



Report

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North Kent Strategic Housing & Economic Needs Assessment

Employment Land Needs Assessment Medway

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For and on behalf of GVA Grimley Ltd

1. Introduction

- 1.1 This report is a key element of the North Kent Strategic Housing and Economic Needs Assessment (SHENA) currently being prepared by Bilfinger GVA on behalf of Gravesham Borough Council (GBC) and Medway Council (MC). The purpose of the SHENA is to identify the future growth needs of the two local authority areas across housing, employment land and retail floorspace and also provide a strategic level spatial strategy to guide future site allocations and ensure the appropriate capacity is available in the most appropriate locations.
- 1.2 This Employment Land Needs Assessment (ELNA) report provides the technical assessment of the future demand for and supply of employment land within the Medway Council area. It considers the scale and nature of future employment growth, the resultant requirements for new floorspace, how suitable the existing/identified sites are for meeting this need and any quantitative or qualitative need for additional land to be identified.
- 1.3 The ELNA builds on the SHENA Baseline Report (Bilfinger GVA, March 2015) which established both the current conditions and recent changes within the Medway economy and commercial property market. This integrated assessment of the borough has helped identify how the economy has been changing during and post-recession and what is likely to drive future opportunities for growth.
- 1.4 The key summary messages to emerge from the SHENA Baseline Report were:

Strengths

- 1.5 A strong position on regional highway and rail networks and established distribution routes;
- 1.6 Defined logistics and manufacturing locations;
- 1.7 Proximity to the largest concentration of population in the UK and proximity to London, which is expected to grow by 1.5 million people in coming decades;

Weaknesses

- 1.8 The economic base has been focussed on lower value, less knowledge intensive activity, which is a weak foundation for economic growth;
- 1.9 Reported decline in commercial property supply as a result of landowner aspirations for securing residential development

- 1.10 There are generally lower skills levels in the local workforce than competing areas;
- 1.11 The unemployment rate has been relatively high;
- 1.12 There is a relatively low number of the largest employers;
- 1.13 Historically there have been low levels of business start-up and survival rates.

Opportunities

- 1.14 Initial forecasts suggest Medway will add 15,600 jobs by 2031.
- 1.15 A strategic location and regional logistics growth could lead to increased local employment;
- 1.16 Price pressures in London and close to a decade of slow growth in suburban office locations could lead to an increase in local demand for office space although will need proactive approach to promotion;
- 1.17 A growing London commuter population could lead to an increase in local start-up activity;
- 1.18 A growing student population could lead to an increase in start-up activity;
- 1.19 Positioning, connections, existing activity and land supply offer opportunities to secure activity from sectors growing across the wider South East. For example the recent planning application for a large internet retailer distribution facility at Kingsnorth (London Medway Commercial Park), could act as catalyst for enhanced logistics activity
- 1.20 Repositioning of waterfront and town centre regeneration sites could underpin new employment quarters.
- 1.21 An additional Thames Crossing linking North Kent to South Essex would enhance logistics positioning and increase the labour-market catchment for Medway;

Threats

- 1.22 The greatest threat is of lower performance than neighbours, with growth in office employment staying in London or being captured by centres at Maidstone, Ebbsfleet and Dartford and logistics seeking locations closer to London's population and continued contraction of the manufacturing base.
- 1.23 These drivers have been examined in more detail to inform this technical assessment of future employment land needs.

2. Employment Growth Forecast Scenarios

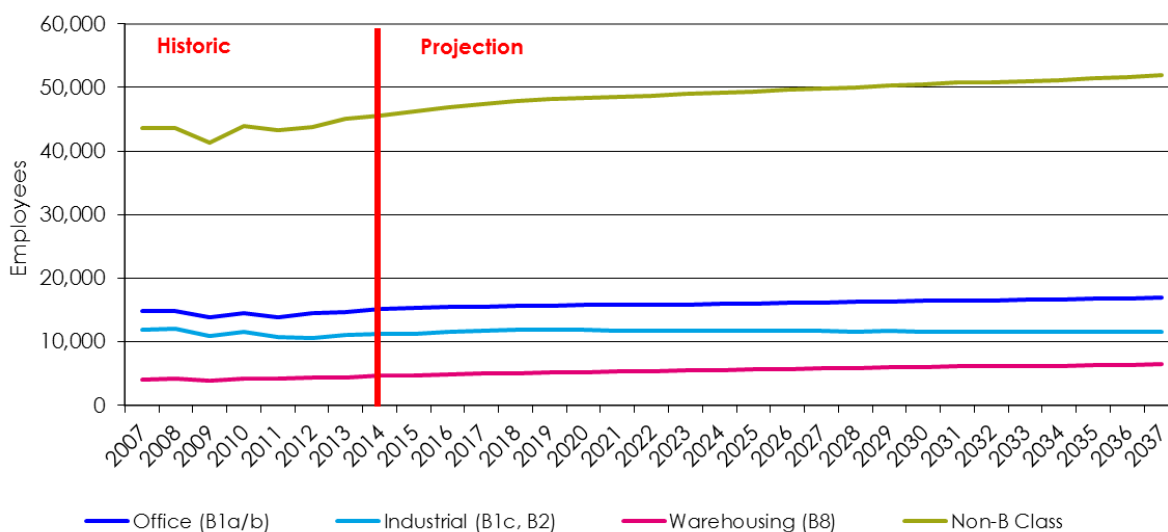
- 2.1 In understanding the range and portfolio of future employment land and floorspace need it is important to examine the potential nature of employment growth within Medway over the plan period (and beyond) to ensure sufficient provision is made and protected within the area's employment sites.
- 2.2 This section sets out the forecast scenarios used within this Study to understand the 'reasonable alternatives' for potential future growth. It provides a short description of the rationale for each scenario, the technical approach and the key outputs. It then goes on to identify a 'synthesis' forecast which should form the basis of future planning.
- 2.3 The testing of alternative scenarios is important in the development of policy. Medway is a dynamic location containing a number of sectors that have significant growth potential and are influenced by a number of planned development, infrastructure and regeneration interventions that will influence its economic future. The focus of policy should therefore be on maximising the opportunities presented, positively planning to manage growth and expansion.
- 2.4 Wider development and regeneration initiatives within Medway will help to raise the growth potential. Population and housing growth will increase the labour pool, town centre regeneration will upgrade stock and trading environments, the continued development of major waterfront sites in Chatham, Rochester and Gillingham will provide new high quality waterside employment and housing opportunities and the designation of Rochester Airfield as an Enterprise Zone orientated towards high value engineering will provide a new catalyst for economic activity.
- 2.5 Given this range of factors 'business as usual' is not an option for Medway. Change will happen and the employment growth forecast needs to interpret this in a meaningful way, guiding future policy decisions through an economic model that is tailored to local circumstances.
- 2.6 The forecast model is based on the employment growth projections provided by Experian Business Strategies, which were finalised and published in May 2015. The Experian forecast factors in demographic trends and future expectations and changes. It therefore allows for expected shifts in age profiles, economic activity rates and the impact of changes to the 'statutory' retirement age. The model uses a base population projection that is consistent with those used by DCLG and interprets their outputs to forecast the influence that the complete 'basket' of demographic factors have on employment rates in any location.

- 2.7 The employment land requirement forecast delineates growth into major sectors which, in turn, are aggregated into land use types. This approach provides a land and floorspace requirement for office (B1a/b), industrial (B1c/B2) and warehousing (B8) activity. Whilst this approach aligns with the guidance provided by the NPPF and NPPG and provides a robust basis for planning purposes it should be recognised that future delivery may not be as neatly categorised.
- 2.8 Increasingly, as business processes change, so to do the nature of spaces business require to support their operation. For example within the manufacturing sector a much more significant element of work is computer-based and there is a much larger servicing requirement, driving up office space within 'industrial buildings. Similarly many small manufacturers will seek to distribute directly (via third party logistics operators) from their plant, therefore also increasing the need for storage and distribution space.
- 2.9 Given these more complex activities it is clear that there is a need for buildings and sites to be planned flexibly, that occupiers in a sector may not need an office or an industrial unit, but require a building that can offer them both. As such, the forecasts consider floorspace within the three broad use classes but (within these) recognises that the actual type of space may be mixed. The use of appropriate employment densities seeks to model these changing space requirements.
- 2.10 In order to understand the relationship between this evidence base (and hence the SHENA more widely) and the Council's other priorities related to employment growth we have reviewed the sector definitions within the Kent and Medway Economic Partnership's Workforce Skills Evidence Base (WSEB). This document highlights 12 key sectors that it views as crucial to the future of Medway's economy and therefore should set the framework for future skills intervention.
- 2.11 It is not possible to directly align the forecast outputs for this study with the definitions within the WSEB for two reasons. Firstly, the WSEB considers sectors as economic activity groupings in a different way to the Experian forecast, which means it is not possible to isolate the potential growth pattern of specific sub-sectors. Secondly, it is important that sector definitions in this study align to land use classes to ensure appropriate future land provision is made. The WSEB analysis in some cases creates sectors that operate across use class groupings meaning they could not be used for forecast employment land need.
- 2.12 However, it is possible to align the WSEB sectors with those used within the forecast and hence the final floorspace requirements, these are set out for reference in the appendix to this main report.

Base Forecast

- 2.13 The base Experian forecast for Medway sets out the 'business as usual' employment growth scenario for the Borough to 2037 across 38 economic sectors, figures are presented as Full Time Equivalent (FTE) to allow for direct translation into floorspace needs. The baseline forecast employment growth would see just under 13,300 new FTE jobs created within Medway over the Plan Period (2012-2037), an increase of 18%.
- 2.14 Translating this growth at a sector level in to major use categories for planning purposes shows that the most significant level of growth proportionally (49%) is within warehouse (B8) activity. However, this represents a relatively modest level of jobs growth at 2,135 FTE jobs, and the growth is from a relatively low base.
- 2.15 The largest number of FTE jobs will be delivered within 'non-B class' activities (such as retail and healthcare) and would provide over 8,000 jobs. This is an increase of 18% and represents almost 60% of the total jobs growth within Medway.
- 2.16 The results of the forecast are shown in Figure 1.

Figure 1 - Base Forecast Employment Growth



Source: Experian Business Strategies, GVA, 2015

- 2.17 Within 'B class' activities the base forecast shows an increase in office based employment activities (17%), a small increase in employment in light industrial and manufacturing space (9%) alongside a 49% increase in warehouse and storage employment. Whilst warehouse-based employment shows the largest proportional growth it is worth noting that this is from a low base and actual jobs numbers are significantly lower than office employment.

2.18 As discussed previously these results are predicated on a combination of historic performance and national sector trends, alternate growth scenarios that draw on local characteristics are considered later in this section.

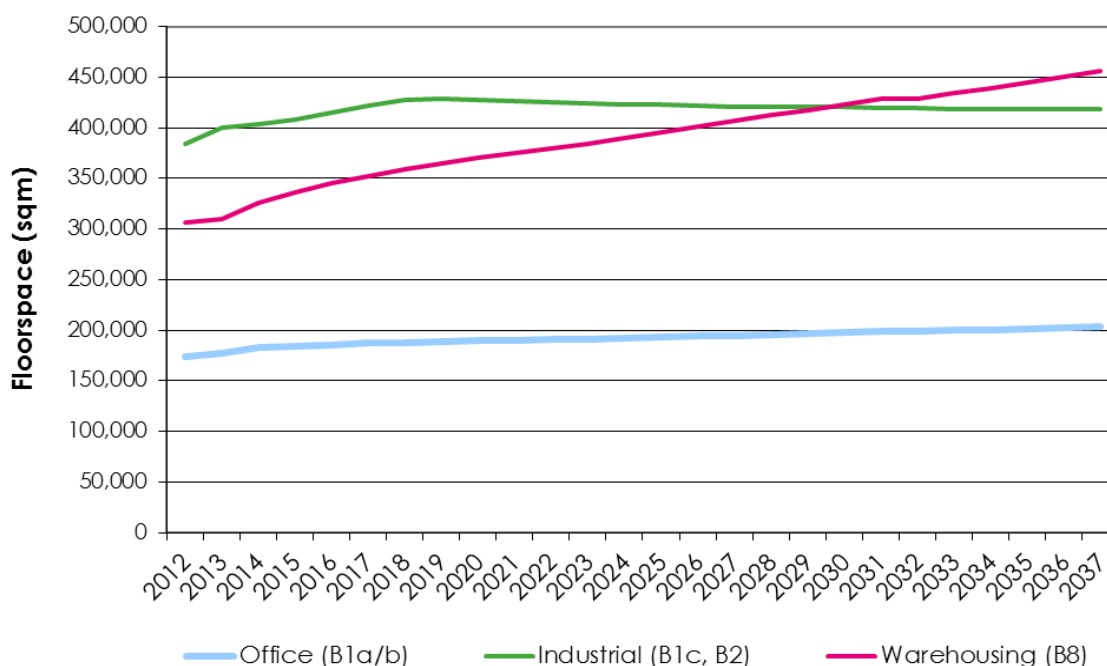
2.19 The base forecast shows a strong basis for employment growth within B1a and B1b use classes suggesting significant potential to accommodate increased levels of knowledge based activity within the area in the future. This level of growth is primarily driven by the Professional Services sector (which includes scientific research and development activity) and ICT (which includes software development) alongside some further growth in the 'creative industries'. This suggests that the role of Higher and Further Education institutions within Medway will be critical to realising this growth potential.

2.20 Using employment density assumptions we can translate these job creation forecasts into additional floorspace requirements. As a base model we use the following employment densities, which are based on our understanding of the nature of economic activity within (and likely to be attracted) to the area, the subsequent occupier requirements within these activities, and the guidance provided by the HCA Density Guide Second Edition, 2010:

- B1a/b – 12 square metres per employee (NIA);
- B1c/B2 – 36 square metres per employee (GIA); and
- B8 – 70 square metres per employee (GEA).

2.21 The floorspace requirements from the Base Forecast are shown below.

Figure 2 - Base Forecast Floorspace Requirements



Source: Experian Business Strategies, GVA, 2015

- 2.22 The base forecast shown in Figure 2 estimates additional demand to 2037 of:
- 29,240 sqm of B1a/b floorspace;
 - 33,724 sqm of B1c/B2 floorspace; and
 - 149,419 sqm of B8 floorspace.
- 2.23 This provides the starting point for understanding how different policy, strategy or market influences could alter the balance and quantum of floorspace requirements for and between different B and non-B Use Classes. We consider the potential relevant scenarios to test these influences in the next section.

Contingency Allowance and Market 'Churn'

- 2.24 In order for future employment forecasts to be based on more than economic growth 'predictions' and to better reflect the fluid nature of land allocations, the forecasting model makes two 'additional allowances'.
- 2.25 Firstly, a contingency allowance is made which takes into account that a proportion of designated employment land will not be entirely used by B-Use-Class employment. Land uses such as: recycling, waste management, combined heat and power plants and bus depots can, under certain circumstances and where appropriate, be located on employment land. These are relatively low density employment activities and therefore would result in a net loss of employment capacity, as such allowing for replacement space is appropriate to ensure capacity is retained.
- 2.26 A significant part of the projected employment growth also arises from sectors which have traditionally not been located on B Class employment land such as healthcare, education, hotels and leisure. Under specific circumstances and where appropriate, employment land might also be used as part of a more mixed-use scheme which would enable employment development to come forward on a proportion of it. However, in many cases these can have a negative impact on the quality of the B class employment proposition and can reduce both the total capacity and the sites ability to attract new occupiers on the remaining space. Again this suggests that making an allowance for these losses is critical to retaining capacity within Medway.
- 2.27 Further, with the extension of Permitted Development Rights (albeit only for three years initially) making the conversion of office premises to residential use more straightforward, there is the potential for an increase in the unexpected loss of employment floorspace. Potential extensions of permitted development to allow conversion of industrial premises could further exacerbate this risk to employment land capacity.

2.28 To estimate the amount of land that may be used for non-B class activities, historic losses of employment land to other uses such as housing and leisure as reported in the Council's Annual Monitoring Report have been used. We have excluded changes between the B class uses; principally given they tend to reflect building changes to allow a more flexible use of space in line with changing business requirements and do not tend to constitute a loss of employment capacity.

Table 1 - Allowance for Windfall Losses

	Office (sqm)	Industrial (sqm)	Warehouse (sqm)
2013/14	2,125	229	8,576
2012/13	6,027	0	0
2011/12	975	0	0
2010/11	0	0	22,561
2009/10	0	23,945	940
Median Annual Loss	975	0	940

Source: Medway Council Annual Monitoring Reports

2.29 As shown in Table 1 there have been some significant losses of employment space to other uses ("Windfall Losses") within Medway. Much of the lost capacity has been as a result of the long term planning and redevelopment approach to major brownfield sites within Medway, particularly along the waterfront in the key towns of Chatham, Rochester and Gillingham. Further capacity has been 'lost' through the closure of a cement works near Halling.

2.30 As such, much of the lost capacity is likely to have been at the end of its usable life and not presented an offer to the market that would have been in demand. However, as is considered shortly, the regeneration process has also secured the delivery of new floorspace both in new locations and within existing sites.

2.31 Given the nature of these 'one off' losses within the area and their minimal impact on actual employment capacity it would be inappropriate to plan for the replacement of this stock on a like for like basis. Therefore, to allow for these one off shocks to the supply we have based our allowance for windfall losses on the 'median' level of loss across the period. This results in an allowance for windfall of circa 38,000 sqm of floorspace of the full plan period.

2.32 As well as making an allowance for unexpected losses of employment land, allowance is made for the fact that the needs of businesses (such as location or property specification) changes over time, requiring them to move. In other instances an existing business might cease its operations and a new business take over a site for redevelopment. For this to happen smoothly there is a need for certain levels of available vacant land. This type of demand has been called 'churn'.

2.33 An allowance for 'churn' is calculated from the average net 'gain' in employment floorspace within the Borough as recorded within the Annual Monitoring Report, as shown in Table 2 below.

Table 2 - Allowance for Churn

	Office (sqm)	Industrial (sqm)	Warehouse (sqm)
2013/14	-	-	-
2012/13	-	1,147	255
2011/12	-	4,374	6,081
2010/11	2,332	5,598	-
2009/10	355	-	-
Average Annual Gain	537	2,224	1,267

Source: Medway Council Annual Monitoring Reports

2.34 It typically takes two years to achieve a planning consent, site preparation and construction after a site has changed hands. For these reasons the annual net take-up of employment floorspace is multiplied by two to estimate the churn demand. This is, in effect, an allowance for the necessary churn to allow the market and relocation chains to operate.

2.35 This consideration of churn allows the commercial property market realities to be added to the baseline economic forecast.

2.36 Accounting for these allowances within the Base Forecast provides the following floorspace requirement:

Table 3 - Base Forecast Land Requirement

	Floorspace Demand 2012 – 2037 (sqm)	Allowance for windfall losses (sqm)	Allowance for Churn (sqm)	Change in floorspace (sqm)	Change in Land (hectares)
Office (B1a/b)	29,240	19,500	1,075	49,815	5
Industrial (B1c/B2)	33,724	0	4,448	38,172	10
Warehouse (B8)	149,417	18,800	2,534	170,752	43
Total	212,381	38,300	8,057	258,738	57

Source: Experian Business Strategies, GVA, 2015

2.37 The base forecast identifies a total floorspace requirement of c.260,000sqm to 2037; this is driven by the long term requirement for warehouse floorspace (c.170,000sqm). The forecast identifies a need for industrial floorspace (38,000sqm) and a need for additional office capacity (c.50,000sqm).

2.38 Employment creation under the Base Forecast is calculated to equal the following additional jobs:

- Office: 2,437 jobs;

- Industrial: 937 jobs; and
- Warehouse: 2,135 jobs.

Testing Alternate Demand Scenarios

- 2.39 Having reviewed the policy, market and strategy base for Medway alongside analysis of the existing employment floorspace and business stock it is our understanding that the baseline forecast may not truly reflect the economic potential of Medway in terms of the sectoral composition of growth.
- 2.40 As noted above the base forecast indicates that there are positive growth prospects across the B class uses, with all expected to see some level of employment land requirement over the plan period. Employment growth in the base forecast is driven by those sectors occupying B1a and B1b spaces, reflecting the strengths of the existing business base and the catalytic effect the HE/FE provision can have on future growth.
- 2.41 Based on our understanding of the local economy and the sector based forecast provided by Experian and within the WSEB prepared for the Kent and Medway Economic Partnership the growth forecasts contained within the base model reflect the strong potential of the knowledge based economy and therefore we do not model further 'additional' growth within these sectors.
- 2.42 However, despite the strong business base within Medway within the manufacturing sector the base forecast suggests that overall the sector is only likely to see modest levels of growth with a number of sub-sectors forecast to experience considerable contractions. Similarly, despite its excellent connectivity Medway has traditionally been under-represented within the logistics and distribution sector.
- 2.43 However a range of factors identified in our research, the WSEB, Medway's own economic strategy and recent development proposals all suggest both manufacturing and distribution have significant growth potential locally and greater levels of employment can be achieved.
- 2.44 To understand the impacts of realising this potential we have developed four alternate scenarios that consider different forms and scales of growth in manufacturing and distribution activity. These look at additional growth potential over and above that within the base forecast. Each scenario retains the strong knowledge economy focus of the base forecast but considers the implications of growing other sectors alongside it.
- 2.45 We believe this provides a suitable range of alternative growth patterns in order to understand the potential future shape of employment growth and the consequent employment floorspace and land requirements that stem from it.

2.46 The scenarios focus on understanding the implications for local workforce jobs growth and then translate this into employment floorspace/land requirements (as per the base forecast above). Each forecast holds the same assumptions of employment density by particular Use Class.

Scenario 1: Manufacturing Growth

2.47 The Baseline Assessment of Medway's economy highlights manufacturing as the key ongoing strength. Whilst the large scale, traditional manufacturing and production activity once synonymous with Medway has declined (often linked to its maritime heritage) a number of key technology based engineering and manufacturing businesses remain in or have been attracted to the area.

2.48 Some traditional engineering activities can still be found within parts of Medway but these have been joined by a range of advanced manufacturing and high technology product/systems development businesses with a strong association with the application of digital and computing technology. As a 'snapshot' of the sector locally, large employers such as BAE Systems and Veetee as well as small and growing businesses such as Wozair and Geku provide a basis for future growth in a range of manufacturing sectors. These are representative of a much larger base of advanced manufacturing businesses and activity within Medway.

2.49 Looking forward, a base of appropriately skilled workers, the good connections to key markets, the potential availability of land and the ability to service the Central London market alongside a refocusing of the South East/national economy towards higher value manufacturing, will all support the ongoing health and expansion of the sector locally.

2.50 Whilst the production of consumer goods has been in serious decline within the UK performance of value added manufacturing has strengthened, particularly in the production of specialised components and materials. The national prospects for the growth of the sector, particularly for 'advanced' manufacturing, is particularly important, given other places are seeking to reduce their land capacity and focus on other markets.

2.51 More locally the growth and development Rochester Airfield as a new economic hub within the area provides a strategic driver for increased advanced manufacturing activity. The masterplan and strategy for the Airfield seeks to build from the existing cluster of advanced manufacturing activities within the area, BAE Systems and the success of Innovation Centre Medway (ICM) to grow the sector and provide capacity for new and larger businesses to come to the area. Its designation as part of the North Kent Innovation Zone will provide a range of benefits and incentives to attract new occupiers

2.52 Manufacturing businesses already have a higher representation within the Medway business base than the wider South East average. The provision of focussed, well connected sites such as Rochester Airfield will serve to increase the presence and potential of the sector in the future.

Forecasting Approach

2.53 The legacy of industrial and manufacturing activity within Medway provides the basis for future growth over and above the 'long term' trend for the area. To understand the potential scale of the opportunity and its implications on land needs we have looked into the national prospects for sector growth.

2.54 Research produced by RBS defines a broad range of activities that are captured within the "Advanced Manufacturing" sector including pharmaceuticals, metal products, rubber and plastics (including composites) and machinery and equipment, alongside automotive and ICT activities.

2.55 RBS recognised the strength of the UK sector, being the ninth largest manufacturing nation (by output) in the world, and predicted that the sector will be at the forefront of economic growth over a five year period from 2012. They forecast growth rates of between 1% and 3% per annum, up to double the rate they predicted for general economic growth.

2.56 Clearly not all of these sectors are relevant to the North Kent economy, however key components of the RBS definition relate to the existing and future make up of Medway's manufacturing sector. Within the Experian forecast these sectors are "Metal Products", "Computer & Electronic Products", "Machinery & Equipment", "Transport Equipment" and "Other Manufacturing" sectors.

2.57 Historic growth within the sector suggests there is considerable potential for future growth and diversification. To test the implications of realising this potential we have applied a growth multiplier towards the upper end of the RBS forecast range to Baseline forecast, creating an additional 2.5% growth per annum within the identified sectors for the initial part of the forecast period, subsequently reducing this by 0.5% for each following 5 year period to 2037.

Forecast Outputs

2.58 Applying this approach to the baseline forecast increases the forecast need for industrial floorspace and land over the plan period as shown in Table 4.

Table 4 – Scenario 1: Manufacturing Growth Forecast

	Floorspace Demand 2012 – 2037 (sqm)	Allowance for windfall losses (sqm)	Allowance for Churn (sqm)	Change in floorspace (sqm)	Change in Land (ha)
Office (B1a/b)	29,240	19,500	1,075	49,815	5
Industrial (B1c/B2)	158,270	0	4,448	162,717	41
Warehouse (B8)	149,417	18,800	2,534	170,752	43
Total	336,927	38,300	8,057	383,284	88

Source: Experian Business Strategies, GVA, 2015 – Note: Totals may not sum due to rounding

2.59 The forecast shows an increase in the floorspace requirement of circa 383,000sqm, an increase of 124,000sqm over the base forecast. Employment creation under Scenario 1 is calculated to equal the following additional jobs:

- Office: 2,437 jobs;
- Industrial: 4,396 jobs; and
- Warehouse: 2,135 jobs.

Scenario 2: Expansion of Logistics and Distribution

2.60 The strategic logistics and distribution sector has seen unprecedented growth over the past decade, representing almost 10% of UK GVA in 2009 (Source: HM Treasury). Future prospects indicate this growth will continue. Growth in the sector has been driven primarily by a shift in the main source of demand for distribution services away from manufacturing to servicing retail activity. The sector has proved resilient during the recession and, despite concerns over the ability for long term growth in consumer demand as interest rates potentially rise, output growth is forecast to outpace the wider economy over the next two decades.

2.61 This shift from manufacturing to consumer based demand has seen an increased focus on moving imported goods across the country or direct delivery to customers' doors, rather than more local component movements. As such, locations with good accessibility to ports, airports and freight hubs have become a key focus for operators and developers.

2.62 Medway lies within an area of significant interest for logistics operators, largely linked to the major food store retailers who seek to benefit from the area's access to the considerable concentration of population within the area and South East London. The nature of the local economy also drives demand for logistics activity, with the manufacturing sector requiring distribution support and the use of wharves and ports to import goods also attracting operators to the area.

2.63 Traditionally, activity within the sector has been accommodated on either side of the Thames Crossing within Thurrock and Dartford, and to the east within Swale where direct port

accessibility and a large supply of land have attracted occupiers. Medway has experienced much lower levels of growth within the distribution sector. In part, this is likely to be a result of a lower availability of suitably located and sized sites but also demand for land and space from higher value activities.

- 2.64 However, there has been an expansion of the sector, with operators attracted to areas such as Medway City Estate (to link directly to other businesses), Lordswood and Laker Road/Medway Road. Recent development activity at the London Medway Commercial Park on the Hoo Peninsula is bringing forward a major new distribution facility with capacity for further units to be delivered, underlining the strategic potential of the area.
- 2.65 The delivery of a new Thames Crossing within North Kent could provide a significant new driver to the market, providing enhanced links across the Thames into Essex and, importantly, a new connection to the London Gateway cargo port. Combined with potential enhancements to the A2/M2 and removal of the toll booths at the existing Dartford Crossing the improved accessibility will potential support a new wave of demand. Similarly the provision of new development land and the recent major investment in improving access to the Isle of Grain will create new opportunities for development with direct access to the M2.
- 2.66 To understand the impact of these interventions and the wider market strengths on the potential growth of the sector and the consequent employment land requirements, we have tested an alternative growth rate, based on the average for the more established market areas of Thurrock, Dartford and Swale within the Experian model. This projects an average annual growth rate of 1.25% within the wholesale sector and 1.5% within the Land Transport, Storage and Post sector. The results of this scenario are presented below.

Table 5 – Scenario 2: Logistics and Distribution Growth

	Floorspace Demand 2012 – 2027 (sqm)	Allowance for windfall losses (sqm)	Allowance for Churn (sqm)	Change in floorspace (sqm)	Change in Land (ha)
Office (B1a/b)	29,577	19,500	1,075	50,152	5
Industrial (B1c/B2)	34,205	0	4,448	38,653	10
Warehouse (B8)	152,901	18,800	2,534	174,235	44
Total	216,683	38,300	8,057	263,040	58

Source: Experian Business Strategies, GVA, 2015 – Note: Totals may not sum due to rounding

- 2.67 As shown the difference in warehousing need is minimal (1ha) compared to the Base Forecast. This reflects the strength of the forecast growth within logistics and distribution expected by Experian. This would generate the following jobs:

- Office: 2,465 jobs;
- Industrial: 950 jobs; and

- Warehouse: 2,184 jobs.

Scenario 3: Demographic Led Needs

- 2.68 The regeneration agenda for Medway has sought to balance the delivery of jobs and homes, ensuring that as a minimum it retains a similar level of activity as today, retaining its critical mass of employment activity and therefore does not become solely a 'dormitory' location to London.
- 2.69 To understand the implications of providing sufficient employment to align with housing growth, Scenario 3 considers the potential local employment requirements arising from an initial assessment of future population growth driven by demographic factors.
- 2.70 The approach to forecasting population growth on the basis of demographic factors is provided in the accompanying Objectively Assessed Need (OAN) Report prepared as part of this stage of the SHENA. To translate this population growth forecast into a borough level employment forecast the following steps have been undertaken.
- Establish the forecast annual increase in population (from the OAN model);
 - Calculate the proportion of this population that will be of 'working age' based on the latest estimate for Medway (74%, source: ONS, 2014);
 - Calculate the number of working age population that will be in employment based on the latest estimate for Medway (63%, source: ONS, 2014);
 - Calculate those that will work locally - i.e. the 'self-containment' rate for Medway (51%, source: Census 2011);
 - Given the integrated approach to the SHENA between Medway and Gravesham we have also calculated the proportion of new Gravesham residents that will work in Medway using 2011 commuting data (6% of the Gravesham growth).
- 2.71 Having established the level of local employment growth we have then distributed this between the 38 Experian sectors based on the projected share of employment within each sector for each year of the forecast. These are applied to the Experian total employment level of 2014 as an annual level of growth.

Table 6 – Scenario 3: Demographic Led Need

	Floorspace Demand 2012 – 2037 (sqm)	Allowance for windfall losses (sqm)	Allowance for Churn (sqm)	Change in floorspace (sqm)	Change in Land(ha)
Office (B1a/b)	39,045	19,500	1,075	59,620	6
Industrial (B1c/B2)	86,094	0	4,448	90,541	23
Warehouse (B8)	89,742	18,800	2,534	111,077	28
Total	214,881	38,300	8,057	261,238	56

Source: Experian Business Strategies, ONS, GVA, 2015 – Note: Totals may not sum due to rounding

2.72 A solely demographic led forecast would see a need for employment of 56ha. This would generate the following jobs:

- Office: 3,254 jobs;
- Industrial: 2,391 jobs; and
- Warehouse: 1,282 jobs.

Scenario 4: Supply Chain Impact of London Paramount

2.73 The delivery of London Paramount at Swanscombe Peninsula would have a major impact on the local economy. Not only will it provide a significant number of direct jobs within the resort itself the Preliminary Environmental Information Report (“PEIR”, London Resort Company Holdings Ltd “LRCH”, April 2014) also identifies significant ‘indirect’ and ‘supply chain’ opportunities that will generate additional business and employment both within Dartford and Gravesham but also more widely across North Kent, Kent and the South East/London.

2.74 Drawing on information contained within the PIER we developed an assessment of the potential impact these supply chain opportunities could have on the need for employment land within Medway. Despite lying a reasonable distance from the resort there is potential for businesses to be attracted to Medway to help service the resort, particularly where these can also exploit linkages with other activities and attractions within Medway itself.

2.75 The PEIR identifies that a total of 10,465 FTE jobs would be delivered as a result of the ‘indirect benefits’ of the Resort, excluding those derived from activity within the creative hub and generated by additional visitor spend within the economy. Of these jobs LRCH estimate that 3,145 FTE jobs would be within the ‘sub-region’ (i.e. Kent and Medway).

2.76 The share of this employment that would be located within any single local authority area is not identified by LCRH, however given the position of the resort on the borough boundary and the relative proximity and capacity of employment land within each borough it is not unreasonable to expect that jobs will be attracted to Medway.

- 2.77 Therefore, to provide an estimate, we have assumed that employment linked to the resort will reflect spatial dynamics of total employment within the Kent/Medway area, with 13% of all employment being within Medway. Whilst this may be a conservative estimate based on the proximity of Medway compared to much of the rest of Kent, it provides (given the level of information available) a robust basis upon which to test the future impact.
- 2.78 This would see approximately 472 FTE jobs generated within Medway and, assuming these come forward over a 5 year period from 2020, this would result in an additional 94 FTE jobs per annum.
- 2.79 The PEIR does not identify the types of activity or sectors within which jobs will be generated. However, based on consultation with Volterra (who provide the economic impact assessment for the resort) and our knowledge of the types of supply chain sectors a development of this type requires, we have assumed growth within the following sectors (sector shares are based on current proportions identified by Experian):
- Other Manufacturing – 2%
 - Construction – 6%
 - Wholesale – 13%
 - Land Transport – 24%
 - Air & Water Transport – 1%
 - Media – 2%
 - Telecoms – 1%
 - Computing – 4%
 - Professional Service – 16%
 - Administration and Support Services – 32%
- 2.80 These additional jobs have been added in to the baseline forecast for the period 2020-2024, with baseline growth rates applied after this period.

Table 7 – Scenario 4: Supply Chain Impact of London Paramount

	Floorspace Demand 2012 – 2037 (sqm)	Allowance for windfall losses (sqm)	Allowance for Churn (sqm)	Change in floorspace (sqm)	Change in Land (ha)
Office (B1a/b)	31,350	19,500	1,075	51,925	5
Industrial (B1c/B2)	35,108	0	4,448	39,556	10
Warehouse (B8)	157,862	18,800	2,534	179,196	45
Total	224,320	38,300	8,057	270,677	60

Source: Experian Business Strategies, LRCH, GVA, 2015 – Note: Totals may not sum due to rounding

2.81 The delivery of London Paramount would see a requirement for 60ha of employment land within Medway. This would generate the following jobs:

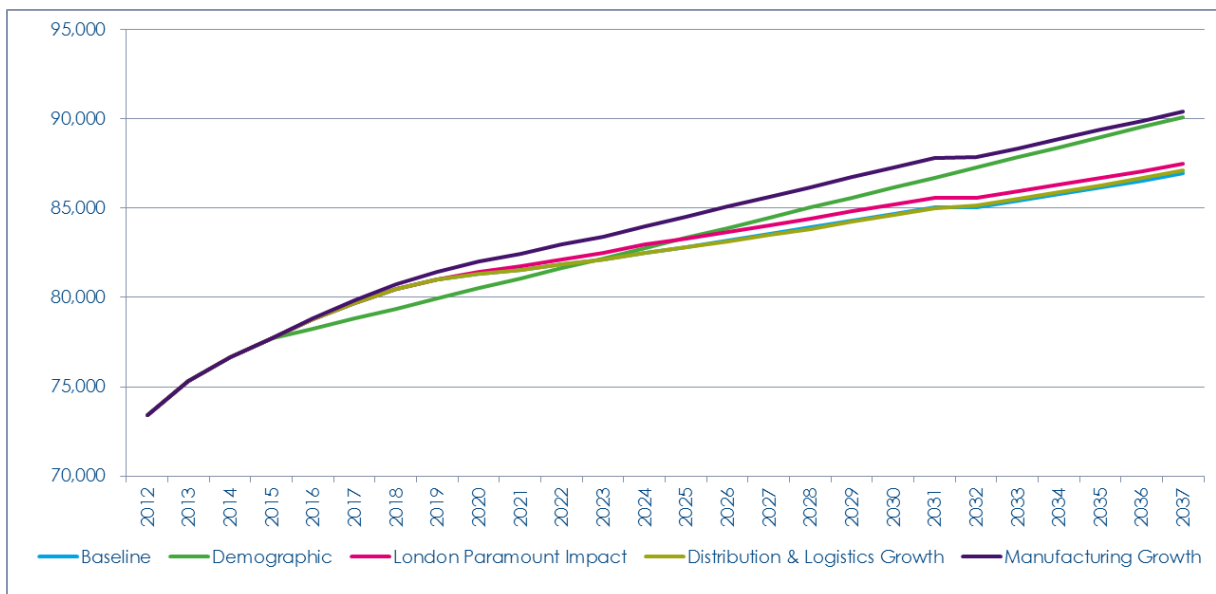
- Office: 2,613 jobs;
- Industrial: 975 jobs; and
- Warehouse: 2,255 jobs.

Comparison of Total FTE Employment Growth

2.82 The employment projections presented under each scenario above consider the employment prospects within B class sectors only. However, the Medway economy contains a much wider range of employment activity and it is worthwhile understanding the relationship between B and non-B class activity within each scenario.

2.83 The total employment growth projection for each of the scenarios is shown in the following chart.

Figure 3 – Total FTE Employment Forecast



Source: Experian Business Strategies, ONS, GVA, 2015

2.84 As shown in Figure 3 the performance of each scenario is varied, three scenarios produce a similar level of employment growth between 13,500 and 14,000 FTE jobs. However a much more significant level of employment growth is forecast linked to demographic factors and the expansion of the manufacturing sector (between 16,700 and 17,000 FTE jobs).

2.85 Looking in more detail we can see the share of employment growth by use class in Table 8.

Table 8 – Summary of Employment Growth Forecasts

	Total Employment	Office Employment	Industrial Employment	Warehouse Employment
Baseline	13,544	2,437	937	2,135
Demographic	16,695	3,254	2,391	1,282
London Paramount Impact	14,080	2,613	975	2,255
Distribution & Logistics Growth	13,688	2,465	950	2,184
Manufacturing Growth	17,003	2,437	4,396	2,135

2.86 Within the baseline forecast only 40% of employment growth within Medway would be within the B class sectors with most growth driven by growth in the education sector. Each of the other scenarios increases the share of B class employment within the total growth forecast.

3. Synthesis Forecasts

- 3.1 Each scenario above has explored in turn the impact and effect of one particular change in the economic performance of the Medway economy. To arrive at a robust and locally relevant assessment of B class employment floorspace need it is important to draw together the findings of the most locally relevant scenario tests, creating a 'synthesis forecast'.
- 3.2 However, given the scale of impact that the delivery of London Paramount could have on employment growth, the ongoing uncertainty about its delivery it is not possible or sensible at this point to provide a single forecast that includes the wider 'indirect' benefits the resort could have.
- 3.3 To enable a flexible and appropriate planning policy response to be made, it is more important that economic capacity of Medway is understood both with and without the influence of London Paramount. As such we provide two synthesis forecasts to enable a clearer understanding of future needs.

Synthesis Forecast 1: Sector Based Growth

- 3.4 The synthesis forecast draws on the scenario tests above that estimate the sectoral capacity and prospects of Medway, namely Scenarios 1 and 2, which would see strengthening of both the industrial and distribution sectors within the area.

Table 9 – Synthesis 1: Sector Based Growth

	Floorspace Demand 2012 – 2037 (sqm)	Allowance for windfall losses (sqm)	Allowance for Churn (sqm)	Change in floorspace (sqm)	Change in Land (ha)
Office (B1a/b)	29,577	19,500	1,075	50,152	5
Industrial (B1c/B2)	158,751	0	4,448	163,198	41
Warehouse (B8)	152,901	18,800	2,534	174,235	44
Total	341,229	38,300	8,057	387,586	89

Source: Experian Business Strategies, GVA, 2015 – Note: Totals may not sum due to rounding

- 3.5 The delivery of Synthesis 1 would see a requirement for 89ha of employment land within the borough orientated principally towards meeting the needs of the industrial and distribution sectors.
- 3.6 This Synthesis would generate the following jobs:
- Office: 2,465 jobs;
 - Industrial: 4,410 jobs; and

- Warehouse: 2,184 jobs.

Synthesis Forecast 2: Sector Growth and London Paramount Indirect Impact

- 3.7 The scale of economic growth considered within Synthesis Forecast 1 is based on an understanding of local drivers, however the scenario testing showed a clear 'additional' impact from the delivery of London Paramount.
- 3.8 In essence, given the drivers of Synthesis 1 exist in a 'no-Paramount' world, it is likely that both the indirect benefits of London Paramount and the sector driven forecast could happen simultaneously.
- 3.9 In order to understand the combined impact on employment land requirements we have modelled a synthesis forecast that takes the sector growth projects and 'adds in' the additional employment required to service London Paramount. As described above, the London Paramount uplift is only applied for the period between 2020 and 2024.
- 3.10 However, in combining the two influences it is important that any impacts are isolated back to the two attributable factors to avoid any compounding of growth over the plan period. Compounding would increase the forecast disproportionately and create artificially high land requirements. To avoid this, the forecast has been prepared in two stages, applying sector growth shares before the additional employment resulting from London Paramount

Table 10 – Synthesis 2: Sector Growth and London Paramount Indirect Impact

	Floorspace Demand 2012 – 2037 (sqm)	Allowance for windfall losses (sqm)	Allowance for Churn (sqm)	Change in floorspace (sqm)	Change in Land (sqm)
Office (B1a/b)	31,392	19,500	1,075	51,967	5
Industrial (B1c/B2)	159,466	0	4,448	163,914	41
Warehouse (B8)	154,572	18,800	2,534	175,907	44
Total	345,430	38,300	8,057	391,787	90

Source: Experian Business Strategies, GVA, 2015 – Note: Totals may not sum due to rounding

- 3.11 The delivery of Synthesis 2 would see a requirement for 90ha of employment land within Medway. Unsurprisingly given the lower employment density achieved significantly more land will be required for industrial and warehouse activity than office despite a higher level of growth within the office sector than warehousing.
- 3.12 This Synthesis would generate the following jobs:
- Office: 2,616 jobs;

- Industrial: 4,430 jobs; and
- Warehouse: 2,208 jobs.

4. Total Workforce Jobs Growth and the Full Impact of London Paramount

- 4.1 The forecasts above provide estimates of Full Time Equivalent employment that will be delivered within Medway over the Plan Period, which is appropriate as the basis of the assessment of employment land requirements. However, a key part of the overall SHENA approach is enabling the economic and housing needs assessments to be integrated in order to understand the scale and nature of employment growth needed to support housing delivery and vice versa.
- 4.2 FTE employment does not provide the most appropriate basis for understanding the relationship between population and jobs because it does not take into account the people who will live within Medway and seek to work 'part time' hours. For this assessment of economic opportunity to help inform the assessment the OAN for Medway, it is necessary to translate the FTE estimates into workforce jobs.
- 4.3 In order to establish the level of workforce jobs it is important to reflect prevalence of full and part time employment within each sector in the Experian forecast. To estimate the share we have drawn on the Business Register and Employment Survey (BRES) data for 2013, which provides a breakdown of full and part time employment by SIC code. By aggregating 2 digit SIC code data into the Experian sectors it is possible to ascertain an employment rate that can then be applied to the FTE forecast. The core assumption is that 2 part time jobs are the equivalent of 1 FTE job.

Table 11 - Employment by Sector

Sector	FT	PT
Agriculture, Forestry & Fishing	92%	8%
Extraction & Mining	91%	9%
Food, Drink & Tobacco	95%	5%
Textiles & Clothing	87%	13%
Wood & Paper	94%	6%
Printing and Recorded Media	90%	10%
Fuel Refining	0%	0%
Chemicals	89%	11%
Pharmaceuticals	94%	6%
Non-Metallic Products	94%	6%
Metal Products	92%	8%
Computer & Electronic Products	96%	4%
Machinery & Equipment	84%	16%
Transport Equipment	95%	5%
Other Manufacturing	85%	15%
Utilities	94%	6%
Construction of Buildings	75%	25%
Civil Engineering	96%	4%
Specialised Construction Activities	88%	12%
Wholesale	85%	15%
Retail	38%	62%
Land Transport, Storage & Post	88%	12%
Air & Water Transport	97%	3%
Accommodation & Food Services	40%	60%
Recreation	43%	57%
Media Activities	59%	41%
Telecoms	95%	5%
Computing & Information Services	86%	14%
Finance	71%	29%
Insurance & Pensions	86%	14%
Real Estate	66%	34%
Professional Services	74%	26%
Administrative & Supportive Services	61%	39%
Other Private Services	63%	37%
Public Administration & Defence	61%	39%
Education	62%	38%
Health	58%	42%
Residential Care & Social Work	52%	48%
Total Employment	65%	35%

Source: ONS, Experian, GVA, 2015

4.4 Applying these rates to the two synthesis forecasts above provides an estimate of future workforce jobs, increasing the Synthesis 1 forecast from 91,533 FTE jobs to 120,534 workforce jobs in 2037 and the Synthesis 2 forecast from 91,851 FTE jobs to 120,940 workforce jobs.

- 4.5 In understanding the relationship between employment and population growth it is also necessary to provide an analysis of the increased jobs provided to Medway residents within London Paramount. Whilst these jobs will not be within the borough the scale of the development will have a significant impact on local employment and therefore its role in increasing demand for housing could be significant.
- 4.6 Drawing on the PEIR report it is possible to estimate the workforce jobs generated directly within the resort, and using similar commuting assumptions to Scenario 3 the share of these that will be taken by Medway residents. This is summarised in the following table.

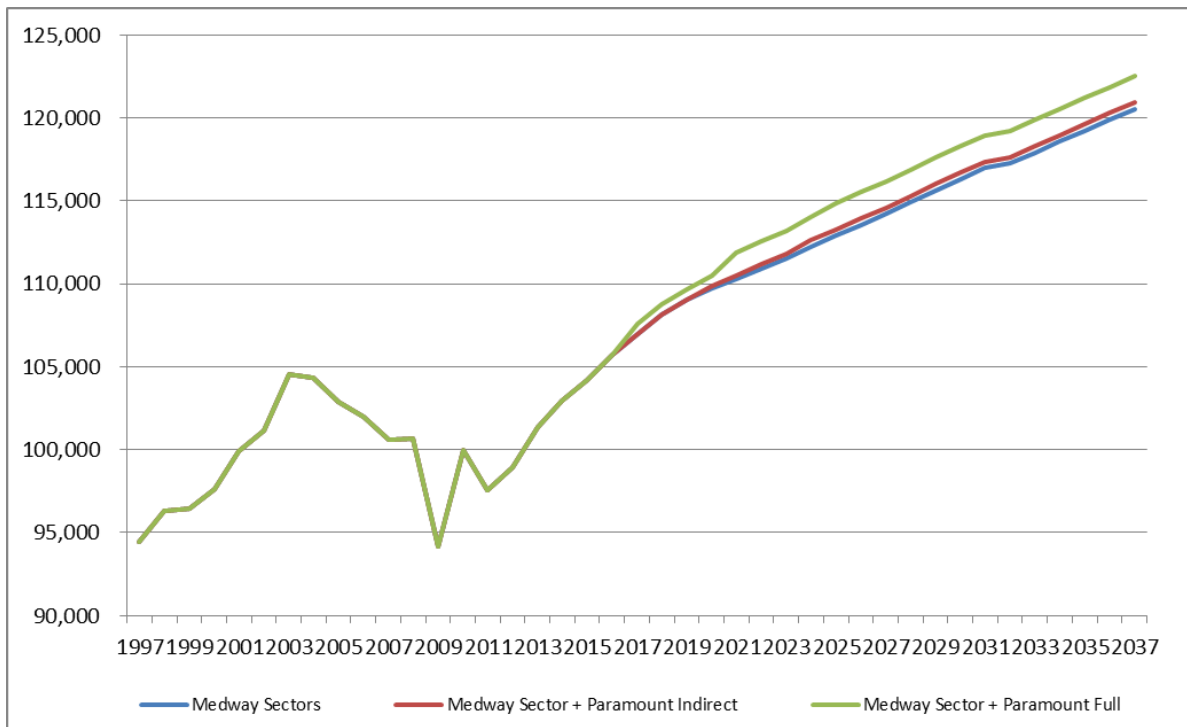
Table 12 - London Paramount Direct Employment

Source	Total Jobs	Medway Jobs
Resort	10,815	1,298
Hotel	2,345	281
Construction	Pre Opening: 5,210 per annum Post Opening: 715 per annum	Pre Opening: 625 per annum Post Opening: 86 per annum

Source: LRCH, GVA, 2015

- 4.7 Direct employment within the Resort itself is assumed to be delivered in the year of opening, which the PEIR identifies as 2020. Hotel jobs are assumed to follow later, in line with the PEIR these are added to the forecast in 2025.
- 4.8 Construction jobs are more difficult to integrate with employment in the sector, varying by stage of development and post-opening early maintenance and alteration phases. The PEIR provides an average annual employment for the construction phase (2017-2020) and post opening (2020-2024), which have been added to the forecast for these periods only.
- 4.9 Adding the direct jobs created at London Paramount that are likely to be taken by Medway residents to the results of Synthesis 2 (which previously included the indirect jobs only) results in an increase in total workforce jobs available to Medway residents to 122,519, an increase of c.2,000 jobs over the Synthesis 2 forecast. The results of each forecast are summarised in the following graph.

Figure 4 - Workforce Job Forecasts



4.10 The implications of these forecasts on the OAN are considered in detail within the accompanying housing needs assessment report.

5. The Employment Site Portfolio and Assessment Approach

5.1 Within this section we consider the supply of employment land and floorspace within Medway. As previously noted the analysis is based on a detailed on-site survey of the key characteristics of each employment site, which contributes to the site assessment matrix.

Supply Overview

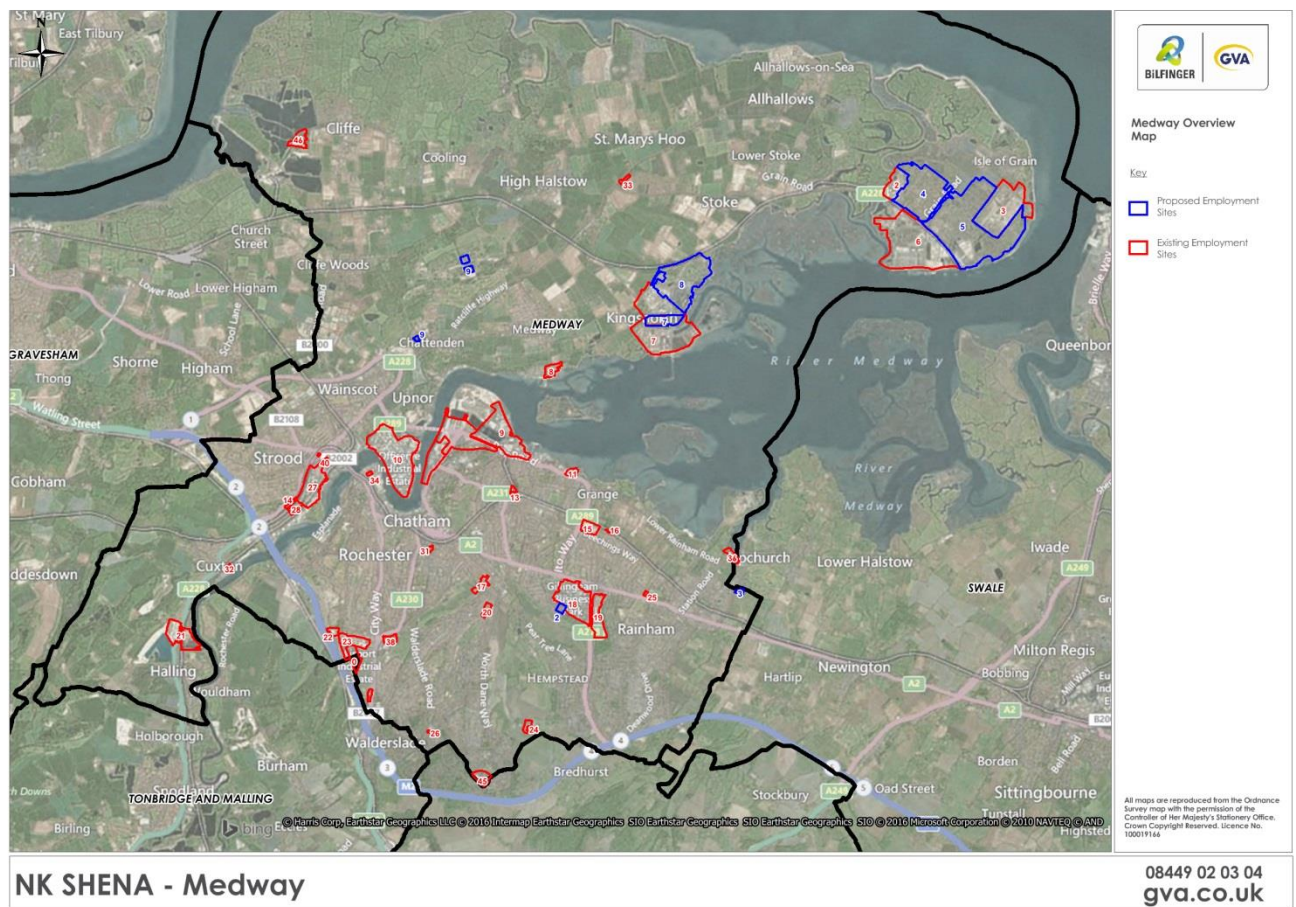
5.2 The first step in reviewing the portfolio of employment sites has been to establish a comprehensive list of sites that currently accommodate B-class employment activity. In line with the NPPG sites have been identified using commercial property, planning and business rates data, and site surveys and analysis have focussed on sites that are greater than 0.25 ha in scale¹.

5.3 36 active employment sites were identified within the local authority. The site matrix shows all 36 of these sites; some of the sites were sub-divided into smaller areas for assessment purpose (e.g. Site 9- Chatham Port and Pier Road Gillingham and Site 10- Medway City Estate)

5.4 Figure 5 shows the location of all employment sites identified within the local authority, which are analysed in this section. A larger version of this figure is provided within the Appendix.

¹ The only site that falls below this threshold is Sherwood House is 0.19 ha.

Figure 5: Map Showing All Employment Sites



5.5 In total the 36 identified active employment sites provide c. 923 ha of employment land distributed across the local authority but with core concentrations of space in close proximity to the major settlements.

Site Assessment Approach

- The 36 active employment sites were assessed by undertaking the following steps:
- Site visit (on-site)
- Site visit photographs (on-site)
- Completion of site survey form (on-site)
- Analysis of following data (desk-based): Statutory designations e.g. habitat, landscape, flooding etc.
- CoStar Focus availability data (2015)– indicating vacancy levels
- Categorisation of sites into five sub-markets (desk-based):
 - Chatham/ Gillingham Riverside
 - Medway City Estate

- Gillingham Business Park
- Hoo Peninsula
- Rochester Airport
- Other Employment Sites
- 'Traffic Light' categorisation of sites in Employment Sites Assessment Matrix (desk-based drawing on the site surveys)
- Categorisation of sites into 4 groups advising on future action (desk-based):
 - Protect and Enhance
 - Protect and Maintain
 - Monitor and Manage
 - Significant Intervention Required

'Traffic-light' Categorisation

- 5.6 The on-site aspects of the assessment process and the desk-based analysis of data indicated above allowed for sites to be considered based on a range of criteria using a 'traffic light' system where red is considered a disadvantage for an employment site and green is considered an advantage.
- 5.7 Table 13 shows how the specific details recorded within the site survey forms were categorised into red, amber and green for the 11 main criteria considered within the forms. Four further criteria are considered within the table, but categorised without the traffic light approach.
- 5.8 The traffic light categorisations for each site helped to assess their overall quality and identify the overall nature and characteristics of the five sub-markets. This categorisation has also been used to form the recommendations on future action for the employment sites.
- 5.9 The traffic light categorisation reflects the appropriateness and quality of sites for employment use 'on paper'. However, there may be other factors relating to certain sites which could justify a recommendation that deviates from these categorisations. For example, although a site may not be very 'green' in the traffic light categorisation within the matrix, and may not be appropriate for employment uses should the current occupier(s) leave, it may accommodate a locally important business within the local authority which could be lost from the local authority if not occupied on the site. It would therefore demonstrate its value as an employment site despite not ranking well in all the criteria within the Sites Assessment Matrix, and could be assigned with protection and employment maintenance for the future.

5.10 Similarly, not all occupiers require grade A space, In fact certain occupiers, such as car repairs, waste transfer and disposal sites etc., are more suited to lesser grade space, and would seek to occupy this and not grade A space.

5.11 The 'Adequate Access & Parking' criteria, is assessed both in terms of wider accessibility to the site (considering closest trunk road, rail access, bus routes and its location in the context of strategic routes within the Borough) and its immediate accessibility (considering the entrance and exit appropriateness).

Table 13: Traffic Light' Categorisation of Sites in Matrix Based on Site Survey Forms

	Included Sections from Site Survey Forms	Categorisation	Categorisation	Categorisation
Location Character	Site Description: Location character	Mainly residential with few commercial uses	Mixed commercial and residential area	Well established commercial area
		Mainly residential or rural area with no other commercial uses		Established commercial area
Predominant Occupier Nature	Site Description: Nature/Significance of existing occupiers	I = International R = Regional		N = National L = Local
Building Age	Existing Conditions: Age of buildings	Pre 1940 - 1969	1970 - 1989	1990--1999, 2000 - 2009 and 2010 onwards
Building Quality	Existing Conditions: Quality of buildings	Very Good	Average	Poor Very Poor
On-Site Amenities	Existing Conditions: On-site amenities	None evident	Limited range of: retail (convenience and comparison), restaurant/café, gym/sports, bank, hotel, crèche, education and other	Wide range of: retail (convenience and comparison), restaurant/café, gym/sports, bank, hotel, crèche, education and other
Proportion of non B Class Floorspace	Existing Conditions: Proportion of floorspace in non B class use	50-100% non B class	25-49% non B class	0-24% non B class
Neighbouring Amenities	Existing Conditions: Neighbouring amenities	No services in close proximity	Close to one or two services	Close to a local centre with a reasonable range and quantity of services

	Included Sections from Site Survey Forms	Categorisation	Categorisation	Categorisation
			Close to a limited range and quantity of basic services	Close to a town centre with a wide range and quantity of services
Environment Quality for Current Use	Existing Conditions: Quality of environment for current use	Very poor	Average	Good
		Poor		Very Good
Neighbouring Uses	Existing Conditions: Neighbouring uses	Residential, Retail, Leisure and Town Centre	Mix of red and green, or: Airport, Rail, Higher Education & Further Education	Road, Industrial, Office & Warehousing
Evidence of Pollutants	Existing Conditions: Evidence of pollutants	3 or more of the following: Noise, traffic, 24 hour operation, air, lighting	1 or 2 of the following: Noise, traffic, 24 hour operation, air, lighting	None evident
Adequate Access & Parking	Existing Conditions: Access & Parking	Not adequate for the majority of the 5 aspects	Potential Issues with adequacy, but not to the extent of the red categorisation	Adequate for the majority of the 5 aspects
	~ Car			
	~ HGV			
	~ Public Transport			
	~ Servicing			
~ Parking				
Internal Circulation	Existing Conditions: Access & Parking	Poor	Average	Good
	~ Internal Circulation			

Physical Opportunity for Intensification	Development Context: Opportunity for intensification	Yes or No
Vacant Land	Development Context: Vacant Land	Yes or No
Vacant Buildings	Development Context: Vacant buildings (re-use and refurb)	Yes or No

Advising on Future Action

5.12 Each active employment sites is recommended for four future advice categories explained as follows:

- Protect and Maintain:** This applies to sites which are suitable in their current form and are located in areas where there is not likely to be significant long term change. These sites

should be protected. They will require some investment in stock and public realm to maintain their condition and quality, but should not require and any significant investment or intervention.

- **Protect and Enhance:** This applies to sites which are largely suitable in their current form, but are located in areas where there may be significant change in the medium to long term (10-15 years). Regeneration in the area may introduce new types of workspace and result in significant redevelopment of the sites. Whilst sites are fine in the short to medium term (aside from requiring the maintenance of their condition and quality (as in the above category) and should be protected, it should be understood that these sites should potentially evolve in line with the wider regeneration objectives of their area.
- **Significant Intervention Required:** This applies to sites which are of poor quality and in need of comprehensive change. However, the investment into / improvement of these sites is currently stymied by their position within areas identified to have regeneration potential (SPD, AAP, Local Plan), whose potential has not yet been realised.
- **Monitor and Manage:** This applies to sites which are of poor quality and are not identified to be functioning adequately as employment sites, based on poor stock condition and lack of investment and / or location in areas with poor accessibility and amenity levels. The future employment role of these sites should be reviewed and a decision should be taken as to whether they should continue functioning as employment sites or be de-allocated.

6. Wider Characteristics and Sub-Markets

6.1 The employment land survey and assessment shows that Medway has a wide ranging employment land portfolio. It has sites located in various locations such as the historic Town Centres and docks, riverside locations with wharfs, out-of-town purpose-built Business Parks, and heavy-industries in freestanding semi-rural sites. This diverse portfolio of land can host a range of business operations and presents a significant opportunity for Medway.

The Strategic Offer

6.2 Medway offers a significant cluster of space typologies across its employment areas and benefits from the range and choice of space in different location types. Chatham provides a microcosm of the range of employment generating spaces available within Medway, mixing traditional dockyards, new and old office stock, and light industrial and warehousing activity. This portfolio provides a base for a wide range of business activities including financial services, ICT, manufacturing and engineering. It is an area that has seen significant change in recent years, integrating office, residential and visitor attractions into a high quality mixed use environment at the former Dockyard.

6.3 Areas such as Medway City Estate and Gillingham Business Park are strong business parks within Medway. These sites are significant regional and local employment locations, each offering a different type of opportunity to their more urban counterparts. The Medway City Estate is a strong cluster for both industrial and light industrial use, but also provides some good quality office stock. The performance of the Medway City Estate is compromised by its poor quality public realm which is a result of its fragmented land ownership pattern. This appears to impact negatively on the value of stock and nature of businesses seeking to locate here.

6.4 Gillingham Business Park offers a higher quality environment for businesses than the Medway City Estate, with a good quality stock for office and light-industrial use. It is a site in single ownership and therefore has consistent, good quality and well maintained public realm, development has been guided by a comprehensive development brief to ensure quality is maintained. This has positive impacts on the value of the stock and nature of businesses, exemplified by the higher levels of business rate yield per hectare when compared to Medway City Estate. Gillingham Business Park offers a wide range of property types, catering for both for SME and large operators.

6.5 Small businesses are a critical component of Medway's economy; therefore sites like Medway Innovation Centre in Rochester and the Compass Centre within the Universities at Medway campus provide unique offers for micro and SME businesses. Both the facilities have seen

increasing occupancy levels and interest from businesses and both could provide a unique environment for businesses in their formative years.

- 6.6 Medway also offers several other employment sites that have potential to attract different types and scales of operators. This includes sites that depend on certain occupiers such as Gad's Hill/ Danes Hill site hosting engineering firms such as Jubilee Clips, Steelfields and more recently Wheelwright L²td. There are also sites that are a collection of different industrial estates that have grown organically over a period of time such as the Temple Waterfront area in Strood where a range of small estates have been delivered alongside larger occupiers. In the main these sites seem well-occupied and generating local employment.
- 6.7 The assessment shows that Medway also has a number of opportunity sites that can host a variety of offers. There are regeneration and masterplanning initiatives particularly focussed around Chatham and Rochester Airfield, both having a capacity to create unique offers for high quality employment land for office and light industrial / advanced manufacturing uses. The Enterprise Zone status of the Airfield will be a particular benefit in attracting this activity.
- 6.8 Medway also has a significant space for heavy industries, large scale distribution and businesses reliant on available wharfage sites. The Hoo Peninsula hosts several opportunity sites at Kingsnorth and Isle of Grain that have significant potential for intensification and expansion. They have the capacity to expand and accommodate land-intensive and heavy industries uses that are less-likely to be based in urban or urban fringe locations.

Constraints

- 6.9 Whilst the portfolio is generally good, Medway also faces some constraints. The legacy of historic 'heavy industry' lingers in many locations, with the quality of the environment affecting the ability of some sites to attract new occupiers. Despite significant investment in place-making and promotion the external perception of Medway's employment offer has been slow to change, however a range of higher profile knowledge based activities are beginning to shift this.
- 6.10 The site assessment also highlights the limited alignment between office stock and demand in Medway. Our analysis demonstrates that most of the good quality stock is contained within large floorplate buildings; however the make-up of the local economy and shifts in occupier demand in recent years suggests that the era of large office occupiers coming to Medway may have passed.

² Steelfields have sublet its 10,000 sq ft warehouse unit to Wheelwrights Limited in Mar 2015. Source: <http://www.corecommercial.co.uk/news/steelfields-gads-gill-gillingham/6802/>

- 6.11 These larger floorplates are often difficult or expensive to convert into smaller units, limiting landlord willingness to adapt buildings to meet SME needs, and limiting the capacity of the area to accommodate future demand.
- 6.12 Attractiveness to SMEs is also reportedly limited by the availability of high band width internet connectivity within many business locations and the inflexibility of lease arrangements on a number of properties. This would appear to be supported by the experience of lettings at ICM, which is fully occupied with a significant waiting list.

Sub Areas

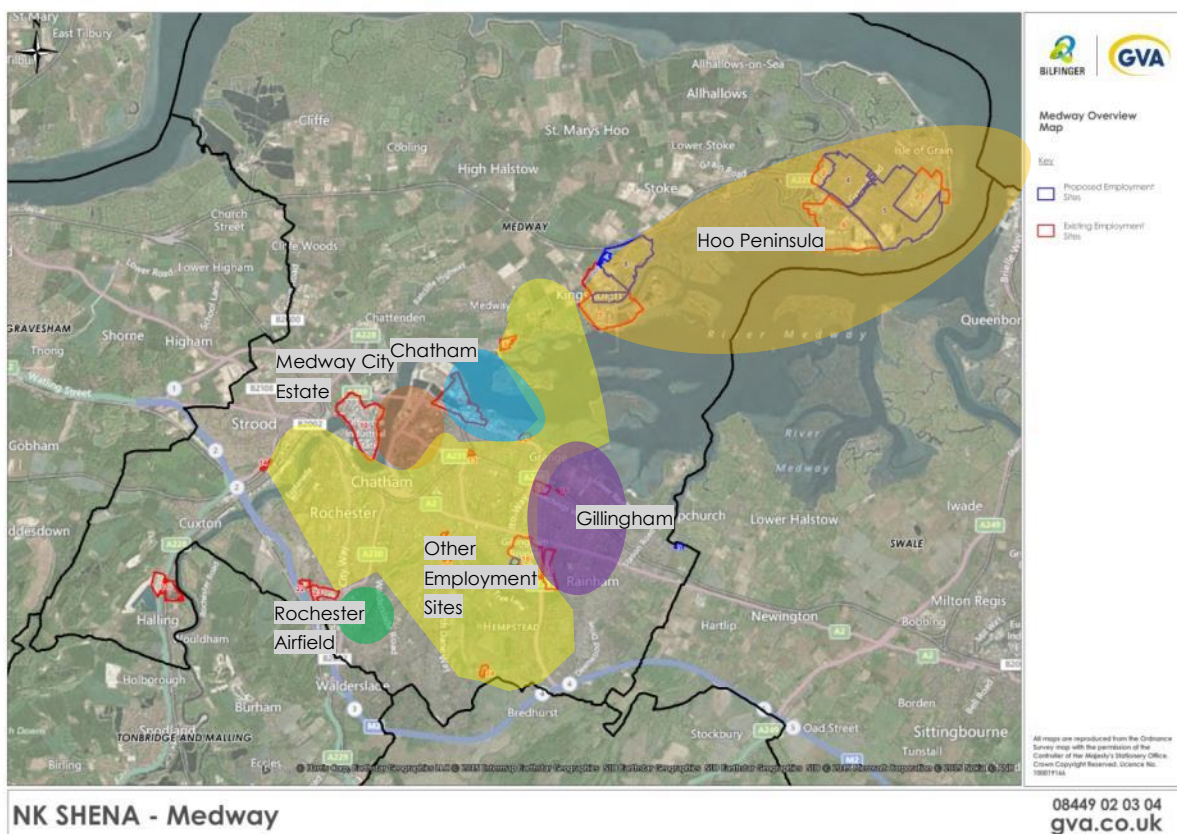
- 6.13 Our analysis of the property market, land supply portfolio and consultation with agents in the local property area has demonstrated that there are effectively five 'sub-areas' within the local authority. Whilst there are differences between each site in terms of scale, nature and type of use, there are some commonalities that can be drawn out for their wider sub-market cluster as shown in the Table 14.
- 6.14 Table 14 lists sub-market areas and common characteristics of employment sites falling under them. It groups them by infrastructure provision, use, scale and types of stock, and presents common constraints facing the sub-market area. These areas are:
- **Chatham/Gillingham Riverside**- extends beyond the 'town centre' boundary in planning terms and includes areas such as the historic dockyard, Quayside, Chatham port and Pier Road and Compass Centre.
 - **Medway City Estate**- Medway City Estate is the largest industrial estate in Medway. The site demonstrates presence for all sub-categories of B-class uses- office, light industrial storage and port dependent uses.
 - **Gillingham** - A thriving business cluster with sites such as Gillingham Business Park, Courtney Road, Twydall Estate and Beechings Way. Mostly serving significant local and regional businesses but with a larger presence at Gillingham Business Park.
 - **Hoo Peninsula includes sites at Kingsnorth and Isle of Grain**: River facing sites located in Hoo Peninsula with a significant heavy-industrial use. Both the site clusters have considerable opportunity land for development.
 - **Rochester Airport**: Includes Rochester Airport Industrial Estate, Medway Innovation Centre, Woolmans Wood Caravan Park, and the potential re-planning of BAE Systems site. The area has been identified for significant growth and regeneration.
 - **Other 'Urban' Employment Sites**: Smaller employment sites located in Rainham, Strood and Rochester. These tend to offer a similar nature and type of stock. .

Table 14 - Predominant Characteristics of Sub-Market Areas

Cluster	Nature of Roads	Predom use class	Predom Stock Character	Predom Business Types	Presence of Regional Scale Businesses	Constraints applicable to some or all of sites
Chatham/Gillingham Riverside	Major A road and Secondary Roads	B1 and B8	Small, Medium and large floorplate;	Professional services ; Warehouse and Storage; trade counter,	Yes	Site specific potential of intensification and expansion Town Centre related congestion Managing potential conflict between uses (tourist, office, residential and industrial) Flood and listed building designations
Medway City Estate	Connected by Major A(289) Road	B1, B2 and B8	Small, medium and Large Floorplate; Micro and SMEs	trade counter, Manufacturing; Storage; Distribution , Warehouse; Professional Services;	Yes (Presence of National, Regional and Local Businesses)	Limited capacity for intensification/expansion Poor legibility/permeability Peak Hour traffic Issues and road parking Poor image for office based occupiers
Gillingham Business Park	Connected by bA278 and A2	Mixed - B1, B2 and B8	Modern modular unit-Medium and large floorplate; Individual complexes with medium and large floorplate.	Trade Counter; Office, Workshops ; Distribution ; B&Q; Offices	Yes – both Regional, Local and International	Conflict of trade counter use, commercial and non-commercial access. Road parking
Hoo Peninsula	Connected by Major Roads	B2 and B8	Large floorplate, heavy-industries related use	Power stations, petrochemical plants , specialised and heavy industries	Yes	Low lying flood plain Use suitable for more heavy industry related uses Traffic- speed and safety interventions may be required Legibility and signage Perception that it takes a long time to travel to the sites from main arterial routes

Cluster	Nature of Roads	Predom use class	Predom Stock Character	Predom Business Types	Presence of Regional Scale Businesses	Constraints applicable to some or all of sites
Rochester Airport	Connected by major road (A289)	B1 and B2	Medium and large floorplate office and light industrial	Light industrial, small businesses	Yes	High quality office and light industrial Height of the buildings Parking Signage and legibility.
Other Employment Sites- The group comprises 22 sites.	Most sites in close proximity to A roads	B1, B2 and B8	Modern modular, post-1960s, mixed floorplate	Warehouse, light industrial, some offices, distribution	Yes (however, most businesses are Local context based)	Varies- See observations for each site in the next section

Figure 6: Indicative Illustration of Sub-Areas



6.15 The following site analysis reflects these sub-market areas. The amount of employment space, its type and nature, and quality is identified. Strategic issues/challenges and opportunities are also considered and the sites within each sub-market area are categorised into 4 groups advising on future action.

6.16 The following section presents a brief assessment and recommendation for individual employment sites and identified sub- areas within Medway.

7. Sub Area Analysis

Chatham/Gillingham Riverside

7.1 Four active employment sites have been identified within the Chatham/Gillingham Riverside area, as shown below in Table 15.

7.2 The total area for these urban area sites equates to 234 ha of employment land.

Table 15: Chatham/ Gillingham Riverside Employment Sites

Site Ref	Site Name (existing/ active)	Site Area (ha)	Predominant Stock Quality
9a	Chatham port and Pier Road (Chatham Port North)	55.3	Mixed
9b	Chatham Port and Pier Road- (Pier Road)	12.7	Good
20	Chatham Maritime (Interface Land + Quayside)	58.2	Good
29	Chatham Historic Dockyard	26.5	Good
Total		152 ha	

7.3 The sites within this area demonstrate a mix of types and space. The predominant nature of stock varies from purpose built for offices to more medium to large scale general industry. The sub area includes sites such as Chatham Maritime and the historic dockyard that has a cluster of marine sector companies and is a mixed-use regeneration area.

7.4 The area also includes Chatham Port and Pier Road which is originally part of the Royal Naval Dockyard at Chatham. It has a collection of modular warehouse buildings (mostly 2-storey) and has a range of construction and marine related businesses based on the site.

7.5 **Vacant Floorspace:** Based on 2014 data from Costar Focus there is an advertised total vacant floorspace figure of 5,000 sqm, for industrial, light industrial and office use across all the sites.

7.6 **Stock Quality:** The stock quality within the Chatham/Gillingham Riverside varies from sites to site; however, the stock is generally suitable for its use. Due to the historic nature of the area, there are some buildings of substantial size that may require some renovation. There are several regeneration initiatives currently in-planning and underway on these sites that include public realm, residential, University Technical College (UTC) and B-class usages, which restricted access to some parts of the site during the survey.

7.7 **Site Access:** Site access is patchy and legibility varies from site to site. The Historic Dockyard has a main public entrance off Dock Road. A secondary controlled entrance exists towards the south and has a permeable layout.

- 7.8 Access is controlled for the rest of the sites. Chatham port and Pier North has restricted entry and limited permeability due to the nature of the site use and on-going construction initiatives. The site has a single gated access off a roundabout on the A289.
- 7.9 **Legibility:** Both the Compass Centre next to the Universities at Medway and the Quayside at Historic Maritime have good legibility with boards and maps.
- 7.10 **Uses:** The uses within the sites vary significantly from site to site. Chatham Maritime has uses such as new police HQ, a university complex and a factory outlet centre. The site is also undergoing plans for regeneration (Interface Land) that will potentially include enhancing office and mixed-use activity on the site.
- 7.11 Chatham Historic Dockyard is a tourist destination and is known to be the historic 'heart' of the former dockyard. The site, with a long and relatively narrow shape, has a range of B-class uses that comprises a broad spectrum of business types, including light industrial marine related businesses, creative sector businesses, manufacturers and professional services businesses that make use of a wide variety of historic dockyard buildings.
- 7.12 Chatham port and Pier Road was originally a part of the Royal Navy Dockyard at Chatham. At present the site used for B-class use pertaining to warehouse and storage activities. A University Technical College (UTC) is currently under construction on the site along with a mixed use residential and retail scheme to the south.
- 7.13 **Access and Traffic:** All the sites have access to major roads. Chatham Maritime and Chatham Port have a direct access off the A289 (2 lane dual main roads). Being in proximity to Chatham Town Centre, the sites are likely to face peak-hour congestion issues when the area is fully redeveloped and occupied.
- 7.14 **Broadband Infrastructure**³ – There are limitations in this area relating to fibre broadband infrastructure. According to BT's website the area falls within their Under Review category, which means that the area in general lacks broadband infrastructure.
- 7.15 **Other considerations:** Chatham/ Gillingham Riverside area has a number of buildings with historic significance. The Historic Dockyard is known to have the largest concentration of listed buildings in Kent
- 7.16 There are no concerns for the air quality. However, there are potential issues of contamination due to port related heavy industry usage of the site. Medway's flood zone designations present some constraint to development and land use within Riverside area.

³ Broadband infrastructure assessment is based on BT's mapping of its fibre broadband (source: <http://www.superfast-openreach.co.uk/where-and-when/>).

- 7.17 **Intensification and Expansion:** Considering the sites within the Chatham/Gillingham Riverside, there is potential scope for intensification and expansion, meaning that there are a range of possibilities to increase employment capacity within this area. This is particularly the case for Chatham Port and Pier Road (North) and in the Historic Dockyard interface land area. These locations are either vacant or underutilised and could deliver new or enhanced B class employment space. The issue of poor provision of broadband infrastructure may pose some challenges in developing these sites in a manner that is attractive to business users with BT currently uncommitted to upgrading connections⁴.
- 7.18 The Council own and manage a small industrial estate at Pier Road that provides a number of small light industrial units. Occupancy levels appear reasonably good, however this is in spite of the poor quality offer of the stock. There is a significant opportunity to combine the under-used land (currently operated by Medway Norse as a vehicle depot) and the Pier Road Estate to deliver new, better quality space in the future.
- 7.19 Table 16 provides recommendations for sites within Chatham/Gillingham Riverside.

Table 16: Advice on Future Action for Chatham/Gillingham Riverside Employment Sites

Site Ref	Site name (existing/ active)	Advice
9a	Chatham port and Pier Road (Chatham Port North)	Protect and Enhance
9b	Chatham Port and Pier Road- (Pier Road)	Protect and Enhance
20	Chatham Maritime (Interface Land+ Quayside)	Protect and Enhance
29	Chatham Historic Dockyard	Protect and Enhance

Medway City Estate

- 7.20 Medway City Estate is the largest industrial estate in Medway. The site accommodates all sub-categories of B-class uses office, light industrial storage and port dependent uses. Therefore, to study the site and its characteristics we have further sub-divided the area into three different categories as shown in Table 17.
- 7.21 The total area for these parcels equates to 99 ha of employment land.

⁴ There is indication of BT's unwillingness to improve broadband infrastructure to the Dockyard Site.

Table 17: Medway City Estate Employment Site

Site Ref	Site name (existing/ active)	Predominant Stock Quality
10a	Medway City Estate, Frindsbury Peninsula- Office	Good
10b	Medway City Estate, Frindsbury Peninsula- Industrial	Mixed (Good to Average)
10c	Medway City Estate, Frindsbury Peninsula- Wharf/ Specialist industry use	Mixed (Good to Average)
Total Site Area		99 ha

- 7.22 Medway City Estate is one of the most significant employment land designations for Medway providing an estimated 6,000 jobs. It has a significant cluster of office, industrial and light-industrial uses based in small 'estates'. The site is almost triangular in shape with two sides having a river frontage. Some of the units have active wharfs used by industries based on the sites.
- 7.23 Based on 2015 data from Costar Focus there is an advertised total vacant floorspace figure of 4,800 sqm, for industrial, light industrial and office use across all the sites.
- 7.24 **Access:** The main access to the site is from a roundabout on the A289; initially the access is 2 lanes but changes to one lane at most places. The site has little gateway signage; a 'map' of the road layout exists at the entrance but is not easily readable. The site has public transport connections to the site with a half hourly frequency. To the west of the site is a residential neighbourhood with restricted movement allowing only car traffic to exit in this location.
- 7.25 **Traffic, legibility and parking:** The layout is restrictive and presents limitations to the internal circulation and legibility. Each individual estate or unit within the Estate has separate boundary fences or walls with controlled access to the road system. The single main entrance/exit to the site is restrictive and at peak times there are very substantial queues trying to leave the site, particularly during the morning and evening peak. Each park provides car parking. However, on-street parking was observed during the assessment, which may be indicative of inadequate parking at places and creates some internal issues for circulation.
- 7.26 **Offices on the Estate:** Most office stock on the site mainly dates from 1980 onwards. The office space is delivered as a series of isolated 'mini campuses' areas with buildings between 2 and 4 storeys in height. The overall condition of the buildings appears to be good. The area also hosts old Medway Enterprise Centre which was home to over 50 firms (with a mix of 96 offices and light industrial units) but is now closed and due for demolition.
- 7.27 However, despite some good built quality, the Estate has struggled to secure office tenants or strong rents. This would appear to be principally linked to the poor image and identity for office related uses given the proximity of larger, older or lower quality industrial activity. Whilst

office space occupies the 'prime' riverside locations, it is accessed via the industrial parts reducing the attractiveness of the offer for professional and office based companies.

- 7.28 The fragmented ownership of the site creates significant issues for the management of the common parts and maintenance of a high quality environment. It has also limited the ability to coordinate investment and development delivery to create higher quality 'clusters' of activity that can be mutually reinforcing.
- 7.29 **Industries on the Estate:** The industrial uses and stock have a mixed quality, however much of the space is of good quality, with some examples of excellent stock. The site has industrial operators of all levels with national, regional and local significance. Companies like Veetee have significant presence on the site with manufacturing, distribution and storage facilities.
- 7.30 **Locational constraints:** There seems to be a piecemeal park by park development within the site with each park having no relationship with its immediate neighbours. This leads to a confusing appearance to the site and some difficulty in navigation.
- 7.31 **Other amenities:** There are two areas with cafés providing a limited amenity offer. The site also contains a large number of non-B class activities including car sales, veterinary centre, children's activity centre, children's nursery and motorcycle training. A petrol filling station, small shop and McDonalds are located just outside the site, which complicates traffic congestion and movement. At the entrance of the site in the north there is land that is identified by the Local Plan (2003) as a proposed park and ride site however this has not been delivered. Further 'amenities' include leisure uses such as a child's play centre, roller skating rink and a gym.
- 7.32 **Broadband Infrastructure:** The area has good broadband infrastructure. According to BT's website the area falls within their Accepting Orders category, which means that fibre broadband infrastructure is enabled and available for use.
- 7.33 **Intensification and Expansion:** There is the potential scope for intensification and development within the site; however this would require some level of reorganisation of land uses. There is some capacity on adjoining sites, however these are somewhat challenged in planning terms. Generally occupancy is reasonably healthy; as such the ability to increase employment activity within the current stock is limited.

Figure 7: Advice on Future Action for Medway City Estate sub-areas

Site Ref	Site name (existing/ active)	Advice
10a	Medway City Estate, Frindsbury Peninsula- Office	Protect and Enhance
10b	Medway City Peninsula- Industrial	Protect and Maintain
10c	Medway City Peninsula- Wharf/ Specialist industry use	Protect and Maintain

- 7.34 The site is already being well used and has high occupancy levels. However, there is some potential for intensification measures that are possible on a park by park basis.
- 7.35 Some office stock is not entirely suitable for its use and faces conflicting uses with specialist/ heavy industry uses within the site. This could be resolved by relocating some of the heavy industry at suitable locations within the Medway City Estate or elsewhere in Medway.
- 7.36 The park suffers from legibility, permeability, peak-hour traffic congestion and poor-image for office-use issues, and despite already having a cluster of SMEs it does not seem to be a very attractive offer for office based businesses. There is potential for improvement on this front.

Gillingham

- 7.37 Four active employment sites have been identified within the Gillingham sub-area, as shown below in Table 18. The South of the Gillingham Business Park also has a vacant land opportunity site of c. 3 ha.
- 7.38 The total area for active employment sites in this area equates to 91 ha of employment land.

Table 18: Gillingham Employment Sites

Site Ref	Site name (existing/ active)	Site Area (ha)	Predominant Stock Quality
18	Gillingham Business Park (GBP)	56.18	Good
18a	Gillingham Business Park (Land to South of Bailey Drive)	3	Good
19	Courteney Road, Gillingham	22.09	Good
15	Beechings Way Industrial Estate, Gillingham (Excluding the Mixed Use Areas)	9.22	Good
16	Firmstart Estate/ Lower Twydall Lane, Twydall	0.48	Good
Total Area (Existing Sites)		91 ha	

- 7.39 The cluster has Gillingham Business Park (GBP) and Courtney Road site located to the south along A228; and Beechings Way and Firmstart Estate located along A289 to the north. Key features of these sites are presented below:

- 7.40 **Gillingham Business Park and Courtney Road:** The Gillingham Business Park (GBP) site is former military land situated at the junction of the A2 and A278. Directly opposite is the Courtney Road employment site, a linear site with five individual small complexes and one substantial complex each taking separate accesses off Courtney Road. The site also has a Premier Inn Hotel, Restaurant, and a Health club adjacent to its northwest boundary.
- 7.41 To the south east corner of GBP the land south of the Bailey Drive the first phase of a new warehouse and office scheme has been completed delivering 4459 sqm B8 and 2043 sqm B1 for occupation by dental and medical company Henry Schein. The second phase of development (of 5,342 sqm of B8 space) has not yet started but an access road is in place. This is the proposed site 2 listed in the table above.
- 7.42 GBP is a thriving business park. It has a B&Q warehouse in the northwest corner of the site. A retail park adjoins the northeast corner of the site. Most of the built stock is post 1980s to present; most having a modern modular form. There are three accesses into the site, all wide single carriageways for LGV or car use. Most employment on this site pertains to B1 and B8.
- 7.43 Courtney Road has individual entrances to each complex, with access being single carriageways. There are no connections between the complexes. Buildings on Courtney Road date between the 1950s and 60s and most use on this site is for B1 and B2 purposes. Overall conditions of buildings on both of the sites are good.
- 7.44 Both the sites have good road connections with public transport bus-routes.
- 7.45 There also seemed to be no considerable issues due to traffic and congestion, noise and air quality across both the sites. However, we understand that Gillingham Business Park can be difficult to exit in the evening rush hour via Ambley Road / Hoath Way due to the weight of traffic.
- 7.46 Based on 2015 data from Costar Focus there is an advertised total vacant floorspace figure of 1,600 sqm, for industrial, light industrial and office use across all the sites.
- 7.47 **Beechings Way and Lower Lane/Firmstart Estate, Twydall:** Beechings Way has a number of small 'parks' falling under B1 and B2 use. The majority of the site is one lane access off Beechings Way. The building stock is of mixed age with some older poor quality stock sitting alongside more recently developed light industrial/storage units. The site has poor internal road layout and lacks coherent park boundaries. The site has a range of A and D class uses such as NHS treatment centre, McDonalds restaurant, Car sales, nursery etc.
- 7.48 Lower Lane, Twydall is situated at the end of a residential street and adjoining the railway line. It is a narrow, linear development comprising a terrace of single storey starter units facing onto a service road. This site meets a need for small starter units with lower rents to enable

businesses to get started. Most use on the site is B1 and B8. The layout of the site may pose limitations to the flexibility of the use.

- 7.49 In terms of future opportunities, the GBP cluster makes a strong offer to the market and should be protected in its current form, with additional land delivered to meet market demand. Beechings Way is of reasonable quality, but some areas would benefit from enhancement and investment over time to retain their attractiveness to B class activity.
- 7.50 The Firmstart Estate is more challenged. Whilst it meets a need for small, start-up businesses it appeared to have a significant level of vacant space and has weak accessibility. Over time it may be desirable to seek redevelopment of the site for alternate uses and move occupiers to more established business locations.
- 7.51 **Broadband Infrastructure:** There are limitations in this area relating to fibre broadband infrastructure. According to BT's website the area falls within their Under Review category, which means in general the area lacks infrastructure facility.

Table 19 - Advice on Future Action for Gillingham

Site Ref	Site name	Advice
18	Gillingham Business Park (GBP)	Protect and Maintain
18a	Gillingham Business Park (Land to South of Bailey Drive)	Protect and Enhance
19	Courtney Road, Gillingham	Protect and Maintain
15	Beechings Way Industrial Estate, Gillingham (Excluding the Mixed Use Areas)	Protect and Enhance
16	Firmstart Estate/ Lower Twydall Lane, Twydall	Monitor and Manage

- 7.52 GBP is a well-established business park with high occupancy levels. It is well-positioned for transport connections and is an important employment location for Medway. The site is ideally positioned to accommodate future demand. Consideration will have to be given to the potential conflict that may arise from the trade centre operations and commercial and non-commercial vehicles that access the park including pressure on parking.
- 7.53 Courtney Road is well located for employment use. It is already intensely used and it offers limited potential for intensification/expansion without re-development. However, there is scope on intensifying and enhancing cohesiveness of the buildings and layout.
- 7.54 Beechings Way seems to be well occupied and a successful location, and could provide an important location for development. There could be a challenge posed due to the traffic and access issues and the site may face difficulties when fully-let.

7.55 The Firmstart Estate seems to meet needs for starter units with lower rents to enable businesses to get started. However, its layout and predominantly residential neighbourhood makes it a weak location for employment activity especially those relating to light industrial, warehousing and distribution type operations.

Hoo Peninsula

7.56 There are two set of sites within the Hoo Peninsula - Kingsnorth and Isle of Grain. These are freestanding rural sites that have four active employment sites and four proposed employment sites, as shown below in Table 20.

7.57 The total area of the active employment sites in the Hoo Peninsula is 392 ha and it has 419 ha of proposed (vacant) employment land.

Table 20: Rural South Employment Sites

Site Ref	Site name (Existing/Active)	Site Area (ha)	Predominant Stock Quality
7	Kingsnorth	131	Good
2	Isle of Grain- Site 2	23	Good
3	Isle of Grain-Site 3	91	Good
6	Isle of Grain-Site 6 (includes London Thamesport)	147	Good
Total Site Area (Existing Sites)		392 ha⁵	
Site Ref ⁶	Site name (Proposed Use)	Site Area (ha)	Predominant Stock Quality
7	Kingsnorth- proposed site 7	17	
8	Kingsnorth-proposed site 8- London Medway Commercial Park	93	
4	Isle of Grain- proposed site 4	100	
5	Isle of Grain- proposed site 5	225	
Total Site Area (Proposed)		419 ha	

7.58 Both Kingsnorth and Isle of Grain are significant clusters of heavy-industrial use. Both are low-lying sites that are situated in open countryside along the banks of the river.

7.59 **Kingsnorth:** The site has two power stations and some petro-chemical activity related built structures. The southern part of the site mainly consists of the power stations (currently undergoing demolition) with the main industrial works situated just to the north of these. In 2014, prior notification permission was granted for demolition and removal of the main power station buildings and ancillary buildings and structures within the site.

⁵ This figure is for the existing employment sites.

⁶ It is to be noted that the site reference nos. for the proposed sites are done based on separate counting than the existing/ active/ employment site. Therefore to avoid confusion the proposed site should be referred to as 'proposed site no. 5' than 'site no. 5'.

- 7.60 The majority of the northern part of the site is open and proposed land for employment use that includes London Medway Commercial Park.
- 7.61 **Current Stock:** the current industrial stock is of mixed quality, developed in the latter part of the twentieth century. Significant parts of the existing active employment stock are used for a mix of heavy engineering and open storage of imported vehicles.
- 7.62 London Medway Commercial Park
- 7.63 **Intensification:** It has areas that are intensively developed, which would restrict adaptability. The layout seems to have come about organically; the non-power station development appears to have developed alongside the original station.
- 7.64 There are three accesses to the site. The site is fairly legible.
- 7.65 **Other Considerations:** The site is a freestanding employment site located in the rural area. The entire site is located within the tidal flood plain.
- 7.66 **Isle of Grain:** Isle of Grain is situated southeast of the Hoo Peninsula and has extensive river frontage; this is the site of the former BP Kent Oil Refinery, which was commissioned in the 1950s. Most of the oil related structures have been cleared and the site has some major occupants/operations connected with port related activities. In 2013, prior notification permission was granted for demolition of Grain Power Station and chimneys that is currently underway. The site also includes London Thamesport to the south, a deep-water container seaport on the River Medway. London Thamesport has set aside an area of 16 ha for future development of container operations and the future provision of port-centric facilities. Parts of the Thamesport site are, we understand, surplus to operational requirements and being 'released' for commercial development for development of warehousing, distribution facilities and other port related activity.⁷
- 7.67 **Access:** The A228 road passes through the site and acts as a central distributor road. Most of the current occupiers are sufficiently large to have either their own dedicated accesses off this road or share a junction or then branch out into separate accesses. Surfaces of most accesses are in fair to good condition. A single main road and a single-track freight railway serve the site.
- 7.68 **Building Stock:** Due to the widely varying activities of the current large occupiers buildings vary between occupants. The general condition of most buildings/structures seem fair to good

⁷ London Thamesport Website- <http://www.londonthamesport.co.uk/services/frmfuturedevelopment.aspx>

- 7.69 The structures and buildings on the Isle of Grain are post 1950s and are mainly detached and some are very large tanks they are visible from a considerable distance. Most buildings are generally two storeys with the exception of the power station which is currently being demolished.
- 7.70 The layout is still developing. Some operators within the site occupy some substantial areas of land; this then requires reliance on the direction signs.
- 7.71 Flooding is major consideration for development as most of the site is in the flood plain.
- 7.72 In terms of future opportunities the Hoo Peninsula cluster presents the best and largest sites for development and enhancement within Medway. As such we recommend these sites continue to be protected through planning policy and promoted for developments shown in Table 21.
- 7.73 **Broadband Infrastructure:** There are significant limitations in this area relating to fibre broadband infrastructure. According to BT's website the area falls within their Exploring Solutions category, which means that it is not possible to obtain superfast broadband connection in this area for use and there are no concrete plans to introduce connections at this point
- 7.74 **Public Transport:** The location is remote and is not readily accessible by public transport. The closest bus stops to the sites are served by bus route 191 connecting to Chatham. However, the bus-stops are not in a close proximity of the sites and are at least 15-20 minutes' walk.

Table 21: Advice on Future Action for Hoo Peninsula

Site Ref	Site name (Existing/ Active)	Advice
7	Kingsnorth	Protect and Enhance
2	Isle of Grain- Site 2	Protect and Enhance
3	Isle of Grain-Site 3	Protect and Enhance
6	Isle of Grain-Site 6	Protect and Enhance
Site Ref ⁸	Site name (Proposed use)	Site name (proposed use)
7	Kingsnorth- proposed site 7	
8	Kingsnorth-proposed site 8	
4	Isle of Grain- proposed site 4	
5	Isle of Grain- proposed site 5	

- 7.75 Both sub-groups have huge potential of intensification and expansion. They have the capacity to expand and accommodate land-intensive and heavy industries uses that are less-likely to be based in urban or less-remote locations. There is also potential for port related/

⁸ It is to be noted that the site reference nos. for the proposed sites are done based on separate counting than the existing/ active/ employment site. Therefore to avoid confusion the proposed site should be referred to as 'proposed site no. 5' than 'site no. 5'.

dependent industries to be located at the site given its locational characteristics. The site has the scale to attract significant large scale industries and be an employment generator for the local area. Physical consideration for site development may include flood mitigation for the site development.

- 7.76 Kingsnorth may need particular consideration for an improved access route from the A228 and safety interventions to reduce crash rates.

Rochester Airfield

- 7.77 Rochester Airfield cluster has an 'L' shaped site with Rochester Airport Industrial Estate and Medway Innovation Centre. There is also some vacant airfield land that lies north of the runway that is proposed for employment use within the airfield masterplan. The cluster has two active employment sites and one proposed employment site as shown in Table 22

- 7.78 The total area of active employment sites in this cluster is 21 ha of employment land, with the potential for another 9 ha of employment land once the masterplan sites can be brought forward for development. These additional sites were awarded Enterprise Zone status in the 2015 Autumn Statement.



Table 22: Rochester Airport Employment Sites

Existing/ Active Site Ref	Site name (Existing/ Active)	Site Area (ha)	Predominant Stock Quality
16	Rochester Airfield Estate	19	Good
10	Innovation Centre-Medway	2	Good
Total Site Area (Existing Sites)		21 ha	

Site Ref ⁹	Site name (Proposed use)	Site Area (ha)	Predominant Stock Quality
10	Rochester Airfield Proposed Site 10	9	Good

- 7.79 **Rochester Airfield:** The sites are located in and around the Rochester Airfield operational area. The Laker Road or Rochester Airfield Estate is an 'L' shaped area with one arm largely operated by a single occupier (BAE Systems). The other arm is narrower and between two roads but only the rear most of the two roads (Laker Road) serves the units. The linear layout and relatively narrow width restricts layout. The area has restricted permeability as there is no passage between the two premises. Most uses pertain to B1 and B2.
- 7.80 **Some activity is located to the west of Maidstone Road.** Units here are larger and largely used for storage and distribution activities including Royal Mail, Grapes Direct and Elite Scaffolding. Buildings are generally in good condition.
- 7.81 **Access:** The Rochester Airport Estate has 2 entrances into the main site off Maidstone Road. BAE Systems also have a separate entrance off A229. All entrances are in fair condition and suitable for the uses they serve.
- 7.82 **Buildings:** Overall condition of the existing buildings along Laker Road is fair. The majority of the layout is by single units facing directly onto the road serving the site. However, some of the buildings are better quality than the others. Some new space has been delivered to the west of the BAE site. The BAE Systems site is fully secure and functionally separate from the rest of the cluster.
- 7.83 A prominent feature of the cluster is the presence of a non-B class frontage along Maidstone Road. Uses include a gym, soft play area, hair salon and dance studio and occupy what were once industrial units. This weakens the presence of the cluster on the main access to the site.
- 7.84 **Innovation Centre:** The Medway Innovation Centre is located on the South East edge of the airfield along the A229. The Innovation Centre is a high specification space for technology companies, with the best broadband delivery speeds in Kent and a small data room able to

⁹ It is to be noted that the site reference nos. for the proposed sites are done based on separate counting than the existing/ active/ employment site. Therefore to avoid confusion the proposed site should be referred to as 'proposed site no. 5' than 'site no. 5'.

house approximately 100 servers. In its early phases it hosted a number of 'general' office activities, with a range of non-technology based businesses occupying units, this is likely to reflect a lack of good quality space elsewhere in Medway. However a cluster of knowledge based businesses has begun to emerge delivering higher value activity.

- 7.85 There are at least 55 companies that are currently operating from the Medway Innovation Centre. The building is a high quality modern office with ancillary facilities like café, presentation and meeting rooms and parking spaces. The site also has undeveloped opportunity land that extends to the South of the site. The quality of the stock is reflected in the high rateable value of the site, which generates the equivalent yield of c.£500,000 per hectare in business rates considerably higher than business parks such as the Medway City Estate.
- 7.86 **Broadband Infrastructure:** Across the whole cluster there is good broadband infrastructure. According to BT's website the area falls within their Accepting Order category, which means that fibre broadband infrastructure is enabled and superfast connections are available for use.
- 7.87 **The Proposed Airfield Site:** The adjoining airport/ airfield area is a key focus for regeneration, with a vision for a new air-industry orientated economic hub alongside improved runway and hangar facilities. The masterplan for the site (adopted in 2015) includes an area for new employment development and also encompasses the Innovation Centre and potential development sites outside of the airport apron. The masterplan chalks-out potential to generate 1,000 jobs on this site.
- 7.88 The airfield is strategically positioned to benefit from Medway's growing base of advanced manufacturing activities and provide development opportunities for businesses with excellent access to the M2. The successful delivery of a new cluster of advanced manufacturing activity will draw on the unique attributes of the location, including BAE Systems, ICM and existing activity within the Laker Road estate to deliver a unique proposition within both Medway and Kent more widely. The Council retain considerable control over the additional land within the masterplan area and therefore have significant influence over the form and nature of development, with the potential to provide owner-occupier plots which are often crucial for manufacturing business investment.
- 7.89 In general the Rochester Airfield cluster provides a good offer to the market; however there are opportunities to enhance this through selective redevelopment and strengthening of the employment frontage to Maidstone Road.

Table 23: Advice on Future Action for Rochester Airport

Site Ref	Site name (Existing/ Active)	Advice
16	Rochester Airport Estate	Protect and Enhance
10	Innovation Centre-Medway	Protect and Enhance

Proposed Site Ref	Site name (Proposed use)
10	Rochester Airfield Proposed Site 10

7.90 The airfield estate is a viable site for industrial use and further intensification. It can support both high quality office jobs to light industrial, advanced manufacturing and research based employment uses. The area has a huge employment potential in range of sectors (especially engineering and tech based sectors along with good quality light-industrial spaces).

Other Employment Sites

7.91 This group involves 22 employment sites as shown in the table below. The sites are classified in a group because they represent employment sites that fall within urban and edge-of-urban location with similar age and type of stock.

7.92 The total area for these sites equates to 132 ha of employment land.

Table 24: Other Employment Sites

Site Ref	Site name (Existing)	Site Area (ha)	Dominant Use Class	Predominant Stock Quality
11	Gads Hill/Danes Hill, Gillingham	3.80	B2	Good
14	Ballard Business Park	1.67	A1, B2	Good
17	Second Avenue, Luton	5.31	B1, B8, D1 and D2	Mixed
20	Hopewell Drive, Luton	3.83	B1, B2 and B8	Mixed
21	Formby Road, Halling	28.7	B2	Good
22	Bridgewood Business Park	3.74	B8	Good
24	Elm Court	3.53	A1, B8 (Small proportion B1 and B2), D2	Good
25	Bloors Lane	0.69	B1	Good
26	2-10, Cuxton Road, Strood	3.34	B1	Good
27	Temple Industrial Estate Strood	37.18	B8	Mixed
28	Medway Valley Park Industrial Estate, Strood	5.72	B2, B8	Good
31	Jenkin's Dale	1.09	B1 (small proportion of B2 and B8)	Good
32	Cuxton Industrial Estate, Cuxton,	0.9	B1, B2 and B8	Good
33	Fenn Street Industrial Estate, Rochester	1.78	B1,B2 and B8	Good
34	Castle view Business Park, Rochester	0.71	B1, B2 and B8	Good

Site Ref	Site name (Existing)	Site Area (ha)	Dominant Use Class	Predominant Stock Quality
35	Hoo Industrial Estate	7.5	B1, B2 and B8	Mixed
36	Otterham Quay Lane, Rainham	4.46	B8	Good
37	Canterbury Lane,	1.68	B1	Good
38	Fort Horsted	5.43	B1	Good
39	Railway Street Industrial Park	1.46	B1	Good
40	Commercial Road Strood	1.12	B1, B2 and B8	Mixed
45	Lordswood Industrial Estate	8.76	B1, B2 and B8	Good
46	Thameside Industrial Estate, Cliffe	10.5	B8	Poor
Total		142 ha		

7.93 The sites within this area demonstrate a mix of types of space. Most of the occupiers on these sites are small and service more localised markets.

7.94 Most of the sites in this group have good quality stock from predominantly the 1960s onwards. Most of these premises have limited non-B class uses (c. 0-25%).

7.95 Following is a brief description for each site:

- Gads Hill/Danes Hill, Gillingham: Site contains two main occupiers (Jubilee Clips, Steelfields and Wheelwrights Ltd. ball engineering companies). Direct access via cul-de-sac off A289. Building heights vary from 1 to 3 storeys. Main activity corresponds to B2 class. Majority of the site is occupied.
- Ballard Business Park: triangular site with terraces of buildings built between 70s and 80s. Petrol station to the north. Site served from A228. Generally good condition of modular, semi-brick clad, 2-storey structures.
- Second Avenue, Luton: Long site layout on both side of T-shaped access road. The site has residential and open land setting to either of its sides. The main activities on the site correspond to B1 and B8 use-class. Good quality stock built during 1960s to 70s.
- Hopewell Drive, Luton: A linear site located mainly in residential setting, a linear site. Mixed stock from 70s to 90s, generally 2-storey. B-class activities on the site relate to all B-class uses. B1, B2 and B8. The access is through a residential area. Impact on residential seemed low during the site visit.
- Formby Road, Halling: Single occupier site split by an A road and a railway line. The western area is proposed for a residential development. The eastern area is predominantly open with 2 substantial concrete structures and is mostly vacant. The site was in use for quarrying and producing cement before clearance.

- Bridgewood Business Park: Detached large industrial units. Includes Royal Mail distribution facility, served by a single access road feeding directly into yards. 80s and 90s stock of good quality mostly classified under B8 class use.
- Elm Court: Rural freestanding site accessed through a country lane. Largely a non-B class use, site gated at junction. Uses include a garden centre, some workshops and a nursery. Most of the site is in use. Legibility not very clear. Ample parking at the site. Due to the largely non-B-class nature of the area the site is unlikely to attract major B-class activity.
- Bloors Lane: Mainly B1 use class based in a residential area. Access off A road through a residential neighbourhood. Also, adjoins a leisure centre. Adequate parking for the site. Uses include a mix of timber workshops, Ceramics and Chartered Accountants.
- 2-10, Cuxton Road, Strood: single terrace of units with a shared front forecourt facing directly onto the A228 Cuxton Road. Stock belongs to 80s-90s, 2-storey, and modular units in good condition. Uses mainly fall within B1 use class.
- Temple Industrial Estate Strood: Collection of small estates with individual compounds forming a substantial single site. The bulk to the west of the railway is conventional looking terraced units' industrial estate. The east of the railway has more variety of uses with poor environmental quality. Most stock is of good quality. However, there are patchy, poor quality units that may need upgrading. Poor legibility.
- Medway Valley Park Industrial Estate, Strood: 4 compounds with a single large building. Most building is well-maintained good quality stock. The site is mostly manufacturing and distribution related uses and is a useful site for local employment.
- Jenkin's Dale: The site is located within the urban area within a residential neighbourhood, comprising of small units mainly 2 storey falling within B1 use. The access to the site is through residential area and has poor legibility.
- Cuxton Industrial Estate, Cuxton: Small site situated between railway lines and the River Medway. The major building is a large block with a number of tenants undertaking different activities and with access all-round the building. The remaining c. one-third of the site is a predominantly open compound.
- Fenn Street Industrial Estate, Rochester: Small site located in rural Hoo peninsula. It has a narrow frontage to the highway. Legibility to the site is reasonably fair and access and buildings are in a good condition.
- Castle View Business Park, Rochester: small estate in the middle of a larger employment area. This is now a small site within the major building works of the Rochester Riverside regeneration area. Most stock belongs to 1980s period with modular brick units. The neighbouring area is undergoing redevelopment that may support the employment uses of this site. The area has range of occupiers including workshops, trade counter, graphics

and automobile related services. The general condition of the site is good for its current use. However, due to its layout, access and parking are restrictive for the site.

- Hoo Industrial Estate: complex of units situated in a rural area on the River Medway and adjoining a marina and a residential park. Mainly two storey buildings located in individual compounds. Their overall condition is serviceable but mixed materials are used for the perimeter fencing to each compound.
- Otterham Quay Lane, Rainham: A rural site with access via a country lane. This site is part of an industrial area and consists of the 'back part' of the site. Overall conditions of the buildings are good and are mainly 2-3 storeys. Restrictive entry to the site.
- Canterbury Lane: L-shaped site with two separate parts. Two-storey brick built unit. Comprises of Cloverlay industrial park and warehouse operations. The site has recently undergone development with 3,330 sqm of commercial, with remaining 2,350 sqm on central area of the site not started.
- Fort Horsted: Scheduled ancient monument which has converted parts of the site into workspace units. There are also unfinished light industrial units with mezzanines. Located within a semi urban area with the former Mid Kent College to the south west, this is now a new residential setting.
- Railway Street Industrial Park: The Industrial estate is a triangular layout with two terraces of 2 store double height buildings with pitched roof facing in towards a central shared hard standing. Occupiers on the site include tyres and automotive servicing related businesses and some catering and lodging related industries.
- Commercial Road, Strood: The site is in Town Centre location adjoining retail core of Strood Town Centre. The site has two aspects. Main occupiers on the site include trade counters, and tyres and automotive related businesses.
- Lordswood Industrial Estate: The site is a collection of number of small estates with most buildings of two storey, double height, modular buildings and pitched roof. Main occupiers on the site have number of occupiers ranging from consultancy services, trade counters, veterinary clinic and warehousing and distribution.
- Thameside Industrial Estate, Cliffe: The site is rural freestanding site; a former petrol station, the site has been redeveloped into fenced compounds with substantial open storage area. Most of this site is un-surfaced. The site may have challenges due to its remote location and environmental restrictions.

7.96 In terms of future opportunities the following table presents a list of observations and comments for each site

Table 25: Advice on Future Action

Site Ref	Site name	Site Area (ha)	Comments/ Observations	Recommendations
11	Gads Hill/Danes Hill, Gillingham	3.80	Protect for existing uses. Promote for B-class use, if it becomes vacant.	Protect and Enhance
14	Ballard Business Park	1.67	Retain and encourage replacement of stock	Protect and Enhance
17	Second Avenue, Luton	5.31	To be retained as an employment area. However, potential conflict with residential setting should be considered.	Manage and Monitor
20	Hopewell Drive, Luton	3.83	Retain in current form. Could be considered for alternate uses more aligned to the residential neighbourhood.	Manage and Monitor
21	Formby Road, Halling	28.7	Retain and encourage use intensification.	Protect and Enhance
22	Bridgewood Business Park	3.74	Retain and promote uses sensitive to site and location.	Protect and Maintain
24	Elm Court	3.53	Largely a non-B class use but employment generating site. Unlikely to attract major B-class activity so could be deallocated as an employment site	Manage and Monitor
25	Bloors Lane	0.69	Retain	Protect and Maintain
26	2-10, Cuxton Road, Strood	3.34	Retain and encourage intensification of stock	Protect and Enhance
27	Temple Industrial Estate Strood	37.18	Retain and promote for existing use.	Protect and Maintain
28	Medway Valley Park Industrial Estate, Strood	5.72	Important for local employment.	Protect and Enhance
31	Jenkin's Dale	1.09	Retain but controlled use of land to avoid conflict in residential setting	Manage and Monitor
32	Cuxton Industrial Estate, Cuxton,	0.9	Retain and continue use - potential for improving the quality of the physical environment.	Protect and Enhance
33	Fenn Street Industrial Estate, Rochester	1.78	Retain	Protect and Maintain
34	Castle view Business Park, Rochester	0.71	Retain and explore potential for attracting more high tech related business cluster	Protect and Enhance
35	Hoo Industrial Estate	7.5	Retain and consider replacement of stock	Protect and Enhance
36	Otterham Quay Lane, Rainham	4.46	Limited potential – currently a site for a specific occupier. Current recommendation enables continuation of site for current activity	Protect and Enhance
37	Canterbury Lane,	1.68	Retain	Protect and Maintain
38	Fort Horsted	5.43	Retain and uses to align with the historic fabric.	Protect and Enhance
39	Railway Street	1.46	Retain and promote more B1 uses	Protect and

Site Ref	Site name	Site Area (ha)	Comments/ Observations	Recommendations
	Industrial Park			Enhance
40	Commercial Road Strood	1.12	Retain and promote uses more aligned with town centre location	Protect and Maintain
45	Lordswood Industrial Estate	8.76	Continue to promotion for existing mix of uses use	Protect and Maintain
46	Thameside Cliffe	10.8	Remote location with big open storage spaces, not clear if actively used	Manage and Monitor
	Total	132 ha		

8. Sources of Future Supply

8.1 There are 36 existing employment sites in Medway that provide 923 ha of employment land, the majority of which is well utilised. Within this section we identify the sites within Medway that could be utilised to accommodate the local authority's future employment growth.

8.2 The employment site desk-top analysis and the site appraisals have identified two sources of potential employment land supply:

- Employment Floorspace from vacant/underutilised Land in existing employment sites.
- Proposed Employment Sites (Vacant)

Vacant/ Underutilised Land in Existing Employment Sites

8.3 Within the existing employment sites there are some vacant sites which have potential to be developed for employment uses. It is important to identify these opportunities as these areas are an important source of potential employment land. There is potentially 33ha of vacant land within existing employment sites. These opportunities were identified on site, from information provided by the Council and from aerial photography.

Table 26: Vacant/ Underutilised Land in Existing Employment Sites

Site Ref No.	Sites	Land Area (ha)
9b	Chatham Port and Pier Road Gillingham-(Chatham Port North)	13
9c	Chatham Port and Pier Road Gillingham-(Pier Road)	0.6
7	Kingsnorth	13
10	Medway City Estate	3 to 3.9
41	Innovation Centre Medway	0.4 to 0.5
24	Elm Court	0.2 to 0.3
27	Temple Park (Former Alloy Wheel), Strood ¹⁰	0.7
18	Sherman Close and Grant Close in Gillingham Business Park	1.2
Total		31 to 33 ha

Proposed Sites

8.4 Outside of the existing employment sites, BGVA worked with Medway Council to identify locations that may have potential for new B-class employment uses. These sites have been subject to a desk-top appraisal, which is summarised in the assessment matrix in the appendix.

¹⁰ Located within Temple Park in Strood. The site

Table 27: Proposed Sites in Medway with Vacant Land

Ref No. ¹¹	Sites (proposed use)	Land Area (ha)	Recommendations
7	Kingsnorth	17	Potential for larger industrial activity that is less reliant on proximity to urban centres. Also potential for wharf users
8	Kingsnorth	93	
4	Isle of Grain- Proposed Site 4	100	
5	Isle of Grain- Proposed Site 5	225	
10	Rochester Airfield	9	
11	Lodge Hill	7	Potential to create a new offer within the Medway portfolio through delivery of a new place. Could have more campus office/R&D function.
Total		450 ha	

Supply Summary

8.5 Overall Medway has 1,370ha of potential employment land supply. Of this, there is a potential to develop 31 to 32 ha of land at the existing active employment sites. There is 450 ha of proposed development land available in the local authority

Table 28: Summary of Existing and Vacant Employment Land in Medway

	Area (ha)	Total No of Sites
Existing Sites	923	40
Existing Sites - Vacant Land	31 to 33	7
Proposed Sites- Vacant Land	450	6
All Sites	1,370 ha	

¹¹ It is to be noted that the site reference nos. for the proposed sites are done based on separate counting than the existing/ active/ employment site. Therefore to avoid confusion the proposed site should be referred to as 'proposed site no. 5' than 'site no. 5'.

9. Conclusions

- 9.1 Building on the SHENA baseline report the analysis within this Employment Land Needs Assessment has highlighted the future economic opportunities within Medway, drawing on the potential of the borough's existing strengths, as well as maximising the opportunity presented by planned or prospective investments in the area.
- 9.2 Medway is one of the most significant economic hubs within the South East region and has seen significant shifts in its economic base in recent years. Whilst some of the traditional manufacturing and port activities have been lost, a number of advanced manufacturing activities have remained and expanded. The area has also attracted a range of 'new' sectors, from financial and business services through to software and gaming development.
- 9.3 The economic forecasts, as a tool for estimating the nature of future growth potential, predominantly identify a need to deliver a mix of industrial and warehousing stock over the plan period to enable the borough to capitalise on the economic opportunities. To realise this opportunity, appropriate sites will need to be allocated in the future with the capacity and access infrastructure provision to meet occupier requirements.
- 9.4 The forecasts also reflect the shifting nature of the Medway economy with a reasonable scale of office floorspace requirements also identified. Based on our analysis of existing stock it will be necessary to ensure that this office stock is well calibrated to local demands, providing high quality, well connected small and flexible spaces rather than large open floorplates. This may require more intensive work with land owners to secure a more flexible approach to lettings but also seek new types of 'innovation centre' and 'move on' development over time.
- 9.5 A key consideration for Medway will also be the ability to deliver space and communications infrastructure that reflects the needs of the new 'tech' and 'creative' activities coming forward within the area. Generally these businesses do require space that neatly falls into individual use classes, more often requiring hybrid spaces that provide a mix of office, workshop and some storage/distribution space. This will be at a range of scales, not just for larger occupiers.
- 9.6 How these spaces are planned for and integrated into high quality mixed environments is incredibly important for Medway if it is to secure these sectors over the long term. Planning policy will need to recognise these requirements and make appropriate designations to guide future development control decisions.

- 9.7 The review of the existing portfolio of employment land and floorspace highlighted the range of space provided within Medway both in terms of unit types and scales but also in terms of their quality.
- 9.8 The Medway City Estate is a microcosm of the entire Medway offer, mixing office, industrial and manufacturing spaces suitable for large and small businesses. It attracts a range of business sectors and, within the industrial stock at least, has low levels of vacancy. However the site has a number of weaker areas in terms of stock and public realm, has few amenities for workers despite its size, suffers from challenged access and, most importantly provides a poor quality environment that does not support higher value office based activities.
- 9.9 The lessons for Medway City Estate could be applied across the whole area, with each site surveyed suffering from one or more of the challenges facing the Medway City Estate. It will be important to support and encourage investment in existing sites across the Medway area in order to ensure they continue to meet business needs and maximise their potential.
- 9.10 In evolving the offer of the largest sites within Medway to enable them to continue to meet the changing needs of business it may be necessary to enhance their 'amenity' offer to provide a greater range of services to employees. This is becoming an increasingly important factor in business location decisions and could act as a barrier to occupier demand in the future.
- 9.11 The synthesis forecasts indicate a potential need for approximately 90ha of employment land over the Plan Period, which can clearly not be accommodated within the existing site portfolio, therefore requiring the allocation of additional land to meet needs.
- 9.12 As identified there is a considerable supply of vacant land identified for future employment use, however our initial analysis suggests that the majority of this land is provided in a small number of locations with a very similar scale and character. As such, it is questionable whether this provision will be able to provide the nature of environment suitable to cater for all future requirements.
- 9.13 The large sites on the Hoo Peninsula are well positioned to compete within the regional market for large scale industrial and distribution activity however they do not provide appropriate locations for office based or SME orientated activity.
- 9.14 The other provision of potential development space is located at Rochester Airport (including an extension to the Medway Innovation Centre site), a small extension to Gillingham Business Park and redevelopment potential at Pier Road, and Temple Park (for example the former Alloy Wheels site). There is little or no identified capacity linked to Medway's major urban

centres despite a growing trend for creative and office based businesses seeking to locate closer to town centres and the range of amenities they provide.

- 9.15 Therefore there is likely to be, as part of mixed use proposals around the main urban centres, a qualitative need to provide new capacity for these activities. The potential to evolve the cluster of creative activity growing organically around the High Street with the provision of new space provides an opportunity to lead regeneration in some 'secondary' locations.
- 9.16 Given the nature of the potential supply away from the urban centres it is likely that, despite there being a large quantum of space, it will support a narrow range of development typologies, creating environments which lend themselves to more industrial/warehouse orientated activity with ancillary office space.
- 9.17 However, for the full economic potential of Medway to be realised, and in particular that driven by the knowledge provided by Medway's FE/HE institutions, other forms of employment land may be required. Whilst the 'business park' market has been subdued in recent years there are signs that demand (and hence development) are beginning to improve within the South East and that a range of businesses are again seeking high quality, well design out of town locations.
- 9.18 At present there are few opportunities to deliver such space within Medway. However, the potential development of the Lodge Hill site could offer the opportunity to deliver a more office and research and development orientated employment proposition unlike any other site within the identified portfolio.
- 9.19 As part of the comprehensive development of the site, there are likely to be opportunities to develop a unique employment offer that benefits from the high quality environment created by the wider residential development. The quality of environment will provide the core demand driver, establishing Lodge Hill as a major new settlement and overcoming the current lack of recognition or 'presence' the location has within the market. This is likely to mean that any employment potential at Lodge Hill will be realised later in the plan period once it is a more established place.
- 9.20 Clearly, given the early stage the proposals for Lodge Hill are at there needs to be some caution exercised in predicting its future activity, particularly given the need to establish it as a place first, the lack of an existing high quality office market in this area and the still relatively weak market for business parks in Kent.
- 9.21 Recent experience at Kings Hill, a major business park located within Tonbridge and Malling, highlights the potential challenges of establishing the Lodge Hill proposition. Despite strong performance and demand for early phases of development more recently demand for space

has reduced significantly reduced. As a result the site owners have reviewed the plans for later phases and received planning permission to deliver additional housing rather than the planned future office space.

- 9.22 To avoid this happening at Lodge Hill plans need to be in keeping with the scale of demand for space within the Medway (and potentially the wider North Kent) market and provide sufficient flexibility to deliver a mix of space within a high quality environment to ensure knowledge based businesses can be accommodated.
- 9.23 Overall, with key opportunities to deliver new space within or close to the town centres, extension and intensification opportunities within active sites and major new employment land opportunities with excellent connections Medway is well equipped to meet the needs of its economy moving forward. To ensure this potential is met it is critical that policy designations allow for flexibility, enabling buildings as well as sites to deliver a mix of office, industrial and storage space to meet changing occupier needs.



Appendix I
Site
Assessment
Matrix

This is the final summary matrix for site assessment for Macclesley

Table with columns: Site Reference-GVA, Site Names, Location, Site Area (ha), Site Status, Site Class, Location Character, Dominant Use Class, Redundant Occupier Nature, Building Quality, On-site Amenities, Proportion of non-B-Class floorspace, Neighbouring Amenities, Environment Quality for Current Use, Environment Appropriate for Current Use?, Neighbouring Uses, Evidence of Pollutants, Adequate Access & Parking?, Internal Circulation, Physical Opportunity for Intensification, Vacant Land, Vacant Buildings (re-use), % of site developable, Evidence of Development Activity on the site, Recommendations.



Appendix II Site Maps

Chatham/ Gillingham Riverside



Existing Site - 9
Chatham Port and Pier
Road Gillingham

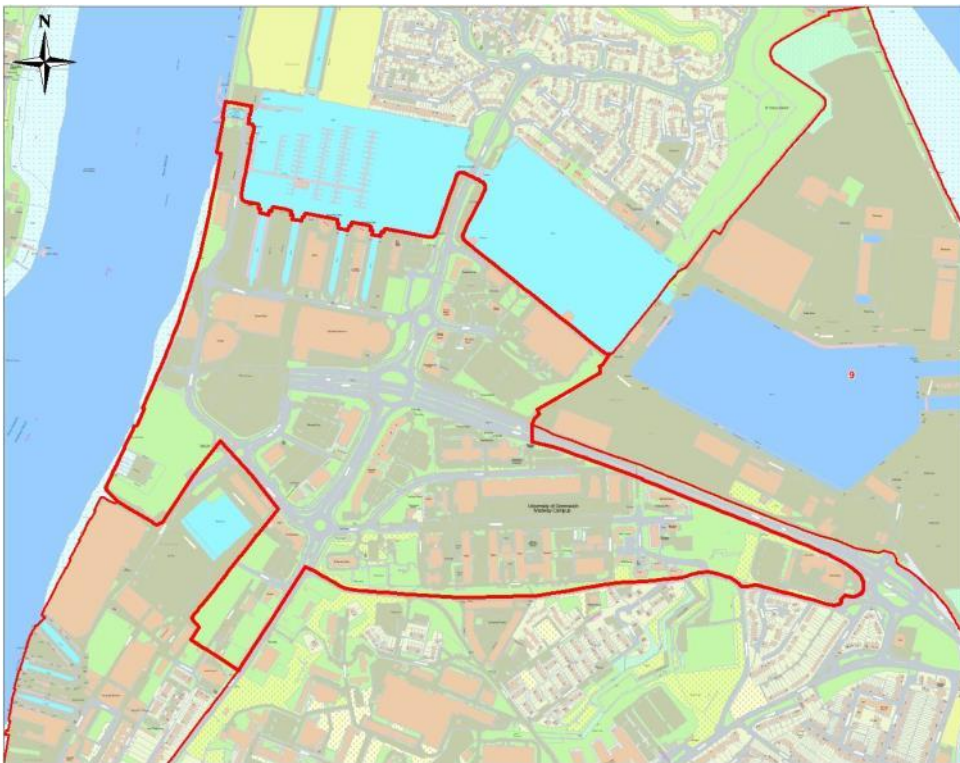
Key

- Existing Employment Site
- Proposed Employment Site

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NK SHENA - Medway

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Existing Site
Chatham Maritime with
Compass Centre

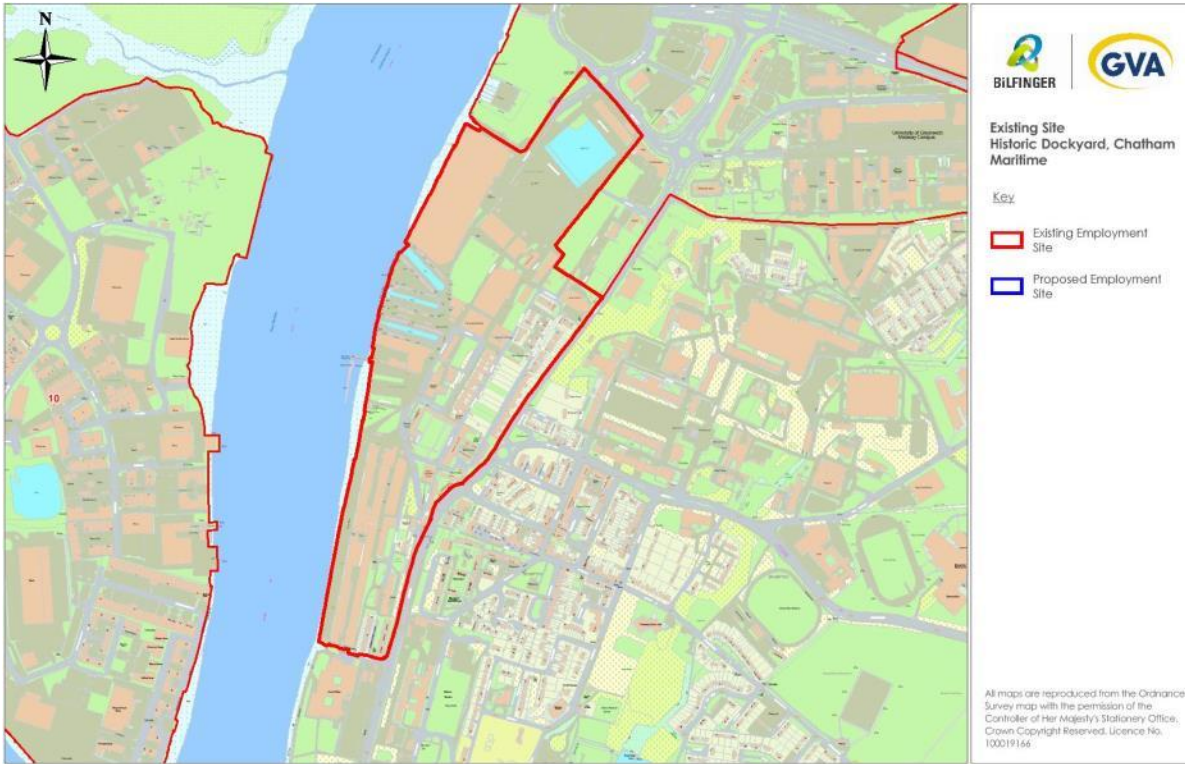
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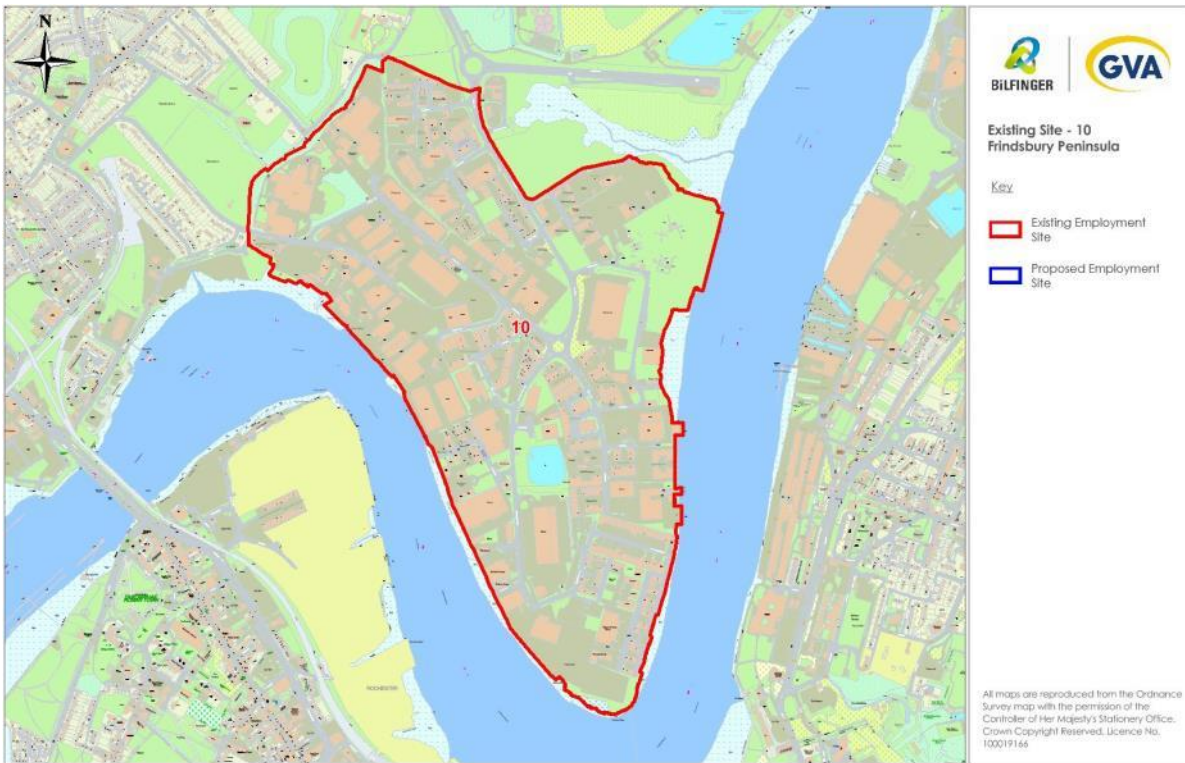
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Medway City Estate



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Gillingham



Existing Site - 15
Beechings Way (Excluding
the Mixed Use Areas)

Key

- Existing Employment Site
- Proposed Employment Site

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Existing Site - 16
Firmstar Estate Twyddal

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- Proposed Employment Site

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Existing Site - 19
Courtney Road, Gillingham

- Key
- Existing Employment Site
 - Proposed Employment Site

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Existing Site - 18
Gillingham Business Park

- Key
- Existing Employment Site
 - Proposed Employment Site

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Hoo Peninsula



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**Existing Site - 7
Kingsnorth**

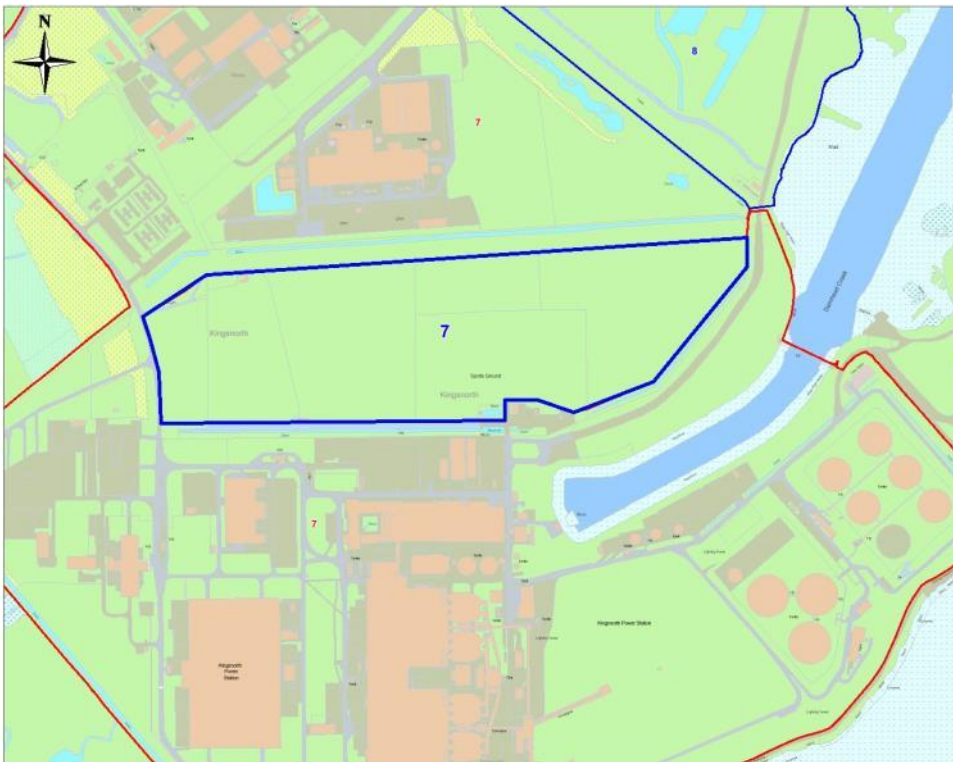
Key

- Existing Employment Site
- Proposed Employment Site

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**Proposed Site - 7
Kingsnorth**

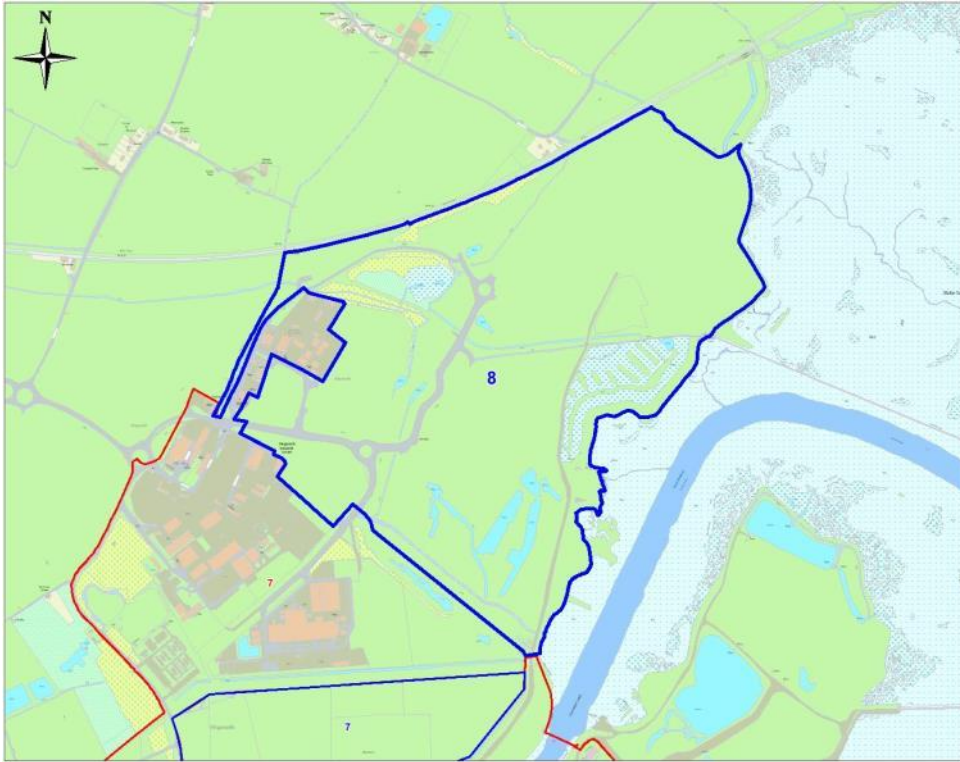
Key

- Proposed Employment Site
- Existing Employment Site

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**Proposed Site - 8
Kingsnorth**

Key

-  Proposed Employment Site
-  Existing Employment Site

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NK SHENA - Medway

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Isle of Grain



Existing Site - 2
Isle of Grain/Thamesport

Key

- Existing Employment Site
- Proposed Employment Site

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NK SHENA - Medway

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Existing Site - 3
Isle of Grain/Thamesport

Key

- Existing Employment Site
- Proposed Employment Site

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NK SHENA - Medway

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Existing Site - 6
Isle of Grain/Thamesport

Key

- Existing Employment Site
- Proposed Employment Site

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NK SHENA - Medway

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Proposed Site - 4
Isle of Grain/Thamesport

Key

- Proposed Employment Site
- Existing Employment Site

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NK SHENA - Medway

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Rochester Airport



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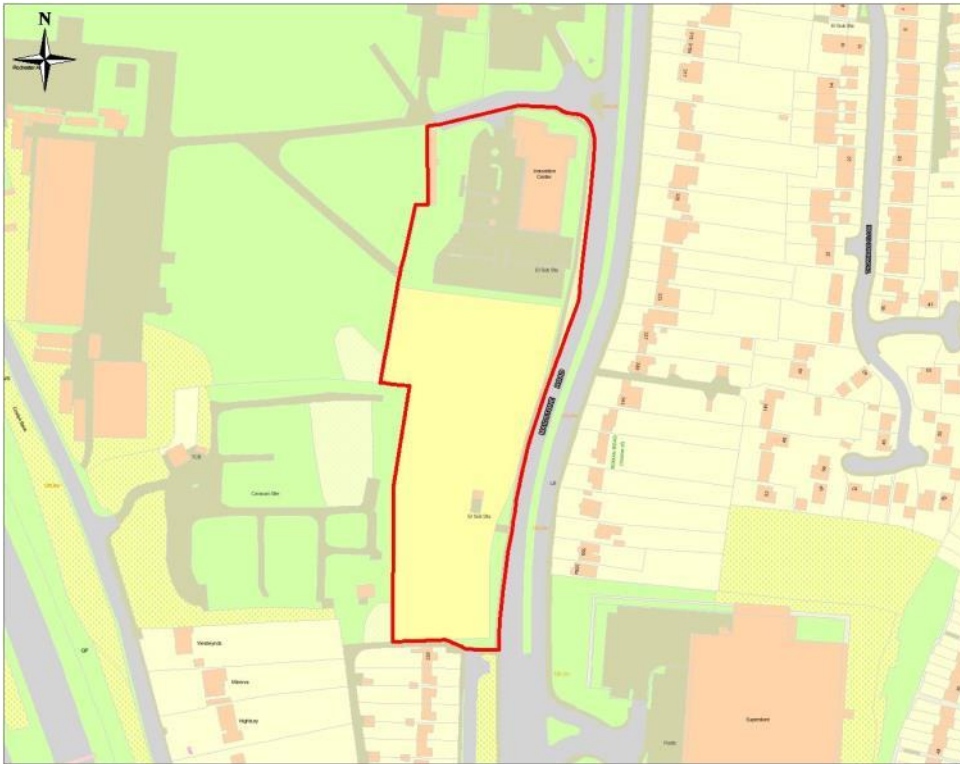
Existing Site
Airfield Site, Rochester

- Key
- Existing Employment Site
 - Proposed Employment Site

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Existing Site
Innovation Centre, Medway

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Other Employment Sites



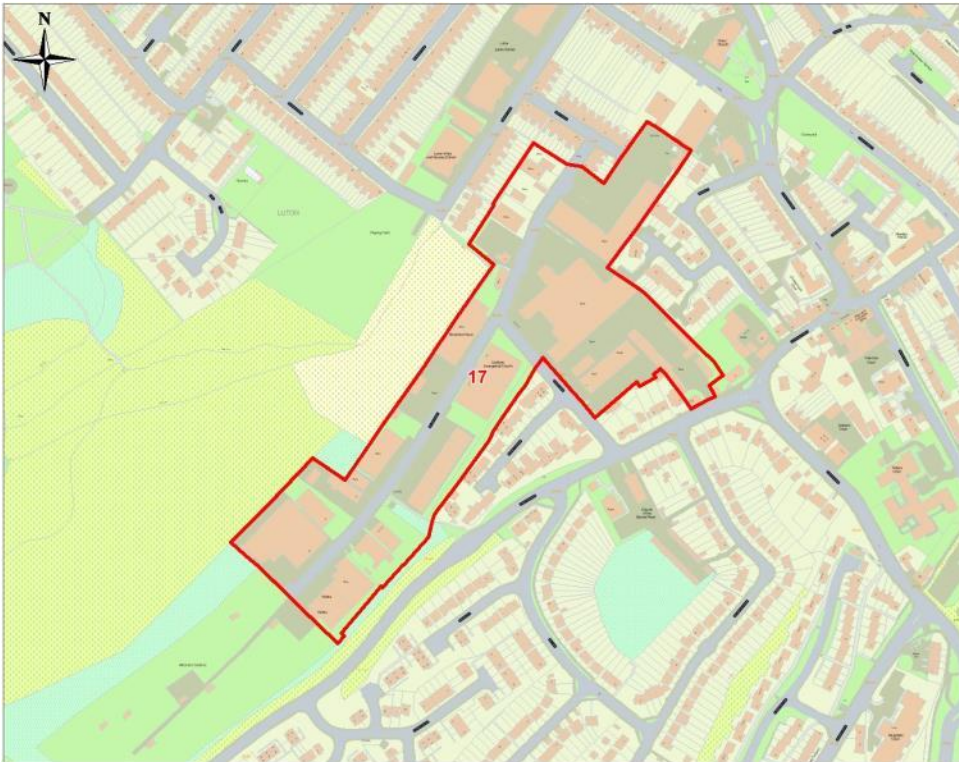
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Existing Site - 17
Second Avenue, Luton

Key

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Existing Site - 20
Hopewell Drive, Luton

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Existing Site - 21
Formby Road, Halling

Key

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Existing Site - 22
Laker Road Industrial Estate

Key

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**Existing Site - 24
Elm Court**

Key

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**Existing Site - 25
Bloors Lane, Rainham**

Key

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Existing Site - 25
Bloors Lane, Rainham

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Existing Site
Cuxton Road, Strood

- Key**
- Existing Employment Site
 - Proposed Employment Site

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Existing Site
Temple Industrial Estate,
Strood

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Existing Site
Medway Valley Park
Industrial Estate, Strood

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Existing Site
Jenkins Dale, Chatham

Key

- Existing Employment Site
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Existing Site
Cuxton Industrial Estate,
Cuxton

Key

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Existing Site
Fenn Street Industrial Estate, Hoo

Key
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Existing Site
Castle View, Rochester

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Existing Site
Otterham Quay Lane,
Rainham

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Proposed Site - 3
Former Depot, Otterham
Quay Lane

- Key
- Proposed Employment Site
 - Existing Employment Site

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Existing Site
Fort Horsted, Chatham

Key

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Existing Site - 12
Railway Street Industrial Park

Key

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Existing Site
Commercial Road, Strood

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Existing Site
Lordswood Industrial Estate,
Chatham

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Existing Site
Thameside Industrial
Estate, Cliffe

- Key**
- Existing Employment Site
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Lodge Hill Site

