



FEBRUARY  
2024

# Employment Land Provision at Paddock Wood

## Policy STR/SS1

Iceni Projects Limited on behalf of  
Wrenbridge and Lambert and  
Foster

February 2024

ICENI PROJECTS LIMITED  
ON BEHALF OF  
WRENBRIDGE AND  
LAMBERT AND FOSTER

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Employment Land Provision at  
Paddock Wood  
POLICY STR/SS1

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# 1. INTRODUCTION

- 1.1 Icení Projects has prepared these representations in respect of Keylands Farm, Paddock Wood, in response to the Council's consultation on its response to the Inspectors Initial Findings following examination of the Tunbridge Wells Local Plan in the Summer 2022. The representations in submitted on behalf of Wrenbridge and Lambert and Foster who together are promoting Keylands Farm with the intention to develop this site for employment purposes.
- 1.2 These representations focus on the changes proposed to **Policy STR/SS1 'The Strategy for Paddock Wood including land at East Capel'**, specifically in relation to the proposals for the northern parcel for employment uses. It sets out why **the proposed removal of Keylands Farm as an allocated employment site from the Plan submitted for examination is not justified and is therefore unsound.**
- 1.3 This report considers the balance of housing and employment provision at Paddock Wood in response to the proposed changes to the strategic allocation. It considers the local economy and particularly the provision of employment land proposed; and how this correlated with the Plan's objectives and scenarios for the scale of residential growth proposed in a sustainable manner.
- 1.4 The report has been led by Icení's specialist Economics Team which brings extensive experience of advising local planning authorities across England on employment land needs. Icení has also worked with the Council on the housing evidence for the Local Plan.
- 1.5 The Report draws on the Council's existing evidence – in particular the 2016 Economic Needs Study (CD3.25), the Paddock Wood Economic Opportunities Report (CD3.66b), and the Review of Housing Needs report (CD3.75); alongside the Employment Land Provision at Paddock Wood Report (October 2023) which is published as part of this consultation (PS\_045). Selected supplementary analysis is then included to address specifically the balance between housing and employment land at Paddock Wood.

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## 2. THE STRATEGY IN THE DRAFT SUBMISSION LOCAL PLAN

- 2.1 Tunbridge Wells Borough Council (TWBC) submitted its Local Plan for Examination in November 2021. The draft Plan in Policy STR 1 made provision for 12,204 dwellings and 14 ha of employment land for the plan period from 2020-38.
- 2.2 Paddock Wood is one of the key established employment areas within Tunbridge Wells Borough. Land to the north of the railway line is a designated Key Employment Area, broadly comprising the industrial estates at Eldon Way and Transfesa Road. As noted in the Tunbridge Wells and Sevenoaks Employment Needs Study (2016), the stock is ageing and there is a shortfall in modern premises (Para. 7).

### Planned Growth at Paddock Wood

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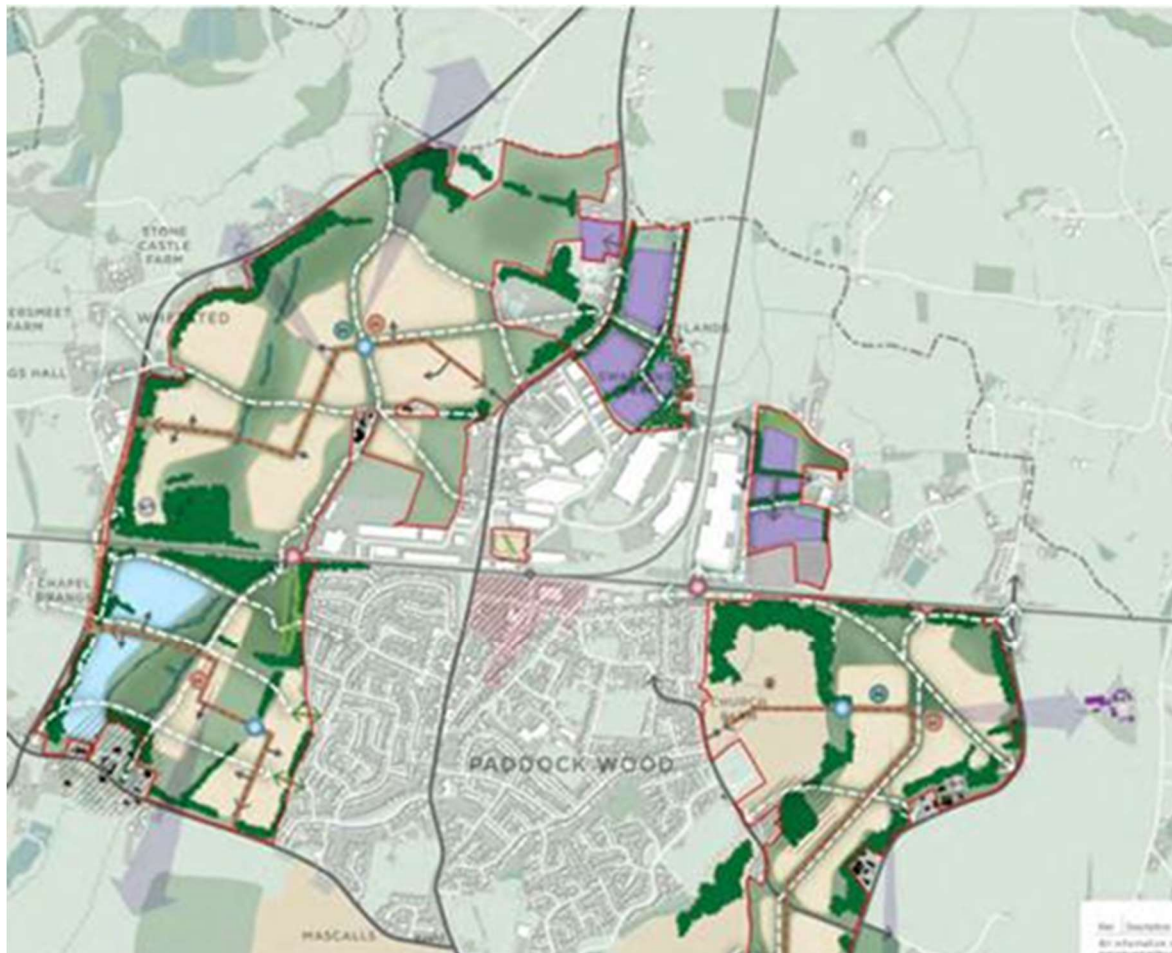
- 2.3 The Local Plan seeks to bring forwards “**transformational**” growth at Paddock Wood, as set out in its Submission Local Plan (‘SLP’). SLP Policy STR/SS1 provides 3,932 – 4,032 new homes over the plan period (Table 4); of which 3,500 new residential units<sup>1</sup> were proposed to the east and west of Paddock Wood, to be delivered using garden settlement principles, along with other education and community uses. This is in addition to the residential allocations in the 2016 Site Allocations DPD (‘SALP’). Alongside this, the Policy plans for 11.2 hectares of employment floorspace (Class B2, B8 and E(G)).
- 2.4 The Plan identified the expansion of Paddock Wood and east Capel as providing a once-in-a-generation opportunity to address deficiencies in service provision, mobility and flooding infrastructure; revitalise its Town Centre; enhance its economy through delivery of new high quality employment premises; and deliver new health, supports and green infrastructure. The Plan would help establish and reinforce the town’s role as a key business location for the brough (Para 5.184). New employment land was envisaged to facilitate business growth in part; but also provide replacement provision which enabled key sites adjacent to the town centre to be redeveloped for alternative uses – both adjacent to the railway but also potentially at Eldon Way (Para 5.184). The Plan aimed to improve the economic self-sufficiency of the settlement (Para 5.1857).
- 2.5 The growth around Paddock Wood has been masterplanned by David Lock Associates (Strategic Sites Infrastructure and Masterplanning Study 2021, CD3.66) and the resultant Structure Plan forms

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<sup>1</sup> 3,490 – 3,590 homes

part of Policy STR/SS1. This provides a broad framework to which Policy STR/SS1 is based and shows the proposed location for additional employment land in purple.

**Figure 2.1: Paddock Wood Structure Plan**



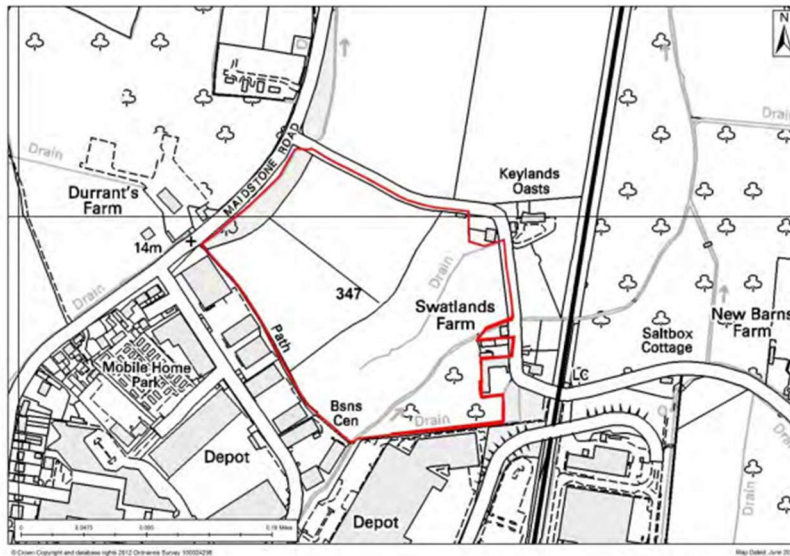
2.6 Policy STR/SS1 provides significant new land for a mix of employment uses on sites to the north and south of Lucks Lane, and to the east of Transfesa Road. These are incorporated into a redefined Key Employment Area for Paddock Wood. A requirement of policy is to ensure, in line with the aspirations to expand Paddock Wood on garden settlement principles, that the new employment areas should include walkable links from the new neighbourhoods, and this is directed to parcels to the north of Paddock Wood.

2.7 The three key parcels for employment provision, referred to in Policy STR/SS1 including:

1. Swatlands Farm
2. Keylands Field; and
3. Land East of Transfesa Way.

- 2.8 The SLP assumes that Swatlands and Keylands combined will provides around 4.6 ha of net developable employment floorspace; and Land East of Transfesa Way will provide 7.3 ha (net developable). Together, this totals 11.2 ha as identified in Table 5 in the Plan.
- 2.9 Swatlands and Keylands are located to the east of Maidstone Road, and are connected in so far as they are located adjacent to each other; Swatlands to the south of Lucks Lane and Keylands to the north. At one time the sites were promoted as one development parcel. The high level masterplan, which was prepared by DLA, looked at both sites together to provide principles to be considered across both sites to provide a holistic development.
- 2.10 It is noted, that in the SHELAA site assessments (CD3.77 - Sites 340 and 347) for the abovementioned parcels all conclude that this are suitable for employment development as they *“would form a logical extension to a key employment area”*.
- 2.11 We consider and profile each of the proposed employment allocations below.

### Swatlands Farm



- 2.12 Swatlands Farm, a c. 8.5 ha greenfield site in agricultural use. **Outline planning permission was granted on 12 January 2023 for c.20,000 sqm employment floorspace at Swatlands Farm** (LPA Ref. 22/01929/OUT). The applicant is Gallagher Group.
- 2.13 As set out in the application submission, the scheme was developed in line with the aspirations of the SLP and the principles as set out in the masterplanning work.
- 2.14 This permission came forward ahead of the Local Plan adoption, with Officer recommendation endorsed by Members. In the Committee Report, it was considered the:

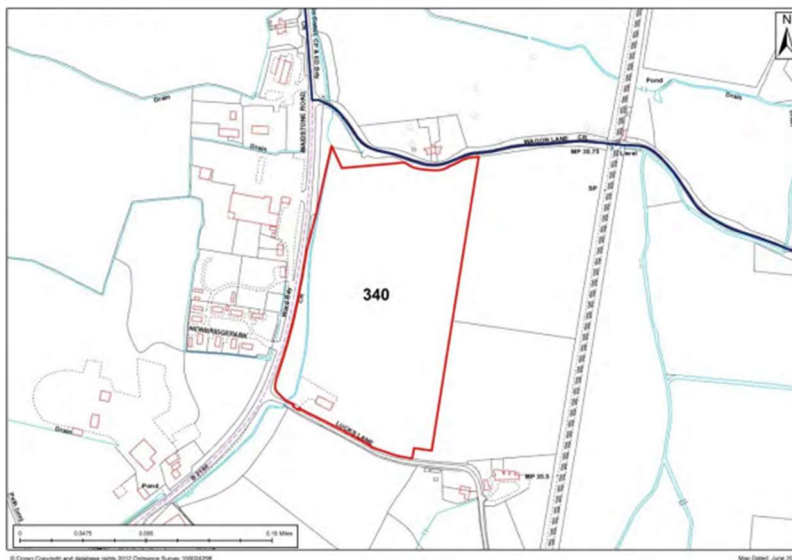
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*“granting of permission would not be considered to undermine the plan-making process due to the site being allocated within the Submission Local Plan and as discussed earlier in the appraisal section, being in accordance with the relevant policy requirements and aspirations. It is also noted that the evidence base which underpins the Submission Local Plan identifies a need for additional employment floorspace in the borough and that the proposed development would significantly contribute to meeting the boroughs needs in this regard”.*

- 2.15 The delivery of Swatlands is reliant on significant highway works to widen Lucks Lane. This is a highway mitigation which unlocks both Swatlands and Keylands for employment growth, and as noted in the Sweco Transport Assessment, this wider mitigation is required to accommodate growth elsewhere in the Borough.
- 2.16 It was anticipated at plan making stage that development at both Swatlands and Keylands would contribute to the cost of providing the widening of Lucks Lane. With Swatlands coming forward first, a specific clause is included within the Swatlands S106 that offsets this highway cost from the active travel contribution with the intention that the Keylands development would provide in excess of the required contribution to recoup the shortfall.

### **Keylands Farm**

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- 2.17 Keylands Field is a greenfield site, located to the north of Paddock Wood. It is c. 6 ha in size, in agricultural use. Lambert and Foster has been actively promoting this site through the Local Plan process.
- 2.18 The site has interest from Wrenbridge, and established developer of industrial developments, who is keen to bring forward development on this site and submitting these representations. Pre-application discussions have taken place with TWBC on this site.



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## Land East of Transfesa Way

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- 2.19 This site is located to the east of Transfesa Industrial Estate, and it is understood that is limited discussions regarding its delivery. Access would need to be established from this location, and we understand development in this location would need to provide for fairly significant contributions to Network Rail to improve the unmanned railway crossing in response to the increase in vehicular traffic.
- 2.20 It is our view that of the three employment sites included within Policy STR/SS1, there are some notable question marks over the delivery of this parcel. Key questions must therefore be raised regarding its deliverability; and access arrangements to the site are complex.

## Paddock Wood Key Employment Area

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- 2.21 The evidence base which underpins the SLP recognises that the Paddock Wood KEA is operating successfully. The 2016 Economic Needs Study (CD3.25), was prepared before the Council recommended that a significant amount of the borough's employment growth should be directed to Paddock Wood.
- 2.22 The ENS concluded that there was potential expansion of a number of Key Employment Areas, including Paddock Wood, with suitable land adjacent to Maidstone Road, Paddock Wood. This recommendation was made notwithstanding the significant amount of housing now proposed around Paddock Wood.
- 2.23 The SLP intends to expand the KEA around Paddock Wood northward to include both Swatlands and Keylands, and to the site to the east of Transfesa Way (as detailed above).

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- 2.24 However, **the Plan also looks to remove part of the KEA which currently covers land to the immediately to the north the railway line.** The intentions for this are made clear in the supporting text to Policy STR/SS1. Para. 5.187 states that:

*“It is expected that some of this additional employment provision will free up some existing employment units adjacent to the railway on the edge of the town centre from businesses that might relocate. This will provide an opportunity for key sites adjacent to the town centre to be delivered for a residential-led, mixed use scheme. Whilst it is not anticipated that the industrial units at Eldon Way, to the north west of the town centre, adjacent to the railway line, will become available over the plan period, if suitable alternative employment premises are identified, residential uses would be supported in principle in this location subject to other policies in the Plan”.*



- 2.25 With the growth proposed to the northwest of Paddock Wood, linkages between the proposed new allocations from the railway line to the north are key to ensuring a successful, sustainable location. Within the SLP, the Council was keen to bring forward more welcoming and active developments to the north of the railway line, to create a more welcoming sense of place and create more attractive linkages. This is clear from the Town Centre Masterplan prepared by DLA; to help to support the successful delivery of the strategic growth.

### **Flood Risk Matters**

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- 2.26 The NPPF, Chapter 14, Paragraphs 165-175, concern planning and flood risk, to inform both Plan making and the determination of planning applications. Amplification of NPPF policy is provided in the supporting Planning Practice Guidance (PPG) on planning and flood risk.
- 2.27 The overarching aim of national planning guidance is to direct inappropriate development in areas at risk of flooding away from areas at highest risk (whether existing or future) where possible. Where

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development is necessary in such areas, the development should be made safe for its lifetime without increasing flood risk elsewhere (NPPF, para. 165).

2.28 In terms of Plan making, the NPPF (para. 167) requires plans to apply a sequential risk based approach to the location of development, so to avoid, where possible, flood risk to people and property. To do this, Plans should:

- apply the sequential test and then, if necessary, the exception test;
- safeguard land from development that is required, or likely to be required, for current or future flood management;
- using opportunities provided by new development and improvements in green and other infrastructure to reduce the causes and impacts of flooding (making as much use as possible of natural flood management techniques as part of an integrated approach to flood risk management); and
- where climate change is expected to increase flood risk so that some existing development may not be sustainable in the long-term, seeking opportunities to relocate development, including housing, to more sustainable locations.

2.29 It is noted that the employment allocations in Paddock Wood are located in flood zones 2 and 3.

2.30 With regard to the sequential test, the Strategic Housing and Employment Land Availability Assessment (cd 3.77) provides a detailed summary of the sites which were put forward for consideration as part of the Local Plan. This includes a large number of sites within Paddock Wood. These have been assessed in detail by the Council in terms of their suitability, availability and deliverability.

2.31 A number of sites were considered suitable for form part of the strategic allocation around Paddock Wood, and this was masterplanned accordingly by DLA, who took an ownership blind approach.

2.32 No other sites were considered suitable for allocation for employment purposes, or development, notwithstanding that to be commercially attractive, this needs to be located close to the main road network and accessible from the station. In our view **the sequential test has been passed.**

2.33 It is noted, in the Statement of Common Grounds signed by both the Environmental Agency and KCC (as LLFA) with TWBC that **the EA considered development in flood risk terms is acceptable on these sites for employment purposes, assuming appropriate flood mitigation could be identified.**

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2.34 In this respect we note, as set out in the PPG, that **employment uses are a less vulnerable use which are suitable for development in Flood Zones 2 and 3** subject to compliance with the sequential test.

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### 3. THE PADDOCK WOOD ECONOMY

3.1 The Paddock Wood Economic Opportunities Report (CD3.66a) provides an overview of the Paddock Wood economy. It identifies key strengths of the sub-regional economy in knowledge-intensive sectors including information and communications; and professional, scientific and technical activities.

3.2 For Paddock Wood more specifically, the Economic Opportunities Report suggests:

- Paddock Wood benefits from **strong transport links** by rail but also its good road links and access the M26 Junction 2a.
- The town has a relatively low-skilled workforce, with a low incidence of residents with degree-level (Level 4+) qualifications;
- Sector strengths, based on the Location Quotient (LQ) analysis in industrial activities, including wholesale/retail, motor trades and transport/storage, with **industrial land provision therefore being key to the nature of the town's economy**. Analysis of trends in enterprises however identified number of sectors where the business base is growing (Para 3.19) which include broader higher-value activities including professional, scientific and technical activities; construction; and business administration and support. These sectors were also shown to have seen growing employment. However, the report did express some concern over the reliance of the local economy on key sectors.
- A working-age population and employment levels which had both been falling. Evidently however residential growth will help to address this moving forward; and **residential growth will help support growth in Paddock Wood's workforce**.
- **Constraints on employment land supply**, whereby the 2016 Site Allocation Plan had not allocated any further employment land at Paddock Wood; and the commercial analysis in the report identified a well-established industrial market, but identified just **1 year's supply of industrial space** relative to historical take-up (Para 3.44). It advised that employment land provision should see to support delivery of R&D and industrial space, not just B8 warehousing/distribution. No new employment land has come forwards in the town in recent years.
- A town centre offer which was relatively functional, with a clear need for diversification and regeneration of the Town Centre. Residential growth is clearly important in supporting this and providing the opportunity for **sustainable town centre regeneration**. Equally we would comment that the working population in the daytime is important in supporting the Town Centre.

- 3.3 The Plan’s aspirations are to improve the sustainability of Paddock Wood, delivering new homes, jobs and infrastructure (and recognising that these support one another). The Plan’s vision envisages significant improvements in local employment and identifies the potential for major transformational expansion.
- 3.4 IcenI would note that whilst the impression given by the Economic Opportunities Report is one of net out-commuting from Paddock Wood, that doesn’t appear to be the case. Adopting a consistent approach to that Report, IcenI has undertaken selected analysis using the new 2021 Census data for the middle level SOA (E02005162) which includes Paddock Wood.
- 3.5 Our analysis using the Census data, as shown below, indicates that **there is a broad balance between jobs in the Paddock Wood area and the size of the workforce / residents in work, meaning that there is not significant in/out commuting in net terms.** It is sensible to plan on the basis of maintaining this balance.

**Table 3.1 Balance of Jobs and Workforce in Paddock Wood, 2021**

	Paddock Wood (E02005162)
BRES Employment	5,390
Total residents in work	5,198
Unemployment	164
Total Workforce	5,362
Ratio Jobs to Workforce	1.01

Source: 2021 Census

- 3.6 Growing the scale of the town and its employment base provides the opportunity to increase the range and number of employment opportunities, which can help to reduce the need to travel and increase self-containment of commuting trips. Doing so has wider impacts in reducing energy use, addressing congestion and air quality concerns, and supporting increased use of travel by sustainable modes (including walking and cycling).
- 3.7 We have next sought to appraise the profile of employment in Paddock Wood. The ONS Business Register & Employment Survey (BRES) profiles employment based on where people work.

Table 3.2 Profile of Employment – Paddock Wood (E02005162)

		Employment, 2021	
<b>Total Employment (BRES)</b>		<b>5,390</b>	<b>100%</b>
<b>Industrial</b>	Manufacturing	450	8.3%
	Construction	350	6.5%
	Motor Trades	250	4.6%
	Wholesale	1,000	18.6%
	Transport & Storage	400	7.4%
	<b>Sub-Total</b>	<b>2,450</b>	<b>45.5%</b>
<b>Office</b>	Info & Communications	75	1.4%
	Financial & Insurance	75	1.4%
	Property	100	1.9%
	Professional, Scientific & Technical	300	5.6%
	Business Admin & Support	500	9.3%
	<b>Sub-Total</b>	<b>1,050</b>	<b>19.5%</b>
<b>Public Services</b>	Public Admin & Defence	35	0.6%
	Education	400	7.4%
	Health	500	9.3%
	<b>Sub-Total</b>	<b>935</b>	<b>17.3%</b>
<b>Retail &amp; Leisure</b>	Retail	700	13.0%
	Accommodation & Food	125	2.3%
	Arts, Entertainment, Recreation	125	2.3%
	<b>Sub-Total</b>	<b>950</b>	<b>17.6%</b>

Source: ONS Business Register & Employment Survey (BRES)

- 3.8 It shows that employment in industrial activities is the largest broad sector grouping in the Paddock Wood area, accounting for 46% of employment. If the 19.5% employed in office-based activities is also included, broadly 65% of employment currently is in what are known as ‘B-class sectors.’
- 3.9 In reality some of the office-based employment will be within home-based activities, and therefore a more likely assumption is that **around 55% of existing employment in Paddock Wood takes place on employment sites**. This provides a starting point for considering how much future employment might be expected to be associated with activities which take place on ‘employment sites.’
- 3.10 In respect of skills, the 2021 Census confirms that the skills profile is not as strong as is the case across the Borough more widely, with a lower proportion of Level 4+ (degree level) qualifications. The profile is more similar to that across Kent. However **residential growth at Paddock Wood provides a key opportunity to broaden the skills profile**.

**Table 3.3 Qualifications Profile, 2021**

% Usual Residents 16+	Paddock Wood (E02005162)	Tunbridge Wells	Kent	South East
Level 1	11.4%	8.7%	10.8%	9.8%
Level 2	15.9%	14.5%	14.9%	13.9%
Apprenticeship	5.4%	4.2%	5.6%	5.1%
Level 3	17.8%	15.6%	17.4%	17.4%
Level 4+	29.2%	41.1%	30.5%	35.8%
Other Qualifications	2.7%	2.5%	2.9%	2.7%

Source: 2021 Census

- 3.11 In terms of the commercial market, CoStar data continues to point to a tight market for commercial space locally. Our analysis for the Paddock Wood area shows a 2.0% vacancy rate for industrial space, which is well below the 7.5% we might expect to allow for turnover in a properly functioning market. Office vacancy levels stand at 1.3%. It is evident that the lack of new-build space being brought forward will likely have constrained the potential for business investment and expansion.
- 3.12 Industrial rents have grown from c. £7.00 per square foot in 2018 to £8.70 psf pointing to significant rental growth and a supply/demand imbalance for industrial uses. Office rents have been more stable, and are generally insufficient to support speculative development.



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## 4. INSPECTOR'S INITIAL FINDINGS LETTER

- 4.1 Following the closing of the Examination in July 2023, the Inspector sent his initial findings to TWBC in November 2022 (ID-012).
- 4.2 With regard to the growth around Paddock Wood, the Inspector broadly agreed with the proposals to focus growth in this location. The Inspector agreed that the allocated parcel does not automatically need to be discounted because it contains different flood zones (para. 47), but considered at the time of Examination insufficient information has been provided by the Council to justify the inclusion of the employment uses in the northern parcel; and the discounting of Option 3 for development on the western parcel which removed any development from the Flood zone 2 and 3 as existing. In his view, a lesser amount of development on the western parcel could be delivered and would be a "reasonable alternative".
- 4.3 His conclusions indicated that insufficient information had been provided to justify the allocation of land at risk of flooding and the western parcel of land could be brought forward in a way that avoids new housing in areas at risk, which he cites is "the purpose of the sequential test". He found that the location of new housing, community and employment uses in areas at higher risk of flooding is not justified by the current evidence.

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## 5. THE COUNCIL'S RESPONSE

- 5.1 In response to the Inspector's Initial Findings, the Council is proposing a number of amendments to the strategy for growth at Paddock Wood, including land in east Capel (Policy STR/SS1), as set out in the accompanying evidence to this consultation.
- 5.2 The principal changes to the Policy approach stem from the Inspector's comments that he has not seen evidence that justifies the inclusion of land within flood zones 2 and 3, and accordingly there is a "reasonable alternative" to accommodating growth in Paddock Wood which doesn't result in development in areas at risk of flooding.
- 5.3 To inform its response to the Local Plan, the Council has undertaken additional flood modelling and masterplanning work. We are not looking to scrutinise the flood modelling or masterplanning at this at this time. Indeed, we do not consider it affects the comments made in this report or change our conclusions.

### **Proposed Changes to Policy STR/SS1**

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- 5.4 Following the Inspector's Initial Report, and the additional evidence base work, the Council is proposing the:
- reduction in number of homes from c. 3,500 homes in east and west Paddock Wood to c 2,500 dwellings – a reduction of c. 30%;
  - removal of part of the employment land allocation within the wider strategic allocation, reducing the employment land to be delivered alongside the growth at Paddock Wood to just 8ha. The parcel to be removed is Keylands Farm; and
  - necessary amendments to the identified Key Employment Areas to reflect the changes to the employment allocation, including the reintroduction of the KEA to the north of the railway line.
- 5.5 The next section of the report provides an approach to calculating employment needs based on the proposed reduction in housing growth, following which we identify why the approach to employment land as proposed through the amended policy for Paddock Wood and east Capel is unsound.

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## 6. BALANCING HOMES & JOBS

6.1 This section of the report moves on to model the employment land needs at Paddock Wood on the basis of seeking to balance the provision of homes and jobs. The modelling approach uses a labour supply-led approach, which is supported by Government's Planning Practice Guidance.<sup>2</sup> An overview of the modelling approach is set out below.

**Table 6.1 Overview of Approach to Balancing Homes & Jobs**



### **Scenarios for Housing Growth at Paddock Wood**

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6.2 To consider scenarios for housing growth at Paddock Wood over the plan period, we need to consider **both existing commitments and potential allocations**. The core issue in terms of jobs/homes balance is the overall scale of growth.

6.3 Paddock Wood has seen a number of recent housing developments around the town, which has seen over 1,000 dwellings be constructed (in addition to the growth planned in the SLP). This includes:

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<sup>2</sup> ID: 2a-027-20190220

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- **Church Farm** - located to the east of Paddock Wood. Permission has been granted for 360 units (60 are accounted for within Policy STR/SS1<sup>3</sup>). The site is being developed by Countryside. As set out in the Council's Five Year Housing Land Supply Statement (2022), the residual 300 dwellings are expected to be delivered over this plan period.
  - **Mascalls Court Farm** - located to the southeast of Paddock Wood. Planning permission has been granted for 375 units and the site is being delivered by Persimmon Homes. The first Phase provided for 175 units, with Phases 2 and 3 providing for the residual 200. 96 of the 175 units have been delivered before the plan period. This site should therefore deliver 279 dwellings over the plan period.
  - **Mascalls Farm** - located to the south of Paddock Wood, and will deliver 413 dwellings. The development is being delivered by Berkeley Homes. These homes will be delivered over the Plan period.

6.4 As detailed in the Council's most recent Five Year Housing Land Supply Statement (October 2022), it is anticipated that all of these dwellings will be delivered over the Plan period. Excluding the 60 dwellings at Church Farm which fall under Policy STR/SS1 this equates to 992 units.

6.5 In addition, other commitments within the Town as identified in the 2022 Housing Land Supply Statement are expected to deliver over 100 additional dwellings. In total there are therefore 1,090 homes (rounded) to be delivered from existing commitments (as separate to the numbers associated with strategic growth).

6.6 Following receipt of the Inspector's Initial Findings, the Council has undertaken additional masterplanning and flood modelling work. This has reduced the proposed level of residential development within the Paddock Wood and Capel strategic allocation to between 2,374-2,532 dwelling, with a midpoint of 2,453 dwellings.

6.7 We have therefore modelled all three growth scenarios, with the commitments at Paddock Wood added alongside. Scenario A is the lower end of the range (3,137 dwellings), Scenario B the higher end (3,295 dwellings) and Scenario C the midpoint (3,216dwellings) which is the key scenario taken forwards by the Council.

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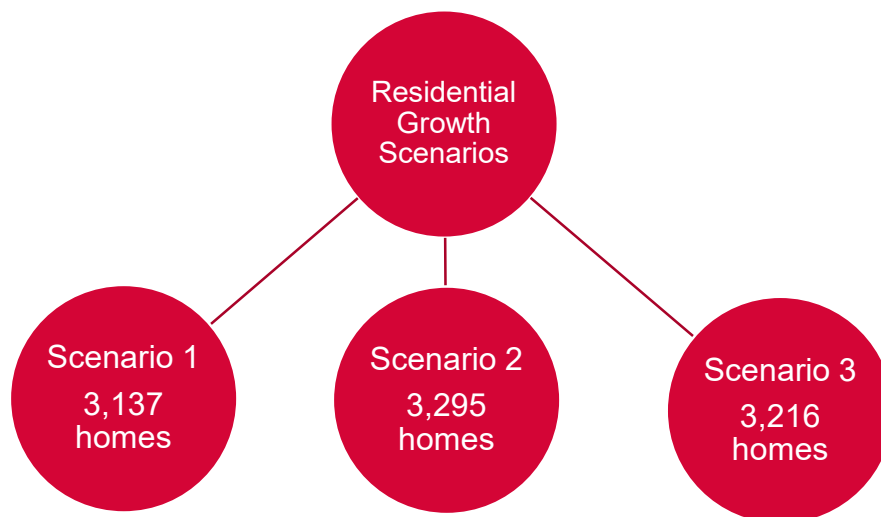
<sup>3</sup> 60 dwellings relate to application 21/01862/FULL

**Table 6.2 Residential Growth Scenarios for Paddock Wood**

Scenario	A	B	C
Commitments	1090	1090	1090
Strategic Growth	2472	2596	2534
<b>Total Growth</b>	<b>3137</b>	<b>3295</b>	<b>3216</b>

6.8 The Council has reduced its plan period to 10 years. However this is not of specific relevance to the consideration of the homes/jobs balance. The important factor is the scale of residential growth envisaged at Paddock Wood and the alignment of this with employment land provision.

**Figure 4.1: Residential Growth Scenarios at Paddock Wood**



**Workforce Growth at Paddock Wood**

6.9 We next need to consider how many homes each of the growth scenarios would deliver. To do so, Icení has drawn on the Local Plan’s housing needs evidence as set out in the Review of Housing Needs (CD3.75). Chapter 8 in that report considers ‘the Link between Housing and Economic Growth.’

6.10 The Report sets out in Table 8.2 that the plan requirement, of 872 dwellings per annum (dpa) would support growth in the economically active population of 9,508 persons between 2020-37.

6.11 In Paragraph 8.11 it then considers double jobbing, with 4.2% of people holding down more than one job. Thus, the ratio of jobs to people was 0.958 (Para 8.12).

- 6.12 We can use this to calculate that, having regard to Tunbridge Wells' demographics, 0.86 additional jobs are supported for every home (or 86 jobs for each 100 homes delivered). This ratio is slightly higher than the 0.82 ratio used by the Council as it takes into account that a proportion of people will have more than one job – consistent with the Council's housing needs evidence.

**Table 6.3 Jobs per Home Calculation**

A	Homes per year	678
B	Homes, 2020-37 (A x 17)	11526
C	Growth in Economically Active Population	9508
D	Ratio jobs to people (C/D)	0.958
E	Job growth supported	9925
<b>F</b>	<b>Jobs per home (B/E)</b>	<b>0.86</b>

- 6.13 Next, this ratio can then be applied to the scenarios for housing growth to calculate the level of employment which would be supported. We can also calculate the relationship between total and Full-time Equivalent (FTE) jobs. FTE jobs are used as the employment densities in the Council's Economic Needs Study uses this measure.
- 6.14 The Economic Needs Study (CD3.25) indicated 10,632 total jobs would be created over the 2013-35 period (Table 8.1) and then calculated that this would correspond to 9,732 FTE jobs (Table 8.4). This generates a ratio of FTE to total employment of 0.915.
- 6.15 The table below therefore takes the scenarios for housing growth, then applies the ratios for jobs per home and then converts total to FTE jobs.

**Table 6.4 Calculating Employment Growth associated with the Housing Growth Scenarios for Paddock Wood**

Scenario	A	B	C
Housing provision at Paddock Wood	3,137	3295	3216
Jobs-to-homes ratio	0.86	0.86	0.86
Jobs supported	2701	2837	2769
Total Jobs to FTE ratio	0.915	0.915	0.915
FTE Jobs supported	2472	2596	2534

- 6.16 No specific allowance for net commuting is justified based on the evidence that a broad balance exists now (as shown by the analysis in Section 3). It is appropriate to seek to maintain a balance between jobs and residents in work moving forwards to minimise the need to travel.

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## Calculating B-Class Needs

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- 6.17 To calculate the proportion of employment which might be expected to relate to ‘employment sites’, we have first considered the existing situation – which reflects the nature of the local economy in Paddock Wood. Our analysis in Section 3 showed that 65% of existing jobs took place in what might be termed ‘B-class’ sectors, but that taking account of home-based working it might be reasonable to assume 55% of jobs were associated with B-class employment land.
- 6.18 We have next cross-referenced this to the 2016 Economic Needs Assessment (CD3.25). This includes forecasts for future employment growth in the Borough’s economy as a whole. It showed in Table 8.5 that 50% of future growth in FTE jobs across Tunbridge Wells Borough was expected to take place in B-class uses, albeit more focused to office-based activities.
- 6.19 Taking a cautious approach, we have assumed that 50% of jobs take place on B-class employment sites. Given the nature of the local economy, this could be higher; but this assumption takes account of the potential for a proportion off people working in B-class sectors to work from home.
- 6.20 The next question relates to the assumed average employment density. Icenl has used CoStar to calculate the existing level of employment floorspace at Paddock Wood. CoStar shows that as of 2023, there is 145,000 sq.m of industrial space (1.6 million sq.ft) together with a modest 5,500 sq.m (60,000 sq.ft) of office space. This can be compared to our estimates of B-class jobs (as considered in Section 3).
- 6.21 The analysis points to **the average density of employment space in Paddock Wood being 55 sq.m per FTE job**. Cross-referencing this against the Economic Needs Study (CD3.25), this is consistent with the average jobs density for R&D activities, and sits between those for industrial uses (45 sq.m per FTE jobs) and warehousing (74 sq.m per job).

**Table 6.5 Calculating Average Employment Density in Paddock Wood**

	Paddock Wood (E02005162)
Total Jobs in Paddock Wood, 2021	5,390
Estimated B-Class Jobs @ 55%	2,965
Estimated B-Class FTE Jobs	2713
Commercial Floorspace, 2021	150,500
Average Employment Density (sq.m per FTE job)	55

- 6.22 As the Economic Opportunities Report sets out, it is likely that future employment floorspace delivery will focus on industrial space (rather than offices). The above average density is therefore considered reasonable for modelling purposes, and consistent with the local evidence. This does not imply that

higher value activities including office and R&D cannot be accommodated on the employment land allocated.

6.23 We have therefore applied these modelling assumptions to the scenarios for housing growth. We assume:

- 50% of future jobs growth takes place on B-class employment sites;
- An average employment density of 55 sq.m per job;
- An average plot ratio of 0.4, consistent with the Council's evidence in CD3.25.

6.24 The results of the modelling are shown below. **The modelling indicates a need for between 17.0 – 17.8 ha of employment land would be needed to align with the scenarios for residential growth.** The figures relate to the net developable area.

**Table 6.6 Additional Employment Land needed at Paddock Wood to support Residential Growth**

Scenario	A	B	C
FTE Jobs supported	2472	2596	2534
% B-class	50%	50%	50%
Estimated B-class Jobs	1236	1298	1267
Average employment density	55	55	55
<b>Employment floorspace needed (sq.m)</b>	<b>67,969</b>	<b>71,393</b>	<b>69,681</b>
Plot Ratio	0.4	0.4	0.4
<b>Additional employment land needed (ha)</b>	<b>17.0</b>	<b>17.8</b>	<b>17.4</b>

6.25 The need shown is higher than the need identified in the Economic Needs Study, which identified a need for at least 14 ha of land Borough-wide, as the modelling herein assumes that the employment land delivered is focused more towards industrial uses (rather than offices) reflecting the nature of the Paddock Wood economy and demand profile. This is consistent with the findings of the Paddock Wood Economic Opportunity Study. In contrast, the Borough-wide Study modelling was driven in particular by forecast growth in office-based sectors; and did not specifically consider or make quantitative provision for providing for modern commercial floorspace for industrial/ manufacturing activities.

6.26 The conclusions set out are based on seeking to balance provision of homes and jobs. The Local Plan's proposed provision for 8.5 ha of employment land at Paddock Wood falls below the need identified. This highlights that there is no evidential basis for reducing the quantum of employment land to be allocated through the Local Plan.



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6.27 The effect of the lower level of employment land provision would be to potentially limit the scope for economic growth and could result in increased out-commuting from Paddock Wood. It would not provide for sustainable development on garden settlement principles as sought through the transformational expansion of Paddock Wood.

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## 7. APPROACH TO EMPLOYMENT PROVISION IN PADDOCK WOOD

### Council's Approach to Employment Need in Paddock Wood

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- 7.1 The Council's approach to employment need at Paddock Wood is set out in a separate Paper: Employment Land Provision at Paddock Wood, October 2023 (P\_045). This Paper helpfully sets out how the Council has determined which sites to retain in the STR/SS1 allocation in light of the Inspector's Initial Findings.
- 7.2 In light of the reduction in the number of homes at Paddock Wood now proposed, the Council has sought to determine the required level of employment floorspace to be delivered alongside the housing growth. Through the application of two approaches (one simply a proportionate reduction, and the other demographically led), the Council has determined as a minimum baseline it should be providing 8ha but to provide for a likely increase in the local labour-force arising from housing growth, between 10.65- 11.7ha should be planned i.e. a similar amount to that proposed in the SLP. The methodology to this is set out in Appendix A of the Paper
- 7.3 As noted by the Council (para. 5.8, PD\_045), this higher figure includes the significant number of dwellings that are committed through planning permissions "but not yet built". We consider this is the correct approach; each of these schemes are being implemented and including in the Council's Five Year Housing Land Supply. This methodology also provides for the employment needs from new residents to be met in the town itself to provide a "self-contained town". This should be the starting point in our view for planning for a garden settlement and driving transformational growth in a truly sustainable manner for the future.

### Employment Need Position

- 7.4 The Council's (Appendix A) and Icen's modelling as set out in Section 6.0 use a similar approach. However, there are some key modelling assumptions which we would query:
- **Proportion of B-Class Jobs.** The Council has assumed 40% of jobs take place on B-class the Council's own Economic Needs Assessment (CD3.25); and the existing situation in Paddock Wood is of a higher proportion in relevant sectors reflecting the particular characteristics of the local economy (65%). The 40% figure which the Council uses is unrealistically low.
  - **Plot Ratio.** The Council's analysis uses a plot ratio of 0.5 based on a blended ratio for employment uses. However, there is not a market for town centre offices in Paddock Wood which might achieve plot ratios of 1.5 (noting that business park densities for offices are more commonly 0.3-0.4). Such development is unlikely to be viable. It is more realistic to expect a 0.4 ratio to be achieved.

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7.5 On this basis, we consider that a more realistic assessment of the need is for between 17-18 ha of space as set out in Section 6.0. The higher end of the Council's scale for need is therefore significantly underestimated, and the **10.65-11.7ha should be treated as an absolute minimum**. It is therefore disappointing to see the Council only seeking to meet provision for the 8ha of employment floorspace in Paddock Wood. There is clear justification for a higher amount, notwithstanding the flood constraints identified.

### **Meeting the Need**

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7.6 The Council has reviewed the available sites for employment uses within Paddock Wood to ensure compliance with the Sequential Test. We agree this is appropriate to do so. The selection of sites reviewed by the Council includes the sites allocated in the Submission Local Plan along with potential sites within the western parcel of Paddock Wood. **No additional sites have been identified, nor have any further sites been considered suitable or available for employment uses in Paddock Wood.**

7.7 As part of this exercise, the Council has decided to remove Swatlands and Keylands as an allocation: both include land in flood zones 2 and 3. This is due to the worsening of the flood position in terms of higher swathes of both sites falling within flood zone 3 Swatlands will instead be identified as a commitment, as it benefits from outline planning permission. These sites will not form part of the Key Employment Area, which is contrary to the advice in the Council's evidence base (ENA, CD3.25). The approach here in our view is muddled and ignores the approach facilitated by the sequential test as set out below. There is nothing in Policy which states employment uses cannot be located in flood zones 2 and 3 as long as the sequential test is passed.

7.8 The Council has retained Land East of Transfesa Way, which falls mostly in Flood Zone 2. This is despite the deliverability concerns we highlight in Section 2.

7.9 This results in the employment supply for Paddock Wood being just 8ha. The minimum baseline identified by the Council in its updated evidence base and the very lower end of the Council's identified requirements ; a figure which in our view is significantly underestimated when looking at the employment needs for Paddock Wood as a whole.

7.10 Given the level of acknowledged need, and the sites which are available, it is confusing as to why the Council has decided to remove Keylands Farm as an employment allocation. The purpose of the sequential test is to direct development to flood zone 1 in the first instance. Importantly, **it does not preclude development in flood zones 2 and 3 if there are no reasonable alternatives**. The Council has demonstrated that this is the case and we agree with the conclusions reached in terms of there not being any additional sites. Accordingly, as long as development can be made acceptable

in flood risk terms, the council has demonstrated that the allocation of Keylands Farm complies with the sequential test and **its removal as an allocation is not justified**.

7.11 Whilst not relevant to the application of the sequential test, it is prudent to also note that Swatlands Farm, which has planning permission, has a similar context in flood risk terms. The Council notes at para. 6.19 (PS\_045) that a suitable solution has been identified in drainage terms and development can proceed safely.

7.12 Indeed, employment uses (less vulnerable use) are acceptable uses on Flood zones 2 and 3, as set out in Table 2 of the PPG, subject to compliance with the sequential test.

**Table 2 : Planning Practice Guidance**

**Table 2: Flood risk vulnerability and flood zone ‘incompatibility’**

Flood Zones	Flood Risk Vulnerability Classification				
	Essential infrastructure	Highly vulnerable	More vulnerable	Less vulnerable	Water compatible
Zone 1	✓	✓	✓	✓	✓
Zone 2	✓	Exception Test required	✓	✓	✓
Zone 3a †	Exception Test required †	X	Exception Test required	✓	✓
Zone 3b *	Exception Test required *	X	X	X	✓ *

Key:

✓ Exception test is not required

X Development should not be permitted

7.13 We note the inclusion of land at Transfesa Way. Whilst we note in flood risk terms a larger proportion of the site is sequentially preferable, its delivery is questioned as set out in Section 2. The redevelopment of this site will require significant infrastructure delivery, namely, upgrade to the Network Rail unmanned railway crossing. We therefore do not believe that this parcel is deliverable. However, even if the Council is confident, it can be, based on the level of need demonstrated we consider this site and Keylands Farm is required. The Council should be positively planning for growth at Paddock Wood, and looking to achieve a level of floorspace which will drive forward sustainable growth.

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- 7.14 There are no sequential preferable sites in flood risk terms for employment purposes in Paddock Wood. The Keylands Farm allocation adheres to the sequential test and the removal of this allocation is not justified by the application of the sequential test.

### **Key Employment Area Paddock Wood**

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- 7.15 The SLP proposed to remove the Key Employment Area (KEA) allocation on land immediately north of the railway line, in order to facilitate redevelopment for residential and mixed-use development. The intention of this is to provide a more permeable and attractive public realm and facilitate active travel movements from the Town Centre and railway station to the new housing areas in the northwest of Paddock Wood and to the employment area beyond. Indeed, it is understood by the Council that Barth Haus is available and the Council; through the SLP wanted this to be developed for residential purposes to move towards the long-term Vision for Paddock Wood.
- 7.16 We support this intention and agree that in planning for the “once in a generation”, “transformational” growth of the town, the policy framework needs to allow this to happen. It is therefore discouraging to see the Council retain the KEA on the land to the north to protect employment uses; this will act as a barrier to this vision. This again is not justified by the existing evidence base: both the ENA and Masterplanning and Infrastructure Study for Paddock Wood recognise the potential for the expansion of the KEA to the north (now removed) and a more vibrant mix of uses to the north of the railway line. We do not consider this approach is justified.
- 7.17 Further, as noted above, we consider the KEA boundary should be extended to include land at both Swatlands and Keylands. Both sites pass the sequential test as demonstrated by the Council in its accompanying “Employment Land Provision at Paddock Wood Report”.

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## 8. CONCLUSIONS

- 8.1 Paddock Wood is one of the key established employment areas in Tunbridge Wells. The emerging Local Plan seeks transformational growth which included the proposed allocation of 11.2 ha of employment space, with the aim of balancing employment land provision with residential growth and supporting the mixed-use regeneration of the area immediate to the north of the rail station.
- 8.2 In light of the Examining Inspector's Interim Findings, the Council is however reviewing the growth strategy for the Town. It is planning for a reduction in employment land around Paddock Wood, commensurate to the reduction in housing numbers, resulting in the removal of Keylands Farm as an employment allocation. This approach is not justified by the evidence base which supports the Local Plan, nor national planning policy guidance.
- 8.3 This report has specifically considered employment land needs. It highlights a need for new employment land to support economic growth and provide modern commercial floorspace for existing businesses; and highlights current constraints on employment land supply in recent years which will have constrained economic growth.
- 8.4 The analysis indicates a current broad balance between homes and jobs, with the c. 5,400 jobs in Paddock Wood broadly aligned with the size of the resident workforce. Residential growth will help to support growth in the local workforce, and new employment land provision is necessary to provide opportunities for people to work locally, rather than commute elsewhere.
- 8.5 The report has modelled three scenarios for residential growth based on the Council's revised trajectory for Paddock Wood, including commitments. It shows that to balance employment land provision to this, between 17-17.8 ha of new employment land would be needed.

**Table 8.1 Employment Land Needs at Paddock Wood**

Scenario	A	B	C
Housing provision at Paddock Wood	3,137	3,295	3,216
Jobs Supported	2,472	2,596	2,534
Employment Floorspace needed (sq.m)	67,969	71,393	69,681
Land requirement (ha)	17.0	17.8	17.4
<b>Total Employment Land Needed</b>	<b>17.0</b>	<b>17.8</b>	<b>17.4</b>

- 8.6 The provision for 11.2 ha of employment land at Paddock Wood in the Submitted Plan falls below the need identified. This highlights that there is no evidential basis for reducing the quantum of employment land to be allocated through the Local Plan. The inclusion of the Paddock Wood employment allocations remain justified.

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8.7 Further, as demonstrated by the Council in its updated evidence base, the retention of Keylands Farm complies with the sequential approach, and there is no sound planning reason to remove this from the allocation for STR/SS1.