7.0 Future Employment Space Requirements

7.1 This section assesses the amounts of additional employment space likely to be needed in Swale up to 2026. It also considers the types of space required. It is important to emphasise that the assessment of future needs for employment land in this Chapter does not take into account existing commitments and as such does not represent the amount of additional land required. The quantity of additional land and sites required is considered in the following Chapter.

7.2 To estimate the broad scale and type of further employment land required in the future, a number of different indicators and factors have been considered. The main approaches commonly used in assessing future employment land needs are based on:

- forecasts of employment growth in the main B class sectors;
- projecting forward past take-up trends of employment land, with adjustments if necessary to reflect changing future conditions;
- considering future growth of labour supply and the amount of jobs and employment space that this can support.

7.3 All these approaches have some limitations and need to be considered together and along with other indicators to give a robust view of future employment space needs. In addition, other approaches are necessary in a designated growth area with a set job target that may not reflect past employment growth trends or take-up rates of employment space.

7.4 To set the context for consideration of future employment space needs, the western part of Swale lies within the Thames Gateway and has a growth target of 12,000 more jobs between 2006-16. This target covers more than just B class jobs and was developed on the basis of estimated employment capacity of major development sites and regeneration schemes in the Borough.

7.5 This section first assesses what scale and type of B class employment land is needed to deliver the current 2016 job growth target, along with growth in other sectors. It also considers the employment land requirements needed to support a step change in Swale's economy, meeting demand from expanding indigenous firms and inward investment, but also a move towards higher value, knowledge based activities.

Capacity of Development Sites/Proposals

7.6 The earlier job growth target of 12,000 more jobs in Swale by 2016 included some non B class jobs in education, health, retail, transport, construction and other services. Over 9,400 new dwellings are planned for the area, which could potentially increase resident population by 21,000. Based on the ratio of non B class jobs to population in Kent, such a population increase could support

job growth of 6,200.[21] This would have left some 5,800 jobs to be filled by the B class uses by 2016.

7.7 A recent update of Swale's job generating capacity up to 2026, based on currently known development sites at 2008, indicated scope to accommodate a net increase of 22,900 jobs.[22] Some 15,200 of these jobs would arise on remaining allocated employment sites, other sites with planning permission for B class uses, estimates of the contribution from other sites such as Sittingbourne town centre and expansion of Kent Science Park. In the order of 7,700 more could come from the potential new employment provision recommended by this employment land study. Most of these jobs would in the B class uses. However, it is important to note that this new figure is an estimate of job capacity rather than a specific target and a snapshot of job generating capacity as at 2008. Whether this capacity figure can be achieved will depend on sufficient demand emerging to take-up employment space on these sites by 2026.

7.8 Further indicative job estimates for Swale are provided in South East Plan Supplementary Guidance on Employment Land Reviews, prepared by the South East England Partnership Board (July 2009). These Interim Job Numbers indicate growth of 2,600 jobs in Swale between 2006-16, an average of 260 jobs per year. This is within the context of Interim job numbers of 22,179 for Kent Thames Gateway and 21,711 for East Kent/Ashford. However, it is made clear these figures should not be regarded as job targets and in any event they were prepared in 2005, some years before the 2008-09 recession. It is therefore difficult to use these figures as a reliable benchmark against which to compare the job growth estimates from this study.

Employment Growth

7.9 Forecasts of employment growth for Swale Borough up to 2026 were used as one approach to assessing future land needs. Such forecasts tend to be most reliable at regional and national scales than at the local economy level, but can indicate the broad scale and direction of economic growth in different sectors and provide some guidance to assess future land requirements.

7.10 At the outset, it is important to recognise that there is not always a clear cut relationship between employment change and employment land needs. Additional employment space can be needed even if employment itself is falling, for example if a manufacturing firm requires more space to enable greater automation and achieve job reductions through productivity gains.

7.11 These forecasts of employment growth were obtained from Experian Business Strategies for a baseline scenario, largely based on projections at regional level, and how economic sectors in the Borough have fared relative to the

[21] Based on a 2006 Kent population of 1,382,900 and an estimated 399,000 non-B class employee and self employment jobs
[22] Swale Job Capacity Study, NLP for Swale Forward, April 2010.

region's growth in the past.[23] Appendix 7 contains detailed forecast figures. The employment change in B class jobs in Swale resulting from these forecasts is shown in Table 21.

	No. of Jobs		
	2008	2026	Change
Manufacturing (B1c/B2)	9,980	8,500	-1,480
Distribution (B8)	6,720	6,680	- 30
Business/financial services (B1)	9,410	10,240	+ 840
Total B-class Jobs	**26,100**	**25,420**	**- 680**
All Jobs	**56,770**	**58,040**	**+1,270**

Table 21 Forecast Employment Change in Swale 2008-2026 Source: Experian Business Strategies/NLP, 2008

* Note: B sectors include parts of transport, construction sectors that use industrial land

7.12 This suggests future job growth in the B-use classes over the period to 2026 would be predominantly in office-based sectors, although these are outweighed by large losses in manufacturing and minimal change in distribution employment. The forecast scale of net job growth is negative, with an overall loss in the order of 35 jobs annually.[24] This would be worse than the net gain of only 3 employee jobs annually across B class sectors in Swale between 1998-2006. The forecasts also suggest much lower growth in business/finance job sectors than in the past, only 50 more such jobs annually compared with the 220 actually achieved annually in the Borough since 1998. The Experian forecasts also imply net growth of 70 jobs annually across all sectors in the same period.

7.13 It has to be noted that these Experian forecasts were prepared in early 2008, before the current national recession. The most recent employment growth forecasts for the South East region, prepared for SEEDA and the South East Partnership Board (SEPB), are some 48% lower than their previous (2006) forecasts. The advice that accompanied these regional projections made clear that they should be used with caution in informing policy decisions given the unknown impact of current short term demand-side trends upon long term forecasts. SEEDA and SEPB also advised that these forecasts could be used as 'a low growth scenario' for scenario testing. This suggests that the 2008 employment forecasts for Swale used in this study are likely to reflect a higher, pre-recession picture of future growth prospects. Even so, it is also not clear that these forecasts fully reflect the capacity of large employment development sites or the other growth planned for Swale and their usefulness as a basis for future planning appears limited.

7.14 Despite these caveats, the forecasts were converted to gross additional employment space requirements assuming typical ratios of jobs to floorspace

[23] These job figures were adjusted to estimate total jobs in the main B class sectors.
[24] Note Experian jobs include both employee jobs plus self-employment

for the different B uses.[25] For this purpose, manufacturing space assumes a ratio of 1 job per 30 m^2.[26] For distribution, 1 job per 40 m^2 is assumed for general, smaller scale warehousing, and 1 job per 80 m^2 for large scale, strategic units. Business and financial services jobs are taken to be the main requirements for B1 office space, at a general office ratio of 1 job per 20 m^2. An average plot ratio of 0.4 is assumed in most cases, so that a 1 ha site would be needed to accommodate 4,000 m^2 of employment floorspace. However, for office uses, allowance is made for some new provision being in converted buildings or higher density town centre developments.

7.15 On this basis, the job forecasts indicate substantially less manufacturing floorspace being needed by 2026, with almost no growth in distribution space. While over 16,700 m^2 more office space could be needed, this would not offset the large loss of industrial space. Overall, there would be a net requirement for some 6,300 m^2 less employment space over the next 18 years, although former industrial land would not necessarily provide sites suitable for office development (Table 22).

	2008-2026	
	Additional Floorspace Needs (m^2)	Additional Land Needs (ha)
Manufacturing space (B1c/B2)	-22,250	-5.6
Distribution space (B8)	- 770	- 0.2
Office space (B1)	16,740	1.7
Total B-class space	**-6,280**	**- 4.1**

Table 22 Job Forecast based Employment Space Requirements, 2008-2026

7.16 A job forecast based approach would therefore imply a future need for substantially less industrial space than now. The annual need for about 1,200 m^2 more B1 office floorspace over the next 18 years would also be considerably less than the almost 5,000 m^2 p.a. of mainly B1 completions averaged over the past 10 years. For these reasons, a cautious approach needs to be taken towards basing future land needs on job forecasts.

Past Take-up Rates

7.17 Because they reflect market demand and actual development on sites, long term take-up rates of employment land can sometimes provide a better basis for informing future land needs, particularly where land supply or demand has not been unduly constrained historically. Over the last 10 years, net take-up in Swale has averaged approximately 27,000 m^2 of all types of employment space annually. As Figure 7.1 below demonstrates, the pattern of take-up has been

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

[26] Floorspace related to job losses is reduced by half to reflect firms operating with reduced staff in the same premises

very uneven, with very high levels of B8 or B2 development in some years, very little in others. Some years also saw net losses of employment space in some sectors. Over the last five years take-up has averaged 35,000 m^2, largely because of the very large G.Park development. If this exceptionally large development is excluded, the long term completion rate over the last 19 years has been much lower, around 19,000 m^2 annually.

7.18 Over all periods, the B1 element has been low, but averaging around 5,000 m^2 annually over the last 10 years, and 3,700 m^2 p.a. over the longer term. Just over half of this is estimated to have been office space.[27] The annual completion rate for B2 manufacturing space has been slightly more than for B1 at just under 5,200 m^2 while the average take-up of B8 distribution space has been much higher, at nearly 17,000 m^2 annually.

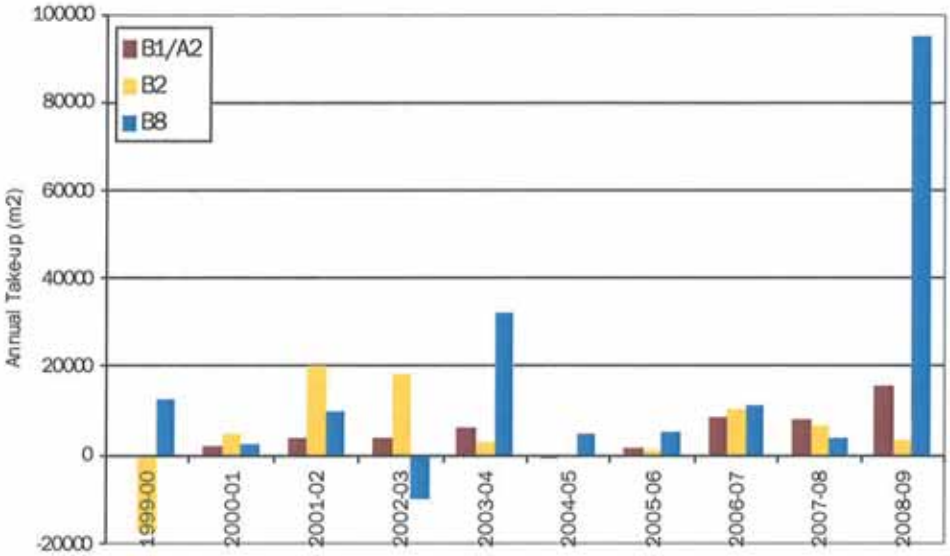

Figure 7.1: Net Completions of Employment Space in Swale 1999-2009 Source: Kent County Council data

7.19 Take-up over a period such as 10 years or so should even out demand fluctuations over a business cycle and normally provide a reasonable basis for estimating future needs. The 10 year average for the main B class uses (approximately 27,000 m^2 p. a.) therefore provides one starting point for estimating future needs. One picture of future growth in Swale could therefore assume that future development rates carry on at something similar to recent average rates. Given the current recession, that the last 10 years were economically buoyant and predicted future decline in manufacturing nationally, this would have to be considered a relatively high growth scenario.

[27] Based on data provided by Kent County Council for 2003-07 and review of recent completion rates for office space

7.20 However, the road and rail improvements recently undertaken or planned for Swale, combined with town centre regeneration and measures to raise skill levels, could support continued demand if adequate sites are provided. There will also be some need for more space to let existing firms grow, to allow upgrading of the stock and to accommodate some degree of incoming investment and new start-ups. The expansion and growth potential of Kent Science Park and the Neats Court scheme are also significant factors that could stimulate future office demand.

7.21 In the longer term, average take-up rates for manufacturing and distribution uses could be expected to reduce slightly to reflect greater automation and space efficiencies. At the same time, a slightly higher office take-up rate would reflect the Borough's economic aims and more active support and promotion of office uses. A take-up rate of 27,000 m^2 annually between 2008-16, falling to 26,000 m^2 annually thereafter, would result in the overall space requirements below. Appendix 8 sets out these assumptions in more detail.

	Floorspace	Implied Jobs
Manufacturing (B1c/B2)	107,000	3,570
Distribution (B8)	286,600	7,150
Business/R&D//financial services (B1)	83,000	4,150
Total B-class Space	476,000	14,900

Table 23 Required Employment Space to 2026 based on Long Term Trends (Higher Growth)

7.22 The amount of jobs that would be generated by this amount of floorspace would be in the order of 15,000 by 2026. This implies about 6,500 new jobs by 2016, more than the expected B class share of the total 12,000 job target for the area.

Lower Growth Scenario

7.23 Another potential scenario of future economic growth in Swale has also been considered since the take-up rate assumed above has been achieved in relatively benign economic conditions over the last 10 years or so. With recovery from the most severe recession for 50 years expected to be slow and uneven, there is an argument that future take-up of employment space in the Borough will be lower than in the past for at least part of the period, with firms perhaps less likely to make investment decisions and developers less inclined to risk in more marginal locations. In addition, the 10 year average includes an exceptionally large development of a scale that may or may not be attracted to Swale in future. Over the longer term, even with economic recovery, there is also likely to be some reduction in employment space requirements generally as manufacturing firms downsize and businesses introduce efficiencies and different ways of working.

7.24 At the same time, a higher level of B1/office development than in the past is necessary if Swale is to develop more in higher value sectors. Aims to attract

more, higher value and office based firms may also mean lower levels of space required overall. While a step change is sought in Swale, this could be a qualitative one based on higher skilled jobs, rather than in terms of quantity of floorspace developed. An alternative scenario therefore assumes an average take-up rate for employment space of around the 19,000 m^2 p.a. achieved in Swale over the longer term, but with a higher proportion of office space and some reduction in industrial take-up rates over time. This would imply a need for 332,000 m^2 more B class employment space overall and produce almost 11,000 more B class jobs by 2026, or 4,700 such jobs by 2016. Consideration of various other factors below will indicate whether future needs over the next 18 years should reflect a higher or lower growth assumption along with a more aspirational approach to economic growth.

	Floorspace	Implied Jobs
Manufacturing (B1c/B2)	102,000	3,400
Distribution (B8)	160,000	4,000
Business/R&D/financial services (B1)	70,000	3,500
Total B-class Space	332,000	10,900

Table 24 Required Employment Space to 2026 (Lower Growth Assumptions)

Other Indicators

7.25 Given the quite different pictures indicated by the employment-based estimates and past-take-up trends, a range of other indicators have also been reviewed to inform a judgement on where the best estimate of future needs should lie. Some of these factors pull in different directions and a balance has to be drawn between them.

7.26 Swale has had a reasonable record of attracting **inward investment** in recent years, primarily small scale industrial firms relocating from elsewhere in Kent, but with a number of bioscience firms going to Kent Science Park. Making more suitable land available could itself encourage more such relocations although the relatively small scale of attracted firms does not point to large amounts of additional land being needed to accommodate new investment, particularly for office space.

7.27 **Levels of new business registrations** provide an indication of the number of new firms starting-up or expanding in the Borough, and this will influence the amount and type of employment space required in future. Growth of VAT registered firms in Swale has been double the County average suggesting an above average entrepreneurial activity. This should eventually produce some growth in demand for additional employment space as firms grow, but probably relatively small in scale.

7.28 **The expansion requirements of established local firms** were assessed through a survey of firms based in the Borough. This found that almost half of mainly industrial firms anticipated expanding in terms of space in the next 5 years,

most within Swale. Of these firms, just under half identified need for up to 1,000 m^2 more space, and only 14% required 10,000 m^2 or more. This suggests a need for a modest additional amount of employment space to modernise the current stock and support indigenous growth.

7.29 The need to **replace** land or premises lost (or released) to other uses to maintain the level of the current stock of employment space has been considered. Over the last four years, there has been an average annual loss of 6,300 m^2 of employment floorspace to other uses. This is broadly equivalent to about 4 ha of industrial land lost annually although this probably includes Sittingbourne town centre regeneration and future losses may not continue at that level. While this amount is much less than new space completed in recent years, some replacement may still be needed if the current level of stock is to be maintained, particularly if any sites are released to other uses.

7.30 **Vacancy levels** and floorspace availability provide another indicator of the balance between current supply and demand for employment space. A typical vacancy rate in a normal market would be around 10%, to allow for movement and expansion of firms, and a choice of locations. Vacancy rates in Swale currently stand above this for industrial premises and about the normal level for office space, although these rates reflect some new space still to be let. This indicator does not suggest that there is any significant shortage of employment space relative to current demand, or any need to over-provide in future to compensate for a shortage of space.

7.31 Looking at **commuting** patterns, Swale has almost one third of its working travelling to work elsewhere. Increasing the supply of good quality jobs available locally could help draw back some of these out-commuters and in reducing traffic congestion. This would support a case for more provision of employment land locally if it attracted the types of jobs that could draw back some out-commuters.

7.32 Significant future housing and population growth in the Borough – and hence **labour supply** – could mean a need for more local jobs if employment demand is to be met in the Borough. Swale is planned to gain 10,800 new dwellings by 2026, which should increase its working age population although not all of this increased workforce will require B class jobs.[28] This would provide up to 13,500 more residents seeking jobs, although typically only about half of these would seek B class employment, and suggest a need for a modest increase in jobs and employment space. [29]

7.33 Other factors which could moderate future levels of employment space required include the growing trend to relocate certain business operations to lower-cost locations overseas, often referred to as **"off-shoring"**. The industries with the highest propensity for this have typically included communications, banking and

[28] Based on ODPM 2004 population projections for Boroughs and current proportion of B class jobs in Swale
[29] Based on 51,078 dwellings and 64,100 economically active residents in Census 2001

finance, and some business services, but with indirect effects on other sectors of the economy. At the same time, industrial firms are tending to move manufacturing operations to lower cost countries while maintaining UK distribution functions. Some recent studies suggest that while this trend may be slowing for business services, it may continue for lower value manufacturing. This may have implications for particular industrial sectors in Swale. Although it is hard to quantify the extent with any certainty, it could be expected to reduce long term land needs.

7.34 Another factor which would tend to reduce the amount of additional employment space needed in the future is the ability to achieve economic growth without corresponding increases in demand for employment space or labour, known as **"smart"** or **"spaceless" growth**. This could reflect increased automation, labour productivity improvements, hot-desking, working from home, or more overtime working by current staff. Again, it is difficult to quantify the extent of this effect and recent studies have not found major changes in employment/space ratios so far. Over the long term, however, a shift from industrial to higher density office based jobs should reduce land needs but this also implies a need for higher value jobs and skills.

7.35 **Competition** to economic growth in Swale from other Boroughs and larger sub-regional centres could constrain future demand and hence the scale of employment land provision. Chapter 3 describes major developments and land supply in adjoining areas. This suggested that major office developments planned for Ashford, along with Maidstone and to a lesser extent Canterbury, could compete for larger office relocations, while the Isle of Grain and Kingsnorth developments in Medway appear potential competitors for industrial investment. These factors may moderate the levels of growth and relocations that Swale could expect to attract.

Step Change Growth

7.36 As the above growth scenarios assume development rates similar to, or below, those achieved over the last 10 years, this could suggest they do not allow for any future step change for Swale in quantitative terms.

7.37 As noted earlier in the study, If it were possible to achieve a step change in the local economy and in market demand in Swale, this could come from a combination of factors such as using Kent Science Park as a focus for growth of knowledge-based businesses; general housing and population growth in the Thames Gateway; more active promotion of the area as a business location; upgraded railway links to London and completion of the Sittingbourne northern relief road; regeneration of Sittingbourne town centre and the possibility of public sector funding bringing forward more, good quality development sites and speculative premises. It is possible that such factors could lead to greater growth potential in some of the above sectors, particularly business services, advanced manufacturing, ICT, and biotechnology/healthcare.

7.38 The higher growth scenario above already implies quite a high level of growth during a period of economic recovery from severe recession. It also implies significant growth in demand for distribution space and allows for a significantly higher level of office demand than in the past. It is possible that other factors might produce a higher level of growth than this. For example, the G.Park development could potentially put Swale on the map as a location that could attract more, larger distribution units. An expanded Kent Science Park is another potential driver of higher growth although a significantly higher level of B1 development than in the past is already assumed. It is also possible that, combined with infrastructure and accessibility improvements, more active promotion and an improved image, provision of more, good quality industrial sites could stimulate higher growth and attract more relocations of firms to Swale.

7.39 No specific land or floorspace requirements are estimated for such a scenario. With the current poor economic outlook and taking account of the employment space requirements indicated by job forecasts for Swale, it is considered that the land needs associated with the various 'step change growth factors' for Swale would not necessarily significantly exceed the higher estimate outlined above. If so, such a step change could probably be allowed for by pitching future employment requirements at the higher end of the range identified above.

Preferred Estimate

7.40 Drawing the above factors and analysis together, all the indicators point towards a need for additional employment land over the period to 2026. However, estimates of the future amount required differ greatly between those based on past take-up (332,000 - 476,000 m^2) and employment growth based approaches (21,800 m^2 of office space but less industrial space). The preferred estimate must not only meet Swale's job growth target, have regard to the South East Plan Interim Job Numbers, meet demand from expanding indigenous firms and attract inward investment, but also allow for a step change supporting a move towards higher value, knowledge based activities. It also needs to allow for a reasonable choice of sites.

7.41 The employment based estimates would not allow for the level of job growth required, nor support attraction of new investment to the Borough. They also imply lower growth in office based jobs than Swale has achieved in recent years. This does not appear an appropriate basis for achieving the above economic and regeneration aims, nor reflect the potential of an area within the Thames Gateway growth area. In this situation, past take-up of employment space is considered to provide a more reliable starting point for estimating future needs. It better reflects actual demand on the ground since there is no indication that, in overall terms, land supply in most of the Borough has been unduly restricted in recent years.

7.42 However, the various factors considered above suggest some need for adjustments to past take-up rates as a basis for forward planning. Current economic conditions nationally imply a slower development pace in Swale in the short term and probably not the same high level of larger scale, industrial developments as in the past. Ultimately, a judgement has to be made and taking all these factors into account, would point towards a position between the two estimates and probably closer to the lower figures. However, a higher level of provision could support a more aspirational approach to economic development in Swale, allowing for the potential step change factors identified above. To help inform planning for future needs, the implications of both estimates of future requirements are considered throughout the report, with the measures required to accommodate a more aspirational future identified.

Planning Requirement for Employment Land

7.43 It is normal to provide a reasonably generous additional allowance on top of the initial estimate of employment space needs for a number of reasons:

- to provide a margin for error given the uncertainties in the forecasting process;
- to allow developers and occupiers a reasonable choice of sites;
- to give a reasonable vacancy level that enables normal market movement and turnover of firms;
- to give some flexibility for renewal of sites while older premises are redeveloped and new premises are coming forward; and
- to cope with factors such as some allocated sites not coming forward.

7.44 This margin could also include a replacement allowance for some employment space being lost to other uses, in order to help maintain the current stock of employment space.

7.45 In some studies, an extra allowance of up to 50% has been added to the estimated land need figure to provide this safety margin, with a 40% margin used in the Ashford growth area and accepted as reasonable by the EiP Inspector on its Core Strategy. Other approaches have considered an allowance of several years of past average take-up, to allow for delays in sites coming forward, to be adequate. A minimum 8-10% margin to allow for market movement and relocations appears advisable while it would not be unreasonable to assume a need to renew 1% of the existing stock each year, with some land needed for this.

7.46 Given that part of Swale is a growth area, a reasonably generous additional allowance should also be made to offer sufficient choice to attract investment from elsewhere, while avoiding over-provision. Bringing forward a site for development with infrastructure and services in place can take several years and a margin based on several years of extra take-up can compensate for this. While it is difficult to quantify this precisely, on balance and reflecting the above factors, an overall safety margin of 25% was considered generous enough to ensure future needs are not underestimated, and would also allow to some

extent for a future step change in demand. This would be equivalent to between 3-5 years of take-up at past rates depending on which scenario is used. This additional amount was added to the above estimates of required floorspace.

7.47 The resulting land requirements over the next 18 years to 2026 including this safety margin are summarised in Table 25 below. In terms of the type of space required, most of it would be for industrial uses, including both manufacturing and distribution. A significant amount of land would still be needed for office and other knowledge-based uses, and could also accommodate some other compatible types of uses.

	Lower Growth		Higher Growth	
	Floorspace (m^2)	Land (ha)	Floorspace (m^2)	Land (ha)
Manufacturing space (B1c/B2)	127,500	31.9	133,750	33.4
Distribution space (B8)	200,000	50.0	357500	89.4
Office space (B1)	87,500	18.7	103,750	22.1
Total B-class space	415,000	100.5	595,000	144.9

Table 25 Total Employment Floorspace Requirements, 2008-2026 Source: NLP

Note: Estimates include safety margin of 25%

7.48 Splitting these requirements into different time periods produces the following amounts of B class floorspace required up to 2016 and beyond (Table 26).

	Lower Growth		Higher Growth	
	2008-16 (m^2)	2016-26 (m^2)	2008-16 (m^2)	2016-26 (m^2)
Manufacturing space (B1c/B2)	65,000	62,500	65,000	68,750
Distribution space (B8)	100,000	100,000	170,000	187,500
Office space (B1)	25,000	62,500	35,000	68,750
Total B-class space	190,000	225,000	270,000	325,000

Table 26 Phasing of Employment Floorspace Requirements, 2008-2026 Source: NLP

Reality Check

7.49 To test the reasonableness of these estimates, they were compared with various other factors. The lower growth estimates imply an annual land requirement of approximately 5.6 ha, equivalent to about 23,000 m^2 p.a. The higher estimates indicate a need for 8 ha p.a., or some 33,000 m^2 p.a. In comparison, the Adopted Swale Local Plan allocated 155 ha for the 15 year period up to 2016, an annual average of just over 10 ha. The Kent & Medway Structure Plan guideline for 2001-21 is 900,000 m^2, implying annual take-up of

45,000 m^2 although it is understood this target reflected current commitments at the time rather than indicating future demand. Both of this study's growth estimates are clearly lower than past figures in overall quantity of employment space, but with a shift towards more office space. Average net take-up in Swale over the last 10 years has also been much lower than the Structure Plan guideline.

7.50 The number of jobs likely to be generated by these employment land estimates can also be compared with projected change in labour supply in the Borough by 2026. The lower floorspace requirement implies over 10,900 new jobs would be created, the higher one some 14,900 jobs. ONS population forecasts indicate an increase of 4,600 economically active residents in Swale by 2026 while the planned 10,800 new dwellings could produce up to 13,500 such residents. Not all of these workers will be seeking B class jobs and some will seek jobs outside of Swale. There will also be demands on these workers from growth in other sectors. However, the local labour market could probably support many more jobs if it were possible to significantly reduce the current 19,000 out-commuters, 60% of which work in B class jobs. There will also be changes in the local economy over time with some sectors shedding labour. With an increase in working residents and some out-commuters shifting to local jobs, it would appear the lower growth scenario could more easily be accommodated without placing significant strains on local labour supply. A higher growth scenario would probably need more current out-commuters to work locally, or more in-commuting of workers from adjoining districts.

7.51 Lastly, it is useful to compare the employment growth implied by these amounts of land with employment growth actually achieved in the Borough in recent years. The lower employment space estimates imply about 600 jobs would be created annually over the next 18 years, about 200 of these office based jobs. The higher growth estimates imply some 830 jobs annually. These figures compare with minimal net gain in B class jobs in Swale between 1998-2006, as 220 more office based jobs annually were largely offset by lost manufacturing jobs. The preferred employment space estimates would therefore produce many more jobs than the Borough has achieved in the recent past, although no real step change over past levels of office based employment.

Conclusions

7.52 Based on consideration of various factors, estimates of future employment space requirements based on past patterns of take-up have been prepared for lower and higher growth assumptions of economic development in Swale, and the amounts are illustrated in Figure 7.2. These take account of uncertain economic conditions nationally and assumptions of reducing requirements for industrial space generally in the longer term.

7.53 The choice of which estimate to use should reflect wider economic aims for the Borough. It is probable that actual needs will lie between these two estimates

and possibly towards the lower end of the range but, for planning purposes, it may be better to plan for higher growth but use a monitoring approach to guide release of land on a phased basis. In particular, if the Council wished to take a more aspirational approach to promoting economic growth in the borough in future, there would be a case for setting a level towards the top end of the indicated range of requirements.

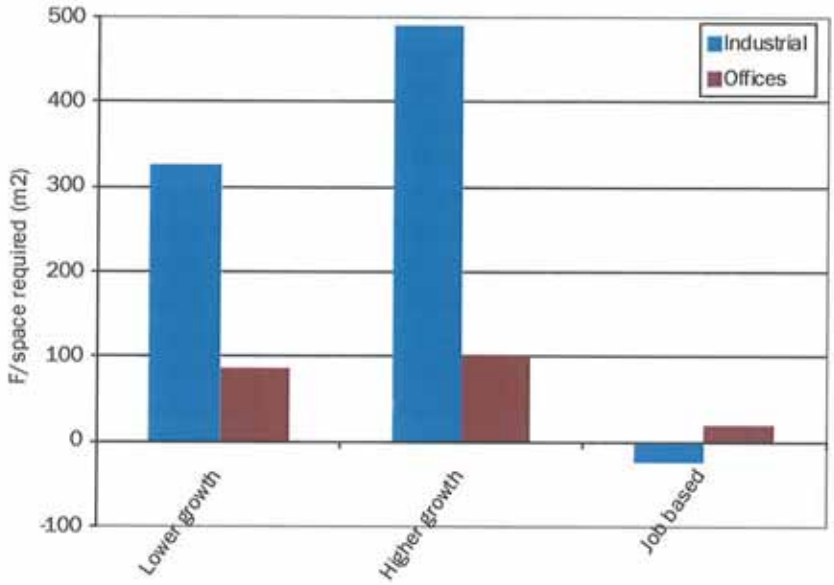

Figure 7.2: Employment Space Requirements to 2026 for Different Scenarios/Approaches Source: NLP

7.54 These amounts of space requirements need to be compared with likely land supply to assess any need for additional allocations, and how much additional land could be required.