



Your Business Bulletin from Thanet & East Kent Chamber

Thanet & East Kent Insider

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1. Craig Mackinlay MP Speaks: Chamber Breakfast 26th June 2015

The vast majority of our Chamber members will have already received news of our Chamber Business Networking Breakfast scheduled for 0730 – 0900 hrs on Friday, 26th June 2015. The main speaker will be Craig Mackinlay MP whose constituency includes areas with maritime, rural and urban businesses in the districts of Dover and Thanet. A chartered accountant, chartered tax advisor, Justice of the Peace and charity trustee, Craig is also a keen sailor with his own ideas for stimulating the economy of East Kent. As a Chamber President working alongside Charlie Elphicke MP and Sir Roger Gale MP, Craig will be happy to answer questions at the end of his presentation and warmly welcomes close links with the business community. The price of £15 includes coffee on arrival and a full English breakfast with a vegetarian option. Booking is essential. To reserve your place, email admin@tekc.co.uk with the subject line: "Chamber Breakfast 26th June 2015". Full details of the venue near Sandwich will follow with confirmation.

2. Did You Get a Share of £40 Million?

Last month's Chamber Business Networking Breakfast entitled "Get a Share of £40 Million" showcased the latest plans for Betteshanger Sustainable Parks. Chamber members from a wide variety of sectors heard how they could become a supplier to this landmark development which promises to combine the latest advances in sustainable technology with a respectful celebration of its previous heritage at the heart of the East Kent mining community; a UK first. In a brilliantly succinct presentation, Director Richard Morsley outlined how local companies could benefit from the £40 million project at every stage of its construction. On completion, there will be attractive opportunities for green technology companies and firms in the food and drink industry. Betteshanger Business and Commercial Park will provide 6,700 square metres of internal space in separate units with a mix of serviced accommodation and units for start-ups. A focus on B1 (a) and B1 (b) accommodation will accompany tenancy agreements based on an "easy-in, easy-out" formula. The Food Hub Centre is expected to attract owners of food businesses with pioneering objectives who are keen to develop and bring new products to market with the support of display areas for B2C and B2B promotions. All buildings will conform to BREEAM standards, the world's foremost environmental assessment method and rating system for buildings. Private sector investors expecting a median 5% return from year six rising to 8% have received some assurance from the wholehearted backing from local and national government. With Hadlow College managing the education campus, the only college in Kent to be both Ofsted 'outstanding' and an LSIS Beacon provider, tenants there will have fully committed professional expertise on site.

3. Contract Law Seminar

As promised in our previous business bulletin, Chamber Members attending last week's seminar, 'Introduction to Contract Law' were treated to a rich diet of legal insights that will inevitably give them a significant advantage in future negotiations and correspondence with customers and suppliers. Commercial advice and insights of the highest quality flowed from Irfan Baluch, contract law specialist at Cripps LLP which has offices in London, Tunbridge Wells, Kings Hill and Sandwich. Breach of contract, agency agreements, non-disclosure agreements, memoranda of understanding, heads of terms, 'the battle of the forms', what you should and, of equal importance, what you should not put on your invoice were all featured in a veritable tour de force of professional advice that proved conclusively the contention that "If you do not understand the basics of contract law, you do not understand modern business and you are vulnerable to those that do." Inspired by how to protect their company and increase its profitable trading, chamber members were full of praise for the seminar and its presenter. There is little doubt of the demand for it to be repeated before too long. Irfan can be reached by telephone to Cripps, tel: 01892 515 121, or via the website at www.cripps.co.uk.

4. Lord Digby Jones

The Chamber was the guest of Wilkins Kennedy for an evening at Leeds Castle with Lord Digby Jones. For six and a half years, he was the outspoken Director General of the Confederation of British Industry. One of his predecessors was Sir Howard Davies, the current Chairman of the UK Airports Commission and John Banham who later served as Chairman of Tarmac, Kingfisher plc and Johnson Matthey. Determined to be his own man and refusing to join any political party, he used his experience as a senior partner at Edge & Ellison, a Birmingham-based firm of lawyers, to flummox Jeremy Paxman soon after his appointment by telling him that he had never been interviewed on television before. Indeed, he was brought up as the son of the owner of a corner shop in Alvechurch, near Birmingham and claims that this is where he learned the fundamentals of his business creed. It obviously served him well as he progressed through the ranks to be successively a student, a Probation Officer and Assistant Physiotherapist followed by three years in the Royal Navy. After graduating from University College London, somewhat unkindly dubbed by the local rival King's College as "that Godless institution in Gower Street", he spent 20 years advancing from being an articled clerk to a senior partner. A fierce critic of protectionism, his many appearances in the media saw him berate the public sector for its inefficiencies. A knighthood in the 2005 New Year's Honours list was followed a few years later by his appointment as Minister of State for UK Trade & Investment and elevation to the peerage as Digby, Lord Jones of Birmingham Kb. Now with a string of executive and non-executive posts to his name, he makes regular appearances on the BBC as a business trouble-shooter or commentator on the day's newspapers. Many Chamber members will agree with his much quoted lines that: "if fundamental reform does not take place, from working practices right through to pension provision, we will end up with an ever-diminishing private sector trying to pay for, and provide pensions for, an ever increasing and inefficient, unproductive, self-interested public sector" and yet most will surely take issue with his unreasoned support for Aston Villa FC, now to be found languishing in the lower reaches of the Premier League; surely a misjudgement and one that he shares with our current Prime Minister, another Villa fan who has yet to appreciate the qualities of our East Kent teams.

5. Who Pays The Ferryman?

We are grateful to Dr Bill Moses MBE for his comments submitted to the Chamber on an issue at the heart of East Kent ferry industry. Of appeal to anyone with the best interests of our local economy at heart, here is what he wrote. "For those connected with cross-Channel business there has been a rather long, some would say arduous debate to observe in slow motion. I refer of course to the authorities' analysis of the MyFerryLink, a company born from the ashes of SeaFrance with ships funded by Eurotunnel and yet leased, manned and operated by a workers' société coopérative et participative, or SCOP. It was arguably anyone's guess whether it was reasonable for Eurotunnel to be associated with a surface operation as well as a fixed link but it was a brave move at least and one with logic; part insurance policy for those occasions where traffic diversion is required, an opportunity to cater for freight operators who have always preferred to spread their favours and in addition a way to accommodate hazardous cargo, a no-no for the fixed link. Alas, it was not to last despite a last-minute reprieve. The ships were instead consigned to DFDS, a move that results in a rare two-operator service from Dover, a port that has been more used to three players almost since the advent of the roll-on, roll-off ferry services in the early 50s. Earlier cries from those who monitor and legislated on competition put the customer first in an earnest effort to ensure that he or she was not disadvantaged. In truth MyFerryLink has provided a valuable, service-oriented and competitive operation with no evidence that passenger and/or freight clients have been deprived. The story is of course not over yet. DFDS will become the prominent if not largest surface operator and with two more likely to rationalise capacity than three, it is difficult to imagine that frequency will increase. And on those occasions when Operation Stack becomes a necessity the challenge posed by increased post-recession freight volumes and capacity more accurately tuned to demand may lead to a greatly increased test for Kent County Council."

6. Broadstairs Folk Week

Famous far beyond its town boundaries, Broadstairs Folk Week has become the jewel in the crown of Kent Festivals. Celebrating its 50th year this summer, the festival makes a huge impact on businesses in a wide variety of sectors. A 2012

independent survey by Kent County Council calculated that the business impact of Broadstairs Folk Week was £2.3 million and the sum will surely have risen since then. Festival Director Jo Tuffs reminds the Chamber that it all began through the efforts of the Folk pioneer Jack Hamilton who: "... arrived in Broadstairs and knew at once this was the perfect place. Funding came from the Council who provided a £100 deficit guarantee. The English Folk Dance and Song Society provided a £50 grant." It has grown somewhat since then. The 50th Anniversary Festival from 7th to 14th August 2015 will offer over 500 events including concerts, dances, parades, a craft fair, a children's festival, morris dancers in venues ranging from the 600-seater concert marquee in the town's park to the more intimate Sailing Club on the seafront. Almost every aspect of folk culture will be represented, both a massed Ukelele Band and English clog-dancing with the Demon Barbers. Jo has unstinting praise for "an amazing army of volunteers without whom Folk Week would not happen" and adds: "There are now over 230 of them and there are still a few vacancies for anyone who would like to join for 2015." If you already know the difference between your Broonzies and your Belshazzar's Feast or would just like to get more involved as a volunteer, spectator or supporter, give Jo a call, tel: 01843 604080, or email info@broadstairsfolkweek.org.uk. More details are available on the website at www.broadstairsfolkweek.org.uk

7. Dredging Up The Truth In Ramsgate

Observant Chamber members with an interest in all things maritime may well have seen a grab dredger working in Ramsgate harbour recently in preparation for the installation of pontoons for small boat owners in the Western gully of the outer harbour and latterly a near never ending attempt to influence the mountain of sand alongside the end of the East pier. But there is a misconception about this energetic little dredger. For the uninitiated onlooker, the *Mannin* bears such an uncanny resemblance to the dredger *Ramsgate* that served the port for many years, that many believe it is actually her. Alas, it is not the *Ramsgate*, pensioned off by the Council in 2008 for the princely sum of £66,000, a mere bagatelle and a tiny fraction of what the Council is now obliged to spend on third-party dredgers. The absence of 'natural scouring' by regular arrivals and departures of a ferry means that the silt is increasing; yet despite this the major part of the ports dredging needs have been struck from the budget. The result is that if a ferry service is attracted to the port, 'catch-up' dredging could result in a very costly inauguration. And what news you may ask of the often maligned, life-expired, *Ramsgate*? She's as active as ever, renamed *Helle SAJ* and doing sterling work in the Baltic. Shame she's not the *Mannin* after all you may ask, we do.

8. Best Warehousing

The Chamber will be hosting a workshop focussing on best practice in warehousing. In an expanding economy and a burgeoning logistics sector in the Dover district and elsewhere in East Kent, commercial storage space is under increasing pressure. It is particularly important for warehouse owners and managers to ensure that they are making the best possible use of their assets. An informal session will take place on Tuesday, 21st July 2015 from 1000 hrs and will focus on sharing ideas for increasing efficacy in shipping, receiving, putaway and picking as well as recent developments in WMS (warehouse management system) software. For more details email admin@tekc.co.uk or telephone 01843 609289.

9. Term Time Holiday

One senior Chamber member at a long established but fast growing company in the IT sector has contacted the Chamber with some heartfelt concerns "for small and medium businesses in complying with the restrictions on term time holidays." He adds: "For many small businesses the employer is faced with a stark choice of either allowing a significant number of personnel to be absent at the same time or denying their employee's children a family holiday. The problem is compounded as employees try to coordinate their leave not only with their own colleagues, but with that of their partners and their colleagues who are often working for similar sized organisations with the same problems. The value of education and the work of teachers should not be underestimated, it is essential for the success of business to have a supply of intelligent, educated school leavers, however the implication that allowing an eight year old a few days holiday in June 2015 is going to have a detrimental impact on that person's skills in 2025 is unsubstantiated; however denying that child a holiday does put heavy strains on relationships between employers and staff, families and finances." We welcome further comments from businesses across East Kent and will pass these to our Chamber Presidents who represent your interests in the House of Commons.

10. How Do We Measure Unemployment?

The Chamber traditionally quotes the Claimant Count as a reliable guide to the evolution of our local economy. It is based on the exact number of people registered for benefits at our UK Job Centres each month and therefore provides accurate data from which meaningful comparisons can be made. The other main measure of unemployment is the Labour Force Survey (LFS); a statutory requirement of membership of the European Union that also allows for cross-border analysis on an equal basis. Although traditionally quoted in the media as our official unemployment rate, the LFS is at best a good guess based on a quarterly sample survey without a lot of detail. If we accept that the three main UK economic indicators are the exchange rate, the interest rate and the unemployment rate, the only measure available every month for every geographical area, from the village in which you live to Great Britain as a whole, is the unemployment rate expressed in the Claimant Count. The Chamber

has been monitoring these figures in East Kent closely for more than 8 years. A comparison of the latest data compared to the same period for the last two years is a reliable guide to our progress in the East Kent coastal business community.

District	Number of Unemployed			Difference	
	May 2015	May 2014	May 2013	2015/2014	2015/2013
Dover	1,253	1,952	2,498	-35.8%	-49.8%
Shepway	1,275	1,767	2,595	-27.8%	-50.9%
Swale	1,587	2,355	3,149	-32.6%	-49.6%
Thanet	2,528	3,775	4,700	-33.0%	-46.2%

The figures clearly show that unemployment for 16 – 64 year olds has more or less halved in the last two years, an encouraging picture for us all.

11. What About Youth Unemployment?

Although youth unemployment in Thanet is still the highest in the South East and remains an especial concern for 18 – 24 year olds at its current level of 5.6%, there has been a dramatic fall since May 2013 when 12.5% was the figure quoted by the Office for National Statistics and it had been 14.0% in September 2012. Similarly, there has been a sharp fall since May 2013 in Dover from 8.2% to 3.7%, Shepway from 7.0% to 3.4% and Swale from 8.6% to 3.8%.

12. Have We Never Had It So Good?

Harold Macmillan is still remembered today for his 1957 speech when he claimed: “Let us be frank about it: most of our people have never had it so good”. That is not yet true of East Kent, but there is no doubt that we have made a good start with a sustained improvement in the business climate. National economic recovery policies have been a significant element; more money for investment, increased confidence in our institutions, positive fiscal reforms and confidence from consistent results that have outperformed other G7 nations. Nevertheless, most commentators are agreed that this country has a systemic weakness in skills. Perhaps we have been fortunate in East Kent to benefit from the revival of East Kent College in Thanet, Dover and Shepway and many good and outstanding schools throughout the area. But skilled school-leavers, improving Further Education and more money available from the banks do not in themselves explain why unemployment has fallen across our region by nearly 50% in the last two years. For this we must thank the key decision-makers who generate the wealth. These are the owners and managers of our established companies, the brave entrepreneurs who start new companies here and the inward investors who chose East Kent rather than any other part of the world. Lord Digby Jones, see above, is one of many who remind us all on a regular basis that the government has no money of its own except for what it confiscates in taxes from those who generate the wealth. If our strong upward growth is to continue and if we wish to maintain and improve our schools, hospitals and the fundamental infrastructure of East Kent, we should be nice to these wealth-creators or they might go somewhere else where a warmer welcome is on offer. Our message to key decision-makers at all levels of government in every political party is surely something along the lines of “You may wish to hug a hoodie from time to time, but do not forget to back our businesses in East Kent.” In our popular television soap operas like East Enders and Coronation Street, company owners are often portrayed as unattractive characters with unsavoury habits, but without the money private companies generate, there would be no ITV and probably no BBC either. Mike Baldwin did have his good points.

13. Manston Update

Last Wednesday in a marquee located next to the runway, the Chamber joined BBC South East, ITV Meridian and Heart Radio to hear the latest news about the development of the Manston Airport site. On the platform were Ray Mallon, Chris Musgrave and Trevor Cartner. Their plans have a number of key features. Firstly, the site has been renamed Stone Hill Park with the name Manston dropped from future descriptions. With 200 acres designed to be attractive to advanced manufacturing companies, the owners envisage creating 4,000 jobs over a 20 year period in “a cluster of industries that work well together”. The plans include the provision of an East Kent Sports Village with an Olympic-sized 50 metre swimming pool, supplemented by a training pool of 25 metres in length. Continuing the sporting theme, an outdoor surfing facility is promised which is reported to be sadly lacking in the South East of England. Safeguarding the future of the Spitfire & Hurricane Memorial Museum has been achieved through gifting the freehold to the trustees and the Stone Hill Park owners expect to undertake a similar donation to the RAF Museum next door. Respect for the heritage of the airfield has provoked the allocation of 200 acres as a greenfield site where vintage aircraft may land on a grass strip, as was the case in the early days of the airport. Chris Musgrave and Trevor Cartner have noted the interest shown by film producers acutely short of space at Pinewood Studios. The prospect of the interior shots of a James Bond film taking place in a purpose-built film studio was not viewed as fanciful, although Ray Mallon’s suggestion that Trevor Cartner might play the lead role did not receive much response from the audience or indeed the would-be actor. The

final piece in the jigsaw is the residential part of the site which is expected to accommodate 2,500 homes. Trevor Cartner predicted that these would bring an annual income to Thanet District Council of £4 million. Added to a new homes bonus of £24 million, Trevor is confident that the plans will be accepted and that a Compulsory Purchase Order will be successfully rejected. As for the prospects of a revived airport, he said: "What would it do for the social and economic fabric of the area - not a lot." He added later: "The CPO is in pieces now. I know that people aren't stupid" and "A CPO will fail. It will not see the light of day." Ray Mallon and Trevor Cartner reserved some harsh words for those people supporting the return of mainline aviation activity to the site stating that any CPO or similar would require a huge sum in financial backing: "£76 million or no game on". Local politicians objecting to the Stone Hill Park scheme were labelled as "Irresponsible in the extreme", operating from misguided principles and "all because we had elections in May". There were several references to what was perceived as a succession of past failures at Manston: "Previous passenger airlines, more comebacks than Frank Sinatra". When questioned on how achievable the project is, Trevor Cartner expressed himself as being certain of delivering the scheme, echoing Ray Mallon's words earlier that: "We can prove beyond reasonable doubt that the scheme is deliverable".

14. Sporting Life

With so much construction taking place in East Kent, one Chamber member, whom we shall call John, felt compelled to join in and build an extension to his house. We have our doubts about this story, but we leave it to Chamber members to judge for themselves. "It was a few weeks ago and I thought it is about time I had a clear out of the garage before converting it into part of a two-bedroom annex. As always with a new supplier, I turned to the classified section of my Chamber diary. There was a long list of telephone numbers under the heading 'Building Services & Construction'. I picked the nearest and dialled the number. 'Hello', said a female voice, 'Can I help you?'. 'Yes please', I said, 'I want a skip outside my garage door'. She paused for a moment and then answered sharply, 'Well, we won't stop you' and promptly put the phone down. Can you believe it?" No John, but thank you anyway.

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