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Planning Design Economics

ASHFORD EMPLOYMENT LAND REVIEW

FINAL REPORT – STAGES 1/2

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1.0 INTRODUCTION

1.1 This employment land review has been commissioned by Ashford Borough Council to form part of the evidence base for its Local Development Framework (LDF). The main purpose of the study is to provide forecasts of future employment land needs in the Borough by sector up to 2021. Specific requirements of the study for different areas of the Borough were:

At the Borough Wide level

a) to analyse and assess future requirements for B1 to B8 land allocations, taking into account the work already undertaken for the Greater Ashford Development Framework (GADF) and the Ashford LDF Core Strategy;

b) to take into account employment issues within neighbouring authorities that may affect the supply or demand of employment land in Ashford Borough;

Ashford Urban Area including the Town Centre

c) to analyse existing business parks and industrial estates within the urban area based on the adopted Local Plan and the latest figures for stock, take-up rates and availability;

d) to identify any employment areas in need of regeneration, together with deliverability options for the market;

e) to analyse potential sites to be allocated for employment and/or mixed-use development taking into account the GADF and Core Strategy, based on future demand, housing development quantities and job numbers;

Ashford Urban Extensions

f) to determine the optimum locations for different use-classes that will create a range of job opportunities for residents, including capacity for office, industrial and warehouse uses;

g) in undertaking (f), to work within the proposed structure for Ashford's urban extensions, which are to be located around a mixed-use 'High Street' as defined by the Core Strategy;

h) to test different scenarios to identify the best options for locations and the relevant quantity of employment floorspace needed, with any deliverability issues being highlighted and recommendations provided;

Rest of the Borough

i) to analyse demand for the rural areas and quantify the amount of employment land needed across the main employment use classes;

j) to identify any specific demands for additional small-scale business development within or adjoining Core Strategy Policy 6 settlements if needed, with any additional demand identified to be consulted on through the local business community;

k) to assess existing employment sites allocated by the Local Plan, but still undeveloped, and consider their future deliverability.

1.2 The study's approach follows ODPM Guidance on undertaking employment land reviews.[1] It focuses on employment land needs for the group of B Use Classes i.e. B1 (business), B2 (industry) and B8 (warehousing/distribution). It does not assess the future land needs of other employment generating uses such as retail, tourism, healthcare and education although the potential employment growth and labour requirements of such uses are considered. Requirements for both employment land and floorspace are considered in the study, and references to "employment space" are intended to mean both these elements. Industrial space in this report includes both manufacturing and distribution uses.

1.3 The overall process by which employment needs have been assessed, and how these would feed into the LDF process, is illustrated by Figure 1.1. A key input to this process was consultation with various organisations with an interest in the supply of employment land including employers, economic development and inward investment agencies, business groups, property agents and developers. Appendix 1 contains a list of consultees.

1.4 The study also draws on relevant economic studies, property market information, local and regional economic strategy documents, planning policy documents and published economic statistics. Documents which the study has drawn upon are listed in the Document References section of the Appendices.

1.5 All areas of employment land referred to in the report are expressed in gross terms (hectares) unless otherwise indicated.

1.6 The report is structured as follows:

Stage 1

- an overview of current economic conditions and recent trends in the Borough and adjoining areas, that may affect the need for employment space (Chapter 2);
- a broad assessment of the current stock of employment space and emerging supply in the Borough in comparison to employment land provision in other Kent districts (Chapter 3);
- a review of the Ashford commercial property market, particularly demand and supply for different types of employment space and any gaps in provision (Chapter 4);

[1] *Employment Land Reviews Guidance Note*, ODPM, Dec 2004

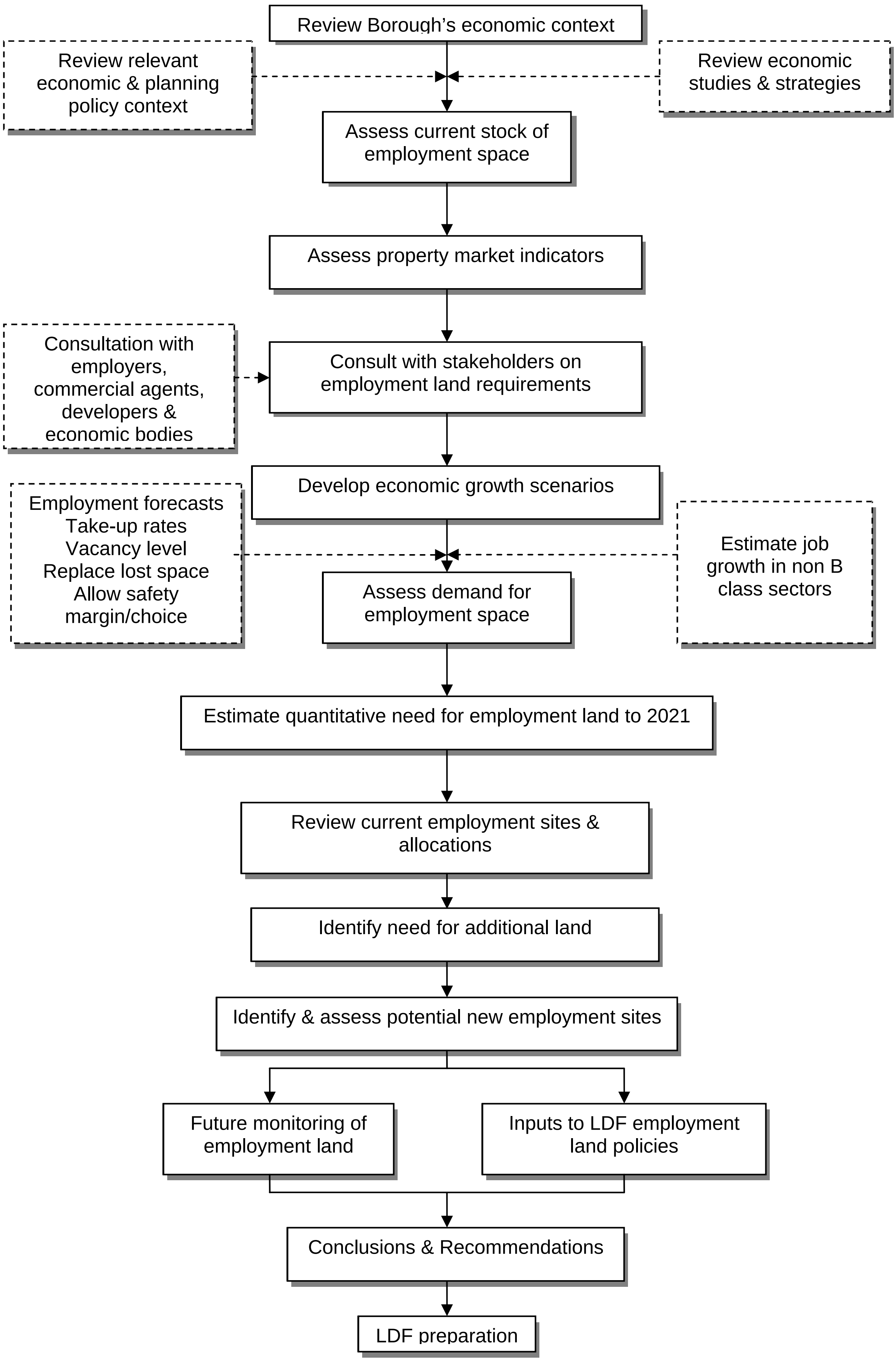
- consideration of the potential future economic role of the Borough and the sectors which have potential for growth within it (Chapter 5);
- estimates of future employment space requirements required to achieve the Ashford 2021 job target (Chapter 6).

Stage 2

- a review of existing or allocated employment sites in the Borough in terms of their quality and adequacy to meet future needs (Chapter 7);
- an assessment of the balance of supply/demand of employment land, whether current allocations are adequate to meet future needs in quantitative, qualitative or locational terms, or whether additional land is needed (Chapter 8);
- consideration of the scope to improve or redevelop older sites to maximise their contribution to future supply and any scope to release sites to other uses (Chapter 9).

1.7 Chapter 10 provides overall conclusions and recommendations for the study.

Figure 1.1: Ashford Employment Land Study Methodology



2.0 ECONOMIC OVERVIEW

2.1 This Chapter provides the economic context for the study by reviewing recent economic trends within Ashford Borough in the context of neighbouring districts in Kent, the South East region and the national economy. This is important in identifying the existing strengths and weaknesses of the Ashford economy, and the factors likely to influence the nature and level of future demand for employment land within the Borough and its environs.

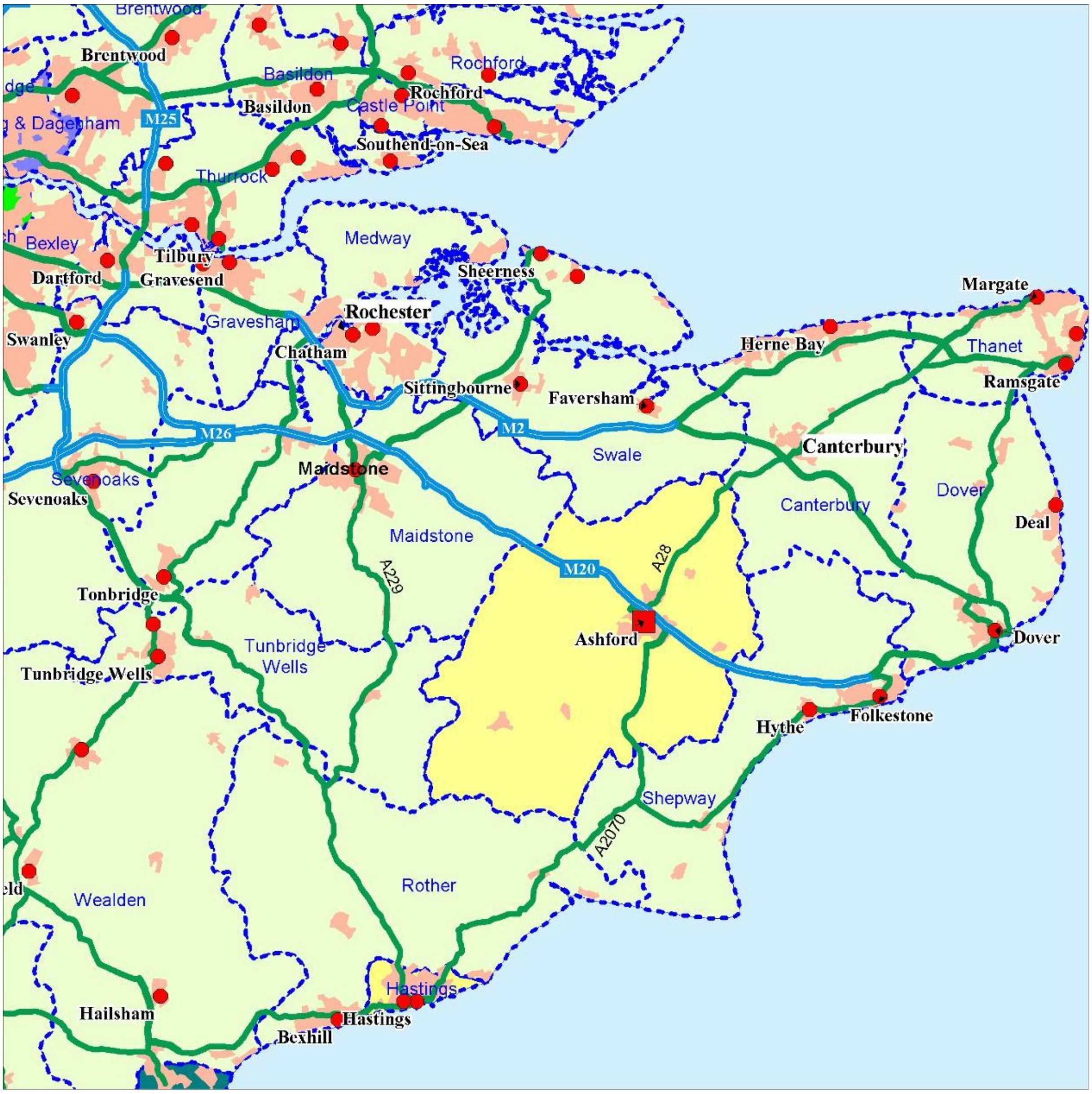
The Borough

2.2 Ashford is a predominantly rural Borough in Kent comprising Ashford town, its main settlement with a population of some 66,200, and a number of villages including Tenterden (population 7,000), Smeeth and Wye. The surrounding rural area contains two Areas of Outstanding Natural Beauty. Ashford is bounded to the north by the borough of Swale, by Maidstone and Tunbridge Wells to the west, Rother district to the south west, Shepway district to the south east, and Canterbury to the north east (Plan 2.1).

2.3 The town of Ashford is identified as one of the Government's main growth areas within the South East under the Sustainable Communities Plan, along with the Thames Gateway and the Milton Keynes / South Midlands growth area. Under this Plan, the town is to double in size by 2031, with 31,000 new dwellings and 28,000 additional jobs.

2.4 Ashford has good transport accessibility, being served by Junctions 9 and 10 of the M20 motorway linking London with the Channel ports and tunnel and with a new Junction 10a planned. Other main roads serving the Borough include the A28 to Margate and the A2070/A259 to the south Kent coast and Hastings. The Eurostar rail service between London and Europe has a station at Ashford International, and new High Speed One domestic services to London St. Pancras will commence in late 2009, reducing the journey time to 37 minutes. The nearest airports with scheduled services are London Gatwick and London City, just over one hour away.

Plan 2.1: Sub-regional Context of Ashford



2.5 The Borough has no university, the nearest being in the adjoining district of Canterbury, but contains a campus of South Kent Further Education College while a new Learning Campus is planned for Ashford town centre.

2.6 As part of the relatively prosperous South East region, Ashford is not subject to any EU designations relating to financial assistance programmes. It is also not covered by Tiers 1 or 2 of the UK's Regional Selective Assistance Programme although businesses can obtain grants under Tier 3. Relevant regional and other policies on economic development objectives are summarised in Appendix 2.

Economic Activity

2.7 Most of the Borough's economic activity is focused on Ashford town. The main centres of economic activity and employment within it include:

- 13 older industrial estates and employment areas within and on the edge of the Ashford urban area, including the Cobbs Wood, Henwood, Kingsnorth, and Mace Lane estates;
- Orbital Park, a newer commercial park near Junction 10 of the M20 and the eastern edge of Ashford town, which contains a mix of industrial uses, car showrooms and retail trade counters;
- Eureka Business Park, a large modern office park on the northern edge of Ashford town near Junction 9 of the M20;
- Eurogate Business Park, a small, older established mainly office location near Junction 9 of the M20;
- Ashford town centre, with a modest amount of commercial office and retail development.

Outside the town, there is limited employment land, mainly several depot and individual occupier sites in Tenterden and a range of small office/workshop units in converted rural buildings.

2.8 There are relatively few large firms in the Borough with only 2.5% of firms having more than 50 employees, a share which is only marginally lower than in the South East region and UK. Ashford also has a slightly larger proportion of very small firms (0-9 employees) than regionally and nationally (Table 1, Appendix 3).

2.9 The largest employers within Ashford include food processing, manufacturing, engineering or distribution firms such as Premier Foods, Brakes, Hitachi, Coty, and Givaudan. There are no major office-based firms based in the town although Brakes has its headquarters on Eureka Business Park, while Eurostar operates a call centre and Alliance & Leicester has offices in Ashford town centre. In addition, Adastra Software is a reasonably sized and fast growing IT firm based at Eurogate Business Park.

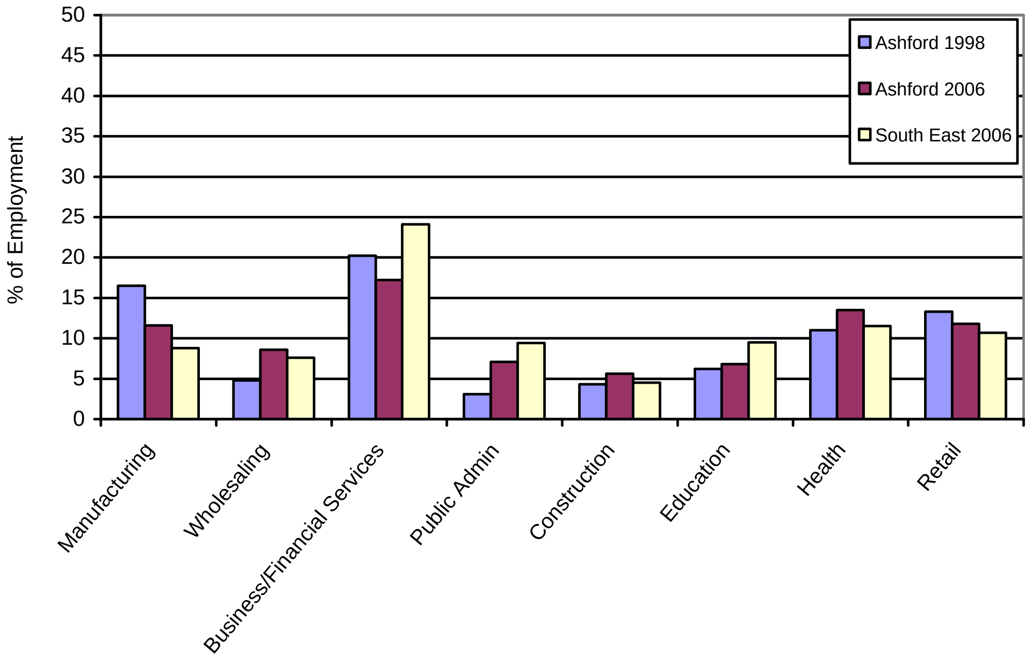
Economic Trends

2.10 Recent economic trends in the Borough are summarised below, with detailed statistics contained in Appendix 3. These allow the recent performance of Ashford Borough's economy to be compared with Kent, the South East region, and Great Britain.

2.11 The resident population of the Borough in 2006 was estimated at 111,200, a rise of 19.4% since 1991 considerably higher than the regional (7.9%) and national (5.4%) averages. Ashford Borough has seen significant housing growth in recent years, with 4,300 new dwellings built between 2001-2007, an increase in the total stock of 10%, more than double the 4.2% regional growth rate.[2]

2.12 In 2006, Ashford Borough contained some 47,000 employee jobs, the third highest of all Kent districts.[3] The Borough's employment grew by about 21% between 1998-2006, making it the fastest growing Kent district, and significantly exceeding growth in the South East region (7.1%) and Great Britain (8.1 %) (Table 2). Making up some 12% of the workforce, self-employment levels are high with some 8,000-9,000 such workers. Total jobs in the Borough therefore amount to approximately 56,000.

Figure 2.1: Principal Sectors of Employment in Ashford



Source: Annual Business Inquiry 1998-2006

2.13 The main employment sectors in Ashford are distribution, hotels and catering (26.7%) and public administration, education and health (23.5%), with broadly similar proportions to the regional and national averages. However, the typically more dynamic growth sector of business and financial services (17.2%) is under-represented in employment terms, compared with the region (24.1%) and Great Britain (21.2%) (Table 3). The construction sector (5.6%) has above average

[2] Dwelling stock data 2001-06, ODPM / VOA and Kent County Council Housing Monitoring, 2006

representation, probably reflecting Channel Tunnel Rail Link (CTRL) works and the town's growth agenda.

2.14 While manufacturing employment has declined from 16.5% to 11.6% of all Ashford employee jobs since 1998, its share remains above the regional (8.8%) and national (10.9%) averages. Reflecting the rural character of much of the Borough, agriculture still employs 2.5% of the total workforce, over twice the regional (1.1%) and national (0.9%) averages, although it has declined locally by over 20% since 1998.

2.15 Over the period 1998-2006, the fastest growing sectors in the Borough were transport and communications (+91%), other services (+80%) and construction (+54%). Some of the growth in transport and construction activities may be associated with the CTRL. Manufacturing in the Borough declined by 14.0%, but this was less than half the national fall of 29.1%. While the business & financial services sector grew nationally by 23.7%, in Ashford growth in this sector was only 3.8%, and fell as a proportion of total employment in the Borough (Table 4).

2.16 Between 1994-2006, the number of VAT registered firms in the Borough grew by about 25%, much higher than the County (16.0%), regional (19.9%) and national (14.3%) growth rates (Table 5). With 50 VAT registrations per 10,000 population in 2006[4], Ashford's rate of business formation appears relatively higher than Kent (38), the South East (42) and nationally (37) and suggests an above average entrepreneurial culture (Table 6). The business survival rate beyond 3 years of businesses in Kent is broadly similar to the regional and national rates (Table 7).

2.17 The Borough has relatively low unemployment. The current claimant unemployment rate (1.3%) is lower than Kent (1.6%), the South East (1.4%) and the national rate (2.3%) (Table 8). This general pattern has prevailed over the past decade, with Ashford closely following the regional average (see Figure 2.2). Long-term unemployment[5] in Ashford Borough (8.4%) is also lower than both the regional (11.1%) and national (13.1%) rates. However, the ILO[6] unemployment rate for the Borough (8.2%) – which includes those seeking work but not claiming benefits – is significantly higher than the claimant rate, and also higher than ILO rates for Kent (5.4%) and the South East (4.2%). This suggests that local unemployment may be underestimated and indicates some capacity for employment growth.

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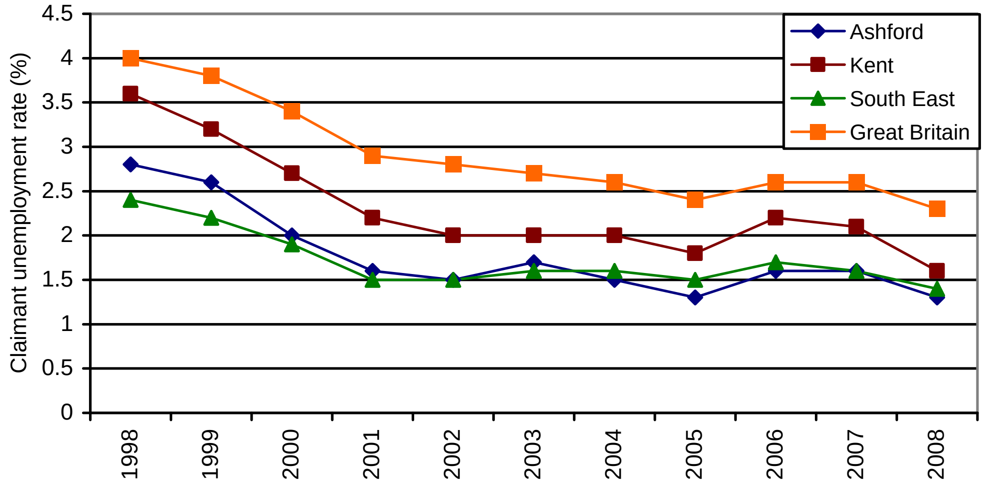
[3] Based on Annual Business Inquiry, 2006
[4] Over 16 years of age
[5] % of claimant unemployed who are out of work for over 12 months

Figure 2.2: Claimant Unemployment Rate 1998-2008



Source: NOMIS

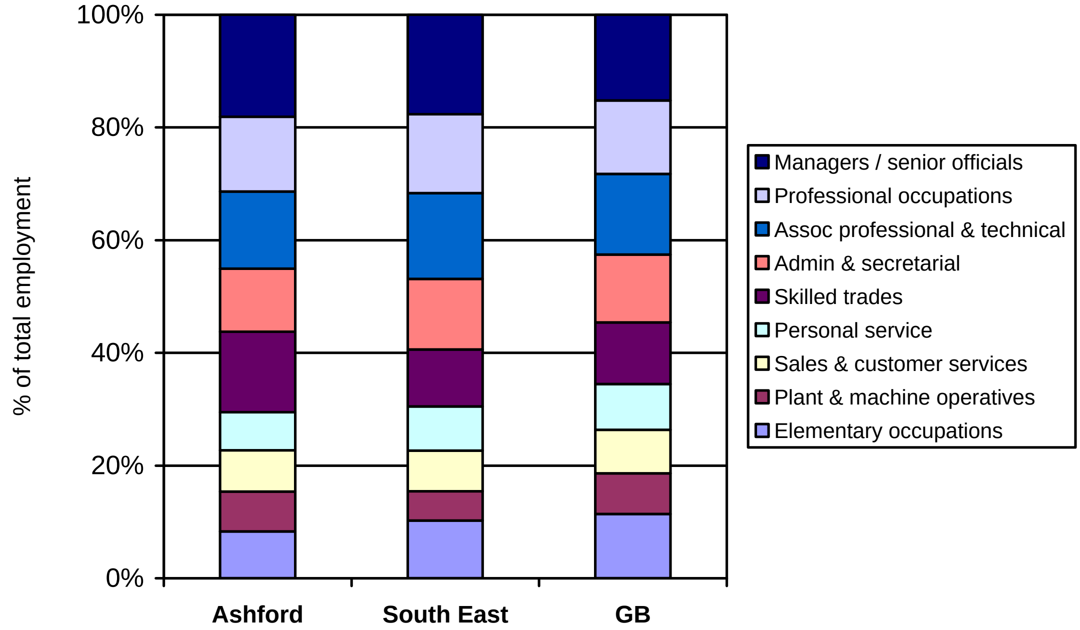
2.18 In February 2008, there were 1.5 claimant unemployed workers for every notified job centre vacancy in the Borough. This was lower than the ratios for Kent (1.6), the South East (2.1) and GB (1.9) and indicates a relatively tight local job market at present (Table 9).

2.19 There also appears to be limited scope to expand the indigenous local labour supply should employment demand grow in future (Table 10). This is reflected in the economic activity rate for Ashford Borough – the proportion of its working age population which is in employment or registered as unemployed – which at 82.3% is similar to the South East average (82.0%) and above that of Great Britain (78.5%). However, the high planned housing growth should expand the labour force over time.

2.20 Overall, Ashford's labour force has a similar profile by occupational group to the South East region and national profile, but with a greater proportion of residents in managerial occupations (18.1%) and skilled trades (14.3%). Lower-skilled occupational groups such as elementary occupations (8.3%) and personal service occupations (6.8%) have a comparatively low representation in Ashford Borough (Table 11 and Figure 2.3).

[6] International Labour Organisation measure indicates total number unemployed and actively seeking work.

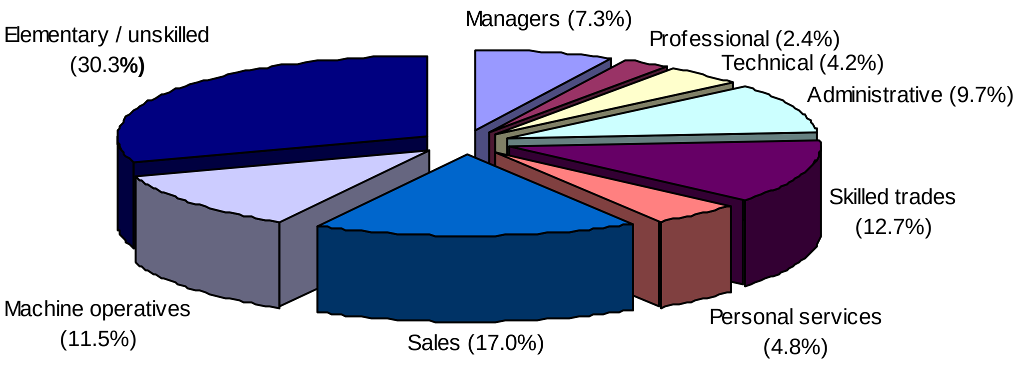
Figure 2.3: Occupational Breakdown of Labour Force



Source: Annual Population Survey 2006-07

2.21 Skills levels of Ashford residents are lower than average. Only 22% of its working-age residents have a degree or higher qualification, significantly lower than the regional (30.5%) and national (27.4%) averages. Similarly, the proportion with no qualifications (12.1%) is higher than the regional average (9.6%), although slightly below the proportion nationally (13.8%) (Table 12).

Figure 2.4: Sought Occupation of Claimant Unemployed in Ashford



Source: NOMIS, Feb 2008

2.22 Turning to the types of jobs required in the area, the most sought occupations among claimant unemployed workers in Ashford are for elementary / unskilled work (30.3%), sales and customer services (17%), skilled trades (12.7%) and machine operatives

(11.5%). Demand for managerial jobs (7.3%) is higher than comparative proportions at regional and national levels, but that for associate professional / technical and administrative jobs is lower than the regional average (Table 13). This suggests capacity to accommodate more jobs in industrial and retail sectors in particular.

2.23 Reflecting the relatively lower-skilled nature of the local workforce, average wage levels of working residents in the Borough are 2% lower than the national average, and 9% below the County average (Table 14). However, workplace earnings in the Borough are 11% lower than the national average, and 8% lower than the County average. This means that, on average, workers employed in Ashford earn £51 per week less than its residents, suggesting that some residents commute to higher-paid jobs elsewhere and there is a need for more, higher paid jobs locally.

2.24 Confirming this picture of below average earnings, the proportion of households receiving income support in Ashford Borough (10.7%) is somewhat higher than the South East regional average (9.7%), although still below the national rate (14.2%) (Table 10).

2.25 Ashford exhibits relatively low levels of deprivation, ranked as the 227th most deprived out of 354 English local authorities measured by the English Indices of Deprivation 2007. This is worse than Maidstone and Tunbridge Wells, but better than other nearby areas such as Swale, Shepway and Canterbury (Table 15).

Inward Investment

2.26 Ashford has had a reasonable record in attracting investment in recent years. Between 2003-08, 28 investments were attracted, 9% of the Kent/Medway total.[7] While most of these were from firms relocating or expanding to Ashford from elsewhere within Kent, a reasonable proportion was from overseas. Most involved office based businesses, but they also included some manufacturing and distribution firms. Most were small/medium sized businesses, with an average of 30 jobs per firm, and the largest involved about 200 more jobs. More details of inward investment trends are set out in Section 4.

[7] Swale Inward Investment & Property Report, Locate in Kent, August 2005.

Knowledge-based Industries

2.27 Knowledge-based industries are those sectors of the economy where value-added is derived from the intensity and accumulation of knowledge, often fostered through innovation and increasing use of technology. Firms within this sector tend to grow faster and have greater future potential than other sectors, and so are considered an important indicator of an economy's competitiveness and future growth prospects.

2.28 Just under 20% of firms within Ashford are within knowledge-based industries. This is slightly less than nearby Tunbridge Wells (23.9%) and Maidstone (20.5%), but better than Canterbury (17.0%), Shepway (15.3%) and Swale (14.4%).[8] The proportion in Ashford is also lower than the South-East average (24.6%) and nationally (20.6%) (Table 2.1).[9] This suggests a need to promote the area more for such activities and make adequate premises provision to support their growth.

Table 2.1: Knowledge-based Industries, % of businesses

	1997	2004
Ashford	*17.9%*	*19.5%*
Canterbury	16.0%	17.0%
Maidstone	20.5%	20.5%
Shepway	14.6%	15.3%
Swale	14.8%	14.4%
Tunbridge Wells	24.1%	23.9%
South East	24.2%	24.6%
GB	18.6%	20.6%

Source: UK Competitiveness Index 2005 / 2006

Commuting

2.29 In 2001, nearly 15,000 residents of travelled out of Ashford Borough to work, predominantly to the adjoining Kent districts of Maidstone, Shepway, Canterbury and Tunbridge Wells (Table 16). This out-commuting was equivalent to 30% of all employed residents. At the same time, approximately 12,400 residents of other districts commuted into Ashford Borough to work – again predominantly from adjoining areas of Kent – equivalent to nearly 27% of all workplace jobs in the Borough being filled by non-residents. This produces a small net out-flow of 2,600 residents.

[8] Other measures based on knowledge-based employment rather than firms may indicate a different picture

[9] Based on definition adopted by the Organisation for Economic Co-operation and Development (OECD), includes high-tech manufacturing activities such as pharmaceuticals, computers and aerospace, and services such as telecommunications, financial intermediation, computing and research and development.

2.30 An area's self-containment rate reflects the proportion of working residents in work locally, as opposed to commuting to work elsewhere. Ashford's self-containment rate in 2001 was a relatively high 69%. This rate is similar to other Kent Boroughs such as Canterbury and Shepway, but higher than Maidstone, Tunbridge Wells and Swale. On balance, although overall it is a small net exporter of labour, Ashford forms a relatively self-contained local economy where most of the residents both live and work within the Borough and immediately adjoining boroughs.

Conclusions

2.31 Ashford's economy is dominated by Ashford town as the main service centre in this part of Kent, while the rest of the Borough is largely rural in character. The Borough has undergone significant recent employment growth relative to other parts of Kent, and is targeted for significant future job increases as part of the Government's Ashford Growth Area initiative. The economic strengths of the Borough, which will influence its ability to support new employment space in future, include:

- good and improving transport accessibility to London and the Channel ports and Tunnel, and high speed rail links to London and Europe;
- high levels of new business formation, suggesting good levels of local entrepreneurship;
- strong employment growth in recent years, significantly above the regional average and other Kent boroughs;
- a reasonable track record of attracting investment from elsewhere;
- major planned housing and population growth which will boost local labour supply and should stimulate growth of support industries;
- a number of large employment sites able to accommodate future development;
- good quality of life factors from proximity to attractive countryside and Areas of Outstanding Natural Beauty.

2.32 The main weaknesses and potential threats include:

- under-representation and limited recent growth in the financial and business services and other knowledge-based sectors, which typically have greater potential for growth;
- a moderately high representation in manufacturing sectors, which have poorer growth prospects and face strong competition from lower-cost locations;
- a relatively low-skilled workforce at present although the proposed Learning Campus in Ashford should help improve this.

3.0 THE CURRENT STOCK OF EMPLOYMENT SPACE

3.1 This section provides an overview of the current stock of employment space in the Borough, recent changes in that supply and how it compares with adjoining districts. The amount of such space likely to come forward in future and losses to the current stock are also examined. In addition, analysis is provided of the current supply of employment space in adjoining districts, as well as major B class development proposals in the surrounding area, that could affect future demand in Ashford.

3.2 Both the amount of employment land and the quantity of built employment floorspace are considered across the main types of employment uses – primarily offices (use class B1(a)), warehousing/distribution (B8) and manufacturing industry (B1(c)/B2). Trends in the supply of employment space in the Borough were assessed from the following sources:

- commercial floorspace data from ONS and the Valuation Office Agency (VOA);
- Kent County Council's monitoring data on commercial space;
- data on existing and allocated employment sites from Ashford Borough Council; and
- commercial property market reports and databases of property availability.

Main Employment Areas

3.3 Ashford's main existing employment areas are concentrated in Ashford town. Most are industrial areas and comprise:

- 13 long established industrial estates such as the Cobbs Wood, Henwood and Mace Road estates containing a mix of manufacturing and distribution firms;
- Orbital Park which contains some newer industrial space as well as many car related businesses and a hotel;
- Eureka Business and Science Park, which accommodates some modern office development;
- older office space in Ashford town centre, mainly in 1960s office blocks such as International House, Charter House, Kent House and Trafalgar House.

3.4 Tenterden and the rural areas contain a number of smaller sites, including office and small industrial units in converted rural buildings. There are also a number of large employment land allocations, the main ones in and adjoining the town centre and on the edge of the urban area, such as Sevington, Waterbrook and Cheeseman's Green.

Stock of Employment Floorspace

3.5 Table 3.1 shows the number of B class employment-generating premises in Ashford Borough and adjoining Boroughs by main use categories. This confirms that Ashford's supply of employment premises is fairly evenly distributed between offices, manufacturing and distribution. The overall number of employment premises is towards the top of the range set by nearby Boroughs, amongst which Maidstone has the highest number of both office and industrial premises.

Table 3.1: Number of Employment Premises, 2007

Borough	Commercial Offices	Factories	Warehouses	Total Premises
Maidstone	896	652	631	2,179
Ashford	630	651	582	1,863
Canterbury	586	461	637	1,684
Swale	411	721	519	1,651
Tunbridge Wells	720	485	446	1,651
Shepway	355	391	506	1,252
Rother	252	465	323	1,040

Source: Nomis/VOA, 2007

3.6 The total amounts of employment floorspace by main uses in Ashford and adjoining Kent districts are shown in Table 3.2. This confirms that Ashford has a fairly high level of B class employment space compared with nearby districts, although less than Swale and Maidstone. The Borough also ranks mid-table in its amounts of commercial office, manufacturing and distribution floorspace. Ashford's total employment space is reasonably high relative to its population, with only Swale Borough having a higher ratio.

Table 3.2: Total B class Employment Floorspace, 2007

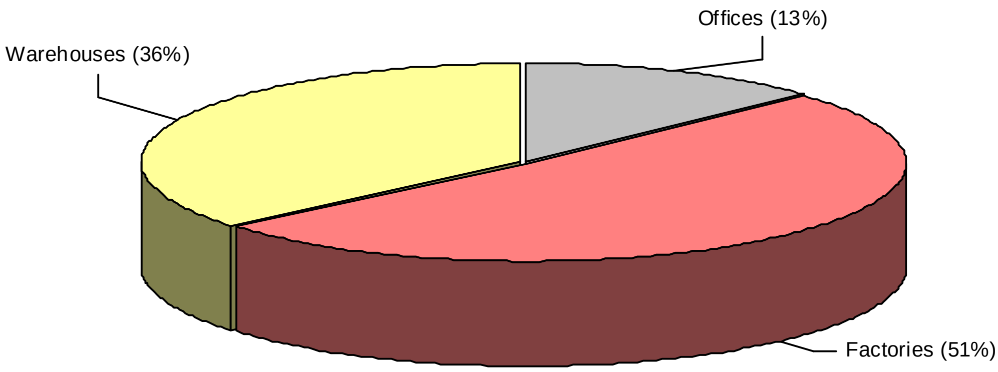
	Commercial Offices (m^2)	Factories (m^2)	Warehouses (m^2)	Total* (m^2)	m^2 per 1000 population**
Swale	60,000	741,000	318,000	1,119,000	8,700
Maidstone	197,000	336,000	453,000	986,000	6,900
Ashford	106,000	409,000	284,000	799,000	7,185
Tunbridge Wells	146,000	159,000	301,000	606,000	5,800
Canterbury	115,000	219,000	268,000	602,000	4,120
Shepway	87,000	181,000	171,000	439,000	4,400
Rother	36,000	158,000	106,000	300,000	3,400

Source: Nomis/VOA, 2007: *Totals exclude non commercial office space. ** 2006 resident population
Note: includes purpose built and converted offices including central Government but not local government offices

3.7 Figure 3.1 below illustrates the relative proportions of different employment floorspace in the Borough. Factory/manufacturing space dominates with just over half of the total stock, partly reflecting Ashford's historic activities and emphasising its current industrial focus. Reflecting the Borough's proximity to the M20 motorway and Channel

Tunnel corridor, warehousing/distribution space also accounts for a significant (36%) share of all employment space. Offices comprise a small proportion (13%) of Ashford's employment space, compared with Tunbridge Wells (24%), Maidstone (20%), Shepway (20%) and Canterbury (19%), and indicates greater emphasis on industrial activity in the Borough at present, with the office sector less developed.

Figure 3.1: Ashford Employment Space by Type, 2007



Source: ONS/VOA, 2007

Emerging Supply of Employment Space

3.8 An indication of the scale of change in the Borough's employment space over recent years is provided in Table 3.3 below.

Table 3.3: Change in Employment Floorspace, 2000- 2007

	Commercial Offices (m^2)	Factories (m^2)	Warehouses (m^2)	Total (m^2)	% Change
Ashford	22,000	-32,000	37,000	+27,000	+3.5%
Swale	9,000	-23,000	20,000	+ 6,000	+0.5%
Maidstone	3,000	-129,000	13,000	-113,000	-10.0%
Canterbury	23,000	-40,000	34,000	+27,000	+4.6%
Shepway	12,000	+14,000	3,000	+29,000	+7.0%
Tunbridge Wells	- 9,000	- 4,000	2,000	-11,000	-1.8%
Rother	10,000	-11,000	15,000	14,000	+4.8%

Source:Nomis/VOA, 2000/07 Note: includes purpose built and converted offices including central Government but not local government offices

3.9 These figures suggest the Borough had a modest overall net gain in employment space between 2000-07, equivalent to a 3.5% increase in its stock of space. This increase was similar in amount to that in Canterbury and Shepway districts, although less proportionally. It is also significant that two nearby districts (Maidstone and Tunbridge Wells) suffered net losses of employment space in the period, while Swale had only a minimal change. The largest gain was in warehousing/distribution space in which Ashford's stock grew more than in all adjoining Boroughs. This more than balanced a substantial loss in manufacturing space. All nearby districts except Shepway also lost significant amounts of manufacturing space over the period, particularly Maidstone. Importantly, office space grew significantly in Ashford over the period, by 22,000 m^2, its increase of 26% being the greatest proportional gain of all nearby districts.

Table 3.4: Unimplemented Permissions for Employment Space, 2007

Previous Use	Permitted Floorspace (m^2)
A2/B1	204,900
B2	7,560
B8	11,670
All B uses	224,130
Area (ha)	91.4

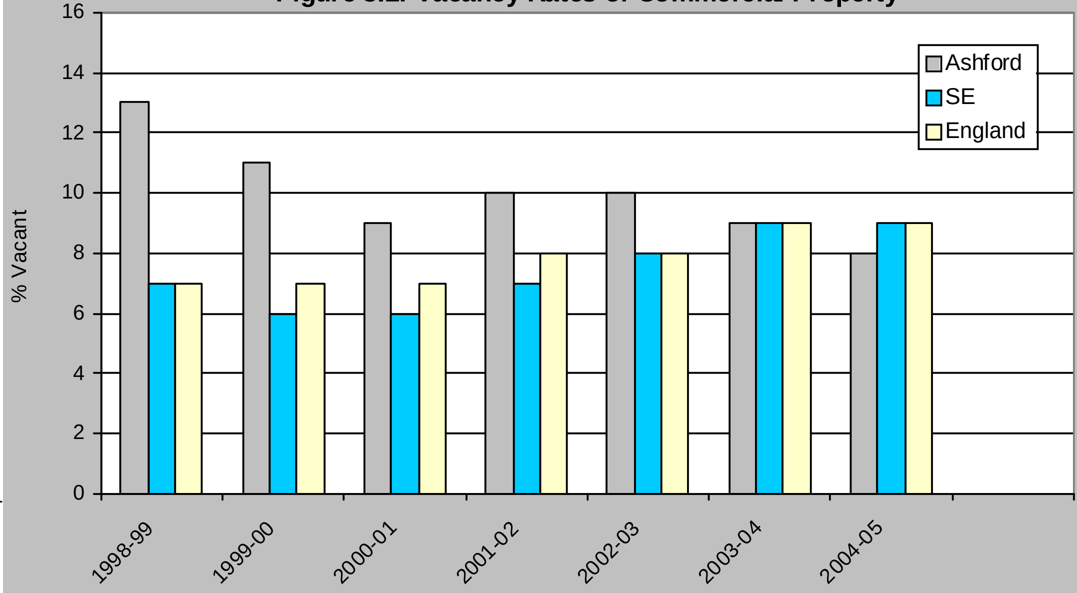
Source: Kent County Council * excludes schemes under construction and losses

3.10 An indication of the amounts of new employment space in the development pipeline can be gauged from unimplemented planning permissions. At 2007, over 224,000 m^2 of employment space was permitted but not started, some 91% of this for B1 or A2 space (Table 3.4). However, almost 80% of this B1 space comprises outline permissions for office development at Eureka Park (109,430 m^2) and Cheeseman's Green (70,000 m^2). The remainder consists of small/medium sized industrial developments permitted on a range of sites in Ashford and Tenterden. This permitted space amounts to some 10 years of supply at average gross take-up rates achieved over the last 11 years.

Property Availability/Vacancy Levels

3.11 Figure 3.2 indicates that vacancy levels of commercial property in Ashford have generally been higher than regional and national averages over the past 10 years but

Figure 3.2: Vacancy Rates of Commercial Property



Source: Nomis/VOA

by 2004/05 had improved and then fallen slightly below these average rates. The Ashford rate in 2004/05 was equivalent to 8% of the total stock of employment space, only slightly below the 9/10% availability rate that is typical of a normal market with a reasonable amount of space available for firms to relocate and expand. This lower vacancy level suggests an improving balance of demand and supply.

3.12 As Table 3.5 shows, past vacancy levels in Ashford have been comparable to some other surrounding Boroughs, lower than Swale but much higher than Canterbury and Shepway, which appear to have limited property available.

Table 3.5: Commercial Property Vacancy in Kent Districts, 2004/5

	%
Swale	11%
Canterbury	4%
Tunbridge Wells	8%
Ashford	8%
Shepway	4%
Maidstone	7%
Rother	5%

Source: Nomis

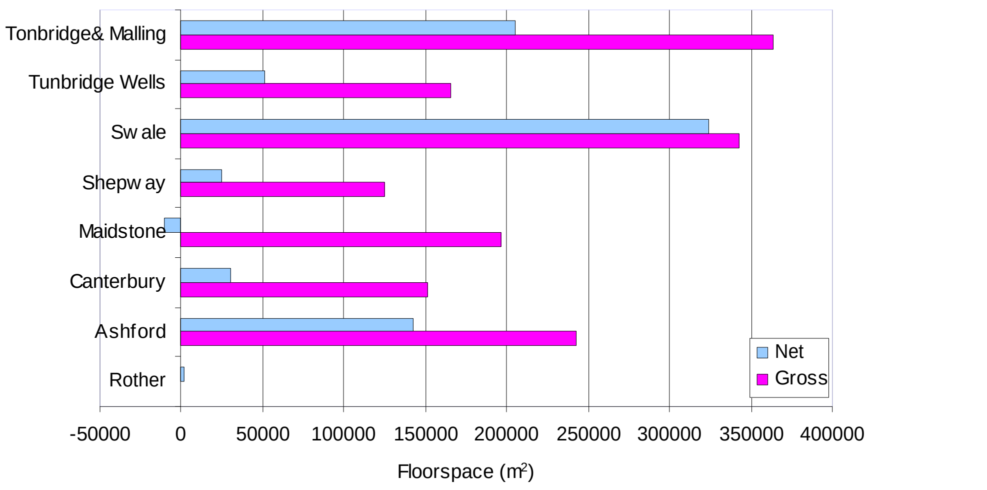
3.13 In March 2008, based on built commercial property being marketed, there was almost 33,000 m^2 of industrial space and just under 12,000 m^2 of office space available in Ashford.[10] This was equivalent to a relatively low 5% of current industrial space, most of which is on Orbital Park and in recently built small units still to be let. Office space being marketed amounts to 11% of the current stock and much of this is on Eureka Park. This suggests a fairly tight market at present, particularly for in industrial space.

Take-up of Employment Space

3.14 The amount of floorspace actually developed for employment uses in Ashford Borough over the last 11 years has been reasonable for an economy of its size, although much less than in some adjoining districts, particularly Swale and Tonbridge & Malling (Figure 3.3). As in other districts, the net amount of space is significantly less than new space completed after any losses are taken into account. In Ashford, net completions averaged almost 13,000 m^2 p.a., compared with total new space built of 22,000 m^2 p.a.

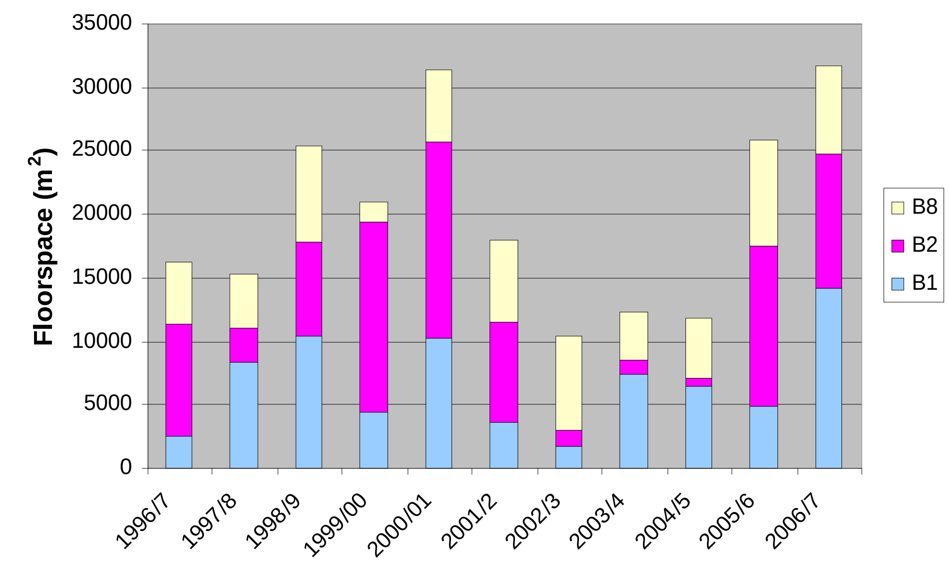
[10] EGI Property Link database, March 2008

Figure 3.3: Completions of Employment Space by District, 1996-07



3.15 As Figure 3.4 below illustrates, in Ashford this take-up was spread fairly well across the different B class uses, but with most in B1 space, which averaged almost 9,000 m^2 p.a. Much of this was in small B1(c) units and B1 offices in Eureka Park. Some new manufacturing space was also built throughout the period. Completions have also varied significantly over the period, with stronger development rates in the last few years after a period of low development in the early 2000s following the “dot-com“ crash.

Figure 3.4: Ashford Completions of Employment Space 1996-06



Source: Kent County Council

Losses of Employment Space

3.16 Based on analysis of planning permissions affecting existing employment premises in the period 2004–07, the Borough has experienced a moderate loss of employment land to other uses, mainly to residential development. This averaged 13,900 m^2 of employment space lost per year. Most of this loss (almost 80%) was from sites in B2 use although some of it may have been changes to other B uses. This loss of space compares with the average yearly gain of 23,000 m^2 over the same period and equates to about 1.7% of the current stock being lost each year.

Table 3.6: Employment Land lost to Other Uses, 2004 - 2007

Previous Use	2004/5	2005/6	2006/7	Total	Average
B1 (m^2)	605	2508	3,750	6,860	2,290
B2 (m^2)	3275	6830	1,510	11,615	3,870
B8 (m^2)	17096	2563	3,525	23,184	7,730
All B Uses (m^2)	20,976	11,900	8,786	41,660	13,890
Land area (ha)	3.5	14.0	14.7	32.2	10.7

Source: Kent County Council

Age of Premises

3.17 A very broad indication of the age of the current stock in Ashford is provided by Table 3.7 since data is not available for premises built after 2001. This suggests that much of Ashford's stock of employment premises is relatively dated with a greater proportion (62%) built before 1980 than the regional average (54%).

Table 3.7: Age of Premises in Ashford

Use	Pre-1940	1940-70	1971-80	1981-90	1991-00	2001+	Age Not Known	All
Offices	25%	15%	23%	17%	16%	N/A	N/A	124
Factories	7.5%	47%	12.5%	12.5%	10%	N/A	N/A	416
Warehouses	9%	28%	18%	22%	16.5%	N/A	N/A	284
All types	10.4%	35.7%	16.1%	16.4%	13.2%	N/A	N/A	824
South East average	13.4%	26.1%	14.6%	22.1%	11.4%	4.1%	8.3%	56,394

Source: ODPM Planning Statistics 2005

Available Employment Land

3.18 At 2007, there was an estimated 145 ha of employment land identified for development in Ashford. This was made up of 91 ha remaining on allocated sites, 55 ha not started on sites with planning permissions and 5 ha on plots within existing sites without planning permission.[11] Much of this remaining land area is located on larger allocated sites within Ashford town, such as Cheeseman's Green, Eureka Park

[11] Kent County Council Commercial Information Audit Monitoring Report, 2006/7

and Waterbrook. The draft Town Centre Area Action Plan identifies sites for over 89,000 m^2 of B1 office space in the town centre area.

3.19 In terms of floorspace, almost 400,000 m^2 of employment space is reportedly provided for, most of it made up of sites for B1/A2 uses (322,500 m^2) but with 27,600 m^2 for B2 uses and 49,200 m^2 for B8 development. [2] This is an estimate based on site capacity in some cases and not all of this space, particularly on the allocated sites, will be readily available for development.

Employment Space in Adjoining Areas

3.20 It is also important to understand the extent of available employment land in nearby areas of Kent, and any major new economic developments coming forward there, which might compete with Ashford for future demand. Table 3.8 summarises the amounts of employment floorspace and developable employment land in Ashford and adjoining districts at 2007. While Ashford appears to have more available employment space than all nearby districts except Swale, a more detailed review has been undertaken below of the current position in each area.

Table 3.8: Available Employment Space in nearby Kent Districts, 2007

	Employment Floorspace (m^2)	Land (ha)
Swale	865,000	366
Ashford	400,000	145
Canterbury	269,600	79
Shepway	206,000	67
Maidstone	103,500	42
Tunbridge Wells	46,700	19
Rother	8,100	22

Source: Kent County Council Commercial Information Monitoring Report, 2006/7, Rother Annual Monitoring Report. Note: Numbers rounded and exclude completions and space under construction but not pending losses

3.21 **Tunbridge Wells** is a mainly rural district previously identified as an area of development restraint due to large areas designated as Green Belt and Areas of Outstanding Natural Beauty. It main employment centres are Royal Tunbridge Wells, a centre for financial and business services, and Paddock Wood, a focus for distribution firms. The Local Plan contains limited allocations of employment land, comprising 1.4 ha and 7 ha sites in Royal Tunbridge Wells, both identified for B1, B2 or B8 uses, and a 10.5 ha site in Paddock Wood indicated as suitable for B1 and B8 uses, 2 ha in Hawkhurst (B1, B2 and B8) and 2.6 ha near Tonbridge (B1 and B8).

3.22 Very few allocated employment sites are being developed and the district's recent employment land study did not see it as a location for major B1/office users and found no need for substantial additional allocations. Much of the economic growth in the district has been through expansion within existing sites and premises, more intensive use of space and conversion of rural buildings. The district contains no innovation centre or other provision for higher technology firms but the new Atlantic Business Centre in the town centre provides 45 small office units for start-up firms in a converted building.

3.23 **Swale Borough** is currently undertaking an employment land review but appears to have a large amount of employment land allocated for development, with more floorspace and more than double the amount of development land in Ashford. Swale's new employment sites are mainly concentrated around Sittingbourne and at Queenborough & Rushenden on the Isle of Sheppey, with some in Faversham and the Port of Sheerness. These include the 47 ha Kent Science Park at Sittingbourne, where only a small amount of the site remains available for office and R&D development, although there are current proposals for a modest extension. The very large Eurolink industrial area at Sittingbourne has a 20 ha extension allocated, although this is now being developed. The Neats Court development on the Isle of Sheppey has capacity for 180,000 m^2 of new employment space, as part of a mixed use development. The other main emerging supply of employment space is the G. Park distribution complex north of Sittingbourne, close to the M2 and with permission for 920,000 m^2, but a large part of this is no longer available.

3.24 **Maidstone** is the County town of Kent and a major administrative centre, located about 30 km north-east of Ashford, and served by Junctions 5-8 of the M20. Its main employment developments include the 20/20 Business Park (50,000 m^2) near Junction 5, the Eclipse Business Park at Junction 7 developed mainly for office uses where Phase 2 (8,200 m^2) is now under construction, and the Aylesford (50 ha) and Parkwood (34 ha) industrial estates. A planning application was submitted in late 2007 for a strategic rail freight interchange and about 350,000 m^2 of associated warehousing (known as Kent International Gateway) on a 110 ha site south-east of Maidstone. Maidstone is also one of the Government's New Growth Points to provide an additional 10,080 new homes by 2026 above existing regional targets. The preferred option set out in the draft Core Strategy is to provide for 13,400 jobs by 2026 to match planned housing growth, with an indicative requirement for 47 ha of new employment land distributed between mixed-use sites in the town centre and a southern urban extension currently being considered for future growth in association with infrastructure improvements. An Employment Land Study completed for the

Council in early 2008 identifies land close to Junctions 7 and 8 as providing scope for further employment development, for example a new business park, while it is likely that other employment land will be allocated as part of Maidstone's proposed southern extension.

3.25 **Canterbury District** in north-east Kent includes the historic City of Canterbury and the coastal towns of Herne Bay and Whitstable, adjoined by the Kent Downs Area of Outstanding Natural Beauty. Canterbury is an important employment centre for East Kent, including a cluster of higher and further education institutions, such as the University of Kent at Canterbury, Canterbury Christ Church University, Canterbury College and University College for the Creative Arts.

3.26 The main employment developments include the Lakesview International Business Park (20 ha), to include start-up units and follow-on space for small businesses. The Altira Business Park (28 ha) at Herne Bay is currently being developed with potential to provide 50,000 m^2 of office and industrial space, and the Estuary View site in Whitstable has potential for up to 12,000 sq.m of office space. There is also a long-standing 20 ha allocation for a science and technology park at Little Barton but future development is contingent on a new junction to the A2. A 2,500 m^2 innovation centre for start-up firms in Canterbury town is due to open in 2008 as part of the University of Kent campus. Overall, only a moderate amount of new employment space is emerging here.

3.27 **Shepway District,** on the East Kent coast immediately south-east of Ashford, contains the main settlements of Folkestone, Hythe and New Romney. The district has experienced slow economic growth and high levels of unemployment, and contains a number of priority areas for regeneration. Future improvements in rail provision are expected to increase the area's accessibility to the main West Kent markets and London. To attract inward investment, some 64 ha of land is allocated for employment use, including Cheriton Parc, Folkestone (4 ha) for office/R&D uses, the 13 ha Shearway Business Park for B1/B2/B8 uses close to Junction 13 of the M20, extensions to the existing Lympne (23 ha) and Mountfield Road (9 ha) industrial estates, as well as the 10 ha Hawkinge West strategic site north of Folkestone with potential to accommodate some B1 development.

3.28 **Rother District** is a mainly rural district located to the south-west of Ashford, on the eastern edge of East Sussex. The principal town is Bexhill, with the smaller historic towns of Battle and Rye. The majority of the district falls within the High Weald Area of Outstanding Natural Beauty, while Rye is one of the medieval *“Cinque Ports”*. Many jobs and services are provided in larger settlements in adjoining districts, for example Hastings and Tunbridge Wells, resulting in about 40% of residents out-commuting from Rother. The local economy is focused on tourism, retail and service industries, with very limited representation in higher growth or high-technology sectors. The Hastings and Bexhill Task Force has been established to stimulate regeneration in the wider area, including bringing forward employment sites. Employment allocations total just over 20 ha, with the largest consisting of two sites north-east of Bexhill adjoining the proposed Bexhill-Hastings Link Road, with the potential to provide about 50,000 m^2 of B1-B8 floorspace. These sites depend on construction of the Link Road, scheduled to commence in 2009.

3.29 From the above review, it is not obvious that any large amounts of employment land are coming forward in nearby districts that are likely to compete strongly with Ashford. The main threats could be the large distribution sites in Swale and Medway, the new office development in Sheppey, and to some extent any new major new business developments in Maidstone. However, it may be that Ashford, with a better range of employment space, good transport links and relatively low costs, will attract some businesses from these areas.

Strategic Employment Sites

3.30 There are also several large employment areas in Kent, which although not immediately adjoining Ashford, are of strategic importance and could compete with Ashford for investment looking to locate in the County. These are:

3.31 **Ebbsfleet,** in Gravesham district, comprises a 153 ha site where a very large development comprising 10,000 dwellings and 836,000 m^2 of commercial space, much aimed at large footplate offices, is planned close to the high speed CTRL rail link between London and Europe. Development here is expected to take some years to come forward.

3.32 **Crossways Business Park,** close to the M25 Thames river crossing in Dartford, is a 128 ha mixed use business park, with planning permission for over 300,000 m^2 of office and industrial floorspace, including distribution uses. Some 85% of this space is now built and it contains 50 firms from a range of sectors, some relocating there from outside of Kent. It caters for a range of occupiers including financial services, high technology, construction, office headquarters and distribution firms.

3.33 **Kings Hill Business Park,** in Tonbridge & Malling district, is a very large (264 ha), high quality office park close to Junction 4 of the M20. It has had 74,000 m^2 of office space developed over the last 18 years, and permission for another 112,000 m^2. This park also contains several thousand dwellings and a range of shopping, leisure and community facilities and primarily serves a market for larger prestigious firms able to sustain high rents.

3.34 **Chatham Maritime**, in Medway district, is a large mixed use development on a 140 ha former dockyard site, which contains 100,000 m^2 of office space with another 20,000 m^2 under construction. It also contains the Medway campus of the University of Greenwich and facilities of the University of Kent. However, the site is largely developed with limited space remaining on this site, mainly a 5,000 m^2 speculative office building.

3.35 The extent to which these developments are likely to compete with Ashford for future investment is considered in detail in the following section but they may not necessarily be strong competitors given their different market focus, development timescales, availability of space remaining and varying cost levels.

Conclusions

3.36 Ashford Borough has a sizeable amount of employment floorspace compared with nearby districts, although less than the adjoining district of Swale. Its current provision is dominated by manufacturing and warehousing premises with only a modest proportion of office space compared with some other Kent districts.

3.37 In recent years, Ashford Borough has achieved significant gains in new employment floorspace, particularly commercial offices and distribution space, but lost much manufacturing space as have other Kent districts.

3.38 Vacancy levels in Ashford are low for industrial uses and average for office space, although there appears to be a large amount of permitted floorspace in the development pipeline, particularly office space.

3.39 The Borough contains a reasonable range of employment sites and areas, although the stock of manufacturing premises is relatively old compared with the regional average.

3.40 There have been reasonable levels of new employment space completed over the last 11 years, averaging 22,000 m^2 annually and mostly B1 space. This is a lower level than in Swale district nearby but more than in all other adjoining districts.

3.41 There is a significant supply of employment land currently available to meet future needs in Ashford, the majority allocated for B1 uses. This amounts to almost 400,000 m^2 or 145 ha, which is more than all adjoining districts except Swale, which has almost double this supply of employment land.

3.42 At the same time, a significant amount of employment space, mainly from B2 uses, has been lost to other uses, averaging almost 14,000 m^2 annually in recent years. This amounts to over 60% of the gross new space being completed each year.

3.43 There are a number of major development proposals in adjoining districts, and elsewhere in Kent. These include Kings Hill, Ebbsfleet and Crossways Business Park as well as large distribution sites in Swale and Medway, and business park allocations in Maidstone and Canterbury. However, given their distance from Ashford, the different products offered and rent differences, it is not obvious that these will compete greatly with Ashford for future employment development

4.0 THE ASHFORD COMMERCIAL PROPERTY MARKET

4.1 This section describes current property market conditions in Ashford Borough and the general area around it, including recent trends in demand for and supply of industrial and office premises, and the factors affecting these. These findings are based on discussions with a number of property agents active in the area, a sample of local businesses, and various economic development and business organisations, as well as from analysis of commercial property availability databases and published reports on the Kent office market.

General

4.2 The Ashford commercial property market is fairly localised, mainly comprising the Borough of Ashford and Romney Marshes and not extending to Canterbury, Maidstone or Sittingbourne, which are seen as separate markets. Ashford's main attractions for firms are its central location within Kent, its position between two junctions of the M20, reasonable distances from London, the M25 and the Channel Tunnel and European markets, and its relatively low cost land and rents compared with other parts of London and the South East. The new high speed rail links to London were viewed as a strong future attraction. Potential drawbacks are possibly a less attractive image than some other Kent towns and its limited labour supply although the latter could be improved over time by the substantial housing growth planned.

4.3 Ashford developed as a railway town with related engineering industries and this sector was boosted by the CTRL development in the 1980s. It also attracted overspill of manufacturing from London in the 1960/70s and developed mainly as an industrial town, with most of its industrial estates and employment space built in that period. The nature of its industrial base changed over time, with large manufacturing firms closing or downsizing, more emphasis on distribution and large factory units being sub-divided. However, there was little new employment space developed during the 1980/90s due to lack of demand. New development has also reportedly been held back in recent years by funding problems for infrastructure improvements to Junction 10 of the M20.

Market Perceptions of Ashford

4.4 Perceptions of Ashford as a business location have been obtained from surveys, of property agents, developers, companies and investors, by Locate in Kent in 2005. Ashford emerged as the best perceived business location in Kent, along with Maidstone, and one which had improved in recent years as a place to do business.[12] The main factor that influenced these views of Ashford as a business location was its planned high speed rail links to London and Europe, followed by other factors such its improving motorway access, clear development framework for expansion, availability of a range of business premises, the quality of its environment and the planned new Further Education/Higher Education Campus. Just under half of survey respondents cited the availability of business premises and business parks as a factor influencing their view of Ashford. A similar proportion considered its development framework for planned growth would help Ashford become more attractive in the future.

Industrial Supply / Demand

4.5 Most demand for employment space in the Ashford area is for industrial premises (which includes both manufacturing and distribution uses) and levels of demand have been steady but not at a high level in recent years. Most of this demand is for smaller industrial units, with healthy demand for those under 280 m^2 (3,000 sq. ft), reasonable demand for 280 - 950 m^2 units (3,000-10,000 sq. ft) and little demand above 950 m^2 (10,000 sq. ft). Despite Ashford's motorway location, there is no significant demand for large distribution units, reflecting both a lack of large speculative units available but also Ashford's position close to the Channel Tunnel, giving truck drivers no reason to stop there when they could continue to London, the M25 or the Midlands within their driving time limit. Requirements for industrial premises are predominantly from local and regional firms expanding or relocating to better premises, since the importance of retaining staff limits how far firms are willing to move. There have been only a few relocations from London or further afield, although a small number of European firms have set up small scale bases here.

4.6 In terms of supply of industrial premises, until recently there was considered to be little modern, good quality industrial space in Ashford with most supply built in the 1970/80s and no large distribution (over 20,000 m^2) units existing. New supply at

[12] Ashford Borough Business Profile, Step Ahead Research for Locate in Kent & Ashford Borough Council, January 2007

Orbital Park was delayed by the need for improvements to Junction 10 of the M20. Almost all the established industrial estates are fully developed with only one site now remaining on Orbital Park, the newer development area. Until recently, there was a shortage of industrial units and latent unmet demand. A development of small industrial units was consequently let quickly and over the last 18 months has spurred a number of other similar schemes with units up 230 m^2 (2,500 sq. ft.). Examples are the Glenmore scheme of 27 units at Orbital Park and over 20 further units at Ashford Business Park. This has led to a current surplus of supply of premises which in the market's view will take time to be taken up.

4.7 Overall, despite a surplus of small industrial units in the short term, based on discussions with agents and the assessment of employment sites, there appears to be a potential shortage of readily available industrial sites (with services and infrastructure) for development to meet needs beyond the next few years. This reflects a situation where only one 4 ha plot remains at Orbital Park and very little undeveloped land remains on older industrial estates, while the site permitted for an extension of the Henwood industrial estate is predominantly earmarked for a County Council depot. In addition, the larger urban extension sites with potential for industrial uses are partly reliant on road access improvements that are some years off.

Office Supply / Demand

4.8 Until recently, Ashford was not seen as a significant location for office development, partly reflecting a perception as a mainly industrial area and possibly a less attractive image than locations such as Tunbridge Wells, Kings Hill and Canterbury.

4.9 The current supply of office space in Ashford is still quite limited. Much of its supply is in four large office buildings in the town centre built in the 1960/70s – Charter House, Kent House, Trafalgar House and International House – together comprising over 28,000 m^2 (300,000 sq. ft) of floorspace. While International House has been refurbished, the others form old, poorer quality space and a large proportion of this may be lost by proposals to redevelop Charter House for residential use. Until very recently, there had been very little new office development in Ashford since the 1970s. New office supply largely comprises the speculatively built Northdown scheme in Eureka Park close to Junction 9 of the M20, which is seen as an attractive office location. This 5,000 m^2 development of large and small office units on very long leases attracted strong interest although a significant amount was let to one occupier (the Primary Care Trust) and some smaller units took some time to let. This scheme is viewed as having absorbed much of the pent up demand. However, it has led to a further speculative scheme of 3,200 m^2 being built which has attracted strong interest, although there are some concerns on whether there will be much demand beyond this in the short term. Others were more optimistic based on enquiries for Eureka Park attracted from other parts of Kent and the South East.

4.10 The current level of demand for office space is hard to gauge given there has been very little new supply in the town for many years until now. Demand is mainly from local businesses with no large relocations of office firms from elsewhere, including public sector relocations from London. Most enquiries are for smaller units under 190 m^2 (2,000 sq. ft). Eureka Park, although generally regarded as an attractive site, had until recently attracted only a few occupiers after 15 years and these were mainly Ashford relocations some resulting from the CTRL works. However, the recent Northdown development has indicated that speculative high quality premises can stimulate demand.

Rent Levels

4.11 Ashford property rents for industrial premises are lower than those in Maidstone, Dartford and Tunbridge Wells but similar to those in other nearby Kent districts. They are, however, significantly lower than industrial rents in London and within the M25 (Table 4.1). Rent levels for older and less good quality industrial property in Ashford are not, however, much less than for better quality units reflecting the lack of newer units.

Table 4.1: Rents for Industrial Space in Kent

	£/m^2
Canterbury	£ 65
Ashford	£ 70
Sittingbourne	£ 70
Tonbridge	£ 75
Maidstone	£ 85
Tunbridge Wells	£ 85
Dartford	£ 85
London/M25	£124
Heathrow	£150+

Source: Kent Property Market Report/Cluttons, 2007

4.12 In relation to the office market, Ashford rents generally are significantly lower than in the main Kent office centres such as Maidstone and the large business parks at Kings Hill, Chatham and Crossways. They are more expensive than in Canterbury and Swale. The newer office space at Eureka Park in Ashford is higher in rent levels although it is still much cheaper than Kings Hill, Maidstone and Crossways.

Table 4.2: Rents for Office Space in Kent

	£/m²
Sittingbourne	£110
Canterbury	£ 130
Tonbridge	£150
Dartford	£150
Ashford	£ 170
Tunbridge Wells	£190
Chatham Maritime	£190
Eureka Park	£190
Crossways, Dartford	£230
Maidstone	£ 240
Kings Hill	£250
London City	£645
London Docklands	£500+

Source: Kent Property Market Report/Cluttons, 2007

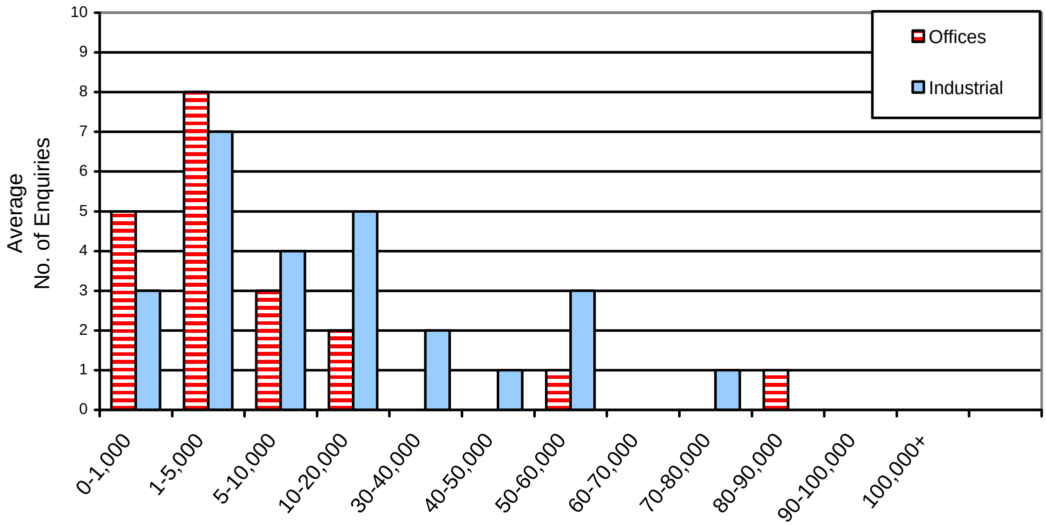
4.13 On this basis, Ashford Borough appears a reasonably competitive location in cost terms, particularly for offices. However, Ashford office rents are only now recovering to the best levels reached in the early 1990s and relatively low rents in the Ashford area, combined with uncertain demand in the past, are only just sufficient to encourage speculative development. Ashford is therefore regarded as a marginal location for speculative development and this could slow the pace of future development there, although recent high interest in the new Eureka Park speculative office buildings should counter this to some extent.

Investment Interest

4.14 Based on recent surveys by Locate in Kent, Ashford was the highest rated Kent district, along with Maidstone, as a business location by developers, employers, investors and property agents.[13] The Borough has had a reasonable record in attracting investment in recent years, with 28 investments gained between 2003-08, 9% of the Kent/Medway total.[14] Most were office based, with only five manufacturing and two distribution firms. Eight of the 28 investments were from overseas, while 18 involved firms relocating or expanding to Ashford from elsewhere within Kent. The average number of jobs was small, at around 30 jobs per firm, with the largest involving about 200 more jobs. Most successful investments were small/medium sized in terms of space requirements, the largest requiring 1,160 m^2 (12,500 sq. ft) and the average was just under 370 m^2 (4,000 sq. ft).

[13] Business Perception Survey, Swale Forward, 2005

Figure 4.1: Ashford Enquiries for Employment Premises by Size (sq. ft), 2008



Source: Locate in Kent

4.15 As Figure 4.1 illustrates, the great majority of such enquiries for industrial premises are for units below 4,650 m^2 (50,000 sq. ft). For offices, interest has been predominantly for units below 1,860 m^2 (20,000 sq. ft). More recent inquiries by potential investors have been for industrial premises, with about active 30 enquiries at any time compared with an average of 20 for office units. The new speculative office developments at Eureka Park have reportedly attracted strong interest from a range of sectors, from both public and private sectors and including government bodies, accountants, engineers and financial services and some organisations from outside of Kent.

Needs of Local Businesses

4.16 The potential scale of future employment space needs of local businesses was examined through interviews with a small sample of firms. This included some recent incomers to Ashford and a range of firms by size, sector and location. Key findings from consulted firms are summarised in Appendix 4. The main points emerging were that incoming firms had been attracted to Ashford primarily by available good quality premises to buy at reasonable cost, and to some extent by good transport links. Most had relocated from other parts of Kent and some from higher cost business parks. Most established firms had grown up in Ashford over many years and were relatively tied to it by staff retention factors and high costs of relocation. The majority of these

[14] Swale Inward Investment & Property Report, Locate in Kent, August 2005.

firms considered their sites/premises adequate for their needs, most had adequate space with a few having too much, and very few were likely to require more space over the next five years or so. Those which were, indicated they could expand on site or already had permission for further premises. Although a small sample, this suggests that much of Ashford's growth in the short/medium term is likely to come from inward investment and relocations rather than expansion of indigenous firms.

Property Availability / Vacancy

4.17 For industrial premises, the survey of sites, property websites and discussions with agents confirmed a low vacancy level, about 5% of the stock, some of which is recently built units still being let. The general view of local agents was that there is a surplus of small industrial units at present and only a few enquires by firms for larger premises, for example above 4,650 m^2, are not able to be met. In terms of office space, vacancy is slightly higher partly reflecting much of the current stock being older, less suitable space or new speculative schemes still to be occupied. However, there is very little modern office space other than the two new developments at Eureka Park and some small units in converted rural buildings.

Start-up Space

4.18 The view of agents was that small firms are reasonably well catered for by the current supply of new industrial units being developed as well as sub-divided older but affordable buildings in industrial estates. The main locations include the Javelin Industrial Centre on the Henwood Estate, the St. Georges Business Centre in Cobbs Wood industrial estate and a number of newer developments such as the Glenmore Centre at Orbital Park.

4.19 For start-up office based firms, there are some small units in older town centre office buildings, such as International House and a few new schemes of small business/office units such as the Murston Business Centre. There are no managed, small scale, serviced office premises, which is understood to reflect the low scale of demand in Ashford in the past but there are understood to be proposals for a Basepoint Centre of small, flexible business units at Eureka Park. Overall, current supply of this type of provision appears adequate for industrial space, and low for office firms but potentially improving.

Accommodation for Higher Technology/Knowledge based Firms

4.20 The Borough contains the Ashford Campus of South Kent further education college offering mainly vocational courses but no university or research institution. However, a new Learning Campus is proposed to be developed near the town centre in 2011 to provide employer-led training opportunities. In this context, Ashford is not currently perceived as an area where demand for higher technology or incubation space is strong and it has no science park or innovation centre similar to those found in Medway, Swale, Canterbury and Dartford. Commercial agents, however, considered the types of small business premises at Eureka Park and some industrial locations in the Borough would be adequate for IT firms, as well as converted rural buildings which have good broadband connectivity. There would also be potential to provide such space within the planned urban extensions to Ashford town.

Gaps in the Property Portfolio

4.21 The general market view was that most forms of industrial and commercial property were catered for at some level in the Borough and there were few obvious gaps in types of provision. Apart from more industrial land for development to meet future growth needs, the main gap identified was for serviced small office accommodation. As indicated above, there is less incubation space provision (such as innovation centres) than in other parts of Kent.

Potential Future Growth

4.22 In terms of a likely future economic role for Ashford and the scale of demand for commercial space in it, market views were broadly positive. Scope for an expanded role for both industrial and office sectors was seen as not unrealistic given the scale of housing growth proposed, Ashford possibly becoming something akin to the Milton Keynes of the South East. Need for both industrial and office sites was therefore identified. No significant growth role was seen for large scale manufacturing and it was doubtful whether Ashford could develop into a strong IT/high technology location area in competition with areas with greater advantages.

4.23 A common view was that Ashford, with improved housing, education and retail facilities, an increased labour supply and its high speed rail link to London, could attract more firms if high quality speculative premises were provided and readily available. This could include some distribution firms if suitable large premises were provided. Significant demand for both industrial and office space could also result from indigenous growth, with a range of support industries needed to underpin the large housing and population growth. This was seen as more probable than large industrial or office firms moving from elsewhere, which are often reluctant to move far to avoid losing skilled staff.

4.24 The quality of some of the proposed development areas was considered adequate to attract or accommodate such growth. Eureka Park was regarded as an attractive office location now that it had had the kick-start provided by the Northdown speculative office development. The planned Elwick Place development beside Ashford town centre would also attractive enough to fulfil this role. There is also no reason seen why the planned Ashford urban extension areas should not attract some office and industrial uses provided they had the necessary infrastructure and proximity to services.

Quality of Current Provision

4.25 It was recognised that some older industrial estates were approaching the end of their economic life or unsuited to modern industrial needs and may have potential for redevelopment to modern employment premises, and some to other uses. Lower rent levels affecting viability mean that it has been more common for older industrial buildings to have been re-clad/refurbished or sub-divided for industrial use, although there is sporadic redevelopment of older individual units. A row of older industrial units along Wootton Road on the Kingsnorth industrial estate has recently been refurbished following completion of the Southern Orbital road while Javelin Enterprise Park on the Henwood estate is a recent conversion of an older factory to small industrial units.

4.26 It is seen as less likely that industrial sites will be recycled for office development. This reflects the difficulty of achieving adequate car parking levels for offices as well as marginal viability for new office development and the industrial environment that such new offices might have. High Point Business Village was a development of small offices on an industrial site in the 1990s but subsequently faced financial problems. One building on the Henwood Estate is being converted into an office headquarters for its occupiers, a firm of accountants relocating from the town centre, but this is an exception. The older estates seen as having greatest potential for redevelopment are those at Cobbs Wood, Ellingham Way and Mace Lane but all these are well occupied fulfilling a need for lower cost space in the town.

Competition

4.27 While there are a number of major developments planned or underway in Kent, as summarised in the previous section, few of these were considered to be strong competition to Ashford's economic growth proposals. The Ebbsfleet development can potentially provide a large amount of office space with quicker, high speed links to London than Ashford. However, this is seen as serving a different West Kent market from Ashford, more likely to attract large pre-let relocations from London that require large office footplates, and with much more expensive space than Ashford. It is also likely to be several years before premises come forward. The Crossways scheme at Dartford will have available space but also serves the West Kent/London relocations market, is much more expensive than Ashford and has poorer rail links. Kings Hill Business Park was perceived as attractive to large office firms seeking a prestigious location but there is limited development area remaining, its rents are much higher than Ashford, it does not offer freehold premises and Ashford will soon have faster rail links to London.

4.28 Chatham Maritime also has a limited amount of office development space remaining once the current space under construction is completed, with higher rents and slower links to London. Maidstone has a limited amount of new development land, with Eclipse Park the main site coming forward but is seen as more expensive than Ashford, less of a growth area and with slower rail links.

Ashford Rural Areas

4.29 There is a good supply of small offices and workshop units in converted rural buildings, mainly within or close to settlements such as Smeeth, Wye and Bethersden. Demand for good quality premises has been strong in recent years, mainly by firms seeking lower cost premises closer to where they live, but has slowed down with demand now roughly balancing supply. Such premises are not concentrated in any specific areas, and most locations with reasonable road access and broadband connectivity are let quickly. There was general view that more of this type of provision would be adequate to meet future needs rather than any significant new employment land allocations in settlements.

Conclusions

4.30 Ashford has some advantages as an industrial location from its central position within Kent, proximity to M20 motorway junctions, London and the Channel Tunnel and comparatively low cost land and premises. However, current levels of demand for both industrial and office space are modest and recent or current developments may meet much of that demand in the short term. No major gaps in the range of provision were identified although there is little supply of small, serviced office units, or low cost start-up units for higher technology firms.

4.31 For the longer term, there will be a need for more industrial land to support growth aims as supply is currently tight. The expansion of established firms appears less likely to fuel future demand for premises than attracting firms from elsewhere. However, potential is seen by the market for Ashford to attract more firms, both offices and industrial, if suitable premises are provided and readily available. Some demand for both industrial and office space could also result from growth linked to major housing development. Such demand for employment space in Ashford is considered unlikely to suffer from major competition from other large economic developments in Kent given the different markets these schemes serve and the different products and costs they offer.

5.0 ECONOMIC POTENTIAL & GROWTH SECTORS

5.1 This section considers the future economic growth potential of Ashford and the scope for various industrial sectors to grow within it in the period up to 2021. This analysis reflects the findings of the Borough's strengths, weaknesses and opportunities identified earlier in this report, recent economic and investment trends within it and the region, and relevant economic and planning policies. It also takes account of aims in the Regional Economic Strategy. The analysis is also informed by recent studies of Ashford's growth sectors and office market undertaken for Ashford Borough Council and Locate in Kent.[15]

Context

5.2 Consideration of the future economic role of the Borough draws on the earlier analysis of its current strengths and limitations. Ashford's competitive advantages that could help shape its future economic role were seen as:

- good transport accessibility with several M20 motorway junctions, and high speed rail links to London and Europe;
- strong recent employment growth combined with high levels of new business formation and local entrepreneurship;
- major planned housing and population growth which will boost local labour supply and should stimulate growth of support industries;
- moderate recent attraction of inward investment and relocations from the wider South East;
- attractive development sites capable of attracting a significant level of new businesses; and
- competitive rents compared to other locations in Kent and the South East.

5.3 The main threats to achieving its economic potential could come from:

- under-representation and limited recent growth in the financial and business services and other knowledge-based sectors, which typically have greater potential for growth;
- a current high representation in manufacturing sectors, which have poorer growth prospects and face strong competition from lower-cost locations;
- a current low representation in knowledge-based sectors and a relatively low-skilled workforce at present although the proposed Learning Campus may improve this;

[15] OCO Sector Study and Ashford Office Market Report, Knight Frank, April 2008

- potential competition from other major employment centres and development proposals in Kent; and
- poor access to the strategic road network in the rural western parts of the Borough away from Ashford.

5.4 The Borough has undergone strong recent employment growth and has a reasonably diverse economy, with a number of business services, printing and design firms as well as a strong industrial base. These activities tend to be concentrated within Ashford, with very limited presence in the more rural parts of the Borough where the focus is on meeting local needs. The Borough's lower cost of land and premises compared with other parts of London and the South East give it potential to cater for some relocations of firms from elsewhere. The key locational and accessibility characteristics of the Ashford urban area also appear likely to improve substantially in future, as new road and rail links, infrastructure and other services are developed to meet its growth needs.

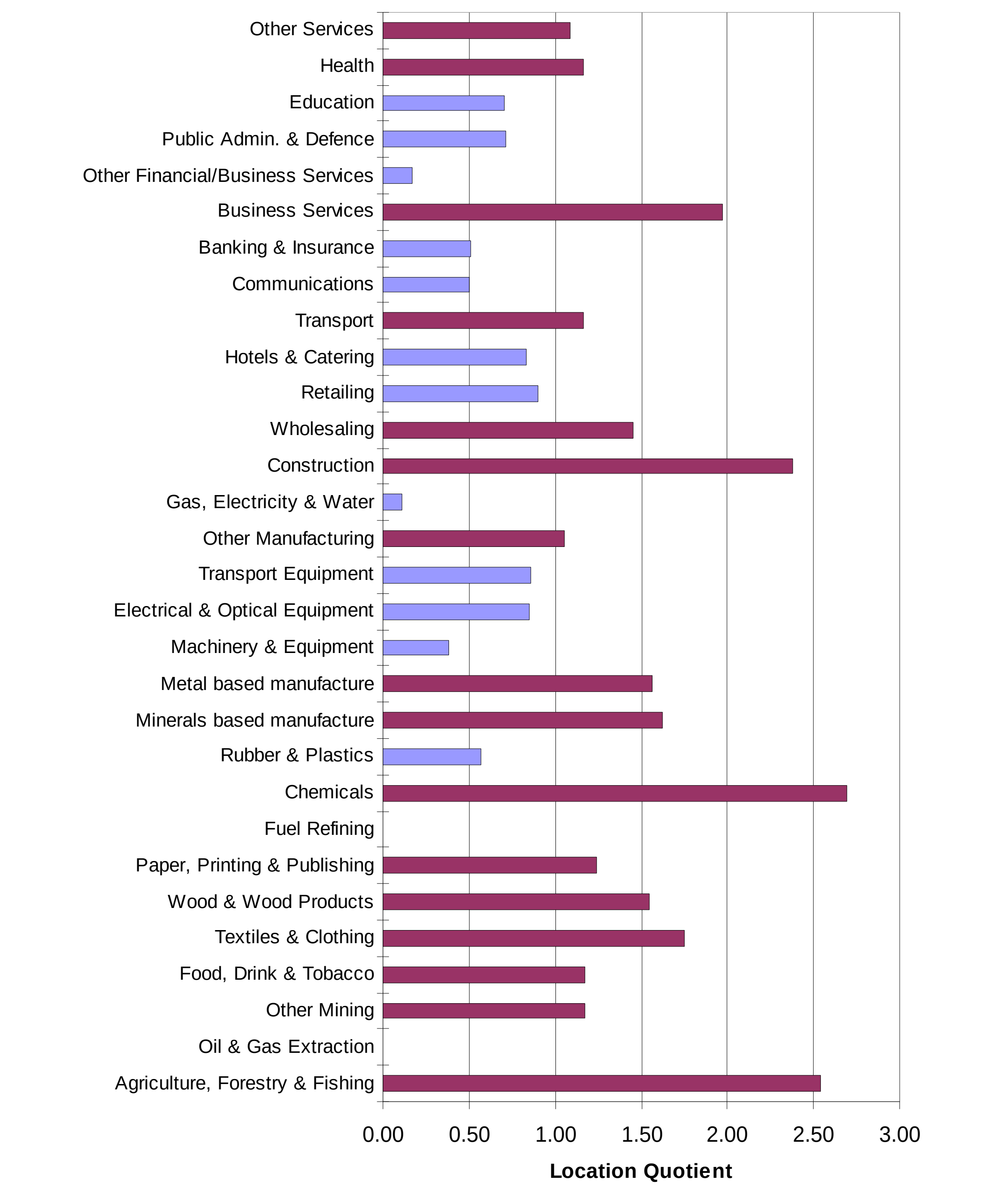
Future Potential

5.5 In terms of what sectors the Borough has potential to attract or grow in future, the analysis in Figure 5.1 of any current over or under-representation of jobs in specific sectors can provide some guidance. This method uses the location quotients of each sector – the proportion of total employment in that sector locally divided by the equivalent figure for the region.

5.6 Sectors highlighted in the darker colour (purple) indicate a higher representation than the South East regional average, those in blue a lower representation. The length of the bar indicates the extent of such under or over-representation. Where sectors are over-represented, it suggests that Ashford offers some competitive advantage that allows that sector to flourish.

5.7 In industrial and business sectors, Ashford currently has a higher representation relative to the South East region in certain more traditional and lower-value manufacturing sectors – chemicals, mineral-based and metal-based manufacturing, wood products and textiles. Business services are also a strongly represented sector, and to a lesser extent paper and printing/publishing. In contrast, the Borough has low representation in banking and insurance and other financial/business services, and a lower than average presence in population related sectors such as hotels/catering and retailing. This analysis can be interpreted as the Borough having some competitive advantage or attraction in these sectors in which it is currently strong.

Figure 5.1: Under/Over Representation of Specific Sectors in Ashford, 2006



Source: Based on data from Annual Business Inquiry

5.8 The relative representation of different sectors in Ashford has also been cross-referenced with recent growth of that sector in Ashford compared to its growth in the South East region. Table 5.1 shows the representation of sectors in Ashford along with their employment growth over the period 1998-2006. Of greatest interest is the top-right quadrant containing those sectors which have both high current representation and have grown strongly, including a number of manufacturing sectors (wood, chemicals, metals), business services, transport and wholesaling. These sectors might be expected to have continued strong growth in Ashford in future unless conditions change for the worse. The bottom-right quadrant shows those sectors that have grown strongly, despite being currently under-represented in Ashford. This includes population-related sectors such as retailing, hotels and catering and public administration, as well as some specialist manufacturing sectors. Again, these sectors offer growth potential because they represent potential gaps in the market and should benefit from the major housing growth planned. Of some concern is that the typically higher growth sectors of banking, insurance and other financial / business services are currently both under-represented in Ashford and have experienced below average growth in recent years.

Table 5.1: Ashford Sectors compared to SE average

Above average representation, below average growth	**Above average representation, above average growth**	
Agriculture, forestry and fishing	Wood and wood products	
Food, drink & tobacco	Chemicals	Metals
Textiles & clothing	Construction	Wholesaling
Paper, printing & publishing	Transport	Business services
Mineral manufacturing	Health	Other services
Other manufacturing		
Below average representation, below average growth	**Below average representation, above average growth**	
Rubber and plastics	Electrical and optical equipment	
Machinery and equipment	Transport equipment	
Banking and insurance	Public administration & defence	
Other financial / business services	Gas, electricity & water	
	Retailing	Hotels & catering
	Communications	Education

5.9 This broadly suggests that the Borough has potential to maintain and build on its current industrial role with its emphasis on manufacturing sectors, as well as grow further in other sectors such as construction, distribution, business services and various population and growth-related sectors such as retailing, education, health and hotels/catering. It suggests however that financial activities need to be targeted more effectively if they are to achieve representation at least equal to regional levels.

Sectors with Growth Potential

5.10 Building on this initial analysis, by looking at the locational requirements of some specific sectors with growth potential, a view can be formed on how likely Ashford is to develop or attract growth in these. This analysis draws on recent research on the key drivers of business location for such sectors in the South East region and the factors that make a location attractive to them.[16]

5.11 ***Financial / Business Services:*** Business location decisions in this sector reflect factors such as access to markets/suppliers, a skilled and diverse workforce, and high quality transport and telecommunications infrastructure. Quality of life factors, including good housing and cultural facilities are also important. Ashford has attracted some business services firms in the past owing to its improving motorway access, availability of good premises and the new high speed domestic rail link from 2009 will enhance its attraction. Limited labour supply and competition from other locations with a more attractive image (e.g. King’s Hill, Tunbridge Wells) are potential constraints to any large scale growth and the financial services sector is currently underdeveloped in Ashford.

5.12 However, provision of modern, competitively priced, office premises in accessible locations to suit the needs of a broad range of occupiers, could help attract relocations from more congested or higher-cost parts of Kent and the wider South East, or satellite office / back-office functions of firms based in London. These activities have also been identified as having good potential in Ashford in other studies. [3] Improving retail and leisure provision will also help make Ashford a more attractive proposition for firms relocating their workforces, while future housing growth should help increase local labour supply. Overall, reasonable growth of the business services sector appears possible in Ashford even if financial services grow less.

5.13 ***Distribution:*** Despite above average jobs in this sector and recent growth, Ashford is not regarded as a major distribution location. Key locational factors for distribution and logistics activities are the availability of warehousing, storage and distribution sites with access to the strategic road network, as well as an appropriately skilled workforce. Despite its good motorway links, Ashford has lacked large available sites or speculative premises, is not well placed to serve a large market area and its proximity to the Channel Tunnel means that drivers have no need to break their journeys at Ashford to comply with driving time limits. However, improved motorway access and the availability of large sites beside the M20 to the south of Ashford may help capture more sub-regional demand. Warehousing/storage, particularly order processing and industrial packaging activities, is identified as a sector to be developed in Ashford.[17] There are also views that Ashford is well placed to pick up return loads to Europe while the major population and job growth planned for Ashford should stimulate need for more, local distribution facilities. Despite this, other locations closer to the M25 may have stronger claims to meet this demand, with better strategic motorway links and large sites near them. Overall, there appears scope for moderate growth in this sector linked to its population and business growth, but not for Ashford to become a major strategic distribution centre.

5.14 ***General Manufacturing:*** Ashford has an established base of older manufacturing industries, some of which are a legacy of Ashford's role as an overspill town in the 1960/70s, but also reflect that it is a lower-cost location. Key locational factors will remain access to a supply of affordable sites and premises, good transport accessibility and a local labour force. In this way, Ashford may attract relocations from other more expensive or congested parts of the South East, for example firms from London which can sell their existing sites for housing. A significant proportion of recent inward investments have been manufacturing firms attracted by lower cost premises. There are strong external factors such as competition from lower cost locations abroad, but these may be less significant in the types of industries in which Ashford has high representation. Some manufacturing sectors in Ashford – chemicals, metals and wood products - have had above average growth and its food processing industries appear stable. However, it seems likely that future growth will in part rely on encouraging more specialist, higher-value manufacturing or R&D activities that are potentially less sensitive to competition from elsewhere. Overall, consolidation rather than further decline in this sector may be possible if decline in older sectors can be offset by inward relocations.

5.15 ***Advanced Manufacturing / Engineering:*** Important factors identified for this sector are proximity to the strategic road network, availability of high quality business park environments, a diverse and technically skilled workforce and flexible/affordable workspace. With some existing representation in the rail-based engineering sector and a range of other small-scale engineering activities, a reasonably skilled workforce and available low-cost sites, Ashford appears favourably placed to build on existing

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[16] Spatial Requirements of Key Sectors in the South East, Atkins for SEERA, 2004

[17] Ashford Sector Targeting Report, OCO for Ashford Borough Council, April 2008

strengths and above average growth in this sector. Ashford has also had above average growth in electrical and transport related equipment and attracted some recent inward investment in this sector. Electronics, engineering and higher value food processing are sectors specifically identified as having good potential in Ashford. [3] Concentration on higher value areas should help withstand overseas competition. New speculative office development and a supply of skilled labour from major housing growth and the planned Learning Campus should support some growth of this sector in Ashford.

5.16 ***Information & Communications Technology*:** Key factors for the sector can include areas with an attractive lifestyle, skilled worker availability, broadband connectivity, proximity to London, and often the image of the location. Ashford performs reasonably against these criteria, with new housing and retail facilities and an improving image, despite its more limited past role as a centre for business and financial services. The Borough has also had above average growth in business services and communications jobs and a significant proportion of recent inward investment has been in ICT / telecommunications. Expansion of established firms and encouragement of new start-ups could provide reasonable prospects of indigenous growth in Ashford, while the Borough's available lower cost premises may encourage some moves from higher cost locations such as London and King's Hill. Overall, low/moderate growth of this sector appears likely.

5.17 ***Environmental Technologies*:** This sector includes activities such as recycling, water treatment, decontamination, renewable energy technologies and other environmental consultancy. It is one that many other UK areas are also targeting and some are more advanced in promoting. Key considerations in location decisions for this sector include availability of skilled labour resources, proximity to universities with relevant R&D facilities, access to customers/suppliers and available incubator/move-on facilities. Much of the research in this field is taking place at universities in other regions. For waste-related activities, proximity to large population/manufacturing centres is important. Ashford has no significant representation in this sector currently. While high construction activity could support some sustainable construction and renewable energy businesses, longer established centres of such activities and areas with bigger markets than Ashford can provide such products. Ashford's low cost premises and accessibility may attract some environmental consultancies, but it has few obvious inherent advantages for this sector, compared with other locations in the South East, so that only low growth of this sector is anticipated.

5.18 ***Healthcare / Biotechnology:*** Ashford has no strong advantages in this sector at present although it does have above average employment in healthcare. Access to relevant research & development is the primary driver, with many start-ups needing close university links, along with suitable graduate labour. Proximity to existing bioscience clusters can be important, as well as good access to London and an attractive lifestyle location for skilled staff. Large, lower-cost sites are more important for production facilities, and the Borough lacks its own university or medical research base although a new hospital is planned. Ashford has some existing firms operating in this sector (e.g. Kent Pharmaceuticals), but other locations in Kent have more established strengths, such as the Kent Science Park in Sittingbourne, the London Science Park at Dartford or the University of Kent at Canterbury. The Primary Care Trust has taken up a significant amount of space at Eureka Park, although this was consolidation from existing sites, but the planned new hospital and population growth will add to employment in this sector. Overall, low growth appears likely in medical research or equipment related activities but the high population growth ought to support growth in general health care facilities.

5.19 ***Media/Telecommunications****:* This diverse sector includes activities such as publishing, graphics and web-design etc., which have some modest representation already in Ashford related to its publishing and printing activities, but this is also a sector that many other areas are also targeting. The communications sector has also had above average job growth in Ashford. Key locational factors for firms in this sector are similar to those for ICT and include access to broadband, areas with attractive lifestyle and sometimes the image of the location, while easy access to London's large client base is also beneficial. Availability of skilled staff and affordable town centre premises with a good cultural image can also be important. A high proportion of freelance contractors typically work from home or within small offices, including in rural premises. Ashford performs moderately against these criteria at present, but has a number of small firms operating from rural sites. High growth of population and firms will need such services, and high-speed rail connections to London will increase access to key markets. There is also scope to build on existing publishing activities, and with a suitable supply of premises and broadband communication links, this appears a sector with reasonable prospects for moderate growth in the Borough.

5.20 ***Construction:*** The planned housing growth in Ashford and the development of associated facilities and infrastructure should be a major driving force behind future growth of this sector. The construction sector generally does not follow any specific locational criteria, with contractors and workforce tending to be fairly mobile, potentially setting up local offices for larger projects. However, Ashford already has a high level of construction employment and strong recent growth in this sector, partly reflecting construction works associated with the Channel Tunnel Rail Link. Given the large scale of future development planned in Ashford, some established construction firms within the area may expand and there have been some recent incomers to service construction contracts in Ashford. The current high level of representation looks set to continue and deliver some further job growth and space requirements, but given the already high level, the increase in jobs may not be all that great.

5.21 ***Retail / Leisure:*** Ashford is a relatively modest retail and leisure centre within Kent, and is currently under-represented in these sectors although recent growth has been strong. Traditionally, considerable expenditure has leaked to surrounding higher-order centres such as Canterbury, Maidstone and Bluewater. The MacArthur Glen Designer Outlet Village has helped to attract more expenditure to the town, and major retail development has recently been completed in the town centre. Significant future population growth will help sustain growth of these sectors in which Ashford is currently under-represented, as will the delivery of a number of mixed-use town centre sites identified in the Core Strategy with an emphasis on retail and leisure activities, although there may continue to be competition from more established centres elsewhere. On balance, it is reasonable to expect moderately high retail and leisure growth that will give Ashford levels of provision consistent with other growth towns of its planned size.

5.22 ***Hotels / Catering:*** Ashford's representation in this sector is currently below average, reflecting that its offer is limited, although it has experienced above average recent growth. As with retail, it is reasonable to expect that significant population growth will sustain further growth in these sectors, while a number of the development sites in the town centre are likely to include hotel, restaurant and café uses which will support employment growth in this sector. A general increase in business activity and growth of more EU-based firms should also support hotel sector growth. Overall, high growth of this sector appears likely in the Borough, although its land needs will be small.

Conclusions

5.23 Drawing this review together, Ashford's future growth will likely be characterised by attracting inward investment, significant expansion of population and growth-related sectors to support its planned housing growth, and potentially some growth in those sectors where it already has established strengths. Table 5.2 below summarises the economic growth potential of different industrial sectors within Ashford.

Table 5.2: Summary of Future Growth Prospects in Ashford by Sector

Sector	Current Representation in Ashford	Future Growth Potential in Ashford
Financial services	Low	Low/Moderate
Business services	Low	Moderate/Strong
Distribution	Low	Moderate/Strong
General manufacturing	Moderate/high	Low
Advanced manufacturing/engineering	Moderate	Moderate/Strong
ICT	Low/moderate	Moderate
Environmental technologies	Low	Low
Healthcare	Moderate	Moderate
Media & telecommunications	Low	Moderate
Construction	High	Moderate
Retail/leisure	Low	High
Hotels/catering	Low	High

5.24 Ashford appears capable of building on its existing specialist manufacturing sectors, seeking to increase its representation in financial/business services by attracting relocations from elsewhere, as well as promoting some emerging sectors such as advanced engineering and media/telecommunications. There is some potential for smaller scale distribution activities if suitable sites can be provided. A major source of growth is expected to be the more population-related sectors such as retail, leisure, hotels and catering.

5.25 It is not apparent that Ashford will be attractive to many higher technology sectors, such as biotechnology or ICT to a great extent, nor for environmental technologies. There will be strong competition for these sectors and other locations better placed to attract them.

6.0 FUTURE EMPLOYMENT SPACE REQUIREMENTS

6.1 This section assesses the amounts and types of employment space likely to be needed in Ashford to accommodate its growth aims up to 2021. It is important to emphasise that this assessment of future needs for employment space does not take into account existing commitments and as such does not represent the amount of additional land required. The target employment floorspace estimates identified here are for the Borough as a whole but in reality the overwhelming majority of this space would apply to in the Ashford growth area – the urban area and planned urban extensions – with the more modest needs of the rural area assessed separately.

Approach

6.2 Future employment land needs for an area are normally estimated using one or more of these approaches:

- projections of future employment growth in the area by industrial sector, usually based on past trends in the local area and its share of regional economic growth;
- projecting forward past trends of take-up of employment space;
- consideration of future labour market growth and the need for jobs in the area;
- other factors such as the expansion needs of indigenous firms and inward investors, changes in space requirements of businesses and circumstances that could lead to major changes in demand or supply.

6.3 In the case of Ashford, such approaches are not appropriate. This is because Ashford is a planned major growth area, with an ambitious target of 28,000 jobs and 31,000 new homes by 2031, which would form a step change beyond recent growth trends in the Borough and double the current population of the town. These targets will not be achieved by current levels of property demand, but such demand can be stimulated and increased by provision of new employment sites. In this context, past take-up of land is also unlikely to provide a reliable guide to future needs, while job forecasts based largely on past trends and which do not fully reflect the major housing growth planned will not reflect the area's future growth potential.

6.4 This section does not, therefore, try to forecast the scale of future economic and employment growth that is achievable in Ashford, or take a demand based approach to assessing future needs. Rather, it takes the Ashford growth target of an increase of 13,650 jobs[18] by 2021 and estimates the quantum and types of B class employment land needed to accommodate that target, taking account of job growth in other sectors. However, how realistic are these employment sector estimates and the Ashford job target are assessed by comparison with employment levels in other towns of similar scale and type and consideration of other factors such as past take-up rates, inward investment and job growth trends.

6.5 This process has therefore involved estimating the likely employment growth in key sectors in Ashford by 2021 using a variety of methods. This will reflect higher growth in certain sectors that Ashford is likely to attract or develop as a consequence of its growth agenda, as discussed in the previous section. By 2021, it is assumed that the Ashford urban area will have achieved approximately half of its planned 31,000 dwellings increase and have a population in the order of 140,000 -150,000. Consideration has also been given to what levels of employment in different sectors a growth town such as Ashford could be expected to have when it achieves a population of this size.

6.6 It is anticipated that employment growth in Ashford over the next 13 years or so will come from a range of sources including:

a) from inward investment and relocations by firms attracted by Ashford's fast rail links, good road access and supply of available, low cost sites and premises;

b) from growth in activities needed to support Ashford's major housing and population growth, such as retail, leisure, catering, local government, legal, education and health services;

c) from growth in businesses that will support the major housing growth and development of new employment premises, such as construction, architectural and engineering firms;

d) from support services that will be set up or expand to serve a growing business community, such as hotels, design firms, IT firms, repair and maintenance activities.

6.7 From consultation with a sample of established businesses in Ashford, indications are that relatively few of these firms are likely to require significantly more space in the near future and most demand is expected to come from firms moving in from outside the Borough.

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[18] based on Core Strategy target of 17,500 additional jobs between 2001-21 less 3,050 employee jobs created between 2001-06 from ABI data and estimate made from ONS Annual Population Survey of average increase in 800 self employed jobs between the years 2001 and 2006

6.8 It is possible that other factors will prevent the Ashford job target being realised by 2021. These factors could include delays in housing development, which would affect both construction employment and labour supply; delays in bringing forward new employment sites or speculative employment premises; and a general slowdown in the national and regional economy. However, the aim is to ensure that sufficient employment space is planned for to ensure that whatever demand that actually emerges is not constrained by too tight a supply of land.

Employment Forecasts

6.9 Employment forecasts for Ashford Borough between 2006-21, broken down by 30 industrial sectors, were obtained from Experian Business Strategies. These reflect a baseline scenario, based on past employment trends in Ashford, on forecast regional economic growth and how employment in Ashford's sectors has performed in comparison with growth in these sectors on the South East region in the past. However, the forecast employment change, less than 6,800 jobs between 2006-21, does not fully reflect the major housing and employment growth planned for Ashford although it provides a guide to relative job growth between different sectors.

6.10 By 2021, Ashford Borough is expected to have total employment of almost 70,650; this is based on adding the estimated 2006 level of jobs in the Borough (57,000)[19] to the remaining part of the job target to be achieved by 2021 (13,650). Within this job total, estimates of employment in different sectors in Ashford Borough by 2021 were then made using several different methods.

6.11 Firstly, the 2006 employment estimates for Ashford in each sector were scaled up to reflect the Borough's growth potential affecting that sector. For those sectors where job growth is more closely related to population/housing growth (e.g. retail, education, health, construction), 2006 levels of employment were scaled up to broadly reflect the estimated increase in Ashford's population by 2021. Known retail, health and education proposals in Ashford were also taken into account. Other sectors, particularly the B use classes, were then adjusted to take account of factors such as regional growth forecasts for that sector, Ashford's greatly improving transport links, its improved image as a growth centre, the provision of major new development areas and the take-off of Ashford's major office campus at Eureka Park. Other adjustments were made to ensure the aggregate job increase across all sectors fell within the

[19] Estimate based on Experian forecast, ABI data and including both employee and self-employment jobs

13,650 target. The resultant increase in employment in each main sector and factors important to that change are set out in the baseline estimates in Table 6.1 below. Appendix 5 indicates the growth assumptions used for each sector.

Table 6.1: Estimated Job Growth in Ashford Main Sectors, 2006-21 (Baseline)

	Estimated 2021 Jobs	Job Change 2006-21	Comment
Agriculture/energy etc	770	-940	Decline in line with national trends
Manufacturing	6,040	0	Job growth from relocations balances decline in traditional manufacturing
Utilities	120	90	Growth linked to housing growth
Construction	6,700	970	Growth related to housing growth
Wholesaling	5,390	820	Assume growth well above SE average
Retail	8,570	1,430	Above average growth linked to population growth
Business services	12,560	3,810	Assume growth double SE average
Financial, insurance etc	1,380	200	Assume growth double SE average
Education	5,620	2,060	High growth linked to population growth
Health	8,130	1,000	High growth linked to population growth
Public Admin/services	2,940	1,260	High growth linked to population growth
Transport	3,180	620	Growth linked to population growth
Communications	640	80	Assume growth similar to SE average
Hotels/catering	4,820	1,500	High growth linked to employment & population growth
Other Services	3,790	750	High growth linked to population growth
Total	**70,650**	**13,650**	

Source: NLP based on Experian data

6.12 This indicates that much of the B class employment growth in the town could be expected to come primarily from growth of business services. To reach the job target with reasonable employment levels in other sectors, Ashford will require growth levels in the business and financial services sectors that are several times the rates forecast for these sectors in South East region.[20] However, this is not unreasonable if growth is to be mainly through relocations of firms to Ashford, and the town is made sufficiently attractive to them in terms of sites, premises, labour supply etc. Other important contributors to the 13,650 job target will be the health and education sectors and new retail and hotel/restaurant development needed to support the large population growth. Significant growth in construction employment is also expected, related to the major development planned in housing and business premises, although the extent of this is limited as Ashford's construction job levels are already high.

[20] Based on Experian Employment forecasts 2006-21

6.13 Other approaches to estimating employment growth were used as a basis for comparison and to adjust the above estimates where necessary. One approach was to assume that, by 2021, Ashford will achieve a broadly similar breakdown of employment in different sectors to an average profile of other recent UK towns which have recently experienced major growth, such as Milton Keynes and Peterborough. This should give a reasonable guide to achievable employment levels in population linked sectors but is probably less useful for estimating growth in Ashford's B class sectors, which will depend more on the relative economic strengths and advantages of Ashford compared with these other growth towns. The current profile of these other towns may also not fully reflect the 2021 situation in Ashford.

6.14 In addition, the outcome was examined if, by 2021, Ashford had moved towards a similar split of employment in its main sectors as the current average breakdown for the South East region. The forecast Ashford employment total for 2021 was then broken down to reflect the current job breakdown by sector within the region. Again, this approach might be useful to give a guide to potential employment levels in population linked sectors but less for B class sectors, for which the regional average is unlikely to reflect the specific economic strengths and advantages of Ashford.

6.15 Table 6.2 provides a comparison of estimated employment in each sector in Ashford by 2021 using these different approaches. From this comparison, most of the estimated Ashford employment levels in different sectors needed to achieve a job increase of 13,650 do not appear unrealistic. Even with the estimated job growth in other sectors, significant growth in the B class sectors is still required beyond recent trends and forecast growth levels in these sectors for the South East region. This level of growth may be achievable if good quality employment sites are brought forward in good time, some premises developed speculatively, if Ashford is actively promoted as a business relocation destination and if a critical mass of business activity and momentum develops. Based on consultation with commercial property agents and economic development bodies, this employment growth target was not considered unachievable if suitable development sites and high quality premises are brought forward.

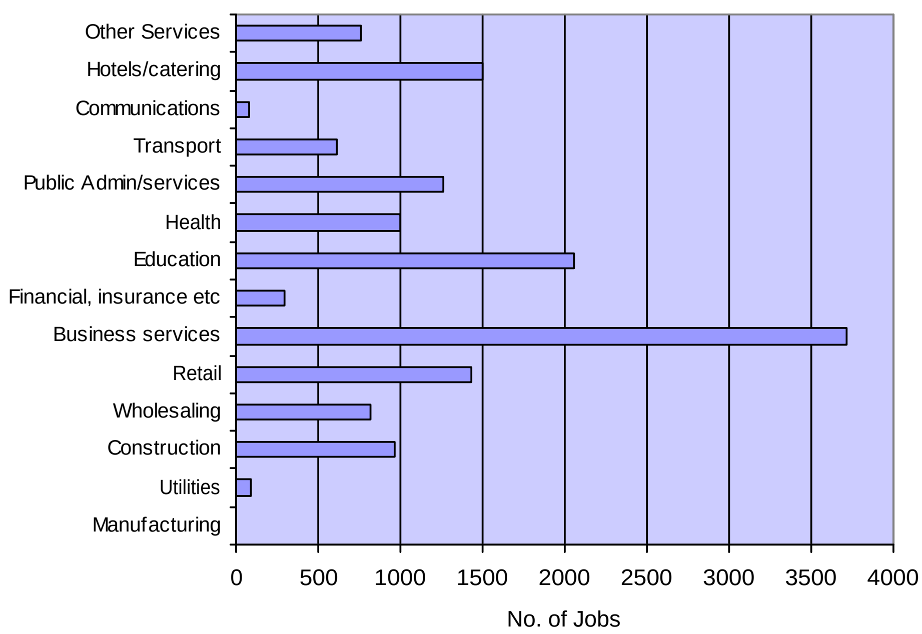
Table 6.2: Estimated Employment in Ashford Main Sectors, 2021

	Baseline Estimate	Based on Other Growth Towns	Based on South East Average
Manufacturing	6,040	7,770	6,220
Utilities	120	210	280
Construction	6,700	2,330	3,180
Wholesaling	5,390	6,710	5,370
Retail	8,570	8,480	7,560
Business services	12,560	14,840	14,480
Financial, insurance etc	1,380	3,530	2,470
Education	5,620	5,650	6,710
Health	8,130	6,005	8,130
Public Admin/services	2,940	2,970	3,040
Transport	3,180	4,805	2,780
Communications	640	210	1,410
Hotels/catering	4,820	3,535	4,660
Other Services	3,790	2,900	3,600
Agriculture	735	705	730
Mining/energy	35	0	30
Total	**70,650**	**70,650**	**70,650**

Source: NLP based on Experian data

6.16 Figure 6.1 illustrates the scale of job increase between 2006-21 in each sector for the baseline estimate.

Figure 6.1: Baseline Job Growth by Sector, 2006-21



Translating Employment Growth into Floorspace / Land Requirements

6.17 These baseline B class employment forecasts by sector were then converted to gross employment space requirements for office and industrial land. Some adjustments were made to the job estimates in each sector to reflect the fact that some other employment sectors need industrial or office sites. For example, some construction firms typically occupy sites on industrial estates while some parts of the transport and communications sectors (e.g. storage, freight transport and courier firms) also use industrial sites. Some public administration and health sector uses will require office space. Publishing is now typically based in office premises although it falls within the manufacturing sector.

6.18 It is also important to recognise that there is not always a clear cut relationship between employment change and employment space needs. Additional employment space can be needed even if employment itself is falling, for example if a manufacturing firm requires more space to enable greater automation and achieve job reductions through productivity gains. Also, the process involves some assumptions, such as the different proportions of high bay and general warehousing and how much office space will be in higher density town centre locations. Nevertheless, this process provides a broad indication of future space requirements.

6.19 To estimate space requirements from jobs, generally accepted job/floorspace ratios were applied.[21] For manufacturing space, a ratio of 1 job per 30 m^2 was assumed, and for distribution space, a proportion of smaller units at 1 job per 40 m^2 and some 30% of jobs in strategic distribution units at 1 job per 80 m^2.[3] Business and financial services jobs are taken to be the main requirements for B1 office space, at a general office ratio of 1 job per 20 m^2. An average plot ratio of 0.4 is assumed in most cases, so that a 1 ha site would be needed to accommodate 4,000 m^2 of employment floorspace. However, for office uses, allowance is made for up to 30% of new provision being in higher density town centre developments at a plot ratio of 2.5.

6.20 In addition, for planning purposes, it is normal and prudent to provide an additional allowance on top of this estimate of land needs for a number of reasons:

- to provide a margin for error given the uncertainties in the forecasting process;
- to allow developers and occupiers a reasonable choice of sites;
- to give a vacancy margin to enable normal market movement and turnover of firms;
- to give some flexibility while older premises are redeveloped and new premises are coming forward;
- to allow for some loss of existing employment sites to other uses; and

[21] ODPM Guidance Note on Employment Land Reviews notes there is no one correct employment density figure. It provides sample densities of 1 office job requires 18 m^2 of floorspace, 31 m^2 per manufacturing/industrial job, 40 m^2 per warehousing job and 78 m^2 per high bay warehouse job. The figures used in this study reflect these densities as well as those derived from other studies of employment density and NLP surveys.

- to cope with factors such as some allocated sites not coming forward, or their development being delayed.

6.21 In addition, there will be some job losses in Ashford over the period and, for the job target to be achieved, more floorspace may be needed to create more employment and compensate for such losses.

6.22 In other employment land studies, added safety margins have ranged between 50% of estimated needs to an amount based on several years of past take-up. In Ashford's case, a balance needs to be struck between providing a generous choice of sites to attract investment and achieve growth and a level of over-provision that could deter development on some key but more complex sites, such as those around Ashford town centre. A minimum 10% margin is required to provide the normal vacancy level that allows for some movement of occupiers but this does not allow for development delays, the need for developer choice and to accommodate relocations etc. Against this background, the overall safety margin of 40% of estimated needs adopted in the Core Strategy appears reasonable and has been used here. This additional amount is added to the estimates of required floorspace/land derived from the employment forecasts.

6.23 Including this reasonably generous safety margin, the job estimates indicate in the order of 89,000 m^2 of industrial floorspace (manufacturing/distribution) would be needed between 2006 -21, and 22.3 ha of industrial land. They also point to 138,300 m^2 of office space being needed in that period, and 15.1 ha of land to accommodate this. It is assumed that about two thirds of this office space (92,600 m^2) would be provided on town centre sites, the remainder (45,700 m^2) in office campus type developments.[22] Overall, there would be a requirement for some 227,300 m^2 of employment space up to 2021, requiring some 37.4 ha of land (Table 6.3).

Table 6.3: Baseline Employment Space Requirements, 2006-2021

	2006-2021	
	Additional Floorspace Needs (m^2)	**Additional Land Needs (ha)***
Manufacturing space (B1c/B2)	8,700	2.2
Distribution space (B8)	80,300	20.1
Office space (B1)	138,300	15.1
Total B-class space	**227,300**	**37.4**

* estimates include 40% additional allowance for vacancy & safety margin

[22] based on sustainability, to capitalise on the high speed rail link and provide a strong focus for the growth area

Alternative Scenarios & Sensitivity Testing

6.24 Some alternative scenarios of future B class employment growth in Ashford were also considered, as well as the future employment space requirements arising from them. This was to test the sensitivity of the employment land estimates to different assumptions and the robustness of the forecasts. It is also useful in estimating what level of employment land may be required under different situations and economic futures. These different scenarios are based largely on varying the assumptions on how individual B class sectors will grow in Ashford, with only minor changes to jobs in the other sectors. The same overall job increase target of 13,650 by 2021 is assumed in each case. Other scenarios are clearly possible but these provide a reasonable range for considering possible variation in employment space needs.

6.25 One scenario assumed that office based sectors in Ashford would perform less well than under the baseline scenario above. This could reflect slower national economic growth in financial/business sectors over the next few years, combined with Ashford's development sites coming forward more slowly and with less speculative office development, or possibly stronger competition from other office locations. At the same time, industrial growth would be stronger than assumed previously, mainly reflecting Ashford's development sites and Motorway accessibility attracting more distribution firms while jobs in incoming/expanding manufacturing firms slightly exceed job losses in that sector. As industrial jobs typically have greater space requirements per employee than office-based jobs, this should provide a higher level estimate of future employment land needs.

6.26 A further scenario assumed higher growth in office based sectors, attracted by low cost available sites, available speculatively built premises, an increased resident workforce with improved skill levels and active promotion of Ashford as a growth centre. At the same time, there would be less growth in distribution and a net decline in manufacturing jobs. Only 20% of distribution jobs are assumed to be in low density, strategic warehousing. As office employment is typically at higher density than industrial uses, this ought to provide a lower land requirement. Table 6.4 below compares the change in B class jobs under these different scenarios.

Table 6.4: Estimated Employment Change in Ashford B Class Sectors, 2006-21

	Baseline Scenario	Stronger Industrial Growth	Stronger Office Growth
Manufacturing & related	+200	+ 690	-200
Distribution & related	+1,270	+1,820	+1,070
Office based jobs	+4,940	+3,950	+ 5,550
Other sectors	+7,240	+7,190	+ 7,230
Total	**13,650**	**13,650**	**13,650**

Source: NLP

6.27 Using broadly the same approach as before, the employment land requirements arising from these different scenarios are compared in Table 6.5 below. However, in the stronger office growth scenario, slightly less of the office space (60%) is assumed to be on town centre sites to reflect potential capacity factors and to provide greater balance between different types of office provision. In the stronger industrial growth scenario, more of the distribution jobs (30%) are assumed to be on lower density, high bay warehousing sites. As manufacturing and distribution uses can use similar sites, a total requirement for industrial space is shown below to include the needs of both sectors.

6.28 As might be expected, stronger industrial growth would require substantially more space than a more balanced mix of office and industrial jobs, largely because of the high space needs per job of strategic warehousing. Stronger office growth would require less floorspace overall as more, higher density office development, much of it in the town centre, would result.

Table 6.5: Employment Floorspace Requirements under Different Scenarios, 2006-2021

	Baseline Scenario (m^2)	Stronger Industrial Growth (m^2)	Stronger Office Growth (m^2)
Industrial space ((B1c/B2/B8)	89,000	153,700	58,700
Office space (B1)	138,300	110,300	153,700
Total B-class space	**227,300**	**264,000**	**212,400**

* estimates include 40% allowance for vacancy & safety margin

6.29 Table 6.6 below translates these floorspace estimates under different approaches into future land requirements.

Table 6.6: Employment Land Requirements under Different Scenarios, 2006-2021

	Baseline Scenario (ha)	Stronger Industrial Growth (ha)	Stronger Office Growth (ha)
Industrial space ((B1c/B2/B8)	22.3	38.4	14.7
Office space (B1)	15.1	11.4	18.1
Total B-class Land	**37.4**	**49.8**	**32.8**

* estimates include 40% allowance for vacancy & safety margin

6.30 Compared with the baseline forecast, there is a lower requirement for land (by 4.4 ha) under the scenario with stronger office growth, with 7.6 ha less industrial land and only 3 ha more land for office development needed. In contrast, a future for Ashford with stronger industrial growth would need significantly more land, some 12.4 ha more overall, but this is mainly to accommodate more strategic warehousing at relatively low density and the desirability of this would need to be carefully considered.

6.31 Various other factors were considered that could potentially affect moderate future levels of employment space required including the growing trend to relocate certain business operations to lower-cost locations overseas, often referred to as "off-shoring". The industries with the highest propensity for this have typically included communications, banking and finance, and some business services, but with indirect effects on other sectors of the economy. At the same time, industrial firms are tending to move manufacturing operations to lower cost countries while maintaining UK distribution functions. Some recent studies suggest that while this trend may be slowing for business services, it may continue for lower-technology manufacturing. Although these factors may have implications for particular sectors in Ashford and could reduce long term land needs, it is hard to quantify the extent with any certainty, and in any event the different scenarios assume lower job growth in some sectors which should reflect the space implications of this factor.

6.32 Another factor which would tend to reduce the amount of additional employment space needed in the future is the ability to achieve economic growth without corresponding increases in demand for employment space or labour, known as "smart" or "spaceless" growth. This could reflect increased automation, labour productivity improvements, hot-desking, working from home, or more overtime working by current staff. Again, it is difficult to quantify the extent of this effect and recent studies have not found major changes in employment/space ratios so far. No further adjustments have been to reflect these factors although the baseline estimates are more conservative than other possible growth options and could be considered to take such trends into account to some extent.

Labour Supply Growth

6.33 For comparison purposes, the likely level of labour supply in Ashford by 2021 has been assessed, since this could affect the town's attraction to businesses and affect employment growth. Based on the housing growth target, an increase in resident population of 37,200 by 2021 has been estimated. If some 61% of these were of working age, and economic activity rates stay at the current 82.3%, this would result in the order of 18,700 new residents available for work.[23] It is recognised that not all such residents would necessarily seek jobs in the Borough and some may choose to work elsewhere, reflecting 30% out-commuting at present. Ignoring existing unemployed residents and demographic change, this would leave some 13,100 Ashford residents available to fill the estimated increase of 13,650 local jobs. Some 27% of new jobs in Ashford could also be filled by in-commuters, as happens now, which would leave almost 10,000 jobs for Ashford residents. However, out-commuting by Ashford residents may decrease significantly because of a greater supply of good quality, local job opportunities, and this could result in a better balance between labour supply and demand. Taking such factors into account, the job estimates for Ashford do not appear out of line with planned growth in housing and labour supply.

Conclusions

6.34 Table 6.7 summarises employment space requirements from the different approaches.

Table 6.7: Ashford Space Requirements of Different Sectors (2006-21)

	Baseline	Range
Industrial (m^2)	89,000	58,700 – 153,700
Town Centre Offices (m^2)	92,600	77,300 – 97,000
Other Offices (m^2)	45,700	33,100 – 56,700
All	227,300	169,100 – 307,400

6.35 Based on other study findings, the baseline scenario appears, on the evidence available, the more likely and achievable of the options considered. This estimate already contains a generous safety margin to allow for some economic or market variations. While a number of key assumptions have been made in deriving these estimates, they do not appear unreasonable in the context of Ashford's growth aims and the other evidence outlined earlier in this study. Whether these employment space levels can be achieved by 2021 will depend on future economic and market conditions but could be aided by an active promotional campaign to establish Ashford as a strong business destination and ensuring that development sites come forward with necessary infrastructure in place in good time. These amounts of space should also be regarded as an initial estimate to be tested against what land is currently available or likely to become available in the Borough.

[23] assuming proportions of working age residents in Kent County Council population forecasts

7.0 REVIEW OF CURRENT EMPLOYMENT SITES AND ALLOCATIONS

7.1 This section assesses the characteristics and quality of existing and allocated employment sites in Ashford Borough. This assessment is based on sites identified by the Council over 0.25 ha, each inspected and assessed by NLP. This considered each site's suitability for employment use, against the criteria listed below, which reflect those in the ODPM Guidance on Employment Land Reviews (Appendix 6):

- strategic road access and local road access;
- accessibility to public transport and services;
- adjoining uses;
- site size and development constraints; and
- attractiveness to the market, including vacancy and market activity on sites.

7.2 The following sections consider the sites in the Borough's main geographical areas – Ashford Urban Area (including the town centre), Ashford Urban Extensions and the Rest of the Borough. Locations of these sites are shown in Plans 7.1-7.2, with site assessments contained in Appendix 7. A total of 33 existing and allocated employment sites / areas have been considered.

Ashford Urban Area including the Town Centre

7.3 **Eureka Park** (42.9 ha) is the largest existing Ashford employment site with significant undeveloped land remaining. It is being developed as a business park, and consists of high quality offices set in an attractive location. The site has excellent strategic road access, within 1 km of M20 Junction 9 and with its own access road. It adjoins residential areas to the east, but the overall setting is one of open countryside. Occupying a prominent location adjoining the M20, it has the potential to provide a prestige development site at the 'gateway' to Ashford town. While close to some residential areas, the site is remote from any local services or facilities, and only limited public transport routes currently serve this location. The site was allocated in the Local Plan for B1 uses, and is identified in the Core Strategy for expansion and intensification. Overall, Eureka Park rates highly as an employment site, and further high quality development of B1 uses could be accommodated to create a prestige development which maximises the site's gateway position. Future development on the site would need to be supported by development of small-scale retail and service facilities to serve Park occupiers, as well as increased public transport provision to improve its sustainability.

7.4 **Land South of Elwick Road and County Square** (4.9 ha) is a brownfield town centre site identified as part of the Southern Expansion Quarter in the Town Centre Area Action plan for mixed-use development, to include up to 25,000 sq.m of offices, and due to benefit from a SMARTLINK station as identified in the Core Strategy. The Council has prepared a development brief for the site, and a preferred developer has recently been selected. The site has largely been cleared, and used as a storage area for CTRL. It lies within 2 km of the M20 via town centre routes, and can be directly accessed from the town centre ring road. This is a high profile location close to both the mainline railway station and the town centre, with a full range of local services and public transport routes nearby. The site slopes slightly down towards the railway line, but is regular in shape, with no obvious development constraints. Overall, this site performs well against the assessment criteria, and has good potential to provide B1 offices as part of a mixed-use development.

7.5 **Orbital Business Park** (48 ha) on the southern edge of Ashford is the largest existing employment area in the town. It has excellent strategic road access being within 1 km of M20 Junction 10, with a dedicated access road via a roundabout on the A2070, although the latter becomes congested at peak times. Northern access to the site via Crowbridge Road links the site to residential areas. The site is self-contained, bounded by roads and railway lines, with some residential areas to the north and open land to the west. It is somewhat remote from local services, although two bus routes operate along the A2070. This is a high profile location with a range of modern B1, B2, and B8 units, some only recently completed, as well as a number of car showroom and trade counter uses. Occupancy levels appear high, although the recently completed industrial units at Isis Business Park on the northern edge of the site are all currently vacant. The high proportion of car showroom uses also dilutes its role as a B class employment location. Overall, this is a good employment site but largely developed and with only a few vacant plots available for future employment development.

7.6 The **Givaudan / Premier Foods** site at Kennington (15.5 ha) is occupied by two large employers – Premier Foods and Givaudan / Quest International. The site lies approximately 2 km from the M20 Junction 10, with direct access onto the A2070. This is a large site, mixed in appearance, with Premier Foods occupying older industrial premises, and Givaudan occupying a modern HQ office building. On the eastern edge of Ashford, the site is close to residential areas, and some local services. It is not identified in the Local Plan or Core Strategy, and lies within an area liable to flooding. Overall, this is a good employment site, apparently functioning well for its the existing occupiers and with evidence of significant recent investment by them.

7.7 **Cobbs Wood Industrial Estate** (29.8 ha) is a large industrial area on the north-western edge of Ashford. Situated about 1.5 km from the M20 Junction 9, it has direct access onto the A28, although these junctions are busy at peak times. The internal estate roads are of reasonable quality and width, with some on-street parking. There is a mix of B1, B2 and B8 users, and premises range from older 1960s industrial units to modern / refurbished units (e.g. Eclipse Business Park). There are few high profile occupiers, the estate characterised by older, established tenants. The overall quality and appearance is consistent with a mixed industrial estate with low vacancy. Some residential areas are close by on the northern side of the A28, and a number of bus routes pass the site, but few other services available nearby. The site is identified in the Core Strategy as a mixed use development area with potential for intensification, and there are some vacant plots which could accommodate this, while some older premises may have potential for renewal or upgrading. Overall, this is one of Ashford's older industrial estates of generally reasonable quality, but with potential for gradual renewal, while continuing to accommodate users requiring lower-cost space. The mixed use designation may result in some net loss of employment space in this location.

7.8 The **Brookfield / Fairwood Industrial Estate** (10 ha) lies on the western edge of Ashford, with a mix of B1, B2 and B8 uses. The site is within 2 km of the M20 Junction 9, and accessed via Leacon Road from a roundabout on the A28. The estate occupies a self-contained site, bounded by railway lines to the north and open land to the south, with a large area liable to flooding. It is situated close to some residential areas and bus routes along Leacon Road, but with few services in the immediate vicinity. The estate comprises a variety of high-quality modern industrial space, some only recently completed, along with some older premises and a concrete batching plant. There is currently one large vacant unit, but overall vacancy in the rest of the estate is low. Overall, this employment site appears to function well and the significant recent investment in new development suggests that it is a proven and attractive location for occupiers. In future there may be scope for redevelopment of the few older premises which remain, but any future development needs to have regard to the flood risk that applies to this site.

7.9 **Land at Victoria Road** (4.8 ha) refers to a series of disjointed sites on the edge of Ashford town centre, identified in the Core Strategy as a development site within the 'Victoria Way Corridor', and part of the 'Southern Expansion Quarter' in the Town Centre Area Action Plan (to include up to 25,000 sq.m office uses). Outline planning permission exists for 355 dwellings, offices, hotel and other leisure uses on the site. It will be affected by a number of major road improvements currently being undertaken in this area, which may address its poor local road access. A large proportion of the site and many existing industrial units are vacant (assumed acquired for demolition). Overall, this site performs reasonably well given its prominent edge of town centre location, and proximity to public transport connections including Ashford International Station. Reflecting the Core Strategy's mixed-use objectives for the site and the outline permission that exists, the site offers potential for small-scale B1 uses.

7.10 The **Ashford Business Park** (8.7 ha) is an industrial area on the southern edge of Ashford. It has excellent strategic road access being within 1 km of M20 Junction 10, and a single access road off the A2070 shared with a number of retail warehouse units, which may become congested at peak times. The estate's internal 'spine' road is slightly restricted in terms of width, which could constrain vehicle movements. The estate consists of a number of reasonably modern, light industrial and distribution units, in good condition and with low vacancy, and including a recently completed 24-unit development of industrial units (Connect 10). The site is very self-contained, bounded by roads and railway lines, with open land to the north. The site is somewhat remote from local services, although two bus routes operate along the A2070. Overall, this appears to be a good employment site, and the recent development confirms that it is attractive for occupiers, particularly those requiring close access to the strategic road network.

7.11 **Dover Place and Tannery Lane** (4.1 ha) is a Core Strategy development site in Ashford town centre, opposite the International Station. The site forms part of the 'Commercial Quarter' identified in the Town Centre Area Action Plan to provide up to 40,000 sq.m of office development. It is currently occupied by a disjointed series of B1, B2 and B8 uses, including the International House office block and Royal Mail Sorting Office. The former is a refurbished 1960s block but with some floors vacant. This is a high profile site beside a range of town centre services and public transport and therefore a good office development site. There appears to be significant scope for new employment development to maximise the site's potential, possibly as part of a mixed-use redevelopment. Reflecting this, the site would appear to offer potential for high-quality office uses.

7.12 The **Newtown Works** site (8.3 ha) is a former railway works adjoining the mainline railway close to the centre of Ashford. The historic former works buildings on the site are largely vacant, although a small number of lower-end users remain. The site is self-contained, and although some residential areas are located nearby, these are at a higher level and separated by a road. It lies close to a range of public transport routes and other local facilities. Only one access point currently exists via a low bridge, but this is being replaced. Otherwise, the site is level and regularly shaped, and contains a number of listed buildings. The site is identified in the Core Strategy for mixed-use development, with a current planning application for residential and commercial uses (to include B1). Although local road access is currently restricted, overall this appears a reasonable employment site. In view of the Core Strategy's mixed-use aspirations for the site, there would appear to be potential to convert some of the larger historic buildings into affordable studio or workshop space near the town centre, perhaps catering for creative / craft industries or uses linked to the site's railway heritage.

7.13 **Godinton Industrial Estate** (1.2 ha) is a small industrial estate with a range of industrial and warehouse units. The site lies on the edge of the town centre, close to local services and immediately adjoining some residential areas. It is identified as part of the Southern Expansion Quarter in the Town Centre Area Action Plan, to accommodate up to 25,000 sq.m of office uses in conjunction with other sites. It is a small site, narrow and irregular in shape, with existing access either via Godinton Road or from a very restricted secondary access shared with residential properties from Godinton Way, which does not appear to be in everyday use. This is currently a low profile location; the majority of buildings are older industrial / warehousing units in poor condition, and accordingly the site appears to attract lower-end users but with above average vacancy. Overall, the site performs reasonably against the site assessment criteria, but does have some constraints in terms of local road access and the layout of the site. Many of the existing buildings are in poor condition, and any future new employment development on the site may be restricted to smaller scale B1 uses to take account of the site's constraints.

7.14 **Henwood Industrial Estate** (17.7 ha) is one of Ashford's older industrial estates, with a range of B1, B2 and B8 uses, on the north-eastern edge of the town close to local services. It lies approximately 2 km from M20 Junction 9, and is accessed via a roundabout from the A292. The latter becomes congested at peak times, and the single internal estate road is narrow with some on-street parking. The site is reasonably self-contained, largely surrounded by open land, but some residential areas immediately adjoin at the site's southern edge. There are a wide range of premises types on the estate, ranging from older single-occupier industrial units to smaller-scale 'business village' developments. There is also evidence of some older premises being refurbished to provide modern accommodation, for example the Javelin Enterprise Park. Vacancy levels appear slightly higher on this estate than other sites within Ashford, partly reflecting some recently constructed units. Although only a few undeveloped plots remain, planning permission exists to extend the estate on a site to the east to provide about 9,000 m^2 of new B1, B2 and B8 space. However, it is understood that a large proportion of this land has now been acquired by Kent County Council for a depot, and is currently being developed. Future development or intensification of older plots may place additional pressure on the existing local road access. Overall, this industrial estate performs reasonably at present but has potential for gradual upgrading and replacement of older premises. The recently refurbished industrial units and planned extension to the estate suggest continued market interest in this location.

7.15 **Kingsnorth Industrial Estate** (13 ha) is an older industrial area on the southern edge of Ashford, with part lying in an area liable to flooding. The site is located about 3.5 km from M20 Junction 10, and has direct access from the A2070. The estate road is reasonable, with some on-street parking, with only one exit from the estate. It immediately adjoins residential areas to the north-west, and the access road is fronted by some residential properties, which may impact amenity. Vacancy levels appear low, but the buildings are generally dated in appearance, and the general condition is average. Only one undeveloped plot currently remains. Overall, this site is well located and performs reasonably as an employment location. There appears to be potential for some upgrading and renewing of the existing premises, possibly with some intensification of larger, low density units, while minimising potential amenity impacts on the adjoining residential areas.

7.16 **Beaver Road Industrial Estate** (4.1 ha) lies on the southern edge of Ashford, near residential areas and a range of local services. About 5 km from the M20 Junction 10, access is from Beaver Road close to the junction with the A2042. The site entrance is from the constrained Beaver Road/Norman Road junction, although it is understood that improvements to this junction are proposed. The site is self-contained, with an industrial area to the south and retail warehousing adjoining to the north and east. The estate is managed, fully occupied and in appears to be in reasonable condition. Overall, this appears to be a reasonable employment site of average quality.

7.17 **Willesborough Industrial Estate** (1.55 ha) is a small industrial estate within a residential suburb of Ashford. It has a mix of older buildings sub-divided into office units, and 16 small industrial units to the rear known as Willesborough Industrial Park. The site is not identified in the Local Plan or Core Strategy. It lies within 1 km of the M20 Junction 10, with direct access from Kennington Road. The latter is partly residential in character, and the junction from the site is constrained. The industrial units generally appear occupied, although some of the office units are currently to let. Overall, this site performs reasonably against the assessment criteria, but is particularly constrained by its residential setting. There is no real scope for intensification.

7.18 The **Former Powergen Site** (2.4 ha) is a vacant brownfield site with some remaining infrastructure on the eastern edge of Ashford town centre, separated by the mainline railway line. The site lies approximately 3 km from the M20 Junction 9 via town centre routes. Local road access is currently via a residential street with on-street parking, and crossing a public footpath, although the site lies adjacent to a proposed new road link intended to facilitate development of this area and relieve congestion on the ring road. Residential areas and a public park immediately adjoin the site and therefore this is an average quality employment site, despite its proximity to the town centre. The access arrangements and proximity to residential areas suggest that it is most suited to small-scale B1 uses as part of a mixed-use development. It was proposed in the Local Plan for employment uses, and identified as a development area within the Core Strategy, while also being included in the Southern Expansion Areas. Its development for employment uses has probably been delayed by residential interest and the potential remediation costs involved. However, permission for a mixed use, mainly residential development with significant retail space and only a modest element of B1 floorspace, has recently been granted on appeal and suggest a limited amount of B class space will emerge.

7.19 **Mace Lane Industrial Estate** (1.3 ha) is a small industrial estate on the northern edge of Ashford town centre, with a range of B1, B2 and B8 uses. The site is approximately 2 km from the M20 Junction 9 but via the town centre, or 3 km to Junction 10 through residential areas. This sloping site has dedicated access from the ring road, shared with a multi-storey public car park and a large printing distributor which both adjoin the site. The internal estate road is reasonable, although somewhat constrained by on-street parking and limited room for manoeuvring large vehicles. The buildings generally date from the 1970s, and all are in fairly good condition. The estate is fully occupied with a mix of firms although one firm occupies about half the premises. Beside the town centre, this site benefits from good public transport and nearby residential areas and other local services. Overall, this is a small industrial estate of average quality, but clearly adequate for its current occupiers.

7.20 **Ellingham Way Industrial Estate** (6.25 ha) is an older industrial area on the southern edge of Ashford, which lies in an area liable to flooding. It is not identified in the Local Plan or Core Strategy. The site is about 3.5 km from the M20 Junction 10, and has direct access from the A2070. The estate road is reasonable, with some on-street parking. The site is large and reasonably level, although residential uses immediately adjoin to the north-west, with open land to the south and east. Deliveries to the scrapyard on the northern edge of the site can cause temporary congestion on the main estate road. There is a mix of occupiers and limited vacancies, but generally the estate attracts lower-end users such as car repair businesses. Most of the buildings are older, in poor condition and nearing the end of their economic life. Overall, this is a poorer quality site but one suited to meeting the needs of lower-end users. There is some scope for redevelopment/upgrading for employment uses but residential amenity may constrain any future development for different employment types.

7.21 Table 7.1 ranks the sites based on their site assessment scorings. This indicates that all employment sites in the Ashford urban area are good / average. There are no poor sites that should immediately be considered for release to other uses although some lower scoring sites offer potential for renewal and upgrading.

Table 7.1: Employment Sites in Ashford Urban Area

Site	Area (ha)	Score	Suitable for	Quality
Eureka Science and Business Park	42.9	29	B1	**Good**
Land South of Elwick Road & County Square	4.9	28	B1(a)	
Orbital Business Park	48.0	28	B1, B2, B8	
Givaudan / Premier Foods, Kennington	15.5	27	B1, B2, B8	
Cobbs Wood Industrial Estate	29.8	26	B1, B2, B8	
Brookfield / Fairwood Industrial Estate	10.0	26	B1, B2, B8	
Land at Victoria Road	4.8	26	B1 (a)	
Ashford Business Park	8.7	26	B1(c), B2, B8	
Dover Place and Tannery Lane	4.1	25	B1 (a)	
Newtown Works	8.3	25	B1 (a)	
Henwood Industrial Estate	17.7	23	B1, B2, B8	**Average**
Kingsnorth Industrial Estate	13.0	23	B1, B2, B8	
Beaver Road Industrial Estate	4.13	23	B1, B2, B8	
Willesborough Industrial Estate	1.55	23	B1, B2, B8	
Godington Industrial Estate	1.2	22	B1	
Former Powergen Site	2.4	22	B1 (a)	
Mace Lane Industrial Estate	1.3	22	B1, B2, B8	
Ellingham Way Industrial Estate	6.25	21	B1, B2, B8	
Total	**224.5**			

** *Note: allocated sites*

Ashford Urban Extensions

7.22 The Core Strategy identifies a number of greenfield urban extension sites to Ashford to accommodate future employment and housing growth, which total over 610 ha. With the exception of Sevington, all of these sites are identified for a mix of uses, not just employment. As all are very large sites, careful masterplanning should enable appropriate employment uses to co-exist with residential. Each of these sites will require substantial new infrastructure and servicing, with development phased over a number of years. The site assessments conducted here consider the suitability and potential of each site for employment uses, based on the current condition / servicing of these greenfield sites, and what the Core Strategy proposes in terms of development types. Development of these sites will require new road or public transport links, which would greatly enhance the rankings of sites without good accessibility at present, but this is not reflected in the current assessment.

7.23 **Waterbrook** (78.0 ha) lies to the south of Ashford, fronting onto the A2070 and between the Cheeseman's Green and Sevington extension sites. The site is large and level, although part is liable to flooding. Unlike the other extension sites, Waterbrook benefits from an existing access road, with part of the site being used as an HGV park / stop-over facility. Being close to M20 (Junction 10), the site also has very good strategic road access. It is understood that up to half the site could be developed for employment uses with access from the existing motorway junction prior to Junction 10a opening. However, delivery of this development area would also rely on a significant upgrade to the A2070 Orbital Park junction while the only acceptable proposal at present is costly and may involve delays as well as ownership issues. The site will also form part of the SMARTLINK public transport corridor, and potentially include a Park and Ride facility.

7.24 The Local Plan identified the site primarily for B8 development, but the Core Strategy has changed the emphasis to a mix of residential and employment development. Over 5 ha on the eastern part of the site has permission for a waste transfer station and mineral related uses beside the existing railhead. These activities have some potential to constrain the types of employment development for which the site would be attractive. There are also current appeals for up to 102,000 m^2 of industrial and depot uses on part of the site. Overall, despite its potential infrastructure constraints, the site is the highest scoring urban extension site against the assessment criteria, mainly reflecting its relatively good access and proximity to existing proven employment areas to the north (Orbital and Ashford business parks). The mixed use focus of the site suggests that any employment development should be smaller-scale, perhaps mainly B1 uses, but potentially also some small scale B2 and B8.

7.25 Adjacent to Waterbrook, the **Sevington** site (49.9 ha) occupies a very prominent location adjacent to the M20 Junction 10. The Core Strategy proposes the site as a focus for employment development, potentially for larger-scale employment uses. There is no current access to the site which is acceptable to be used by new employment uses, and the site's development is reliant on the proposed Junction 10a at its south-eastern edge. The site is currently remote from services and facilities, although this will change with the mixed-use development of the adjacent Waterbrook site. Overall, this is a high profile 'gateway' site for Ashford, which could benefit from excellent strategic road access. Although ranked as "average" at present, it is a potentially very good employment site when new road links to Junction 10a are in place. It is particularly suitable for larger-scale B2 or B8 employment uses which cannot easily be accommodated on other mixed-use extension sites, but is large enough to also include some high-quality office uses.

7.26 **Cheeseman's Green** (185.9 ha) is also located to the south of Ashford, along the A2042. There is no current major road access onto the site, but this could be achieved directly from the A2070. This site is proposed (along with Waterbrook) to provide 4,310 dwellings and 1,475 jobs. The site will also form part of the SMARTLINK public transport corridor. A recent outline planning permission exists on part of the site for 1,100 dwellings, 180 live/work units and 70,000 m^2 commercial floorspace, understood to have been aimed at high quality office park. Although it is understood the site owners are now seeking mainly residential development, the Core Strategy resists for the time being any release to other uses that would preclude employment development.[24] Future development of this site is also partly reliant on the new Junction 10a. Overall, the site has some potential for smaller scale employment uses, within the context of the emerging policy position for the site.

7.27 **Chilmington Green** (300 ha) is the largest identified urban extension site, located on the south-western edge of Ashford. It is currently an isolated farmland location, with the only access consisting of some minor rural roads off the A28, and with no public transport provision or existing local services. The site adjoins some existing residential areas to the north-east. In terms of future development, the Core Strategy proposes 3,350 homes and 600 jobs on this site by 2021. Reflecting this residential bias, and that the site relies on access to main routes (M20/A20) via the northern edges of Ashford along the A28, it suggests that employment development on this site should be limited to B1 uses only, as well as some jobs related to the resident population.

7.28 Table 7.2 ranks the scores given to each urban extension site through the assessment process, and indicates broad grouping of their quality. This indicates that all of the urban extension sites fall within the good / average category. The score for those sites in the average category in part reflects their current lack of access or servicing. Overall, all of the extension sites appear reasonably placed to accommodate future employment development.

Table 7.2: Ashford Urban Extension sites

Site	Area (ha)	Score	Suitable for	Quality
Waterbrook **	78.0	25	B1, B2, B8 (small scale)	**Good**
Sevington **	49.9	24	B1(c), B2, B8 (large)	**Average**
Cheeseman's Green **	185.9	23	B1(a)	
Chilmington Green **	300.0	22	B1(a)	
Total	**613.8**			

** *Note: allocated sites (Core Strategy)*

[24] Based on representations made to Ashford Core Strategy Examination.

Rest of the Borough

7.29 There are a number of existing and allocated employment sites outside of the main settlements which have also been assessed. These provided examples of rural sites based on a sample identified by Ashford Borough Council but do not cover all such sites in the Borough.

7.30 The **Bethersden Business Centre** in High Halden (0.84 ha) is a development of small workshops and storage units in a rural location. The site is about 12 km from the M20, and is accessed from the A28 via narrow rural roads with a number of difficult junctions. It is located south of Bethersden village, with no existing services or facilities available locally, and lies within a special landscape area. The site is close to a cluster of residential dwellings, and adjoins a trout farm. Overall, this is a remote and low profile location, which does not perform well against the assessment criteria. However, with only one vacant unit, the site appears to be functioning well in terms of meeting small-scale rural needs.

7.31 The site at **Marten Park** in High Halden (0.05 ha) is a very small site occupied by a small stable block / farm building. The site has no direct road access other than via the existing farm, and falls within a special landscape area. It is a very low profile location, and in a rural location remote from services or facilities, being surrounded by open countryside. The site therefore performs very poorly against the site assessment criteria. However, by its very nature, the site is suitable for small-scale farm-related activities rather than more general employment uses.

7.32 **Leigh Green Industrial Estate** in Tenterden (1.8 ha) consists of a collection of small-scale workshops, storage and office space, and sale of agricultural products. Tenterden is over 20 km from the M20, but the site has direct access onto the B2080. The site lies within the High Weald Area of Outstanding Natural Beauty and a designated Special Landscape Area. The site is remote from any local services, with Tenterden village about 2 km to the north west. The site occupies a reasonably prominent location of the main road, but is mixed in terms of the quality and appearance of buildings. Overall, this site performs reasonably poorly against the site assessment criteria. However, it represents one of the few dedicated industrial estates in this part of the Borough. Any future employment development on the site would need to be sensitive to the protective landscape designations that apply in this location.

7.33 The **KCC Site** in High Halden (1.6 ha) is occupied by small-unit office accommodation in a good quality converted Victorian building, with an adjoining depot and builder's yard. The site is located over 16 km from the M20, but benefits from direct access onto the A28, although the volume of traffic is high along this route. It lies on the edge of High Halden village, close to residential areas and some limited local services. The depot sites both appear to be in use, while many of the office units are currently being advertised as to let. The Local Plan identifies the site as suitable for small-scale intensification subject to some improvements, and the site would appear reasonably well suited for this in order to meet local needs in this area.

7.34 The site at **Counter Farm** in Woodchurch (0.84 ha) is currently in use for small business units, mainly storage / workshop uses. The site is part of a farm complex, surrounded by open countryside, and is accessed via a narrow track off the B2067. On the edge of Woodchurch village, the site is close to some residential areas and limited local services, but the overall location is remote. The site lies within a Special Landscape Area. The units are in reasonably good condition, occupied by lower end users. Overall, this is a reasonably poor employment site against the site assessment criteria, but one which appears to be meeting local needs for employment space in this area.

7.35 **Pivington Mill** in Pluckley (2.45 ha) is a relatively large site, consisting of a small business park in a series of converted mill buildings. The location is about 11 km from the M20, but local road access is via very constrained rural roads, which are both narrow and have tight junctions. Although close to Egerton and Pluckley villages, the site is otherwise remote from any local services or facilities, although Pluckley train station is about 1.5 km away, and bus routes operate along Egerton Road. The site is a very low profile location, and generally run-down in appearance, with little evidence of recent investment. There are about 20 existing occupiers on the site, in a range of B1, B2 and B8 uses, as well as some small-scale retail uses. It is difficult to estimate current levels of vacancy, but the site appears to be performing reasonably well in terms of meeting demand for low-cost employment space in this area.

7.36 The **Chilham Sawmill** site (1.1 ha) is a vacant site on the edge of Chilham village, bounded by the A28 and mainline railway. It lies over 12 km from the M20 and 15 km from the M2. It occupies a prominent location alongside the A28, although the junction is restricted by the proximity of a nearby railway crossing. The site is small, but level and regular in shape, with no obvious constraints. Some local services and facilities are available nearby within Chilham village. Overall, this vacant site performs reasonably well as a potential employment site, and is well placed to meet small-scale local needs.

7.37 The **Bilting Farm Business Centre** near Bilting (0.3 ha) consists of a range of small business units in converted agricultural buildings. The site lies approximately 9 km from the M20, and has direct access onto the A28, although this junction opens out onto a busy stretch of road. The site is managed and marketed by a single company, and the units appear to be in good condition, with few vacancies. It lies within the North Downs Area of Outstanding Beauty and a designated landscape area. Some residential uses adjoin, but the overall setting is one of open countryside. Limited services are available locally within Bilting village, but otherwise the site is relatively remote. Overall, this site performs reasonably well, catering for smaller-scale rural needs, which relates well to the landscape designations which apply in this area.

7.38 The **Evegate Business Village** is a small development of business units and craft outlets near the village of Smeeth, just off the A20 about 4 km south of M20 Junction 10. Local access is via a narrow rural road, and the junction into the site has restricted visibility. The site itself consists of a mix of attractive converted and more modern buildings, which are well maintained and appear well occupied. The site adjoins some isolated rural dwellings, and there are few services in the immediate vicinity, although Smeeth village is close by. Overall, this employment site is well located and performs reasonably well against the other site assessment criteria. It appears well suited to meeting smaller-scale local employment needs, which benefit from good access to strategic roads.

7.39 The **Worten Farm Buildings** are located on a small plot (0.25 ha) within the Godington Estate, north of Ashford. The site is located about 4.5 km from the M20, initially via the M20 and then a series of narrow rural roads. These former farm buildings have recently been refurbished to provide small-scale office units, ranging between 65 – 250 sq.m. This is a very remote location, with no services or residential areas nearby. There are only a few occupiers at present, but this probably reflects that the scheme has only been recently completed. Overall, this is a high quality scheme in an attractive countryside setting, potentially suited to firms seeking reasonable proximity to Ashford but not requiring a town centre location. Therefore, while the site performs poorly against the site assessment criteria, it appears suitable for meeting smaller-scale B1 employment needs in this area, which do not generate large volumes of traffic.

7.40 At the Council's request, the study has also considered the small village of **Wye** in terms of its potential as a broad office location on the eastern side of the District, rather than any specific site or allocation. Wye is an attractive historic village, approximately 6 km north of Ashford, with a range of local services and facilities. The village has a train station and one regular bus route, and the local roads are narrow with on-street parking. The entire village is designated as a conservation area. It has a small amount of existing employment space, including some small office premises in converted residential buildings. Owing to the lack of vacant sites suitable for development, and the limited existing commercial property available, it appears likely that any new office space would require conversion of existing premises. However, there is limited evidence of demand to support new investment, and this may conflict with local housing policies. The constraints in terms of local road access and conservation policies would probably restrict the scale and type of employment development to B1 uses. Overall, Wye does not perform that well against the assessment criteria, but could be an attractive potential location for higher-quality, smaller-scale locally-based businesses that do not require good road access. This would particularly be for those who could benefit from the existing niche character of the village, or to improve sustainability by increasing local employment opportunities for residents.

7.41 Table 7.3 ranks the scores given to each site through the assessment process, and indicates broad grouping of their quality. This indicates that rural sites in the Borough tend to fall within the average / poor category reflecting their more remote locations. However, all appear to be reasonably well occupied and meeting local needs at some level, indicating that none of the sites considered justify release.

Table 7.3 Employment Sites in the Rest of the Borough

Site	Area (ha)	Location	Score	Suitable for	Quality
KCC Site	1.6	High Halden	21	B1, B2, B8	Average
Evegate Business Village	1.0	Smeeth	21	B1 (a)	
Chilham Sawmill	1.1	Chilham	20	B1, B2, B8	
Leigh Green Industrial Estate	1.8	Tenterden	18	B2, B8	Poor
Counter Farm	0.84	Woodchurch	18	B2, B8	
Pivington Mill	2.45	Pluckley	17	B1, B2, B8	
Bilting Farm Business Centre	0.3	Bilting	17	B1, B2, B8	
Wye – general office locations	n/a	Wye	15	B1 (a)	
Worten Farm Buildings	0.24	Godinton Estate	15	B1 (a)	
Bethersden Business Centre	0.84	High Halden	12	B2, B8	
Marten Park	0.05	High Halden	11	B2, B8	
Total	**10.2**				

Conclusions

7.42 Overall, the Borough contains a good range of employment sites of differing quality and type although relatively few existing office sites. This assessment has identified 11 sites of good quality (255 ha), 14 sites of average quality (587 ha) and eight sites (6.5 ha) of poor quality. This indicates that the great majority of Ashford's supply of employment land is of 'good' or 'average' quality. The poorer sites tend to be smaller ones in rural areas although this assessment only examined a sample.

7.43 The suitability of existing and development sites for a range of employment uses has also been considered. Generally, the analysis suggests that within the Ashford Urban Sites, most sites offer potential for B1 uses, with opportunities for B2 and B8 uses more limited to some of the existing industrial estates. For the urban extension sites, given the dominance of residential uses, most appear suitable for B1 uses only, with Sevington having greatest potential for B1(c), B2 and B8 uses. In the rural areas, most sites offer potential to accommodate a range of employment uses, although these are relatively small scale.

7.44 Apart from the large amount of land remaining at Eureka Park, there appear to be only limited undeveloped plots available within other existing sites which could accommodate future development. The main areas are at Cobbs Wood (2.2 ha), Orbital Park (4 ha) and Brookfield / Fairwood (0.7 ha).

7.45 There are few lower performing sites that rate as 'poor' in terms of the assessment criteria used, largely reflecting that the majority of sites assessed have been located in the Ashford urban area, close to strategic road links on the eastern side of the Borough and to sources of labour and local services.

7.46 Although performing poorly on the assessment criteria, many of the poorer quality sites in the rural areas appear to meet local needs for lower cost space, or by firms not requiring good strategic or local road access. Others appear adequate for their current use, in many cases long-established, even if they are unlikely to be redeveloped for other employment uses if the site becomes available.

7.47 The urban/town centre sites are all good/average employment locations which should be attractive to the market and be capable of accommodating the proposed level of employment space.

7.48 All of the urban extension sites are considered to be good/average development sites capable of accommodating the indicated levels of employment sought for them. Although most currently lack road infrastructure or services, and some have constraints to development such as areas of flood risk, the scale and location of sites suggests these constraints can be overcome.

7.49 There are a few older estates where redevelopment of poorer buildings could upgrade the stock and add more employment floorspace, while refurbishment of units would also be appropriate in some areas. The Henwood, Kingsnorth and Cobbs Wood estates are examples of this. For the most part, there is little to suggest that any these sites could not continue in beneficial employment use.

8.0 THE DEMAND / SUPPLY BALANCE

8.1 This section draws together the 2021 targets for employment space and the estimated supply of employment land – from both current and allocated sites – to assess the adequacy of proposed provision in quantitative and qualitative terms, and potentially identify any need for more employment land. The demand/supply balance is considered for different uses across the three main areas of the Borough – Ashford Urban Area/Town Centre, the Urban Extensions and the Rest of the Borough.

The Borough

8.2 As Section 6 indicated, to meet the specified job growth targets to 2021 would require the following amounts of B class employment space, under the baseline estimates.

Table 8.1: Space Requirements of B Class Sectors (2006-21)

	Floorspace (m^2)	**Land (ha)**
Industrial (m^2)	89,000	22.3
Town Centre Offices (m^2)	92,600	3.7
Offices outside town Centre (m^2)	45,700	11.4
Total	227,300	37.4

8.3 While a wider range of employment space estimates was also indicated to reflect different sectors growing more or less than the baseline position, the above figures include a fairly generous allowance for flexibility and are reasonable to use for comparison with future land supply. Although these figures relate to Ashford Borough as a whole, the great majority of this space requirement will relate to the designated growth area, while the modest employment space needs of the rural areas have been considered separately.

8.4 The above need estimate can then be compared with the amount of B class land currently available or allocated in Ashford. In 2007, the Borough had estimated potential for almost 400,000 m^2 (net) employment space on land available for development.[25] Table 8.2 compares the baseline requirement for different types of employment space with estimated current supply from allocated sites, sites with planning permission and other identified employment sites. Much of this available land is on the larger allocated sites, such as Eureka Park, Cheeseman's Green and Waterbrook, and the majority allocated for B1 uses. These figures do not include the Core Strategy urban extension sites at Sevington and Chilmington Green.

Table 8.2: Demand/Supply Balance for Employment Space (2006-21)

	Estimated Requirement (m^2)	Current Supply (m^2) *	Surplus Supply (m^2)
Industrial (m^2)	89,000	178,400	+ 89,400
Town Centre Offices (m^2)	92,600	89,200**	- 3,400
Other Offices (m^2)	45,700	131,800	+ 86,100
Total	227,300	399,400	+172,100

* Supply based on Kent County Council Monitoring Report 2006/07 with assumptions made on B1 sites suited to office development ** based on draft Town Centre Area Action plan

8.5 This suggests that, in quantitative terms at least, there is more than enough land already available to meet requirements up to 2021, given that the requirement figures already contain a safety margin. This apparent oversupply is most pronounced for industrial and out-of-centre office uses. However, the supply figures contain broad estimates of the capacity of some sites, which may not be fully achievable, as well as some large sites with infrastructure issues which may take some time to deliver.

8.6 The estimated employment floorspace requirement can also be compared in broad terms with the Kent & Medway Structure Plan guideline figure of 592,000 m^2 for the period 2001-21. Allowing for completions and sites under construction, the remaining guideline figure for 2006-21 would be some 535,000 m^2. However, it is understood that this guideline figure largely reflects existing commitments at 2001 rather than being a forecast of future need.[26] In addition, this study's baseline estimate of future requirements (227,300 m^2) reflects the amount of B class employment space needed to just meet a specified job target, where some of that target would be met by other uses. A higher B class floorspace requirement would be needed if that job target were to be exceeded, or if less of it were to be made up of other types of jobs. It is therefore not appropriate to compare the study's estimate of future needs with the Structure Plan guideline figure.

8.7 The above factors suggest that more than enough employment land would be available in Ashford to meet its growth aims in overall terms but adequacy of provision by type, timescale and location also needs to be examined. Consideration was therefore given to whether sufficient employment land is provided for different employment uses in different parts of the Borough – the Ashford urban area, the urban extensions and the rural part of the Borough.

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[25] Kent County Council Commercial Land Monitoring Report, 2006/07 sites within Ashford urban area, taking account of pending losses
[26] Based on Kent & Medway Structure Plan Policy FP1 footnote and discussion with Kent County Council officers.

Ashford Urban Area / Town Centre

8.8 Office and industrial uses in the urban area are considered separately.

Offices

8.9 A broad target figure has been estimated of 92,600 m^2 for office space in the town centre and 45,700 m^2 elsewhere in the urban area/extensions. This office need figure assumed two thirds of future office space would be located in the town centre. While this is a broad assumption, it appears not an unreasonable one. There is a clear case for maximising town centre office provision given the wider aims to regenerate Ashford town centre and of sustainability generally and the likely benefits of the High Speed rail link station in the town centre.

8.10 To meet the office space target, the Ashford LDF Town Centre Area Action Plan identifies sites able to provide 89,200 m^2 of B1 office space in higher density, mixed use development areas in the town centre area, as shown in Table 8.3. The estimated capacity of these sites appears to be based on reasonable assumptions on plot ratio and developable area for a town centre location.[27]

Table 8.3: Employment Space Capacity of Town Centre Sites

Site	Office Floorspace (m^2)	Built Form
Town Centre Core	8,500	3-5 storeys
Commercial Quarter	40,000	4-7 storeys
International Station Quarter	9,700	4-6 storeys
Southern Expansion Quarter	25,000	4-6 storeys
Memorial Square	6,000	4-6 storeys
Total	89,200	

8.11 The assessment of sites in section 7 also found that these town centre sites would form reasonably good locations for office and other mixed use development. Although none have planning permission, some of these sites have been acquired by SEEDA and are being brought forward with public sector funding. There was a general view from agents active in the area that good quality schemes on these sites would be attractive to office firms particularly given the lack of other modern office space in Ashford town centre.

8.12 The capacity of these town centre sites is broadly consistent with the study's estimates of the amount of office space required in Ashford town centre to meet employment growth targets up to 2021. Since the study's estimates of future office need include a generous safety margin, the 89,000 m^2 capacity of these sites should be more than adequate to meet target requirements to 2021.

8.13 Whether this level of town centre office space will be achieved by 2021 is subject to market demand, developers bringing forward the specified amounts of office space in mixed use schemes, favourable economic conditions and competition from elsewhere in Kent, and may require active promotion. This is not to suggest over-provision, the estimated level of space appearing sensible to provide adequate choice and critical mass, as well as scope to meet some needs beyond 2021.

8.14 While consideration has also been given to whether there is potential for more office space in the town centre than the Area Action Plan indicates, this is very difficult to gauge in a situation where Ashford has had such a limited town centre office market in the past. It was not possible to obtain view on this from market sources or to estimate it with any confidence from other forecasts or trends. Compared with past levels, the currently indicated amount of town centre office space appears ambitious, particularly given existing sites and other proposals for new office development in nearby Kent districts. Loss of some older town centre space to residential may help but it is also important to recognise the large quantity of permitted office space that could be developed at Eureka Park, an attractive site with a head start over Ashford town centre. Taking these factors into account, it is not obvious at the present time that there would be scope for a higher figure than now envisaged. However, a clearer picture of long term potential could emerge once the first office schemes are developed.

8.15 Turning to the rest of the urban area, the 45,700 m^2 of office space needed outside the town centre would have to be met in undeveloped parts of existing urban sites, mainly Eureka Business Park, and/or in any urban extensions where B1 space is proposed.

8.16 From the site assessment stage, there appears to be limited remaining development land for office development on the smaller, established urban employment sites. There may be some scope to redevelop parts of existing older employment areas (e.g. Cobbs Wood) to provide new office space, or achieve some space on remaining sites in established employment areas such as Orbital Park. Table 8.4 sets out the Council's estimates for this but these are understood to be based on older information

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[27] As derived from the GADF

and now appear optimistic. The study found only limited potential for new office space on such sites and redevelopment of part of Cobbs Wood for office uses will require sites for relocation of existing firms and market interest.

Table 8.4: Office Space Capacity of Urban Area Sites

Site	Type of Space	Employment Area (ha)	Office Floorspace (m^2)
Orbital Park/Henwood	Business Park within mainly industrial area	7.7	38,500
Cobbs Wood	Urban Business Park on older industrial area	3.5	N/A
Chart Estate	Urban Business Park	2.6	N/A

Source: Ashford Borough Council, Response to Factual Matters, 19 Oct 2007

8.17 However, Eureka Business Park has remaining capacity for almost 120,000 m^2 of office space, although part of the site is proposed for mixed use development. This remaining space would in itself be more than enough to accommodate the amount needed to meet the office job growth targets outside the town centre. This would not necessarily limit the choice of office development sites since the urban extension sites could also meet part of any demand if required.

8.18 On this basis, there is clearly more than enough employment space provided to meet urban area office needs beyond 2021. This implies Eureka Park will not be fully developed until beyond 2021 and could make new office areas in the urban extensions more difficult to bring forward. This would not necessarily be an issue if viewed as contributing to meeting Ashford's longer term growth needs.

Industrial

8.19 No requirement was seen for industrial provision within the town centre and no sites are currently identified for this type of use. In the rest of the urban area, the Council has estimated capacity for new industrial space on the following urban sites which could meet some of 89,000 m^2 target figure.

Table 8.5: Industrial Space Capacity of Urban Sites

Site	Type of Space	Employment Area (ha)	Industrial Floorspace (m^2)
Orbital Park/Henwood	Existing Industrial area	14.2	42,600
Cobbs Wood	Existing Industrial area	5.6	22,400*
Total		19.8	65,000

Source: Ashford Borough Council, Response Notes 3 and 4 * based on assumed plot ratio of 0.4
** areas relate to period up to 2021

8.20 Although these were assessed as reasonably good industrial sites by the study, the site assessment stage indicated that the amount of developable land now remaining on them appears much less than this. Orbital Park has only one 4 ha plot remaining. While a 9,300 m^2 extension to the Henwood industrial estate also has outline consent, this site is now expected to be occupied by a Kent County Council highways depot. Only three vacant plots with a total capacity of 17,700 m^2 were identified in the urban area by the latest Kent County Council monitoring data. While redevelopment of parts of older estates is possible, this would require more land to relocate existing firms.

8.21 In addition some 12,400 m^2 of B2 and B8 space with outstanding planning permissions was identified on existing employment sites within the Ashford urban area at 2007. Most of this space was on 3-4 sites. While there was much more space with B1 permission, most of this appeared to be for office use. Overall, this suggests only a moderate amount of development land remaining for industrial uses on established sites. While, there is significant vacant supply of new small industrial units which may meet that market niche for several years, this does not provide for demand across all sizes and types of industrial premises.

8.22 These urban sites should be able to meet part of the overall target for industrial space. While availability of large greenfield sites near an M20 junction might affect delivery of such urban sites on the basis that developers could be less interested in more marginal redevelopment opportunities, the main employment sites at Sevington and Waterbrook may not fully come forward within the next five years. Subject to this, no requirement for additional urban area sites has been identified before 2021.

Ashford Urban Extension Sites

8.23 The suitability and capacity of the urban extension sites to meet target needs for office and industrial space is now considered. The assessment of sites in section 7 of this report identified over 600 ha (gross) of land in the extension sites although some of these are proposed for a mix of uses, predominantly residential, and will have only a limited amount of land for new employment space. Chilmington Green is not expected to provide any B class jobs but some in retail, leisure and community facilities.

Table 8.6: Main Urban Area Sites with Developable Land

Site	Approx Area (ha)	Identified for 2021
Sevington	50	Mix of employment uses but mainly larger-scale B2 and B8 less suited to mixed use areas but reliant on new J10a of M20
Chilmington Green	300	3,350 dwellings and 600 jobs by 2021 on site with fast transport links to town centre
Cheeseman's Green	186	4,300 dwellings and at least 1,475 jobs on this and Waterbrook site by 2021; permission for 70,000 m^2 of B class space but reliant on J10a
Waterbrook	78 (34 ha developable)	Mix of employment and residential with Cheeseman's Green; Current appeal for 102,000 m^2 of B1-B8 uses + hotel

Source: Ashford Adopted Core Strategy, July 2008

Office Space

8.24 Some 45,700 m^2 of other office space needs to be accommodated outside Ashford town centre by 2021. As noted above, this could all be met in the urban area, mainly at Eureka Park, but the urban extensions could also accommodate some of it. The Council has estimated potential capacity of the urban extensions sites to provide office space as follows.[28]

Table 8.7: Office Space Capacity of Urban Extension Sites

Site	Type of Space	Employment Area (ha)	Office Floorspace (m^2)
Sevington	Business Park	12.1	60,500
Waterbrook	Business Park within mixed use area	15.0	75,000
Total			135,500

Source: Ashford Borough Council, Response to Factual Matters, 19 Oct 2007
Note: No B class space was assumed for Chilmington Green or Cheeseman's Green
* areas relate to period up to 2021

8.25 The employment space capacity of these sites is taken from the Council's figures, derived using the assumptions set out in the GADF on the proportions of different types of sites that can be developed for employment uses. While these assumptions appear generally reasonable, limited information is available on any development constraints of sites that could limit their capacity. Sevington also appears more likely to cater for industrial uses than offices.

8.26 Both these sites were assessed by the study as being of good or average quality and with reasonable prospects of being developed to meet future needs subject to adequate road access and services being provided. Discussions with commercial agents active in the area also saw them being attractive for a mix of B1-B8 uses if adequate infrastructure is in place. Even if they do not provide as much as 135,000

m^2 of office space, the scale of supply in the urban area should still mean future needs to 2021 can be met.

8.27 In addition, outline planning permission exists for some 70,000 m^2 of B1 space on the 'nib' site at Cheeseman's Green, to consist of high quality business park accommodation. However, it is understood that this site's owner has aspirations for housing development instead. While the Core Strategy currently resists other development that would preclude employment uses, the above two sites and Eureka Park have more than enough capacity to meet out-of-centre office needs and it would not appear critical to meeting future needs if the Cheeseman's Green site did not come forward for large scale office development. Despite this, as noted in Section 7, Cheeseman's Green has potential to provide other smaller scale employment uses as part of a mixed use development.

8.28 On this basis, the Ashford urban extension sites have potential to provide out-of-centre office floorspace well in excess of the 45,700 m^2 non-town centre office space target for 2021. While a modest provision on these sites would be adequate in overall terms, reasonable office provision in these areas would be important to serve the residential development planned there. These sites will be competing with Eureka Park and potentially other smaller urban sites to meet this requirement. It will be up to the market to determine how much of the out-of-centre office requirement goes to the urban extensions. Eureka Park will have the advantage of an established site dedicated to office uses, in a proven location not reliant on a new M20 junction. Despite an apparent oversupply of office sites in the extension areas, this will provide occupier choice to Eureka Park and the town centre provision and be able to cater for needs beyond 2021.

Industrial Space

8.29 The estimated requirement of some 89,000 m^2 of industrial space (on 22.3 ha) could partly be accommodated in the urban extensions as well as in the urban area.

8.30 An obvious location for much of Ashford's new industrial development would be the Core Strategy site at Sevington, which is beside the planned Junction 10a of the M20 and is earmarked purely for employment uses. Although the Waterbrook site is a more mixed use area, as a large site near the M20 it should also have potential for some industrial development. The Council has indicated potential capacity in Table

[28] Ashford Council Note 3 responding to the Core Strategy EiP Inspector

8.8 below for some of these urban extension sites to provide more industrial space.[29] The assumptions underlying these capacity estimates are reasonable although the factors affecting net developable area are not fully detailed.

Table 8.8: Industrial Space Capacity of Urban Extension Sites

Site	Type of Space	Employment Area (ha)	Industrial Floorspace (m^2)
Sevington	Industrial area	28.9	86,700
Waterbrook	Industrial area within mixed use area	6.4	19,200
Total		35.3	105,900

Source: Ashford Borough Council, Response Notes 3 and 4 * based on assumed plot ratio of 0.4
** areas relate to period up to 2021

8.31 Sevington and Waterbrook, both sizeable sites beside a planned motorway junction, appear capable of accommodating the indicated amounts of industrial space. Commercial market views were that these sites could accommodate a range of B class uses if suitable infrastructure was in place. They could meet needs for larger industrial premises, particularly distribution. It could be argued that, given their relative locations, Sevington should take more industrial space and less office space, which would give it a clearer identity as a major industrial location. Conversely, Waterbrook could replace its planned industrial element with more office space beside its residential elements and form a second out-of-centre office location on the opposite side of Ashford from Eureka Park.

8.32 In either case, even without the capacity for new development in the urban area, the above table suggests that more than enough land for industrial development would be available in the urban extension areas to meet the overall 89,000 m^2 target. However, the Sevington site which forms the bulk of this potential supply, as well as the Waterbrook site, is reliant for access on the new M20 Junction 10a, which is not expected to open before 2013. This could place more pressure on the few existing areas in the urban area to meet short term needs.

8.33 Given the generous safety margin already included in the estimates of future need for employment space, it could be argued that there is a significant overprovision of new employment land in Ashford, with double the requirement for industrial land provided for, and almost three times the amount of office space needed outside the town centre. However, this new supply is concentrated on a few large development sites which can serve Ashford's growth needs beyond 2021. This approach avoids a further search for suitable new sites in future, maximises the benefits of new

[29] Council Note 3 responding to the Core Strategy EiP Inspector

infrastructure provided and concentrates employment on locations that can maximise support for viable public transport links. It is also not obvious that there are alternative sites elsewhere in Ashford better able to meet long term growth needs than those currently selected.

8.34 Overall, there appears to be more than enough development land identified across the urban and extension areas to meet job growth targets over the period to 2021 and no clear need for more development sites for industrial or office uses.

Rest of Borough/Rural Areas

8.35 While the Ashford urban growth area will take much of the future demand for employment space, there will be some on-going need for employment land to meet localised needs outside it. This will partly reflect indigenous business growth and the planned housing allocation of 1,200 dwellings mainly spread across the settlements of Tenterden, Charing, Hamstreet and Wye.

8.36 It is very difficult to assess future demand for employment space in the rural area based on employment growth. In the absence of other data sources, an indication of likely future employment space needs outside the Ashford urban area is provided by recent take-up rates. As Table 8.9 below indicates, the amount of floorspace completed in this area is not insignificant at approximately 5,700 m^2 per year overall. This has averaged about 25% of yearly completions in Ashford as a whole.

Table 8.9: Average Completions in Ashford Rural Areas (2004-07)

	Floorspace (m^2)	Notional Land Area (ha)
B1	2,800	0.7
B2	1,080	0.3
B8	1,836	0.5
All	5,718	1.5

Source: Kent County Council Monitoring Reports, 2004-07

8.37 Most of this completed space was for B1 uses along with modest amounts of B2 and B8 development. It has mainly involved a range of small developments and rural building conversions in villages such as Smeeth, Bethersden, Smarden and Appledore and other rural locations, rather than any concentration in Tenterden, the main rural settlement.

8.38 The 2000 Ashford Local Plan had 10 site allocations outside of the Ashford urban area, totalling 8.3 ha although less than this amount was developable. Only three of these were in Tenterden and totalled 1.8 ha in area. Most, but not all, of the allocated rural sites have now been developed or no longer available. However, completed developments in this area in 2006/07, for example, included 18 sites with 5,880 m^2 of floorspace overall, none of which were allocated sites and many involved former farm buildings. While an increase in business activity in the Ashford growth area could stimulate more demand than this in future, this may be balanced by less favourable economic conditions than in the past and greater developer aversion to marginal locations.

8.39 Discussions with commercial agents active in the area indicated reasonable demand for small industrial units in the rural areas along with quite modest demand for small offices with broadband connections. A mix of sites is needed for such uses which are well related to where people live, with Tenterden, Wye and Smeeth noted as popular locations. The view was that rural employment space needs were broadly being met and mostly through developments on non-allocated sites. There are also no obvious settlements to focus significant new allocations of employment land given that past development has been scattered across many very small sites in many rural locations.

8.40 In these circumstances, rather than allocate specific new employment sites, it seems preferable to adopt a policy based approach to new provision in the rural area. Subject to appropriate criteria, such as impact on residential amenity, traffic, or environmental and landscape impacts, this would provide policy support for:

- conversion of rural buildings to employment space;
- development of employment space on small in-fill sites within settlements;
- development of small scale industrial/business parks of up to 1 ha within larger settlements; and
- expansion of existing single user employment sites within smaller settlements by a specified amount.

8.41 At the same time, LDF policies should continue to resist loss of existing employment sites subject to appropriate criteria.

8.42 Such an approach would be more flexible and more responsive to market demand while avoiding the need for many, specific small site allocations that would not necessarily be taken up if they do not reflect owners' aspirations or market demand.

This type of approach appears to operate reasonably well in other largely rural areas such as West Oxfordshire.

8.43 Specific consideration, at the request of the Council, was given to the potential for provision of new office development in Wye as a rural focus for such uses. Wye has a limited amount of office premises, although the Briar Close managed scheme of 5 small business units is fully occupied, albeit mainly by industrial users. It is not obvious that the scale of local demand will stimulate the market to provide new premises. Commercial agents saw no particular advantage of Wye for such a role and that any significant new provision there would saturate the market. However, scope was seen for some small, low cost offices in converted buildings, of a scale similar to Briar Close, and this would attract local demand provided adequate car parking was provided. The policy approach outlined above should promote this, the alternative being a small scale, public sector funded scheme using existing buildings, if a feasibility study supports this.

8.44 If it was considered necessary to identify specific allocation sites in the rural areas, based on past trends a total amount of about 1-1.5 ha per annum would seem appropriate. While an increase in business activity in the Ashford growth area could stimulate more demand than this in future, this may be balanced by less favourable economic conditions than in the past, more space available in the urban area and greater developer aversion to marginal locations. This 1-1.5 ha annually would be spread across a number of locations, with the most suitable sites within or on the edge of the larger (Core Strategy Policy 6) settlements and which:

a) avoid areas with important environmental or landscape constraints;

b) are on or near reasonable transport routes with some capacity for traffic growth but away from residential areas or other sensitive uses;

c) would allow expansion of established employment sites of proven attraction.

Choice of Sites

8.45 Consideration has also been given as to whether the current Core Strategy sites along with other identified employment sites provide an adequate choice for developers and businesses in terms of location, type of site, image and choice of accessibility. This appears particularly important in a location such as Ashford where a step change in employment growth is being sought.

8.46 In terms of office development, identified development sites in the Ashford urban area include:

- five sizeable Ashford town centre sites for higher density office premises close to public transport and services;
- an out of centre high quality office campus at Eureka Park, an established office location on the northern edge of Ashford beside an M20 junction;
- business park office sites within large, greenfield, mixed employment areas at Sevington and Waterbrook, on the south east edge of Ashford;
- some provision for small scale, local office uses within neighbourhood centres in the new residential areas;
- potential for some edge of centre premises through redeveloping parts of older industrial areas.

8.47 This appears a reasonable range of office sites to provide developer choice providing some of the new sites are brought forward in a relatively short timescale with good public transport links, and some speculative premises are developed as well as design & build options.

8.48 In relation to industrial (manufacturing/warehousing) space, the main development areas identified are:

a) a 50 ha employment area on a large greenfield site at Sevington, a mixed employment area close to a new M20 junction;

b) scope for industrial uses as part of an employment area on a large greenfield site within a mixed use development site at Waterbrook, also near a new M20 junction.

8.49 This would be supplemented by:

c) some scope for more intensive development on older industrial estates; and

d) some development plots at Orbital Park and other small sites with planning permission in the urban area.

8.50 Against a fairly limited current supply of available sites, the above proposed provision appears not unreasonable in terms of site types and locations to meet a total industrial requirement of just over 22 ha. However, the reliance of the two new and largest sites on a new motorway junction not due to open before 2013 gives some uncertainty on this supply providing a real choice in the short term. In addition, the potential need to accommodate relocations of firms displaced by other Ashford growth area developments could put further pressure on the more limited capacity provided by existing sites.

8.51 This issue mainly relates to the period before Junction 10a opens, which is currently estimated as being at least five years away. After this, it is assumed that it will be possible for the large Sevington site to come forward for industrial development. In the interim, while the current oversupply of small, new industrial units may provide some relocation opportunities in the short term, this may not meet all industrial needs and suggests that any mixed use redevelopment of estates such as Cobbs Wood should not precede Junction 10a opening.

Timing

8.52 Employment space needs over different timescales also need to be considered to ensure no shorter term supply problems emerge.

8.53 In relation to office space, even if the town centre sites and the urban extension sites are slow in coming forward, the large existing supply of development land in Eureka Park should more than meet short term needs although only for a certain type of office space.

8.54 For industrial space, as noted above, there is currently a very limited supply of readily available development land for industrial uses within the Ashford urban area. While one very large industrial site (Sevington) and several smaller development sites are identified, much of this land area may not be available prior to 2013 when Junction 10a opens. Combined with likely pressures to relocate existing firms from other development sites, this may lead to short term bottlenecks. This again suggests a cautious approach to displacing industrial firms from established estates until suitable alternative sites (in quality, location and cost terms) come forward in order to minimise the risks of established firms being lost from Ashford.

8.55 The need to link employment growth to phasing of housing has also been considered. Some 16,770 dwellings are planned across the Ashford growth area by 2021, with the greater part before 2016. It is difficult to relate employment space provision to housing growth in different parts of Ashford since they will form part of the same travel to work area, and the new housing development areas should be linked by public transport to employment areas. However, the early delivery planned for much of the housing points to a need for employment sites coming forward early on to encourage local working at the outset and reduce out-commuting.

Qualitative Needs

8.56 Consideration of additional employment land requirements should also take account of any qualitative deficiencies in provision and market demand factors identified earlier in the study. The main types of employment premises where some shortages were identified and other qualitative issues included:

- the need for more industrial development land including for larger scale developments;
- some shortage of small, managed but high quality office units to let on a flexible basis;
- a need for some more medium sized, good quality offices to let in the town centre;
- a modest but steady future supply of small business developments in rural areas.

8.57 Drawing on the above analysis, existing undeveloped land and the proposed new sites should be able to accommodate these needs for the urban area, based on a new Basepoint Centre of small office units planned at Eureka Park, several large new industrial areas and the range of town centre sites. The proposed policy based approach towards encouraging small sites to come forward in larger villages and through rural building conversions should cater for rural needs.

Conclusions

8.58 Overall, the amount of employment land identified in the Core Strategy, together with existing allocations and established sites, appears more than adequate in broad quantitative terms to meet the Ashford job growth targets to 2021. This is appropriate for a growth area and can help meet needs beyond 2021 in an efficient way. It also reflects the need to ensure adequate land is provided to accommodate the growth of established businesses in Ashford and the requirements of inwardly relocating companies.

8.59 The currently proposed provision also appears adequate to meet the needs for both industrial and office space individually and with a reasonable choice of locations, types of site and form of development. It is important that adequate land is provided to accommodate the growth needs of established businesses in Ashford and the needs of inwardly relocating companies.

8.60 There appear to be limited options for distributing employment land differently between the urban area and urban extension sites, and the Council's current distribution appears reasonable.

8.61 There are some concerns that delays in large new industrial sites coming forward, combined with the need to relocate existing firms from other sites, could lead to short term supply shortages and a more limited choice of sites and types of premises.

8.62 On this basis, there is no requirement to identify further development sites in the Ashford urban area or urban extension areas to meet growth targets up to 2021. Indeed, the extent of surplus capacity for office space in particular would suggest that some large office permissions where there is less market interest may not be needed. The study also suggests no new employment land allocations in the rural areas, with a criteria based policy approach suggested instead to encourage suitable provision to come forward to meet demand.

9.0 MANAGING EXISTING SUPPLY

9.1 This section considers the scope to maximise the contribution of existing sites to meeting future employment needs in Ashford, potentially through intensification, redevelopment to provide more modern premises, sub-division of units or expansion of sites. The implications for future land supply of mixed use development of established employment sites are also considered.

Renewal / Intensification of Existing Sites

9.2 Section 7 noted the potential for the renewal or intensification of some existing employment sites within the Ashford urban area, including the Henwood, Brookfield/Fairwood, Cobbs Wood, Kingsnorth and Ellingham Way estates. There is some evidence that this is occurring already, for example the Javelin Enterprise Park scheme at Henwood where an industrial unit has been refurbished and sub-divided to provide modern premises. This process should be encouraged to allow for these sites to make a positive, if limited, contribution to meeting some of Ashford's future growth requirements. This would aided by:

- an LDF policy encouraging such forms of development;
- exploring potential sources of grant aid to enable small/medium firms to upgrade premises.

9.3 To facilitate existing older employment sites being upgraded or redeveloped for modern employment space without forcing businesses out of the Borough, some sites will need to provide new premises to accommodate the relocation of firms. There appears to be scope to accommodate this at the Sevington and Waterbrook extension sites, and potentially any remaining plots at Orbital Park or through some intensification at Henwood. However, as noted in section 8, the main extension sites with employment potential may be not be available in the short-term, while the scope for significant new development at both Orbital Park and Henwood appears limited. This indicates a need for a cautious approach to redeveloping/sub-dividing existing employment sites until such time as reasonable alternative sites to accommodate relocations become available, potentially not before 2013.

9.4 It will also be important to ensure some balance is achieved between renewal of Ashford's older, more established employment areas, and the release of development plots on the greenfield urban extension sites. The latter can provide more modern and potential better quality space, but with rents for refurbished space in Ashford little different from new units, the incentive to build speculative new industrial units may be diminished by too much emphasis on upgrading. At the same time, any significant decanting of firms to new sites could undermine the future employment role of existing sites.

9.5 Any proposals to intensify employment development on existing sites will also need to take account of the characteristics and constraints that apply in a particular location, many of which were identified in section 7. For example, the existing local road access at Henwood industrial estate already appears somewhat restricted in terms of traffic volumes, while further development at the Kingsnorth and Ellingham Way sites needs to be considered in the context of amenity impacts on adjoining residential areas. These issues should be managed as part of the planning process where possible.

Mixed Use Development

9.6 A number of existing employment sites are identified within the Core Strategy as having potential for higher-density and mixed-use development, for example the Cobbs Wood estate. These areas appear to be meeting current employment needs at some level, and there is little to suggest that this will not continue for the foreseeable future.

9.7 Mixed-use development may provide some way of encouraging renewal and upgrading of premises in these areas, but there is also a reasonable prospect that introducing a greater variety of uses could result in an overall net reduction in employment space, or provide new employment space that does not directly match the needs of existing occupiers, particularly lower-end users such as car repair workshops. Care will have to be taken that new mixed use schemes do not constrain operations of adjoining industrial firms. These issues will need to be considered in the context of the wider demand / supply balance identified in this study, and adequate provision be made available elsewhere.

9.8 Some mixed-use development is also proposed in the Core Strategy at Eureka Park. In overall terms, Eureka Park has an important role in providing a high profile 'prestige' business park environment to support the step-change in employment growth required in Ashford. While a retail / local service 'hub' to meet the needs of the Park should be supported to improve the overall sustainability of this location, introducing a wider variety of uses on large areas of the site needs to be balanced with the site's potential to provide for a large proportion of Ashford's future office needs outside the town centre, if other uses were to reduce the overall supply of employment land at this site. Eureka Park could also accommodate some industrial needs, such as higher-end engineering firms occupying office-type premises, provided that the high quality environment can be maintained.

9.9 While significant housing development does occur on large business parks, for example at Kings Hill, Eureka Park is a high quality, strategic office site that has capacity to meet long term needs beyond 2021. This should not preclude other non B class employment generating uses that do not prejudice the Park's image and design quality, for example some healthcare facilities. However, against the background of this study, any large scale loss of such land to non-employment uses should be carefully considered.

Potential for Release of Sites

9.10 The assessment of sites in section 7 indicated few lower performing sites that rate as 'poor' against the criteria used, reflecting that the majority of sites assessed are in the Ashford urban area, close to strategic road links on the eastern side of the Borough and to sources of labour and local services. Some poorer performing sites were identified in the rural parts of the Borough, but most of these sites appear to be meeting local needs in these areas, and none presented any immediate issues to suggest they be considered for other uses.

9.11 Therefore, none of the employment sites assessed have been identified for release. However, since new employment sites have been identified at Sevington and as part of a mixed use scheme on Waterbrook, and the overall land supply exceeds the estimated land requirements to 2021, there may be scope to release some sites in future. Any such releases, most likely to occur within the Ashford urban area as a result of growth area development proposals, should be managed to ensure relocation of existing firms can be accommodated on new sites, and that the overall supply of employment land can meet future needs in terms of type, size and location of sites.

Conclusions

9.12 Overall, a cautious approach is required to managing the competing pressures on employment sites within Ashford, balancing the aspirations for mixed-use development on some sites with the need to encourage renewal and intensification of the older estates.

9.13 Renewal and intensification on older sites should be encouraged to ensure that they contribute positively to meeting some of Ashford's growth requirements, but taking account of the particular constraints that apply on individual sites. Although there appears to be more than enough industrial sites to meet future needs, no existing developed employment sites have been specifically identified through this study as candidates for release to other uses at the present time.

9.14 Where mixed-use development or potential release of an employment site to other uses is contemplated, this should have regard to the availability of alternative sites to accommodate the relocation of firms. In view of the deliverability issues associated with the Sevington and Waterbrook extension sites, there may be limited scope for this before 2013. In the case of Eureka Park, proposals to introduce a wider range of uses should be balanced with that site's role in meeting a large proportion of Ashford's future office and potentially some industrial needs.

10.0 OVERALL CONCLUSIONS

10.1 The following findings and conclusions can be drawn from the preceding sections of this study.

10.2 Ashford is one of the Government's main growth areas within the South East region, with 16,770 more dwellings and 13,650 additional jobs planned between 2006-21, and the town's population to double by 2031. This would form a step change beyond recent growth trends in the Borough and has influenced the approach to this Employment Land Study. This is not demand based and focuses on the quantum and types of B class employment land needed to accommodate Ashford's overall job target for 2021.

10.3 Ashford's economy is dominated by Ashford town, the rest of the Borough being largely rural. Ashford's economic strengths, which will influence its ability to support new employment space in future, include good and improving road and high speed rail links to London and Europe; good levels of local entrepreneurship; strong recent job growth, a reasonable track record of attracting investment from elsewhere, and good quality of life factors. It also has a number of large employment sites able to accommodate future development. In addition, the major planned housing growth should boost local labour supply and stimulate growth of support industries.

10.4 Potential weaknesses and constraints to future growth include under-representation and limited recent growth in the financial and business services and other knowledge and office-based sectors, which typically have greater potential for growth. Ashford also has a relatively low-skilled workforce at present and significant reliance on manufacturing, a sector in decline nationally and facing strong competition from lower-cost locations.

10.5 In terms of its current supply of employment floorspace, Ashford has a sizeable amount compared with nearby districts, although less than the adjoining district of Swale. However, this stock is dominated by manufacturing and warehousing premises with a modest proportion of office space compared with some other Kent districts. In recent years, there have been significant gains in new employment floorspace, particularly commercial offices and distribution space, but large losses of manufacturing space. Despite potential oversupply of recently built small industrial units, current vacancy levels are low for industrial uses and about average for office space, although there is a large amount of permitted office floorspace in the development pipeline, particularly at Eureka Park. While the Borough contains a reasonable range of employment sites and areas, the stock of manufacturing premises and town centre offices is relatively old.

10.6 There have been reasonable levels of new employment space completed in recent years, averaging 22,000 m^2 annually and mostly B1 space, a higher development rate than in all other adjoining districts except Swale. At the same time, a significant amount of employment space, mainly from B2 uses, has been lost to other uses, averaging almost 14,000 m^2 annually in recent years. There also appears to be a significant supply of employment land currently available to meet future needs in Ashford, the majority allocated for B1 uses. This amounts to almost 400,000 m^2, more than in all adjoining districts except Swale, although not all this land is readily available.

10.7 There are a number of major development proposals in adjoining districts, and elsewhere in Kent, with some potential to compete with Ashford for future investment. These include Kings Hill, Ebbsfleet and Crossways Business Park as well as large distribution sites in Swale and Medway, and business park allocations in Maidstone and Canterbury. However, given their distance from Ashford, the different products offered and markets served, and rent differences, it is not obvious that these will directly contend with Ashford for future employment development to a large extent. Otherwise, there are not large amounts of employment land coming forward in nearby Kent districts that should have major impacts on Ashford's growth aims. Indeed, it may be that Ashford, with a better range of employment space and relatively low costs, will attract some businesses from these areas.

10.8 The commercial property market sees Ashford as a good industrial location based on its central position within Kent, proximity to M20 motorway junctions, London and the Channel Tunnel and comparatively low cost land and premises. However, current levels of demand for both industrial and office space are modest and recent developments may meet much of that demand in the short term. No major gaps in the current range of provision were identified although there is limited supply of small, serviced office units, or low cost start-up units for higher technology firms. However, Ashford has little modern town centre office space and is a marginal location for speculative office schemes.

10.9 For the longer term, a need is seen for more serviced industrial land to support growth aims as supply is currently tight. The expansion of established firms appears less likely to fuel future demand for premises than attracting firms from elsewhere. However, with low costs and new, high speed rail links to London, potential is seen by the market for Ashford to attract more firms if high quality, speculative premises are provided and sites readily available. Some demand for both industrial and office space could also result from growth linked to major housing development. Such demand for employment space in Ashford is considered unlikely to suffer from major competition from other large economic developments in Kent given the different markets these schemes serve and the different products and costs they offer.

10.10 Ashford's future economic growth potential is likely to be based on attracting inward investment, along with significant expansion of population and growth-related sectors to support its planned housing growth, and potentially some growth in those sectors where it already has established strengths. In terms of growth sectors, Ashford appears capable of building on its existing specialist manufacturing sectors, seeking to increase its representation in financial/business services by attracting relocations from elsewhere, as well as promoting some emerging sectors such as advanced engineering and media/telecommunications. There is some potential for smaller scale distribution activities if suitable sites can be provided. Strong growth can be expected in the more population-related sectors such as retail, leisure, hotels and catering. At the same time, Ashford may not be particularly attractive to higher technology sectors, such as biotechnology or ICT to a great extent, nor for environmental technologies; these are sectors for which there will be strong competition from better placed locations elsewhere.

10.11 Future B class employment space requirements to meet part of the 2021 job growth targets were estimated using several different approaches. This mainly involved breaking down the 2021 Ashford job growth target by sectors based on employment levels in other towns of similar scale and type. Account was also taken of factors such as past take-up rates, inward investment and past job growth trends and a generous safety margin included to allow for factors such as developer choice, need to relocate firms, and delays in sites coming forward. A range of floorspace was identified to reflect different scenarios of growth in office and industrial sectors in Ashford but the baseline estimates in Table 10.1 below were considered the more likely outcome. Whether these employment space levels can be achieved by 2021 will depend on future economic and market conditions and development sites coming forward, but could be aided by an active promotional campaign to establish Ashford as a strong business destination.

Table 10.1: Baseline Space Requirements of Different Sectors (2006-21)

	Floorspace Target (m^2)
Industrial (m^2)	89,000
Town Centre Offices (m^2)	92,600
Other Offices (m^2)	45,700

10.12 Ashford's main employment sites and proposed allocations, as well as a sample of small rural sites, were assessed to determine their suitability to meet these future needs. Overall, the Borough contains a reasonable range and distribution of employment sites but relatively few existing office sites of any size. The assessment found that the great majority of Ashford's supply of employment land is of 'good' or 'average' quality.

10.13 The urban/town centre sites are all employment locations which should be attractive to the market and be capable of accommodating the required levels of employment space. The amount of potential office space on Eureka Park could meet non town centre office needs to 2021 by itself and potentially make new office areas in the urban extensions more difficult to bring forward. The few industrial sites identified in the urban area, along with other permitted space, can make a reasonable contribution to meeting the overall target for industrial space, particularly in the short term before the large urban extension sites come forward.

10.14 The urban extension sites are considered to be good/average development sites capable of accommodating the indicated levels of employment sought for them. Sevington is a sizeable site beside a planned motorway junction and appears capable of accommodating the indicated amounts of industrial and business space. Waterbrook is also a large site with good motorway junction access although development on up to half of it is reliant on new or improved junctions, which will be costly and may face delays. Commercial market views on these sites were favourable provided suitable infrastructure is in place. Although they currently lack road infrastructure or services, are reliant on Junction 10a of the M20 being built, and some have constraints to development such as areas of flood risk, the scale and location of sites suggests these constraints can be overcome.

10.15 There are few lower performing sites that rate as 'poor' in terms of the assessment criteria used. However, many of these, which are in the rural part of the Borough, appear to meet local needs for lower cost space, or for firms not requiring good strategic or local road access. Others appear adequate for their current uses even if they are unlikely to be redeveloped for other employment uses if the site becomes available in future. No sites have been identified as candidates for release to other uses.

10.16 There are also a few older estates where redevelopment of poorer buildings could upgrade the stock and add more employment floorspace, while refurbishment or sub-division of units would also be appropriate in some areas. The Henwood, Kingsnorth and Cobbs Wood estates are examples of this. This process should be encouraged by supporting LDF policies but in some cases infrastructure improvements may be needed and potential for grant aid or public sector funding should be explored where appropriate.

10.17 When the baseline requirement for different types of employment space is compared with estimated current supply, this suggests that, in quantitative terms at least, there is more than enough land already available to meet requirements up to 2021, given that the requirement figures already contain a safety margin (Table 10.2). This apparent oversupply is most pronounced for out-of-centre offices and industrial space. However, the supply figures contain very broad estimates of the capacity of some sites as well as some large sites with infrastructure issues which may take some time to deliver.

Table 10.2: Demand/Supply Balance for Employment Space (2006-21)

	Estimated Requirement (m^2)	Current Supply (m^2) *	Surplus Supply (m^2)
Industrial (m^2)	89,000	178,400	+ 89,400
Town Centre Offices (m^2)	92,600	89,200**	- 3,400
Other Offices (m^2)	45,700	131,800	+ 86,100
Total	227,300	399,400	+172,100

* Supply based on Kent County Council Monitoring Report 2006/07 with assumptions made on B1 sites suited to office development ** based on draft Town Centre Area Action plan

10.18 Some degree of oversupply is not inappropriate for a growth area and can help meet needs beyond 2021 in an efficient way. The currently proposed provision also appears adequate to meet the needs for both industrial and office space individually and with a reasonable choice of locations, types of site and form of development.

10.19 There appear to be limited options for distributing employment land differently between the urban area and urban extension sites, and the Council's current distribution appears reasonable. However, there is potential for delays in large new industrial sites coming forward, combined with the need to relocate existing firms from other sites, to lead to short term supply shortages and a more limited choice of sites and types of premises. This argues for a cautious approach to displacing industrial firms from established estates, and for mixed use redevelopments, until suitable alternative sites (in quality, location and cost terms) come forward in order to minimise the risks of established firms being lost from Ashford.

10.20 No requirement was found to identify further development sites in the Ashford urban area or urban extension areas to meet growth targets up to 2021. The study also suggests no new employment land allocations in the rural areas, with a criteria based policy approach used instead to encourage suitable provision to come forward to meet demand.