Topic Paper 5

# The Economy

Version 1.0

Swale Borough Council
North Kent Coast

## 1. Introduction

1.0 This topic paper is one of a series, prepared by the Council, to support preparation of its Local Development Framework (LDF). The topic papers in the series comprise:

1. Demography and Social Trends
2. Policy Context
3. The Natural Environment
4. The Built Environment
5. The Economy
6. Tourism
7. Retail
8. Housing
9. Leisure and Open Space
10. Water
11. Transport
12. Rural Communities
13. Climate Change

1.1 The purpose of the papers is to provide all parties who may wish to participate within the Local Development process access to the same baseline information that the Council intends to use in the preparation of its Development Plan Documents and Supplementary Planning Documents. They provide a digest, rather than a substitution, for fuller information obtained from other sources. Other topic papers may be added over time.

1.2 Should you have any questions relating to the content of these papers, please contact planningpolicy@swale.gov.uk.

1.3 This topic paper covers the traditional forms of economic activity economy, whilst the tourism and retail sectors are considered in separate papers. Further information on this topic can be found in the Council's Employment Land Review and its Job Capacity Study April 2010.

1.4 An additional area not covered by the Employment Land Review is agriculture and information is included in this topic paper based on statistics from Defra and discussions with and research by the National Farmers Union.

## 2. Economic Overview

2.0 Swale is located on the Thames Estuary in north east Kent and comprises three main areas focused on the towns of Sittingbourne (population 42,000), Faversham (18,000) and Sheerness (11,700) on the Isle of Sheppey.

2.1 The Borough is bounded by Medway district to the west, by Canterbury to the east, Ashford to the south and Maidstone to the south west. The western part of the Borough falls within the Thames Gateway, one of the main growth areas within the Government's Sustainable Communities programme, while Ashford to the south is also a growth area. As part of this growth initiative, some 12,000 new jobs are indicated for Sittingbourne and Sheerness by 2016 and 10,800 new homes by 2026.

2.2 Swale enjoys excellent road links via Jnc 5-7 of the M2 motorway, while the M20 motorway linking London with the Channel ports and Tunnel lies just to the south of the Borough. The A249 links the Borough with Maidstone and the south of Kent and a Northern Relief Road is planned in Sittingbourne aimed at reducing traffic congestion. Faversham and Sittingbourne also lie on the main rail line to London Victoria, with a one hour journey time to London, while the recent introduction of High Speed 1 gives a journey time to London St.

Pancras of under one hour. The nearest airports with scheduled services are London City and London Gatwick over 50 km to the west.

2.3 There are currently no universities within Swale although university campuses exist at Canterbury and Chatham while the Kent science Park near Sittingbourne contains the Kent Science Resource Centre offers foundation degree level science courses for technicians. Sheppey College in Sheerness, a satellite of Canterbury College, is the only further education facility. Overall such facilities are limited relative to population levels and the Borough's educational needs.

## 3.0 Economic Activity

3.1 Other than town centres, the main centres of economic activity and employment are industrial estates based in the three main towns of Sittingbourne, Faversham and Sheerness. A large proportion of employment space is concentrated in the very large Eurolink employment area in Sittingbourne, a mainly industrial area. Sheerness is a deep water port with rail freight connections and one of the UK's largest import points for fruit, timber and paper products and vehicles. There are relatively few office areas, mainly the Watermark development in Sittingbourne, although the Kent Science Park just outside Sittingbourne contains some offices as well as R&D facilities.

3.2 There are relatively few large firms in the Borough with only 3% of businesses having more than 50 employees and none with over 500, although this share is similar to Kent generally and nationally. Swale also has a high proportion (83%) of very small firms (0-9 employees), a similar level to the sub-regional and national picture[1].

3.3 The largest private sector employers in Swale are in the industrial and transportation sectors and include Aesica (pharmaceuticals), St. Regis Paper, Medway Ports and Shepherd Neame (brewers). Pfizer, a major pharmaceutical firm, has recently relocated from the Borough. There are no major office based firms based in Swale although two call centre operations are based at Kent Science Park.

3.4 Another important local employer is the cluster of three prisons on the Isle of Sheppey. The tourism sector is also a significant supporter of local jobs, with many caravan parks based on Sheppey and many bed and breakfast establishments and self-catering accommodation across the North Kent Downs Area of Outstanding Natural Beauty. Agriculture is a key sector within Swale, particularly that related to the fruit industry.

### Economic Trends

3.5 The resident population of the Borough in 2008 was estimated at 131,900, a rise of 11% since 1998. Swale has had modest housing growth in recent years, with 2,900 new dwellings built between 2001-2006, an increase in the total stock of 5.4% which was slightly above the regional average (4%). In 2008, Swale contained some 42,800 employee jobs, a level mid way among Kent districts.[2] The Borough's employment grew by 10.6% between 1998-2008, the 6th highest among Kent districts and slightly above the growth rates in the South East region (9.7%) and Great Britain (9.5 %) but below the Kent average (14.8%).

3.6 Looking at economic output, although Swale's GVA per capita puts it in the lower half of Kent districts and well below regional and national averages, the Borough's growth in GVA per capita between 2001-07 (34.3%) has been the 4th best in Kent and exceeded the regional growth rate (25%).

[1] Table, Appendix 3 ELR April 2010.
[2] Based on Annual Business Inquiry, 2008.

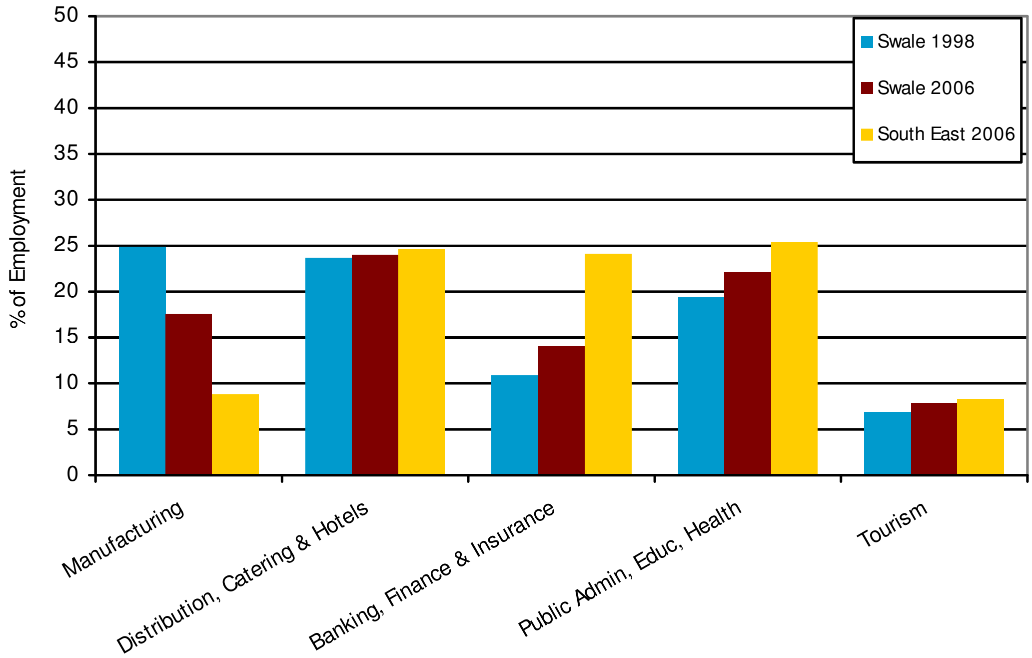


**Figure 1 Principal Sectors of Employment in Swale (ABI).**

3.7 In employment terms, Swale's main industrial sectors are distribution, hotels and catering (24%) and public administration, education and health (22%), with broadly similar proportions to the regional and national averages. However, the typically more dynamic growth sector of banking, finance and business services (14%) is greatly under-represented, compared with the region (21.2%) and Great Britain (22%).

3.8 While manufacturing employment has declined to 17.6% of all Swale jobs, its share still remains well above the regional figure (12.9%) and the national (10.2%) average. Transport and communications (8.5%) also has higher representation than regional and nationally. Reflecting the rural character of much of the Borough, agriculture still employs 4.4% of the total workforce, well above the regional (1.4%) and national (1.0%) averages.

3.9 Over the period 1998-2008, the fastest growing sectors in the Borough were financial and business services (+54%) followed by other services (+58%) and public sector jobs (47%), all of which grew much more than the national average. The distribution, hotel and catering sector grew less (10%) but still almost double the national rate. Manufacturing in Swale declined by 36%, which was slightly worse than the national fall of around 33%.

3.10 The tourism sector is a modest employer within the Borough with 3,200 jobs in 2008, but has grown by almost 70% in the last eight years. However, its 7.4% share of all Swale jobs is lower than both the South East region (8.2%) and nationally (8.2%). See Topic Paper 6.

3.11 Between 1994-2006, the number of VAT registered firms in the Borough grew by just over 31%, higher than the County (28.0%) and national rate (25.9%) but very similar to the regional (31.6%) growth rate. With 43 VAT registrations per 10,000 population in 2006[3], Swale's rate of new business formation is similar to Kent (41) and the South East region (43) and all are above the national figure (37) suggesting an above average entrepreneurial culture locally. The business survival rate beyond three years of businesses in Swale is also slightly better than County, regional and national rates.

[3] Over 16 years of age.

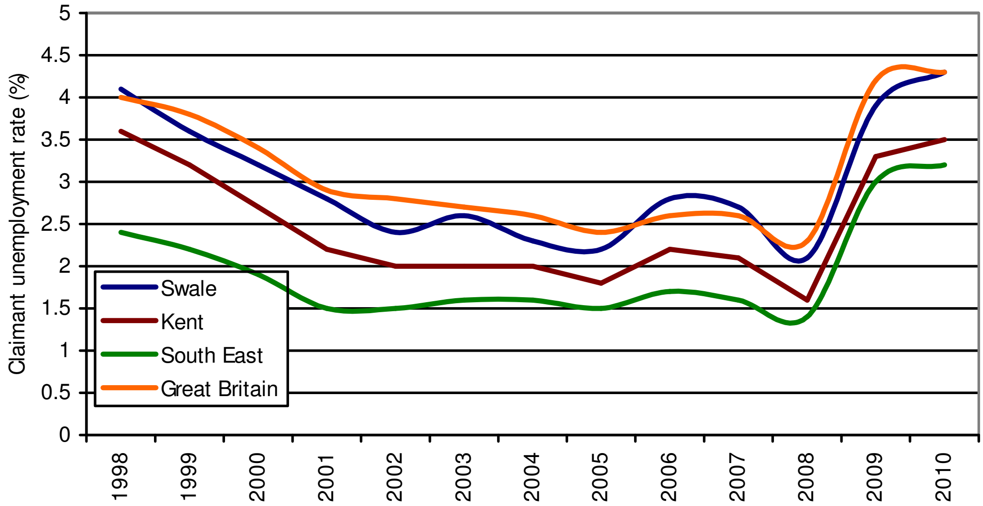


**Figure 2 Claimant unemployment rate 1998-2009 (NOMIS).**

3.12 The Borough, with 4.2% of its resident workforce out of work in February 2010, has relatively high claimant unemployment compared with Kent (3.6%) and the South East region (3.2%) and comparable to the national rate (4.3%). This general pattern has prevailed over the past decade (see Figure 2).

3.13 Long-term unemployment[4] in Swale (12.5%) is slightly lower than the regional (13.5%) and national (14.8%) rates. However, the ILO[5] unemployment rate for the Borough (6.3%) – which includes those seeking work but not claiming benefits – is well above the claimant rate, and also above the comparable rates for Kent (5.4%) and the South East (5.0%). This suggests that local unemployment may be underestimated and emphasises some capacity for employment growth.

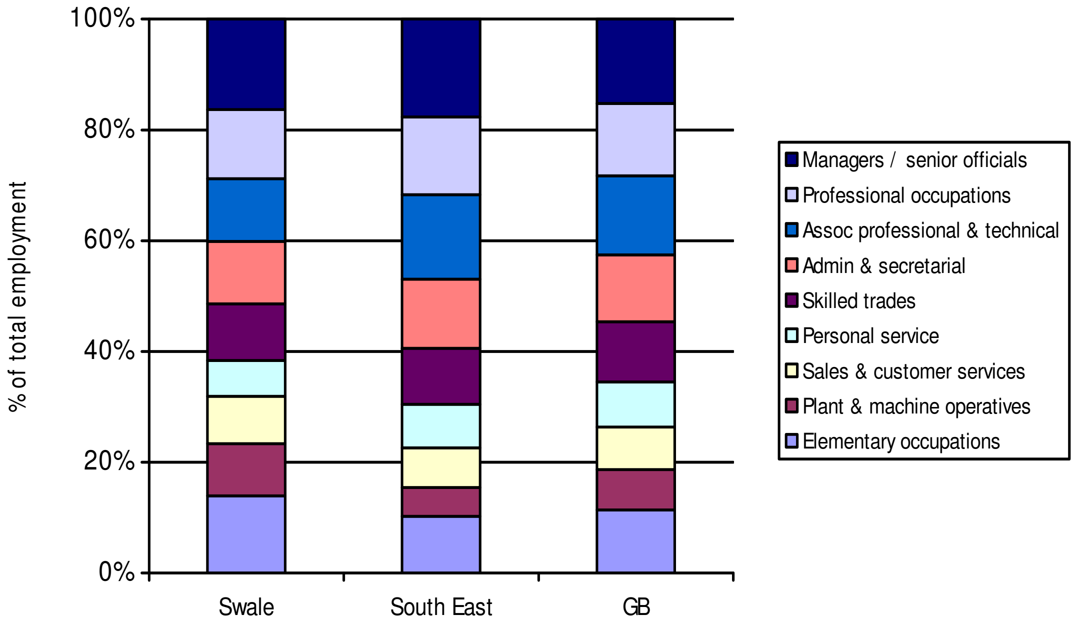


**Figure 3 Occupational breakdown of labour force (Annual Population Survey 2006-07)**

3.14 In February 2010, there were 5.6 claimant unemployed workers for every notified job centre vacancy in the Borough. This was higher than the ratios for the South East (4.5) but

[4] % of claimant unemployed who are out of work for over 12 months

[5] International Labour Organisation measure indicates total number of unemployed actively seeking work.

similar to the national average (5.7). This indicates a less tight labour market in Swale with capacity for employment growth compared with other parts of Kent.

3.15 There also appears some scope to expand the indigenous local labour supply should employment demand grow in future. This is reflected in the economic activity rate for Swale Borough – the proportion of the economically active workforce in employment – which at 77.8% is lower than the South East average (82.0%) and slightly below the national rate (78.5%).

3.16 Overall, Swale's labour force has fewer highly skilled paid occupations and more, lower skilled manual jobs than the South East region and the national picture. In particular, there is a slightly lower proportion of residents in managerial (16.4%), professional (12.5%) and associate professional (11.4%) occupations. At the same time, the local proportion of manual industrial occupations, particularly process plant & machine operatives (9.4%), is almost double the South East average while lower-skilled elementary occupations (14%) are also more highly represented (Figure 3).

3.17 Skills levels of Swale residents are also lower than average. Only 18.6% of its working-age residents have a degree or higher qualification, well below the regional (30.8%) and national (28.6%) averages. Similarly, the proportion with no qualifications (19.2%) is double the regional average (9.6%), and also above the national proportion (13.1%).

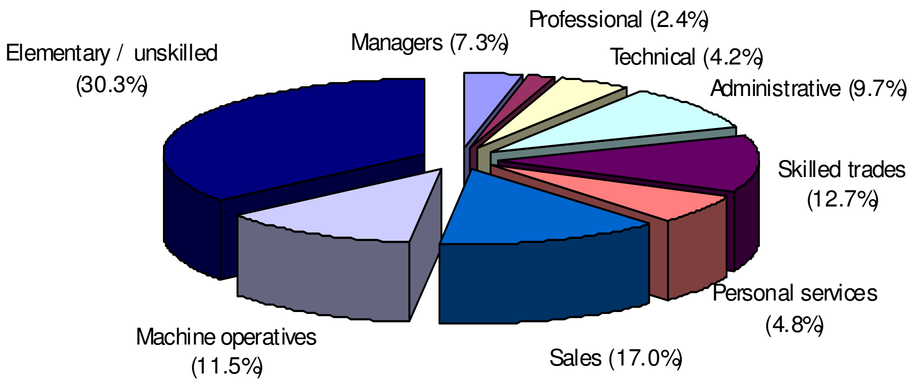


**Figure 4 Sought occupation of claimant unemployed in Swale (NOMIS).**

3.18 Turning to the types of jobs required in the area, the most sought occupations amongst claimant unemployed workers in Swale are for elementary / unskilled work (36%), sales and customer services (14%), skilled trades (12%) and machine operatives (12%). Demand for managerial and professional jobs (5.4%) among unemployed residents is much lower than proportions for the South East. Generally, there is greater need for low skilled jobs and manual industrial jobs (process plant/machine operatives) compared with the regional and national average.

3.19 Reflecting the relatively lower-skilled nature of the local workforce, average wage levels of working residents in the Borough are in line with the national average, but 9-12% below the County and regional average. However, workplace earnings in Swale are 9% lower than the national average, and 15% lower than the South East average. This suggests that many Swale residents are commuting to higher-paid jobs elsewhere and there is a need for more, higher paid jobs locally.

3.20 Confirming this picture of below average earnings, the proportion of households receiving benefits in Swale Borough (14.4%) is much higher than the South East regional average (9.7%), although in line with the national rate (14.2%).

3.21 Swale has relatively high levels of deprivation, being ranked as the 116th most deprived out of 354 English local authorities measured by the English Indices of Deprivation 2007. This makes it the most deprived Kent district after Thanet and substantially worse off than some nearby areas such as Ashford (227), Maidstone (248) and Tunbridge Wells (273).

### Inward Investment

3.22 Based on recent surveys by Locate in Kent, Swale was one of the lowest rated Kent districts as a business location by developers, employers, investors and property agents.[6] Despite this, the Borough has had a reasonable record of attracting investment in recent years although primarily small scale industrial firms from elsewhere in Kent. Some 27 successful investments were attracted to Swale between 1998-05, 11% of the Kent/Medway total.[7] Most of these were small scale, with the average number of jobs between 20-40, much lower than the average for Kent as a whole. It is important to note, however, that other direct inward investment to Swale, particularly in life sciences, may not be reported in these figures.

3.23 Most investments have been in manufacturing and paper/publishing, with none in financial services and only small amounts in ICT, life sciences and business services. Most of the office based investments moving to Swale have gone to Kent Science Park. More of the new investment in Swale is created by indigenous firms than in Kent generally but over 70% of industrial enquiries are from firms already based in Kent and looking to relocate, with very few from overseas firms.

3.24 Roughly twice as many recent enquiries by potential investors have been for industrial premises than for office units. The great majority for industrial premises are for units below 4,650 $m^2$ (50,000 sq. ft) and those for office space predominantly below 930 $m^2$ (10,000 sq. ft).

### Knowledge-based Industries

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

3.26 As Table 1 shows, although the Kent Science Park in located in the Borough, only 14.4% of firms within Swale are within knowledge-based industries. This is lower than in all nearby districts, and much lower than areas such as Tunbridge Wells (23.9%), Maidstone (20.5%) and Ashford (19.5%). The proportion in Swale is also well below the South-East (24.6%) and national averages (20.6%).[8]

**Table 1 Knowledge-based industries, % of business. UK Competitive Index.**

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

[6] Business Perception Survey, Swale Forward, 2005
[7] Swale Inward Investment & Property Report, Locate in Kent, August 2005.
[8] Based on definition adopted by the Organisation for Economic Co-operation and Development (OECD), includes high-tech manufacturing activities such as pharmaceuticals, computers and aerospace, and services such as telecommunications, financial intermediation, computing and research and development.

3.27 The importance of the Kent Science Park within both the local and the Kent economies was assessed by a recent Economic Impact Study. This found the Park contained one third of Swale's employment in knowledge-based sectors and was very important in raising the profile of both areas as a location for bioscience and other knowledge-intensive activities.[9] If fully developed, the Park could create 4,800 jobs but to fully exploit its potential, it needed to be integrated into a wider cluster of knowledge-based activities across North Kent and improved access by public transport or a new M2 motorway link would be important to such development.

**Agriculture**

3.28 Agriculture remains an important part of the Swale economy and land-use. In 2005, the Borough had 9% (444) of the total number of holdings in Kent (4,979). The largest proportion of these holdings was put to fruit production (30%), with the Borough having some 19% (1,997) of the total hectarage (9,797) for fruit in the County. Across farm size, Swale had slightly larger farm sizes that the Kent average with 15.5% over 100 ha (12.5% Kent), and for those between 50-100ha 10.5% (8.5% Kent). For holdings less than 20 ha Swale has a similar proportion to Kent – 25% (26% Kent)[10].

3.29 The industry is need of some modernisation, particularly relating to the need for storage off fruit and to increase the seasonal availability of crops.

**Commuting**

3.30 In 2001, over 19,000 residents travelled out of Swale Borough to work elsewhere, predominantly to the adjoining Kent districts of Medway, Canterbury and Maidstone, as well as Central London/Docklands (Table 16). This out-commuting was equivalent to about one third of all employed residents. At the same time, approximately 10,000 residents of other districts commuted into Swale to work – again predominantly from adjoining areas of Kent – equivalent to nearly 22% of all workplace jobs in the Borough being filled by non-residents. This produces a significant net out-flow of around 9,000 residents. Almost 60% of the out-commuting residents work in B class jobs, many in London but also in Medway.

3.31 An area's self-containment rate reflects the proportion of working residents in work locally, as opposed to commuting elsewhere. In Swale Borough, the self-containment rate in 2001 was a relatively high 65%. This rate is lower than other Kent Boroughs such as Canterbury and Ashford, but higher than Maidstone, Tunbridge Wells and Medway. On balance, although overall it is a moderate exporter of labour, Swale forms a relatively self-contained local economy where most of the residents both live and work within the Borough and immediately adjoining boroughs.

**Strengths**

- good transport accessibility to the M2 and M20 motorways with reasonable rail links to London;
- the growth potential of the Port of Sheerness and related distribution activities;
- a strong industrial base which has held up fairly well despite national decline in the sector;
- reasonable employment growth in recent years, significantly above the regional average and many other Kent boroughs;
- good levels of new business formation, suggesting local entrepreneurship;
- the presence of Kent Science Park, a focus for high technology firms with the largest concentration of wet laboratory space in Kent and potential to attract inward investment;
- generally low land/building costs;

[9] Kent Science Park Economic Impact Assessment, Centre for Strategy & Evaluation Services, 2008.
[10] Defra Agricultural Statistics 2005.

- proximity to major housing and population growth planned in the Thames Gateway; and
- affordable housing costs combined with proximity to attractive countryside.

**Weaknesses and constraints**

- a narrow employment base focused on the manufacturing sector, which typically has poorer growth prospects and strong competition from lower-cost locations;
- under-representation in the financial and business services and other knowledge-based sectors, which typically have greater potential for growth;
- modest recent attraction of inward investment and relocations in higher growth/higher value sectors from London/South East;
- an above average proportion of lower paid jobs, with significant out-commuting to better paid jobs outside the Borough;
- a relatively low-skilled workforce; and
- lack of a clear, attractive image compared with some other parts of Kent.

## 4 Current Supply of Employment Space

4.0 Swale has a sizeable amount of employment floorspace compared with nearby districts, although less than the adjoining district of Medway. This stock is dominated by manufacturing and warehousing premises with a very low proportion of office space compared with other Kent districts. In recent years, the Borough has seen only a very modest increase in employment floorspace, with significant increases in warehousing space and some new office space largely offset by high losses of manufacturing space. Vacancy levels of commercial premises are below average, although there appears to be a large amount of permitted floorspace in the development pipeline, particularly industrial space. Swale contains a reasonable range of industrial sites and areas, although the stock of industrial premises is relatively old compared with the regional average. Apart from the Kent Science Park, there are very few dedicated office parks or modern office premises.

4.1 There have been quite high levels of new employment space completed over the last 10 years, averaging 27,000 $m^2$ gross annually and mostly B2 and B8 space. This is a higher level than in all adjoining districts. There also appears to be a large supply of employment land allocated to meet future needs in Swale, the majority for B2 and B8 uses. This amounts to 798,000 $m^2$ on 296 ha of land, more than in all adjoining districts. At the same time, a significant amount of employment space, mainly from B2 uses, has been lost to other uses, averaging 6,300 $m^2$ annually in recent years, but partly reflecting losses to town centre regeneration.

4.2 There are a number of major development proposals in adjoining districts, and elsewhere in Kent, some with potential to compete with Swale for future employment development. In terms of office space, significant emerging supply in Maidstone and Ashford is likely to be a threat. The large distribution sites in Medway – the Isle of Grain site (192 ha) with potential for port and distribution uses and the Kingsnorth site (66 ha) for industrial uses – could also compete to some extent with Swale for such firms. Other large developments in Kent, such as Kings Hill, Ebbsfleet and Crossways Business Park, appear unlikely to be major threats as they either serve different markets or are higher cost locations than Swale. No other Kent district has a Science Park although several have smaller scale, high technology innovation centres existing or planned.

## 5 The Commercial Property Market

5.0 The commercial property market sees Swale as a reasonable industrial location based on its proximity to the M2 motorway and relatively low cost and availability of land compared to more constrained parts of Kent. Business perceptions of the Borough are generally very poor, although there are signs this situation is improving. Current levels of demand for industrial space are steady but not at a high level, and recently completed or current developments may meet short term demand, particularly in Sittingbourne. However, there appears only a limited supply of readily available sites for industrial development. Swale is not generally regarded as an office location and has very limited office supply, while recent speculative development close to Sittingbourne has attracted limited interest to date. Other than readily available industrial sites, there are no major gaps in the range of provision were identified although there is little supply of small, serviced office units in appropriate locations to meet potential grow-on needs of existing local businesses.

5.1 For the Employment Land Review an assessment of the market view of Swale was that it should focus on its existing strengths, such as the local industrial and engineering sectors, but at the same time aiming for a more diverse economic base. Some scope was seen to move into higher-value industrial sectors through linkages with knowledge-based / R&D activities at the Kent Science Park. A common view was that Sittingbourne, with improved town centre and retail facilities and faster rail links to London, could attract more office-based firms if high quality premises were provided and readily available, particularly as part of the improved town centre offer. Through its existing assets at the Kent Science Park, Swale could develop into a strong knowledge-based/high technology location ahead of locations without these advantages.

5.2 The market also considered there to be some demand for both industrial and office space resulting from indigenous and Thames Gateway related growth, with a range of support industries needed to underpin the significant housing and population growth. For offices, this would necessitate providing a range of smaller, flexible units, to help create a Swale office market and allow for the growth and progression of firms.

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

## 6 Economic Potential

6.0 In terms of what sectors the Borough has potential to attract or grow in future, the Employment Land Review undertook analysis of the relative representation of different sectors in Swale cross-referenced with recent job growth in that sector in Swale compared to its growth in the South East region. Table 2 below shows the representation of sectors in Swale along with their employment growth over the period 1998-2006. Most important is the top-right quadrant containing those sectors which have both high current representation and have grown strongly, including construction, transport, transport equipment manufacturing and other services. These sectors might be expected to have continued strong growth in Swale in future. However, there are relatively few sectors in this category and very few manufacturing ones.

**Table 2 Swale Sectors compared to SE average. NLP analysis.**

| Above average representation, below average growth | Above average representation, above average growth |
|---|---|
| Agriculture, forestry and fishing<br>Food, drink & tobacco<br>Textiles & clothing, wood & wood products<br>Paper, printing & publishing<br>Mineral based manufacturing<br>Metal manufacturing, machinery & equipment<br>Chemicals, rubber & plastics | Construction<br>Transport<br>Other services<br>Transport equipment<br>Other manufacturing |
| **Below average representation, below average growth** | **Below average representation, above average growth** |
| Electrical & optical equipment<br>Wholesaling<br>Health<br>Communications<br>Public administration & defence | Business services, tourism<br>Gas, electricity & water, hotels & catering<br>Retailing, banking & insurance<br>Other financial, education<br>Business services |

6.1 The bottom-right quadrant shows those sectors that have grown strongly, despite being currently under-represented in Swale. This includes population-related sectors such as retailing, education, hotels and catering and public administration, as well as financial and business services. While the last two sectors have grown well in percentage terms, this has been from a low base and their potential should not be overestimated on this basis alone. The sectors in this category offer further growth potential with scope to catch up on regional averages and should benefit from Thames Gateway related housing growth. Of some concern is that most manufacturing sectors are both over-represented in Swale and have experienced large job decline in recent years, but the good recent performance of business services is a positive feature.

6.2 This analysis suggests that the Borough should not place too much reliance on future growth from its current manufacturing sectors, although it could aim to build on and help these evolve into higher value activities where possible. However, there is perhaps more scope to grow in other sectors such as construction, distribution, business services and various population and growth-related sectors such as retailing, education, health and hotels/catering.

6.3 The Employment Land Review considered that Swale should remain strong in manufacturing and experience some growth in distribution; it being reasonably attractive to these sectors. However, it noted that this would not help diversify its economy or improve the types and wage levels of local jobs. Diversifying into higher value manufacturing and environmental sectors offers potential and was seen as building on the area's strengths. At the same time, it saw the Borough as currently not attracting enough office jobs or higher technology sectors, and thus will face competition for these from other locations better placed to attract them. Against this background, there was considered to be a strong case for encouraging start-ups and expansions of local firms that will gradually build up a business services sector, albeit slowly. Swale's future growth will therefore depend to some extent on attracting some inward investment, but probably more on building on sectors where it already has established strengths and by stimulating growth of smaller scale indigenous firms.

6.4 However, the Employment Land Review considered that greater growth potential would exist if it were possible to achieve a step change in the local economy and market demand. The combination of factors that would potentially help achieve this includes:

- building on, and potential expansion of, Kent Science Park as a focus for growth of knowledge-based businesses with improved road links;
- general housing and population growth linked to the Thames Gateway proposals;
- more active promotion of the area as a business location;
- the planned upgrading of railway links to London;
- the completion of the Sittingbourne northern relief road;
- the current regeneration proposals for Sittingbourne town centre and Queenborough/Rushenden; and
- public sector funding to bring forward good quality development sites and speculative premises.

6.5 Building on this initial analysis, the Employment Land Review came to a view that Swale would have potential to develop/attract growth in the following sectors:

***General Manufacturing:*** Despite decline Swale remains a strong location with potential access to a supply of affordable sites and premises, good road transport accessibility and a suitable local labour force. In this context, Swale has reasonably good access to the M2, although it is further from the M20 than other Kent locations, and relatively low costs. However, further decline in this sector appears possible unless losses of older sectors can be offset by inward relocations and existing firms can evolve into higher value specialist areas, but there is a strong base to build on.

***Advanced Manufacturing / Engineering:*** Important factors identified for this sector are proximity to the strategic road network, availability of high quality business park environments, a diverse and technically skilled workforce and flexible/affordable workspace. With some existing representation in the transport equipment sector and a range of other small-scale engineering activities, a reasonably skilled workforce and available low-cost sites, Swale has potential to build on some existing strengths. Overall, there appears to be moderate potential to attract such firms if suitable sites are provided.

***Distribution:*** Key locational factors for distribution and logistics activities are the availability of warehousing, storage and distribution sites with access to the strategic road network, as well as an appropriately skilled workforce. Sites are available, but other locations in Kent closer to the M20 and M25 may have stronger claims to meet much of this demand. Overall, there appears scope for moderate growth in this sector, but probably not for Swale to become a major strategic distribution centre.

***Financial/Business Services:*** Business location decisions in this sector reflect factors such as access to markets/suppliers, a skilled and diverse workforce, and high quality transport and telecommunications infrastructure. Quality of life factors, including good housing and cultural facilities are also important. Both business services and financial services sectors are still underdeveloped in Swale although recent job growth has been good. There are relatively few existing office based businesses in the area that could fuel demand through expansion or upgrading of premises.

It is possible that provision of modern, competitively priced, office premises in accessible locations to suit the needs of a broad range of occupiers, could help attract some back-office relocations from more congested or higher-cost parts of Kent and the wider South East and London. Only modest growth of the business services sector, and very limited growth in financial services, appears likely in Swale in the short term.

***ICT*:** Key factors for the sector can include areas with an attractive lifestyle, skilled worker availability, good broadband connectivity, proximity to London, and often the image of the location. Swale performs only moderately against these criteria at present, with good links to London but drawbacks in terms of image, skilled workers and premises. Kent Science Park does contain some IT firms and has attracted small scale inward investment in this sector. Overall, given competition from other areas with greater advantages, low/moderate growth of this sector appears possible provided suitable sites/premises are available.

***Environmental Technologies*:** This sector includes activities such as renewable energy technologies, recycling, water treatment, decontamination and other environmental consultancy. It is one that many other UK areas are also targeting and some are more advanced in promoting. Key considerations in location decisions for this sector include availability of skilled labour resources, proximity to universities with relevant R&D facilities, access to customers/suppliers and available incubator/move-on facilities. Much of the research in this field is taking place at universities in other regions. For waste-related activities, proximity to large population/manufacturing centres is important. Swale has significant representation in this sector already with a number of environmental firms based on Kent Science Park while Sheerness provides scope to transport waste/recycling products. The Borough also lies in an area where various coastal wind turbine projects are underway. While sustainable construction activity businesses are perhaps more likely to be attracted to areas of higher housing growth and longer established centres of such activities, Swale could provide low cost sites near the Thames Gateway. Compared with other locations in the South East, Swale has some advantages for this sector and modest growth could be anticipated.

***Healthcare / Biotechnology:*** Access to relevant research & development is the primary driver for this sector, with many start-ups needing close university links, along with suitable graduate labour. Proximity to existing bioscience clusters can also be important, as well as good access to London and an attractive lifestyle location for skilled staff. Large, lower-cost sites are more important for production facilities. Against such criteria, Swale lacks its own university or major medical research institution and has limited graduate labour while other parts of the South East are better placed in this respect. However, although the relocation of Pfizer to Sandwich is a setback, the Kent Science Park is a major asset containing the largest cluster of life science firms and laboratory space within Kent. Other studies also indicate potential to attract medical device manufacturing and medical-related service firms, including clinical data management, while low cost industrial land could attract some pharmaceutical production[11]. Overall, there appear prospects for modest growth if suitable space continues to be available at the Science Park and the sector is actively promoted in Swale.

***Media/Telecommunications**:* This diverse sector includes activities such as publishing, graphics and web-design etc., which have some modest representation already in Swale related to its publishing and printing activities, but this is also a sector that many other areas are also targeting. The communications sector has had below average job growth in Swale. Key locational factors for firms in this sector are similar to those for ICT and include access to broadband, areas with attractive lifestyle and sometimes the image of the location, while easy access to London's large client base is also beneficial. Availability of skilled staff and affordable town centre premises with a good cultural image can also be important. A high proportion of freelance contractors typically work from home or within small offices, including in rural premises. Swale does not perform well against these criteria at present, and other parts of Kent appear to have greater advantages. Despite this, there may be some scope to develop small scale indigenous businesses and build on existing printing/publishing activities, although growth levels appear likely to be low.

***Construction:*** The planned Thames Gateway-related housing growth should support some growth in this sector in Swale. The construction sector generally does not follow

[11] Swale Inward Investment & Property Report, Oxford Intelligence/Locate in Kent, 2005

any specific locational criteria, with contractors and workforce tending to be fairly mobile, potentially setting up local offices for larger projects. However, Swale already has above average construction employment and strong recent growth in this sector. Given the large scale of development planned in Thames Gateway and Ashford, some established construction firms within the area may expand and low cost sites should help. The current high level of representation looks set to continue and deliver some further job growth and space requirements, but given the already high level, the increase in jobs may not be all that great.

***Retail/Leisure:*** Sittingbourne is a relatively modest retail and leisure centre within Kent, and is currently under-represented in these sectors although recent growth has been good. Considerable retail expenditure is likely to have been leaking out to surrounding higher-order centres such as Canterbury, Maidstone and Bluewater. The major town centre regeneration proposals in Sittingbourne should lead to a significant increase in retail and leisure space, and planned new housing development could stimulate further growth, although there will continue to be competition from larger centres elsewhere. On balance, it is reasonable to expect moderately high retail and leisure growth that will give Swale levels of provision consistent with other towns.

***Tourism, Hotels & Catering:*** Swale's representation in hotels and catering jobs is currently below average, reflecting that its leisure/tourism offer is limited, although it has experienced above average recent job growth. As with retail, it is reasonable to expect that the Sittingbourne town centre regeneration proposals could stimulate some further growth in these sectors. Any general increase in business activity should also support hotel sector growth but, overall, only modest growth appears likely in the Borough unless there is a significant increase in office development in the towns.

Despite above average job growth, a high level of holiday caravan sites and significant tourism attractions, Swale is under-represented in tourism sector jobs generally compared with the South East. The Borough's tourism strategy aims to develop eco-tourism and heritage related projects linked to wider regeneration proposals. These would seem to build on the area's key tourism strengths of the North Downs, Sheppey and Faversham and it is not obvious there is scope for other major changes. While such initiatives could increase employment in the hotel, bed and breakfast and catering sectors, along with other small scale rural businesses, they seem unlikely to produce large growth requiring significant employment space.

***Boat Repair/Creekside Activities:*** A small but long established sector within Swale involves various activities located on the banks of creeks, largely small scale boat repair and maintenance firms and other uses linked to marine activities. The Borough appears to have an above average concentration of these and these facilities are understood to be of regional significance given the lack of suitable coastal facilities. While not large sources of employment overall, these uses provide important local skilled jobs, maintain a marine skill base in the area, occupy and help maintain important creekside buildings, provide some diversity to the local economy and contribute to the attractive character of some parts of Swale. This appears to be a sector likely to continue at a low level rather than grow. However, it faces pressures from higher value uses on its creekside sites. Overall, this sector appears unlikely to create significant demands for more employment sites and there may be some scope for rationalisation but generally an argument for protecting for small scale employment uses creekside sites which are a scarce and locally important resource.

**Agriculture**

6.6 Although not part of the Employment Land Review, agriculture is an important component of the Borough's economy past, present and future. The Council has considered the future potential of the industry in discussions/research, both nationally and locally, with representatives of the National Farmers Union. It may therefore be seen as an industry with future economic potential alongside the other sectors described above.

6.7 The Borough's agricultural resources are important for the UK's long term sustainable development because of the need to secure future food supplies and reduce food miles for locally produced food. Soil quality across much of mainland Swale is outstanding and nationally important for the variety of crops that it can grow. The Borough's main shop floor of best and most versatile land can be found within a wide corridor north and south of the A2. Further to the south and north the soil is poorer reflecting the presence of heavier clay soils around the coast and the thinner chalky, flinty soils on the North Downs.

6.8 In forecasting the future pattern of farming in Kent and in the South East, the task is complicated by the effects of market demands and opportunities, which overlie influences such as climate change. Market forces have become more influential since the abolition of CAP production-based subsidies in January 2005, with some new markets slow to emerge.

6.9 Climate change will have a significant bearing upon the industry as increased temperatures across all seasons leads to: longer growing seasons; changes in the level and timing of water availability; potential to grow different crop types; shifts in planting times; increase in soil erosion; increased demand for water for irrigation, change in the timing and incidence of crop and livestock pests; and changes to housing conditions for livestock.

6.10 Despite environmental demands to move the industry toward medium-sized, mixed farms using low-input, extensive (if not fully organic) production systems, global concerns over climate change may mean that there will be a need for the UK and those other countries that are likely to remain productive for the foreseeable future, to continue to produce food in a relatively intensive fashion, both for home consumption and export. Influences preventing smaller farm units are CAP (abolished in the UK but not universally among EU competitors), and, secondly, the food chain which remains firmly geared to production for sale to supermarkets, where the combined market share of organics, direct sales, farm shops and farmers' markets remains small in comparison. A further barrier in Swale is the historic number of farms of larger size controlled by a relatively few number of landowners. Notwithstanding this, until a change to the structure of the food chain is made, attempts to achieve change merely by appealing to farmers and consumers on sustainability grounds are unlikely to be effective.

6.11 Cropping patterns are likely to change incrementally as farmers detect reducing yields from traditional crops and experiment with new ones. Farming Futures indicate that sunflowers and other new crops may be on the way. Vineyards continue to flourish and French wine producers have started to look seriously at establishing parallel enterprises in southern England.

6.12 Water shortages will affect Kent farmers and particularly growers in the horticulture sector. The water resources of the region are vulnerable to "back to back" droughts. This will be a concern for livestock farmers due to the effects of drought on grassland and for those farming on thin arable soils. A current Government review of competition and innovation in water markets (including abstraction licensing and charging) may improve matters by, among other measures, facilitating water license trading. The partial funding by SEEDA of water infrastructure projects will encourage rainwater harvesting and storage, although in practice this will be limited to growers who are able to provide the balance of investment funds required.

### *Farming trends*

6.13 After a period of decline in Swale (in common with the UK in general), local agriculture is showing signs of renewed optimism, although new investment is required. Fruit production is likely to be the main driver of the industry, supported by new investment, with EC support, to meet the demands of retailers and, critically, the need to extend the growing season. This will lead to demands for new large, well located scale crop storage facilities that will act as hubs for the wider farming community, as well as on-farm measures like polytunnels. At a smaller scale, making use of buildings and land on farm holdings to help diversify employment opportunities in the rural areas will continue.

6.14 Renewable energy is considered by the Kent agricultural industry as having potential for fuel production opportunities, both in the production of liquid bio fuels for road transport use and in biomass for electricity generation. Market forces will play a large part in determining when and to what extent these opportunities will arise. For example, despite many years of debate about biomass production for the co-firing of power stations, there is still not a guaranteed market, although Swale has potential opportunities for this to be developed. Fuel crops require at least a 10-year commitment from the grower, and usable fuel does not come on stream until a couple of years into the cycle. The management of existing woodland to produce wood chip may not be commercially viable, or produce a reluctance to commit to high levels of investment without a guaranteed market. However, one such producer in Swale has been established.

6.15 Liquid bio fuels are both produced in the UK, but any widespread future opportunities depends on future Government policy and on what progress vehicle manufacturers make in the development of alternative, innovative fuel systems, such as hydrogen cells.

6.16 Whilst large producers dominate the sector in Swale, small producers and those serving niche food markets will continue to grow. The Strategy for Sustainable Farming and Food encourages the supply of locally produced foods. The regional delivery plan for the Strategy includes supplying the London market, and Kent is ideally placed with the other south east counties to fulfil this function. However, this will require development and nurturing by regional food groups, development agencies and local authorities. Supporting their efforts will increase local food sales and assist tourism and the rural economy.

6.17 Land under schemes intended to increase nature conservation value are likely to continue, although the amount of grant being deployed nationally is likely to decline overtime given the need for funding for the industry to reinvest and general constraints on public sector funding. However, large parts of the Borough, particularly on Sheppey, are under such schemes and these too are of economic value in terms of their contribution to tourism. It is however likely that these farms will need to look at options to increase income through such initiatives as green tourism.

6.18 Many woodland areas have seen neglect in their management, but new markets are being created and support can be given to schemes intended to secure the sustainable management of woodlands for wood products and energy production.

## 7 Future Requirements for Employment Space

7.1 The Employment Land Review estimated future B class employment space requirements up to 2026 based largely on past trends of development in the Borough. A range of floorspace was identified to reflect different scenarios of growth. These estimates are set out in table 3 and indicate a need for between 415,000 – 595,000 $m^2$ of employment space, depending on which scenario of growth is used, or 101-145 ha of land. They reflect uncertain economic conditions nationally and assumptions of reducing requirements for industrial space generally in the longer term. Whether these employment space levels can be achieved by 2026 will depend on future economic and market conditions and development sites coming forward, assisted by any wider promotional campaigns.

**Table 3 Employment Floorspace Requirements, 2008-2026.**

| | Lower Growth | | Higher Growth | |
|---|---|---|---|---|
| | Floorspace ($m^2$) | Land (ha) | Floorspace ($m^2$) | Land (ha) |
| Manufacturing space (B1c/B2) | 127,500 | 32 | 133,750 | 33 |
| Distribution space (B8) | 200,000 | 50 | 357500 | 89 |
| Office space (B1) | 87,500 | 19 | 103,750 | 22 |
| **Total B-class space** | 415,000 | 101 | 595,000 | 145 |

7.2 The choice of which estimate to use will be a matter for the Council to reflect upon. Based on the current economic outlook and Swale's economy continuing along similar lines as it has in the past, the requirement would be more likely to lie towards the lower end of this range. However, for planning purposes, the Employment Land Review suggested that it may be better to plan for a higher level of growth while monitoring take-up/demand to guide release of land on a phased basis. In addition, if the Council seeks to follow a more aspirational approach to bring about a step change in Swale's development as well as a more diversified local economy, then a higher estimate of employment space requirements might be more appropriate.

**Job Capacity**

7.3 Alongside the Employment Land Review a Job Study was produced which examined the potential job generation arising from both existing and future employment allocations. It found that the amount of floorspace (1.2 million $m^2$) had the potential to accommodate just over 35,000 jobs in Swale in gross terms over the 17 year period up to 2026. This compared with an earlier job target of 12,000 more jobs in the Borough for a 10 year period to 2016. However, after allowing for vacancy of premises, some existing employment sites being lost to other uses and job displacement effects, the study found that net job capacity was approximately 22,900.

7.4 Almost 15,200 jobs out of this net capacity estimate (66% of the total) would arise from currently identified sites in Swale. A further 7,700 jobs (34%) would potentially coming from the amount of new provision/sites recommended by the Employment Land Review (see below).

7.5 Most of these estimated new jobs on development sites were anticipated to come from B class uses, and predominantly in industrial uses (74%). However, some 4,400 jobs (19% of the total) could be accommodated on potential office sites and expansion of the Kent Science Park. A further 1,300 (6%) jobs could also be provided by retail and leisure related uses.

7.6 It needs to be emphasised that these job figures are an estimate of capacity on currently known and anticipated development sites in the Borough. This job capacity figure does not reflect the potential for more jobs to be created within existing employment premises and in other sectors not considered here, for example public sector administration. Whether this capacity figure is actually achieved will depend on the extent to which all the identified development opportunities occur by 2026 and this will reflect the strength of the local economy and demand within it. <u>The figures must therefore be regarded as capacity and not a target.</u>

7.7 If this job capacity estimate were to form the basis for a job target for Swale, consideration should be given to whether the potential job total should be reduced to allow for such factors, particularly some sites not being developed, in order that any target chosen is a realistic one. The study suggested a 10-20% reduction in the capacity figure.

7.8 If these numbers of jobs are realised, they will have implications for labour supply and skill levels in the Borough. The strongest individual groups would be in more industrial related occupations such as transport/plant operators and skilled manual groups. However, some 40% of the new jobs could be in higher skilled, higher value occupations groups. A high proportion of these new jobs (87%) could also be expected to be full-time, a higher rate than the national average (69%).

**Quality/Suitability of Existing Employment Sites**

7.9 Swale's 50 main existing employment sites and proposed allocations, as well as a sample of small rural sites, were assessed by the Employment Land Review to determine their suitability to meet these future needs. It concluded that overall, the Borough contained a reasonable range and distribution of employment sites of differing quality and type. The assessment found that the great majority of Swale's supply of employment land were of 'good' or 'average' quality including most of the allocated sites and other undeveloped land remaining, which together provided in the order of 220 ha of land. Most of the allocated sites appeared reasonable to meet future needs although there were a number which perform poorly, and some which have been allocated for some time but failed to be developed. However, there are few good existing office sites, the best being the Watermark site and Kent Science Park for more science related uses. There is some potential amongst allocated employment sites for future office provision, for example Neatscourt and in Faversham town centre.

**Need for Additional Employment Land**

7.4 Overall, the amount of employment land currently identified was found by the Employment Land Review to be more than adequate in broad quantitative terms to meet the Swale job growth targets to 2026 under different growth assumptions. However, this reported supply is quite reliant on a few very large sites coming forward and some of these sites require infrastructure or other improvements, while others are earmarked for expansion of specific firms and may not be available to meet general needs. Excluding these less certain and poorer sites, currently identified potential supply could fall by 41 ha, and potentially by 241,000 $m^2$. Excluding these less certain and poorer sites, in a worst case situation, the Employment Land Review suggested that there could be shortfalls of employment space relative to the estimated future needs under both lower and higher growth conditions.

7.5 There are also some indications by the market of short term shortages emerging of readily available industrial land. Some additional sites may be needed if any older estates or allocations not attracting development are either de-allocated or released for other uses. Also, the distribution of good sites and potential employment space capacity across Swale does not match recent patterns of demand, particularly at Sittingbourne, which is the strongest economic centre but does not have a commensurate share of potential supply. Some additional sites may also be needed if older estates or allocations not attracting development are either de-allocated or released for other uses.

7.6 In addition, the Employment Land Review found that the scale and quality of available supply did not appear adequate to accommodate any increased demand for strategic distribution uses in Swale, now that the attraction of large G.Park development may have raised the area's profile and increased investor confidence in the Sittingbourne area as a suitable location for this sector. If this were to stimulate further interest, a further large site in excess of 30 ha would probably be needed. Also, there appeared to be a need to provide extra land for firms based in areas in and beside Sittingbourne that are displaced by affected by regeneration initiatives.

7.7 In terms of offices, a modest level of new provision was considered as needed to help stimulate an expanded service sector and support town centre regeneration. Provision of more, smaller scale office premises, probably more centrally located and closer to services, was considered to provide the necessary step-up for existing office firms in the town and begin to create a more normal office market. A further 20-25,000 $m^2$ of such space in the town centre or as part of any mixed use redevelopment of the Paper Mill or other sites was considered to be one way forward.

7.8 Despite an apparent quantitative oversupply of employment space if all identified sites come forward, the review found that there was some risk of a shortfall occurring under a higher growth situation if some large sites do not. Given this risk, for various qualitative reasons and to help meet the economic aims for Swale, a need for some additional provision of employment land/space was indicated, including:

- some 15-20 ha more land for industrial development similar in type to the established Eurolink industrial area in Sittingbourne;
- a further 30-40 ha land near Sittingbourne and strategic routes to facilitate expansion of strategic distribution activities;
- significant additional B1 space of the type provided by Kent Science Park, preferably as an extension to the Park provided necessary road improvements can be put in place;
- some 20-30,000 $m^2$ of additional office space, mainly in Sittingbourne, to provide greater choice and types of premises more closely suited to short term market needs and including small scale, lower cost and flexibly managed units;

- some new but relatively small scale industrial sites in Faversham, in the order of 5 ha, to allow release of poorer quality, older estates and upgrade the overall supply;
- a small enterprise centre for business start-ups in Eastern Sheppey to encourage local business formation and diversify limited employment opportunities.
- no need for new employment land allocations in the rural areas, with a criteria based policy approach used instead to encourage suitable provision to come forward to meet any demand that arises there.

**Major existing sites**

7.9 The Employment Land Review examined two locations in the Borough where specific commentary was required.

***Kent Science Park***

7.10 The review found that there was a strong case for permitting some extension at the site. As well as being supported by both regional and local development plan policies, the Science Park was felt to provide the best opportunity for Swale to develop its knowledge based activities and employment. Initial expansion in the order of 4-5 ha was supported if it can be accommodated within current highway capacity and subject to consideration of public transport, environmental and other planning factors. Expansion beyond that level should was also supported in principle but subject to implementation of a link road between Kent Science Park and the M2 motorway, or some other appropriate highway infrastructure improvement agreed by the local highway authority. This would require further exploration of issues affecting Junction 5 of the M2, together with other potential transport infrastructure options that might both secure a high quality access to the Science Park, and provide a more strategic transport role. Such explorations would also need to consider a potential staged approach to any A2/M2 link that might secure early access to the KSP with any wider strategic transport function to the route secured over the longer term.

***Sheerness***

7.11 The review concluded that the important economic function of the Port of Sheerness, one of the Borough's major economic drivers, should be supported and its growth facilitated where possible. It considered that this may mean resolving Sheerness' position and role among the UK's strategic ports, as well as potentially reviewing its land holdings, including any surplus land, to support economic growth, whilst releasing some historic buildings for other productive uses, and seeking to diversify the port's range of activities and links with other sectors of the Swale economy.

**Release of Employment Sites**

7.12 The Employment Land Review also concluded that there may be scope to release some older, poorer performing industrial sites to other uses, either residential or mixed use development, but that a cautious approach should be adopted linked to actual problems being caused, the need for new housing sites and available sites for relocation of firms. Most of the sites highlighted are occupied and serve a local need at some level, including for bad neighbour uses or firms requiring very low cost premises / sites, and replacement provision was felt to be needed before any releases. A number of existing sites were to be redeveloped as part of Area Action Plan policies in Sittingbourne town centre and in Queenborough, so releases of employment sites was felt to require careful management to ensure sufficient local choice. Possible candidates for release included the Lydbrook Close Depot, Sittingbourne (1.6 ha), Land at Staplehurst Road, Sittingbourne (3.5 ha), the Upper Brents Industrial Estate, Faversham (2.5 ha), and the Oil Depot and Bus Garage, Faversham (0.3 ha).

**Upgrading of Current Supply**

7.13 There was also found to be potential to upgrade older industrial areas through re-cladding, gradual redevelopment of individual sites, and sub-division of larger units to provide more modern, affordable space suited to market needs. It was not certain that the market would achieve this and therefore some public sector intervention might be needed. At the same time, some previously allocated sites which appeared unlikely to come forward for employment uses might have to be replaced.

**Potential New Employment Sites**

7.14 A total of 48 potential sites were assessed across the Borough by the Employment Land Review to identify better candidates for any future employment land allocations. These sites were identified by the Council or through representations by landowners promoting them for some form of development including employment uses. Of these, 12 were assessed as offering relatively good potential employment sites, with a total of 146 ha of new employment land. Three of these were in the Faversham area, five at Sittingbourne, two in Sheppey and two in the rest of the Borough.

7.15 Given the relatively small amounts of additional employment land which the study recommended as needed to meet future needs, these better quality sites should provide a reasonable choice from which future allocations required can be chosen, although other sites will need to considered if the Council wished to allocate a large (30-40 ha) site for strategic distribution uses. In some cases, the study considered that there may be benefits in promoting new employment uses in locations where no good quality potential sites were identified. This could be achieved by a suitably worded LDF Policy which encourages new employment development in rural or other specified locations subject to criteria including limitations on scale of development.

**The Employment Land Review and Strategic Housing Land Availability Assessment**

7.16 Development of this topic paper has enabled the issues raised by both the Council's Employment Land Review April 2010 and Strategic Housing Land Availability Assessment December 2009. The two key issues identified from an examination of both documents are:

- Viability; and
- Competition between land uses.

***Viability***

7.17 As with sites in the Strategic Housing Land Availability Assessment viability will have a strong bearing upon the deliverability of the Employment Land Reviews recommendations. Many of the sites where the Council is likely to need to explore land releases for employment will probably be greenfield and as such are not likely to carry the same costs as brownfield areas. However, it will be the infrastructure requirements arising from any new site which will have a significant bearing, particularly if related with the need for new transport provision. There may also be issues where site owners seek to argue that to improve the viability of a given site, some element of housing provision is needed to achieve it. The Council will challenge such site promoters to substantiate this approach as sites are further investigated. The Council will also test viability issues independently through use of its own consultants.

***Competition between land uses***

7.18 It is apparent that some of the potential locations for new employment identified by the Employment Land Review have been promoted for housing via the Strategic Housing Land Availability Assessment. This appears to be most prevalent at Sittingbourne and raises issues as to how employment provision can be delivered when site promoters favour the higher values that can potentially be achieved with housing. Unless the Council is prepared to develop an approach which is prepared to intervene in market forces, to achieve a sound Core Strategy would require the Council to demonstrate delivery. Even if a sound Core Strategy could be achieved, this would not prevent the land owner from mothballing the site until such times as the Council was prepared to reconsider its release for housing.

7.19 The Council will need to consider how this issue can be resolved. It will approach the site promoters concerned in order to raise awareness of future employment needs, but may also, in certain locations need to consider the role of mixed use development. However, this too would require greater flexibility by site promoters.

## CONCLUSIONS AND KEY MESSAGES

- Swale needs to build on its key strengths - good transport accessibility, Port of Sheerness, a strong industrial base, reasonable employment growth, good levels of new business formation, the Kent Science Park, generally low land/building costs, proximity to major housing and population growth in Thames Gateway, affordable housing costs and proximity to attractive countryside.
- Swale needs to address its weaknesses - a narrow employment base, under-representation in the financial and business services and other knowledge-based sectors, modest recent attraction of inward investment and relocations in higher growth/higher value sectors, an above average proportion of lower paid jobs, with significant out-commuting to better paid jobs, a relatively low-skilled workforce and lack of a clear, attractive image compared with some other parts of Kent.
- Current land supply provisions are generous but mask needs to identify further land to meet some individual supply issues and wider needs depending upon Borough's overall aspiration.
- Examine how specific growth (varying levels) sectors can be supported, including general manufacturing, advanced manufacturing/engineering, distribution, financial/business services, ICT, environmental technologies, healthcare/biotechnology, media/telecommunications, construction, retail/leisure, tourism, hotels and catering, boat repair and agriculture.
- Look for land opportunities for between 415,000 – 595,000 $m^2$ of employment space, depending on which scenario of growth is used, or 101-145 ha.
- Need to identify realistic job target.
- Address specific land recommendations from the Employment Land Review.
- Examine further the opportunities available at Kent Science Park and Port of Sheerness.
- Consider the release of older poorer performing industrial sites to other uses.
- Examine opportunities to upgrade older industrial areas.
- Consider options for the release of land for employment purposes as recommended by the Employment Land Review.
- Examine Core Strategy policies to address the quality and supply of employment land, agricultural developments and rural employment needs.
- Further examine/resolve issues relating to site viability and competition between land uses as the Core Strategy is further developed.

If you have any questions concerning this topic paper, please email planningpolicy@swale.gov.uk