



MAKE YOUR VOICE HEARD

Section 5

Employment



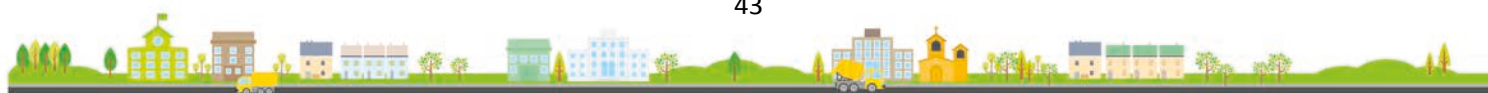
EMPLOYMENT

- 5.1 The Government is committed to securing economic growth in order to create jobs and prosperity, building on the country's inherent strengths, and to meeting the twin challenges of global competition and of a low carbon future.
- 5.2 A core ambition of the Local Plan is to strengthen the performance of Medway's economy, securing quality jobs in the local area, capitalising on the further and higher education offer, and realising the area's potential as the largest city in Kent, enjoying a strategic location in the Thames Gateway. Although Medway is a major economic hub in the south east region, it does not perform to its potential. It is significantly lagging in its productivity, as measured by Gross Value Added (GVA), residents have lower skills levels than neighbouring areas, and there are high levels of out-commuting.
- 5.3 In 2011, Medway had a working population of 126,689 people and 82,800 jobs in the local economy. The area's employment profile shares characteristics of neighbouring areas, but the economy has some specialisms in manufacturing and advance engineering. Finance and IT businesses are under-represented, compared to regional levels. Medway's largest industrial sector is production, accounting for just under 20% of GVA, then public Administration, education and health. Medway's production sector is significantly larger than that across the Kent Thames Gateway area (13%) and the United Kingdom (14%). In contrast 'business services' at 7% of the Medway economy is significantly smaller than those areas. Manufacturing within the broader production sector has showed growth over the last four years following a slump in 2011. Manufacturing represents around 11% of the overall economy in Medway, slightly higher than the national level. Ports, wharves and energy infrastructure have built up around the river and estuary. Some of these installations are of strategic importance. Agriculture is a key industry in the rural area.
- 5.4 70% of people who work in Medway live within Medway. However, only 51% of Medway's economically active residents work in the area, reflecting high levels of out commuting. Many travel to work in Maidstone, Swale and Tonbridge and Malling, and further afield to London.
- 5.5 Although the situation is improving, Medway's unemployment rate is higher than the Kent and regional averages. There are a relatively low number of the largest employers, low rates of business start-up and survival rates, and a lack of higher value jobs. Medway's GVA at £17,038 in 2014, is the lowest in the south east region and 69.2% of the national level.
- 5.6 A skilled workforce is critical to a successful economy, and Medway compares poorly with neighbouring areas. 19% of Medway's workers have achieved the highest level of qualifications, compared to a Kent average of 25%, 26% in Maidstone and 27% in



Tonbridge and Malling. Just under a quarter of residents have no qualifications, and this is significantly higher in some of Medway's poorer neighbourhoods.

- 5.7 The council recognises that Medway has the potential to significantly boost its economic performance. This will be supported by the Local Plan and the emerging Medway Regeneration Strategy.
- 5.8 Medway's location within the Thames Gateway offers excellent opportunities to capitalise on regeneration and other investment, and to stimulate business growth, benefitting from connectivity to the wider economy through the motorway and rail networks. It is well placed to accommodate businesses seeking to relocate from London. The area's strengths include its established distribution routes; defined logistics and manufacturing locations; and proximity to the large markets in London and the South East. Work on the new London Plan identifies potential for relocation of employment activities outside of London, aligned to new investment. The breadth of Medway's employment land portfolio provides options for diverse companies. The large strategic employment sites on the Hoo Peninsula offer particular potential for businesses that could make use of the access to rail and water based freight transport.
- 5.9 There has been a major expansion of higher and further education in Medway. A learning quarter has been established in Chatham Maritime, with the Universities at Medway, Mid Kent College and the University Technical College all located here. This unique offer presents great opportunities to raise skills levels and enable further economic development based on a knowledge economy, providing for higher value employment that could drive the success of the area. Encouraging Medway students to consider local universities could help increase student retention. The University of Greenwich is introducing a Level 4 Apprenticeship which will help to boost technical skills levels.
- 5.10 The council supports opportunities to strengthen the local economy through encouraging development of businesses in successful growth sectors, and diversifying the employment base. Medway's promotion of culture and heritage provide opportunities for extending businesses in the creative, leisure and tourism sectors. Working with the strengths of the local economy, such as advanced manufacturing and technology are central to the economic strategy.
- 5.11 The economic strategy is closely linked to Medway's regeneration plans, delivering investment in urban and waterfront sites, including the provision of new employment space. New developments in the urban core can provide attractive and accessible locations that meet the needs of modern businesses. The council will seek to identify land in its own portfolio that can contribute to new employment sites. It is leading on the development of new employment units at Watermill Wharf in Strood. Work in attracting inward investment and bringing forward quality employment, and supporting local businesses, is complemented by a strategy to improve the skills levels of Medway's residents, helping to boost a competitive labour force.



- 5.12 Responses to the Issues and Options consultation supported the use of brownfield sites with good access for employment, and opportunities in town centre locations arising from regeneration initiatives and linked to the Universities in Medway. Infrastructure and attractive, accessible locations were considered as key to successful business growth. There was some confidence that rates of out-commuting could drop if Medway was able to offer a greater range of quality jobs locally.

Employment land needs

- 5.13 Medway has a shortfall of quality employment land in locations and formats that businesses seek. Changes to planning legislation allow for commercial buildings to convert to other uses, such as residential, through a prior approval route. This is increasing competition on employment land and contributing to potential deficits in land supply for businesses.

Employment Land Needs Assessment

- 5.14 In support of the Local Plan, Medway Authority commissioned an Employment Land Needs Assessment in 2015. The study focussed on:
- identifying the future growth needs across the authority
 - setting out a strategic level spatial strategy to guide future site allocations and
 - ensure the appropriate capacity is available in the most appropriate locations
- 5.15 The Assessment identified that existing economic assets of Medway were likely to drive future economic opportunity. The clusters of creative, digital and advanced manufacturing businesses in particular will be key components of the future economy as these sectors are driven by wider economic trends and increasing agglomeration opportunities. Growth in these high added value sectors will also link to key physical assets and opportunities including the Universities at Medway Engineering School and plans for Rochester Airfield. The creative and digital sector is a high value sector that has increased in importance, supported by the presence of the University for Creative Arts (UCA), and the proximity to markets in London, more accessible since investments in the rail network. In seeking the retention of graduates from UCA, there will be a requirement for studio style premises in urban areas, such as the lower High Street and potentially at Chatham Waters.
- 5.16 Economic growth could also be driven by new opportunities created by major investment in new infrastructure. The delivery of a new Thames Crossing alongside existing strategic road connections and accessibility to key markets in London and the South East could enable Medway to play a much enhanced role in the strategic distribution market which has, traditionally, been focussed in other parts of North Kent. A range of sectors could also be boosted by the delivery of London Paramount, largely through increased demand from supply chain activities.
- 5.17 The Assessment projects a growth of c.17,000 jobs in Medway over the plan period and considers the land needed to support this level of growth. The findings indicate that although there is a potential surplus of employment land available in Medway, due to the large strategic sites on the Hoo Peninsula, the land supply does not align



well to business needs. The report identified a need for 90ha of employment floorspace for the plan period.

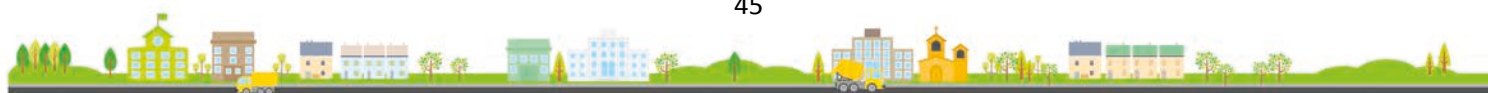
Employment Land Needs

Employment (sqm land requirement) 2012-2035	Office	49,943
	Industrial	155,748
	Warehousing	164,263

- 5.18 This need could be met through consolidation and intensification of existing employment sites to provide the right offer. Opportunities to provide employment floorspace on the edge of centres should also be explored. Mixed use schemes in these locations can deliver well serviced, flexible office spaces close to town centres and with good quality ICT connections. This would align well with the council's regeneration ambitions, and would be critical to securing greater 'knowledge economy' activity. The council recognises particular opportunities around Chatham and Strood. There will also be a need to ensure high quality 'hybrid' industrial space can come forward to support advanced manufacturing activity, which may need to extend beyond the space planned for the Enterprise Zone at Rochester Airfield. In considering broad locations as development options for Medway's growth over the plan period, the council will seek to include employment land as a key component of sustainable development.

Developing a diverse and flexible portfolio of employment land

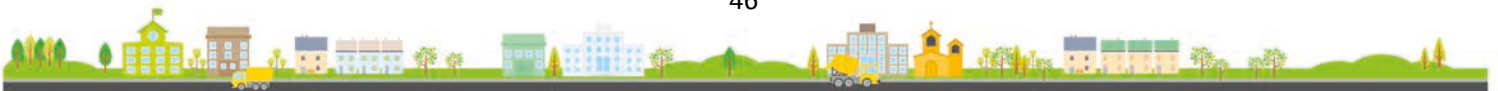
- 5.19 The Local Plan needs to provide a range of sites to meet the employment needs identified in the Employment Land Needs Assessment. This will involve the retention of existing employment sites; support for enhancing and consolidating current sites to better meet the market's requirements and make better use of land; and identifying additional locations that can provide attractive accessible sites for business growth. A key ambition is to raise the productivity of Medway's economy, therefore particular attention will be given to the development of higher value employment.
- 5.20 A review of existing employment areas shows that certain locations demonstrate the characteristics supportive of a mix of employment formats including:
- Chatham Maritime,
 - Gillingham Business Park,
 - Medway Innovation Centre and Compass Centre,
 - Rochester Airfield site
- 5.21 Other employment areas tend to be better focused on more land intensive light and heavy industrial activities. These include Medway City Estate and Kingsnorth sites respectively. Whilst Medway City Estate has an element of office provision, the site suffers from poor public realm in parts resulting from its fragmented land ownership. The council will consider opportunities to realise greater value in this area. This could be part of a strategy to drive up quality improvements in Medway City Estate, or as part of a wider mixed use regeneration option that could involve the potential relocation of businesses. Strood has significant potential to contribute to the mix of



employment land needed in Medway. Reconfiguration and investment in sites could deliver locations for higher value employment uses close to the town centre and motorway links. Additional opportunities to provide employment land, and extend the successful model of the Medway Innovation Centre, will be sought in conjunction with development options.

Rochester Airport

- 5.22 Rochester Airport is leased to Rochester Airport Limited on a 25 year lease from Medway Council and has a vital role to play in Medway's economic future. The Council is promoting the airport and adjoining land as a flagship economic hub that can generate significant investment and employment opportunities. A master plan for the redevelopment of Rochester Airport was approved in January 2014. Redevelopment of the airport's operational infrastructure will allow land to be released for employment development. The ambition is to develop a very high quality commercial environment for predominantly B1 and B2 uses, including workspace for advance manufacturing, engineering, R&D and prototyping. High value businesses offering skilled employment opportunities will wish to buy into the technology park because of the exceptional environment that will be developed. Rochester Airport Technology Park has been awarded Enterprise Zone Status and £4.4m of Local Growth funding has been secured through the South East LEP for its development.



Policy Approach – Economic Development

The council will seek to boost Medway's economic performance, securing a range of jobs for its workforce. The council will work positively with the local business community and major public sector employers, the Universities at Medway and further education providers, inward investors, strategic partnerships and neighbouring authorities to support sustainable economic growth and job creation.

The council will make provision for the scale, range, quality and locational requirements of employment land identified in the Employment Land Needs Assessment, 2015 in Medway. This will involve the safeguarding of sites, identification of redevelopment and investment opportunities, and allocations for new sites.

The plan will seek to increase the productivity of Medway's economy, as measured through GVA, through support for higher value employment. This will include the designation of specific employment sites as suitable for higher value employment. All planning applications for employment uses will be assessed for their GVA contributions and whether the proposed use is best aligned to the site characteristics and locational offer. The council and its partners will promote growth of employment sectors that have the best potential for higher value jobs.

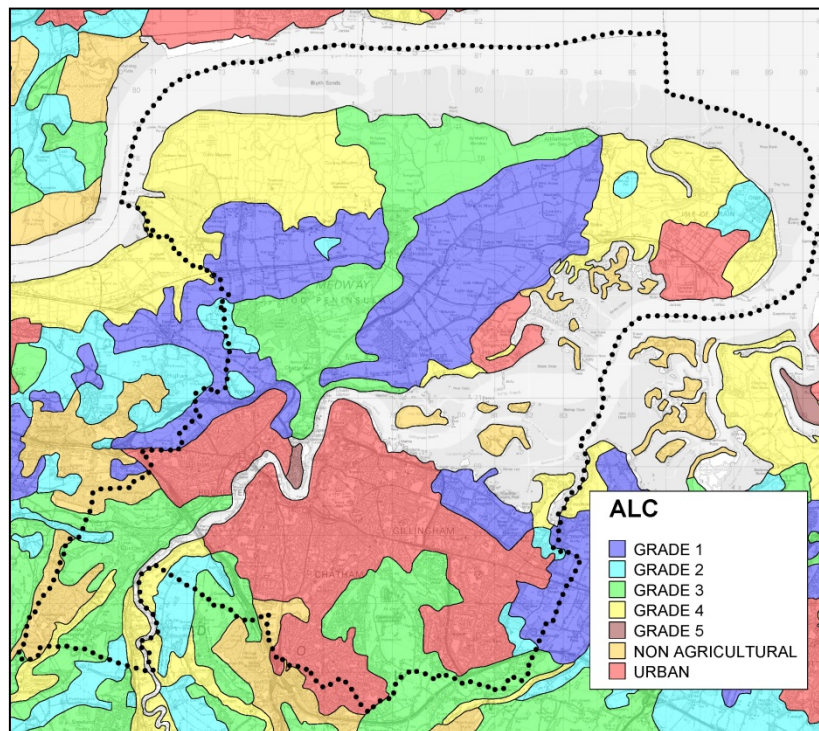
The council will support actions to:

- Consolidate economic benefits from the regeneration programme in Medway, specifically seeking to strengthen the role of the town centres in providing wider job opportunities;
- Raise skills levels and provide apprenticeship and local labour opportunities;
- Realise opportunities for raising higher value employment through supporting the development of the Universities at Medway and the wider learning quarter, and linking to growth in the wider economy;
- Seek to accrue benefits for Medway's economy from strategic developments of infrastructure, housing and employment sites outside of the borough;
- Explore the extension of the successful Medway Innovation Centre model to provide additional serviced employment space for businesses;
- Seek the installation and upgrade of high speed broadband services in employment sites;
- Promote the diversification of Medway's economic base;
- Secure sustainable employment uses for the strategic sites at Grain and Kingsnorth, achieving value from the specific location offer and the access to water and rail for freight movements.

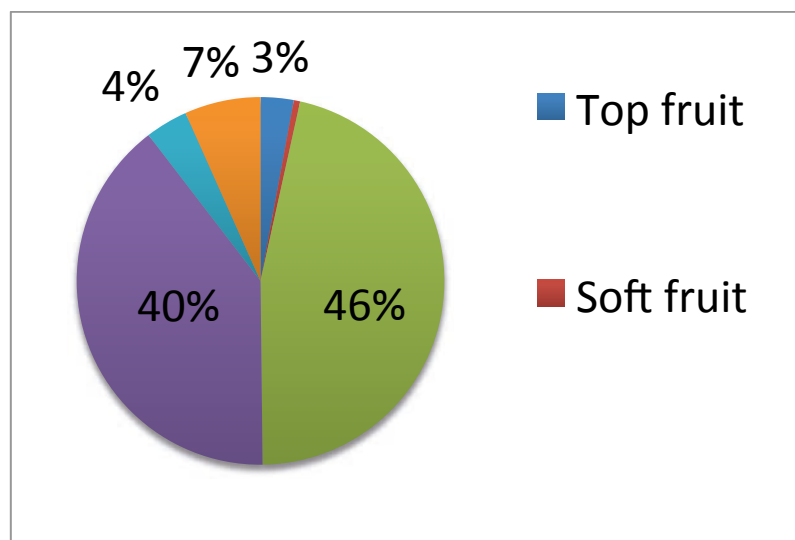


Rural Economy

- 5.23 Farming and forestry are important land uses in the rural area, and Medway's countryside contains some of the best and most versatile agricultural land. This is defined as Grades 1, 2 and 3a, which is the most flexible, productive and efficient, and which can best deliver food and non-food crops for future generations. Local planning authorities are expected to take into account the economic and other benefits of the best and most versatile agricultural land. Where significant development of agricultural land is demonstrated to be necessary, councils should seek to use areas of poorer quality land in preference to that of a higher quality.



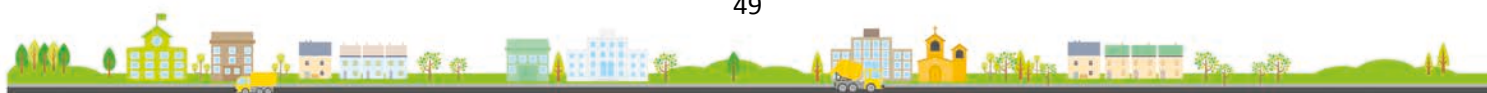
Medway's countryside supports a range of forestry and farming activities.



Farming and Forestry Land Use in Medway – (information provided by NFU)



- 5.24 Although only accounting for a small proportion of the total land use, the horticultural sector has particular importance in Medway. Across the South East, horticultural production accounts for 1.6% of the total farmed area, but delivers around a third of the entire agricultural output value in the region. It represents the most valuable agricultural sector in the region, where the Thames Estuary area is a key structural component. Top fruit and soft fruit production in the Thames Estuary is potentially equivalent to over 11% of the national resource. Medway contributes circa 6% of fruit and vegetable production to the SE total.
- 5.25 The land based sector is facing a number of changes and potential challenges. The decision to leave the European Union has implications and opportunities for the support for agricultural production and investments in wider rural environment and communities. The horticultural sector has a need for seasonal skilled labour, and there may be restrictions on the movements of agricultural workers from eastern Europe, which form an important component of the labour force in local horticultural businesses.
- 5.26 Climate change and technological developments may provide both threats and opportunities for agricultural businesses. There is scope to grow new crops and make more efficient use of land and water resources. There is continued interest in the wider use of land, such as for growing energy crops, or as a location for renewable energy facilities. Diversification and consolidation of farming activities is an important consideration in securing the rural sector.
- 5.27 In diversifying and growing businesses in forestry and farming, there is often a need for supporting infrastructure, such as processing and packing facilities. These can sometimes present significant change in the rural landscape, and need careful consideration to balance the needs of rural businesses with safeguarding the character of the countryside.
- 5.28 The council recognises that the rural economy extends beyond farming and forestry. There are a range of businesses based in the rural area. Rural businesses experience particular issues with accessibility and quality of broadband services that are often of a lower standard than provided in urban areas. Medway's rural area offers opportunities to develop further employment based in the tourism and leisure sectors, responding to the special characteristics of the countryside. Medway's villages provide a range of services and facilities for residents, such as shops and pubs. These small businesses are critical to the sustainability of rural community life.



Policy Approach: Rural Economy

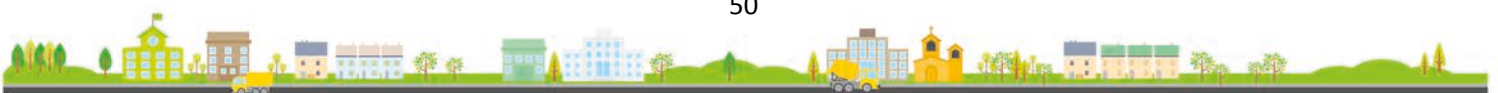
The council will support the land based sector in Medway, through seeking to direct development to land of lesser agricultural land, where feasible, and promoting the sustainable development and diversification of farming and other land based rural businesses, where the proposals can demonstrate positive benefits.

The council will support the growth of rural businesses in well-designed development in appropriate locations that respect the character of the countryside. Sustainable rural tourism and leisure activities that are in keeping with their rural setting will be supported.

The council will seek the retention of key rural services and facilities to promote sustainable villages, providing for the needs of rural residents.

Tourism

- 5.29 Tourism is central to the council's ambitions for the area, promoting a positive image for Medway, supporting jobs and a vibrant cultural life. Much of the activity is focused around the area's rich heritage, notably Rochester and the Historic Dockyard at Chatham, and an extensive offer of festivals, events and concerts. The castles, forts and defences around Medway are distinctive landmarks of its military heritage. There are strong cultural associations with Charles Dickens, extending from historic Rochester to the atmospheric marshes of the Hoo Peninsula.
- 5.30 However as a growing modern city with a large student population, and close connections to London, Medway's offer to visitors is broadening, as demonstrated in the opening of new art galleries, venues and cafes. The Historic Dockyard is increasingly known as the backdrop for many films and primetime TV dramas. Medway continues to invest in its visitor offer, with the £9m Command of the Oceans gallery recently opened at the Historic Dockyard, and major events planned for 2017 to mark the 350th anniversary of the Dutch Raid on the Medway and in 2020 with regard the 150th anniversary of Dickens' death.
- 5.31 The rural areas of Medway offer great opportunities for walking, cycling, birdwatching, fishing and water sports. The RSPB has major reserves on the Hoo Peninsula at High Halstow and Cliffe, offering spectacular views of birdlife over the marshes. Ranscombe Farm Reserve in Cuxton occupies 560 acres on the slopes of the Kent Downs, offering opportunities for quiet walks with links to the wider countryside.
- 5.32 Tourism research commissioned by the council has confirmed that tourism makes a significant contribution to Medway's economy. With just over 4 million day visitor trips and around 528,000 visitor stays per annum, the tourism sector in Medway directly accounts for approximately 4,500 jobs (FTE) and has an estimated value of around £313 million per annum. (*The Economic Impact of Tourism - Medway 2015, Destination Research Ltd, 2015*). Much of the activity is concentrated on a day trip market, but river based tourism is also an important strand of the market in Medway, estimated to be worth approximately £2m.



- 5.33 Medway seeks to strengthen its tourism sector through consolidating the well-established heritage offer, improving its venues and facilities for arts and culture, supporting the growth of areas such as rural and marine based tourism and promoting opportunities to extend visits beyond the day trip market, capturing more overnight stays and the associated higher spend of visitors.
- 5.34 There are 14 hotels in Medway, with a total of 894 letting bedrooms. The Medway hotel supply is predominantly a mix of 3 star and budget hotels, together with one 4 star hotel, two small 2 star hotels and two small non-inspected hotels. Limited service (budget) hotels account for just over one half of Medway's hotel supply. There has been a significant growth in hotel accommodation in Medway over the past 5 years. Studies of the hotel market in Medway show high levels of demand for visitor accommodation, much of which is in the budget market. There is scope for continued growth. Medway is well placed to benefit from strategic developments, such as the proposed London Paramount entertainment park on the Swanscombe Peninsula, both from potential visitors to the attraction and workers during the construction period. In addition to growing demand from corporate and contractor markets, the development of creative industries in Medway could create a demand for a high quality, boutique hotel offer.
- 5.35 Other forms of visitor accommodation are available in bed and breakfast, guest houses, hostels, a youth hostel, self-catering properties, camping and caravan sites. The latter are largely located in the rural areas of the Hoo Peninsula. Bourne Leisure operates a major leisure park at Allhallows, providing visitor accommodation in static caravans. An estimated 28,000 tourist trips to Medway are made through static caravan, touring vans and camping holidays. These represent an estimated 151,000 night stays bringing in approximately £3.9m for Medway's economy per annum. This mainly relates to static caravan sites as there are currently very few touring camping and caravanning sites.
- 5.36 Responses to the Issues & Options consultation supported:
- Developing Medway's tourism sector based on the natural environment offer, with eco-tourism/sustainable/green tourism being highlighted as an opportunity based around Medway's country parks and the wider countryside.
 - Ideas for bigger festivals with a longer duration with music and related themes
 - Using Medway's unique historic environment and related attractions
 - Maximising the benefit of our waterfront and supporting public access to the river front
 - The need for more visitor accommodation
 - The need for more budget accommodation for visitors including B&Bs, caravan parks and at the other end of the market for more high quality hotels in appropriate locations
- 5.37 In progressing the regeneration ambitions for Medway, the council recognises the importance of planning for a good quality public realm and providing a mix of leisure, food and drink offers in the town centres and waterfront areas. These can help



provide a positive experience for visitors, support the development of an evening and cultural offer, as well as boosting the local economy.

- 5.38 The potential to achieve greater value from the use of Medway's river frontage is a key aspect of the council's regeneration plans and tourism aims, and enjoys much public support. In the central urban areas, the waterfront provides an opportunity to link the area's most notable heritage assets, and provide a focus for cultural activities. In the rural areas, the river and estuary can provide a place to relax. The England Coastal Path will run along Medway's river fronts and estuaries and around the Hoo Peninsula linking Riverside Country Park with the RSPB's reserve at Cliffe Pools. Given the wildlife importance of the natural environment in the estuaries and marshes, it is essential that access is carefully managed to avoid damage to the area's special features.

Policy Approach: Tourism

The council will positively promote sustainable tourism development that can make a positive contribution to Medway's economy and cultural life. Appropriate proposals for the development of tourism facilities and visitor accommodation will be supported where they meet the principles of sustainable development.

Tourism developments that can contribute positively to the regeneration of Medway, consistent with the council's vision, and extend the cultural offer will be considered favourably. Opportunities for development to enhance the vibrancy and vitality of town centres will be welcomed.

The enhancement of cultural assets and visitor facilities will be supported, where they respect the integrity of the surrounding area, particularly those assets associated with the local historic environment.

Opportunities to support the development of rural and marine based tourism will be welcomed, where they can demonstrate that negative impacts on the environment can be avoided.

Proposals for tourism facilities will be assessed against the principles below:

- Identified need for creation, expansion or improvement of tourism facilities;
- The proposal is appropriate in scale and nature for its location, sensitively designed, respects the local amenity, the characteristics of the built, historic and natural environment
- Maximises opportunities for sustainable travel

Visitor accommodation

- 5.39 Evidence supports the expansion of the supply of visitor accommodation in Medway, across a range of markets, including budget and high quality hotel rooms, self-catering, camping and caravanning, and berths and marinas. In making provision for additional visitor accommodation, the council will have regard to its aims for regeneration, developing the cultural and heritage sectors, and opportunities for



enhancing the supply in marine and rural tourism markets. The development of the tourism sector will be in line with the strategy promoted in the new Local Plan, respect the character of the surrounding areas, and respond to the specific opportunities of Medway's diverse offer. This could include the provision of camping and self-catering accommodation in rural areas, sensitive to the countryside setting.

- 5.40 As Medway grows over the plan period, there are opportunities to consider the provision of new visitor accommodation in conjunction with wider mixed developments. Such proposals could have the benefit of providing leisure facilities which are available to local communities.
- 5.41 Medway's high quality countryside is an important tourist asset, and is growing in interest as a place to visit for leisure. Capitalising on the countryside as a visitor destination could nurture a growing rural economy. There is a demand for quality rural self-catering accommodation. However developments need to be sensitive to the special characteristics of the countryside and Medway's rural environments, particularly the extensive areas designated of wildlife and landscape importance.

Policy Approach: Visitor accommodation

The retention and provision of visitor accommodation is encouraged in accordance with the principles set out below:

- Where it meets a proven need, particularly those sectors of the market where evidence indicates unmet demand, such as a high quality boutique hotel in Rochester, and quality rural self-catering accommodation;
- Development enhances the quality and offer of existing visitor accommodation and its setting;
- Where the proposal contributes to the vibrancy, vitality and viability of town centres and the sustainability of wider settlements;
- Where the proposal avoids negative impacts on the environment, is appropriate in scale and nature for its location, sensitively designed, respects the local amenity, the characteristics of the built, historic and natural environment, avoids siting in areas of high flood risk and intrusion into the landscapes of open countryside;
- Maximises opportunities for sustainable travel in accessible locations and minimises traffic generation.

