Revised Employment Development (B1-8) Background Document (October 2011)

1. The overarching objective of national policy is sustainable economic growth (PPS4, paragraph 9). This includes delivering more sustainable patterns of development, reducing the need for car travel and responding to climate change. The Ashford Borough Core Strategy (CS) outlines how the Council intends to tackle sustainable economic development and job provision in the urban area through policy CS4 - Ashford Urban Area and more explicitly in policy CS7 - The Economy and Employment Development.

2. Policy CS7 of the Core Strategy sets out a level of strategic employment land for the Urban Sites and Infrastructure DPD, unless shown to be unnecessary by an employment land review. Policy CS4 of the Core Strategy outlined an employment jobs target for the urban area. This stated that land will be identified sufficient for 6,625 new jobs (plus a flexibility allowance of about 40%) during the period up to 2021. This figure includes all job sectors including jobs in hospitals, schools and retail, etc.

3. In 2008, the Council appointed Nathaniel Lichfield and Partners to undertake an Employment Land Review (ELR) of the Borough, which provides evidence that updates the Core Strategy allocations. This ELR included an assessment of current and committed employment supply in the urban area. It also provides an update of what employment opportunities and jobs have been delivered in the borough since the submission of the Core Strategy in 2006. Therefore, the ELR is considered the most up-to-date starting point for calculating the current job allocation requirement in the urban area.

4. As the information contained within the ELR is more detailed and specific with regards to employment sectors and locations, it is considered to be a sound basis on which to base the employment requirement for subsequent Local Development Documents. This has been the case in the recently adopted Town Centre AAP and Tenterden & Rural Sites DPD and should also be the case with this DPD. Therefore, it has been used as the principal evidence base for the figures and calculations in this Paper. The Council feels that by using the Employment Land Review as the baseline evidence, the proposals put forward for economic development in the Ashford Urban area are based on a sound and robust approach in accordance with the Core Strategy and national policy EC1.1, PPS4.

5. The ELR identifies the jobs created across all sectors of the economy, however this background document specifically deals with land allocations for use classes B1 to B8 (office, industrial and distribution developments) in the Urban area, which excludes jobs to be delivered in the Town Centre, the proposed Urban Extensions or within Tenterden and the rural areas.
**Jobs Requirements**

6. In accordance with the above, a new allocation target of just over 2400 new jobs in the urban area to 2017 has been established.

7. This new allocation target has been established by using the ELR as a starting point, but taking account of the shortened time horizon of the DPD to 2017. In addition, the ELR baseline figure, has been updated to include the most recent employment figures from the Annual Business Inquiry (ABI) and Business Register Employment Survey (BRES)\(^1\) and ONS annual population survey. The most up-to-date data, states that between 2006 and 2010, 1874 new jobs were created (ABI employee analysis, Nomis on 18/10/11) but the estimate from the ONS Annual population survey [from Nomis 24\(^{th}\) August 2010] states that, 2100 self-employed jobs have been lost in the same time period. Therefore, although there is a net loss of -226 jobs, the sites still have the capacity to provide for these jobs and will therefore not affect future site allocations as it is assumed that jobs numbers will increase post recession. Subsequently, between 2006 and 2010 job numbers should be assumed to be 0.

8. The job requirement has been calculated using the equation below:
   a) The ELR (page 52), August 2008 provides a growth target of 13,650 jobs\(^2\) to 2021
   b) Jobs allocated in the Town Centre Area Action Plan TCAAP (page 73): 7990 jobs
   c) Jobs that will be allocated in the Cheeseman’s Green and Chilmington Green urban extension areas, including Waterbrook (Core Strategy, p30): 2075
   d) Net change in jobs created since ELR, 2008 published = assumed to be 0

   \[a-b-c-d= \text{job allocation requirement for Urban Sites DPD area}\]
   \[13,650 – 7990 – 2075 - 0 = 3585 \text{ (2008-2021)}\]

   Taking a pro-rata figure from this 3585 target (from 2008-2017) results in a target jobs figure for this DPD of **2482 new jobs**.

**Floorspace Requirements**

9. Table 1a below, adapted from the ELR (table 6.7, paragraph 6.34) outlines the employment space requirements town wide per sector between 2006-2021. The second column in this table has been adjusted to take out the permitted development at Waterbrook as this falls outside of the urban area (within the Cheeseman’s Green / Waterbrook urban extension area)\(^3\). A third column has been added to reflect the shortened timescale of the DPD, which will run to 2017.

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\(^{1}\) ABI figures ended in 2008, figures for 2009 and 2010 are BRES figures- both are collated from business surveys and accessed through NOMIS.

\(^{2}\) This figure is based on the Core Strategy jobs target of 17,500 additional jobs between 2001-21 less 3,050 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 2001 and 2008.

\(^{3}\) Waterbrook park was granted full planning permission in February 2009 (07/01188/AS) for a vehicle testing facility, vehicle and plant storage and maintenance facility and B1, B2 and B8 small business units. The site will provide 2726m² of office space and 5184m² of industrial space.
10. If the requirement for offices in the town centre (which have already been allocated as part of the TCAAP) are excluded, it can be identified that the employment land space requirement in the urban area equates to 61,465m² of industrial and warehousing floorspace and 31,514m² of B1 office space up to 2017.

11. Because the ELR includes an assumption that floorspace will be oversupplied by 40% (see ELR para 6.22), a further table (Table 1b) has been produced which outlines the minimum floorspace requirements (minus the 40% oversupply) that would need to be provided in the urban area to meet job targets.

<table>
<thead>
<tr>
<th></th>
<th>Ashford Town wide Baseline requirement to 2021, including 40% oversupply (sq.m.)</th>
<th>Baseline to 2021 (minus Waterbrook)</th>
<th>Urban Sites Requirement Pro-Rata to 2017 (sq.m.) including 40% oversupply (sq.m.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industrial (m²)</td>
<td>89,000</td>
<td>83,816</td>
<td>61,465</td>
</tr>
<tr>
<td>Town Centre Offices (m²)</td>
<td>92,600</td>
<td>92,600</td>
<td>N/A</td>
</tr>
<tr>
<td>Other Offices (m²)</td>
<td>45,700</td>
<td>42,974</td>
<td>31,514</td>
</tr>
<tr>
<td>All (m²)</td>
<td>227,300</td>
<td>219,390</td>
<td>92,979</td>
</tr>
</tbody>
</table>

Table 1a: Ashford space Requirements of Different Sectors (2006-21), reproduced from ELR, Table 6.7

<table>
<thead>
<tr>
<th></th>
<th>Ashford Town wide Baseline requirement to 2021, excluding 40% oversupply (sq.m.)</th>
<th>Baseline excluding 40% to 2021 (minus Waterbrook)</th>
<th>Urban Sites Requirement Pro-Rata to 2017 (sq.m.) excluding 40% to 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industrial (m²)</td>
<td>63,571</td>
<td>58,387</td>
<td>42,817</td>
</tr>
<tr>
<td>Town Centre Offices (m²)</td>
<td>66,142</td>
<td>66,142</td>
<td>N/A</td>
</tr>
<tr>
<td>Other Offices (m²)</td>
<td>32,643</td>
<td>29,917</td>
<td>21,939</td>
</tr>
<tr>
<td>All (m²)</td>
<td>162,356</td>
<td>155,446</td>
<td>64,756</td>
</tr>
</tbody>
</table>

Table 1b: Ashford space Requirements of Different Sectors excluding an assumed 40% oversupply - shows minimum floorspace requirement (2006-21)

**Strategic Employment Sites**

12. The Ashford urban area has a number of strategic employment sites identified in the Core Strategy. These include the existing employment sites at Eureka Park, Orbital Park and Henwood, and a new employment site planned at Sevington. By looking at the amount of B1-B8 jobs and employment floorspace outlined for the DPD period (to 2017), and the amount of jobs and employment space that can be provided on existing development sites, this report will identify how the required number or jobs and floorspace can be delivered during the plan period.
Eureka Park:
13. Eureka Park (42.9ha) is the largest existing employment site in Ashford, with a significant amount of undeveloped land available. The site was identified in the Core Strategy for expansion and intensification and is described in detail in paragraph 7.3 of the ELR. Although the site is largely intended for new office space, the area has historically included a limited amount of manufacturing space, for example, Coty Manufacturing (UK) Ltd located to the south of Eureka Park. There is currently an extant planning permission (08/01401/AS) for 925m² of B2 space which will form part of the development at Eureka Park.

14. Since the completion of the ELR, a survey undertaken by Ashford Borough Council (January 2010) has identified that of the outline planning permission for 115,000m² of B1 floorspace at Eureka Park (04/00044/AS, granted planning permission in June 2006, 13,295m² has been completed (see Table 3). This is further illustrated on the Eureka Park website, which shows the masterplan and the areas that have been completed or are at the planning stage (see Figure 1).
15. It can therefore be identified that the remaining developable land from the original outline permission at Eureka Park is 101,705 m², of which 925m² has been granted permission for manufacturing space. Consequently, Eureka Park has the potential to deliver up to 5079 additional jobs using the floorspace / jobs ratio set out in the ELR (para 6.19, see Table 2), this assumes that 1 office job can be provided for every 20m² of floorspace and one job can be supplied for every 30m² of manufacturing floorspace.

<table>
<thead>
<tr>
<th>Floor Space (Gross InternalFloorspace)</th>
<th>B1</th>
<th>B2</th>
<th>B8</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 job/20m²</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 job/30m²</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 job/40m² (within this category 30% of distribution jobs 1 job/80m²)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 2: Employment Jobs Ratio (ELR paragraph 6.19)

Eureka Park Jobs = 
(96.5%) 100,980 m² @ 20 m² per Job = 5049 jobs
(3.5%) 925 m² @ 30 m² = 30 jobs
TOTAL: 5079 jobs

16. As the Urban Sites DPD runs until 2017, it is necessary to estimate how many of the additional 5079 jobs at Eureka Park are likely to be delivered by 2017. The Council acknowledges that the delivery of employment units is a demand and supply led process and therefore instead of simply applying a pro-rata rate for additional jobs during this time period, it is more robust to look at the previous completion rate of floor space at the Eureka Park site and average this into a yearly completion figure.

17. The first completions deriving from the 04/00044/AS outline planning permission at Eureka Park were undertaken during 2007, so this year was taken as the baseline. Looking at the completion rates of the three phases of development undertaken since 2007. 13,295m² of gross external floorspace has been delivered between 2007 and 2010. This provides a floorspace completion rate of 4,432m² per year over the three year period since the development started. Taking the same rate of development over the next 7 years, this will provide an additional 31,024m² of floorspace. Taking into account the 925m² of extant B2 space outlined in paragraph 14, 30,099m² of office floorspace will be provided.

<table>
<thead>
<tr>
<th>Eureka scheme and Planning Application No.</th>
<th>Floor Space (Gross ExternalFloorspace / +15%)</th>
<th>Floorspace (Gross ExternalFloorspace / +15%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Northdown I 05/01714/AS</td>
<td>5212m² B1</td>
<td>5,994m² B1</td>
</tr>
<tr>
<td>Herald 06/01989/AS</td>
<td>3,687m² B1</td>
<td>4,240m² B1</td>
</tr>
<tr>
<td>Eureka Place 06/02011/AS</td>
<td>Retail, takeaway, professional services-1090 m²</td>
<td>2,825m²</td>
</tr>
<tr>
<td></td>
<td>Creche-nursery</td>
<td>Medical Centre</td>
</tr>
<tr>
<td>----------------</td>
<td>----------------</td>
<td>----------------</td>
</tr>
<tr>
<td>Eureka Place</td>
<td>421.5m²</td>
<td>-914m²</td>
</tr>
<tr>
<td>09/01535/AS</td>
<td>236m² B1</td>
<td>236m² B1</td>
</tr>
<tr>
<td>Total</td>
<td>11,560.5m²</td>
<td>13,295m²</td>
</tr>
</tbody>
</table>

Table 3: Gross Floorspace Completions at Eureka Business Park

Orbital Park:
18. Orbital Park in the south of Ashford is the largest existing employment area in the Borough, and provides a range of employment uses including B1-B8, car showrooms and trade counters (see ELR, p64). Although the original development brief for the site was approved in 1990 and the site had an allocation in the Borough Local Plan 2000, there are still 4 vacant plots that remain, see Figure 2.

19. These undeveloped plots in total provide an undeveloped area of 9.33 ha. The individual plot sizes are outlined below:-
   Site 1: 4.42 ha
   Site 2: 0.39 ha
   Site 3: 1.54 ha
   Site 4: 2.98 ha

20. The ELR (para 6.19) states that ‘an average plot ratio of 0.4:1 is assumed in most cases, so that a 1 ha site would be needed to accommodate 4,000m² of employment floorspace.’ Therefore, in total the Orbital Business Park site has a remaining development potential of 3.732 ha or **37,320m²** (9.33 multiplied by a plot ratio of 0.4:1).
21. Following guidance set out in the ELR table 6.3\(^4\), it is assumed that the remaining vacant plots on the Orbital Park employment site will have a likely split of approximately 90:10 between strategic distribution and manufacturing space. Therefore, using the assumed jobs ratios set out in paragraph 6.19 of the ELR, it can be identified that the remaining plots of Orbital Park can potentially provide the following number of jobs:

- \(10\% \times 30 \text{ m}^2\) per Job = 124 (based on an average job ratio in manufacturing of 1 job/30m\(^2\))
- \(90\%\) (based on an average job ratio of 70\% at 1 job/40m\(^2\) and 30\% of these jobs at 1 job/80m\(^2\) distribution space)

\[\begin{align*}
\text{@} 40 \text{ m}^2 & \text{ per Job} = 587 \text{ jobs} \\
\text{@} 80 \text{ m}^2 & \text{ per Job} = 125 \text{ jobs} \\
\text{TOTAL:} & \text{ 836 jobs}
\end{align*}\]

22. It is considered that sites 1-3 at Orbital Park will be built out before 2017. However, site 4 is constrained by the need to upgrade the Orbital Park junction with the A2070. Hence, it has not been assumed that site 4 will come forward during the DPD period in the calculations in Table 4 below, but land the size of the Site 4 area, could potential come forward at Sevington on the opposing side of the A2070 (See below).

**Sevington:**

23. Sevington (see Figure 3) is identified as one of five main areas for employment land within section 7.9 of the Core Strategy. It is sited in a high profile location, close to the position of the proposed new motorway Junction 10a. It provides the opportunity to supply larger-scale employment development that is less suited to mixed use sites (Core Strategy, paragraph 7.10). Whereas the Eureka site provides the principal strategic B1 office location outside the town centre, Sevington provides the principal strategic B2/B8 location to accommodate new development over a longer period of time. It is expected a masterplan will be produced for the Sevington site which will run beyond 2017.

24. The delivery of the full Sevington employment area is dependent on the delivery of the proposed Junction 10a, as the link road associated with the junction will provide the main Sevington site access. However, a small proportion of the site is able to come forward in the DPD period as this may be served from an improved Church Road / A2070 access. The floorspace that is assumed to be deliverable on the Sevington Site is 11,920m\(^2\)\(^5\), which has been calculated using the remaining SPG6 Development Units at Orbital Park, see Background Document 3 – Release of Development which would affect M20 Junction 10 for further clarification.

\(^4\) Table 6.3 of the ELR outlines the additional floorspace needs per employment sector. This table states that there is an employment space requirement between 2006-2021 of 8,700m\(^2\) of manufacturing space and a requirement for 80,300m\(^2\) of distribution space. It can therefore be assumed that there is an approximate 10:90 split between the manufacturing and distribution requirement. This assumed ratio will be used for outlining the employment split at Orbital Park and Henwood Industrial Estate.

\(^5\) Sevington developable area = Orbital plot 4 area x plot ratio of 0.4:1
Henwood:
25. The Henwood Industrial Estate provides a mix of B1-B8 units and was formerly allocated in the Borough Local Plan. The Local Plan policy applied to the whole Henwood area and included an allocation for employment and residential uses. The remaining two vacant plots labelled 1 and 2, in Figure 4 are available for an employment allocation in the Urban Sites and Infrastructure DPD. A third plot is currently under construction for housing (06/00076/AS).
26. The two vacant employment plots have a total site area of 18,991 m². This includes:

   Site 1: 9603 m² (this excludes the pond area, as this is considered undevelopable)
   Site 2: 9388 m²

27. Using the average plot ratio of 0.4:1 outlined in the ELR (para 6.19), it can be identified that Henwood Industrial Estate has a remaining floorspace development potential of 7596 m² (18,991 multiplied by a plot ratio of 0.4:1).

28. It is assumed that the remaining vacant plots on the Henwood employment site will have a likely employment split, approximately 90:10 split between strategic distribution and manufacturing space in accordance with the ELR table 6.3. Therefore, using the job ratio figures set out in Table 2, Henwood has the potential to deliver 169 jobs during the remainder of the plan period.

   10% @ 30 m² per Job = 25 (based on an average job ratio in manufacturing of 1 job/30m²)

   90% (based on an average job ratio of 1 job/40m², with 30% of these jobs at 1 job/80m² distribution space)
   @ 40 m² per Job = 119 jobs
   @ 80 m² per Job = 25 jobs

   **TOTAL: 169 jobs**
29. It is considered that these remaining plots at Henwood will be built out before 2017 and therefore the jobs figure will not need adjusting.

**Requirements for further employment land allocations:**

30. In order to achieve the ELR B1 to B8 40% oversupply floorspace requirement to 2017 (see Table 1a, -31,514m² of office floorspace and 61,465m² of Industrial floorspace), additional land needs to be identified within the Ashford Urban area. Table 4 identifies the floorspace potential within the strategic allocated development sites to 2017 – 30,099m² of office space and 45,841m² of industrial floorspace, creating approximately 2543 jobs. This leaves a residual requirement of 1415m² of office space and 15,624m² of industrial space to achieve the full 40% oversupply position. However, the floorspace target without the oversupply (Table 1b) is easily met and the jobs target of 2482 can also be achieved.

31. However, despite this shortfall in oversupply of floorspace it is worth noting that additional floorspace has the ability to come forward through other means. For example, the Repton Park site has an extant planning permission (outline planning permission 02/01565/AS) for three separate employment sites totalling circa 2.5 ha of land. Using the plot ratio of 0.4:1 outlined in the ELR (para 6.19) with the current area being marketed for office development⁶ (2.01ha) it can be identified that Repton Park has the potential to deliver 8,040m² of office space. It is considered that this can be built out before 2017. Using a floorspace ratio of 20m² per job, this site has the potential to deliver approximately 402 jobs.

32. In addition to the above allocations and extant consent, there will be some limited potential for additional floorspace to be provided through the redevelopment and intensification of existing employment stock in the urban area. However, as this is hard to quantify with any great degree of accuracy, no assumptions have been made in this document about this potential source of additional floorspace.

**Conclusion:**

33. This report identifies that 2482 new jobs and a total requirement of 64,756m² (or 92,979m² including a 40% oversupply) of B1 to B8 employment space needs to be identified in the Ashford urban area by 2017. This background document has identified (See Table 4 for summary) that within Eureka Park, Orbital Park, Sevington and Henwood, 75,940m² of floorspace can be developed by 2017. In addition, with the extant permission at Repton Park, this provides for a total of 83,980m² of floorspace, which could deliver up to 2945 new jobs.

34. This generous level of allocation will ensure that a level of choice and oversupply is provided in the market. A significant oversupply of B1 office floorspace is achievable within the DPD period. Whilst the available land for industrial purposes does not on its own achieve a 40% oversupply position, it does achieve the minimum required to deliver sufficient industrial jobs in the DPD period. This is despite the conservative

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⁶ Atrium and GVA Grimley marketing leaflet (2010) ‘Repton Park Ashford, Kent’
assumptions in this paper and the significant short-term infrastructure constraints that prevail. The Paper also demonstrates that the pro-rata jobs target for the DPD of 2482 jobs is likely to be comfortably exceeded as result of the proposed employment allocations and commitments in the DPD.

<table>
<thead>
<tr>
<th>Employment Site</th>
<th>Floorspace that can be provided by 2017 (m²)</th>
<th>Assumed Employment split</th>
<th>Jobs that can be provided within the new floorspace with a ratio of:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eureka Park</td>
<td>30,099* 925</td>
<td>96.5% office space 3.5% manufacturing space</td>
<td>1505 jobs 30 jobs</td>
</tr>
<tr>
<td>Orbital Park</td>
<td>25,400*</td>
<td>90% distribution 10% manufacturing space</td>
<td>486 jobs 85 jobs</td>
</tr>
<tr>
<td>Sevington</td>
<td>11,920</td>
<td>90% distribution 10% manufacturing space</td>
<td>228 jobs 40 jobs</td>
</tr>
<tr>
<td>Henwood</td>
<td>7,596</td>
<td>90% distribution 10% manufacturing space</td>
<td>144 jobs 25 jobs</td>
</tr>
<tr>
<td>Extant Planning Permission</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Repton Park</td>
<td>8,040</td>
<td>100% Office</td>
<td>402 jobs</td>
</tr>
<tr>
<td><strong>TOTALS:</strong></td>
<td><strong>83,980m²</strong></td>
<td></td>
<td><strong>2945 jobs</strong>*</td>
</tr>
</tbody>
</table>

* has the potential to deliver more floorspace than indicated, as development will continue post 2017.

** 38,139m² of office space and 45,841m² of industrial space

*** 1907 office jobs, 1038 industrial jobs

Table 4: Floorspace and jobs that can potentially be supplied on Urban sites to 2017