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**ASHFORD BOROUGH COUNCIL
AND WYE WITH HINXHILL PARISH
COUNCIL
RURAL ECONOMIC ASSESSMENT**

JULY 2014





Nathaniel Lichfield
& Partners

Planning. Design. Economics.



Ashford Borough Council and Wye with Hinxhill Parish Council **Rural Economic Assessment**

Final Report

July 2014



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Ashford Rural Economic Assessment

Ashford Borough Council and
Wye with Hinxhill Parish Council

FINAL REPORT

18 July 2014

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1.0 Introduction

- 1.1 Ashford Borough Council (ABC) and Wye with Hinxhill Parish Council (WHPC) commissioned Nathaniel Lichfield & Partners (NLP) to prepare a Rural Economic Assessment to form part of the evidence base for the Borough's review of its Local Plan to 2030 and the Parish Council's Neighbourhood Plan.

Scope of the Study

- 1.2 The purpose of the study is to assess the likely growth of the rural economy to 2030 and to identify locations within the rural area of Ashford Borough that are capable and suitable for accommodating jobs and industry to support the growth of the local economy. The Council's brief requires:
- 1 A demand analysis for the rural areas to quantify the amount and type of employment land needed across the main employment use classes (excluding retail), including recommendation of any broad locations that are ideally suited to particular uses.
 - 2 Specific assessments for Tenterden (as the Borough's main rural service centre), and Wye, in order to inform the Parish Council's Neighbourhood Plan.
 - 3 Consultation with the local business community to identify if there are any specific demands for additional small-scale business development.
- 1.3 The study area broadly comprises of those parts of the Borough that lie outside the Ashford urban area¹. Eureka Business Park and Chilmington Green Urban Extension are also excluded as these are locations for larger scale developments which have greater functional relationship with the urban area. The 15 wards that comprise the study area are referred to herewith as the 'rural area'.
- 1.4 An important consideration for any work of this type is that it is inevitably a point-in-time assessment. This study has incorporated the latest data and other evidence available at the time of preparation. The accuracy and sources of data derived from third party sources has not been checked or verified by NLP. In line with market conventions, values (i.e. rents) for commercial space are expressed in £ per ft² although metric units of measurements (i.e. m²) have generally been used elsewhere in the report.
- 1.5 As part of the study, consultation was undertaken with a range of stakeholders including commercial agents, economic development and business organisations. A list of consultees is included at Appendix 1. The study has also been informed by two business surveys relating to the Ashford rural area overall and also Wye more specifically.

¹ The study area comprises of 15 wards including Biddenden, Charing, Downs North, Downs West, Isle of Oxney, Rolvenden and Tenterden West, Saxon Shore, St. Michaels, Tenterden North, Tenterden South, Weald Central, Weald East, Weald North, Weald South and Wye.

Report Structure

1.6

The report is structured as follows:

- **Economic Context** (Section 2.0) provides an overview of current economic conditions and recent trends in the Ashford rural area, and its strengths and weaknesses that may affect future growth potential.
- **Employment Space & Property Market** (Section 3.0) details the current stock of employment space and commercial property market trends in the Ashford rural area.
- **Future Growth Potential & Space Requirements** (Section 4.0) considers a range of future growth scenarios for the rural area and the employment space needs associated with these.
- **Appraisal of Rural Settlements** (Section 5.0) assesses the key drivers, opportunities and constraints across the three tiers of rural settlements, and economic growth and space needs.
- **Future Role of Wye** (Section 6.0) provides more detailed analysis of the future economic role of Wye, to help inform the development of Neighbourhood Plan policies by the Parish Council.
- Overall **conclusions** and policy recommendations are provided in Section 7.0.

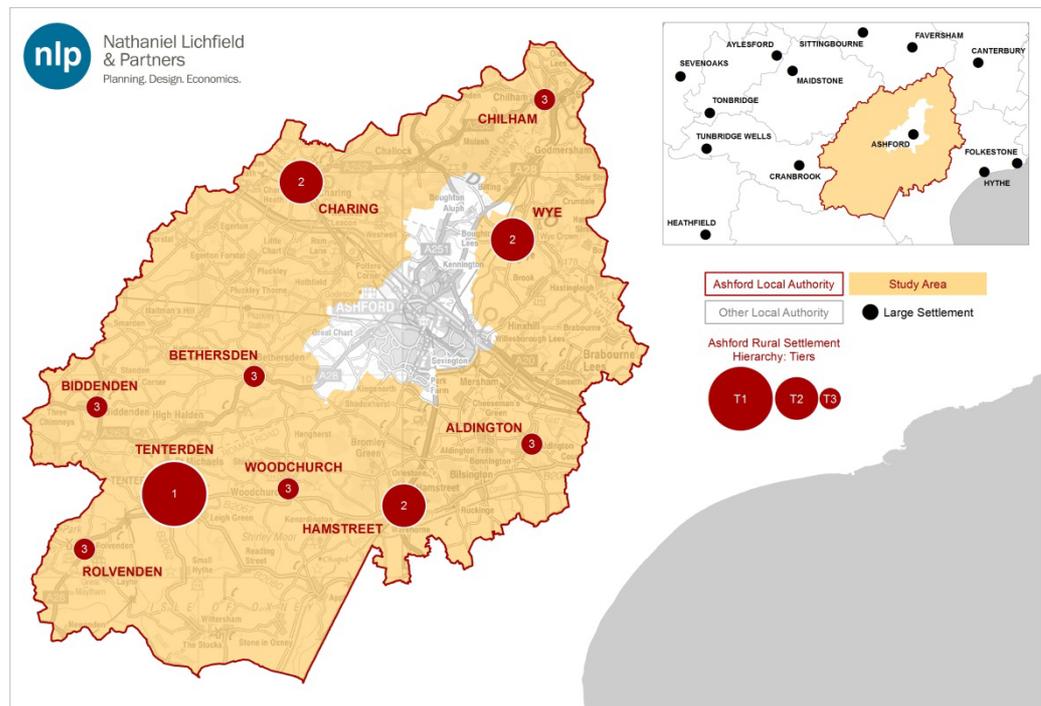
2.0 Economic Context

2.1 This section establishes the economic context for the assessment by briefly reviewing recent economic conditions and trends within Ashford Borough, relative to South East region and the national economy before focusing specifically on the Ashford rural area. This is important in identifying the existing strengths and weaknesses of the local economy, the factors likely to influence the nature and level of future demand for employment space and to highlight any barriers to growth.

Overview

2.2 Ashford Borough is located in mid-Kent, covering an area of 580 square kilometres. Beyond the Ashford urban area where the majority of employment is located, the Borough’s rural area (i.e. the study area) includes a number of smaller settlements including Tenterden, Charing, Hamstreet, Wye, Aldington, Bethersden, Biddenden, Chilham, Rolvenden and Woodchurch that play an important role in the local economy and act as key service centres. The study area is shown in Figure 2.1 below.

Figure 2.1 Study Area Context Map



Source: NLP

2.3 There are two Areas of Outstanding Natural Beauty (AONB): the Kent Downs in the north and east and the High Weald in the south and west. Ashford lies approximately 90km to the south east of London, 25km south west of Canterbury and 30km from Maidstone. Ashford is adjoined to the north by the borough of Swale, by Maidstone and Tunbridge Wells to the west, Rother

district to the south west, Shepway district to the south east, and Canterbury to the north east. In 2012, the population of the Borough was 120,100². The local authority area covers 580 square kilometres.

- 2.4 Ashford is a regional transport hub that benefits from excellent linkages comprising of the M20 motorway, the A28 and the South Eastern mainline and High Speed 1 railways. The M20 connects Ashford to the Channel Port of Dover (consequently the Dover-Calais ferry) and the M25 while the A28 connects to Canterbury and Margate. The railways link Ashford to Dover and central London. High Speed 1 also provides connectivity to continental Europe.

Planning Policy Context

Ashford Borough Council Core Strategy (2008)

- 2.5 Ashford was identified as one of four Growth Areas in the Sustainable Communities Plan (2003)³, and was set a target of building an additional 31,000 homes and creating 28,000 jobs between 2001 and 2031. Ashford Borough Council's Core Strategy establishes a vision for the Borough and identifies how these growth ambitions will be achieved. However, is implicit in stating that:

'Growth targets will not be met by development in the rural part of the Borough. In that area development will be restricted to that which is genuinely needed to ensure the economic and social well-being of rural residents and workers and build sustainable and balanced rural communities'.

- 2.6 The Core Strategy does however, recognise that rural businesses provide many local jobs and services in villages and the rural area and therefore the rural economy needs to be encouraged and stimulated.

Tenterden and Rural Sites DPD (2010)

- 2.7 Tenterden and Rural Sites DPD (2010) is the primary planning policy document governing the rural area of Ashford, covering the period to 2021. The DPD sets out those settlements identified for site allocations using the settlement hierarchy approach as follows; Tenterden (Tier 1), Charing, Hamstreet and Wye (Tier 2) and Aldington, Bethersden, Biddenden, Chilham, Rolvenden and Woodchurch (Tier 3).
- 2.8 In summary, the topic based policies addressing employment contained in the DPD⁴ aim to protect existing employment sites and premises and to promote extensions and the development of new employment premises particularly in Tenterden and the other larger settlements. The Council also looks favourably on the conversion of rural buildings to non-residential or tourism related uses and supports the diversification of existing agricultural businesses.

² ONS 2012, Mid-year population estimates

³ (ODPM, 2003) Sustainable Communities: Building for the Future

⁴ Tenterden and Rural Sites DPD Policies: TRS7-TRS12, TR14

Neighbourhood Planning

- 2.9 Neighbourhood planning was introduced through the Localism Act 2011; a neighbourhood plan covers a geographic area and can be taken forward by town and parish councils or 'neighbourhood forums'. A neighbourhood plan, if approved, becomes part of the statutory development plan for that area and will be used in determining planning applications. Within the Ashford rural area, Wye with Hinxhill, Rolvenden, Bethersden and Boughton Aluph and Eastwell Parishes have been designated as neighbourhood areas..

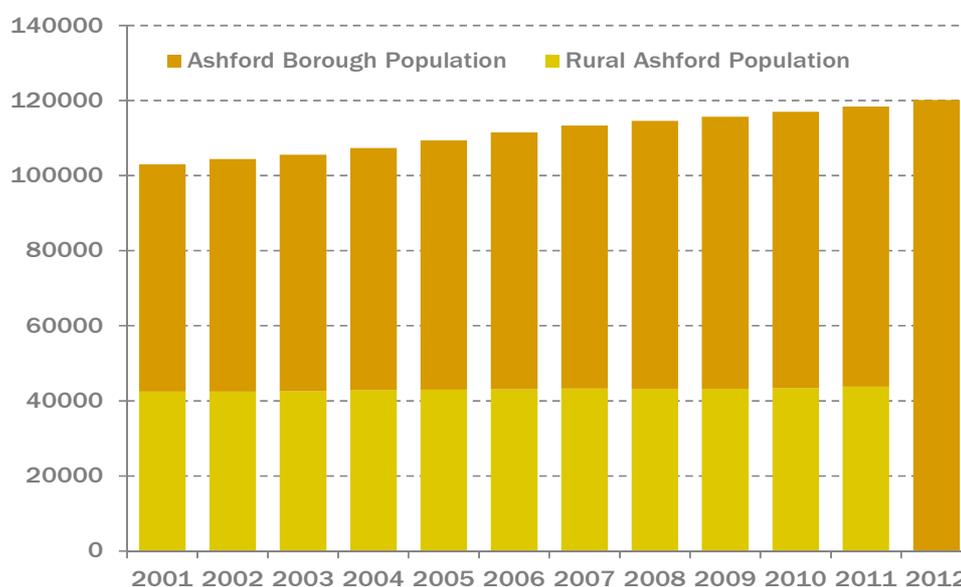
Economic Conditions and Trends

- 2.10 Current economic conditions and trends in the Ashford rural area are summarised below, with comparisons made where appropriate with Borough wide, regional and national averages. Data is from published Office of National Statistics (ONS) sources via Nomis⁵ unless indicated otherwise.

Population

- 2.11 The population of rural Ashford has remained relatively stagnant since 2001 despite significant population increases in Ashford Borough as a whole over the same period as shown in Figure 2.2. In 2011, the total resident population of the rural area was 43,750, having increased by 1,275 people over the period since 2001, equivalent to an increase of 3%. By comparison, the population of the Borough grew by 15% from 103,000 to 118,400 between 2001 and 2011.⁶

Figure 2.2 Ashford Borough and Rural Area Population, 2001-2012⁷



Source: ONS Mid-year Population Estimates, Various Years

⁵ <http://www.nomisweb.co.uk/>

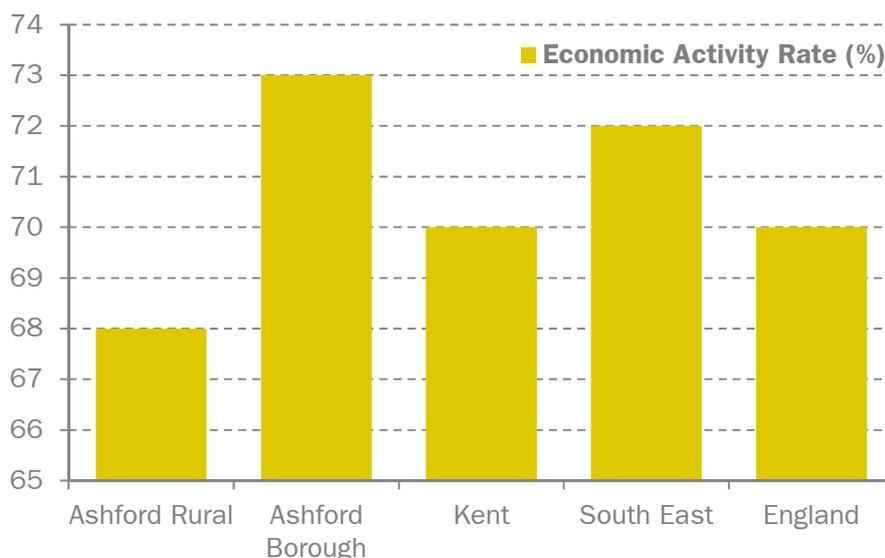
⁶ 2001-2010 data is derived from the ONS Mid-year estimates, 2011 data is sourced from the 2011 Census; no ward level population data is yet available for 2012.

⁷ Population estimates for 2012 and not currently available at ward level

Labour Market

2.12 According to the 2011 Census, almost 21,460 residents or 68% of the 16-74 year old age cohort are economically active in rural Ashford. This is lower than the proportion of Ashford residents that are economically active (73%). Activity rates vary across the various wards in the rural area with the highest levels in Weald East and St. Michael's and the lowest levels in Tenterden North and Charing.

Figure 2.3 Comparison of Economic Activity Rates

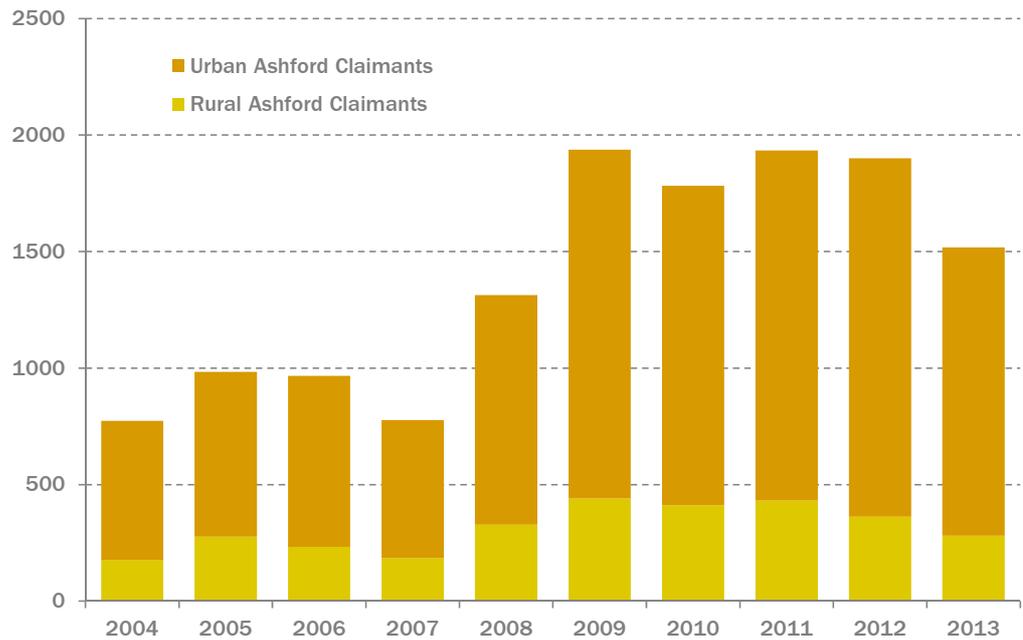


Source: ONS, Census 2011

2.13 A high proportion of the resident population in rural Ashford aged 16 or over has a low level of educational qualifications, with almost 21% holding no formal qualification and a further 30% hold Level 1 and 2 qualifications. Charing, Downs West and Weald South are the wards with the highest proportion of residents with no qualifications while Weald North, Wye and Saxon Shore have the lowest proportion. In terms of higher skill levels, almost 30% of the resident population hold a Level 4 qualification or higher. These proportions vary slightly from county and national levels with 23% of both Kent and national residents holding Level 4 qualifications or higher.

2.14 Claimant unemployment within the working-age population increased by almost 60% in rural Ashford between 2004 and 2013, albeit from a low base. The number of claimants peaked in 2009 reflecting the impact of the recession, but has gradually declined since 2011. By comparison, claimant unemployment increased by over 96% across Ashford between 2004 and 2013, also peaking in 2009.

Figure 2.4 Ashford Resident Population Unemployment Claimant Count (aged 16-64)



Source: ONS / NLP analysis

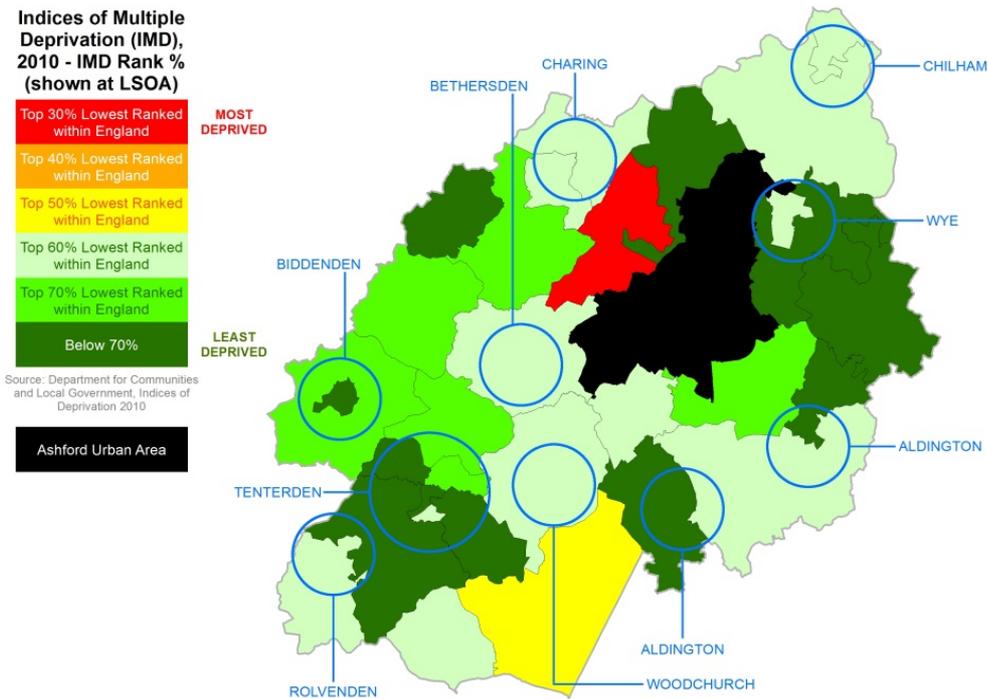
Deprivation

2.15

Ashford Borough ranks 192nd out of 365 local authorities in England in the national Index of Deprivation⁸, where 1 is the most deprived and 365 is the least deprived. Despite this overall rating, rural Ashford primarily falls within the top 60% least deprived LSOAs with the exception of pockets of deprivation in the wards of Downs West adjoining Ashford town and to the south of the Borough in the Isle of Oxney (Figure 2.5).

⁸ CLG, 2010 Indices of Multiple Deprivation

Figure 2.5 Deprivation Map of Rural Ashford



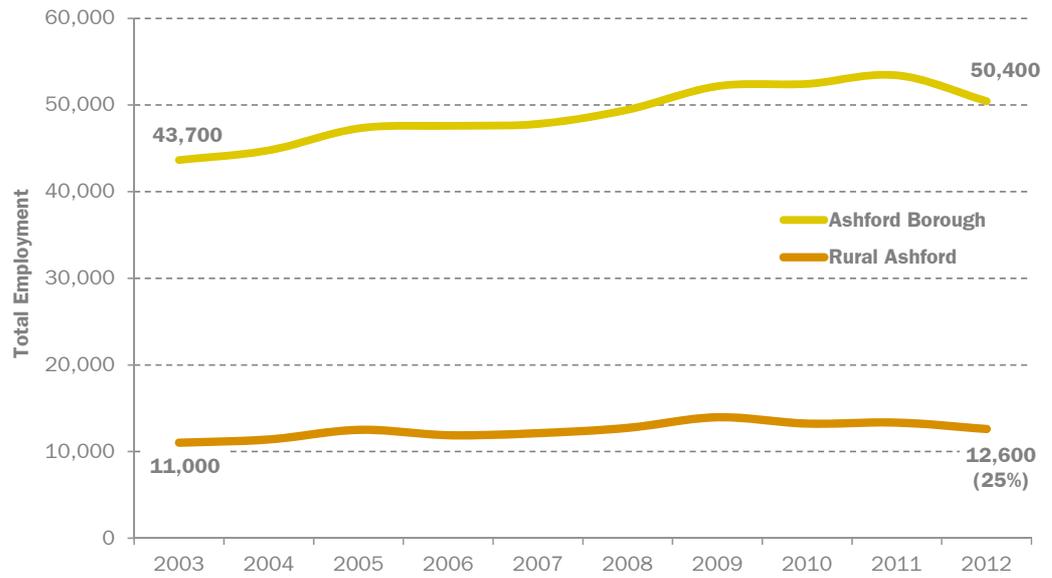
Source: CLG, 2010 Indices of Multiple Deprivation

Employment

- 2.16 Ashford Borough as a whole recorded a total of 50,400 workforce jobs in 2012⁹, representing an increase of just under 16% from its 2003 level. This was significantly higher than growth rates in the wider South East (7%) and Great Britain (7%) over this period. As shown in Figure 2.6, Ashford has experienced continued job growth through the recession but recorded job losses between 2011 and 2012.
- 2.17 Rural Ashford accounts for a quarter (25%) of all jobs in the Borough, a proportion that has remained largely constant over the last 10 years or so. The Borough-wide pattern of employment growth was echoed across rural Ashford, with workforce jobs having increased by around 14% between 2003 and 2012. In absolute terms this represents an increase of approximately 1,600 jobs, although as with Ashford Borough as a whole, employment within rural parts of the Borough has been in decline more recently (Figure 2.6).

⁹ Business Register and Employment Survey 2012

Figure 2.6 Employment Change in Ashford, 2003-2012

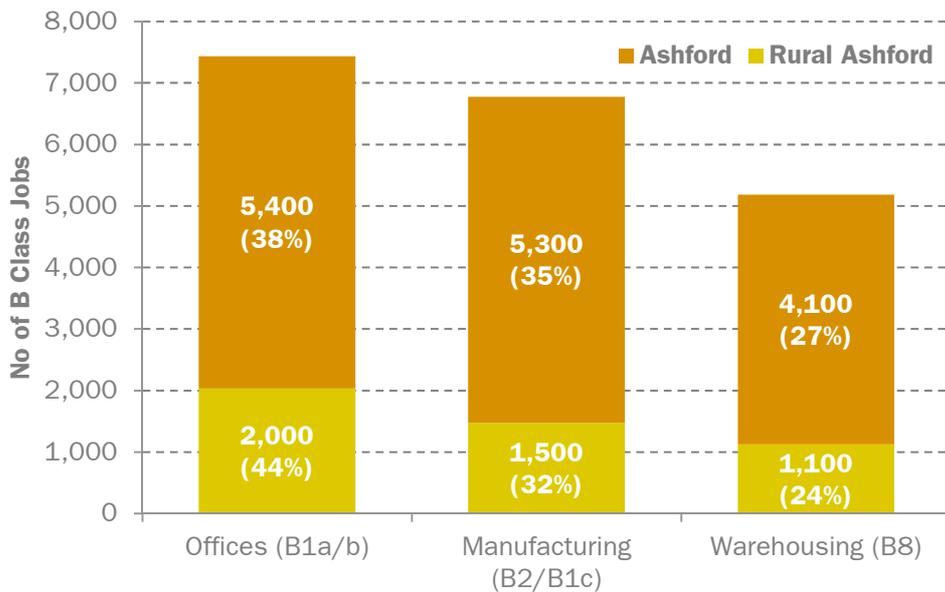


Source: Annual Business Inquiry (2003-2008), Business Register and Employment Survey (2009-2012)

2.18

B class jobs (i.e. offices, industrial and warehousing activities) represent just over a third (37%) of all jobs in rural Ashford. Office (B1) jobs make up the majority of B class jobs (44%), followed by industrial (32%) and warehousing (24%). This split broadly echoes Borough-wide trends, although as shown in Figure 2.7, office-based jobs account for a greater proportion of all B class jobs in Rural Ashford compared with the Borough as a whole.

Figure 2.7 B Class Employment in Ashford (2012)



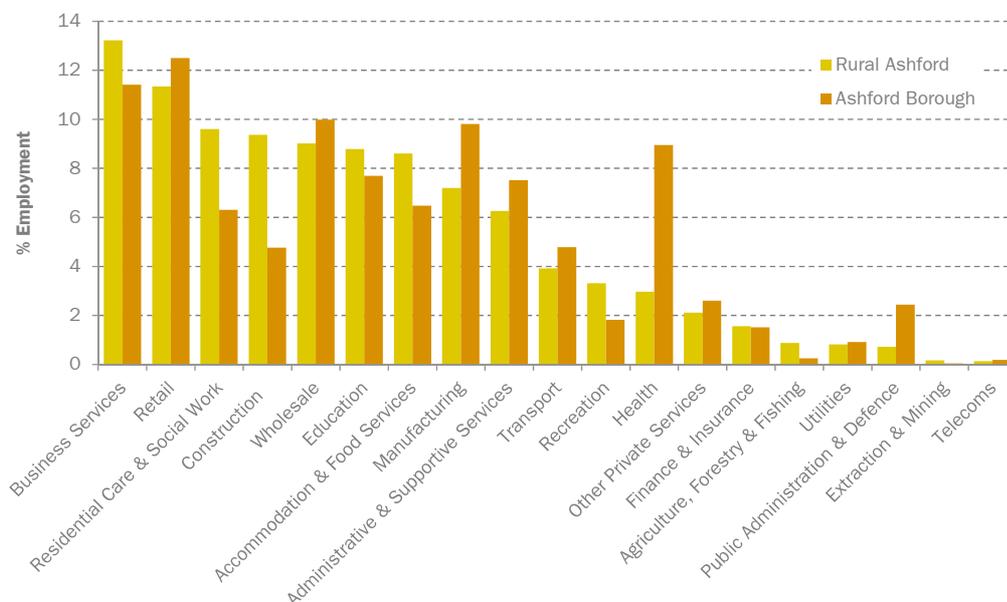
Source: Business Register and Employment Survey 2012

2.19

In employment terms, rural Ashford's largest sectors in 2012 were business services (13.2%) and retail (11.3%), largely echoing the pattern of employment

across the Borough as a whole (Figure 2.8). The social care (9.6%), construction (9.4%) and wholesale (9.0%) sectors also accounted for significant shares of employment. Meanwhile, the healthcare, manufacturing and public admin sectors are under-represented in rural Ashford compared with the Ashford Borough average.

Figure 2.8 Employment by Sector in Ashford (2012)



Source: Business Register and Employment Survey 2012

- 2.20 The tourism sector also makes a significant contribution to the rural economy; the number of employees engaged in this industry is captured by a number of employment sectors including retail, accommodation and food services, hospitality and transport. A Borough wide report indicates that there were 3.9 million visitors in 2011 to Ashford, the economic impact of this scale of tourism was in the region of £240 million and supporting over 3,880 jobs.¹⁰ This study indicates that over 7% of all employee jobs in Ashford are in tourism and tourism-related businesses. Considering the attraction of the AONBs and the North Downs way in particular, it is assumed that a significant proportion of these jobs will be in the rural area.
- 2.21 According to Business Register and Employment Survey 2012 data approximately 1% of all work-place jobs in rural Ashford are within the agricultural, forestry and fishing sector. While this proportion may appear low for a rural area with a horticultural, agricultural and forestry legacy it does not include the processing of by-products which would increase the number of workers substantially.¹¹

¹⁰ Tourism South East, The Economic Impact of Tourism on the Borough of Ashford 2011

¹¹ BRES is a business survey which collects employment information. Readers should be aware that the data presented are estimates, subject to both sampling errors (arising from the fact that the BRES is a survey, not a census) and non-sampling errors.

Spatial Distribution of Employment

2.22 Drawing on Inter-Departmental Business Register (IDBR) data, almost 65% (1,280) of businesses in the study area are located outside the ten key rural settlements. The distribution of the 34% of businesses that are located within the settlements broadly align with the rural settlement hierarchy. As illustrated in Table 2.1, 47% of businesses located within Tier 1 settlement Tenterden, a further 26% of businesses are located in Tier 2 settlements Wye (13%), Charing (8%) and Hamstreet (5%). The remaining 27% of businesses are located in the smaller Tier 3 settlements of Bethersden (5%), Chilham (5%), Rolvenden (5%), Woodchurch (5%), Biddenden (4%) and Aldington (3%). These distributions are reflected by the proportion of employees.

Table 2.1 Distribution of Businesses and Employees across Key Settlements

Location/ Settlement	Number of Businesses (rounded) ¹²	Proportion of Total Businesses (%)	Number of Employees (rounded)	Proportion of Total Employees (%)
Tenterden	340	47	2,840	56
Wye	90	13	510	10
Charing	65	8	400	8
Hamstreet	40	5	270	5
Bethersden	35	5	220	4
Chilham	35	5	180	4
Rolvenden	35	5	150	3
Woodchurch	40	5	240	5
Biddenden	30	4	115	2
Aldington	20	3	150	3
Rural Ashford Settlements Total	730	100	5,075	100
Other	1,280	-	6,500	-

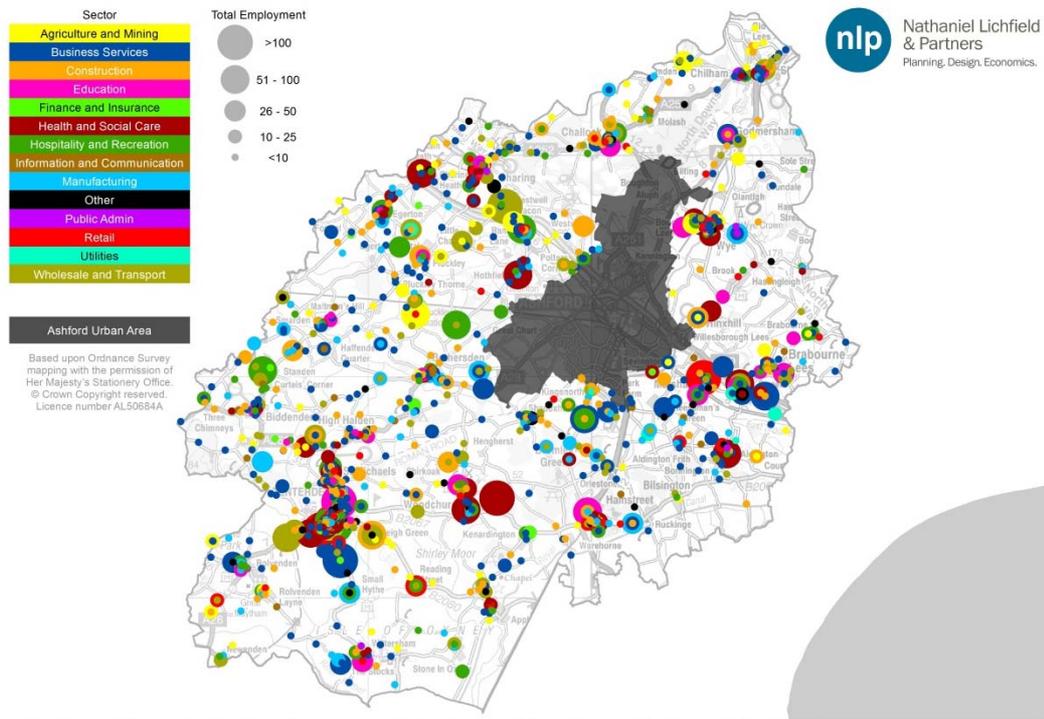
Source: IDBR/NLP Analysis

2.23 Figure 2.9 uses IDBR data to plot spatial distribution of employment by sector and provides an overview of the spatial distribution of key business clusters and employment within Rural Ashford. Although there are clusters of employment around key settlements, other parts of the rural area also play an important role in accommodating rural based jobs in key sectors such as business services, agriculture and hospitality.

2.24 It is also apparent that there are concentrations of employment along the strategic road network including the A28 and A2070 running north-south, the M20 running east-west and the A252; for example Mersham-le-Hatch Business Village and Thorne Business Park.

¹² Figures are rounded to the nearest 5 in accordance to ensure data is non-disclosive

Figure 2.9 Spatial Distribution of Employment and Sectors in Rural Ashford



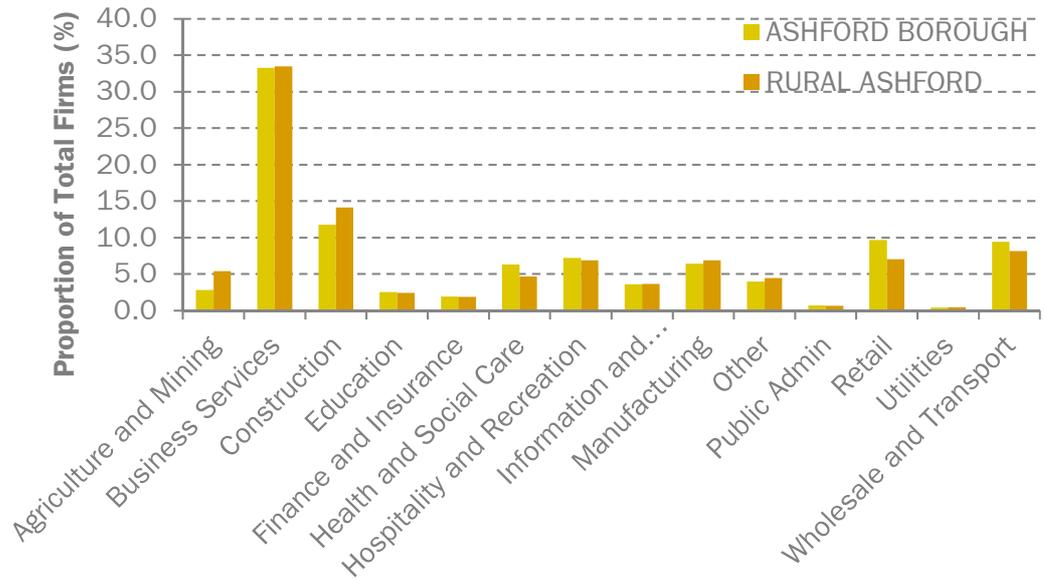
Source: IDBR/ONS/NLP analysis

Business Demography

2.25

Just under half (48%) of Ashford's businesses are based in the rural area of the Borough perhaps reflecting the small scale nature of many rural based firms. Based on the number of firms, business services account for one third (33%) of all business located in rural Ashford and across the Borough in its entirety, while construction accounts for almost 15% in the rural area and approximately 12% in Ashford Borough. Both the retail and wholesale and transport sectors account for approximately 10% of rural based and Borough-wide firms.

Figure 2.10 Proportion of Firms per Sector

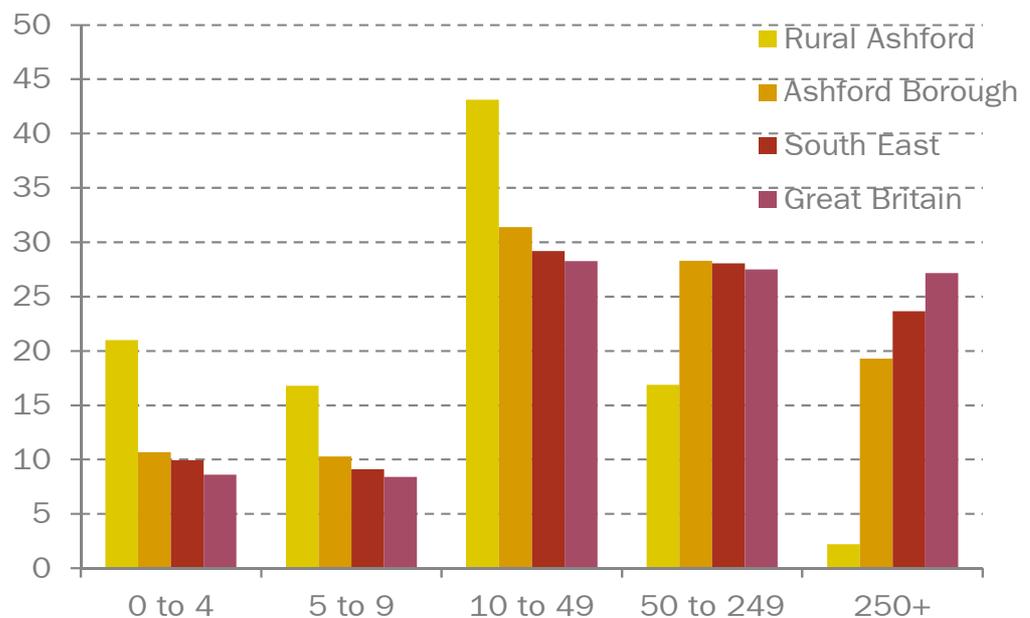


Source: IDBR/NLP Analysis

2.26

Looking at the size of businesses in rural Ashford, 81% of employees work in small to medium sized enterprises with less than 49 employees. As shown in Figure 2.11 the rural area has a significantly higher proportion of employees working in small and medium firms than Ashford Borough (52%), the region (48%) and across Great Britain (45%). Only 2% of employees work in large firms with over 250 employees in the rural area compared to 19% across Ashford Borough as a whole, 24% regionally and 25% in Great Britain.

Figure 2.11 Workplace Based Employment Size Bands, 2012



Source: Business Register and Employment Survey

Homeworking and Self-employment

2.27 A relevant metric to potential demand for rural start-up/small business space is the proportion of the working-age population who identify their home as their primary place of work. Home-based businesses often seek more formalised employment space or access to business support facilities as they grow and expand. Table 2.2 compares 2001 and 2011 Census travel-to-work statistics showing the proportion of working-age population categorised as 'working mainly or at home'.

Table 2.2 Proportion of Working-age Population working mainly at or from home

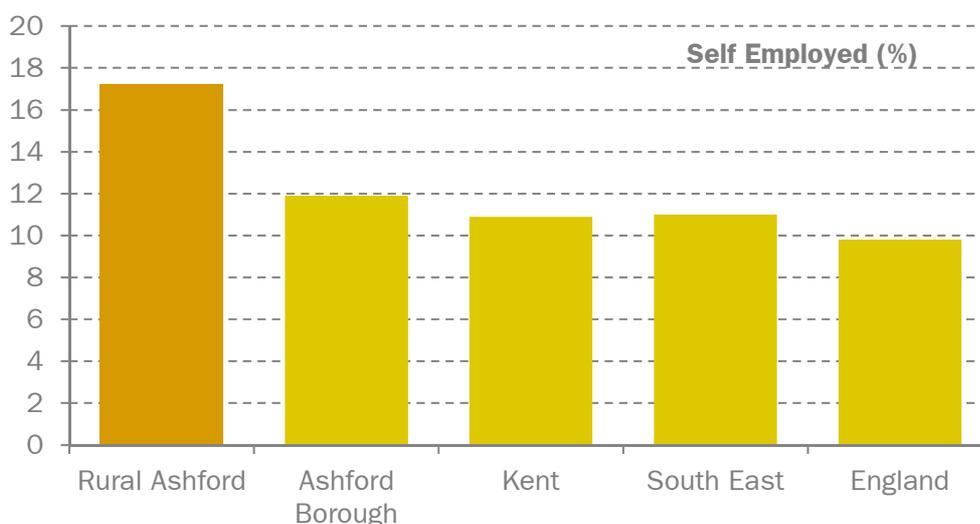
	2001	2011
Ashford	7.6	7.9
Kent	6.3	6.6
South East	6.7	7.3
England	5.8	6.1

Source: 2001/2011 Census travel-to-work statistics

2.28 The data indicates that home-working rates in Ashford are higher than the county, regional and national averages, and this trend has increased slightly over the last decade (in line with regional and national trends). This reflects that, typically, rural areas such as a large portion of Ashford Borough have more remote workers and home-based businesses than urban centres.

2.29 This trend is echoed by data relating to self-employment. According to the 2011 Census, 17% of all working age residents in the rural area are self-employed. Comparatively, this proportion is around 50% higher than the proportion in Kent (11%), the South East (11%) and England (10%) as illustrated in Figure 2.12. In 2001, 15% of residents were self-employed in rural Ashford, the number of self-employed individuals increased by 750 in the inter-Census period 2001-2011.

Figure 2.12 Proportion of Self-employed Residents Aged 16-74



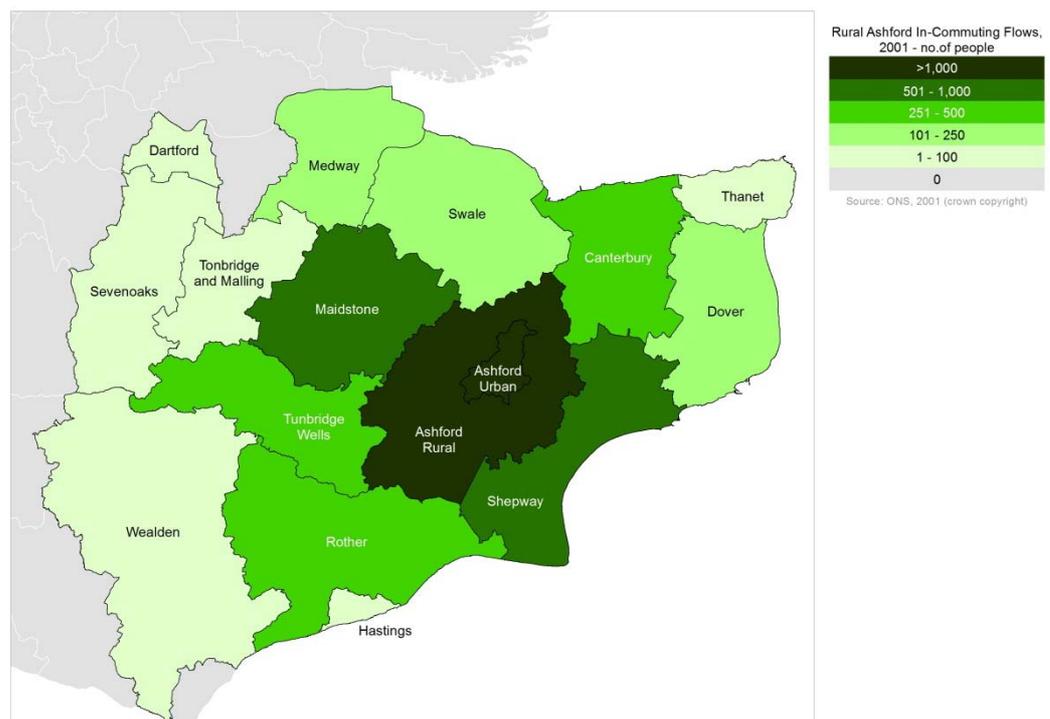
Source: ONS, 2011 Census

2.30 The Council recognises the important role that self-employed and home workers play to Ashford’s rural economy and cites anecdotal evidence that home working has increased in Ashford during the recession, alongside an upturn in self-employment. The Ashford Strategic Economic Framework identifies an opportunity to build upon this trend and a need to ensure that support for rural businesses and home workers is appropriate to their needs. This issue is explored in more detail in the following section.

Functional Economic Area

2.31 Examining commuting flows can help in defining the functional economic market area of a particular local economy¹³. Figures 2.13 and 2.14 indicate that rural Ashford has a relatively self-contained local economy. Almost half of those that work in the rural area also reside there and over three quarters of the local workforce reside within Ashford Borough. The remaining workers predominantly commute in from adjoining local authorities of Shepway (6%), Maidstone (4%), Canterbury (3%) and Tunbridge Wells (2%).

Figure 2.13 In-commuting Flows to Rural Ashford



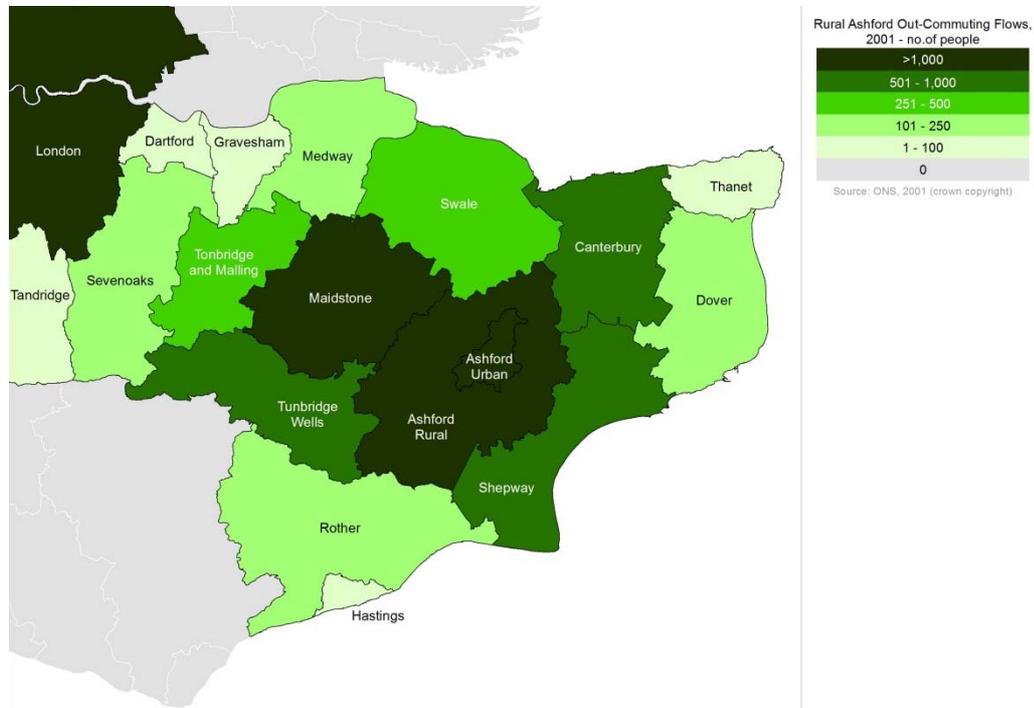
Source: Census, 2001

2.32 Figure 2.14 shows where rural Ashford’s residents commute out to for employment purposes. Significantly, more than two thirds of residents work within the Borough and 50%, equivalent to 550 people work within the rural area. Beyond Ashford, it is apparent that has a strong functional relationship with adjoining local authorities and the Greater London Area exists. In 2001, at least 8% of residents were traveling to London for employment, and this may

¹³ Functional Economic Market Areas: An Economic Note, CLG 2010

have increased since the commencement of High Speed 1 services in 2009. Alongside London, Maidstone (7%), Tunbridge Wells (5%), Shepway (3%) and Canterbury (3%) represent the destination for the majority of out-commuters.

Figure 2.14 Rural Ashford Out-Commuting Flows



Source: Census 2001

Rural Policies in Adjoining Areas

- 2.33 The six authority areas adjoining Ashford, of which all but one (Rother) are located in the county of Kent, have each produced and adopted their own policies promoting sustainable economic development in their rural communities. This reflects the importance of these rural areas to each district's overall economic prosperity. The local authority areas adjoining Ashford are Canterbury, Maidstone, Rother, Shepway, Swale and Tunbridge Wells.
- 2.34 It is important to gain an understanding of the policy approach adopted in each of these adjoining authorities. An indication of some of the rural policies adopted in each of these adjoining areas is presented in Table 2.3; with additional information regarding each of the six authority areas contained in Appendix 5.
- 2.35 Similar strategies have been adopted in each of the adjoining areas for promoting sustainable development within rural areas. Generally, the aim of these policies is to create a thriving rural economy that is supported by a network of towns and villages, which act as essential service centres for the surrounding communities. In this regard, policies pay particular attention to maintaining existing service and employment activities in villages, and generating new employment opportunities in the most sustainable rural settlements (i.e. villages that have existing employment, service and transport

provisions). In addition, all the adjoining authorities have adopted policies that ensure the protection of the amenity of the open countryside from development.

Table 2.3 Review of Rural Planning Policies in Adjoining Authority Areas

Policy type	Canterbury	Maidstone	Rother	Shepway	Swale	Tunbridge Wells
Protect the heritage, landscape and natural resources that contribute to rural character	✓	✓	✓	✓	✓	✓
Encourage development within the most sustainable villages where employment, service and transport choices are present	✓	✓	✓	✓	✓	✓
Consolidate the roles of rural villages as the focus of rural communities by retaining existing services and employment sites	✓	✓	✓	✓	✓	✓
Retain concentrations of employment land to reinvigorate the business economy	✓	✓	✓	✓		
Diversify the rural economy by supporting small businesses in a range of sectors, in order to safeguard against downturns in traditional rural activities	✓	✓	✓	✓	✓	✓
Conversion of rural buildings to generate non-agricultural employment opportunities	✓	✓	✓	✓	✓	✓
Encourage home-working businesses that do not require new employment sites	✓	✓	✓		✓	
Promote tourism and leisure activities that trade on the distinct nature of place	✓	✓	✓	✓	✓	✓
Improve transport infrastructure to provide better access to rural settlements	✓	✓	✓	✓	✓	✓
Improve communication infrastructure to provide better connectivity for rural firms	✓			✓	✓	
Encourage training opportunities to create more self-contained labour markets				✓		

Source: NLP analysis of adopted Core Strategies / Local Plans

2.36

To help reinvigorate the small business economy, which characterises each of the rural economies, policies have been adopted to both retain concentrations of employment sites and deliver new commercial space by converting under-utilised rural buildings. Conversions of rural buildings for non-agricultural uses are supported as a strategy for diversifying the rural economy. For the same reason, tourism and leisure related activities are proposed by all the adjoining areas as vital for growing and diversifying the employment offer in their rural economies.

2.37 For the most part, adjoining authority areas do not provide specific allocations of employment land in their rural areas, but consider the emergence of windfall sites, conversion of rural buildings and promotion of home-working as suitable for meeting much of the demand for new employment space. Where additional employment land is necessary, policies are focused on using brownfield sites within the most sustainable villages to carry out employment development. To promote rural areas as more viable locations for economic development, nearly all the local authority areas considered improvements to transport and communication infrastructure as necessary to better connect rural businesses with the wider commercial networks.

Key Rural Issues

2.38 This section presents some key issues that impact on the functioning of the rural economy in Ashford.

Rural Broadband

2.39 Availability of broadband has significant positive economic, environmental and social impacts. Recent research¹⁴ emphasises that at the local level economic impacts arise from construction effects, productivity growth, enterprise creation, job creation and increased labour force participation. Broadband is also an enabler for international trade and innovation. BT estimate that for a typical rural area in the south-east superfast broadband could lead to an annual increase in GVA of 0.3% per annum over 15 years¹⁵. The availability and quality of broadband coverage are increasingly essential to the relative attractiveness of an area to do business.

2.40 The Government's Universal Service Commitment aims to ensure that everyone will have access to at least basic broadband (with a download speed of 2 Mbs). However, as bandwidths available in urban areas improve it is possible that a 'digital-divide'¹⁶ is emerging. Figure 2.15 maps current broadband availability across Rural Ashford including current and planned deployment of fibre broadband across all network operators¹⁷. While fibre broadband is available in pockets of the rural area such as Tenterden, Rolvenden, Woodchurch and Godmersham as well as areas adjoining Ashford town the majority of the rural area does not have access to fibre broadband.

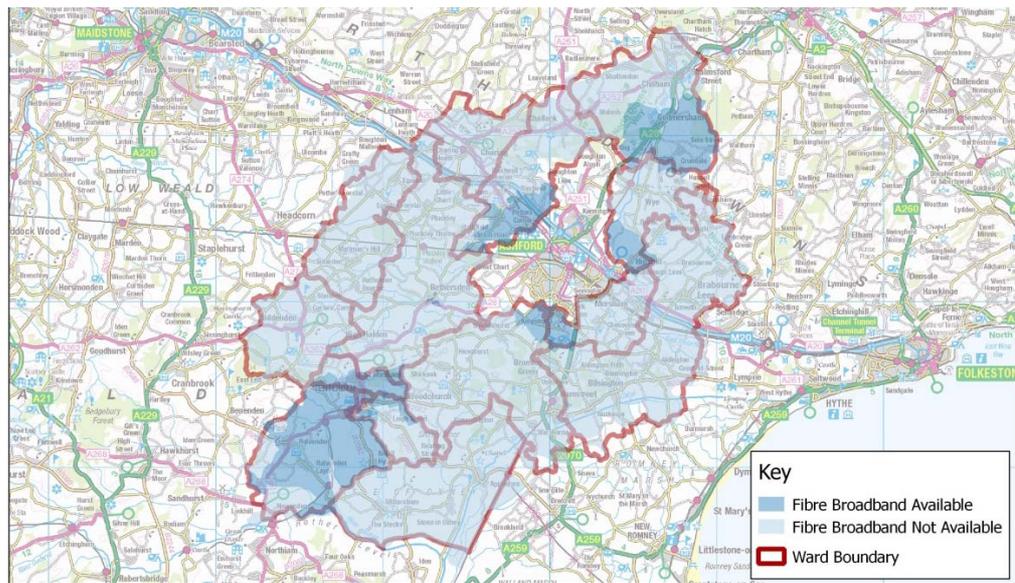
¹⁴ SQW, UK Broadband Economic Impact, Literature Review, February 2013

¹⁵ Regeneris, Social Study 2012 The Economic Impact of BT in the United Kingdom and the South-East

¹⁶ SQW, UK Broadband Economic Impact Study, Impact Report, November 2013

¹⁷ This includes, Virgin Media Cable, BT FTTC and KCC managed projects in Godmersham and Crundale

Figure 2.15 Broadband Availability in Rural Ashford, 2014



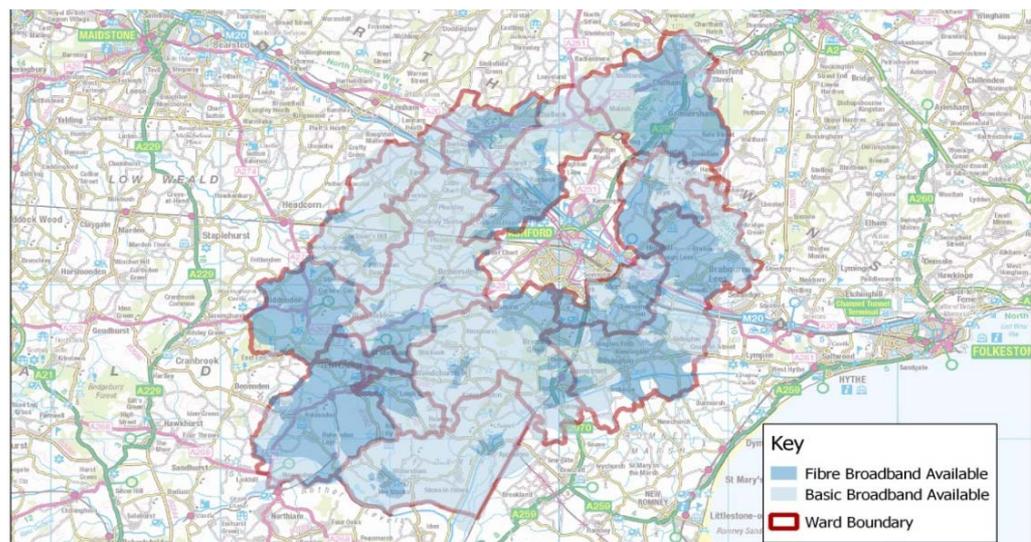
Copyright Kent County Council 2014

Source: Kent County Council, 2014

2.41

Kent County Council is working with Broadband Delivery UK (BDUK) to implement 'Make Kent Quicker', a programme to improve broadband coverage in Kent. The project will be delivered in 8 phases to December 2015. The anticipated coverage across Rural Ashford at the end of the roll-out is shown in Figure 2.16. Post-implementation, broadband will be available in most of key rural service centres such as Wye, Charing, Hamstreet, Aldington, Biddenden and Chilham, (improvements in broadband coverage has already been noted in some of these locations). However, much of the rural area will have to continue to rely on basic broadband.

Figure 2.16 Proposed Broadband Coverage in Rural Ashford post 'Make Kent Quicker' Implementation



Copyright Kent County Council 2014

Source: Kent County Council, 2014

Rural Accessibility

- 2.42 Rural accessibility is essential to the performance of the rural economy and as a facilitator of economic growth. Accessibility varies significantly across Rural Ashford depending on proximity to the strategic road network. Some rural employment sites are well placed such as Mersham-le-Hatch Business Village and Evegat Business Park and Craft Centre which are located close to the M20. Meanwhile a large number of the employment sites in Rural Ashford are located outside the rural service centres in isolated parts of the Borough that often do not benefit from roads capable of handling large volumes of traffic or HGVs resulting in congestion.
- 2.43 It is recognised that freight and logistics makes a significant contribution to the economy, in rural areas agricultural and horticultural sectors in particular generate freight traffic including HGVs. Kent County Council's Freight Action Plan 2012-2016 aims to ensure that HGV traffic remains on the strategic road network however, generally these sectors operate from sites where access is only by local rural roads. This places pressure on the local road network and can affect residential amenity in some locations.
- 2.44 Public transport provision is limited in many parts of Rural Ashford which can impact on the workforce's ability to use public transport to commute to work as well as clients and customers. Consequently, this can influence whether a business locates in a particular location. In most of the key rural settlements with the exception of Tenterden, public transport is limited to irregular bus services while there are no services through much of the rural area. Certain settlements benefit from being located on the train line including Wye, Hamstreet, Charing, Chilham and Pluckley. Improved public transport networks and provision could act to improve the offering of Rural Ashford as an employment location.
- 2.45 In areas with limited public transport in particular, car parking provision is essential. Remote employment sites such as farm conversions generally provide ample parking however; parking provision in certain employment locations like Tenterden is limited and subject to a charge. This can act as a deterrent to businesses looking to locate in some locations as it incurs additional costs for employees and customers.

Conclusions

- 2.46 Population growth in Rural Ashford has lagged behind Borough-wide and regional growth since 2001. The area is generally affluent but pockets of deprivation do exist. The labour market in the rural area is characterised by a lower than average economic activity rate, variations in levels of educational attainment and increasingly levels of unemployment during the recession. In combination, these factors could have implications for the availability of labour supply in the future.
- 2.47 The economy demonstrated robustness throughout the recessionary period with workforce job growth significantly outpacing regional and national trends

since 2003. The rural area accommodates 25% of all jobs in Ashford Borough and just under half of Ashford's businesses and consequently is an important component of the Borough's economy.

- 2.48 B class jobs including office, industrial and warehousing activities represent just over a third of all jobs in Rural Ashford, while the largest sectors in 2012 were business services and retail. The social care, construction and wholesale sectors also accounted for significant shares of employment. This indicates that there has been a shift away from sectors traditionally associated with rural economies such as agriculture and horticulture.
- 2.49 Almost 65% of businesses in the study area are located outside the ten key rural settlements, this dispersed distribution reduces benefits associated with clustering of businesses and induced spending in local shops and services. Nevertheless, the distribution of the 34% of businesses that are located within the settlements broadly align with the rural settlement hierarchy.
- 2.50 The majority of business are small to medium sized enterprises with less than 10 employees, there are no large employers located in the rural area. Levels of self-employment and home working are above regional and national levels. These trends create demand for small to medium workspace units and 'move' on space.
- 2.51 Rural Ashford is a relatively self-contained local economy with half of residents also working in the area. Of those who commute out they generally travel to adjoining local authorities and the Greater London Area. When comparing Ashford and adjoining local authorities, it appears that many adopt similar and policy and strategy objectives to support the functioning of the rural economy in their area.
- 2.52 The availability of broadband and good access are essential to ensuring the growth and expansion of the local rural economy. Despite the planned upgrading of broadband provision across the rural area to 2015, coverage will still be limited in certain parts of the rural area which may restrict the future growth potential of these areas.

3.0

Employment Space & Property Market

3.1

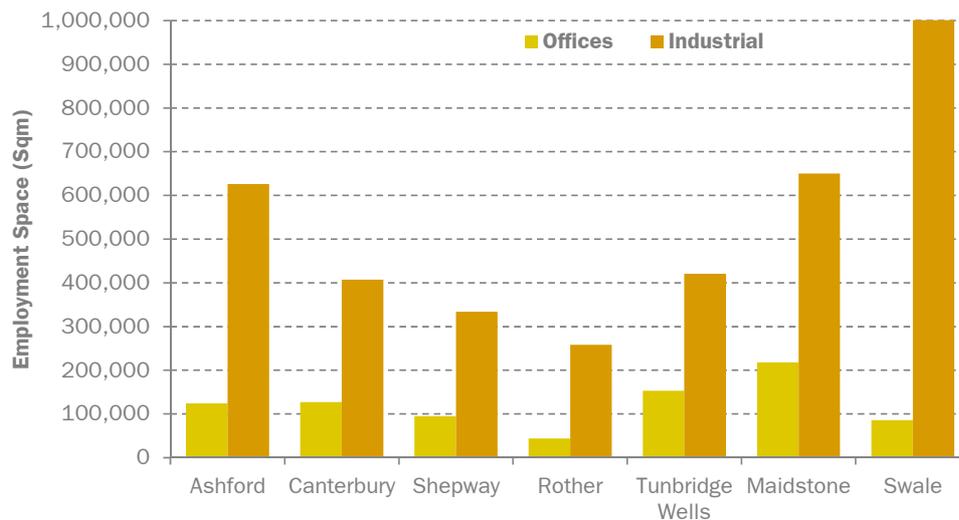
This section provides an overview of the current stock of employment space with the Ashford rural area, and reviews property market trends based on published statistics and consultation with a number of commercial property agents active in the area.

Current Stock of Employment Space

3.2

Ashford contained some 750,000sq.m of B class floorspace in 2012, the majority, 83% relate to industrial uses. A comparison with employment space levels in nearby districts is shown in Figure 3.1, indicating that the total stock of employment space in Ashford as a whole is the third largest of all seven adjoining local authority areas, behind Swale and Maidstone. Nevertheless, Ashford has more B1 office space than Swale and only marginally less industrial space than Maidstone.

Figure 3.1 Employment floorspace by District (Sq.m)



Source: VOA 2012 / NLP analysis

3.3

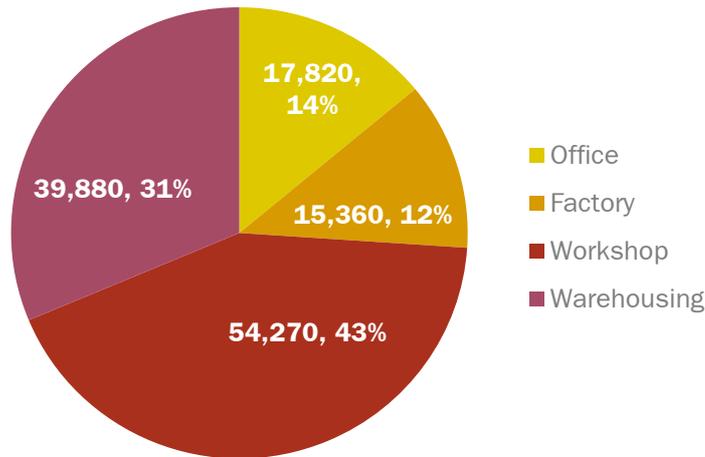
According to published VOA data, both commercial office and industrial space increased across the Borough as a whole at a much faster rate than the South East and England and Wales, over the 12 year period 2000-2012. This points to a relatively high rate of new development in Ashford in recent years.

3.4

Rural Ashford plays an important role in accommodating the Borough's employment space, with approximately 127,300sqm of B class space recorded by the VOA across the rural area in 2010. This represents just under a quarter (24%) of all B class space recorded in the Borough¹⁸, matching the proportion of jobs based within the rural area of Ashford. The breakdown of the B-class employment floorspace located in rural Ashford is shown in Figure 3.2.

¹⁸ Equivalent to 526,130sqm as recorded by the VOA in 2010 – this differs from the figure of 750,000sqm quoted in 3.2 above, which relates to a different VOA data set and point in time (2012)

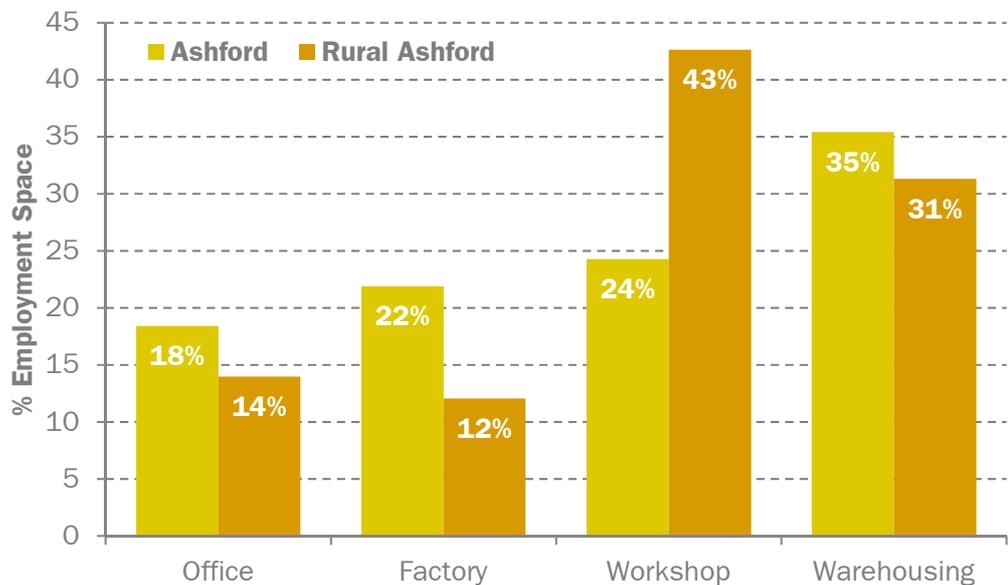
Figure 3.2 Breakdown of B-Class Floorspace in Rural Ashford



Source: VOA, 2010

3.5 As shown in Figure 3.2 and 3.3, employment stock in Rural Ashford is dominated by industrial uses, namely workshop (43%) and warehousing (31%) space. Office space represents a slightly lower proportion of all employment space across rural parts of the Borough compared with Ashford as a whole.

Figure 3.3 Employment Space by Type

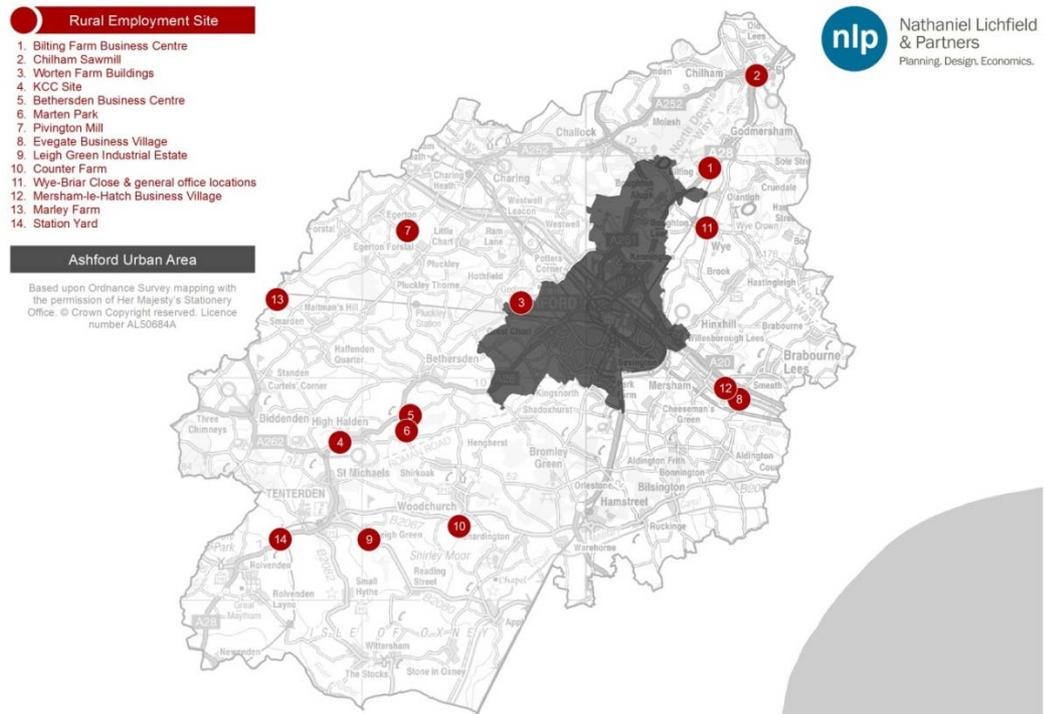


Source: VOA 2010 / NLP analysis

Spatial Distribution

3.6 Some of the larger key employment sites located in Rural Ashford are mapped in Figure 3.4. There are other employment sites distributed throughout the rural area that provide smaller concentrations of employment.

Figure 3.4 Key Employment Sites in Rural Ashford



Source: NLP Analysis

3.7 Based on Valuation Office Agency Data, 56% (10,000sqm) of office space and 71% (77,700sqm) of industrial space in the rural area is located outside the Tier 1, 2 and 3 settlements. Office floorspace across the ten rural service centres equates to 7,820sqm or 44% of the rural area total while there is 31,810 sqm of industrial floorspace equalling 29% of the total (Table 3.1).

Table 3.1 Location of Employment Floorspace in Rural Ashford

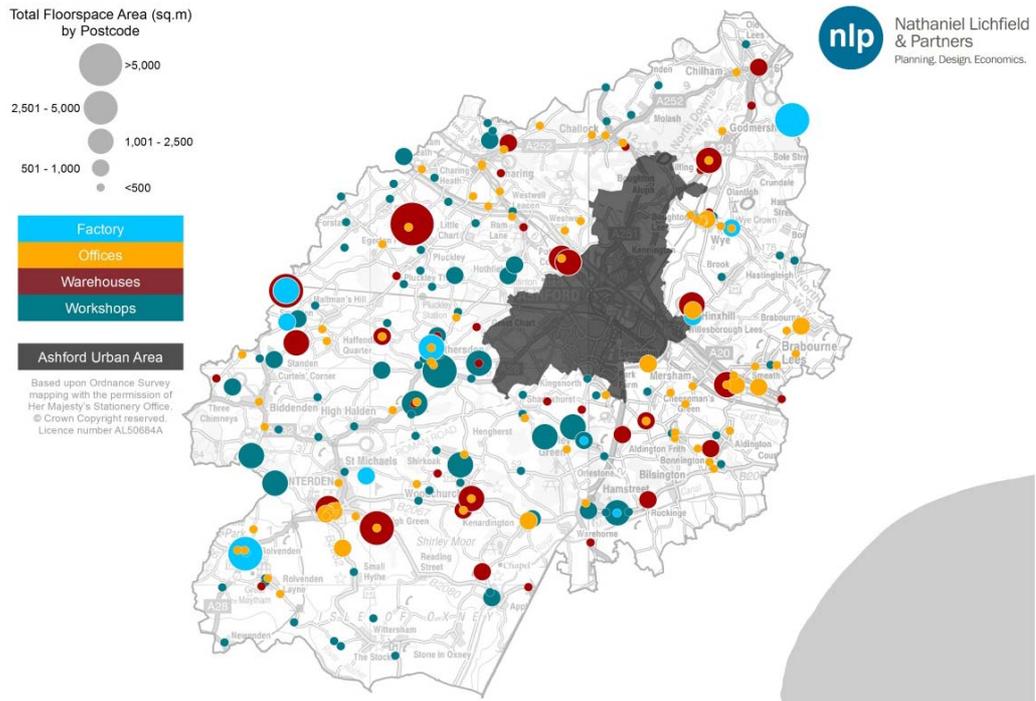
Location/Settlement	Proportion of Office Space	Proportion of Industrial Space (Factory, Workshop and Warehouse)
Tenterden	23.4	8.5
Charing	1.5	1.4
Hamstreet	0.3	2.8
Wye	10.7	1.5
Aldington	1.1	0.8
Bethersden	3.2	5.4
Biddenden	0.6	0
Chilham	0.5	0.5
Rolvenden	2.0	4.6
Woodchurch	0.7	3.6
Other	56.1	71.0
Rural Ashford Total	100%	100%

Source: VOA 2010 / NLP analysis

3.8

Figure 3.5 maps the spatial distribution of employment floorspace in rural Ashford. Along with Table 3.1 it shows offices are primarily located in Tenterden, Wye and Smeeth. Industrial space is more widely distributed and is generally located outside settlements. This is reflective of the fact that much of the industrial floorspace consists of converted or adapted agricultural buildings. Factory floorspace comprises of a small number of larger units including Rother Valley Timber, Rolverden (4,430 sqm), Thruxted Mill, Waltham (2,560 sqm) and Marley Farm, Smarden (2,460 sqm).

Figure 3.5 Spatial Distribution of Employment Floorspace in Rural Ashford



Source: VOA 2010 / NLP analysis

Vacancy

3.9

A review of commercial property being marketed in Rural Ashford in January 2014 indicates that approximately 2,000sq.m of office floorspace and 2,600sq.m of industrial floorspace is currently available across the rural part of the Borough, summarised below in Table 3.2.

Table 3.2 Vacant Office and Industrial Premises

Type of Space	Premises Name	Location	Sq.m being marketed
Offices	Havisham House, Bounds Cross	Biddenden	37
	Sayers Lane	Tenterden	145
	Sidelands	Wye	1,338
	Zealds House, Church Street	Wye	13
	Pevington Farm	Pluckley	92
	Thorne Business Park	Bethersden	142
	Mersham-Le-Hatch Business Village	Smeeth	90
	Leigh Green	Tenterden	151
	<i>Offices sub-total</i>		<i>2,008</i>
Industrial	Sidelands	Wye	385
	Counter Farm	Woodchurch	892
	Town Barn	Smarden	210
	Crompton's Barn	Charing Heath	125
	Walnut Tree Farm Building	Smeeth	321
	Station Yard	Pluckley	46
	Blindgrooms Lane	Shadoxhurst	60
	Leigh Green	Tenterden	549
<i>Industrial sub-total</i>		<i>2,588</i>	
Total (rounded)			4,600

Source: EGI (January 2014)

- 3.10 The majority of the vacant office space relates to a mix of rural business units accommodated on a c.1.2ha site off Top Road approximately 1 mile to the east of Wye Village. The remaining space currently being marketed is of a much smaller scale, comprising town centre office space above retail in Tenterden (145sq.m), a unit in Leigh Green Industrial Estate, a barn conversion office development at Thorne Business Park to the north east of Bethersden (142sq.m), first floor office space and storage in Pluckley (92sq.m), high quality single storey office building in the rural Mersham-Le-Hatch Business Village (90sq.m), a small 13sq.m office space in Wye village centre and three small office suites within a rural business centre in Bounds Cross, Biddenden (37sq.m).
- 3.11 In terms of vacant industrial space, the key sites predominantly consist of dry storage farm buildings that have been refurbished into workshop and warehouse type units including at Counter Farm (892sq.m) and Walnut Tree Farm in Smeeth. There is also 550sqm of light industrial space available at Leigh Green Industrial Estate, Tenterden. A number of former station and goods yards are being marketed for open storage purposes, these sites also include associated small workshop or office units, for example, Station Yard in Pluckley and Blindgrooms Lane in Shadoxhurst.
- 3.12 This indicates a vacancy level for office stock of just over 11%, and approximately 2% for industrial space. The vacancy rate for industrial stock

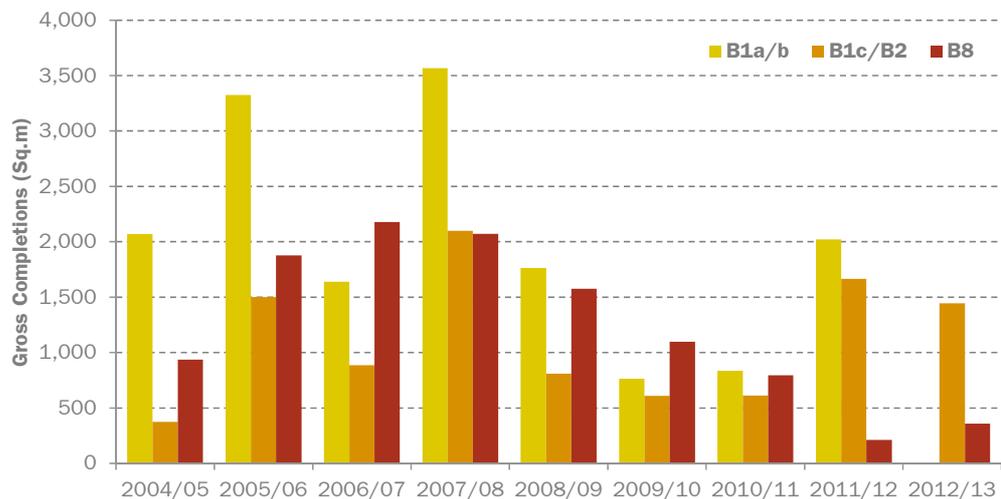
appears to be lower than typical availability levels of around 10% for standard commercial property markets that allow for a certain amount of available space for firms to relocate and expand. This suggests a relatively tight supply of employment land relative to demand in Rural Ashford.

Development Rates

3.13

The gross amount of floorspace developed for employment uses in Rural Ashford over the last nine years is shown in Figure 3.6. Just over 4,120sq.m of gross B Class space was developed per annum across Rural Ashford between 2004 and 2013. This represents just over a fifth (21%) of all development completed across Ashford Borough over this time. The majority (43%) of new floorspace was developed for B1a/b office uses, with B1c/B2 factory/industrial uses and B8 distribution uses accounting for the remaining 27% and 30% of average annual gross completions respectively.

Figure 3.6 Gross Development Rates in Rural Ashford, 2004-13



Source: Kent County Council Monitoring Data / NLP analysis

3.14

Figure 3.6 shows that the level of new development in the rural area of the Borough has been relatively uneven over recent years, particularly in terms of office and distribution development.

3.15

The level of development peaked in 2007/08 (just before the onset of recession) with Rural Ashford recording total gross completions (7,740sq.m) that were nearly twice as high as the annual average over the last nine years. This spike reflected a number of developments that were completed during the monitoring year 2007/08 including Leacon Farm in Charing (B1 and B2), Parkgate Centre & Business Park in Tenterden (B1 and B8) and High House Farm in Kenardington (B1 and B8).

3.16

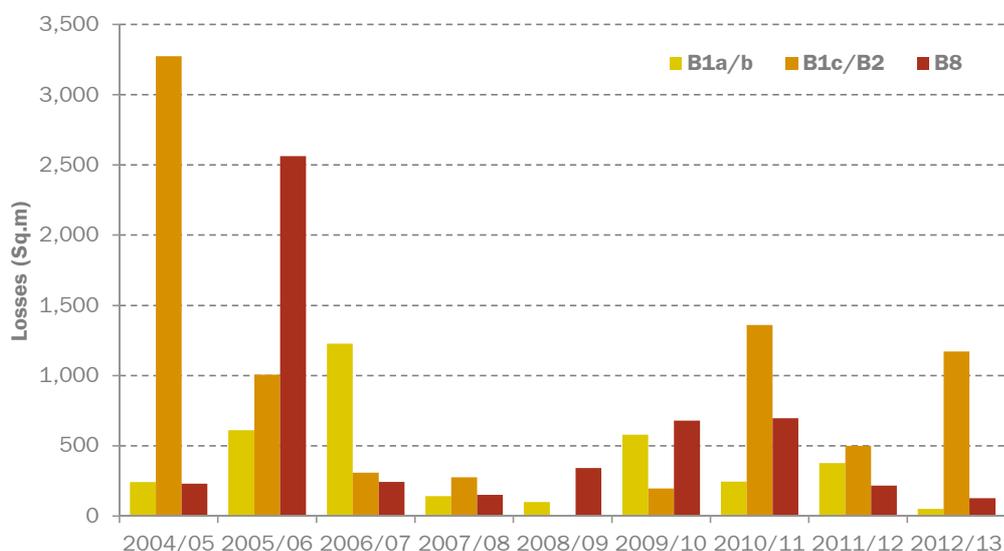
Overall levels of B class development in Rural Ashford have gradually declined in recent years, reflecting the wider pattern of development across Ashford Borough as a whole.

- 3.17 Across the period as a whole, the net development rate across Rural Ashford was around half the gross rate, at 2,240sq.m p.a., reflecting losses of B class space through redevelopment to other uses, as detailed below.

Losses of Employment Space

- 3.18 Kent County Council monitoring data indicates that past losses of employment land to other uses in Rural Ashford have been very variable by year and by B use class (Figure 3.7). In particular, 2004/05 and 2005/06 stand out as recording significant losses of industrial space¹⁹, although losses have significantly declined since then.

Figure 3.7 B Class Losses by year (2004-13)



Source: Kent County Council Monitoring Data / NLP analysis

- 3.19 Rural Ashford recorded an annual average loss of 1,880sq.m for the period 2004-2013, the majority (79%) of which related to industrial space. This loss of industrial space is likely to partly reflect wider trends within the manufacturing sector as the economy has restructured over recent years. Meanwhile, an annual average of just under 400sq.m of office space was lost across the rural area of Ashford over this period.

Permitted Development Rights

- 3.20 Permitted development rights are a national grant of planning permission which allow certain building works and changes of use to be carried out without having to make a planning application. Of relevance, permitted development rights to allow change of use from offices to residential which can result in the loss of employment floorspace were introduced in 2013 subject to a prior

¹⁹ More than half (56%) of all employment space lost in 2004/05 related to the loss of B2 industrial space at Chilham Saw Mills, Bagham with the same proportion of losses (56%) recorded in 2005/06 relating to the loss of B8 warehousing space at Marley Farm in Smarden

approval process. There are also rights to allow shops and existing buildings used for agricultural purposes of up to 150 sq m to change to residential use.

- 3.21 Analysis of the Ashford Borough Council planning application database indicates that there has only been one prior notification of proposed change of use submitted to the Council in the rural area since the introduction of these new rules in 2013 and therefore has not resulted in a tangible loss of employment space as has been the case in other local authority areas. The sole notification that has been submitted in the rural area, resulted in the loss of B1a employment floorspace in Tenterden to residential use.
- 3.22 It is worth noting that there has been a number of planning applications submitted for change of use from employment space to residential uses and change of use from residential to employment uses, albeit at a limited scale, these are captured in the monitoring data presented above.

Emerging Supply of Employment Space

- 3.23 The supply of employment space in the development pipeline comes from sites currently allocated for employment development (with undeveloped land still available) and from other sites with outstanding planning permission (which has either not been started or is under construction). Based on Council monitoring data at October 2013, Rural Ashford's employment land supply totals 10,400sq.m, broken down as follows in Table 3.3.

Table 3.3 Available Employment Space in Rural Ashford

	New Employment Space (sqm)			
	Industrial (B1c/B2/B8)	Offices (B1a/b)	Mixed (B1-B8)	Total
Extant planning permissions (not started)	6,630	770	1,020	8,420
Extant planning permissions (under construction)	1,080	910	0	1,990
Total	7,710	1,680	1,020	10,410

Source: Kent County Council, March 2013 / NLP analysis

- 3.24 The majority of identified supply (81%) comprises extant planning permissions that have not yet been started, with the remaining 19% representing planning permissions that are currently under construction. In use class terms, nearly three quarters (74%) of this space relates to industrial use (B1c/B2 and B8), with just 1,680 sq.m or 16% comprising office (B1a/b) uses. A further 10% of extant planning permissions relate to a mix of B class uses.
- 3.25 Whilst this employment space is distributed across the rural area of the Borough, the majority is concentrated on a small number of sites in and around the settlements of Rolvenden and Wye (accounting for 67% of all B class permissions between them) (Table 3.4). The remaining space relates to very small scale developments dispersed across the rural area and often located outside of the main rural settlements, for example on individual farms.

Table 3.4 Available Employment Space in Rural Ashford by Location

Settlement	New Employment Space (sq.m) (All B uses)	% of Total
Tenterden	570	5.4
Charing	380	3.6
Hamstreet	-80	n/a
Wye	2,150	20.7
Aldington	0	0
Bethersden	610	5.9
Biddenden	420	4.1
Chilham	0	0
Rolvenden	4,830	46.4
Woodchurch	780	7.5
Other	740	7.1
Rural Ashford Total	10,400	100

Source: Kent County Council, March 2013 / NLP analysis

- 3.26 Beyond these extant planning permissions, there are no formal employment allocations in the rural part of the Borough to include within an analysis of emerging supply, and although there is likely to be some vacant space available across Rural Ashford's existing employment sites, NLP have not assessed or inspected these sites as part of the REA and it is therefore not possible to accurately estimate the associated surplus capacity.
- 3.27 It is also important to note that there is no guarantee that existing permissions will be implemented over the plan period, and that some of these permissions relate to specific schemes and users and may therefore be less able to meet general future needs.

Property Market Trends

- 3.28 Discussions have been held with a number of commercial property agents active in the Ashford (and wider Kent) rural property market to understand recent trends in the demand and supply of B-class employment space. This provides a qualitative perspective that can assist with the interpretation of the quantitative requirements, but also consider key questions regarding the delivery of new employment space in the future.

Offices

- 3.29 Agents reported a reasonably buoyant market for small-scale offices, particularly amongst professional and business service firms. Many of these are small enterprises or new start-ups, and there has been particular growth during the recession as some unemployed workers have opted to start their own businesses. The rural office market is viewed as separate from the urban Ashford market, which is generally more expensive and provides larger accommodation (albeit of mixed quality). Rural sites generally benefit from

greater car parking provision compared to town centre sites, and many rural businesses prefer to seek locations close to where the owner and/or workforce resides for convenience and quality of life factors.

- 3.30 Space requirements are typically in the order of 500-1000 sq.ft, with rental levels up to £15 per sq.ft for the highest specification space, but there tend to also be a range of less expensive premises available. Broadband connectivity is increasingly important in determining the market appeal (and rental levels) of office premises, with most office-based businesses now seeking this as a minimum requirement in terms of both upload and download speeds.
- 3.31 The market has traditionally been supplied by conversions of agricultural buildings (e.g. barns) and other rural premises, which means that supply is widely distributed and often in isolated locations. Agents indicated that this source of supply may diminish in the future as the number of potential conversions reduced, but also increased competition from higher value residential uses. There has been no significant development of speculative office accommodation in the rural area, and agents considered that this was unlikely to change to any significant degree reflecting uncertain levels of demand, and the weaker covenant strength of smaller businesses who typically seek flexible terms and shorter leases. For example, small business may seek initial lease terms of 6-12 months, but with landlords more likely to require 3-5 year leases (albeit with break clauses) which can act as a disincentive.
- 3.32 Bringing forward new office supply could take the form of small office 'hubs' within or close to the larger settlements, with accommodation structured to range from smaller units on flexible terms to larger units for more established businesses. Achieving critical mass in a few hub locations would help sustain shared facilities such as meeting rooms, broadband access and potentially some business support services. Such an initiative may, however, need public sector support in terms of finding sites and funding.

Industrial

- 3.33 The industrial and warehousing market is more established in the rural area, with a significant stock of workshop, industrial and small warehousing accommodation. There are some stand-alone estates (e.g. Leigh Green) which are popular and generally have low vacancy levels, but also a significant supply of smaller, cheaper accommodation, for example converted farm buildings. These are widely distributed across the rural area.
- 3.34 The majority of space requirements are typically up to 10,000 sq.ft, with rental values typically in the range of £3-6 per sq.ft. These values mean that there is very limited market incentive for delivery of new space (particularly speculative), which in part reflects the demand profile is mainly from firms seeking cheaper space. One of the main issues facing potential occupiers is that access for Heavy Goods Vehicles (HGVs) in some locations is a major constraint to operations, and therefore premises closer to strategic routes are preferred (but command a price premium).

- 3.35 In terms of future supply, agents considered there would be merit in allowing some expansion of the more established industrial estates, generally located on main routes and closer to rural settlements, to allow for expansion of existing industrial occupiers and to help provide some medium/larger premises with more formal servicing and access arrangements. That might help alleviate issues with those larger businesses currently located in less accessible rural locations, but also stimulate some churn within the stock so that smaller, cheaper space can become available for other businesses including start-ups.

Needs of Rural Businesses

- 3.36 The 'Rural Business Survey' was undertaken by the Ashford Borough Council in December 2013 to better understand the needs of rural businesses operating within the Borough, and the main factors that support and inhibit their growth. This survey involved a sample of 26 local businesses across a range of sectors and rural locations in Rural Ashford. A summary of the key findings is set out below, with a selection of quotes presented in Appendix 3.

Business Profile

- 3.37 The survey obtained responses from local businesses operating within a range of sectors including manufacturing, business services, IT, hospitality and tourism, and retail. Most of the businesses traded locally and regionally, while half also traded to some degree at the national level. In addition, approximately 42% of the businesses traded internationally, although most estimated that this only made up less than a third of their business activities. Reflecting the SME business base of the rural area in Ashford as described in Section 2.0, around 69% of the surveyed local businesses employed five or less workers.

Current Business Premises

- 3.38 Over half the businesses surveyed indicated that their premises in rural Ashford was their sole location, while a further 35% indicated it was their headquarters, only 12% indicated it was their back office location. The largest proportion of businesses surveyed indicated that they currently operate from home (48%), which confirms the trend toward homeworking described above (Section 2). Additionally, a further 20% of businesses described their type of location as a stand-alone rural sites, this correlates with the IDBR data and provides an explanation as to the widespread distribution of employment space. Other employment locations were more evenly spread across small town and village centres (16%), and business estates (16%). The main factors for these locational decisions were the availability of premises, proximity to other businesses and customers, and the fact that business owners tended to live locally. More than 60% of the businesses had been located in their existing premises for more than five years and 35% for more than fifteen years.
- 3.39 The majority of the surveyed businesses (76%) were satisfied with the quality of their existing site and premises, which were generally cited as either 'good' or 'excellent' in meeting their current requirements. However a higher

proportion of the businesses described the location of their site as either 'poor' or only 'adequate' in the meeting their needs, with poor road infrastructure and weak labour supply seen as key drawbacks to the local area.

- 3.40 Some 36% of the businesses surveyed also indicated they did not have enough space to meet their existing requirements, with the majority (60%) considering up to 1,000 sq ft of additional space as sufficient to meet any future expansion. Two businesses thought they would potentially require an additional 10,000 sq ft to 50,000 sq ft of commercial floorspace to accommodate their expansion. This provides an indication that levels of growth are modest and that demand is greatest for small scale units.
- 3.41 In assessing the current condition of the commercial property market within the rural areas of Ashford, respondents were relatively evenly split in their opinions as to whether there was an adequate supply of available premises. However, when queried further about some of the perceived obstacles to growth for their business in the Borough, respondents highlighted a lack of suitable commercial premises at a range of rental levels as a key issue. Respondents also indicated that local business needs could not be met in the rural parts of Ashford without better quality fibre broadband connections

Future Growth Plans

- 3.42 Some 60% of respondents are considering expanding their premises in the next five years. A significant proportion (41%) believe they would not be able to accommodate this expansion on their existing site. Around 72% of respondents indicated that they would prefer to expand on their existing site, but where this isn't possible; businesses would consider relocating to another site within a village centre or small town (42%), rural business estate (19%), or rural site outside of a village or business estate (19%). Only a few surveyed businesses (12%) considered moving to an urban location within Ashford to find suitable premises that would accommodate their future business growth requirements (see Figure 3.8).

Figure 3.8 If you were to expand/relocate from your existing site, what locations would you consider moving your business to?



Source: Ashford Rural Business Survey, 2013 / NLP Analysis

Rural Ashford as a Business Location

- 3.43 The most common factors that businesses cited for why they are located within the rural areas of Ashford include:
- availability of suitable commercial premises that meet existing business requirements;
 - proximity to an established and successful business/client base; and
 - pleasant rural environment where many business owners choose to live and work locally.
- 3.44 Feedback gained from this business survey underlines the strength of the rural areas of Ashford in accommodating the activities of a range of microbusinesses serving local, national and international markets. While many of the businesses were satisfied with their existing premise, which is perhaps the result of many respondents being home-based, there is a need for additional sites in the rural parts of Ashford to allow expansions of these local businesses. Generally, the businesses surveyed highlighted the pleasant rural environment as a crucial reason for them locating in the Borough, and suggest that they would prefer to remain in the rural areas of Ashford if required to relocate in the future.
- 3.45 Therefore in conclusion, based on survey responses the local rural economy is characterised by small firms with less than 5 employees that are primarily located in stand-alone rural and home-based locations. Interestingly, despite current dispersed locations, firms would prefer to be located in closer proximity to a rural service centre. A renewed confidence is emerging with start-ups and self-employed planning on expanding in the short to medium term; however, it

is unclear whether there is sufficient supply of adequate space to meet these needs.

Summary

- 3.46 Rural Ashford plays an important role in accommodating the Borough's employment space, in 2010; there was approximately 127,300 sq.m of B class space, representing 24% of all B class space recorded in the Borough matching the proportion of jobs based within the rural area of Ashford.
- 3.47 Overall, vacancy levels are low with just over 11% of office space and approximately 2% of industrial space located in the rural area is currently unoccupied and being actively marketed indicating that demand levels are strong.
- 3.48 Approximately 4,120 sq.m of gross B Class space was developed per annum across Rural Ashford between 2004 and 2013, representing 21% of all development completed across Ashford Borough, there were annual average losses of 1,880sq.m for the same period. Rural Ashford's employment land emerging supply totals 10,400 sq.m. Combined with low vacancy rates and as there are currently no specific allocations for employment land in the rural area there is a need to provide additional B-class floorspace across the rural area to ensure there is sufficient supply in the future to meet demand.
- 3.49 The commercial property market in the rural areas is distinct; the main draw is the supply of cheaper accommodation for both office and industrial uses, but the demand drivers differ by sector. The office market is increasingly buoyant, with good demand from small professional and business service companies. Occupiers seek locations close to where the owner lives, lower rents and flexible leases, and value the quality of life factors, but also are increasingly demanding good broadband access and higher quality accommodation. The supply of rural office accommodation has typically been barn conversions, but the potential stock is diminishing and competes with higher-value residential uses.
- 3.50 The industrial market is more established, with a wide range of accommodation ranging from lower grade former agricultural premises through to purpose-built estates. Levels of demand are buoyant and vacancy levels low; the main driver of demand is the need for cheap accommodation, and accordingly, rental levels are low. This acts as a disincentive to delivery of new industrial space, although there is a need to provide some modern space in more accessible locations particularly for larger businesses constrained by the poor access in some locations.

4.0 Future Growth Potential & Space Requirements

4.1 This section considers future economic growth needs in the Ashford rural area drawing on a number of scenarios that have been developed for the Borough. These scenarios are used to inform the analysis of the potential economic growth drivers within the Borough and the employment land and planning policy implications that flow from these. The analysis then compares these future scenarios with estimates of available employment land to identify any need for more provision of employment space, or surpluses of it, in both quantitative and qualitative terms.

Background

4.2 In establishing a jobs-led growth target and in considering the potential future demand for employment land to inform the review of the 2008 Core Strategy, the Council commissioned a 'Strategic Employment Options Report'.²⁰ This report sets out a number of economic growth scenarios for Ashford Borough overall to 2030, alongside sub-totals for the urban and rural areas respectively.

Outline of scenarios

4.3 Four scenarios of future economic growth were considered by the study, reflecting a range of factors and drivers at the macro as well as local level. A 'baseline' economic scenario was developed for Ashford Borough using Cambridge Econometrics Local Economic Forecasting Model (LEFM), taking account of macro-economic factors and future growth expectations for different economic sectors.

4.4 In addition, three alternative scenarios for economic performance were developed to consider the implications of alternative economic trajectories, taking into account external factors which could influence economic performance and potential policy choices for the Borough.

- 1 **Downside Macro Risks Scenario:** taking into account a number of external risks that are likely to impact on the Borough, including the Eurozone crisis, on-going credit crunch and public sector spending cuts;
- 2 **Economic Performance Scenario:** considers the potential economic benefits of 'maximising the economic potential' of the Borough, taking account of opportunities associated with excellent transport infrastructure, higher value-added activity and small business growth in the rural parts of the Borough;
- 3 **Enhanced Productivity Scenario:** driven by policy aspirations to improve the quality of jobs, and reduce the gap in productivity between Ashford and the South East.

²⁰ Strategic Employment Options Report, GL Hearn, March 2012

4.5 The employment growth implications associated with all four scenarios are summarised in Table 4.1. The level of employment growth in Ashford implied by the scenarios range from 8,200 (downside macro risks) to 15,900 (enhanced performance) over the 20 year period 2010-2030, equivalent to between 410 and 795 jobs per annum.

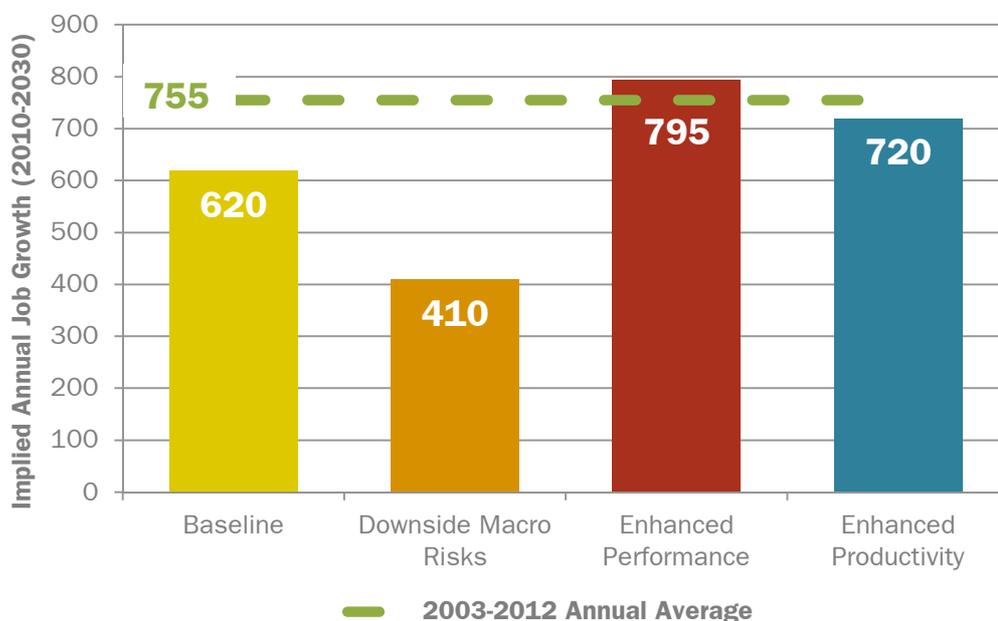
Table 4.1 Forecast employment change in Ashford by scenario (2010-2030)

Scenario	Total Employment		Change (2010-2030)	
	2010	2030	No	p.a.
Baseline	57,900	70,300	12,400	620
Downside Macro Risks		66,100	8,200	410
Enhanced Performance		73,800	15,900	795
Enhanced Productivity		72,300	14,400	720

Source: Ashford Strategic Employment Options Report (March 2012)

4.6 Analysis of BRES employment data indicates that the Borough recorded a net gain of 755 workforce jobs per annum between 2003 and 2012. On this basis, three of the four scenarios of future growth in Ashford developed by the Strategic Employment Options Report would imply a lower future level of employment growth in the Borough than Ashford has achieved in the recent past, and could therefore be regarded as a relatively less optimistic estimate. Only the enhanced performance alternative scenario generates a level of job growth that exceeds recent job growth in the Borough (Figure 4.1).

Figure 4.1 Annual Job Growth Implied by Scenarios



Source: Ashford Strategic Employment Options Report (March 2012) / NLP analysis

Spatial Distribution

4.7 As well as developing projections for Ashford Borough as a whole, the Ashford Strategic Employment Options Report also presented the job growth projections associated with the baseline scenario for two sub-areas, defined as Urban and Rural Ashford. The sub-area projections are based on a similar 'business-as-usual' assumption as for the projections for the Borough, but with the past relative performance of industries in the sub-areas relative to the Borough as a whole being assumed to continue into the future. They were estimated based on employment shares calculated from ward-level data from the latest BRES.

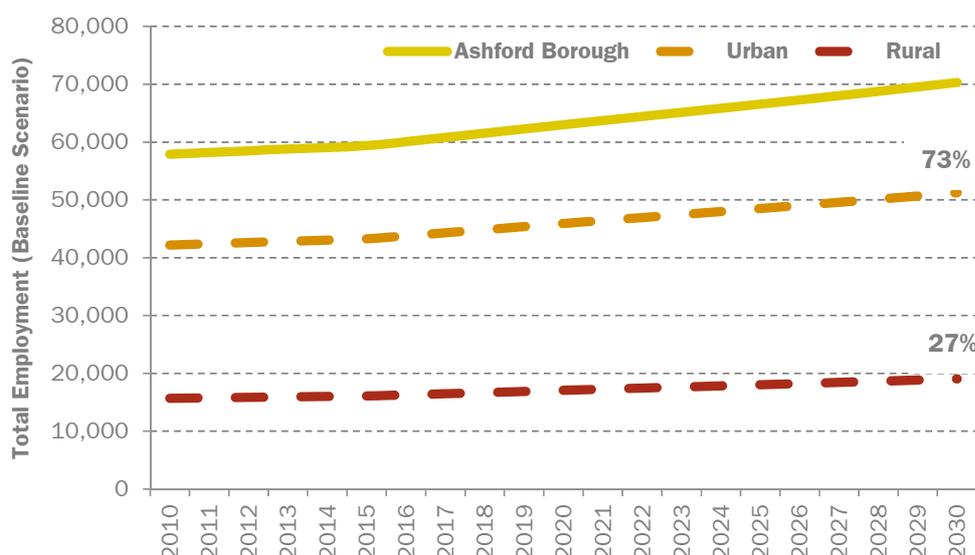
4.8 The resulting sub-area projections are presented in Table 4.2 and Figure 4.2 below, and indicate that employment in the rural area of the Borough is expected to increase by approximately 3,365 over the 20 year period 2010 to 2030 (equivalent to 168 jobs per annum), broadly maintaining its share of overall employment within the Borough over this period.

Table 4.2 Forecast employment change in Ashford Borough, Urban and Rural Areas (Baseline Scenario)

	Total Employment		Change (2010-2030)	
	2010	2030	No	p.a.
Ashford Borough	57,900	70,300	12,400	620
Urban Area	42,200 (73%)	51,235 (73%)	9,035	452
Rural Area	15,700 (27%)	19,065 (27%)	3,365	168

Source: Ashford Strategic Employment Options Report (March 2012) / NLP analysis

Figure 4.2 Employment Growth Implied by the Baseline Scenario



Source: Ashford Strategic Employment Options Report (March 2012) / NLP analysis

4.9 It should be noted that the wards used by the Strategic Employment Options Report to define the spatial extent of 'Rural Ashford' are the same as those

adopted by this study, with the exception of Great Chart with Singleton North, which is now classified by the Council as an urban ward. The exclusion of this ward from the rural definition reduces the share of Rural Ashford's employment from 27% to 25% (as measured by BRES data).

Future Growth Potential

- 4.10 The forecasts of employment growth by scenario were translated into future requirements for office, industrial and warehousing land within the Strategic Employment Options Report by analysing the structure of Ashford's local economy and identifying those sectors with greatest propensity to utilise B use class space. Typical ratios of jobs to floorspace for the different B uses were then applied to convert these forecasts of B class jobs to future employment space requirements.
- 4.11 The final step was to estimate a gross requirement (i.e. the amount of employment space or land to be allocated/planned for) by making an allowance for some replacement of losses of existing employment space that may be developed for other, non B Class uses and by including a 'safety margin' within calculations to provide a choice of sites and premises within the local market to support competition, to allow for land which is being developed or redeveloped at any one time, and provide a degree of flexibility to ensure that land supply does not unduly constrain future economic growth.
- 4.12 The resultant gross floorspace requirements incorporating these allowances are set out in Table 4.3 for Ashford Borough as a whole.

Table 4.3 Gross Employment Space Requirements in Ashford, 2010-2030

	Baseline	Downside Macro Risks	Enhanced Performance	Enhanced Productivity
Offices (B1a/b)	90,380	77,090	168,530	166,520
Industrial (B1c/B2/B8)	212,255	188,765	204,370	234,480
<i>Manufacturing (B1c/B2)</i>	<i>70,660</i>	<i>62,415</i>	<i>60,810</i>	<i>104,410</i>
<i>Distribution (B8)</i>	<i>141,595</i>	<i>126,350</i>	<i>143,560</i>	<i>130,070</i>
All B Class	302,635	265,855	372,900	401,000

Source: Ashford Strategic Employment Options Report (March 2012) / NLP analysis

Apportionment to Rural Area

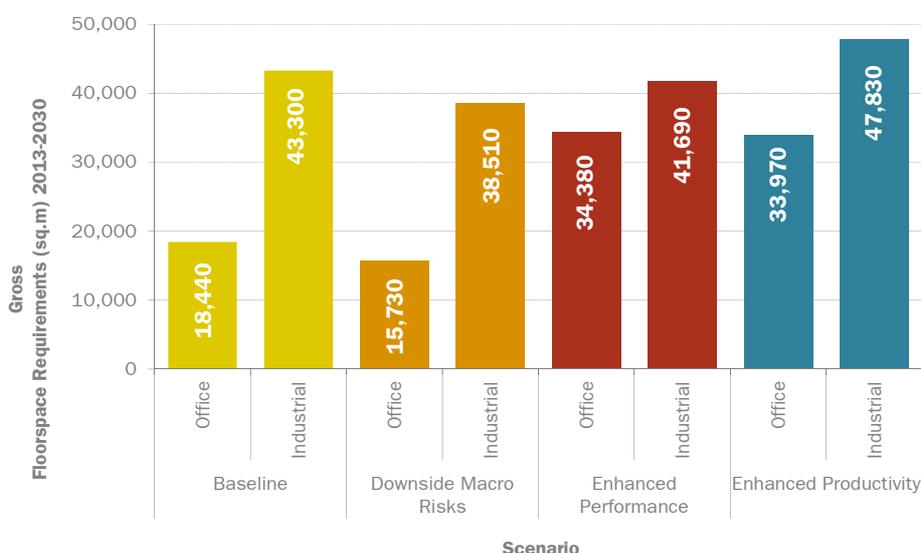
- 4.13 Although the Strategic Employment Options Report does not break down this spatial requirement by rural/urban sub-area, it is possible to estimate the proportion of this requirement relating to Rural Ashford using the existing rural: urban ratio of employment space in the Borough. The latest available VOA data (2010) indicates that 24% of all B class space recorded in Ashford Borough is accommodated within the rural area. Applying this proportion to the Borough-wide requirement (and profiled over the 17 year REA study period 2013-2030) results in the following gross floorspace requirements across Rural Ashford (Table 4.4 and Figure 4.3).

Table 4.4 Gross Employment Space Requirements in Rural Ashford, 2013-2030

	Baseline	Downside Macro Risks	Enhanced Performance	Enhanced Productivity
Offices (B1a/b)	18,440	15,730	34,380	33,970
Industrial (B1c/B2/B8)	43,300	38,510	41,690	47,830
Manufacturing (B1c/B2)	14,410	12,730	12,400	21,300
Distribution (B8)	28,890	25,780	29,290	26,530
All B Class	61,740	54,240	76,070	81,800

Source: NLP analysis
 Note: Gross figures include 25% safety margin

Figure 4.3 Gross Employment Space Requirements in Rural Ashford, 2013-2030



Source: NLP analysis

- 4.14 These forecasts reflect a reasonable range of potential space requirements. For office space, this would be between 15,730 sq.m (based on ‘downside macro risks’ alternative scenario) and 34,380 sq.m (‘enhanced performance’ alternative scenario) up to 2030. This level of development would be equivalent to between nine and 19 years of past gross office take-up in Rural Ashford.
- 4.15 For industrial space, the range is slightly narrower, between 38,510 sq.m (based on downside macro risks scenario) and 47,830 sq.m (based on enhanced productivity scenario). This implied level of development would be equivalent to between 16 and 20 years of past gross industrial take-up in Rural Ashford.
- 4.16 In employment terms, this is equivalent to an increase in between 311 (downside macro risks scenario) and 1,465 (enhanced productivity) total B class jobs by 2030 in Rural Ashford, the majority of which relate to office based activity (Table 4.5). It should be noted that these employment figures are purely indicative and have been estimated by NLP by applying floorspace and job density ratios consistent with the Strategic Employment Options Report.

Table 4.5 Rural employment change by scenario 2013-2030 (as implied by floorspace requirements)

	Baseline	Downside Macro Risks	Enhanced Performance	Enhanced Productivity
Offices (B1a/b)	545	400	1,395	1,374
Industrial (B1c/B2/B8)	-19	-89	-36	92
Manufacturing (B1c/B2)	-121	-156	-156	16
Distribution (B8)	102	67	119	75
All B Class (total)	526	311	1,359	1,465
All B Class (p.a.)	31	18	80	86

Source: NLP analysis

Demand/Supply Balance

- 4.17 This section draws together the forecasts of future rural employment land needs outlined above and the estimates of available land in Rural Ashford to identify any need for more provision of employment space, or surpluses of it, in both quantitative and qualitative terms.

Quantitative Balance

- 4.18 The previous section identified a need for between 54,240 sq.m and 81,800 sq.m of rural employment space up to 2030, including a modest safety margin largely to allow for delays in sites coming forward for development.

Pipeline Supply

- 4.19 As detailed in Section 3.0, the pipeline supply of employment space in the Borough comes from sites currently allocated for employment development (with residual floorspace still available) and from other sites with outstanding planning permission (which has either not been started or is under construction).
- 4.20 From these sources, the floorspace available to help meet future needs in Rural Ashford is estimated to comprise just over 10,400 sq.m in net terms as shown in Table 4.6 (at October 2013).

Table 4.6 Available Employment Space in Rural Ashford (at October 2013)

	New Employment Space (sqm)			
	Industrial (B1c/B2/B8)	Offices (B1a/b)	Mixed (B1-B8)	Total
Extant planning permissions (not started)	6,630	770	1,020	8,420
Extant planning permissions (under construction)	1,080	910	0	1,990
Total	7,710	1,680	1,020	10,410

Source: Kent County Council, March 2013 / NLP analysis

- 4.21 The majority of identified supply (81%) comprises extant planning permissions that have not yet been started, with the remaining 19% representing planning permissions that are currently under construction. In use class terms, nearly three quarters (74%) of this space relates to industrial use (B1c/B2 and B8), with just 1,680 sq.m or 16% comprising office (B1a/b) uses. A further 10% of extant planning permissions relate to a mix of B class uses.
- 4.22 Whilst this employment space is distributed across the rural area of the Borough, the majority is concentrated on a small number of sites in and around the settlements of Rolvenden and Wye (accounting for 67% of all B class permissions between them). The remaining space relates to very small scale developments dispersed across the rural area and often located outside of the main rural settlements, for example on individual farms.
- 4.23 It is also important to note that there is no guarantee that existing permissions will be implemented over the plan period. It is also worth noting that some of these permissions relate to specific schemes and users and may therefore be less able to meet general market needs.
- 4.24 A broad comparison of estimated demand for rural B Class space against all currently identified supply, as shown in Table 4.7, implies that Rural Ashford would have insufficient employment space in quantitative terms up to 2030 to meet the needs arising from all four scenarios of future requirements. The potential shortfall of space would vary from 43,830 sq.m under the downside macro risks scenario to 71,390 sq.m under the enhanced productivity alternative scenario.

Table 4.7 Demand/Supply of B Class Employment Space in Rural Ashford (to 2030)

	Baseline	Downside Macro Risks	Enhanced Performance	Enhanced Productivity
Requirement for B Class Space (sq.m)	61,740	54,240	76,070	81,800
Available Employment Space (sq.m)	10,410			
Surplus (+)/Shortfall (-) (sq.m)	-51,330	-43,830	-65,660	-71,390

Needs of Different Employment Uses

- 4.25 Ensuring an adequate choice of types of sites is also important to meet the needs of different employment sectors and the aims for diversity of employment opportunities at different skill levels. Potential supply of rural employment space for both industrial and office uses was therefore compared with estimated requirements for these uses.
- 4.26 Table 4.8 and Figure 4.4 compare the demand and supply situations for industrial and offices uses separately. This indicates that there would not be enough supply available, in purely quantitative terms, to meet both industrial and office needs arising under any of the four demand estimates. For industrial

space, the shortfall ranges from 30,290sq.m (downside macro risks) to 39,610sq.m (enhanced productivity) while for office space the range is wider, between 13,540sq.m (downside macro risks) and 32,190sq.m (enhanced productivity).

4.27

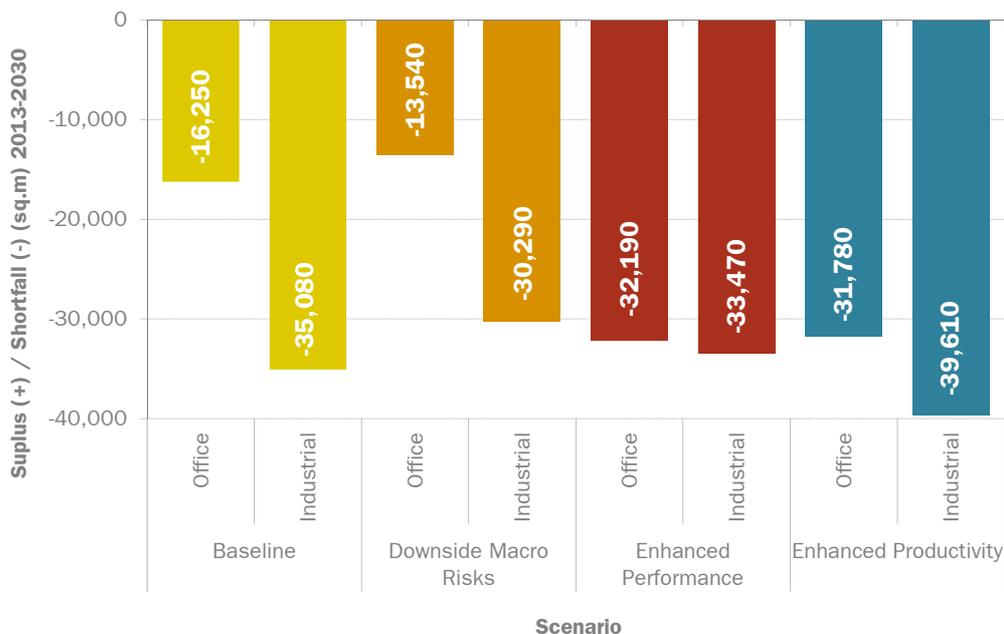
This predicted shortfall assumes that all outstanding planning permissions (at October 2013) come forward in full for employment development over the plan period. If that were to prove not to be the case, this could increase the scale of the identified shortfall.

Table 4.8 Demand/Supply for office and industrial space to 2030 (sq.m)

	Baseline	Downside Macro Risks	Enhanced Performance	Enhanced Productivity
Industrial				
Industrial space requirement	43,300	38,510	41,690	47,830
Potential supply of industrial space	8,220			
Surplus(+)/Shortfall(-)	-35,080	-30,290	-33,470	-39,610
Offices				
Office space requirement	18,440	15,730	34,380	33,970
Potential supply of office space	2,190			
Surplus(+)/Shortfall(-)	-16,250	-13,540	-32,190	-31,780

Note: Figures assume that mixed B class space is split 50:50 between offices and industrial

Figure 4.4 Forecast surplus of office and industrial space to 2030 by scenario



Source: NLP analysis

- 4.28 This suggests that the identified pipeline supply as it stands provides insufficient industrial and office space to meet Rural Ashford's employment development needs to 2030 in purely quantitative terms.

Conclusions

- 4.29 Four different scenarios of future rural employment space requirements have been considered based on a number of economic growth trajectories for Ashford Borough as set out in the recent Strategic Employment Options Report. Across the Borough as a whole, the majority of these scenarios reflect assumptions of lower future economic growth in Ashford than the Borough has achieved in the recent past.
- 4.30 The overall rural space requirements related to these different scenarios range from 54,240sq.m to 81,800sq.m of all types of employment space to 2030. The majority of this spatial requirement relates to industrial (B1c/B2/B8) uses, although office uses are expected to continue to represent a key driver of demand in the rural part of the Borough. These requirements assume that the existing share of rural employment space in Ashford remains unchanged over the plan period.
- 4.31 Based on available employment space identified by County Council monitoring data, from a purely quantitative perspective, Rural Ashford has insufficient employment floorspace in quantitative terms to meet future needs up to 2030 under all scenarios of future growth, with a relatively significant shortfall of both industrial and office space arising under all four approaches.
- 4.32 The additional employment space requirements associated with these four scenarios are equivalent to between 13 and 20 years of past gross take-up in Rural Ashford, indicating that the overall implied level of growth broadly echoes past trends of B class development in Rural Ashford. This analysis assumes that Rural Ashford's existing share of the Borough's employment space (at just under 25%) remains unchanged over the plan period.
- 4.33 It is worth noting however, that future requirements for rural office space associated with the scenarios imply a relative slowdown in the rate of new office development compared with past trends. For example, under the baseline scenario, the scale of implied gross office floorspace development (at 18,440sq.m over the 17 year study period) is equivalent to just ten years of past office take-up in Rural Ashford, and as such, would epitomize a rural economy characterised by an underperforming and declining office market, at least compared with past trends.
- 4.34 Given an uncertain economic outlook, it is difficult to select the most likely option from these alternative growth pictures although within the context of the NPPF requirement to plan positively for growth, the Council should consider planning to accommodate at least the LEFM baseline job growth requirement to ensure that that Rural Ashford's economy is not constrained by lack of spatial capacity in future. However, within the context of the NPPF requirement to plan positively for growth, there may also be scope to adopt a more

aspirational approach to planning for Ashford's rural economy, particularly as the scenarios of future economic growth explored above largely represent a continuation of past trends, rather than a step change in the role and contribution of the rural part of the Borough.

4.35

For example, efforts to increase Rural Ashford's share of the Borough's business space over the plan period would necessitate a more pro-active economic strategy and policy approach to stimulate demand for rural business development, and supply of appropriate land and sites to accommodate this activity. In this respect, there are a number of different options and policy choices for accommodating this growth, explored in more detail in section 5.0.

5.0 Appraisal of Rural Settlements

- 5.1 Drawing on the earlier analysis, this section outlines potential policy approaches for meeting future employment space needs in Rural Ashford. In particular, the analysis has regard to the role of different settlements within the hierarchy defined by the Tenterden and Rural Sites Development Plan Document (TRSDPD), considering their current role and their potential contribution to meeting future requirements and supporting the rural economy.

Policy Approaches

- 5.2 At present, employment development in the rural area is guided by the planning policy framework that includes the Ashford Core Strategy and the TRSDPD. No sites are formally allocated for employment uses in these documents however, criteria-based policies are applied to guide development. This approach has led to a dispersed pattern of employment floorspace development across rural Ashford in recent years, with new developments occurring across a range of sites and locations effectively on a 'windfall' basis.
- 5.3 The scenarios considered in the previous section indicate the broad scale and type of growth arising from different approaches to modelling Rural Ashford's future employment space needs. These scenarios take varying macro-economic factors into account in identifying these needs. Going forward, should the Council wish to maintain the existing role of the rural economy, it can continue with a 'business as usual' approach. However, should the Council wish to pursue a more aspirational approach that seeks to not only uphold but also expand the rural area's share of the wider Ashford economy, it will be necessary to ensure that the rural economy is not constrained. Rural Ashford has performed well in economic terms in recent years demonstrating strong job growth and steady levels of new development. Therefore, rural economic policies should aim to encourage past trends of job growth and employment floorspace increases; particularly as was discussed in Section 4.0, past job growth has exceeded implied annual averages set out in the Strategic Employment Options Report. Depending on the approach the Council decides to follow, future policy should plan to at least meet the LEFM baseline job growth requirement and potentially exceed defined employment space requirements.
- 5.4 Additionally, to ensure a flexible and responsive policy framework, it will be necessary to not just to focus on meeting forecast quantitative requirements, but to consider the approach to the spatial distribution of growth and the opportunities and risks that may arise from each of the policy approaches.
- 5.5 As such, there are two broad policy approaches available to the Council in accommodating rural economic growth over the plan period including;
- a A site allocations approach that considers specific locations or sites for the development of employment space or;

b a market-led approach similar to that currently being pursued in the rural area which allows the provision and location of additional employment space to be determined by the market on an ad hoc basis regulated by development management processes.

5.6 The key opportunities and risks associated with each approach are considered below.

Site allocations approach

5.7 In terms of a site allocations approach, delivery can be prioritised in particular locations or for certain types of employment uses therefore providing more certainty that space will be delivered and that requirements will be met over the plan period (although just because a site is allocated there is no guarantee that it will necessarily come forward during the plan period). In the past, there has been limited confidence in the rural commercial property market in the rural area so setting targets provides clarity and certainty for market investors thereby creating a scenario where speculative development is more likely to occur.

5.8 This approach could support and facilitate an enhanced level of growth in the rural economy; particularly as rural Ashford is relatively constrained by AONB environmental designations and as a result has limited land available for development. Consequently, planning for employment will need to be balanced against pressures from other land uses, as well as other Local Plan objectives such as planned housing growth. B-class employment space also competes with non B-class uses, some of which may also generate local economic benefits or have identified needs that the NPPF indicates should be supported including retail, tourism and recreation, all of which make a significant contribution to Ashford's rural economy.

5.9 Further to this, a planned approach to allocating employment space would allow any development to be aligned with housing and infrastructure delivery, both of which are essential to creating a buoyant and successful rural economy by providing a local labour supply and improving local accessibility and broadband connectivity. These structures specifically were highlighted by stakeholders as current barriers to progression across much of rural Ashford and as essential to facilitating economic growth. Housing delivery can also provide an opportunity to bring forward employment space through planning obligations and other planning measures.

Market-led approach

5.10 As set out previously, the additional employment space requirements associated with the four Strategic Employment Growth Options scenarios are equivalent to between 13 and 20 years of past gross take-up in Rural Ashford, indicating that the overall implied level of growth broadly echoes past trends of B class development in Rural Ashford. Consequently, should the Council opt to simply meet LEFM baseline growth over the plan period; a market-led

approach may be adequate to facilitate this growth however, it may be less appropriate for pursuing a more ambitious approach to growth.

- 5.11 There are also benefits and risks associated with this approach; in the first instance it enables the development of successful employment locations that may not fall within the rural settlement hierarchy tiers such as areas along the M20 corridor, these types of development may not be accommodated by a stricter plan-led approach.
- 5.12 However, there is no guarantee that past completion rates will continue at the same pace in the future and there is a reliance on the market for delivery, this is a particularly pertinent point in rural Ashford as historically much of the supply of B-class employment floorspace comes from the adaption or conversion of agricultural stock. Market feedback indicates that the most appropriate, best quality former agricultural space has already been taken up and inevitably eventually this source of supply is likely to dry-up or will no longer be fit for purpose in meeting emerging business needs. It is not possible to quantify sources of supply of this type of space as it is dependent on a range of variables.
- 5.13 As indicated previously in this report, the current approach has led to a dispersed pattern of employment space development across the rural Ashford area. For example, almost 70% of existing B-class space in rural Ashford falls outside of settlements. Employing this approach makes infrastructure planning and delivery more difficult as concentrations of development facilitate delivery by providing monetary and planning contributions as well as the necessary critical mass.
- 5.14 Notably, these approaches are not necessarily mutually exclusive and the Council should consider the possibility of applying elements of both in the formation of employment planning policy as and where applicable. This is explored in further detail at the end of this section.

Spatial Distribution of Growth

- 5.15 This section aims to consider the existing and future role of the tiers in the rural settlement hierarchy and proposes a suitable policy approach to accommodate future growth. Table 5.1 located to the end of this section presents a summary appraisal of each settlement.

Tier 1

- 5.16 Tenterden is the sole Tier 1 settlement as it is the primary rural service centre. As set out in Table 5.1, it has a larger population base, workforce and concentration of businesses when compared with the other rural settlements. On this basis, the town is well suited to accommodating additional employment floorspace and workforce jobs. In the TRSDPD, it is proposed that Tenterden will provide in the region of 475 units between 2008-2021. Allocation TENT1 Tenterden southern extension is proposed for a major residential development. This allocation includes the requirement for the provision of a 150-200 space

car park. Provision of a car park would address the existing shortfall that has been identified by key stakeholders as a constraint on the expansion of the local economy and attractiveness as a rural business location.

- 5.17 Over the past decade, Tenterden delivered significantly more employment floorspace than any other rural service centre, however, emerging supply (based on extant planning permissions) is limited. Based on a combination of factors; commercial market evidence, taking the scale of housing development proposed for Tenterden into account and in order to maintain its service centre function it is proposed that Tenterden should continue to accommodate the largest share of employment floorspace in the rural area.
- 5.18 In order to achieve this and reduce the risk of non-delivery it is recommended that the Council pursue a proactive plan-led employment policy approach in Tenterden by identifying potential sites and locations and consider various options as to how space may be provided.

Tier 2

- 5.19 Tier 2 of the rural settlement hierarchy comprises of Charing, Hamstreet and Wye. Each of the settlements has a population base capable of providing an adequate labour supply for local businesses and proposed residential development should provide a larger labour pool to accommodate new business development. Based on allocations assigned in the TRSDPD, it is proposed that Charing will accommodate approximately 125 new residential units to 2021 and Hamstreet will provide 70 residential units over the same period. The level of proposed development (45 units) in Wye is lower than the other Tier 2 settlements due to a range of local factors that will be discussed in further detail.
- 5.20 Charing, Hamstreet and Wye all benefit from being located on rail-lines that provide connectivity and sustainable transport options. Both Charing and Hamstreet are also situated close to the strategic road network, while road connectivity and local access in Wye is more constrained. Development in Wye is restricted by the AONB, the area to the north of Charing is also covered by the AONB but there is alternative suitable land available for development that will not impede on the designation.
- 5.21 Currently, Charing and Hamstreet provide a very limited amount of rural Ashford's employment floorspace and emerging supply in both locations is low, while the proportion, in terms of existing and emerging supply in Wye is considerable in comparison.
- 5.22 Wye is constrained by the Kent Downs AONB, a floodplain and it is acknowledged that there are limited opportunities for residential development (and employment development) aside from the former Wye college campus (TRSDPD WYE 3) that would not have significant adverse impacts on the setting of the village. The future use of this site is yet to be determined dependent on the outcome of a master-planning exercise. Regardless of future use, it would form a step change beyond recent growth trends within the

settlement. Further to this it is widely acknowledged that inadequate infrastructure acts as a barrier to development in Wye; the capacity and condition of the access routes in combination with the traffic management problems associated with the railway level crossing limits the settlement's potential to accommodate rural economic growth. However, it is understood that current planning by Network Rail means that these issues are unlikely to be addressed until 2020 at the earliest.

- 5.23 In combination, there is some scope for Tier 2 settlements to make a contribution in accommodating small scale future employment land requirements across rural Ashford.
- 5.24 It is recommended that the Council considers combining the two policy approach options outlined above by allocating or identifying sites for a proportion of the growth requirement to ensure minimum growth levels are achieved but also encourage and facilitate further development through criteria based policies.

Tier 3

- 5.25 The third tier comprises of Aldington, Bethersden, Biddenden, Chilham, Rolvenden and Woodchurch. As evident from Table 5.1, the scale of the contribution of this tier in providing B-class employment floorspace is very limited. Although from the emerging supply figures it would appear that the focus of future employment growth centres around this tier, the majority of this space comprises of one development proposal at Copfield Farm in Rolvenden.
- 5.26 Collectively, these villages have been earmarked in the TRSDPD to accommodate 150 residential units to 2021 representing just over 17% of the rural area total. As with Tier 2, there are numerous constraints that limit the potential development of new employment floorspace in each of the settlements including restrictions associated with environmental designations and the lack of suitable sites. As a result it is apparent that the role of this tier in meeting future requirements is likely to be relatively limited.
- 5.27 This tier along with the remaining rural areas that fall beyond the settlement boundaries provide an important source of additional supply to ensure the diversity and choice for a range of local business needs. However, due to the constraints discussed, it is recommended that the Council adopt a laissez faire approach to providing employment space in these areas.

Summary

- 5.28 Drawing together the analysis presented thus far, the suggested approach to employment policy for Rural Ashford could consider a combination of site allocation and market-led approaches applied to varying extents across the different tiers of the settlement hierarchy.

Table 5.1 Settlement Appraisal Matrix

Settlement	Tier	Population ²¹	Employment	Businesses	Key Sectors (Employment)	Employment Space Supply		Level of Market Demand	Strengths/ Opportunities	Weaknesses/ Threats	Suggested Policy Approach
						Existing	Emerging (Sq.m)				
Source		ONS	IDBR	IDBR	IDBR	VOA	KCC	Qualitative Market/Stakeholder Feedback		NLP	
Tenterden	1	7,120	2,840	340	Retail Hospitality & Recreation	10.6%	570 (5.4%)	High	Focus of new development	AONB restrictions Limited parking	Site allocations
Wye	2	5,310	1,180	195	Business Services Health & Social Care Education Manufacturing	6.6%	2,530 (24.3%)	Medium	Wye College site	Access constraints AONB restrictions	Site allocations and/or market-led
Charing									Good road and rail access	AONB restrictions	
Hamstreet									Good road and rail access		
Aldington	3	5,315	1,055	195	Health & Social Care Business Services Construction Education Wholesale & Transport Hospitality & Recreation	13.9%	6,680 (63.9%)	Low	Good road and rail access	AONB restrictions Remote locations	Market-led
Bethersden											
Biddenden											
Chilham											
Rolvenden											
Woodchurch											
Other		26,005	6,500	1,280		68.9%	740 (7.1%)	High	Conversion of existing stock to B-class uses	Removed from local labour force, shops & services	Market-led
Rural Ashford (Total)		43,750	11,575	2,010	Business Services Retail	100%	10,410 (100%)	Medium	Low cost location, flexible space, availability of on-site parking	Access constraints, contending land-uses	

Note: Some figures have been rounded to comply with ONS non-disclosure rules

²¹ Population figures relate to the built up areas, taken from Census 2011 and therefore may not directly align with the boundaries used for other data sources

6.0 Future Role of Wye

- 6.1 This section provides a more detailed analysis of the future economic potential of Wye to inform the development of Neighbourhood Plan policies by the Wye with Hinxhill Parish Council.

Context

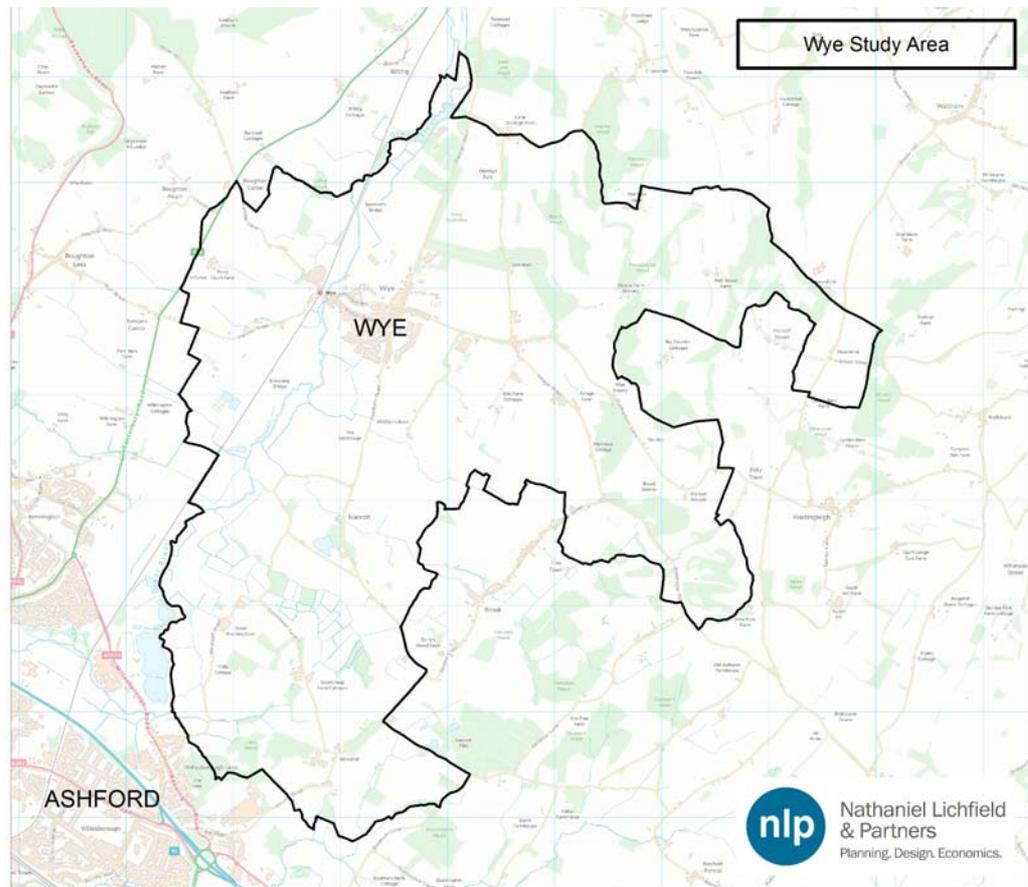
- 6.2 Wye is a historic town situated approximately 8km to the north east of Ashford town centre and lies within Kent Downs Area of Outstanding Natural Beauty (AONB). It is identified as a rural service centre in Ashford Borough Council's Core Strategy²². It is well connected regionally by road and rail; it is located on the South Eastern train line which provides linkages to Ashford and High Speed 1 as well as Canterbury and Ramsgate while the A28 connects Wye with Ashford, Canterbury and Margate.
- 6.3 Wye with Hinxhill civil parish was designated by Ashford Borough Council as a Neighbourhood Plan Area (NPA) in 2012; this enables the Parish Council as the lead authority to prepare a neighbourhood plan for the functional area. This Rural Economic Assessment will help to inform the preparation of the Wye Neighbourhood Plan, which will cover the period to 2030..
- 6.4 The Wye study area is defined in Figure 6.1 and corresponds with the Wye with Hinxhill Parish Council boundary.

Planning Policy Context

- 6.5 Wye is identified as a Tier 2 settlement in the Ashford Borough Council Core Strategy and the Tenterden and Rural Sites DPD and is consequently assigned a proportion of future housing development. The importance of the future of Wye College, which is owned by Imperial College London is recognised, however, the potential to use this site for alternative uses (as opposed to educational uses) is not presented 'pending the outcome of a master-planning exercise'. An evolving masterplan for the former college campus has been prepared which does include an element of employment land-uses.

²² Core Strategy Policy CS6.

Figure 6.1 Wye Study Area (Wye with Hinxhill Parish Council Boundary)



Based upon Ordnance Survey mapping with the permission of Her Majesty's Stationery Office. © Crown Copyright reserved. Licence number AL50684A

Source: Ashford Borough Council

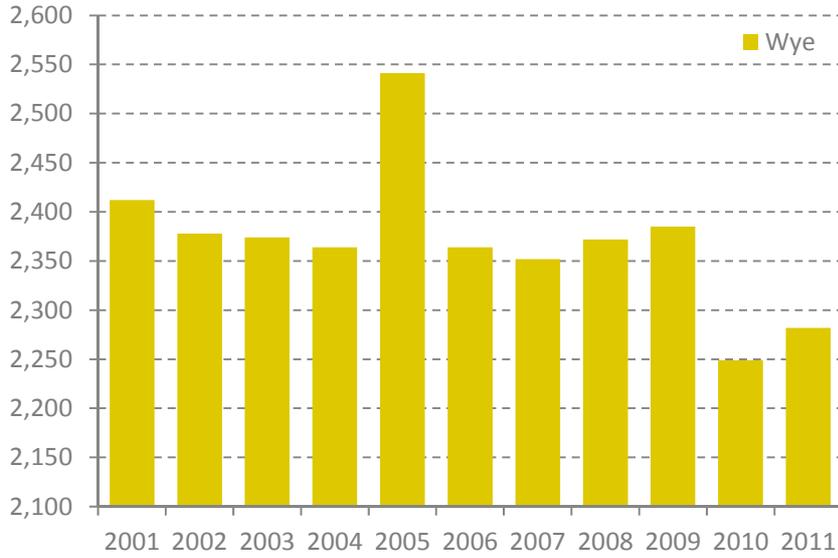
Economic Profile

- 6.6 This section establishes the economic context by reviewing recent economic conditions and trends within the rural ward of Wye relative to the wider economy within which it operates. Wye ward level data is drawn on where available. By identifying existing strength and weaknesses it is possible to identify the factors likely to influence the nature and level of future demand for employment space.

Population

- 6.7 According to the 2011 Census of population, the resident population of Wye amounted to 2,282. Although, the overall population of rural Ashford has increased by 3% since 2001, the population of the Wye declined by over 5% or 130 residents between 2001 and 2011 as shown in Figure 6.2. The number of residents dropped by 136 between 2009 and 2010 which may reflect the impact of the closure of the Imperial College London, Wye Campus. Interestingly, there was a significant peak in the population in 2005, anecdotal evidence suggests that this may be attributed to international students attending and residing at Wye Imperial College.

Figure 6.2 Wye Ward Population, 2001-2010



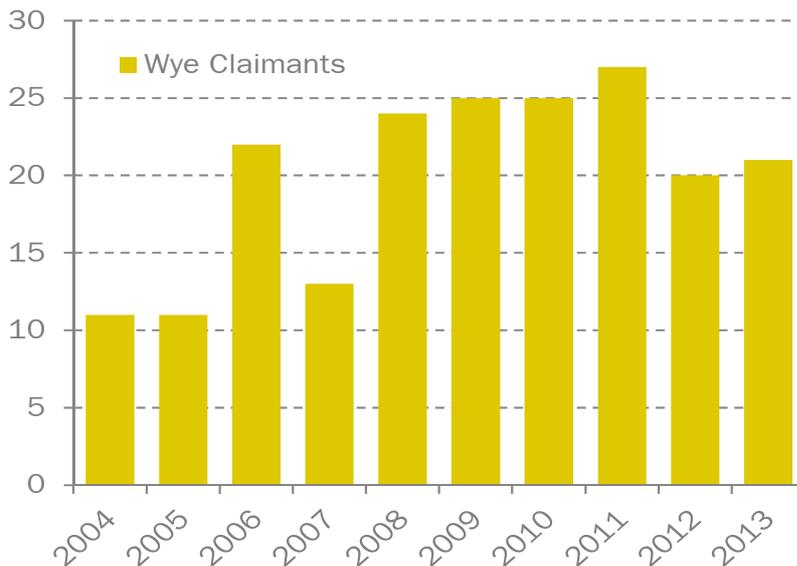
Source: ONS Mid-year Population Estimates

Labour Market

6.8

In line with trends in Ashford, Kent and the south east almost 70% of 16-74 year old Wye residents are economically active. Over 92% of the economically active population are currently in employment. As shown in Figure 6.3 the number of unemployment claimant in Wye increase by 91% between 2004 and 2013 however, it should be noted that the actual number of claimants across the ward is low, according to latest data available (November 2013) there were 21 claimants. This equates to 1.7% of the economically active population, comparatively, this is lower than the proportion in Ashford Borough at 2.1%.

Figure 6.3 Claimant Unemployment Wye 2004-2013

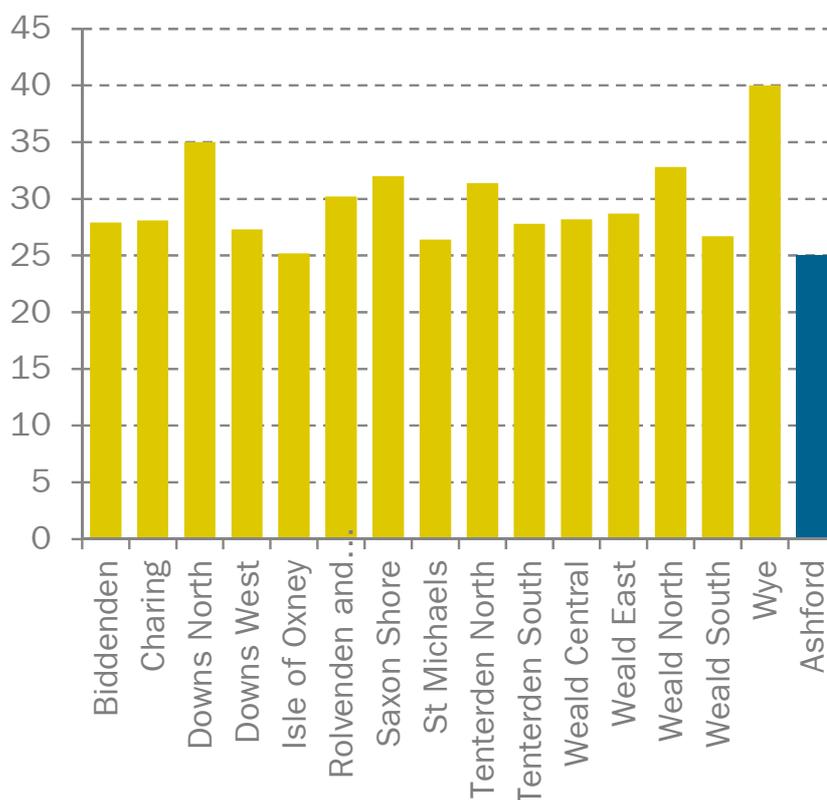


Source: Nomis Claimant Count

6.9

The resident population of Wye is well educated when compared to the wards of rural Ashford. The ward has one of the lowest proportions of residents with no qualifications at 19%. Figure 6.4 demonstrates that at 40%, significantly more Wye residents hold level 4 qualifications and above than the residents of the other rural wards and Ashford Borough (25%).

Figure 6.4 Proportion of Residents with Level 4 Qualifications and above (aged 16+)



Source: Nomis, 2011

Employment

6.10

Just under 700 workforce jobs²³ were recorded in Wye in 2012²⁴, equivalent to approximately 5% of all jobs in Rural Ashford and just over 1% of all jobs in Ashford Borough as a whole. As shown in Figure 6.5, employment in Wye has declined over the past decade, by around 20% between 2003 and 2012. This compares with job growth of 14% across Rural Ashford and 16% across the Borough as a whole, and is likely to partly reflect significant job losses associated with the closure of Wye College and the consequent displacement of other firms located within college premises.

²³ Figures are rounded to the nearest 100 for non-disclosure purposes

²⁴ Business Register and Employment Survey 2012

Figure 6.5 Employment change in Wye over time

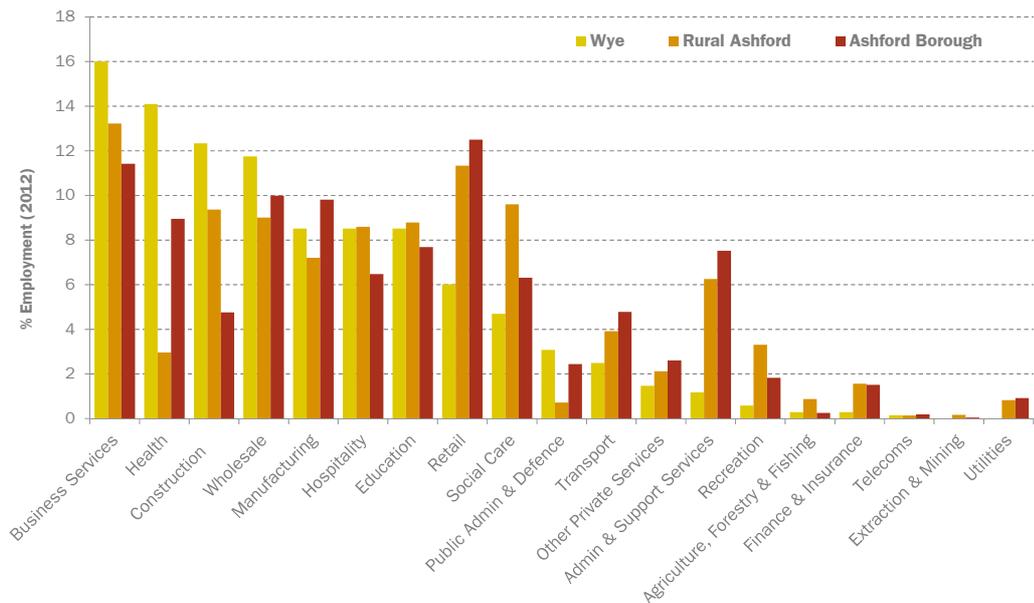


Source: Annual Business Inquiry (2003-2008), Business Register and Employment Survey (2009-2012)

6.11

As shown in Figure 6.6 in employment terms, Wye’s largest sectors in 2012 were business services (16%), healthcare (14%), construction (12%) and wholesale (12%). This composition largely echoes trends across Rural Ashford and the Borough as a whole (Figure 6.5), with the notable exception of healthcare which is significantly over-represented in Wye compared with the rural parts of the Borough, and Ashford Borough in general. In contrast, the retail, admin & support and social care sectors are under-represented in Wye, as shown in Figure 6.5 below.

Figure 6.6 Employment by Sector in Wye (2012)



Source: Business Register and Employment Survey 2012

- 6.12 Hospitality and retail are also important employment sectors in Wye, combined they employ almost 100 workers equating to 15% of total jobs. This may be on account of an expanding tourism offer and the opening of new shops and restaurants in the village. The Parish Council is seeking to promote tourism provision in Wye through new tourism facilities, which could result in additional job growth in this sector.
- 6.13 Despite the closure of Wye Imperial College campus, almost 10% of workplace jobs are in the education sector, as Wye School opened in September 2013 and has the potential to accommodate up to 600 students, the number and proportion of people employed in this sector is likely to increase in the future.
- 6.14 Business Register and Employment Survey (BRES) data from 2012 shows that the agriculture, forestry and fishing sector is under represented in Wye when compared with other parts of rural Ashford and the Borough as a whole. Notably, this category does not include the processing of by-products which falls under the manufacturing sector within this data set. IDBR data (2013) indicates that circa 80 people are employed agricultural firms²⁵ in Wye.

Spatial Distribution of Employment

- 6.15 Drawing on IDBR (2013) ward level data there were over 100 businesses situated within the Wye ward, of which, 90% were located within Wye village indicating a centralised local economy. This makes Wye unique compared to other settlements where the local economy is more dispersed, as set out in Section 2 above, only 34% of all business in Rural Ashford are located within settlement boundaries. Based on the number of firms, Wye hosts 5% of all business located in Rural Ashford, this proportion increases to 13% of all firms located within the settlements of Rural Ashford. As shown in Table 6.1, in terms of the number of businesses, Wye outperforms other tier 2 settlements Charing and Hamstreet.
- 6.16 In employment terms, the settlement of Wye hosts approximately 10% of the total number of jobs located within Ashford's rural settlements. Again this proportion is greater than the proportion of workers based in Charing or Hamstreet (Table 6.1).

²⁵ BRES is a business survey which collects employment information. Readers should be aware that the data presented are estimates, subject to both sampling errors (arising from the fact that the BRES is a survey, not a census) and non-sampling errors while IDBR is a comprehensive list of UK businesses that is used by government for statistical purposes

Table 6.1 Distribution of Businesses and Employees

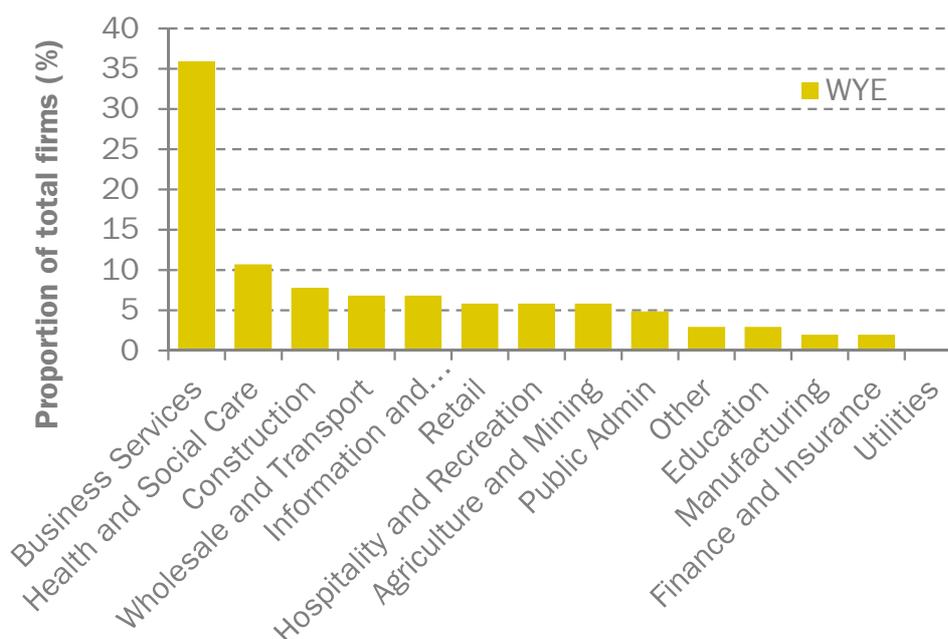
Location/ Settlement	Number of Businesses (rounded) ²⁶	Proportion of Total Businesses (%)	Number of Employees (rounded)	Proportion of Total Employees (%)
Wye	90	13	510	10
Charing	65	8	400	8
Hamstreet	40	5	270	5
Rural Ashford Total	730	100	5,075	100

Source: IDBR, 2013

Business Demography

6.17 Over one third of registered firms in Wye perform business services, a further 10% provide IT and financial and insurance services. 11% of firms provide health and social care services while 12% of businesses are engaged in hospitality, recreation and retail.

Figure 6.7 Proportion of Firms by Sector



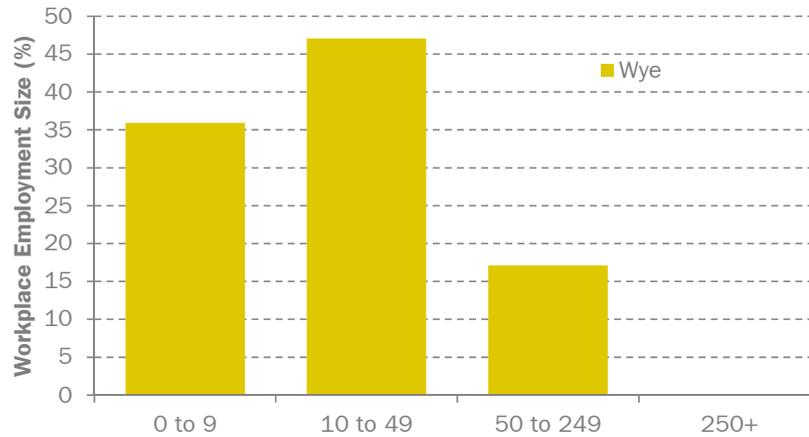
Source: IDBR, 2013

6.18 Figure 6.8 presents workplace based employment size. In terms of business size 81% of employees work in small to medium sized enterprises with less than 49 employees. This proportion matches the share across Rural Ashford. Of these almost half of employees work in firms with between 10 and 49 employees while one fifth of employees work in firms with up to 4 employees and firms with 5 and 9 employees. Unsurprisingly, a limited number of

²⁶ Figures are rounded to the nearest 5 in accordance to ensure data is non-disclosive

employees work in large firms with more than 50 employees. There are no firms that employee in excess of 250 people.

Figure 6.8 Proportion of Workplace Employment Size in Wye



Source: BRES, 2012

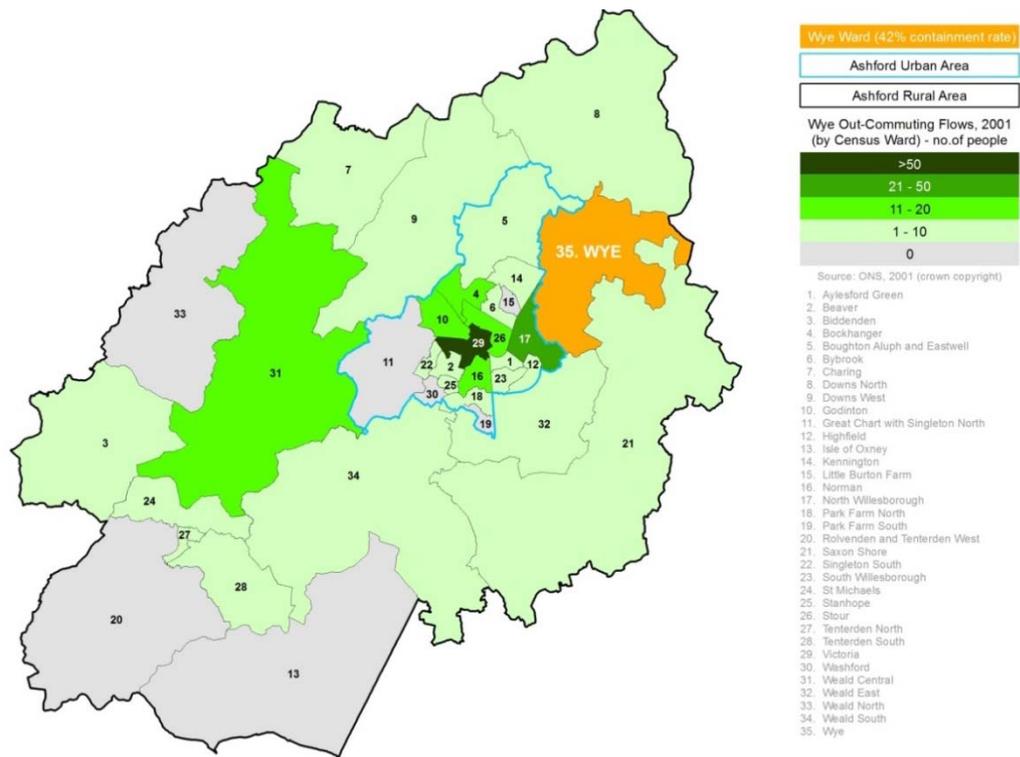
Self-employment

- 6.19 A relevant metric to potential demand for rural start-up/small business space is the proportion of the working-age population who identify their home as their primary place of work and levels of self-employment. Home-based businesses often seek more formalised employment space or access to business support facilities as they grow and expand. Based on Ashford Borough-wide trends as discussed in Section 2 and the outcome of the Wye Business Survey there is a high proportion of home-based businesses in Wye.
- 6.20 According to 2011 Census data, circa 215 people are self-employed in Wye representing 14% of economically active residents. This is greater than the share across Kent (11%), South East (11%) and England (10%). In the inter-census period 2001 and 2011 the number of self-employed residents increased in real terms by over 50 people equating to a 32% increase.

Functional Economic Area

- 6.21 Examining commuting flows can help in defining the functional economic market area of a particular local economy. Figures 6.9 to 6.11 below explore the relationship between Wye and the other wards in Ashford Borough as well as surrounding local authorities. Wye is a relatively self-contained local economy, with over 40% of workers residing in the ward.

Figure 6.9 Out-commuting Flows from Wye

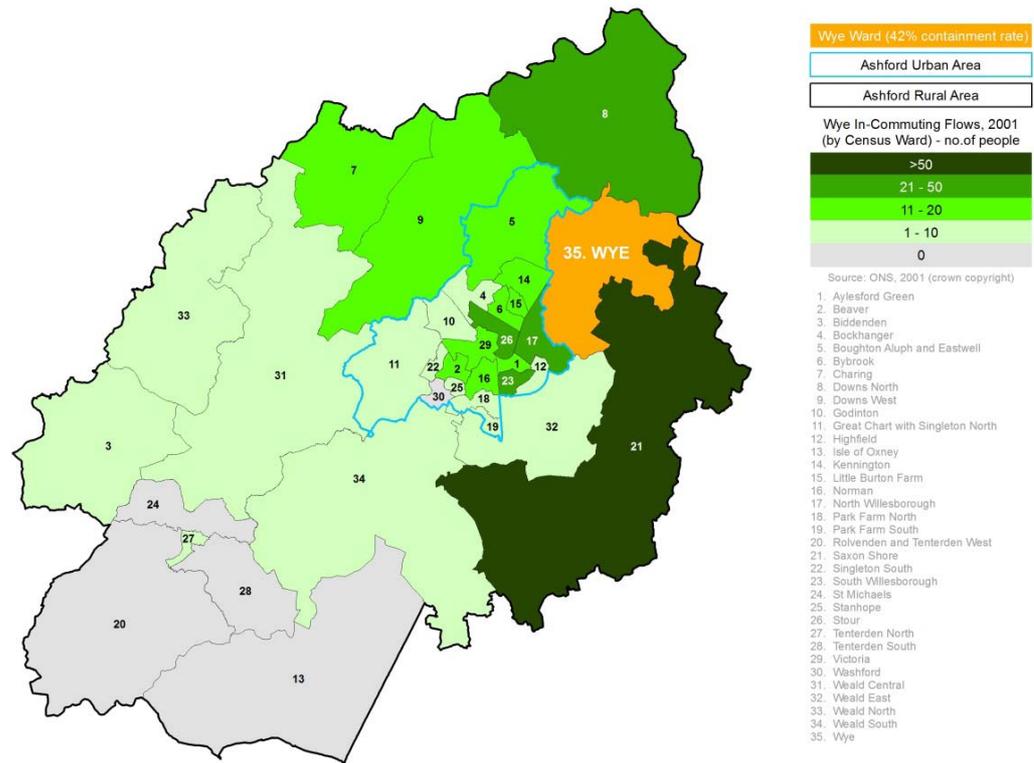


Source: ONS, Census 2001

6.22

Figure 6.9 maps the destination of out-commuters that reside in Wye. Almost 25% of residents commute to urban Ashford, however, there are also strong flows to the surrounding rural wards and Weald central.

Figure 6.10 In-commuting Flows to Wye

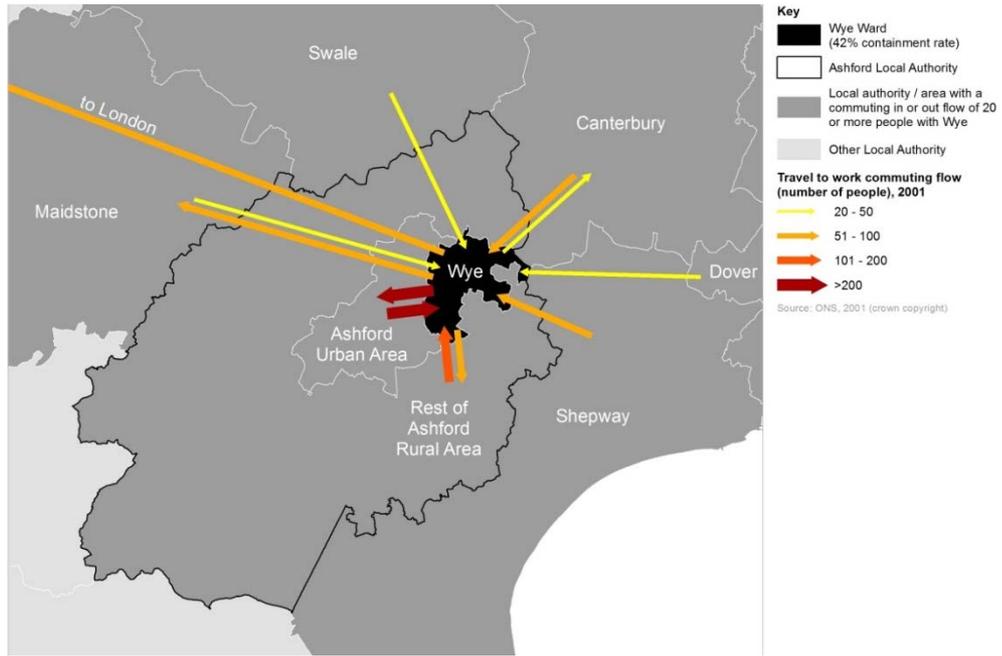


Source: ONS, Census 2001

- 6.23 In-commuting flows to Wye are mapped in Figure 6.10, again the greatest flows are concentrated around surrounding rural wards and urban Ashford particularly Saxon Shore, Downs North, South Willesborough and Stour. In total almost three quarters of Wye workers reside in Ashford Borough.
- 6.24 Beyond Ashford Borough, workers commute into Wye from locations in adjoining local authorities including Canterbury (8%), Shepway (5%), Swale (3%), Dover (2%) and Maidstone (2%). Based on the 2001 Census commuting flows, approximately 7% of Wye residents commute to the Greater London Area for employment purposes, it is expected that this share has increased in the intervening period as a result of improved connectivity with the commencement of High Speed 1 services from Ashford International (Figure 6.11). This assumption is supported by Office of Rail Regulation data²⁷ which shows that entries and exits have increased substantially over the past decade. In 2001, there were approximately 58,500 entries and exits at Wye Station this increased to circa 74,700 in 2012.

²⁷ Office of Rail Regulation. Estimates of station usage, various years

Figure 6.11 Commuting Flows



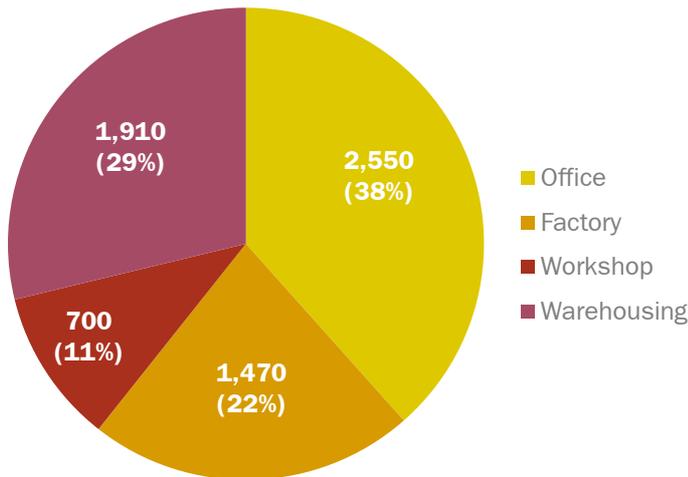
Source: ONS, Census 2001

Current Stock of Employment Space

6.25

Wye accommodates a variety of business uses, although the majority of employment space (62%) relates to industrial uses, in particular warehousing (Figure 6.12). This echoes trends across the wider Rural Ashford area²⁸, where distribution activities tend to represent an important use of rural work space. In total there is 6,630sqm of B-class floorspace in Wye.

Figure 6.12 Employment space in Wye by type



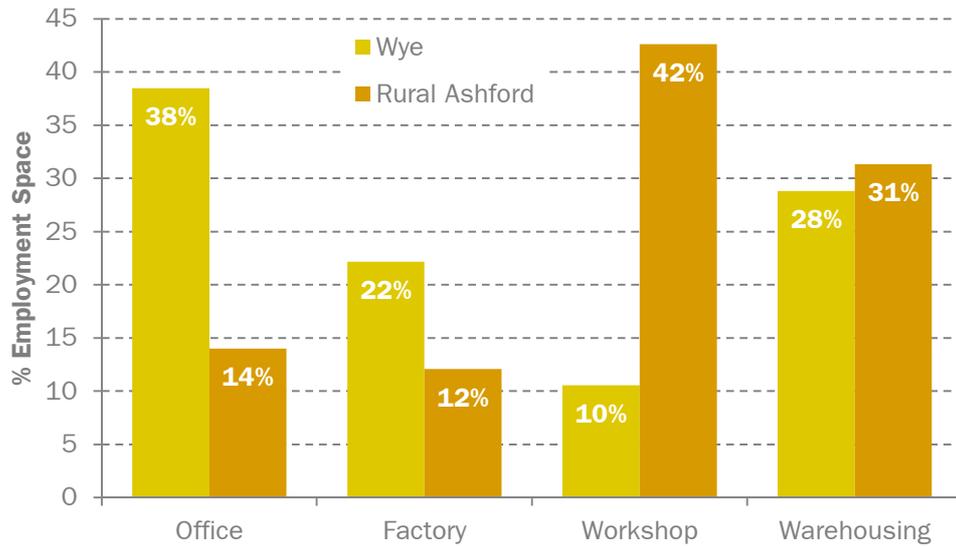
Source: VOA 2010 / NLP analysis

²⁸ The breakdown of employment space across Ashford Borough as a whole is shown in Figure 3.2; comprising of 31% warehousing, 43% workshops, 12% factories and 14% office space.

6.26

As shown in Figure 6.13 below, office space accounts for just under 40% of all B class employment space in Wye, a significantly higher proportion than the Rural Ashford average (of 14%). Meanwhile, Wye has a lower proportion of workshop space than Rural Ashford as a whole, but accommodates slightly more factory space.

Figure 6.13 Employment space in Wye and Rural Ashford by type



Source: VOA 2010 / NLP analysis

6.27

The spatial distribution of B-class floorspace (according to VOA data) is shown in Figure 6.14, it confirms evidence presented thus far that businesses are primarily located within Wye village, particularly office space. There is a limited amount of B2 and B8 floorspace within Wye settlement boundary.

Figure 6.14 Total B-class Floorspace by Postcode



Source: VOA, 2010

Vacancy

- 6.28 A review of commercial property being marketed in Wye in January 2014 indicates that approximately 1,338sq.m of office floorspace and 1,351sq.m of industrial floorspace is currently available as summarised below in Table 6.2. This represents a 26% vacancy rate though the majority of the space is on one site, Sidelands, Top Road, Wye.

Table 6.2 Currently Marketed B-class Floorspace

Type of Space	Premises Name	Location	Sqm being marketed
Offices	Sidelands	Wye	1,338
	Zealds House, Church Street	Wye	13
	<i>Offices sub-total</i>		<i>1,351</i>
Industrial	Sidelands	Wye	385
	Total Vacant Space		1,736

Source: EGI and NLP Analysis

Development Rates and Losses

- 6.29 A review of Kent County Council monitoring data showed that there has been very limited B-class development in Wye over the past decade. Since 2004, 270sqm of B8 space have been constructed, despite the lack of construction over the same period there have been minimal losses of 21sqm which accounts one small office. This results in a net completion of 249sqm.

Key Issues

- 6.30 The issues affecting the rural economy of Wye broadly reflect those that affect the wider rural area and include the importance of broadband provision to facilitate business and good rural accessibility. There are a number of further matters that affect Wye's economy such as congestion at the level crossing, loss of employment space and environmental designations.
- 6.31 Following the implementation of the 'Make Kent Quicker' programme to improve broadband coverage in Kent, broadband will be available across Wye. Though the implementation programme runs to December 2015, improvements in Broadband coverage have already been noted.
- 6.32 In terms of local accessibility, though Wye benefits from having a train station, the level crossing creates road congestion problems and lengthy closures, in part on account of the High Speed services using the line. Recent research (December 2013) surveying level crossing closures indicates closures of between approximately 4 and 14 minutes, with particularly long closures between 7.15 and 7.30am. These delays have been highlighted by most stakeholders as a particular constraint on the attractiveness of Wye as a business location. In an attempt to avoid the level crossing, traffic flows on alternative 'lanes' are greater which is placing strain on the current

infrastructure. The view was also expressed that increased frequency of train serves would act to improve Wye's offer.

6.33 It is understood that level crossing upgrades are unlikely to be implemented in until 2020 at the earliest based on current Network Rail planning assumptions. The closure of Imperial College London's Wye campus in 2009 has resulted in the loss of employment space provision and workplace jobs, as discussed previously. While the campus was predominantly used for educational uses, there were a range of employment premises and spin-off industries located on-site. In addition, there has been a loss of small scale employment space, predominantly retail units in the village for the redevelopment or change of use to residential uses. This can have implications for the vitality and viability of the village centre and the availability of suitable units for small business looking to locate in Wye. This would indicate that there is a need to protect Wye from further employment land losses and the need to ensure that further development space is accommodated.

6.34 Wye lies within the Kent Downs AONB protected landscape. There is a statutory duty to protect the character of the AONBs therefore in the Core Strategy the Council specifies that major developments will not be permitted in AONBs unless there are exceptional circumstances where a need is proven, no other sites or alternative provision are available and any detrimental impact on the landscape and environment can be moderated. Much of the village is also designated as a 'Conservation Area' as such is subject to stricter planning controls.

Needs of Businesses in Wye

6.35 The 'Wye Business Survey' was conducted by the Wye Business Association in December 2013 to gather the views from a range of local companies located in Wye on their needs and priorities. This survey included a sample of 20 businesses that engage in a variety of activities, although are primarily characterised as smaller businesses involved in highly skilled service sectors. A summary of the key findings is set out below, with a selection of quotes presented in Appendix 4.

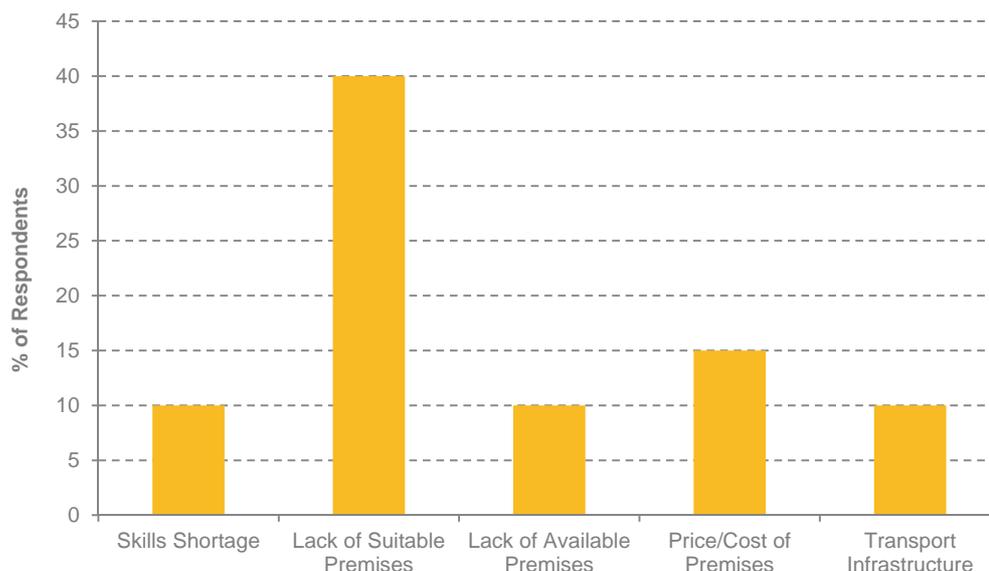
Business Profile

6.36 Nearly a third of all businesses surveyed described their main undertaking as being part of the consultancy sector, with a significant number also involved in retail and tourism sectors. The majority of businesses traded in the local and regional markets, and just over half traded nationally. In addition, around 20% of the businesses comprised some element of international trade. Reflecting the microbusiness structure of the parish economy, nearly all of the local firms participating in the survey employed less than five workers, and were largely regarded as being highly skilled employees.

Current Business Premises

- 6.37 Whilst around 67% of businesses described their site within Wye as their only location, others indicated that Wye is the location of their headquarters or branches. In line with earlier evidence the majority of businesses surveyed were either based within a village centre (50%) or operating from home (35%). Almost 60% of businesses have been located in their current site for at least five years and 30% for more than fifteen years; this indicates that businesses in Wye are well established rather than new start-ups. The most important factors given for why businesses locate and remain within Wye were the accessibility to a skilled labour force, availability of suitable premises and the fact that owners tended to reside locally.
- 6.38 Generally, respondents were satisfied with the location of their sites with some 83% rating their location as either 'good' or 'excellent' in meeting their current needs. However a higher proportion of businesses were not satisfied with the quality of their current premises, with around 28% describing their premises as either 'poor' or only 'adequate'. Some of the issues cited included the aging of buildings, leaking roofs and a lack of suitable insulation.
- 6.39 Some 22% of those participating in the survey also indicated they did not have enough floorspace to meet their existing needs, with the majority (90%) considering up to 1,000 sq ft of additional space as necessary for meeting growing needs suggesting that future expansion will be of modest proportions. While one business thought they would potentially need up to 10,000 sq ft of additional space, no other respondents believed they needed more than this.
- 6.40 Respondents provided a relatively mixed view of the prevailing condition of the commercial property market in the Parish, with 30% believing there are enough premises in the local area, 35% not believing there are enough and 35% not sure about the matter. A lack of suitable premises and range of rental levels in Wye were however identified as some of the key obstacles for local businesses in pursuing greater levels of development within the Parish (see Figure 6.15). In addition, many of the comments in the survey highlighted the negative impact of poor access into the village on promoting local business development.

Figure 6.15 What would be the main obstacle to your firm's expansion in Wye?



Source: Wye Business Survey, 2013 / NLP Analysis

Future Growth Plans

- 6.41 Only 22% of respondents reported that they were considering expanding their business over the next five years. However when questioned about the potential scenario of expansion, almost 60% thought that they would need an alternative site to accommodate any future growth requirements. In addition, some 75% of respondents indicated that they would prefer to remain within the Parish of Wye if relocation did become necessary. Only a few local businesses would consider moving to the urban areas of Ashford (15%) or another village centre within the Borough (5%) if they were required to relocate in the near future.

Wye as a Business Location

- 6.42 The most common factors that businesses cited for why they are located within the Parish of Wye include:

- access to a local labour force that comprises highly skilled workers;
- availability of suitable commercial premises that meet existing business requirements; and
- pleasant rural environment where many business owners choose to live and work locally.

- 6.43 Responses from the business survey highlighted the small business and highly skilled character of the local economy in Wye, with businesses also tending to be long-established members of the community. Nearly all surveyed businesses were located either within the village or at home, and were generally satisfied with their premises. While only a limited number are

expecting to expand in the near future, a key takeaway from the survey is the need to supply good quality sites for both existing and future business needs. In addition to this, the rural village requires the necessary infrastructure to promote business development and ensure the attractive rural character remains in the local area.

- 6.44 As part of the Neighbourhood Plan process, a household survey was conducted in October 2012 which included questions relating to Wye as a business location. The majority (64%) of respondents felt there should be further business development in Wye and 75% were of the opinion that future businesses should be located alongside existing business. Over 55% of respondents stated that new homes should include provisions for home working. When questioned about the types of businesses Wye needs, education, childcare and agricultural and land based businesses were deemed most necessary by residents. Almost three quarters of respondents viewed superfast broadband as important or very important.

Implications for Neighbourhood Plan

- 6.45 The Parish Council has formulated a vision that: *'Wye should remain a distinct settlement with definite boundaries. It should retain a balanced community **providing some local employment** and should not become purely residential. Any development should respect the rural landscapes around it, so that it retains its rural character. The environment should continue to make the community feel safe. The vibrant community should continue to enjoy many activities. Any changes should respect Wye's history and its historic buildings, but should enable most of the needed facilities and amenities to be provided in the village.'*
- 6.46 As set out in the preceding section of this report and building on evidence presented in the TRSDPD, despite being a tier 2 settlement there are a limited number of locations in the settlement that could accommodate growth without impinging on the AONB with the exception of the WYE 3 allocation. The future use of this site is yet to be determined dependent on the outcome of a master-planning exercise. Regardless of future use, it would form a step change beyond recent growth trends within the settlement.
- 6.47 It is widely acknowledged that inadequate infrastructure acts as a barrier to development in Wye; the capacity and condition of the access routes in combination with the traffic management problems associated with the railway level crossing limits the settlement's potential to accommodate rural economic growth. Future development of WYE 3 and elsewhere in the settlement should be viewed as an opportunity to address these infrastructure constraints facilitate the realisation of the Neighbourhood Plan vision.
- 6.48 In terms of future employment provision in compiling the Neighbourhood Plan, the Parish Council must recognise that improving local accessibility is crucial to the future success of the Wye local economy.

Conclusions

- 6.49 The population of Wye is declining, having fallen by 5% since 2001; the demographic profile is also ageing, nevertheless a high proportion of residents are well educated and economically active and there is a low level of claimant unemployment. In combination this may lead to labour force shortage in the future.
- 6.50 The Wye local economy has contracted since the closure of Imperial College London, Wye campus. The number of workforce jobs in Wye declined by around 20% between 2003 and 2012 and currently represents approximately 5% of the total number of jobs in rural Ashford. The largest sectors were business services, healthcare, construction and wholesale while agriculture, tourism and retail also made a meaningful contribution to the local economy.
- 6.51 The local economy in Wye is relatively self-contained and centralised with 90% of business located within the settlement, the economy is also characterised by small to medium sized enterprises and higher than average levels of self-employment and home working. These attributes require specialised employment floorspace requirements.
- 6.52 There is a range of B-class employment space located in Wye including industrial and office space, yet there has been limited new development over the past decade. Vacancy rates are comparatively high; however, the majority of vacant space currently being marketed comprises of Wye College premises at Sidelands. This might indicate that the demand for additional space within the settlement is relatively low. However, contrary to this assumption, feedback from the business community communicated that there was insufficient 'move on' space available in Wye to accommodate potential future expansion of existing firms and that a latent demand for new employment space does exist – it simply has to be the right type of space.
- 6.53 It has been established that the prospective use of WYE 3 is key to the future economic growth in Wye.

7.0 Conclusions

- 7.1 This section draws together overall conclusions in relation to employment space across rural Ashford to inform the preparation of the emerging Ashford Local Plan to 2030, as well as other measures which may be required to support economic growth.

Overview of Rural Ashford's Economy

- 7.2 The rural economy demonstrated robustness throughout the recessionary period with workforce job growth significantly outpacing regional and national trends since 2003. The rural area accommodates 25% of all jobs in Ashford Borough and just under half of Ashford's businesses and consequently is an important component of the Borough's economy. Despite this, the labour market in the rural area is characterised by a lower than average economic activity rate, variations in levels of educational attainment and increasingly levels of unemployment during the recession. In combination, these factors could have implications for the availability of labour supply in the future.
- 7.3 The majority of business are small to medium sized enterprises with less than 10 employees, there are no large employers located in the rural area. Levels of self-employment and home working are above regional and national levels. These trends create demand for small to medium workspace units and 'move' on space.
- 7.4 In terms of its functional economic area, Rural Ashford is a relatively self-contained local economy with half of residents also working in the area. Of those who commute out they generally travel to adjoining local authorities and the Greater London Area. When comparing Ashford and adjoining local authorities there are limited variations in the policy approaches taken by these authorities in relation to the rural economy. This provides an opportunity for Ashford to lead the way and become a relatively more attractive local economy within which to do business.
- 7.5 The availability of broadband and good access are identified as essential to ensuring the growth and expansion of the local rural economy. Despite the planned upgrading of broadband provision across the rural area to 2015, coverage will still be limited in certain parts of the rural area which may restrict the future growth potential of these areas.

Employment Space

- 7.6 Almost 65% of businesses in the study area are located outside the ten key rural settlements, this dispersed distribution reduces benefits associated with clustering of businesses and induced spending in local shops and services. The distribution of the remaining businesses that are located within the settlements broadly align with the rural settlement hierarchy.

- 7.7 Rural Ashford plays an important role in accommodating the Borough's employment space, with approximately 127,300sq.m of B class space in 2010. Employment space is made up of mostly industrial space. There have been steady levels of development over the past decade with 4,120sq.m of gross B Class space developed per annum across Rural Ashford between 2004 and 2013. This represents just over a fifth (21%) of all development completed across Ashford Borough over this time. Much of the new employment space consists of adapted agricultural buildings that are dispersed across the rural area. It has been identified that there is a shortage of good quality employment space and small scale 'move on' accommodation.
- 7.8 Despite past trends of adequate supply provision, low levels of vacancy combined with low levels of emerging supply indicate that there is a decent level of demand for employment space in the rural. A potential shortage of good quality business accommodation could impede rural Ashford's longer term ability to attract and retain the business base needed to achieve continued economic growth.

Commercial Property Market

- 7.9 The commercial property market in the rural areas is distinct; the main draw is the supply of cheaper accommodation for both office and industrial uses, but the demand drivers differ by sector. The office market is increasingly buoyant, with good demand from small professional and business service companies. Occupiers seek locations close to where the owner lives, lower rents and flexible leases, and value the quality of life factors, but also are increasingly demanding good broadband access and higher quality accommodation. The supply of rural office accommodation has typically been barn conversions, but the potential stock is diminishing and competes with higher-value residential uses.
- 7.10 The industrial market is more established, with a wide range of accommodation ranging from lower grade former agricultural premises through to purpose-built estates. Levels of demand are buoyant and vacancy levels low; the main driver of demand is the need for cheap accommodation, and accordingly, rental levels are low. This acts as a disincentive to delivery of new industrial space, although there is a need to provide some modern space in more accessible locations particularly for larger businesses constrained by the poor access in some locations.

Future Employment Space Requirements

- 7.11 Four different scenarios of future rural employment space requirements have been considered based on a number of economic growth trajectories for Ashford Borough as set out in the recent Strategic Employment Options Report. Across the Borough as a whole, the majority of these scenarios reflect assumptions of lower future economic growth in Ashford than the Borough has achieved in the recent past.

- 7.12 The overall rural space requirements related to these different scenarios range from 54,240sq.m to 81,800sq.m of all types of employment space to 2030. The majority of this spatial requirement relates to industrial (B1c/B2/B8) uses, although office uses are expected to continue to represent a key driver of demand in the rural part of the Borough. These requirements assume that the existing share of rural employment space in Ashford remains unchanged over the plan period.
- 7.13 Based on available employment space identified by County Council monitoring data, from a purely quantitative perspective, Rural Ashford has insufficient employment floorspace in quantitative terms to meet future needs up to 2030 under all scenarios of future growth, with a relatively significant shortfall of both industrial and office space arising under all four approaches.
- 7.14 Given an uncertain economic outlook, it is difficult to select the most likely option from these alternative growth pictures although within the context of the NPPF requirement to plan positively for growth, the Council should consider planning to accommodate at least the LEFM baseline job growth requirement to ensure that that Rural Ashford's economy is not constrained by lack of spatial capacity in future. However, within the context of the NPPF requirement to plan positively for growth, there may also be scope to adopt a more aspirational approach to planning for Ashford's rural economy, particularly as the scenarios of future economic growth explored above largely represent a continuation of past trends, rather than a step change in the role and contribution of the rural part of the Borough.

Policy Approaches

- 7.15 Under the current planning policy framework, no sites are formally allocated for employment uses in rural Ashford however, criteria based policies guide development. This approach has led to a dispersed pattern of employment floorspace development, with new developments occurring across a range of sites and locations on a 'windfall' basis.
- 7.16 Looking ahead, should the Council wish to maintain the existing role of the rural economy, it can continue with a 'business as usual' approach. However, should the Council wish to pursue a more aspirational approach that seeks to not only maintain but also expand the rural area's share of the wider Ashford economy, this will involve provide new accommodation so that the rural economy is not constrained.
- 7.17 There are two broad policy approaches with varying associated opportunities and risks, available to the Council in accommodating rural economic growth over the plan period including;
- a a site allocations approach that considers specific locations or sites for the development of employment space can provide a degree of certainty of delivery and confidence to the market as well as considering competing land uses and facilitating aligned infrastructure delivery or,

b a market-led approach which allows the provision and location of additional employment space to be determined by the market on an ad hoc and flexible basis regulated by development management processes.

7.18 Taking account of economic and other planning considerations the suggested approach to employment policy for Rural Ashford could consider a combination of the two approaches, applied in varying extents to the different tiers of the settlement hierarchy.

7.19 It is recommended that the Council pursue a proactive plan-led employment policy approach in Tenterden to reduce the risk of non-delivery of employment space. There is some scope for Tier 2 settlements to make a contribution in accommodating small scale future employment land requirements across rural Ashford and this could be achieved through a combination of the two policy approach options. Despite local constraints Tier 3 settlements along with the remaining rural areas that fall beyond the settlement boundaries provide an important source of additional supply therefore it is recommended that the Council adopt a market-led approach to providing employment space in these areas.

Appendix 1 List of Consultees

Stakeholder Consultees

Nick Sandford, South East LEP
Tudor Price, Kent Invicta Chamber of Commerce
Callum Knowles, Tenterden Chamber of Commerce
Sarah Barber, Ashford and Tenterden Tourism Association
Catherine Langrish, Kent NFU
Carl Adams, Action for Rural Communities in Kent
Ian Cooling, Wye Business Association
Anne Sutherland, Wye Business Association
Robert Martine, Martine Waghorn
John Yonge, Smith-Wooley & Perry
Richard Stafford, Taylor Stafford Riley
Eric Jeanes, Evegat Business Park

Workshop Attendees

Cllr Paul Clokie, Ashford Borough Council: Tenterden North
Cllr David Robey, Ashford Borough Council: Downs West
Cllr Michael Burgess, Ashford Borough Council: Isle of Oxney
Cllr Jane Martin, Ashford Borough Council: Saxon Shore
Cllr Robert Taylor, Ashford Borough Council: Weald Central
Cllr Aline Hicks, Ashford Borough Council: Weald South
Cllr P. Davison, Ashford Borough Council: Weald South
Huw Jarvis, Kent County Council
Nick Sandford, South East LEP/CLA
Richard Stafford, Taylor Stafford Riley
Catherine Langrish, Kent NFU
John Yonge, Smith-Wooley & Perry
Carl Adams, Action for Rural Communities in Kent
Cllr Richard Bartley, Wye Parish Council
Cllr John Mansfield, Wye Parish Council
Cllr Jasper Bouverie, Wye Parish Council
Cllr Tony Shoults, Wye Parish Council
Cllr Noel Ovenden, Wye Parish Council
Ann Sutherlands, Wye Business Association
Ian Cooling, Wye Business Association
Kate North, Ashford Borough Council
Katy Wiseman, Ashford Borough Council
Simon Cole, Ashford Borough Council
Matthew Spry, Nathaniel Lichfield & Partners
Lucie Edwards, Nathaniel Lichfield & Partners
Lorna O'Carroll, Nathaniel Lichfield & Partners

Appendix 2 Workshop Notes

Summary of views expressed by participants at the Ashford Rural Economic Emerging Findings Stakeholder Workshop, held on 28th of January 2014 at Ashford Borough Council Offices, Ashford.

Does the baseline context capture all the key factors relevant to planning for the rural economy? Is there anything else?

- It was highlighted that primary production industries such as agriculture, forestry and horticulture are significant sectors in the local economy and their scale should be adequately reflected in the baseline analysis.
- Understanding the percentage of non-B Class employment was deemed to be important as much of the rural economy centres around businesses that are located in non-B premises including tourism, hospitality and education.
- The use of vacancy data was emphasised as being an important element of the baseline context.
- The possibility of quantifying farm buildings that are available for conversion was considered in order to include the space as part of the potential future supply.
- The impact on closure of Wye College on the baseline context for Wye was noted as being significant in terms of the reduction in the number of workplace jobs and the associated indirect effects.

Are there any particular opportunities and/or constraints to the rural area meeting its share of future growth requirements?

- The quality of the minor road network across the rural area was identified as a constraint, it was not perceived as being suitable for accommodating the volume of traffic that is currently using it (including for short-cuts). Further to this, the 'lanes' are not suitable for lorries, large HGVs and other delivery vehicles.
- The level crossing in Wye is seen as a major constraint to the village, closures at peak times can lead to severe delays and is an inconvenience to residents, employees and businesses.
- There were mixed views surrounding broadband provision in the study area, some stakeholders were of the view that high-speed broadband is available while the majority felt that its coverage is insufficient across most of the rural area, though it was acknowledged that there were variations in coverage. It was agreed by all participants that good broadband is essential for facilitating the growth of the local economy.
- Lack of car parking is seen as a constraint to many businesses, particularly in the absence of good rail linkages.

- Discussion surrounding the commutable distance from stations located in the rural area and whether this acts to prevent an area becoming a commuter town or whether it restricts in-commuting.
- Perception among the business community that trains are too infrequent to be relied on as the primary means of transport
- Opportunity for business synergies to be created particularly in the tourism sector as there is the critical mass, food and wine, beautiful countryside, walking
- There is an opportunity to provide expansion from 'home' to serviced space type scale units.
- Opportunity to encourage footfall in rural service centres and increase spending in existing services
- Business rates and fees payable on vacant properties were seen to impinge on the viability of schemes and act as a deterrent to speculative development, as the risk that a property will be left vacant and the subsequent costs are too great.
- Accommodate national and French companies looking to locate in Ashford to benefit from connectivity and favourable policies however, cross border issues do exist.
- Proximity to M20 for HGV/visitor trips.

How should future growth be distributed across Rural Ashford and what role should particular rural service centres fulfil?

- There is an opportunity to create live/work locations across rural Ashford by linking employment, housing and community development in the consideration of future growth. As population grows, local jobs should be provided for local people.
- Businesses want to locate outside village but need to network/use village facilities therefore there is a need to factor in business space beyond settlement boundaries.
- Wye is currently a rural service centre that provides for populations beyond the Parish Council boundary, this role should be protected.
- Wye Imperial College campus was seen as a suitable future employment site.

Are there any planning or other policy measures that the Council could consider to help?

- Implementation of a Traffic Management Plan to address identified road transportation issues.
- View that supply-side issues are not covered by planning that the market will decide where new development is located.
- There are other planning measures that can facilitate economic growth such as
 - providing opportunities for networks of space,

- ensuring that there are less planning restrictions and conditions applied to businesses,
- facilitating the use of existing farm building for employment purposes,
- permitting change of use
- encouraging more office uses across the rural area and,
- clarification regarding PD rights
- Opinion that the Council should be making employment land allocations in order to avoid piecemeal approach, it was also stressed that this would then be subjected to the consultation process, etc.
- Consider the areas around train stations as future growth locations.
- Improvement of 'local' railway stations as well as the frequency of train services.
- Facilitate the provision of standalone units as there is a demand for these.
- In the future, the implementation of the Energy Performance Certificate rating in 2018 is likely to create an issue as much of the existing employment space including barn conversions have low levels of insulation that will require significant investment to meet standards.
- Pre-planning discussions with planners were identified as being more productive and should be retained.
- Ensure the roll out of high-speed broadband to all rural areas to ensure that this does not act as a barrier to economic growth.
- Access to funding was not deemed to be a top consideration.

Appendix 3 ‘Rural Business Survey’ Quotes

The ‘Rural Business Survey’ was undertaken by the Ashford Borough Council in 2013 to better understand the needs of rural businesses operating within the Borough. A selection of quotes taken from the sample of 26 local businesses is presented below by theme.

Current Business Premises

“We have a high quality shop and restaurant (tourism), but our winery and offices are very shabby and need upgrading.”

“Poor quality roofing, guttering... poor heating, high energy usage.”

“Extremely poor internet speeds and patchy mobile connection.”

“We need faster broadband ASAP! Generally I have been very successful in setting up a home-based business in the arts industry, which is primarily service-based. I would appreciate more networking opportunities and faster broadband.”

Future Growth Plans

“Our issues are around our ability to continue to grow at our current site and what help and co-operation we get. It’s not the greatest site for our business, but it is our home and we’d rather not move.”

“[Our location creates a conflict between] neighbours rural peace and quiet versus our need for growth (albeit quiet growth).”

“My wife and I are very happy working from home. We don’t need to expand, don’t want to and will never need to employ anyone.”

Rural Ashford as a Business Location

“Ashford is for ourselves a good location for our business in the South East.”

“Pleasant place to work with easy access to small local towns and settlements providing a good client base.”

“Very pleasant area to live (we are just outside Tenterden) reasonably close to the City, but transport links are poor outside office hours... lack of public transport means you have to have a car, therefore there is no demand for public transport - a vicious circle, I know.”

“Rural Ashford should continue to remain rural. If it became an expansion of the town I would consider moving my business out of the region to another rural location. I am rural because I want to be, it suits my business, my workforce and myself.”

Appendix 4 'Wye Business Survey' Quotes

The 'Wye Business Survey' was conducted by the Wye Business Association in 2013 to gather views from a range of companies throughout the Parish on their local needs and priorities. A selection of quotes from the sample of 20 firms is presented below by theme.

Business Premises in Wye

"We occupy a near perfect location in one of the village's medieval buildings... Our medium term need is storage space as close to the Heritage Centre (Latin School) as possible."

"The need is for light industrial as well as office space."

"Wye as a business location would be improved if there were more office space available. There is also a need for other sites for a wider selection of rural businesses."

"There is considerable potential for more business space - especially for small/craft businesses - in Wye, and considerable demand as long as rent is reasonable."

"Too many commercial premises have been allowed to convert to residential in recent years."

Wye as a Business Location

"We brought our very well established business to Wye in the 1990s and found, and still find it, to be an excellent location from which to operate both locally, nationally and formerly internationally. The space we have created within our home is ideal and the village environment is congenial and supportive."

"Wye is an ideal place to both live and work in, providing it is not ruined by excessive development."

"Wye has lost close to 1,000 jobs in the past 20 - 25 years. Wye3 is a once in a lifetime opportunity to create new jobs in Wye."

"Delays at the level crossing are a significant disadvantage to many in the community. In business terms, it is a real deterrent to customers for Wye's retail businesses. Other office-based businesses have moved out of Wye because their customers were fed up with waiting at the crossing."

"The constriction of the village by the level crossing and appalling road links to 'civilization' hampered our ability to recruit and it was challenging to get clients to come in over the level crossing. I took 6 people out of Wye 3 years ago and moved to Ashford... We now retain 12 people full time and hope to hit 20 in the

next 2 years. Jobs I would have preferred to keep in Wye as I hate commuting.”

Appendix 5 Rural Economies in Adjoining Areas

Canterbury

The District of Canterbury is the second largest economy in the County and is located to the north-east of Ashford. The majority of employment in the District is focused in the main city of Canterbury and coastal settlements of Herne Bay and Whitstable. In order to boost the District's position as a leading economy in the region, the Council proposes to continue to diversify its economic base and promote opportunities for business enterprise. Within this vision for the District, the Council seeks to support the rural economies of Canterbury by retaining and improving employment prospects that advance the vitality of their communities.

The protection of employment sites within the rural areas of the District aims to ensure the benefits from a range of employment sectors are accrued. Some of these sites include Beach Farm in Barnham and Highland Court in Bridge. The Beach Farm site is considered a valuable location for meeting the employment needs of the surrounding rural area, but is not intended for large expansion with a cap on space set at existing levels (i.e. 3,500 m²). The Highland Court site only provides a small amount of employment space but plays an important role in a local area that lacks employment prospects. It's also recognised as a good location to provide more space for smaller firms. Tourism and home working are also seen as playing a key role within the rural economy in Canterbury.

Maidstone

The Borough of Maidstone is situated to the north-west of Ashford in the heart of Kent. It is strategically located between the Channel Tunnel and London, with connections to both provided via the M20 and M2 motorways, and several rail linkages. The economy is concentrated around the main town of Maidstone, but is supported by a number of relatively buoyant rural villages. The vision of the Council for the rural economy is to further promote its important role within the Borough by regenerating and expanding its existing employment sites.

Over the plan period 2006 to 2026, the Council plans to deliver an additional 10,000 jobs within the Borough. While employment growth is prioritised for the urban areas, some provision is made for development within the rural economy to ensure market flexibility. The rural economy in Maidstone contains a diverse range of sectors and large amount of home-based, small firms. Recent trends have seen rural businesses diversify away from traditional activities through the re-use of farm assets for other non-agricultural purposes. In addition, tourism is a key contributor to the rural economy with the countryside offering a multitude of leisure and recreational opportunities. A large proportion of the

rural areas form part of the Kent Downs Area of Outstanding Natural Beauty (AONB).

Rother

The District of Rother is located to the south of Ashford and is a predominately rural district, with around 40% of its population living in the rural areas outside the three main settlements of Bexhill, Battle and Rye. As a district it tends to perform below average economically, in part due to its poor accessibility and high proportion of inactive economic residents. While larger towns like Bexhill and Hastings significantly influence the economic patterns of the rural villages, it is considered that growth in the rural areas of Rother is largely reliant on their accessibility to the primary road network (i.e. mostly with the A21 and A259).

While rural areas in Rother tend to differ by their economic characteristics, it is common across the District that many of the local businesses are either small or self-employed entities. This is particularly the case the further away an area is from the main economic centres. In addition to the high proportion of smaller firms, the District also accommodates a number of industrial estates within the rural extents. By far the biggest estate is British Gypsum at Mountfield, which accounts for over half the total rural employment space. The Council recognises the continuing potential for employment development in the rural areas, setting a target for an additional 10,000 m² of employment floorspace within the rural parts of Rother over the plan period 2006 to 2026.

Shepway

The District of Shepway is located along the coast to the south-east of Ashford. While it contains a high proportion of rural land, including the Kent Downs AONB in the northern parts of the District, almost half the resident population lives in the main town of Folkestone. The economy in Shepway benefits from a number of economic, structural and geographical assets that help to stimulate growth, including transport links to London and the Continent, good performing sectors in business services and tourism, and high rates of business start-up. However the Council recognises the need to safeguard the economic prospects of the District and attract new investment to the area by ensuring employment sites are brought forward throughout Shepway, including in various rural settlements.

The long term development strategy for rural communities within Shepway aims to counter the negative effects of isolation on their economic performance by ensuring appropriate employment allocations are made in the most sustainable places. Generally, employment development in rural areas will protect existing employment sites, such as at Link Park in Lympne, and in the towns Hawkinge and New Romney. This is to ensure a supply of affordable sites is provided to help reinvigorate the rural small business economy. In addition, the Council also recognises the need to diversify the rural economy (e.g. through tourism, land-based enterprise and environmental technologies), as major employment sites at two nuclear power stations are planned for

decommission in the near future, which will result in significant losses in employment in Shepway.

Swale

The Borough of Swale is a predominately rural borough situated on the Thames Estuary to the north of Ashford. It is one of the worst performing areas in Kent and the South East, with four of its rural areas ranked within the top 5% most deprived areas in England. Over 40% of the resident population live within the rural extents of Swale, outside such centres as Sittingbourne, Faversham and Sheerness. Rural villages contained in the Borough are typically unique in their character and rely on connections with main transport routes for their growth. Some 23% of Swale falls within the Kent Downs AONB, which constrains the amount of developable rural land that is available in the Borough.

Recently, the rural economy in Swale has shifted to become much less reliant on traditional sectors and promoted growth in other business sectors (e.g. IT, tourism and recreation). Tourism has experienced particularly significant levels of growth with a 70% increase in the number of employment opportunities over the period 2003 to 2011. In order to further boost business development and economic growth in Swale, new investment is recognised as necessary within the rural areas to encourage employment development and make communities more self-reliant. New investment is particularly necessary in the agricultural sector, as it is an essential part of the rural economy but has been performing poorly in recent periods. Within this in mind, the Council also recognises the need to support diversification in the rural economy to gain more sustainable social, economic and environmentally beneficial activities.

Tunbridge Wells

The Borough of Tunbridge Wells is situated adjacent to Ashford to the west. It is a relatively affluent borough that benefits from its proximity to London and high quality built environment. While the majority of economic activity in the Borough is focussed in the main centre of Royal Tunbridge Wells, a network of villages provide a significant contribution to the local economy by being at the heart of the rural economy. In recent times, there have been a growing number of small businesses locating in the rural parts of Tunbridge Wells as employment sites within urban areas are increasingly taken up by housing uses. However, these small, often new businesses are not provided enough support and will often end up locating in a premise that is not entirely suitable to their requirements.

Decline in farming in Tunbridge Wells has provided an opportunity to redevelop underutilised rural buildings for other business purposes, helping to diversify the local economy and promote new employment prospects. This is particularly important considering that much of the rural parts of the Borough are located within the High Weald AONB, which reduces the amount of developable land in the rural areas to support surrounding communities. For this reason, brownfield

land at the Gill Green Employment Area (i.e. containing the 2 ha business park at the former Hawkhurst Station) is identified as a key location for office and industrial floorspace development in the rural economy.



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