

AUTUMN NEWSLETTER 2008

ASHFORD RURAL TRUST

THE CREDIT CRISIS

The question is 'How will it affect Ashford'? Writing this at the beginning of August inevitably means that by the time you read it the situation will probably have worsened, but the future will be no clearer. We have a government who have overspent during their term in office, and now have an empty kitty; we have banks who have loaned out what are now seen to be ridiculously large sums on houses seemingly convinced that their values will continue on the ever upwards path experienced over the last decade; and the combined effects of these two events have brought the economy to it's knees and thrown to the winds many of the expansion plans in the pipeline.

So is it wishful thinking that 640,000, upped from 580,000, itself an increase on the proposed 560,000, new homes will actually be built by 2030? I have to say I have the gravest doubts!

For this year and next year at the very least the banks will be licking their wounds. Keen to play down their folly with sub-prime mortgages in the U.S.A. they will be sending out optimistic messages whilst desperately trying to improve their liquidity. Fearful of lending to their competitors and unable to borrow except from the Bank of England at ruinous rates of interest, they will struggle to shore up their balance sheets.

I have always stated that developers will only build houses if they can sell them. They, too, are caught up in the melee, with their borrowing limits cut and profitability called in question, they see this as no time to speculate. To build more new houses and see them standing unsold and depreciating is not an inviting prospect. So I anticipate new house building slowing to a trickle.

The commercial market however at this stage looks better placed to survive and even consolidate. More new firms are coming to Ashford, and taking up new offices and factories. These in turn will sop up the available labour force and even bring in new workers. The re-instatement of Eurostar services to Brussels commencing in December may encourage business people to move to Ashford, as will the new service by high speed rail from Ashford to St.Pancras due to come on stream at end of 2009.

Plans for the new Junction 10A on the M.20 appear well advanced, but construction will be dependent on government grants agreed actually being paid. The final completion of the inner ring road to two way traffic should happen this year, and a number of other developments in the pipeline should help to keep Ashford moving forward.

I have always accepted that history repeats itself, and we have seen credit crises in the past decades more often than we would have wished. So there is some credence in saying 'If you want to know what will happen in the future, study what happened in the past' . How many of you can hark back to 1965? In the crisis then you could sell nothing. The banks were forbidden by the government to lend. I remember buying my first house in Kent in that year and it took 9 months to finally raise the funds required - a relative pittance then compared to prices to-day!! So things may well get worse before we see the crisis bottoming out.

Whilst the blame for all this cannot be placed on the government, with much of the malaise lying with the banks, failure to act early enough by both parties to exercise

fundamental controls is at the heart of the problems. This does not mean that a new team taking over will do any better, and certainly they will be taking over an empty exchequer and the dire need to make savings on one hand and raise revenue on the other.

We will therefore encounter delays on projects agreed, cut backs on staff in local government, abandoning of expensive projects, and a Council struggling to maintain services against a background of ever rising costs. With prices of all commodities rising steeply householders are now beginning to feel the pinch. Those worst hit are perhaps couples with children at private schools, whose salaries can no longer support both mortgage increases, school fees, and household costs.

Already two private schools in Kent have had to close down, and nurseries for children of working parents are no longer economic or affordable.

First time buyers see their goal of getting a foothold on the housing ladder slipping further and further from their grasp. Some new innovative, but practical, scheme will have to be thought up to overcome this problem, or the next generation will be committed to living in rented property most of their lives.

Nonetheless I find it strange that we have a government crying out for ever more new houses, yet when I glance through the houses for sale published weekly in local newspapers I see a large number of existing houses advertised in and near the town at prices from ca. £85,000 to £220,000, and I ask myself why are these houses not being snapped up by the selfsame first time buyers? Surely with some renovation they can become pleasant homes for starters at a cost well below that of the cheapest new house, yes - even an 'affordable' new dwelling!?

TOWN CENTRE RENOVATION AND REGENERATION

The massive new car park in the town centre is progressing, as is the Ring Road, and we await with interest to see what plans are proposed for the far side of Elwick road and bordering on the railway. This is a key site and faces at the lower end a number of well built substantial Victorian and Georgian individual houses. It is vital that a scheme sympathetic to these is put forward, not just another row of shops with flats above of nondescript design and built of cheap materials.

The plans for Victoria Road by ZED builders are nothing short of disastrous. Here we have a Council who in the first instance were not supplied with complete plans by the developer, necessitating requests for more information before they could be considered by the Council, followed by very detailed consultations between the Council and local residents, advisers, builders etc. When these caused an overrun on time the developer, ZED goes straight to the Housing Minister, Mrs. Blears, and extols their plans as being eco friendly and includes lots of affordable flats, all of course fitting in nicely with current government environmental thinking, and immediately has their plans accepted and approved by the Minister, who does not even trouble to contact the Council first. Worst still she approves highrise blocks which are the very thing the Council wishes to avoid, since they quickly become ghettos. With each unit being just 341sq.ft these

dwellings are little more than rabbit hutches. From an external angle they look hideous and one just wonders if their eco credentials will actually work in practice. With car parking facilities almost non-existent - residents are told to park their cars on the edge of the town and rely on bicycles or public transport.

A new edict that the developer now has to provide transport and other facilities at his own cost may just cause ZED to have second thoughts, as have two or three other developers in different parts of the country when they worked out just how much this would cost them. As I write this I hope that this may hit ZED and halt them in their tracks.

The much maligned Charter House is due to be partly hidden by a motley collection of small new houses; it's interior divided up largely into more rabbit hutch sized flats; only part provision for parking, and a little titivation for the exterior. So the ugly and unwanted architectural freak will continue to dominate the town centre, casting it's dark shadow across the regenerated centre.

However all is not gloom and doom, and you will see from the flyer attached to this Newsletter that the new chief and leader of Ashford Future, has very kindly consented to join us for lunch on act. 7th. and tell us her thoughts on how developments in the town will progress. We are very grateful to Mrs.Armitt for agreeing to come, and hope many of you will come along and listen to her.

RURAL AREAS

Good news here! The government has set aside £27 million for all rural businesses based in South East England to apply for, aimed at revitalising and supporting rural businesses. With the current food shortages farmers are already enjoying profits on the products they produce that they have not seen for years. Land prices have doubled in the past 18 months. The deal is that the potential beneficiaries need to organise themselves into 13 Local Action Groups to put forward projects for grant support. For each project approved up to £50,000 can be claimed. The scheme starts in 2008 and lasts through to 2013. The grants are available for a wide range of activities, not necessarily just farming, but to promote businesses in the country. There are two groups nominated for Kent, the Kent Downs and Marshes and West Kent. Let us hope these groups are formed and take advantage of what is on offer.

CRIME

It is distressing to read of the spread of crime, particularly amongst the youth. The increasing culture of gangs, and spread of the use of both knives and firearms, is particularly distressing. Our Police force is already overstretched, and the realisation is now coming home as to the reasons these gangs are forming and suggestions how to combat them are at last being put forward. The cure is seemingly a double effort of semi enforcing parental control and providing facilities that offer acceptable occupation for youths who are otherwise left to roam the streets and form gangs. There will always be the bullies, the non-conformists, youths brought up by criminals, drop-outs etc. I believe we are at least seeing the need to tryout new ways to control these young and stimulate their interest in other more useful, but active, fields.

ENERGY

We have seen our gas and electricity bills double over the past 2 years with further increases forecast. The power we produce be it nuclear or coal derived, is insufficient to meet demand, and with Power Stations closing down and new ones not yet commissioned we become more and more reliant on importing for our needs. With sources from the middle east and Russia subject to fluctuations due to political, financial, and business machinations, the future is uncertain. Much of our manufacturing has already moved abroad, so that side will be less affected, but domestic consumption rises in the winter months and families will be forced to either cut back or seek other means of keeping warm. Whatever anyone says nuclear power is currently favourite both from an environmental point of view and speed of construction. A new Power Station can be built in just 3 years, but dealing with planning authorities can extend this by double or longer. We should all look forward to a cold winter!

HEALTH

It was naive to think that the NHS could afford to give treatment for all ailments free. Most of the Trusts put in place to control how the hospitals spend the money they are granted operate efficiently, and they are forced to take tough decisions when it comes to using very expensive drugs. To spend £35,000 to hopefully extend the life of one elderly patient in care by up to one year is simply not an affordable option. Drugs take years to produce, test, and be approved. In consequence they are expensive. Better that the money is used for keeping the hospitals clean, adequately staffed, and both carers, doctors, and surgeons on hand.

Surely soon the government are going to have to introduce a charge for all patients as in France, where you pay Euros 20 for a consultation with a doctor and pay for the medicines he recommends you buy at the chemist. Treatment for more serious cases that require hospitalisation are basically free.

This government proposed a type of Supermarket Medical Centre be set up in a central position across the country, but this was opposed on the grounds that both medical staff and patients would often need to travel 30 miles or more for a consultation.

Local surgeries and one large centrally situated hospital for each given area are surely the most practical way to deal with this.

We are told that the facilities in Ashford will be overstretched with more and more workers moving into the town. With the credit crisis biting I see little prospect of a sudden major increase in the local population, so with luck existing facilities will be able to cope.

However I did hear one disturbing tale from a friend of mine who is employed by a firm of consultants to the NHS. The top management of a Trust appear totally out of touch with both the advisers, the staff, and operating costs. Senior employees who leave are simply sent their cards on resignation without a word of thanks for their services, and a head hunter is paid to find a replacement. The amount spent on fees for finding staff and general costs is simply not monitored. The staff are considered as dispensable, and no communication with them is set up, all of which lowers morale and results in large sums of money being wasted.

KCC

Most of you will have read that KCC is now running it's own workforce in the building and repairing arena, and is even thinking of venturing into taking on an important road maintenance contract for many of the roads in the County. This has caused uproar among the local established contractors, since the Council employed team are able to undercut them. I have been told also that the Council now run a bus and coach business, with no less than 280 coaches.

Not so long ago the Council were trying to defend themselves over a heavy financial loss incurred in backing a new building in Ramsgate. This all raises the question of how ethical is it for a Council handling taxpayers money to enter into non-Council areas of enterprise. Certainly they can claim they are serving their taxpayers by cutting costs, but by the same token they are taking business away from the very firms that contribute to these taxes. The whole raison d'etre of a Council is to oversee the maintenance and services it provides funded by the rates paid by both business and residents within their realm. Surely it falls outside the scope of their role to use our money for either competing against local business or to take over running a service that should be left to the professionals. There is not nearly enough transparency in defining what is acceptable expenditure of monies for services and what is effectively capitalising on rates to fund a service that can be provided by local business. I hope that this will be taken up by voters and ratepayers, who mostly would rather see the money spent on needy projects as opposed to being invested in just one area that could be handled by an outside contractor.

EDUCATION

We read that students are now obtaining higher than ever grades in 'A'level exams, which raises the question 'Are they now working harder and learning better, or are the question papers becoming easier to answer?' Certainly it makes it much harder for Universities to pick the students they consider best qualified for the course applied for. Further many students are now leaving with their degrees but finding it very hard to land a job. Does the education system perhaps need to broaden it's teaching to include practical lessons in simple electrical and mechanical engineering, building, plumbing, roofing etc. so that a student leaves University with skills other than those needed for an office job? It is sad to note that some of the more difficult subjects to learn, in particular languages, are being dropped in favour of courses offering obtuse subjects which will often be of little use later on.

THE AGM

The venue this year was changed from Ashford School to the Julie Rose Stadium on the grounds that it was easier to reach and had better parking facilities. Sadly it was very poorly attended, and the Committee would like to have your feedback as to whether this was due to the venue, the fact that it was on a Friday evening, or was the programme not sufficiently interesting? Would it be better held at a week-end, or in the middle of the day? Do please let us know what you want.

Putting on these meetings involves a lot of organisation and cuts deeply into our funds. We do hope there will be a bigger turnout for the Coach Tour - see the flyer attached.

GENERAL

We hope to include in the Coach Tour buildings that are now becoming active and to view the sites where development has progressed since our last visit. These are all in Ashford. Romney Marsh and Lydd Airport are two areas where contentious developments are planned, the former for wind turbines and the latter for a new enlarged runway and facilities for increased flights. We await to learn more as also whether a new Power Station will be commissioned for Dungeness to replace the one that is now to be demolished.

FINANCES

In common with other similar small organisations we find ourselves meeting increasing costs, and last year our deficit was some £700. We are looking at ways to raise more funds, but inevitably next year we will have to consider increasing the subscription.

PERSONNEL

We were sorry to lose our dear Secretary, Lorna Astbury, who has now taken on a fulltime job, and thank her very much for her patience and expertise. We wish her well in her new job, and thank her for finding her replacement in Ruth Ling, who has stepped into the breach.

Grahame McKenzie, our esteemed Treasurer, has responded well to chemotherapy, and is now back to leading a more normal life. We all sincerely hope he makes a full recovery. You may remember that not so long ago we invited Chris Capron to address us at an AGM when he was in charge of the Ashford branch of the Invicta Chamber of Commerce, and we recently read that he has undergone surgery for a replacement kidney donated by his wife and is now recovering. We all wish him well and hope the operation assists him to return to normality.

The Chairman wishes to thank all his Committee members for their enormous help and support, and wishes them and all our members good fortune in the coming year, despite the fraught state of the economy.

STORY

To end I wonder if you heard the tale of a farmer who was contacted by the local Inland Revenue officer who came to visit him? He enquired as to how many employees the farmer had and how much each was paid. The farmer recounted that he had two men employed in ploughing, harvesting and doing the manual work, and each was paid £20,000 p.a., then his wife assisted on keeping the books and ordering stock etc. and she took out £15,000p.a., and finally there was a half-wit who worked all the time on various jobs and he was paid just £5,000p.a. The Revenue officer nodded and said 'Right, I want to talk to this half-wit chap' The farmer looked at him and replied ' You are talking to him'!