Benefit/ Service – Re-use of Previously Developed Land

Other Benefits

- Key driver/ingredient of urban revitalisation
- Reduces pressure on development of greenfield land
- Efficient and prudent use of land and space, a finite resource

Who Does this Matter to / At what Scale/ Level of Importance?

- European Commission: the ESDP encourages the re-use of previously developed land
- National, regional, County and local Government: urban renaissance and sustainable development objectives; planning policy; housing land supply targets; Kent Planning Authorities' Urban Capacity Studies Protocol
- Developers: implications for location, type and design of housing and therefore future land procurement
- Residents: concern over urban sprawl and depletion of natural 'greenfield' land, and conversely the importance of the positive benefits of more urban housing to create stronger, safer and more vibrant communities.

Trend/ Is there Enough?/ Future Threats

Urban Capacity

Interim Study

An Interim Urban Capacity Study (UCS), previously carried out by Ashford Borough Council, concluded that Ashford urban area contained a maximum urban housing potential of 1,644 dwellings which was capable of being brought forward for development over the period to 2006. This was based primarily on existing housing allocation sites, plus assumptions about other potential sources. In addition, there were 2,347 dwellings with planning permission committed, compared to a requirement for 5,688 dwellings over the same period.

The Interim UCS recommended that opportunities to increase density on greenfield allocations should be taken up, particularly those yet without planning permission. But even given this, and in view of the current development pipeline and need for future sites to achieve sufficient design quality and range of facilities, the preliminary conclusion was that further greenfield land release will be required before 2006 in order to keep up with Structure Plan targets.

Further assessment undertaken

Given the importance of brownfield land to Ashford's capacity and ability to "absorb" growth, the Interim UCS's assumptions have been challenged using approaches compliant with the Government's Tapping the Potential guidance and Kent Planning Authorities' protocol for UCSs. In particular, design case studies have been prepared to better reflect the densities capable of being achieved on sites with similar physical characteristics. The capacity figures outlined in this section, therefore, represent a more reliable picture of urban capacity than the Interim UCS in order to assist in the objectives of Ashford's Future study. Further tasks, however, are required in order for the estimates to be sufficiently robust for the purposes of the Local Plan Review. Where assumptions have still been made, these are spelt out below.

In summary, the approach we have taken to reach more reliable, preliminary estimates for urban housing capacity is set out below:

- Comprehensive surveys of the town centre and its interface with the suburban residential areas of Ashford have been undertaken and "one-off" sites within the residential areas been identified. It has been assumed that an additional 11% of capacity can be accommodated in remaining residential areas, based on Halcrow's previous experience of UCSs in similar towns. This, however, will be validated by Typical Urban Area surveys of these areas (excluding the one-off sites already identified) yet to be carried out.

- 94 sites have been identified to date and these have been assessed against key sustainable development criteria. This has introduced an element of discounting unrealistic capacity. 21 sites have been excluded from the preliminary capacity estimates as a result of this, representing just under 22 hectares. These sites have been discounted principally on the basis of being well-used allotments, open spaces or are more appropriate, due to location or known demand, as non-residential uses including community uses (representing a "reserve list" to be considered under future growth options). 73 sites have therefore been retained for the purpose of gaining preliminary capacity estimates, representing approximately 140 hectares of land.

- It is important to note that discounting has not yet taken account of market viability of sites. The discounting process will therefore be reviewed by the Consultant and its property and economic advisors in the light of future sustainable growth options. The preliminary estimates assume that residential or mixed use is the most appropriate use for each site retained for consideration; they also take a long term view. Market viability testing will help ascertain the realism of sites coming forward for development within particular time frames and whether they are required for other uses such employment or community.

- In order to gain a more robust capacity estimate, tailored to the nature of sites retained, the Consultant has prepared a series of design exercises (case studies) for representative types of sites, as follows:

Category of site type		**Design Exercise Ref. No.** [2]		**Density (dwellings per hectare – dph)**	
		Scenario 1	**Scenario 2**	**Scenario 1**	**Scenario 2**
1	Development Brief Sites (key mixed use sites within and around the town centre)[3]	2016i	2016ii	18	46
2	Conversion (Any Size)	1004i	1004ii	66	130
3	Small, Residential	1007i	1007ii	71	114
4	Small, Mixed Use	1008i	1008i	63	63
5	Medium, Residential, Regular	3040i	3040ii	30	42
6	Medium, Residential, Irregular / Backlands	3025i	3025ii	67	67
7	Medium, Mixed Use, Regular	N/A	1002ii	N/A	80
8	Large, Residential, Regular	3017i	3017ii	33	69
9	Large, Residential, Irregular / Backlands	2018i	2018I	52	52
10	Large, Mixed Use, Regular	2019i	2019ii	24	42
11	Large, Mixed Use, Irregular / Backlands	2005i	2005ii	6	21

Arriving at the capacity estimates

- Densities achieved under Scenario 1 are based on schematic designs that take account of existing Local Plan policies and standards (policy-led approach); scenario 2 challenges these by being led by the characteristics and opportunities of each site (design-led approach). The adopted Ashford Local Plan already takes a progressive, PPG3-friendly approach to housing design and density and therefore often there is no increase in density achievable under some site type categories. Where there is a difference, this has generally been achieved through a combination of reduced car parking, greater proportion of flats or, in the case of mixed uses, changes in the mix of land uses.

[2] First four digits are the ID for the site on which the case study is based. The roman numerals indicate the scenario.

[3] The densities within this category are based on the adopted Development Brief for Victoria Road (Scenario1) and an average of the residential density of the expressions of interest by developers for that site.

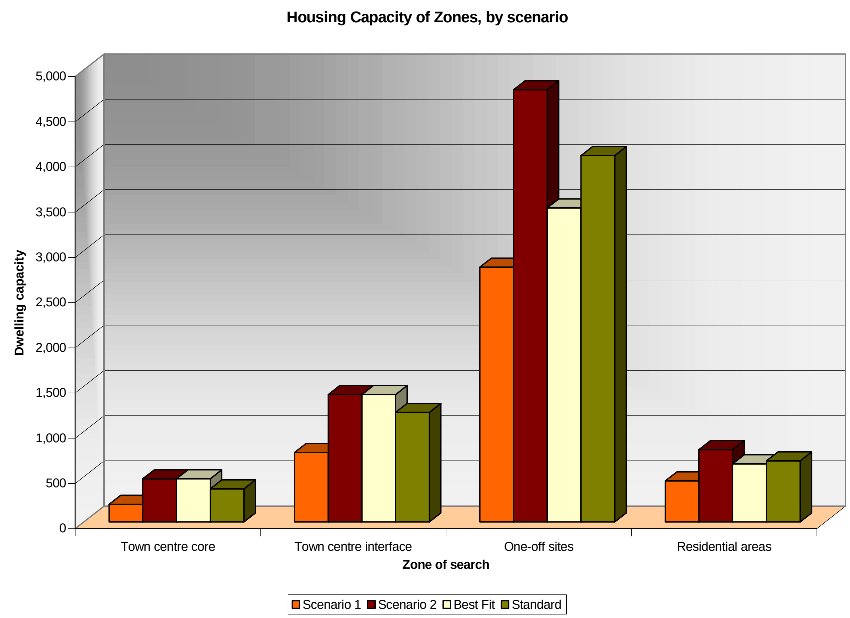
- The densities above are applied appropriately to the retained sites in the three main areas of search. We recognise, however, that a Scenario 2 is not always appropriate (in townscape terms or otherwise) in every case and therefore a “Best Fit” capacity estimate is formulated, taking account of location and context. Under the Best Fit estimate, it has been assumed at this stage that densities under Scenario 2 are achievable within the town centre core and interface zones, and on large, predominately self-contained one-off sites elsewhere within the urban area. Elsewhere Scenario 1 densities have been applied. However, this application of the design exercises should be refined to take account of pedestrian catchment areas (“ped sheds”) of the town centre, railway station and key bus corridors. In our view, residential or mixed use developments should be capable of being achieved at higher densities and with fewer car parking in most cases within these areas, in the interest of sustainability and creating a critical mass of population to support public transport services and local amenities.

- The resulting preliminary capacity estimates are shown in the table below. For comparison purposes, a fourth scenario is shown based on a blanket application of 40 dwellings per hectare (as used in the Interim UCS).

- There is clearly significant potential housing capacity in Ashford. Compared to the Interim UCS which considered the period to 2006, our further assessment has identified the maximum housing potential over the longer term. Previous density yardsticks have been challenged using design case studies, but some assumptions have still been made at this stage. Further analysis and fine-tuning of these figures is required therefore, including a review of their market viability under future growth scenarios.

- Of the sites included within the capacity estimates, there is a significant number of large sites, a majority of which have the potential for 50 or more dwellings.

Urban area	**Zone**	**Net Dwelling Capacity, by Scenarios** (rounded to nearest 10 dwellings)						
		Scenario 1	*% total*	**Scenario 2**	*% total*	**Best Fit**	*% total*	**Standard compara-tor (40 dph)**
Ashford	Town centre core	200	*5*	480	*6*	***480***	*8*	370
	Town centre interface	770	*18*	1,410	*19*	***1,410***	*23*	1,210
	One-off sites	2,820	*67*	4,780	*64*	***3,470***	*58*	4,050
	Residential areas	450	*11*	800	*11*	***640***	*11*	680
TOTALS	**Potential Dwelling Unit Capacity for all Urban Areas**	**4,240**		**7,470**		***6,000***		**6,310**
	% increase on Scenario 1 capacity/ total share			*76*		***42***		



- It is notable that a sizeable proportion of large sites are located within the town centre interface – the most critical opportunity area; how these are developed will be key drivers in defining Ashford's future and the growth potential of the town centre.

Residential Market

Property Prices

The steady rise in house values, together with the availability of sites, has resulted in increased developer interest in East Kent in general, with only Dover and the southern and eastern parts of Shepway failing to reflect this performance. The map which follows shows the range of values now being generated for new housing developments across the county.

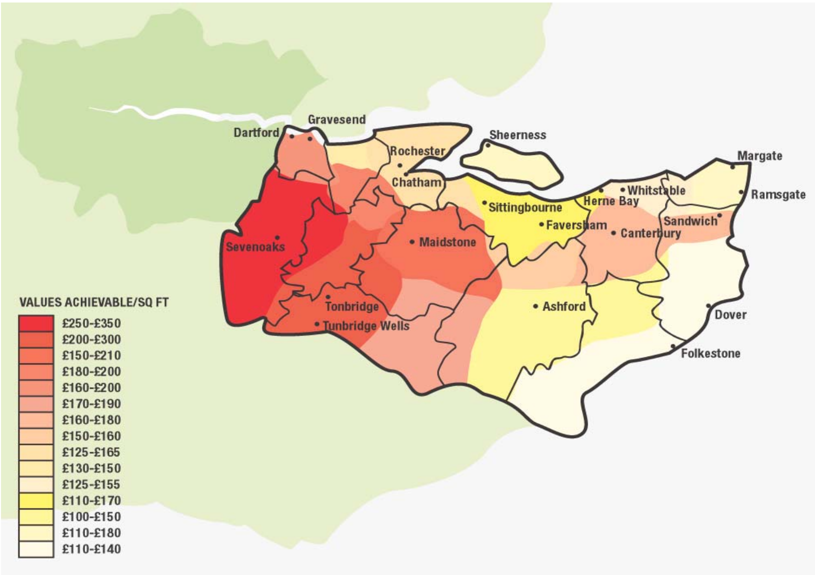
As might be expected, where there are limited development opportunities and good communication links to London, high values are generated, indicated by the dark red areas on the map. Schemes in other parts of the county are now achieving upwards of £115/sq ft, and values in Ashford range between £120-£160/ sq ft. *At these levels, greater numbers of brownfield sites are likely to come forward.* There are now a number of regional and national developers with schemes in the area, including a number that specialise in brownfield reclamation, including Bellway, Fairview and Saxon Homes.

Demand

The key drivers behind developer demand for residential sites, and consequently the likelihood of a site being developed, are the desirability of the location and the level of any constraints that may exist. This is a particularly important feature in respect of PPG3, with its emphasis on brownfield sites. In location terms, each developer will prefer to build where it is most profitable to do so, whether the developer is volume or profit driven.

Historically this has concentrated activity around the middle and western parts of the county, although for a variety of reasons, Canterbury has always been a desirable location in East Kent.

However, limited supply has tended to restrict the number of houses built and has kept house prices relatively high.



Source: Cluttons Research June 2001

Many of the successful schemes in East Kent have been developed on what are considered "brownfield" sites, including a former landfill site at Deal (Prowting Homes), Hawkinge Aerodrome, Shepway (various developers) and a former industrial facility at Sarre (Millwood Homes). Canterbury, in particular, has seen the development of a number of urban sites, although generally on a smaller scale, both through conversion of existing buildings and demolition and new build. *This indicates a willingness to develop on brownfield land where profitable to do so, which augers well for the development of brownfield sites in Ashford.*

Nevertheless, a sustained year on year rise in values, driven by a long period of economic growth, low inflation, falling unemployment

and low interest rates, has also increased interest in areas previously considered marginal by regional and national housebuilders.
The housing market has now recovered from the recession that was experienced throughout the first quarter of the last decade. Purchasers who had bought property at the peak of the market experienced negative equity, where their properties were worth less than the mortgage outstanding on them. Negative equity then acted as a brake on prices for the early part of the decade as it inhibited people from moving house. At the same time, however, as earnings began to slowly rise, the ratio of average house prices to average earnings fell, and this established the foundations for the price rises experienced between 1998 and 2000.

Outlook
The key factors behind the last recession are not as prominent this time around, with low inflation, low unemployment and low interest rates providing market stimulus, and banks exercising more caution in lending. In the late 1980s and early 1990s, by comparison with earnings, house prices had risen far higher than they stand today.

There are undoubtedly concerns over the economy due to recent world events, and economic performance over the next 12-18 months remains difficult to predict. Any economic downturn, accompanied by a rise interest rates, may cause residential developers to retreat from East Kent to areas sustaining higher catchment areas and values. However, a study looking at development capacity in the long term (beyond 2011) must reflect a long-term view, and in respect of the economy and housing market ours is broadly positive.

There is a clear relationship between the number of sites that will come forward in higher, rather than lower margin areas, as higher values can offset the abnormal development costs often associated with urban "brownfield" sites. The increase in values over recent years, together with the implementation of PPG3, has resulted in increasing numbers of brownfield sites being developed in Kent. The significance of this fairly positive picture is more sites identified as part of the UCS are likely to be judged as having high development potential.

The factors behind this can be summarised as follows:

- Ashford developing an element of critical mass, with a number of regional and national developers enjoying successful schemes in recent years;
- Willingness by architects and designers to respond positively to the PPG3 guidance, and to the Kent Design Guide;
- Increased densities actually increasing site values in some instances;
- A willingness from developers to embrace the principle of brownfield development, with some making it a core business principle; and
- An increase in expertise and understanding in bringing forward brownfield sites, together with improvements in site remediation techniques.

Ashford's appeal and success for residential development has previously generally been based around greenfield, rather than brownfield, development, and this has provided developers with relatively straightforward development conditions for schemes that sold well in a rising market. There will be an issue over whether the same developers would consider brownfield opportunities, which by definition are more problematic.

A key factor in the likelihood of take-up will be the size of the opportunities identified. In basic terms large, strategic residential sites will have appeal and smaller sites, limited to local builders will not. The preliminary results of the UCS however suggest a significant proportion of large sites is a further boost to Ashford's capability of attracting developer interest in brownfield sites.

Urban Capacity Studies for both Thanet and Canterbury successfully identified a broad mix of sites suitable for larger and smaller developers. Ashford now has an element of critical mass, together with enough potential triggers for growth (CTRL), to encourage developers to be more pro-active in assembling land without recourse to public sector intervention.

Nevertheless, we do not envisage Ashford picking up on residential demand that cannot be accommodated at Maidstone. There are a number of existing and pipeline major developments in Maidstone, both brown and greenfield, that are actively sought after by developers. There may be scope to attract demand due to limited capacity at Canterbury, although again there are significant developments in the pipeline, which again attracted significant developer interest. Our property advisor's view however, is that with the Canterbury first Plan Review containing a number of "strategic" residential development sites in fragmented ownership, this capacity will be limited to the short-term only.

Potential Impact of CTRL

The impact of CTRL on increased occupier, and consequently developer, demand cannot be understated, although it may be a couple of years before this works through to the marketplace once Phase II is well underway.

The map of house values clearly indicated how journey times to London are the key driver for the Kent residential market. Those locations within the commuter belt benefiting from good rail links generate the highest residential values, and consequently the highest demand for sites. We see a knock on effect at major population centres as CTRL opens, especially at Ashford, where journey times of 37 minutes to London from Ashford are anticipated. This will bring a wide area of Kent within City worker commuter distance, at significantly reduced property price levels, and Cluttons are anticipating residential "hot spots" in particular at Gravesend, Ashford, Whitstable and Herne Bay.

Substitution Options/Opportunities

The outlook for the development of brownfield sites in Ashford is good.

Depending on the relationship of the UCS figures with the latest Housing Land Supply and overall housing requirements, it is possible that unimplemented greenfield housing allocations should be re-visited and even withheld from release in the short to medium term, where full planning permission has yet to be given or requires renewal. This should be done as part of the Local Plan Review and would require a more rigorous urban capacity study to justify such a decision to the Secretary of State, taking account of recent relevant decisions that have been elsewhere in the UK.

In the longer term, it is likely that greenfield sites will still prove necessary. The release of future allocated sites should be phased, managed and monitored in accordance with the Government's Plan, Monitor, Manage approach, including recent guidance complementing PPG3. Further advice will be given on this important matter during later stages of this study.

The opportunities for urban renaissance are significant and it is imperative that these are seized in the light of visions for the longer term development of Ashford, for the greatest gain.

Management Aims and Implications

Measures	**Mechanism / Agency**	**Time Frame**
Encouraging the take-up of the housing potential identified	• ABC, SEEDA, EP & HC: Need to consider resolving constraints – key issue is "enabling"; issues surrounding land assembly strategy, CPO strategy, development briefs & masterplanning, fiscal	Short to medium term

Measures	Mechanism / Agency	Time Frame
	measures, in short term • Need to promote/improve awareness of post PPG3 opportunities – guidance & marketing e.g. should contact estate agents & small builders, issues surrounding development control process • Demonstration projects needed. Steering group partners could use own resources for this.	
Overcoming financial constraints	ABC, HC, SEEDA: • Post PIP funding use of 106 agreements • Green Paper	Short to medium term

Headline Indicator
Housing land supply v urban housing capacity

Links
Economic growth commensurate with housing
Affordable, decent housing
Town centre
Schools
Local health services

Benefit/ Service – Economic growth of one area does not occur at the expense of another

Who Does this Matter to/ At what Scale/ Level of Importance?

- Neighbouring local authorities in Kent
- Regional government agencies (GOSE and SEERA) – concerned about regional prosperity
- KCC as strategic planning authority
- Those areas not currently benefiting from economic growth

Trend/ Is there Enough?/ Future Threats

Context: Low Regional Demand
Kent as a whole continues to be an area of comparatively low economic growth and the nature of the regional economy places particular restrictions on Ashford's potential to attract demand from industrial and commercial investment. Against a background of low sub-regional demand, the county provides a large amount of competing supply. Significant high quality supply is available at Kings Hill, Chatham Maritime and Crossways.

Priorities: Areas of Deprivation
The South East is not uniformly prosperous, and includes substantial areas of deprivation (for example the former coalfields and coastal towns in Kent). Ashford is in competition with Priority Areas for Economic Regeneration[4], the East Kent and South Rural Priority Areas, and the Thames Gateway[5] which are the regional and indeed National priorities for regeneration and investment and which have access to potential grants/subsidies or public sector intervention. Districts to the east of Ashford are Assisted Areas, benefiting from business grants and EU subsidies as well as SRB funding. New small business schemes are coming on stream at Folkestone (Basepoint plc), Sittingbourne (St George's Centre), Dover (Priority Sites) and Thanet (Terrace Hill). Consultation suggests that local authorities in these areas are often seen as highly dynamic and business-friendly in their efforts to attract jobs and investment. Furthermore, it is important that development in Ashford's does not unduly compromise these regional and national priority areas.

Competition: Alternative Locations in Kent
In order to experience rental growth and rapid lettings, a location must be appealing to occupiers. This appeal varies depending on the type of occupier and requirement, but some themes remain common. These include the ability to attract staff (catchment), good access to the road and rail network (communications) and ideally, an element of critical mass. In respect of all these requirements, inward investors tend to be more demanding than indigenous firms, because their appraisal of any given location does not include the positive factors which might collectively be described as inertia – familiarity with the area, adjustments already made to its advantages and drawbacks, and – most important – the ability to retain existing staff. While Ashford scores reasonably well against these criteria, it is disadvantaged by having better-placed competitors nearby. Maidstone has larger population catchment (incorporating the Medway towns), better communication links (for access to London, the M25 and Gatwick airport) and arguably a greater critical mass. Potentially, Ebbsfleet is a further powerful competitor given that there are proposals for extensive business development close to the new CTRL station. Ebbsfleet will offer some benefits similar to Ashford's but on the CTRL will be just 12 minutes from London (with Ashford 35 minutes away).

Ashford also lacks higher and further education facilities, and the town centre is not vibrant, with future development further limited by the ring road. There is also perceived to be a shortage of quality housing stock, which may deter potential relocating executives. As well as Maidstone, further competing locations in Kent include Chatham Maritime (a former Enterprise Zone), Kings Hill and Crossways, which all compare favourably in terms of the investment

[4] For example, parts of Thanet and Dover have Objective 2 status.
[5] Identified as a priority for economic development in RPG9.

criteria previously listed. These locations have seen roughly 80% of the take-up of business premises in Kent in recent years[6]. The lack of a clearly defined settlement hierarchy in Kent and the multitude of competing favourable development locations inhibit Ashford's ability to attract investment.

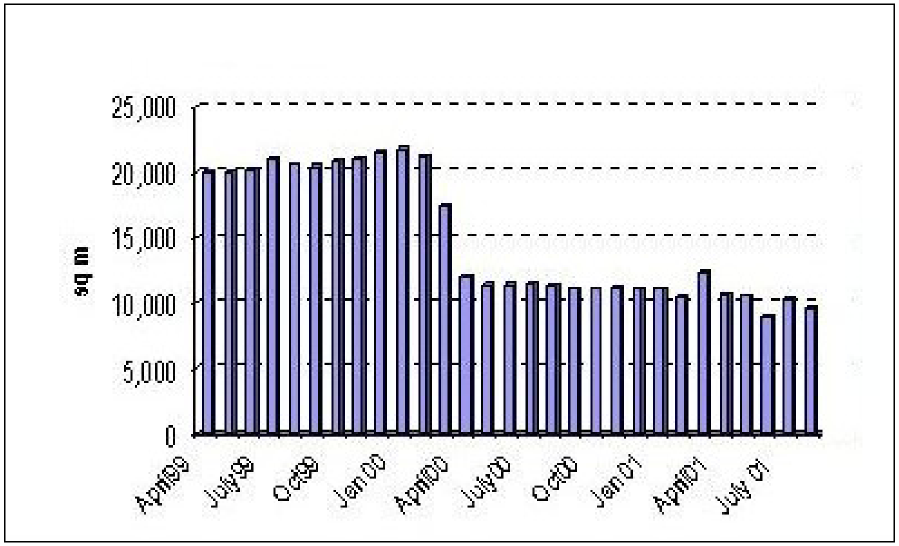
Supply Constraints

Despite these factors restricting demand, recent years have seen sustained improvement. Property agents report that shortages of space have emerged, and many requirements are now difficult to meet. Particular areas where supply may fall short of potential demand are high-quality modern space of all kinds, manufacturing units of 2,000-3,000 sq m (20-30,000 sq ft) and start-up units in the region of 100-200 sq m (1,000-2,000 sq ft). Agents believe that these shortages restrict take-up, and if more space were made available in Ashford it would let successfully. They argue that the supply of space is severely restricted by the lack of speculative commercial development, which in turn reflects the unwillingness of institutional funds to invest in Ashford.

As supporting evidence that space is in short supply, the agents note that industrial space becoming available has let quickly, for example at Leacon Road and the Fairview Industrial Estate (Fairwood Close). Large industrial enquiries, which may be for sites rather than ready-made buildings, are also difficult to satisfy, partly because of planning restrictions at Eureka. Demand in the office sector has improved on the back of a sustained period of stable economic growth in the town. For example, International House, a 1960s office block in a central location opposite the International Passenger and domestic stations, has recently been refurbished and deals have been done that represent a significant uplift from previous years. Eurogate, a speculative office scheme built towards the end of the 1980s, and which remained largely vacant for many years (partly because in some respects its design is not suitable for modern occupiers) is now fully let, in large part to Kent County Council**.**

As always, the view that there is frustrated demand for space is difficult to test rigorously, especially as no take -up statistics are available. One indicator is the amount of vacant office space, which as shown in the Figure below fell sharply in late spring 2000 and remained at its new low level.

Vacant Offices Ashford



Substitution Options/ Opportunities

The fastest-growing Districts in the South East are typically located in sub-regions characterised by buoyant demand and restricted competing land supply. It is most unlikely that these conditions could be replicated in Ashford, at least in the short to medium term. Sectors of the local economy which offer opportunities for growth in Ashford are discussed under Growth Sectors.

[6] Nevertheless, even in a location like Kings Hill, take up was initially slow as its development commenced while the property industry, and economy as a whole, was in recession

Management Aims

Strategic, regional and local planning and economic development authorities need to strike a balance between competing locations for growth, although in a market led economy future strategy cannot be too prescriptive. Ashford faces tough competition for economic development from other locations in Kent. Resolution of these competing demands will require a political consensus, amongst other Kent Districts, as well as a clear understanding of the role Ashford is to play in a regional and county context.

Development strategy at Ashford should complement management aims elsewhere. In the case of growth at Ashford complementing restraint at Canterbury the relationship is fairly straightforward. The relationship between Ashford and East Kent, particularly Thanet and Folkestone/Dover, is more complex. The management aims here are to improve linkages between these parts of Kent, so growth at one location can benefit growth elsewhere as far as possible. At the same time, the PPG 13 requirement is to reduce the need to travel and to alternatives to the car. Local opportunities will thus be a priority and public transport accessibility between centres will remain key. Efforts to improve links between Ashford and Canterbury/Thanet (A28 and rail line), Folkestone/Dover (CTRL commuter services) and Dartford (CTRL commuter services) have the potential provide major accessibility improvements.

Measures	Mechanism/ Agency	Time Frame
Channel economic growth within the region/county	KCC, GOSE, SEERA, SEEDA: Kent SP, next RPG, SEEDA Economic Strategy	2002/3
Develop long term political commitment to re-balancing	Political decision, GOSE: RPG; KCC: Structure Plan Steering Group can demonstrate commitment with the use of their own resources whilst still asking the Government to address the questions about where growth should go. Commitment to redistribution would require agreement from other Kent districts	medium-long term
Start to change market perception	Use of Steering group resources to demonstrate commitment - e.g. relocation policy or policies for where service centres are located.	immediate

Headline Indicator

Employment growth

Key Links

Inward Investment

Key growth sectors

Benefit/ Service – Availability of Local Employment, Reducing the Need for Commuting

Who Does this Matter to/ At what Scale/ Level of Importance?

- Ashford residents – improved quality of life
- Future population – attracted by employment opportunities and quality of life
- National government – supports PPG13

Trend/ Is there Enough?/ Future Threats

The review of past economic performance has shown that in the 1990s Ashford's economy grew relatively slowly. In particular, employment growth in the 1990s was slow compared to national and regional benchmarks (although this has not necessarily led to unemployment owing to relatively slow population growth and out-commuting). Between 1995 and 1999, employment in Ashford grew by 5% with only one other Kent district gaining proportionately fewer jobs. At the same time Ashford has had the highest percentage change in population in the Kent County Council area with growth of 9.25% between 1991 and 1999.[7]

The fastest areas of employment growth in Ashford has been manufacturing with Ashford outperforming all other Kent districts but Dover in this sector. Ashford performed poorly in the area of wholesale distribution achieving the lowest growth of all districts in Kent. In the business and financial services sector Ashford achieved moderate growth in employment (20%) relative to other Kent Districts.

[7] The skills audit indicates that that the population of Ashford tends to have lower qualifications than the Kent and South East averages.

Consultation with local stakeholders suggests that factors which have constrained industrial and commercial growth in Ashford include:

- A comparatively low-key image, with the town centre considered unattractive, 'strangled' by the ring road, and with little to offer in terms of retail or leisure;
- perceived lack of high-quality executive housing and a poor social mix;
- Traffic congestion and insufficient infrastructure, Junction 10 of the M20 identified as a particular constraint;
- Borough Council policies which, in the general view of our respondents, do not decisively target economic growth;
- Property factors, and in particular the lack of speculative industrial and office development.

A comparison of Ashford's commuting patterns with those of other Kent Districts reveals that the local labour market is relatively self-contained. The most recent comprehensive information is from the 1991 Census, which reveals

- All Kent districts experienced net out-commuting, except for Dover.
- Ashford, with net out-commuting amounting to 8% of economically active residents, was one of the most self-contained local labour markets in Kent. Only Canterbury and Maidstone had smaller net out-commuting, amounting to 1-2% of resident labour force. The figures for Dartford, Shepway and Tonbridge & Malling were similar to Ashford's.
- The remaining six Districts had significantly more net out-commuting than Ashford. The highest levels were in Gillingham and Gravesham, at 47-48% of the labour force, followed by Sevenoaks with 34%. These three Districts are of course much closer to London, which accounted for large shares of their out-commuting (though for Gillingham residents Rochester upon Medway was equal to London as a commuter destination).

There is very little information on actual commuting flows, to reveal the pattern of commuting within Kent. The most recent comprehensive data available are from the 1991 Census. At 1991, the only East Kent District for whose residents Ashford provided significant job opportunities was Shepway, 2,400 of whose residents worked in Ashford while the reverse flow amounted to 1,400. Commuting flows between Thanet and Ashford were insignificant. For Dover, the balance was negative, with 590 residents of Ashford working in Dover and less than 100 commuting in the opposite direction. (Numbers quoted are estimates based on a 10% sample.)

Economic Scenarios

Drawing on the analysis of employment trends in Ashford and comparison with other centres, two scenarios of future employment growth in Ashford have been developed labelled as “Business as Usual” and “Maximum Growth”. These forecasts extend to 2016, which coincides with current RPG guidance and is considered the maximum period over which reasonable assumptions can be made.

It should also be emphasised that these forecasts are designed as scenarios to test capacity, not alternative growth options. Each scenario is employment led, but has implications for the level of housing growth and public intervention needed to support it. Both scenarios are based on national employment forecasts[8], at the level of 30 industrial sectors, with the following assumptions:

- *“Business as Usual”*

This scenario assumes employment grows in Ashford at the same rate as the national forecast, with the following differences:

- for manufacturing and wholesale distribution the same differential is maintained for Ashford compared to the UK for 1991-99
- for the financial and business services sector Ashford is assumed to grow at 0.5% above the UK rate
- for the retail and other services sector Ashford is assumed to grow at 0.5% above the UK rate
- for all other sectors Ashford is assumed to grow at the UK rate

[8] Business Strategies Ltd.

Under this scenario, local policies, both as regards planning and economic development, remain substantially as they are at present with drivers of change in the local economy being shifting macroeconomic conditions. Under the Business as Usual scenario, over the next 15 years total employment is anticipated to rise by 6,000 jobs (13%). Approximately 3,000 of these additional jobs are in offices, with only 200 in factories and warehouses,[9] and the rest in premises outside the B use class such as farms, shops and schools. Business space amounts to 66,000 sq m, virtually all in offices. This space requirement is less than 15% of the theoretical development capacity of Ashford’s A2-B1 development sites, as recorded in the County Council’s monitoring document[10].

- *Maximum Growth*

This scenario is based on Ashford continuing to outperform the national average in those sectors where it has done so in the past, and assumes Ashford will achieve at least the national rate of growth in all sectors. Specifically the assumptions are:

- for the manufacturing and wholesale distribution sectors Ashford is assumed to grow at 2% above the national forecast, or higher in those sectors where higher growth has been achieved for 1991-99
- for the financial/business and hotel/catering sectors the same differential is maintained for Ashford compared to the UK for 1991-99
- for the retail and other services sector Ashford is assumed to grow at 0.5% above the UK rate
- for all other sectors Ashford is assumed to maintain half that for Ashford compared to the UK as for the period 1991-1999

This scenario assumes that land-use planning and economic development policies aim for the highest achievable levels of

[9] Employment in industrial land is virtually constant as although manufacturing has performed better in Ashford than the national total, this total is in severe decline.

[10] KCC, Employment Land Study. This theoretical capacity should probably be treated as a maximum, current development proposals suggest employment densities may be less than anticipated.

economic activity and employment in Ashford, intervening actively to stimulate demand and to ensure that this demand is matched by appropriate supplies of land, property and labour.

The Maximum Growth scenario yields a total employment growth of 18,000 jobs (38%), over the next 15 years. This scenario produces an additional 3,000 manufacturing jobs, compared with a very small decrease under the Business as Usual forecast. The Maximum Growth scenario also produces just over 2,000 additional jobs in the business services sector, 1,600 in retail, 2,000 in construction and just under 1,000 in hotels and catering. The resulting estimated space requirement is for 102,000 sq m of additional offices – amounting to roughly one quarter of Ashford's identified A2-B1 development capacity – and 84,000 sq m of additional industrial space, just under half of B2-B8 development capacity. In crude quantitative terms, therefore, it seems that the identified supply of development land can easily accommodate even the highest levels of demand to which Ashford can reasonably aspire. Any property-related supply constraints that affect employment growth in the business space sectors may be expected to relate to the qualitative and market factors discussed in other sections, rather than simple quantity.

To assess the labour market impact of alternative employment scenarios, a comparison has been undertaken of these employment forecasts with projections of Ashford's resident population and workforce. The housing projections used in this analysis reflect current Structure Plan housing provision. They do not take account of the potentially much greater housing development and population growth which could follow if Ashford is designated as a major regional growth centre.

Under the Business as Usual scenario, population growth runs ahead of employment growth. If, as predicted by macroeconomic forecasts, the national and regional labour markets remain tight, local unemployment will remain at its present low level. The local imbalance between labour supply and demand will be taken up by increased out-commuting, which rises from 4,500 (approximately 10% of the labour force) in 2110 to 9,500, or some 16% of the labour force. It is anticipated that more people will commute out of Ashford to work to other Kent Districts and to London, and that Ashford will provide fewer opportunities for in-commuters.

Under the Maximum Growth forecast, there is an anticipated excess demand for labour. The result would be that the current net outflow of workers could be reduced, with net commuting reduced close to zero. An increase in 18,000 jobs suggests that an increase in population of approximately 35,000 might be supported, increasing housing demand by an estimated 16,500. If out commuting was reduced to zero, the population and housing figures might be 26,000 and 12,500 respectively. In order to achieve this, however, employment offers and opportunities in Ashford would need to become comparatively more attractive relative to other labour market alternatives.

Substitution Options/ Opportunities

There is an option for employment growth in Ashford to continue much as before. However, under the current planned levels of housing growth (700 dwelling units per year) this is likely to have adverse implications for commuting under the "business as usual" scenario. Under this scenario, net out commuting increases significantly. However, it should be recognised that the capacity of CTRL fast domestic services is limited to 5,000 peak period passengers. It is considered that this would support approximately 2,000 peak time/commuter journeys from Ashford per day. Ticket pricing on the fast services will further constrain commuting potential.

Given the difficulty of reversing commuting trends set by relative wages and house prices, it is likely that the Maximum Growth scenario would require an increase in population over and above the policy-based projection in order to be realised. An increase in population would in turn be likely to generate some additional growth in the consumer services and population related sectors. Maximum

Growth of employment therefore implies substantial housing development over and above current Structure Plan provision.

If Ashford were to achieve the higher growth rate where would these additional jobs come from? In the context of the South East 10,000 jobs is not a large figure and if this were drawn from across the region there would be little noticeable effect on any other area. Whilst there may be some element of the growth that is mobile across the region, a proportion will also be taken from the Kent market. In the past, Ashford has lost out to other towns in Kent for large employers. It is likely therefore that some, say at least 50%, of additional growth, would be at the expense of growth in other locations in Kent. Thus a high growth strategy for Ashford would not necessarily generate a large number of additional jobs for Kent.

Employment growth in Ashford cannot rise substantially above past trends unless the available labour force also increases. A number of consultations undertaken raised the current difficulties companies are experiencing in attracting staff. The nature of the employment growth is also unlikely to change without an increase in the supply of the more highly qualified personnel available to employers. Unless steps are taken to address this situation, these are likely to continue to adversely affect prospects for employment growth.

Management Aims

The achievement of employment growth in Ashford will be dependent on the diversification of the economy. The attractiveness of Ashford as a location for employment growth will be related to:

- A decision by the council to “go for growth” and attendant policies which decisively target economic growth
- A revitalisation of Ashford’s image, in particular that of the town centre particularly in terms of its retail and leisure components
- Provision of high-quality development
- Alleviation of traffic congestion, particularly at the M20, Junction 10
- Growth in speculative development

There is a clear relationship between employment growth, housing growth and the level of public intervention required to support growth. High levels of housing growth without supporting employment would only lead to an increase in out-commuting, which would not be sustainable. Likewise, high levels of employment growth coupled with housing restraint could lead to an increase in in-commuting, and imply major public intervention to stimulate the economy and potential impacts on other parts of Kent. Ashford is currently a relatively self contained labour market: the challenge is to maintain this whilst the town continues to grow and diversify.

The Maximum Growth scenario implies that substantial housing development over and above current Structure Plan provision will be required. Nevertheless, to assume that economic growth will follow from population growth is a high risk strategy. If this high growth scenario was to be pursued, it would not only require significant intervention, but as part of the plan, monitor and manage process, the link between population and economic growth would need to be monitored to ensure that these remain commensurate.

In managing the relationship between employment and housing growth, it will be important to set targets over an appropriate time period - such as the life of a Local Plan, Structure Plan or RPG. Short term housing provision above employment growth may be justified to provide a stimulus to the economy (e.g. construction sector) to expand the skills base of the workforce or to reach a critical mass necessary for employment diversification. The balance therefore needs to be a long term objective, rather than a mechanism for regulating housing development.

Measures	**Mechanism/ Agency**	Time Frame
Relate housing and employment growth	Planning policy – including RPG, SP, LP GOSE, SEERA, KCC, ABC	2002/3

Measures	**Mechanism/ Agency**	Time Frame
Funding and measures to support employment growth	SEEDA/SEERA/KCC/LPA	>2002
Develop type/quality of housing which will have the greatest economic benefit	HC, ABC, developers & health & education providers: • Key worker housing + affordable • Right quality	ongoing
Monitor type/quality of housing	SEERA, KCC, ABC: Ensure monitoring and review mechanisms are in place with key indicators	ongoing
Encourage developments which provide both housing & jobs	SEERA, ABC, KCC: Local plan policy, design & planning guidelines.	ongoing

Headline Indicator
Employment growth

Key Links
Growth sectors
Affordable housing

Benefit/ Service –Employment Generators

Who Does this Matter to/ At what Scale/ Level of Importance?
Investors in Ashford, Future population, Speculative developers

Trend/ Is there Enough?/ Future Threats
Analysis reveals that 2 key areas offer opportunity for future growth these include manufacturing and consumer services.

- Manufacturing:

Ashford has been a highly competitive location for manufacturing, particularly the light consumer industries.[11] The reasons for this include a relatively generous supply of well-accessed greenfield sites; motorway access via the M20; a healthy stock of indigenous manufacturing; and relative proximity to London. The latter provides both a significant concentration of consumers and a continuing source of in-movers as manufacturing continues to decentralise within and beyond South East England. Costs are one driver of this outward movement, and industrial rents in Ashford are among the lowest in the South East. As manufacturing is being pushed outwards by high costs, competition from higher-value uses and congestion, relatively peripheral but well-accessed locations stand to benefit. However, in some cases, it is considered that manufacturing growth may be limited by the lack of prestige locations in Ashford.[12]

- Tourism/ Leisure

It is considered that leisure/tourism are the industries where there may be scope for substantial expansion in Ashford, upgrading Ashford's role and status, in particular the town centre.

[11] Including Wood & Wood Products, Paper, Printing and Publishing, Rubber & Plastics and Other Manufacturing.
[12] For example, although demand is limited, development at the Eureka Science Park is restricted to low density offices and Research and Development, to the potential exclusion of manufacturing operations

In tourism and leisure, there is limited offer in the town centre. Recent investment has been at Eureka Business Park, comprising a hotel and leisure centre including a multi-screen cinema. At Victoria Road, adjoining the International Passenger Station, Ashford Borough Council and SEEDA have invited submissions for a mixed-use scheme comprising a hotel, leisure, offices and housing. The market response has been favourable and five short-listed schemes are currently under consideration.

- Office Based Services[13]

Ashford is not a major centre for this sector, although there is a reasonable representation. Our consultations with business suggest that most businesses serve a regional or sub-regional customer base. Consultation indicated that Ashford offers no particular distinctive advantages for office based services. Access to continental Europe does not seem to have attracted to Ashford a substantial volume of activity that would not otherwise be there. However, office demand has been improving in recent years and rents have risen. A further area where demand appears to be improving is that of serviced office premises, offering flexible terms and a range of supporting services, from secretarial to financial administration.

Substitution Options/ Opportunities
The main potential opportunities for enhanced economic growth in Ashford include:

- Continuing growth of manufacturing, building on earlier successes but aiming to accelerate the pace, partly through attracting inward investment (including firms pushed out of more constrained and higher-value areas in Kent, for example, Canterbury);

[13] Comprises Banking and Insurance, Business Services and Other Financial and Business Services

- An improvement of Ashford's role as an office centre, drawing on the large pool of office activities which are relatively footloose within the South East and have fed the growth of business parks such as Kings Hill;
- Significantly expanded and improved retail provision in the town centre, pulling back customers who live in Ashford's catchment but at present shop elsewhere for durables; and in the longer term, supported by the threshold generated by additional residents. Developing as a retail destination is an approach to attract leisure visitors, with the Designer Outlet Centre forming a platform. It is possible that while Ashford could offer an alternative to destinations such as Canterbury, it could not compete with a purpose built facility such as Bluewater;
- Hotel development aiming for the international market, with associated conference facilities, although there is little evidence of a demand for a conference centre, and publicly funded facilities tend not to be financially viable;
- A major tourist attraction, which would draw cross-Channel visitors and may follow the 'Gateway Centre' model proposed in the Ventures study – combining an overview of Britain's history and culture with tourist information/support facilities and providing an essential 'first stop' to visitors from the Continent.

Management Aims

Growth in these sectors would be dependent on:

- Better access in particular, relief of congestion at the M20 Junction 10;
- Partnership approach and active contact between the Borough Council and major local employers, to ensure that public agencies are aware of any expansion or relocation plans and use their best endeavours to accommodate them in Ashford;
- Expansion of the workforce. A more diversified population mix, with a higher skill profile, would also make Ashford more attractive to employers;
- Improving Ashford's attractiveness to an executive workforce, potentially through a better supply of executive housing in the Borough (in keeping with PPG3 and PPG13). Improved accessibility to Canterbury and potentially Tenterden, which currently offer very high-quality housing and schools, are also suggested as a means to enhance Ashford's attractiveness to an executive workforce.
- Long term management of town centre sites (including Victoria Road) to ensure that long term economic opportunities are not lost to short term development

From consultation, it has emerged that potential developers and investors consider that the Borough Council needs to demonstrate real determination to upgrade Ashford's economic role or encourage business growth. This might include:

- firm commitment to promoting economic development
- high-profile marketing or other major initiatives either to attract inward investment or to encourage re-investment by existing local firms.
- flexible land policy which adjusts to demand

Measures	Mechanism/ Agency	Time Frame
Funding and measures to support growth sectors	SEEDA/SEERA/KCC/LPA	>2002
Town centre regeneration	LPA	ongoing

Headline Indicator

Employment growth

Key Links

Town Centre Ring Road
Inward Investment

Benefit/ Service –Economic Driver

Who Does this Matter to/ At what Scale/ Level of Importance?

- SEEDA – concerned about regional growth
- Potential Investors – who may be interested in locating in Kent
- Local population – access to employment

Trend/ Is there Enough?/ Future Threats

Ashford's industrial and commercial market is predominantly local and sub-regional, with most space take-up accounted for by companies already operating in the Borough or neighbouring districts.[14] Locate in Kent reports 14 inward investment successes in Ashford since April 1997, out of a total of 131 for Kent. The level of enquiries from future potential investors has been reduced in recent months and a reduction in the interest of French companies has also been noted. It is considered that there is an opportunity for Ashford to capitalise on its advantages as a location for manufacturing over other locations in Kent, in particular more congested and higher-value areas, for example Canterbury.

Ashford's catchment population and low levels of unemployment inhibit its attractiveness to larger companies. Staff recruitment is reported to be a disincentive to expansion in the town. Ashford has lost potential investment projects owing to the perceived absence of appropriate premises.

Furthermore in the view of some respondents consulted, the Borough Council policies do not sufficiently target economic growth. There is a perception that the Council aspirations are to keep Ashford as a small market town.

Primary difficulties in directing investment towards Ashford are:

- Availability of premises (not land)
- Availability of workforce
- For overseas clients there is a lack of awareness of Ashford, making it harder to sell
- For UK clients there can be difficulties due to a lack of awareness compared to competing locations, or a need to overcome negative preconceptions.

The lack of sites brought forward for development to ensure the availability of new premises in line with the opening of the rail link appears to have been a missed opportunity. The importance of France as an originator of new company investments in Ashford is demonstrated, accounting for 5 of the successful projects in Ashford assisted by Locate in Kent since 1997. Some companies will also have become established in Ashford without utilising the services offered by Locate in Kent and there are also a number of companies operating with a "virtual presence". There are two principal reasons why these companies are interested in Ashford**:**

1. They are entrepreneurs wishing to establish a new company and wanting to take advantage of the UK's more flexible regulatory regime, more generous taxation system and lower social costs.
2. They are established companies wishing to sell to the UK.

However, inward investors tend to be more demanding than indigenous firms in selecting locations, in particular they are concerned about the ability to attract staff (catchment), good road and rail access (communications) and an element of critical mass. Ashford scores relatively well against these criteria, but is disadvantaged by better placed competitors nearby. For example, Maidstone has better catchment, better communications (M25 and Gatwick) and greater critical mass. Ebbsfleet is another potential key competitor with CTRL fast services bringing it within 15 minutes of London. Ashford also lacks higher education facilities, a vibrant town centre and a perceived shortage of quality housing stock which is an attractor of inward investment.

[14] For example, Connolly Leather, who consolidated manufacturing operations previously located in London and Canterbury in Ashford.

Case Study: Milton Keynes

Milton Keynes was the fastest-growing District in the South East and Eastern regions between 1981 and 1997. Population expanded by 59% from 126,000 in 1981 to 200,000 in 1997 (2.9% p.a.), and employment grew by 4.6% p.a. over the period 1981-91, although the rate of growth subsequently slowed to 2.9% p.a. for the next five years. This growth enabled employment and population to grow at roughly the same rate in the 1980s. Hence, the proportion of residents working outside the District remained almost unchanged, from 21.4% in 1981 to 20.7% in 1991. No data on commuting is readily available for subsequent years. The New Town Corporation had significant had powers and incentives available to achieve these levels of growth, including:

- A near-monopoly of new industrial development land in (or on the edge of) South East England, arising from the strict controls over industrial development elsewhere
- The ability to directly construct and allocate large volumes of subsidised rented housing
- The ability to offer this housing to the workers of incoming firms.

Substitution Options/ Opportunities

The alternative to inward investment is the growth of indigenous enterprises. However, because of the limited amount of office activity currently operating in Ashford and neighbouring areas, major office growth in Ashford would have to be based on substantial inward investment, rather than expansion of existing local employers.

SEEDA is revising the focus of their operations to meet requirements of new single pot funding arrangements from April 2002. To date performance has been measured on outputs such as number of enquiries, successful locations, jobs created, etc. which has tended to favour working in locations which are “easier” to sell. In future monitoring will have greater emphasis on the impact of their activities with greater impetus to be involved in areas of the South East in greatest need of investment and jobs, including East Kent.

Nevertheless, inward investment potential will continue to be restricted by the availability of premises and available workforce.

The focus of inward investment has moved towards the knowledge intensive sectors, which often have smaller workforce requirements, at least during the start up period. However, it is considered that Ashford is not ideally placed to attract these types of operations owing to the relative absence of higher level skills in the local economy. Strength in manufacturing may offer greater scope for development of more high tech activities in this sector.

Management Aims

Promoting the benefits of Kent and Ashford as a business location in France and elsewhere on the Continent is considered important as, although there may be advantages to forming a company in the UK compared to France, potential investors will need to overcome other barriers including language, culture and the channel.

To become more attractive to inward investors, in addition to meeting their premises requirements, Ashford needs to demonstrate an available workforce, both quantitatively and qualitatively. Without these two elements, it is considered that Ashford will be unable to compete to any significant degree with the locational advantages and incentives offered elsewhere in Kent. There may be benefits to developing an improved “package” as a basis for promoting Ashford to potential overseas investors. It is considered that, without the means to satisfy their requirements swiftly, there is little to be gained in doing so.

To attract such investment would require:

- serious place marketing and promotion to change the market perception of Ashford.
- co-ordination between different partners

- an increase in the availability of speculative "off the shelf" premises[15]
- an available workforce
- promotion of commercial property which is responsive to the needs of investors, including high quality environments with serviced office accommodation, office and incubator space with scope for expansion.

Headline Indicator
Inward investment successes

Key Links
Speculative office and industrial development
Growth sectors
Employment growth commensurate with housing growth

[15] Locate in Kent report that 90% of their 'successes' move into ready-made space.

Benefit/ Service – Economic Growth in Ashford

Investor confidence; Faster pace of growth**:**
Significant speculative schemes can deliver the critical mass that supports investment confidence and an enhanced rate of development.

Who Does this Matter to/ At what Scale/ Level of Importance?

- Inward investors - generally prefer off-the-shelf premises
- Ashford residents, present and future – improved local employment availability

Trend/ Is there Enough?/ Future Threats

Low economic growth in Ashford is likely to have been influenced by the lack of speculative industrial and office development[16] since the 1990s. In particular:

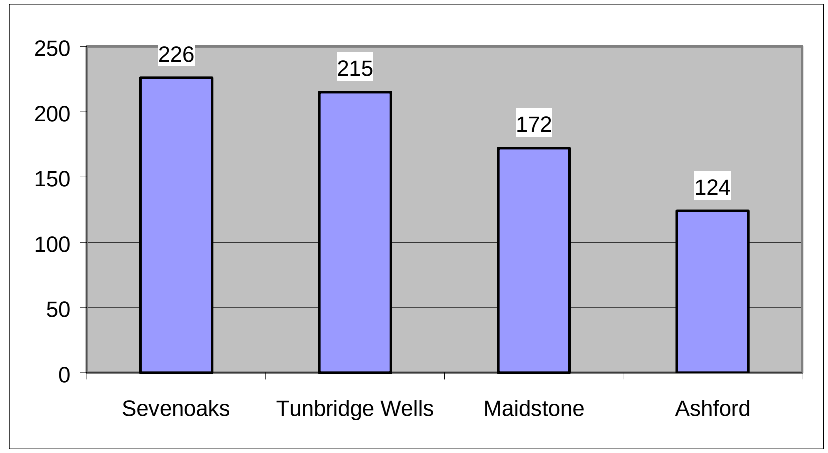
- Shortage of modern, good quality industrial rental property, start-up premises and small workshops[17]
- Low rates of rental growth in offices, particularly in the town centre. Low office take-up in Ashford may be a reflection of lack of supply.

Ashford has few unique advantages to speculative developers over competing supply in the rest of Kent. The lack of good-quality space to let has generated a lack of rental evidence, which in turn discourages developers from providing more space. In the absence of speculative development, business occupiers who require new space have to resort to bespoke development. This generates a slower pace of development.

[16] Both office and industrial rents in Ashford are below those in neighbouring Kent towns, which in turn are substantially below those in most of the South East region.
[17] Indications are that new small business schemes are coming on stream at Folkestone, Sittingbourne and Thanet, but with very little in Ashford

One likely reason for the lack of speculative development in Ashford is low rental values, which at their current levels are still approaching the threshold that would make speculative development viable. Elsewhere in Kent town centre office rents are now reaching levels that could attract funds to speculative development [18].

Town Centre Office Rents £/Sq.M.



The lack of confidence in the area's future prospects, poor market information and knowledge, the area's image and the history of the last property slump in which property investors who had overestimated Ashford's potential made heavy losses, contribute to the lack of speculative development.

Development is constrained by a shortage of floorspace rather than by a shortage of land. Monitoring data suggests that based on current levels of take up, there is ample land supply for the foreseeable future year.

[18] KCC and others, Kent Property Market 2001

The concentration of major commercial development opportunities at just three sites, which until recently were in the sole hands of two landowners: together with high land prices has discouraged take-up, particularly by local businesses.[19]

Responses from the developers' seminar indicates the view that s.106 contributions are so high (particularly in the light of other constraints) that they affect the viability of industrial and office sites for anything other than occupiers developing their own bespoke space.[20]

Eureka has fewer infrastructure constraints but remains empty. According to our respondents, one important explanation for the slow progress of the business park are landowner requirements and planning policies allowing only B1a (offices) and B1b (research and development) excluding B1c (light industrial). The view of developers is that the vision of Eureka as a science and technology park is out of tune with market realities. However, two speculative schemes may be developed in the near future, indicating a marked change for the town.

Substitution Options/ Opportunities

If the preferred option is low growth, there would be no need to promote speculative office development, and the current state of economic growth could be maintained. However, the risk under this scenario is that in the long term, economic development may not keep pace with population growth.

If Ashford is to become a growth centre with large-scale housing growth, there is a powerful case to be made for public funding of the necessary infrastructure in the short term, to stimulate job creation, or even public bodies acting as developer of speculative schemes (as with SEEDA in Folkestone). This could contribute to overcoming the lack of confidence in the area's future prospects, as well as the area's image. This is considered a viable alternative to funding strategic infrastructure by taxing developers who may choose to locate elsewhere.

Management Aims

In order to stimulate economic growth and diversification through speculative development, public investment in strategic infrastructure will be required to pump-prime private investment. Where developer contributions are necessary these should be set at a level compatible with viable commercial development. Growth-friendly planning policies are required, giving high priority to the requirements of industrial and commercial users and which are sufficiently flexible to adjust to market demands (e.g. for manufacturing space at Eureka)

Control of major development sites by owners whose prime objective is to bring about industrial and commercial development, and who are dynamic and imaginative in pursuit of this objective is necessary to stimulate growth. The traditionally accepted model for creating these conditions is single ownership by the public sector. At present, the Urban Regeneration Companies are piloting an alternative approach, based on partnership; although this new approach is being applied to regeneration of older urban areas, rather than the greenfield development. The potential for a URC and for compulsory purchase of key development sites will need to be investigated.

[19] More recently there have been indications that, partly due to the generally favourable economic climate, the situation may be changing with the construction of two new developments due to start at Eureka Business Park and the submission of a planning application for a further speculative scheme.

[20] Which required a lower return than other forms of development, because no developer's profit is involved

Measures	Mechanism/ Agency	Time Frame
Public investment in strategic infrastructure	SEEDA/SEERA/KCC/LPA	immediate
Responsive land use policy	Planning policies in RPG/Local Plan	>2002
Responsive land management	Landowners/developers	

Headline Indicator
Employment growth
Occupancy levels at key sites

Key Links
Growth sectors
Inward Investment

Benefit/ Service – Factor of production

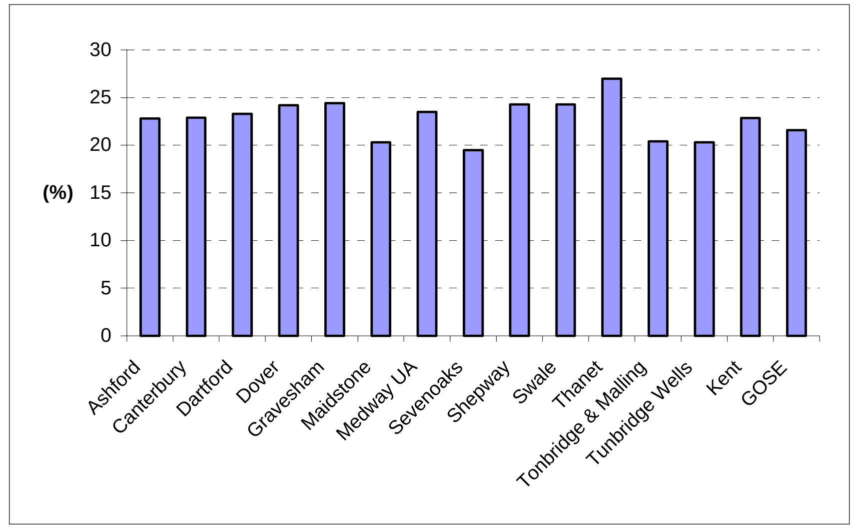
Other Benefits
- a skilled labour force can help to attract new investment, enable existing employers to compete in a changing market place and encourage innovation and business start-ups
- higher skill levels attract higher salaries and therefore increase local spending potentials, with benefits to the local economy

Who does this matter to/ At what Scale/ Level of Importance?
- a skilled labour force is important for local residents, businesses and the local economy as a whole

Trend/ Is there Enough?/ Future Threats
In terms of the levels of basic literacy and numeracy, Ashford is comparable to the Kent average. However, as with qualifications more generally, the situation in Ashford is slightly worse than that for the South East, with 22.8% of the Ashford population having a poor standard of literacy (SE, 21.6%). In respect of numeracy, Ashford's relative position is also slightly worse with 22.7% of the population estimated to have poor numeracy compared to 20.8% regionally.

Although addressing basic skills needs is crucial to improve the individual's own capacity to participate in the economy, reducing the levels of illiteracy and innumeracy is also vital to improving the wider competitiveness of the area. However, unemployment in Ashford is low, so many of these individuals will be in employment and are consequently difficult to isolate. The Learning & Skills Assessment 2001 for the Mid and South Kent Corridor identifies a correlation between basic skills problems and areas of deprivation. The Assessment advocates targeting the areas of deprivation directly by taking provision to these communities, rather than simply increasing the marketing of provision provided at a remote centre.

Population with Poor Numeracy, Kent Districts



Source: Basic Skills Agency 2000

Data from the 2000-01 Skills Audit carried out on behalf of the Learning & Business Link Company for Kent shows that the economically active population of Ashford tends to have lower qualifications than the Kent average. Although both Ashford and Kent have the same levels of the economically active population with no qualifications (17.6%), Ashford has a higher proportion with NVQ levels 1 and 2 (52%) than is true in Kent (43%).

In Ashford, 15% of the economically active population is qualified to NVQ level 3 or equivalent, compared to 20% in Kent. At NVQ level 4, the gap is more marked, with 14% of Ashford's working age population having this qualification or equivalent, whilst across Kent this is 16% and for the region it is 28%.

Good Practice Example: Oliver Cromwell, Lord Proctor, 1653-58
"He who stops being better, stops being good"

Substitution Options/ Opportunities
The Learning and Skills Council for Kent and Medway in their Learning and Skills Assessment 2001 for the Mid and South Kent corridor (Maidstone, Ashford and Shepway districts) acknowledge that it is difficult to establish the implications for skills requirements of future employment growth. However, in view of the trend towards the "knowledge based" sectors driving employment growth in the South East, the relative absence of graduate level individuals (NVQ4+) in Ashford's workforce will limit its appeal to inward investors in search of highly skilled employees.

The positive relationship between the incidence of highly skilled people resident in an area and the level of entrepreneurial activity is a further example of how the lower skills base might restrict the potential for indigenous economic growth in Ashford. As the South East Annual Skills Review 2001 produced by the Skills Insight Unit notes "high value-added, knowledge based industries emerge and thrive only where there is an available pool of highly skilled employees, supported by an institutional framework established to promote learning."

Good Practice Example: Skills for the New Economy [21]

Adaptability
Percentage of managers in companies in the US and Europe expected to change jobs in the next 36 months: 66%.

Proportion of jobs where employer expects worker to take responsibility to find better ways of doing the job: 76%

Proportion of workers who agree or strongly agree that their job requires them to keep learning new things: 81%

IT skills
Proportion of jobs in which computers are essential or very important: 55% and rising. Only one third of workers in these jobs think they have the computing skills to maximise job performance

Proportion of jobs in which internet use is essential or very important: 24% and rising

Percentage of workers without access to computers or internet at home or work: 41% and falling

Communication and customer care skills
Counselling, advising or caring for customers or clients is becoming more important, and is now seen as essential or very important in 51% of jobs

Of the 20% of firms reporting an internal skills gap, deficiencies in communication (54%) and customer care skills (51%) were most commonly reported

[21] Cabinet Office, 2001, In Demand, Adult Skills in the 21st Century

The proposed expansion of South Kent College to improve the availability of both Further Education (FE) and Higher Education (HE) provision in Ashford would make a significant contribution to such an "institutional framework". However, it will not wholly address what is a complex problem as the relative lack of higher-level skills in Ashford is not necessarily due to low rates of participation in HE.

The proportion of school leavers from Ashford entering higher education in 2000 was 64%, higher than the level across Kent as a whole (61%). The feasibility study (for South Kent College and Partners, 2001) into the provision of HE and FE in Ashford notes that while the participation rate of central Ashford in HE (30%) measured using the Age Participation Index is close to the national average (30%), the rate in the wider Ashford area is considerably higher with an API of 46.8%. Thus it would appear that the relative lack of graduate level skills in Ashford might be more a consequence of a lack of appropriate employment opportunities to draw and retain higher skilled individuals within the area. Alternatively, graduate level opportunities might exist within the Ashford economy, but local employers have in recent years been struggling to compete in a tight labour market with the higher salaries and other benefits offered by companies located elsewhere in the South East, and especially in London. Nevertheless, the study concludes that using a moderate growth scenario, there will be further demand for HE by Ashford residents in the future, especially if those groups within the community currently less likely to participate can be targeted, for example through accessible, flexible/part–time study options.

Good Practice Example: Great Expectations in Tyne and Wear [22]

Tyne and Wear is one of four local LSC areas in the Northeast Region. It falls in the lowest performing category on almost every measure of economic and community health. Key local challenges relate to the skills and ambitions of individuals and firms. The economy is heavily reliant on manufacturing and claims a disproportionately low number of managerial and professional positions.

[22] Cabinet Office, 2001, In Demand, Adult Skills in the 21st Century

What is the local LSC doing?

First, the local LSC is working closely with the RDA to ensure that resources support regional efforts to move from the current 'low skill equilibrium' to a 'high skill, high wage' economy where high paying jobs are available for individuals who acquire new skills. Specific examples include: aligning efforts and resources with RDA investments in regeneration projects, entrepreneurial initiatives, and innovative strategies to address specific community challenges including redundancies and transport issues. Second, the local LSC values relationships with local and regional public, private and voluntary sector partners – including employers – with common interests. LSC staff are collecting information and intelligence about community activities not as a 'tick-box' exercise, but with the intent to improve partnerships and align efforts in ways that enable all stakeholders to generate greater impact. Finally, the local LSC is engaged in efforts to build its own capacity to better deliver on its local priorities. In addition to staffing changes and training, the organisation is attempting to be more thoughtful about setting priorities and identifying core competencies to inform business planning and collaboration with other agencies and entities.

Management Aims and Implications

Measures aimed at increasing participation in FE are likely to have a greater impact in Ashford due to the large proportion of the population who currently have low or no qualifications. Provision that targets the needs of local employers will help to address existing recruitment difficulties and skill shortages, as well as improving the overall stock of qualified personnel available in the area. If those individuals already at NVQ level 3 can be attracted to undertake further education and training, then there will be scope to encourage progression up to NVQ Level 4. Supporting the up-skilling of the existing workforce may be a more effective than trying to attract graduate level employees from outside the area.

Measures	Mechanism/ Agency	Time Frame
Increase participation in FE	South Kent College/ Learning and Skills Council	immediate
Target needs of local employers	South Kent College/employers organisations/ Learning and Skills Council	immediate
Training for unemployed adults	Provision of work based training – Employment Service	
Relate training & education to economic growth sectors	KCC/Education authorities/ Learning and Skills Council	long term

Headline Indicator
Proportion of work force with NVQ4+

Key Links
Ability to attract inward investment, Growth sectors

Benefit/ Service – Ability to attract investment

Shopping, vitality of town centre, sense of identity for Ashford

Who Does this Matter to?
- Ashford Borough Council & Town Centre Partnership
- Future developers/ investors
- Residents of Ashford

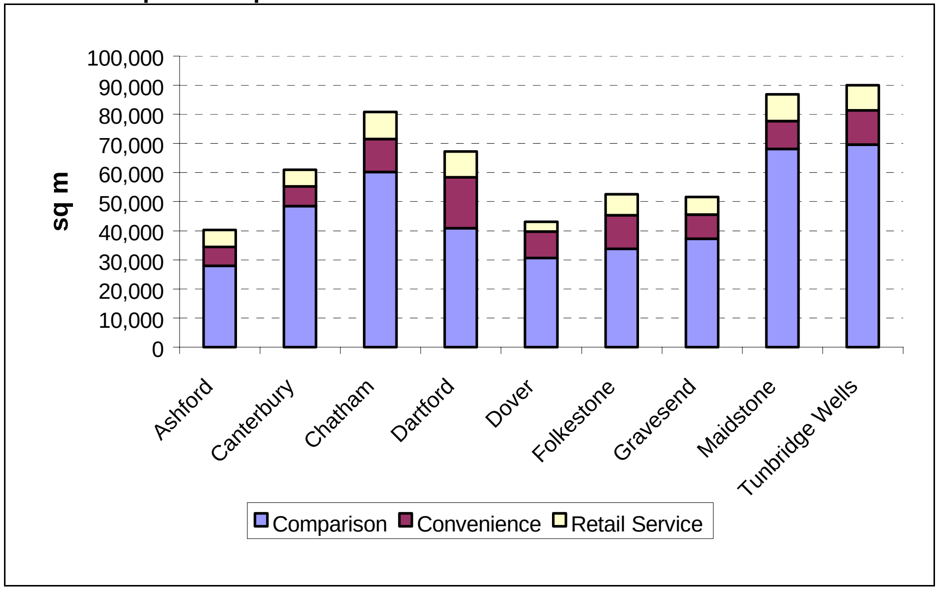
Trend/ Is there Enough?/ Future Threats
Image
Ashford town centre currently has a low-key image with little to offer in terms of retail or leisure. Recent shopping studies show that it is perceived as a comparatively low-quality centre, catering to everyday convenience shopping needs. The centre's catchment is local, largely restricted to Ashford District, and there is leakage to larger centres, with the younger, more affluent shoppers going elsewhere. Shoppers tend to travel to competing centres, for higher-order purchases.

Comparison with other locations
The table opposite shows retail floorspace composition in Kent town centres, and indicates the low scale of Ashford as a comparison shopping destination relative to other centres in Kent.[23] However, on the town centre "vitality score"[24] which has a strong qualitative aspect and is not solely dependent on the availability of retail space, only Canterbury, Maidstone and Tunbridge Wells rank above Ashford in Kent. The 2000 KCC survey of shopping habits revealed that 57% of town centre type goods spend from Ashford borough was retained in the district (compared with 80% in Canterbury and 44% in Dover).

[23] Note that a similar KCC survey indicated that Gravesend, Maidstone and Canterbury have significantly larger areas of retail floorspace at 82,500, 108,200 and 92,000m^2, respectively.
[24] Measure of a town centre's performance combining indicators such as retail performance, including multiple retailer presence, size of centre, retail density, vacancy levels etc.

The 1996 Ashford Development Opportunities Study included a household shopping survey, to establish the influence of the town as a retail destination. The study found that the main competition was from Canterbury and, to a lesser extent, Maidstone. The impact of Bluewater was found to be limited in a later study[25].The impacts of the Designer outlet centre are generally considered to be positive, despite slight adverse impacts on retailers in the town centre.

Retail floorspace composition in Kent town centres



Source: Experian in Estates Gazette, Feb 2001

Retail market
Audits undertaken in 1997 and 2001 suggest little change in retail offer in Ashford over this period with the exception of development of

[25] In 1999, Colliers CRE were commissioned to undertake a study into the cumulative impact of Bluewater and Ashford Designer Outlet Centre (DOC) on the town of Ashford

the Designer Outlet Centre. Ashford's Town Centre Retail market is locally focussed with over 75% of patronage derived from those living within the Ashford District. It is estimated that around 60% of the shoppers using the Designer Outlet represent additional trips to Ashford. This equates to 1.8 million shoppers visiting the town each year. However, currently only 17% of visitors to the Outlet visit the town centre on the same trip[26]. The outlet thus currently contributes little to attracting visitors to the town centre as a destination.

The 1996 Ashford Development Opportunities Study identified additional capacity for retail floorspace in Ashford town centre of 15,892 sq m by 2006. This is assumed to have been partly satisfied by the Designer Outlet Centre. The Ashford Local Plan (to 2006) states that this requirement would be exceeded if all sites allocated in the plan for retail use were developed. However the allocation is distributed across a number of sites within the current central area, and not all will be wholly satisfactory in meeting either developers' or occupiers' requirements.

Reports indicate that there is demand for new retail units in Ashford, both from retailers not currently represented in the town and existing retailers seeking more suitable premises. However, this demand was felt to be relatively weak, and unlikely to attract the anchor department store that many in Ashford aspire to. Approximately one third of the demand in Ashford was for larger foodstore/retail warehouse operations, not town centre shops. Reasons given by retailers for the lack of retail representation in Ashford include:

- Catchment not large enough
- They were already represented in surrounding centres.

Opportunities
Population growth represents an opportunity for thresholds to be met, thereby supporting investment in the town centre with the potential to attract an anchor department store, a cinema, arts and cultural and other facilities in the long term[27]. However, this will require necessary public sector investment and policy intervention in order to direct investment.

Management Aims
- Expansion of the town centre beyond current boundary defined by the ring road, to encompass the designer outlet and the station, with clear, legible pedestrian links between nodes.
- Policy measures required to direct investment towards the town centre, improve town centre accessibility and to discourage retail development outside of the town centre which is more appropriate to the town centre itself.[28]
- Measures to combat adverse effects of the ring road
- Public investments in town centre improvements
- Targeted development of key sites in the town centre, especially those associated with the station
- Improved arts and leisure offering
- Improved integration between transport modes and the provision of a bus station which is integrated with the station.

Links
Town Centre
Ring Road
Growth sectors
Arts and culture

[26] Evidenced in surveys carried out as part of the Bluewater/Designer Outlet Centre impact study

[27] Sensitivity testing will be required to determine potential thresholds for individual facilities and other sustainability factors.

[28] Following key tests set out in PPG6