

Picking up the pieces

You know it's trouble when a company that contributes more than half a town's business rates suddenly closes. That is what happened to Dover District Council in 2011 when Pfizer closed its life sciences research and development operation in Sandwich. Mark Smulian reports.

The closure was the result of a global decision to end allergy, respiratory and internal medicine research, in which Sandwich specialised.

Indeed, the company told Parliament: "There was no action that the UK government could have taken to change the proposal to exit the Sandwich site."

The council faced not merely the loss of 2,400 local jobs, but a knock-on hit to the local economy as some 1,600 supply chain posts went too.

Pfizer's disappearance removed the only significant source of high value professional jobs in the area, apart from the Port of Dover and the public sector.

Neighbouring councils Canterbury and Thanet were also affected as Pfizer staff commuted from there, while Kent County Council faced a sudden surplus of school places as affected families moved away.

Two things have helped salvage what Dover's Conservative leader Paul Watkinson says could have been a "calamity".

The first was that Pfizer decided both to retain a small research facility employing 650 people and, unusually, to pass intellectual property rights in incomplete research to its former staff for them to use as the basis for new businesses.

The other was the action of the councils in convening a task force chaired by Kent leader Paul Carter to try to rescue the area's economy.

This rapidly involved the Department for Business, Innovation and Skills and Councillor Watkinson says the one piece of advice he'd pass on above all to anywhere else affected by a major closure is: "Get that ministerial involvement and senior civil service involvement, or you will go nowhere fast, you will fall off the political agenda."

Science minister David Willetts became Sandwich's champion and soon after the Pfizer site, rebranded as Discovery Park, gained enterprise zone status, entitling occupiers to a business rate reduction for five years.

Councillor Watkinson says: "Pfizer had one of the most advanced pharmaceutical and biomedical bases in the UK with a £1.6bn facility.

"We've now got 1,000 jobs at Discovery Park from 13 businesses, and four more businesses in the pipeline. The target for the enterprise zone is to create 3,000 jobs by 2017."

Across east Kent the councils are prompting the life sciences, green technology, tourism and the creative media and arts to revive the economy, which is weak by south east standards.

Councillor Watkinson says: "We are saying this area is a good one in which to locate a business as it has lower house and land prices than London and has links by High Speed One train, and an intentional airport at Manston from which KLM flies to Schiphol."



GARETH FULLER/PA WIRE

A general view of the Pfizer site in Sandwich, Kent, after the company announced plans to close its major UK research centre in a move affecting up to 2,400 jobs

A £5m Regional Growth Fund grant will be invested in rail speed enhancements to further reduce travel times to and from London.

Other activity includes a local development order in preparation to give simplified planning within the enterprise zone and a £24m Environment Agency flood prevention scheme for the zone and parts of Sandwich.

Pfizer's closure could have had a devastating impact on Sandwich similar to that of coal mine closures on communities elsewhere, but swift action coordinated by councils has fended off the worst consequences, and Councillor Watkinson says job losses in facilities management have been lower than expected.

There is though a fly in the ointment. Parts of the zone remain empty, and the occupied parts enjoy a business rate holiday.

Since Pfizer paid £3.6m in business rates, more than the rest of Sandwich put together, this leaves a large hole in Dover's finances.

"It has a big affect on our council tax," Councillor Watkinson says. "The loss is equivalent to 4-5 per cent on our council tax so we have had to make more cuts to services and increase council tax by 1.86 per cent. That is a big hit and we have asked DCLG for help." **CLF**

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