

### 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. The planning system must support these ambitions. Government has set out its vision for the economy in the Industrial Strategy White Paper, 2017 that seeks to boost the UK's productivity. The strategy aims to address disparities in productivity across the country, improve skills, increase innovation and enhance infrastructure and business growth. All are relevant to Medway's ambitions set out in the vision and strategic objectives of the Local Plan, Medway 2035, and corporate plans.
- 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 2016/17, Medway had a working population of 140,300<sup>46</sup> people and around 92,000<sup>47</sup> jobs in the local economy. This is a slightly higher employment rate than the national average. The area's employment profile shares characteristics of neighbouring areas, but the economy has some specialisms in manufacturing and advance engineering. However Finance and IT businesses are under-represented, compared to regional levels. The 'public administration, education and health' sector contributes the most to Medway's economy overall at just under 22% of output, followed by 'distribution; transport; accommodation and food' at 18%. However it is notable that Medway's production and manufacturing sector is significantly larger, at 17%, than the level across the Kent Thames Gateway area (12%) and the UK average of 13%. This sector has also shown strong growth in recent years. It has expanded by 19% in Medway over the past five years, compared with growth rates of 15% for Kent Thames Gateway and 6% across the UK. 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, making a significantly higher contribution to the local economy than the national average.

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<sup>46</sup> Office for National Statistics, 'Annual Population Survey', ONS, 2012, Available at: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/methodologies/annualpopulationsurveyapsqmi>

<sup>47</sup> Office of National Statistics, 'UK Business Register and Employment Survey', Available at: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/businessregisterandemploymentsurveybresprovisionalresults/latest>

- 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 including further afield to London.
- 5.5 At the end of 2017 Medway's out of work benefit claims (Universal Credit) rate stood below the national level at 1.8%, having previously been consistently above the national level previously. The claimant rate has halved over the previous four years<sup>48</sup>. Medway has fewer medium to large businesses than nationally and a greater number of micro and small businesses<sup>49</sup>, low rates of business start-up and survival rates, and a lack of higher value jobs. Medway's GVA per head at £17,338 in 2015<sup>50</sup>, is amongst the lowest in the south east region and well below the national level. However the position is improving, with rates of growth in Medway's GVA over the past five years being 12% higher than the regional average. Research commissioned by ONS in 2017<sup>51</sup> showed that smaller businesses were more likely to have lower productivity, as were younger businesses – those having been operating for less than five years. It also noted an 'overrepresentation' of service businesses - those in the distribution, hotels and restaurants industries – as being more likely to fall within this lower performing category. Medway has a slightly higher proportion of micro enterprises<sup>52</sup> and has a higher rate of growth in these smaller employers over the last five years than in the South East and has a significant proportion of businesses in the distribution, hotels and restaurants sector<sup>53</sup>.
- 5.6 A skilled workforce is critical to a successful economy, and Medway compares poorly with neighbouring areas. Just under a third of residents in Medway have achieved the highest level of qualifications (NVQ 4+) which is considerably lower than the level across Kent (37%) and the South East (41%)<sup>54</sup>.
- 5.7 The council recognises that Medway has the potential to significantly boost its economic performance. This will be promoted by the Local Plan and the new Medway Regeneration Strategy, Medway 2035. These set out priorities for realising the area's economic potential, through establishing Medway as an attractive, sought after place to work and study, with a good supply of employment land and a supportive environment for business growth.

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<sup>48</sup> NOMIS: Official Labour Market Statistics, 'DWP Benefit claimants - working age client groups', November 2015, Available at: <https://www.nomisweb.co.uk/articles/953.aspx>

<sup>49</sup> Office for National Statistics, 'Inter Departmental Business Register (IDBR)', ONS, Available at: <https://www.ons.gov.uk/aboutus/whatwedo/paidservices/interdepartmentalbusinessregisteridbr>

<sup>50</sup> Office for National Statistics, 2016, <https://www.ons.gov.uk/>

<sup>51</sup> Office for National Statistics, 'Understanding firms in the bottom 10% of the labour productivity distribution in Great Britain: "the laggards"', 2003 to 2015: Available at:

<https://www.ons.gov.uk/economy/grossvalueaddedgva/datasets/regionalgrossvalueaddedincomeapproach>

<sup>52</sup> Enterprises employing less than ten employees.

<sup>53</sup> NOMIS, 'NOMIS Local Authority Profile: Labour market profile', February 2018, available at: <https://www.nomisweb.co.uk/reports/lmp/la/1946157282/report.aspx?town=Medway>

<sup>54</sup> Office for National Statistics, 'Annual Population Survey', ONS, 2012, Available at: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/methodologies/annualpopulationsurveyapsqmi>

- 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. Investment in recent years to improve connections to these strategic employment sites has resulted in significant business developments, such as the London Medway Commercial Park at Kingsnorth, offering serviced plots to accommodate 2 million sq ft of land for industry, distribution and warehousing.
- 5.9 Since the 1990s, 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, and links between schools, businesses and colleges have been put in place.
- 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. There is an increased focus on the healthcare sector to reflect growing and ageing populations. The government is promoting modular housebuilding and modern methods of construction to help boost the supply of housing the country needs. Medway and the surrounding areas are areas of high growth, and the Council supports opportunities for modular construction factories in employment sites like Kingsnorth. This would develop modern and sustainable construction techniques that could benefit Medway, as well as boosting the local economy.
- 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. These are reflected in the aspirations for the 'opportunity areas' in central urban areas, that could boost the vibrancy and competitiveness of Medway's town centres, through new commercial uses complementing the retail, community and leisure offer. The development of new employment units at Watermill Wharf in Strood provides an example of how new sites can be brought forward for businesses. 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 earlier consultation on the emerging Local Plan 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. Issues were raised in relation to the specific needs of sectors of Medway's economy, such as agriculture, marine and leisure businesses.

### **Employment land needs**

- 5.13 Medway has a shortfall of quality employment land in locations and in flexible 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 Council 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 the 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 the Innovation Park Medway, centred around Rochester Airport. 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, facilitated by the high speed rail links. 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. These will be embedded in the council's regeneration plans, to ensure a competitive economy, as part of a balanced development strategy, with job creation keeping pace with housing growth.
- 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 a major entertainment resort at Swanscombe, largely through increased demand from supply chain activities. In common with the government's Industrial Strategy, the council has identified infrastructure as critical to economic growth. The options for the Local Plan's development strategy set out in Section 3 of this consultation document, are predicated on delivering significant upgrades in infrastructure. In particular, ambitions for strategic transport improvements provide the basis for strengthening regeneration plans and supporting sustainable development on the Hoo Peninsula. Improved access by rail and road to the Hoo Peninsula would boost economic growth.

- 5.17 The Employment Land Needs 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 particular offer of the large strategic sites on the Hoo Peninsula, the land supply does not align well to meeting the full range of business needs projected over the plan period. The report identified a need for 90ha of employment floorspace for the plan period.

*Employment Land Needs*

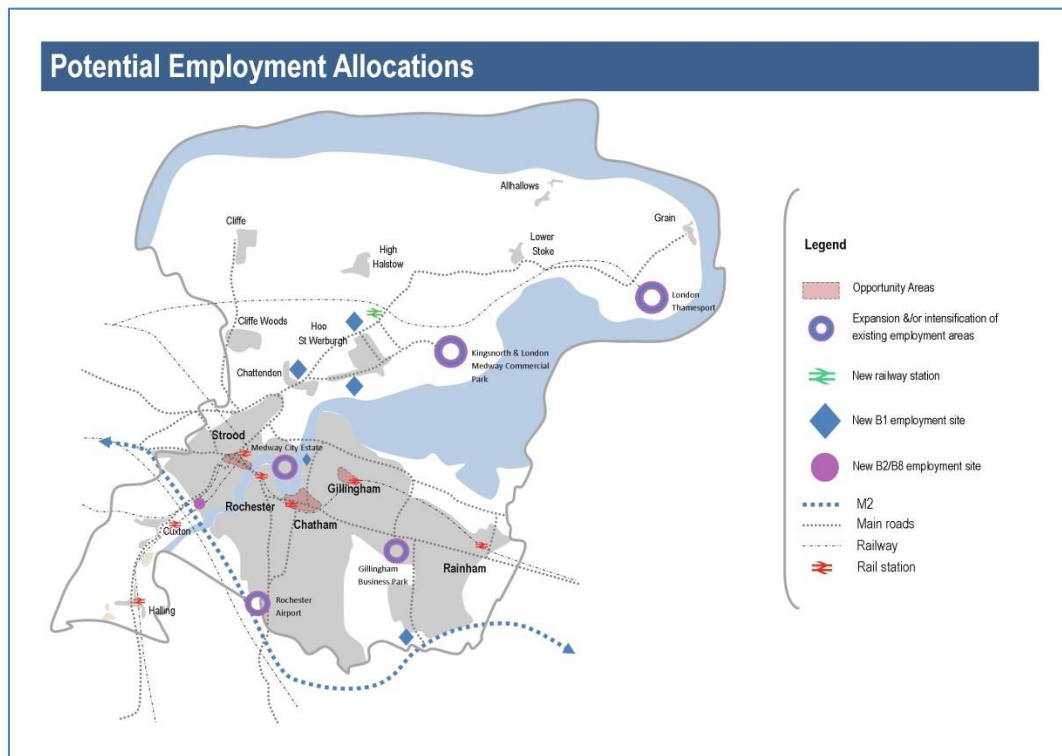
<b>Employment</b> (sqm land requirement) 2012-2035	Office	49,943
	Industrial	155,748
	Warehousing	164,263

- 5.18 The identified employment land 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 could 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 for town centres, and would be critical to securing greater 'knowledge economy' activity. The council recognises particular opportunities around Chatham, Gillingham 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 Innovation Park Medway. Recent successful developments on sites such as London Medway Commercial Park show how appropriate investments can adapt to changing market needs. 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. This is particularly significant for the regeneration areas and strategic allocations. The development of a rural town on the Hoo Peninsula could provide new attractive employment floorspace, complementing the large strategic sites at Grain and Kingsnorth.

### *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,
  - Innovation Park Medway
- 5.21 Other employment areas tend to be better focused on more land intensive light and heavy industrial activities and distribution. 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 in the longer term 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. Proposals for broad locations for new employment growth are shown in figure 5.1 below. Details of proposed employment site allocations will be presented in the draft Local Plan, informed by the preferred development strategy.

Figure 5.1 – Potential Employment Land Allocations



5.22 The evidence base shows that some employment sites are compromised in their ability to extend and flourish by adjacent land uses, often residential. The council will need to consider if the Local Plan should afford protection to such sites, or if redevelopment would be more appropriate over the plan period. Some regeneration sites are currently in use by businesses, and the plan will need to consider opportunities for appropriate relocation. This will include recognition of specific business requirements, such as transport links.

#### *Innovation Park Medway*

5.23 Innovation Park Medway is a strategic gateway economic hub centred around Rochester Airport. A master plan for the redevelopment of Rochester Airport was approved in January 2014. Redevelopment of the airport's operational infrastructure would 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 advanced manufacturing, engineering, R&D and prototyping. High value businesses offering skilled employment opportunities would be attracted into the innovation park because of the exceptional environment that could be developed. Innovation Park Medway has been awarded Enterprise Zone Status and secured over £8m of funding through the South East LEP for its development. It aims to be a focus for entrepreneurial growth with an on-site University hub to reap the value of strengthened links between local academic and industry partners

## **Policy E1: 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 in Medway for the scale, range, quality and locational requirements of employment land identified in the Employment Land Needs Assessment, 2015, or subsequent updated evidence. 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; and
- 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, and realising opportunities for manufacturing of modern modular construction facilities.

### **Question E1:**

**Do you consider that this is an effective approach to securing and strengthening Medway's economy?**



**Question E2:**

**Which locations do you consider are the most appropriate for employment growth?**

**Question E3:**

**Do you agree with the proposed approach to assessing GVA with planning applications for employment uses?**

**Question E4:**

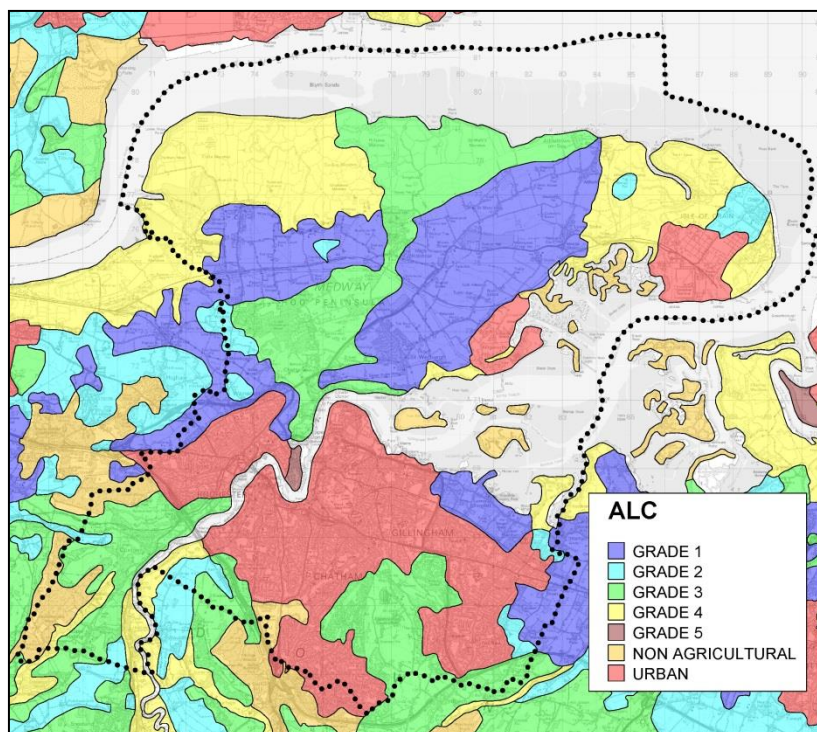
**Do you support the proposed approach for higher value jobs in Medway?**

**Question E5:**

**Do you consider that there is demand for further serviced office accommodation in Medway?**

## Rural Economy

5.24 Government policy supports the sustainable growth<sup>55</sup> of the rural economy, considering the needs of the agricultural industry<sup>56</sup>, and the development of rural businesses, tourism and leisure opportunities and the protection of local services and community facilities.<sup>57</sup> 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.



5.25 Medway's countryside supports a range of forestry and farming activities. A total of 8,252ha of land is farmed for cereal, horticulture and livestock grazing.<sup>58</sup> Cereal

<sup>55</sup> Department for Communities and Local Government, 'National Planning Policy Framework', paragraph 28, p.9, 2015 Available at:

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/6077/2116950.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/6077/2116950.pdf) )

<sup>56</sup> Department for Communities and Local Government, 'National Planning Policy Framework', paragraph 161, p.39, 2015 Available at:

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/6077/2116950.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/6077/2116950.pdf) )

<sup>57</sup> Department for Communities and Local Government, 'National Planning Policy Framework', paragraph 28, p.9, 2015 Available at:

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<sup>58</sup> Department for Environment, Food & Rural Affairs, 'Structure of the agricultural industry in England and the UK', 2016, Available at: <https://www.gov.uk/government/statistical-data-sets/structure-of-the-agricultural-industry-in-england-and-the-uk-at-june>

production is dominant amongst these land use types. 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 around 6% of fruit and vegetable production to the South East total.

- 5.26 A notable feature of Medway is the high proportion of land that falls within the best and most versatile categories. Just under 40% of Medway's agricultural land is classified as Grades 1 or 2. Some of this land borders urban and rural settlements, where there is pressure to bring land forward for development. The development strategy options set out in Section 3 of this consultation document involve the loss of some of this farmland. In considering the options available to Medway to meet the development needs over the plan period, the council has had to weigh up complex and competing criteria and interests. Although potentially some good quality farmland could be lost to development, there will still be a high proportion of this resource in Medway. The council will also seek to secure agricultural businesses outside of allocated development sites by recognising its key role in the countryside.
- 5.27 The land based sector nationally 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 the 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. New government policy and funding programmes for agriculture will provide further guidance on these matters.
- 5.28 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.
- 5.29 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.
- 5.30 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. The development of a small rural town on the Hoo Peninsula as part of the proposed growth strategy for the Local Plan would require specific employment land provision to provide for its economic needs and function.

### **Policy E2: 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 and do not conflict with other policies in the Local Plan. The council will define countryside areas outside of the urban and village settlement boundaries, where the land based economy will be supported providing that it does not conflict with requirements to conserve and enhance the environment.

The council will support the growth of rural businesses in well-designed development in appropriate locations that respect the character of the countryside and environmental features. 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.

### **Question E6:**

**Do you agree with the proposed policy approach for the rural economy?**

**What alternative approaches would you propose?**

### **Tourism**

5.31 The tourism industry is vitally important to the UK with the greatest number of overseas visits nationally on record in 2015<sup>59</sup>. The sector has continued to grow nationally with an increase of overseas visitors and overall spend relating to tourism up by over 8% between 2016 and 2017. <sup>60</sup>Tourism is central to the council's ambitions for the area, promoting a positive image for Medway, supporting jobs and a vibrant cultural life. It sits at the heart of the regeneration strategy, Medway 2035. Much 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

<sup>59</sup> Visit Britain, Department for Digital Culture Media and Sport (DCMS), '*Tourism Action Plan*', August 2016, Available at: <https://www.visitbritain.org/governments-tourism-action-plan>

<sup>60</sup> Department for Digital, Culture Media & Sport, '*Tourism Action Plan – One Year On*', (DCMS), October 2017, Available at: [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/653396/Tourism\\_Action\\_Plan\\_-\\_One\\_Year\\_On.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/653396/Tourism_Action_Plan_-_One_Year_On.pdf)

of its military heritage. There are strong cultural associations with Charles Dickens, extending from historic Rochester to the atmospheric marshes of the Hoo Peninsula.

- 5.32 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 at the Historic Dockyard, and major events planned for 2020 marking the 150<sup>th</sup> anniversary of Dickens' death.
- 5.33 The rural areas of Medway offer great opportunities for walking, cycling, birdwatching, fishing and water sports. The area has some of the highest value landscapes, environmental and heritage features, many derived from the area's military past. 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. The rural areas need to be conserved to safeguard their environmental and heritage features, but they also provide opportunities for sustainable tourism, sensitive to the area's special character.
- 5.34 Tourism research<sup>61</sup> 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. 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.
- 5.35 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.
- 5.36 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

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<sup>61</sup> Destination Research delivering results: measuring what matters, *'The Economic Impact of Tourism'*, Medway 2015, Available at: [https://www.visitkentbusiness.co.uk/library/Economic\\_Impact\\_of\\_Tourism\\_-\\_Medway\\_2015\\_FINAL\\_REPORT.PDF](https://www.visitkentbusiness.co.uk/library/Economic_Impact_of_Tourism_-_Medway_2015_FINAL_REPORT.PDF)

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 and a wider cultural offer in Medway will support a demand for a high quality, boutique hotel offer.

- 5.37 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 limited touring camping and caravanning sites.
- 5.38 Responses to earlier rounds of consultation on the Local Plan supported the development of Medway's tourism sector, linking to the particular offers of the natural environment, heritage and culture, and realising the opportunities of waterfront regeneration. A greater supply and mix of visitor accommodation was sought.
- 5.39 In progressing the regeneration ambitions for Medway, as promoted in Medway 2035, 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.
- 5.40 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, including the designated habitats and landscapes.

### **Policy E3: 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.

#### **Question E7:**

**Do you agree with the proposed policy approach towards tourism?**

**Would you suggest an alternative policy approach?**

#### **Visitor accommodation**

- 5.41 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.
- 5.42 As Medway grows over the plan period, there are opportunities to consider the provision of new visitor accommodation in conjunction with wider mixed developments. The urban regeneration sites offer significant opportunities, Such proposals could have the benefit of providing leisure facilities which are available to local communities.
- 5.43 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 E4: 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.

#### **Question E8:**

**Do you agree with the proposed policy approach for visitor accommodation? Would you suggest an alternative policy approach?**