http://www.skillsoutheast.co.uk).

## **11. Broadband News**

We are grateful to Megan McKibben, Executive Director of the Kent Economic Board at Kent County Council (KCC), for informing the Thanet & East Kent Insider of the latest news regarding the extension of superfast broadband across Kent. This is clearly a vital issue if we are to attract inward investors to rural and peripheral areas of Kent which currently lack the Internet connections that many of our international competitors enjoy in developing countries. The government defines a "white area" as "an area with poor broadband provision which is eligible for State support to receive quality broadband". The government's allocation to Kent is revealed on the website at <http://www.culture.gov.uk/images/publications/BDUK-Funding-Allocation-16-08-11.pdf>. We understand from Kevin Lynes, KCC Cabinet member for Regeneration and Economic Development, that: "It is going to cost at least £42 million to introduce this [fast broadband] to 90% of homes and businesses in the county, which is the national aim. That

means the Government has earmarked about a quarter of what we need. We now need to work together to secure the rest of the money.”

## **12. More About Manston**

The stimulus to debate about Manston this past week has been the release of a report from the widely respected York Aviation, see [www.yorkaviation.co.uk](http://www.yorkaviation.co.uk). The report concludes that the ability to handle some aircraft movements between 23.00hrs and 07.00hrs is necessary for Manston to attract airlines, such as low-cost operators, with planes based at the airport, as well as handle greater levels of freight from around the world. According to Manston Airport Managing Director Charles Buchanan: “Persuading airlines to base planes at the airport is fundamental to our ability to maximise the benefit that the airport can bring to the Thanet economy. By doing so, we will be able to develop a range of destination opportunities for local people, while bringing increased numbers of visitors to the area.” Charles adds: “The report highlights the impact on the airport’s ability to secure freight traffic. Stringent restriction of flights between 23.00 and 07.00 GMT would effectively put the vast majority of countries, which export fresh produce into the UK, beyond the reach of Manston’s freight handling team.” This Chamber recognizes that Manston needs to grow to survive. Our local airport has a supremely efficient staff in place. We have learned that in one recent exercise, a jumbo jet freighter taxied to halt at the end of the runway and from the moment it opened its doors to the departure of the cargo on board a waiting lorry was a matter of just 7 minutes. Heathrow, Gatwick and Stansted cannot match this level of service. If we want fresher fruit and vegetables in our shops and fresher tourists and visitors for our hotels and retailers, we must support the development of Manston.

## **13. More On Grants**

Cara Thorpe of TVCSF has kindly informed us of some grants available to charitable and community organisations. These include the following: The Overstone Fund which supports projects striving to reduce crime and recidivism. There is help on offer for individual ex-offenders and prisoners with a particular emphasis on re-training & increasing employability. This Fund will also support projects that provide countryside activities for inner city or disadvantaged children. The Phillips Fund supports charities, voluntary groups and organisations using volunteers to deliver small but beneficial conservation and environmental projects to rural communities in Kent & Medway. There is a deadline of 2 September 2011 for applications this year. The Sarah & Francis Salway Grassroots Fund is interested in projects that involve local people in self-started initiatives which support the spirit and wellbeing of the community. Especially projects that support individuals and communities to help themselves in enterprising and self-sustaining ways. There is a preference for projects involving volunteers. Grants available from £250 to £5,000. Deadline: October 2011. The Brook Trust Fund makes grants to organisations and individuals working to achieve positive social outcomes. Projects using early intervention where possible to tackle disadvantage, deprivation and social exclusion; particularly in areas such as the elderly, offenders & ex-offenders, women’s groups and parenting support for vulnerable families. Deadline: October 2011. More information on all of the above is available direct from the Kent Community Foundation by email to [admin@kentcf.org.uk](mailto:admin@kentcf.org.uk) and by telephone to 01303 814500.

## **14. Accountancy Seminar**

Reeves & Co, a member of our sister Chamber in Dover, is offering a free half day seminar at The King’s School Birley’s Pavilion in St Stephen’s Road, Canterbury on 11th October 2011. Entitled Finance Focus 2011, the sessions will cover a wide variety of issues of interest to companies of all sizes including tax updates, financial reporting, employment changes and bank funding. Details are available from the company website at [www.reeves.co/events](http://www.reeves.co/events).

## **15. Beware Of Electricity Meter Fraud**

We have been contacted by Kent Police Neighbourhood Watch regarding a scam that targets vulnerable local residents. It involves door-to-door fraudsters who offer a card with £50 of credit for prepayment electricity meters (PPM) for £25. Medway and Thanet are apparently the most likely areas in Kent to fall victim to this nefarious scheme. The criminals are active throughout England with Kent being the fourth most vulnerable county. It is interesting to read that in order of susceptibility, the most victims in Kent have been in Medway, Thanet, Swale, Gravesham, Maidstone, Dartford, Ashford, Dover, Sevenoaks and Tonbridge & Malling. We can only assume that in Tonbridge & Malling some

of the wealthy residents have PPMs in their duck houses. Perhaps Sir Peter Viggers could let us know if this is normal practice.

## 16. Macalister White LLP Solicitors

We welcome to Thanet Sue Towndrow who has just joined Chamber member Macalister White LLP Solicitors. Sue joins the ever popular rugby enthusiast Darryl Vas at this Ramsgate legal firm from Gelling Johnson Farrant, a well respected and established practice in Douglas, Isle of Man. Sue is a qualified legal executive specialising in matrimonial work, powers of attorney, receiverships, wills and probate. She is also a family mediator and a member of the Family Mediators Association.

## 17. The Venerable Elvis Speaks

The downturn in European Pharmaceutical research, as outlined in our lead articles above, may not be the most obvious subject to bring to the attention of Thanet's time-honoured hermit, but regular readers will know that that the wisdom of this saintly man would put Einstein to shame. Who can forget his advice to the new Prime Minister as reported in our pages on 24<sup>th</sup> July 2010: "My advice is for him to learn from the mistakes of others, because he won't have time to make them all himself". Various estimated to be between two and three hundred years old, the venerable Elvis's last appearance in public was documented in February 1870. It is rumoured that in 1786, a young Joseph Mallord William Turner was inspired to devote his life to painting following a chance encounter with our resident sage. The Venerable Elvis lives in a humble dwelling located in the hinterland between the disused power station at Richborough and the abandoned quarry in Manston. His whereabouts are unknown to everyone except our intrepid reporter who communicates with the great man on matters of vital national importance. Thus it was last week that our staff reporter, himself no spring chicken, ventured through the early morning mists to meet the Venerable Elvis in his hovel and to ask him why biomedical companies overseas can be so creative and yet our European research establishments have such great difficulty in finding innovative ideas for new medicines. After a considerable pause, the Venerable Elvis stroked his long grey beard and said in that voice thin voice that is the characteristic of many spiritual figures down the ages: "I often find that others pinch my ideas, sometimes even before I have thought of them myself." We are indeed blessed to have such a wise man in our midst.

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