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***** Welcome to the Thanet & East Kent Insider *****

Your Weekly Business Bulletin from Thanet & East Kent Chamber.

Thanet & East Kent Insider
5 August 2008

1. Business Rates

This Chamber's campaign highlighting the serious damage to commercial property following the introduction of the Rating (Empty Property) Act 2007 is finding an audience in the national press. Supporting articles in the Daily Telegraph, Sunday Telegraph and Mail on Sunday report on the widespread demolition of industrial buildings in England Wales since 1 April this year. Closer to home, we note the case of Ramac Holdings which has extensive property interests in Sandwich. Like almost every other private sector developer, Ramac is left with little choice but to demolish some empty buildings. In an exclusive exchange with the Thanet & East Kent Insider, Ramac declares, "Now if a building were to go beyond the 6 month period and have empty rates put on them we would demolish it immediately as there would be no point in keeping it up." The imposition of 100% business rates on empty commercial buildings will inflict particular damage on the deprived areas of the East Kent coastal business community. Ramac added, "Put simply, in the long term it will destroy the built infrastructure in those areas where it is most needed. For this reason, it is not only a tax on landlords but also on those areas where people can least afford the destruction of commercial buildings". We couldn't agree more. For a one-page executive summary of the effects of the new legislation, email admin@tekc.co.uk with the subject line, "Business Rates Executive Summary".

2. Energy Tax

Our professional association, the British Chambers of Commerce, has recently spoken out against a windfall tax on energy companies. The BCC's Chris Hannant states, "Imposing a windfall tax on energy company profits won't bring down the price of energy bills, so consumers and business will lose out. The tax would be a knee-jerk reaction that risks the UK's ability to attract essential investment needed to secure and upgrade our future power supplies. Failure to gain this investment will mean consumers are even less likely to see any reduction in their bills." He has got a good point. If we tax the electricity companies more, they will put up their bills and we will have to pay even more. What happens then? Do we tax them more? Surely, we need a sensible policy that drives down the energy costs for businesses that are already struggling to meet the rising price of raw materials. The London Array wind farm promises to produce enough electricity for the whole of Kent & East Sussex. As this mega project develops, Chamber members will be kept fully informed of the opportunities to supply the company and the constructors.

3. Thanet College New Campus

In 2000, the Times Higher Education Supplement described the opportunities for Higher Education in Thanet in the following terms, "Some 120,000 people live on the Isle of Thanet, making it the largest population centre in the country without its own higher education provision." Since Canterbury Christ Church University College opened its Broadstairs campus, this is thankfully no longer the case. Now with full university status, Canterbury Christ Church University will be as pleased as the rest of us when the new campus of Thanet College welcomes its first students in October 2011. Planning is at an advanced stage at the designated site in Millennium Way, Broadstairs. The Thanet & East Kent Insider will ensure that Chamber members have every opportunity to compete for business when the main contractor is appointed later this year.

4. Mortgages

We have been advised from several sources to read the recent Which? survey on the mortgage advice market. Which? sent mystery shoppers into 13 estate agents, 24 bank advisers and 13 independent financial advisers. The subsequent report found that only 4 out of the 50 surveyed provided “satisfactory information”. A success rate of 8% is not encouraging. We would have expected a near 100% result if Which? had only contacted any or all of the following Chamber members: Berkeley Warburg Financial Planning, tel: 01843 209040; County Financial Services and County Mortgage Services Ltd, tel: 01843 825608; HSBC Bank plc, tel: 08457 404 404; Kent Local Business Team at Barclays, tel: 07775 548 588; L & G Mortgage Solutions, tel: 01843 845600; Lloyds TSB, tel: 01227 462242; The Mortgage Shop, tel: 01843 603103; NatWest Thanet Business Centre, tel: 01843 244431; Universal Independent Mortgage Services, tel: 01843 599773.

5. Senior Citizens

If there were ever an underused resource in this part of the world it is surely our senior citizens. With our partners at Channel Chamber, we are putting together a formal plan to access the wisdom and advice of our senior citizens so that companies, charities and other organizations might benefit from the guidance which we sorely need. We anticipate establishing best practice procedures to promote interaction with members. Suggestions from readers of the Thanet & East Kent Insider will be very welcome.

6. More about Mortgages

Several members have reported to this Chamber that the government is considering suspending stamp duty on house purchases. Currently, if you buy a property costing between £125,000 and £250,000, you are liable for stamp duty of 1% at the time of sale. More expensive houses bought for between £250,000 and £500,000 incur stamp duty of 3%. If you buy a house costing over £500,000, then you probably don't need this Chamber to tell you how much the stamp duty is. For the record, it is levied at 4%. When you consider that the stamp duty on a £500,000 house (£20,000) could buy you a very acceptable car and the duty on a £300,000 house (£9,000) would allow you buy that flat-screen television you have always wanted, a new computer, landscaping for the garden and still leave enough for an exotic holiday, it surely makes sense for the government to abolish the tax and let us put the money back into economy.

7. Petrol Prices

Since this Chamber started the Broadstairs Petrol Price Index on 6 May 2008, we have witnessed some alarming projections showing a rise of over 70% in the price of a litre of unleaded petrol. The markets have now calmed and the index currently stands at BPI Tracker: 3.6 BPI Annual: 14.5. Comforting though this may be, it still shows a rise of 3.6% since early May and a projected annual increase of 14.5%. What is perhaps more disturbing for those who buy their petrol in Thanet is that a litre of unleaded petrol at Tesco Broadstairs Extra currently costs 114.9p, whereas at Asda Canterbury it is a more modest 111.9p. We conclude from this that Asda's “Everyday low prices” is outperforming Tesco's “Every little helps”.

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