

Sevenoaks and Tunbridge Wells Economic Needs Study

Final Report for Tunbridge Wells Borough

August 2016



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Our reference

SEVP3001

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Executive Summary

1. This Economic Needs Study (ENS) has been prepared by Turley, in association with Colliers International, on behalf of Sevenoaks District and Tunbridge Wells Borough Councils.
2. The study provides an important component of the evidence base for the development of updates to the Councils' respective Local Plans by providing an objective assessment of the need for employment land over the emerging plan period to 2033/35. This reflects the requirements of the National Planning Policy Framework (NPPF) and Planning Practice Guidance (PPG), and builds upon previous evidence base studies jointly commissioned by the two authorities including the 2015 Strategic Housing Market Assessment (SHMA).

Study Area

3. The assessment of economic development needs across Functional Economic Market Areas (FEMAs) aligns with the guidance in the PPG, although there is no standard approach to defining such a geography. It is evident that Sevenoaks and Tunbridge Wells share important economic linkages which also extend to cover at least parts of neighbouring Tonbridge and Malling. This reflects evidence of commuting flows, and has become defined as a sub-regional economy through the West Kent Partnership. On this basis, while this study focuses on assessing the needs of the two commissioning authorities of Sevenoaks and Tunbridge Wells, this is contextualised where appropriate with an understanding of the West Kent and wider economic geographies. At the request of the Councils, separate reports have been prepared for both areas, drawing upon jointly prepared baseline information.

Policy and Strategy Context

4. There is a substantial body of policy and strategic documents which will inform and guide the future economic development of Sevenoaks and Tunbridge Wells. The South East Local Enterprise Partnership (LEP) is currently seeking to drive investment in transport infrastructure to support accelerated growth and rebalance the region towards a growing 'knowledge economy', reducing an historic over-reliance upon the public sector. There are major identified opportunities for growth in the Kent and Medway economy, following a sustained period of investment in infrastructure and a successful partnership between local government and business. The strength and robustness of the West Kent economy is acknowledged by the LEP, given the sizeable knowledge economy and diverse base of small and medium enterprises (SMEs) in innovation and growth sectors. The rural economy also significantly contributes to the sub-regional economy.
5. In Tunbridge Wells, the current Core Strategy position is to maintain the existing net supply of employment space within the borough, retaining the Key Employment Areas previously defined through the 2006 Local Plan as areas for the retention and promotion of new employment floorspace.

Economic and Market Context

6. The study provides a profile of the economy of Sevenoaks and Tunbridge Wells, identifying a diverse business base which has supported employment and productivity growth over recent years. The area is attractive to professional, scientific and technical businesses, and is a strong location for business start-ups and self-employment. The area's labour force is highly skilled and growing, although there is an ageing demographic trend which has implications for levels of economic activity.
7. The existing employment space is concentrated in the main urban areas of Sevenoaks town and Royal Tunbridge Wells, with further concentrations at Swanley and Paddock Wood and a distribution of smaller premises within the rural areas. The stock of employment space in Tunbridge Wells in particular is ageing, however, with a relatively limited supply of more modern premises. Council monitoring data does suggest that new employment floorspace is coming forward for development, although there are also significant losses of office space which have been exacerbated by the permitted development of office to residential conversions. This represents a significant threat to the supply of office space in both authorities.
8. Both Sevenoaks and Tunbridge Wells are considered to be attractive and established locations for employment premises, which has historically satisfied the needs of local occupiers with diverse opportunities for future growth across various sectors. There are, however, challenges facing both occupiers and owners, including a significant demand pressure for residential development and strong competition from other regional centres. The lack of suitable land and premises is an issue frequently raised by stakeholders, alongside the poor availability and reliability of digital infrastructure in rural areas. Transport and accessibility were also consistently reported as key barriers to growth, with congestion remaining an issue.

Supply Demand Balance

9. Future employment needs and land requirements in both Sevenoaks and Tunbridge Wells have been assessed using three complementary approaches:
 - **Labour Demand** – sectoral and employment forecasts and projections, derived from Oxford Economics' 2014 East of England Forecasting Model (EEFM) with no significant factors requiring an adjustment to the baseline;
 - **Labour Supply** – a demographically derived assessment of employment needs, reflecting the supply of labour under the recommended trend-based demographic projection presented in the 2015 Strategic Housing Market Assessment (SHMA); and
 - **Past Take Up** – based on the past take-up of employment land and property and/or future property market requirements.
10. In order to plan positively for future employment growth, an allowance has also been made for choice, flexibility and losses, resulting in a range of employment land requirements over the period to 2033/35. These are summarised in the following table.

Table 1: Employment Land Required in Tunbridge Wells borough (2013-2033 and 2013-2035)

	Labour Demand	Labour Supply	Past Take Up
Land required 2013 – 2033 (ha)			
B1a/b Office	5.9	5.6	1.6
B1c/B2 Industrial	-1.4	-2.3	4.6
B8 Warehouse	9.5	7.7	8.2
Total B	14.0	11.1	14.5
Land required 2013 – 2035 (ha)			
B1a/b Office	6.3	6.0	1.8
B1c/B2 Industrial	-1.8	-2.7	5.0
B8 Warehouse	9.6	8.1	8.9
Total B	14.0	11.4	15.8

11. It is evident that there is a clear alignment between the amount of employment land in B class uses required to support the labour demand and past take up scenarios, with the labour supply scenario generating a slightly lower requirement. It is recommended that the Council plans on the basis of the labour demand scenario, given that the past take up of office space could be constrained by supply factors, such as a lack of new build office activity in the borough. This suggests an objectively assessed need (OAN) for at least 14ha of employment land over the period to 2033 and 2035, of which 5.9ha should be suitable for office use (B1a/b) and 8.1ha suitable for warehouse uses (B8). The Council may, however, wish to consider planning on the basis of a higher requirement for industrial (B1c/B2) land, recognising that the market has been active in recent years with continued take up at pace. Such an approach would ensure that there is a sufficient choice of sites for prospective occupiers and investors.
12. The pipeline supply of employment land from existing allocations in the borough comprises just 0.7ha of land at North Farm, Royal Tunbridge Wells. Existing committed schemes have the potential to contribute around 1ha to the borough's overall supply of employment land. This suggests that there remains **a shortfall of around 12.3ha of employment land** to accommodate future B use class development over the period to 2033/35.
13. Given the constrained land supply position, the majority of this requirement will need to be met through new allocations, with priority given to allocating sites with the potential for delivery in the early years of the plan period. This will respond to the steady demand for both office and industrial premises in the borough, particularly within the Key Employment Areas where Colliers' analysis has highlighted their ongoing popularity and sustainability manifest in high occupancy levels. There is evidence to suggest that there is a limited availability of suitable sites and premises in the borough, with demand otherwise met through comparatively small scale changes of use which are constrained by the setting or type of premises converted.

14. The current lack of headroom in both the supply of land and floorspace is a key concern, which can deter investment and limit the scope for the movement and expansion of existing businesses which provide a vital source of local employment. While there is an overriding need to ensure that the available land supply is used efficiently, there is a risk that the supply of employment land may constrain the growth of local businesses if insufficient land is allocated for employment use, limiting the ability of Tunbridge Wells to realise its full economic potential.

Policy Recommendations

15. The analysis in this report provides a strong quantitative and qualitative case for retaining existing employment areas and allocating additional land to accommodate the borough's future needs. It is recommended that the Council plans positively and increases the choice of sites through new allocations, ensuring that the needs of different sectors can be met over the plan period.
16. Colliers consider there to be potential for the expansion of a number of Key Employment Areas, with suitable land adjacent to Longfield Road/North Farm, Maidstone Road (Paddock Wood) and Gills Green having the potential to address the identified shortfall while creating a balanced portfolio of employment land. It would also help to support the creation of new employment opportunities alongside the provision of new housing, helping to reduce out-commuting from the borough over time.
17. Where barriers to lateral expansion exist, the Council may wish to consider identifying new standalone allocations, which should be suitable for office, storage and warehouse occupiers in response to forecast demand. Consideration should also be given to the provision of sites for a mix of B1, B2 and B8 use in order to accommodate latent demand from industrial occupiers.
18. Supply in areas close to main arterial roads, public transport nodes or ample car parking are likely to be met with demand, alongside those areas with an existing critical mass of employment uses and amenities which are attractive to investors and occupiers. The A21 is a continued focus for transport investment with significant growth potential, and the identification and allocation of new sites in this area has the potential to significantly improve the choice of sites to the market while providing the flexibility to respond to occupier and investor needs across employment sectors. There may, however, be a need for upfront investment to facilitate investment which must be sensitive to the area's landscape character.
19. A number of enabling actions are also recommended, including:
- The completion of the transport infrastructure study assessing capacity constraints and investment priorities;
 - A detailed review of the office market in Royal Tunbridge Wells. This includes a survey of stock and premises availability relative to identified demand /the needs of both existing and prospective occupiers.
 - Ongoing engagement with strategic employers and occupiers to understand land and premises requirements;

- The completion of a survey to understand the needs and location requirements of start-up and small businesses in the borough;
- The use of Council landholdings to attract investment and, where possible, help to facilitate development;
- Improvements to digital connectivity to support further growth of the rural economy and homeworking; and
- Review of potential business rates (non-domestic rates) revenues that could be realised through the allocation of new employment sites. This would serve to highlight the potential public revenue benefits associated with additional employment related development in the borough.

20. It is also imperative for the Council to monitor its employment land position to ensure that the borough remains responsive to changes in the pattern of supply and demand over the plan period. The assessment of sites should be kept up-to-date as part of the Council's monitoring and updated annually, with a record of completed floorspace and take-up to assist future monitoring and needs assessments. Regularly updating the underlying demand evidence is also considered prudent, and it is recommended that a comprehensive assessment of economic development needs is undertaken at least every five years. An early review to take account of changes in economic circumstances and forecasts arising from Britain's decision to leave the European Union may be appropriate.

1. Introduction

- 1.1 This Economic Needs Study (ENS) has been prepared by Turley, in association with Colliers International, on behalf of Sevenoaks District and Tunbridge Wells Borough Councils.
- 1.2 The study contributes further to the evidence base on the objectively assessed needs (OAN) to help take forward revised Local Plans across both areas. As a key piece of evidence underpinning the Councils' respective Local Plans, the ENS will also help to ensure that future employment policies respond to local economic needs and maximise opportunities for the sustainable economic growth of each area.

Study Context

- 1.3 Both Sevenoaks District Council and Tunbridge Wells Borough Council are updating their evidence base and producing a new Local Plan in the immediate future. The revised Local Plans will cover the period from 2015 to 2033/35. To inform this, both authorities are preparing a new evidence base over the period from 2015 to 2017, building on the jointly commissioned Strategic Housing Market Assessment (2015) and other evidence studies. Both Councils expect to publish for consultation, Issues and Options papers during 2017.
- 1.4 In preparing their evidence base, both Councils are required to produce up to date assessments of employment land need in accordance with guidance set out in the National Planning Policy Framework (NPPF) and Planning Practice Guidance (PPG). The evidence on which the current employment policy of the two authorities is based pre-dates this guidance. To bring this analysis up to date the economic needs for both areas over the period to 2033 have been assessed, with an extrapolation to 2035 to reflect the Plan period for Sevenoaks District.
- 1.5 The ENS therefore provides an important component of the evidence base for the updated Local Plans for the two authorities, enabling both Councils to fulfil this requirement and ensure their respective Local Plans are robust and sound. This is not only important for identifying employment land needs but also in understanding the balance between the requirement for homes and jobs and allocating land for both. In view of this it is intended that the results of the ENS will be used to update the economic scenario within the Strategic Housing Market Assessment for the two authorities, published in November 2015.

National Planning Policy Framework

- 1.6 The NPPF was published in March 2012 with the aim of providing a more concise and understandable approach to the planning system and to deliver sustainable development and economic growth.
- 1.7 Looking specifically at the NPPF, firstly it is important to recognise that the NPPF is built around a policy commitment to the achievement of sustainable development. At the heart of the NPPF is a "*presumption in favour of sustainable development*", which requires local authorities in the development of their Local Plans to adopt a positive

approach in order to “seek opportunities to meet the development needs of an area” (CLG, 2012, para 14, first bullet).

- 1.8 Further clarification is provided through the core planning principles set out at Paragraph 17 of the Framework. Importantly, this includes the following requirement that planning should:

“Proactively drive and support sustainable economic development to deliver the homes, business and industrial units, infrastructure and thriving local places that the country needs. Every effort should be made objectively to identify and then meet the housing, business and other development needs of an area, and respond positively to wider opportunities for growth. Plans should take account of market signals, such as land prices and housing affordability, and set out a clear strategy for allocating sufficient land which is suitable for development in their area, taking account of the needs of the residential and business communities.” (CLG, 2012, para 17, 3rd bullet).

- 1.9 The Framework provides further guidance on the use of a ‘proportionate evidence base’. At paragraph 158 it states that:

“Each local planning authority should ensure that the Local Plan is based on adequate, up-to-date and relevant evidence about the economic, social and environmental characteristics and prospects of the area. Local planning authorities should ensure that their assessment of and strategies for housing, employment and other uses are integrated, and that they take full account of relevant market and economic signals.” (CLG, 2012, para 158).

- 1.10 Importantly, the NPPF states that policies should avoid the long term protection of sites allocated for employment use where there is no reasonable prospect of it being used for that purpose, including the need for regular reviews of sites, having regard to market signals.

Duty to Co-operate: The policy and legislative framework

- 1.11 The NPPF sets out that local authorities have a ‘duty to cooperate’ on planning issues that cross administrative boundaries. The Planning and Compulsory Purchase Act (2004) also requires that the local authority engage constructively with its neighbours.
- 1.12 Particular reference within the NPPF is made to the importance of effectively fulfilling this duty when considering, and presenting, the strategic policies to deliver new homes and jobs within Local Plan preparation.
- 1.13 The NPPF provides guidance to local authorities regarding the appropriate measures to undertake in order to fulfil the duty:
- Joint working on areas of common interest is to be diligently undertaken to the mutual benefit of neighbouring local authorities.
 - Collaborative working is to be undertaken between local authorities and other bodies such as Local Enterprise Partnerships (LEPs).
 - Consideration of the preparation of joint planning policies on strategic matters.

- 1.14 The duty to cooperate therefore acts as the mechanism by which local planning authorities can effectively:

“...ensure that strategic priorities across local boundaries are properly coordinated and clearly reflected in individual Local Plans” (DCLG, 2012, para 179).

- 1.15 The NPPF states that the required outcome of the duty to cooperate is that, through this constructive process, it should enable:

“...local planning authorities to work together to meet development requirements which cannot wholly be met within their own areas...” (DCLG, 2012, para 179)

Planning Practice Guidance

- 1.16 The policy direction of the NPPF is expressed more explicitly through Planning Practice Guidance (PPG), which was published in full in March 2014. Specific guidance is provided on the measures local planning authorities should take to support economic growth and plan proactively to meet the future development needs of businesses.

- 1.17 PPG has been published relating to the assessment of economic development needs and provides a framework for objectively assessing and evidencing development needs to support economic growth and development. The primary objectives of the assessment are:

- to identify the future quantity of land or floorspace required for economic development uses including both the quantitative and qualitative needs for new development; and
- to provide a breakdown of that analysis in terms of quality and location, and to provide an indication of gaps in current land supply.

- 1.18 In assessing need, the guidance states that needs should be assessed in relation to the relevant functional area, which for economic development purposes is the functional economic market area, or FEMA, in relation to economic uses. However, the guidance states that it may be appropriate to identify smaller sub-markets with specific features, and it may be appropriate to investigate these specifically in order to create a detailed picture of local need.

Structure of the Report

- 1.19 In accordance with the above requirements the ENS has been completed in a number of stages, with the study findings presented to reflect this.
- 1.20 At the request of the Councils, separate reports have been prepared for both areas, drawing on jointly prepared baseline information. This report presents the study findings for Tunbridge Wells Borough and is structured as follows:
- Section 2 - The Study Area and FEMA
 - Section 3 - Policy and Strategy Context
 - Section 4 - Economic Baseline
 - Section 5 - Understanding Market Performance
 - Section 6 - The Existing Stock of Employment Floorspace
 - Section 7 - Understanding Business and Stakeholder Views
 - Section 8 - Demand Assessment
 - Section 9 - Site Assessment
 - Section 10 - Supply Demand Balance and Policy Recommendations
- 1.21 The economic needs for Sevenoaks district are assessed and presented in a separate report.

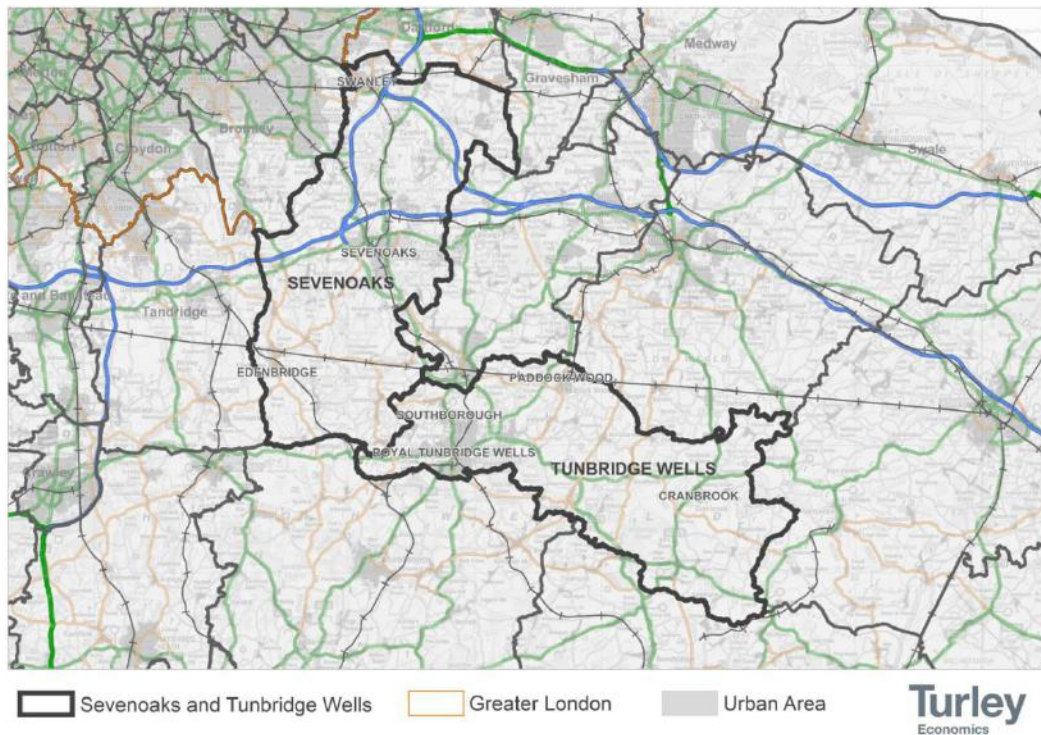
2. The Study Area and FEMA

- 2.1 The PPG recognises that economic development needs are rarely defined precisely by local authority administrative boundaries. With this in mind, the guidance identifies that economic needs should be assessed in relation to the relevant Functional Economic Market Area (FEMA).
- 2.2 The guidance notes that there is no standard approach to defining the FEMA, but does suggest that a range of factors should be considered. This includes considering the extent of the Local Enterprise Partnership (LEP), Travel to Work Areas (TTWAs), housing market areas, administrative areas and catchment areas. It is also suggested that the transport network and the flow of goods within the local economy can provide an indication of the functional economic area.
- 2.3 This section provides an overview of these factors in order to determine the FEMA for authority areas of Sevenoaks and Tunbridge Wells.

Spatial Context

- 2.4 The administrative areas of Sevenoaks and Tunbridge Wells are located in west Kent, with the former adjoining London to the north. The M25 circles London and runs through Sevenoaks, and both authorities have regular mainline train services to the capital. The Hastings mainline train service also links the principal towns of Sevenoaks and Royal Tunbridge Wells. Swanley and Edenbridge in Sevenoaks, and Southborough, Paddock Wood and Cranbrook in Tunbridge Wells borough are the other main towns in the study area, with both authority areas also containing a number of smaller rural villages and settlements.
- 2.5 Tonbridge is also located close to the local authority boundaries, between Sevenoaks town and Royal Tunbridge Wells. The three towns are central to the economic relationship between the West Kent authorities.

Figure 2.1: Location Map



Source: Turley, 2016

Existing Geographies

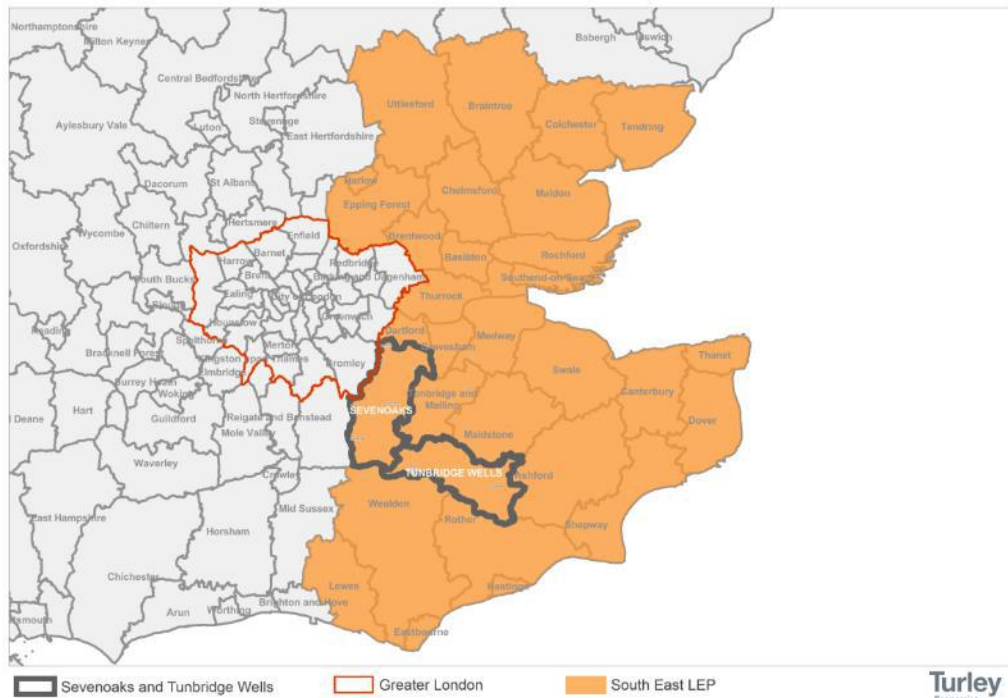
- 2.6 Sevenoaks district and Tunbridge Wells borough are part of various existing partnerships which were established to promote economic development and investment. These are summarised below.

Local Enterprise Partnership

- 2.7 The PPG states that the defined extent of any Local Enterprise Partnership (LEP) can be a factor in identifying the FEMA. Both Sevenoaks and Tunbridge Wells fall within the South East LEP, which covers East Sussex, Essex, Kent, Medway, Southend and Thurrock and contains over 340,000 businesses¹.

¹ <http://southeastlep.com/about-us/key-facts>

Figure 2.2: South East LEP



Source: Turley, 2016

- 2.8 The Strategic Economic Plan (SEP) highlights that the LEP is geographically the largest in the country outside London, and captures a diverse range of places including market towns, small cities, coastal communities and villages². While London forms its own LEP, the SEP acknowledges that the relationship with the capital is a central factor of the regional economy, with notable commuting flows and a functional relationship whereby many London companies rely on businesses in the South East LEP to supply a range of goods and services. The South East is described as ‘*London’s premier expansion location*’³, highlighting the important relationship between the two economies.

Kent and Medway

- 2.9 Kent County Council has a long-established administrative role in promoting economic development in the county, with a recent Growth and Infrastructure Framework⁴ seeking to strategically plan infrastructure across Kent and Medway in order to support future growth. While this acknowledges that different areas of the county are facing varying challenges or opportunities, this Framework sets out a strategic case for infrastructure investment across the county which can support future economic development.

West Kent Partnership

- 2.10 Sevenoaks, Tunbridge Wells and Tonbridge and Malling collectively form the West Kent Partnership, which has historically been an economically robust sub-region of Kent⁵.

² South East LEP (2014) Growth Deal and Strategic Economic Plan

³ Ibid (p15)

⁴ Kent County Council (2015) Kent and Medway Growth and Infrastructure Framework

⁵ Wessex Economics (2015) The Case for West Kent

The three authorities have collectively been traditionally regarded as the ‘powerhouse’ economy in the county⁶, and the Partnership therefore promotes the sub-regional economy while engaging with local businesses and pursuing external funding and investment. The role of the Partnership and its relationship with other economic development bodies is considered further in section 3 of this report.

Travel to Work Area

2.11 The PPG states that Travel to Work Areas (TTWAs) can provide information about commuting flows and the spatial structure of the labour market. This is an official ONS dataset, released to identify areas where the bulk of the resident population also work within the same area.

2.12 2011 TTWAs were defined in August 2015, based on data from the 2011 Census. The methodology document outlines the approach taken:

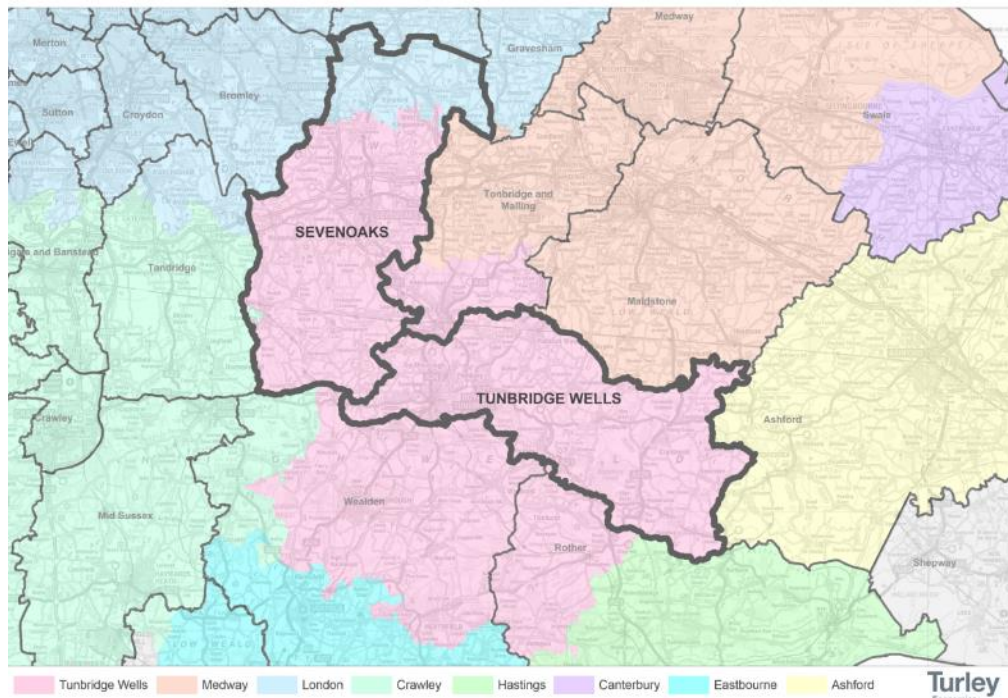
“The current criteria for defining TTWAs is that at least 75% of the area’s resident workforce work in the area and at least 75% of the people who work in the area also live in the area. The area must also have an economically active population of at least 3,500. However, for areas with a working population in excess of 25,000, self-containment rates as low as 66.7% are accepted as part of a limited ‘trade-off’ between workforce size and level of self-containment”⁷

2.13 As shown in Figure 2.3, Sevenoaks and Tunbridge Wells are largely covered by a single TTWA, centred around Royal Tunbridge Wells. This extends beyond the local authority boundaries, however, covering the towns of Tonbridge, Crowborough and other villages in the adjacent authorities, including the north west of Rother and Wealden districts.

⁶ West Kent Partnership (2014) West Kent Priorities for Growth

⁷ ONS (2015) Overview of 2011 Travel to Work Areas

Figure 2.3: Travel to Work Areas 2011



Source: ONS, 2015

- 2.14 It is important to note, however, that the northernmost part of Sevenoaks falls within the London TTWA, indicating that Swanley and the surrounding area shares an important functional relationship with London. In contrast, however, there is a limited relationship to the west – which is covered by the Crawley TTWA – with the north east and east of the study area covered by the Medway and Ashford TTWAs respectively.
- 2.15 Collectively, this indicates that there is a relatively distinct economic geography covering the study area, which covers the entirety of Tunbridge Wells Borough and the majority of Sevenoaks District. The relationship with London and the extent of Royal Tunbridge Wells economic influence should also be recognised.

Commuting Patterns

- 2.16 The TTWAs shown above are based on the findings of the 2011 Census, which can be further analysed to understand the relative self-containment of Sevenoaks and Tunbridge Wells. This focuses both on those commuting to and from the two authorities, which are considered separately below.

Commuting to Sevenoaks and Tunbridge Wells

- 2.17 The composition of the study area's workforce is important to consider, with this showing the extent to which the local economy draws upon a localised or wider labour force. Table 2.1 shows the main places of residence for people working in Sevenoaks and Tunbridge Wells, based on the 2011 Census.

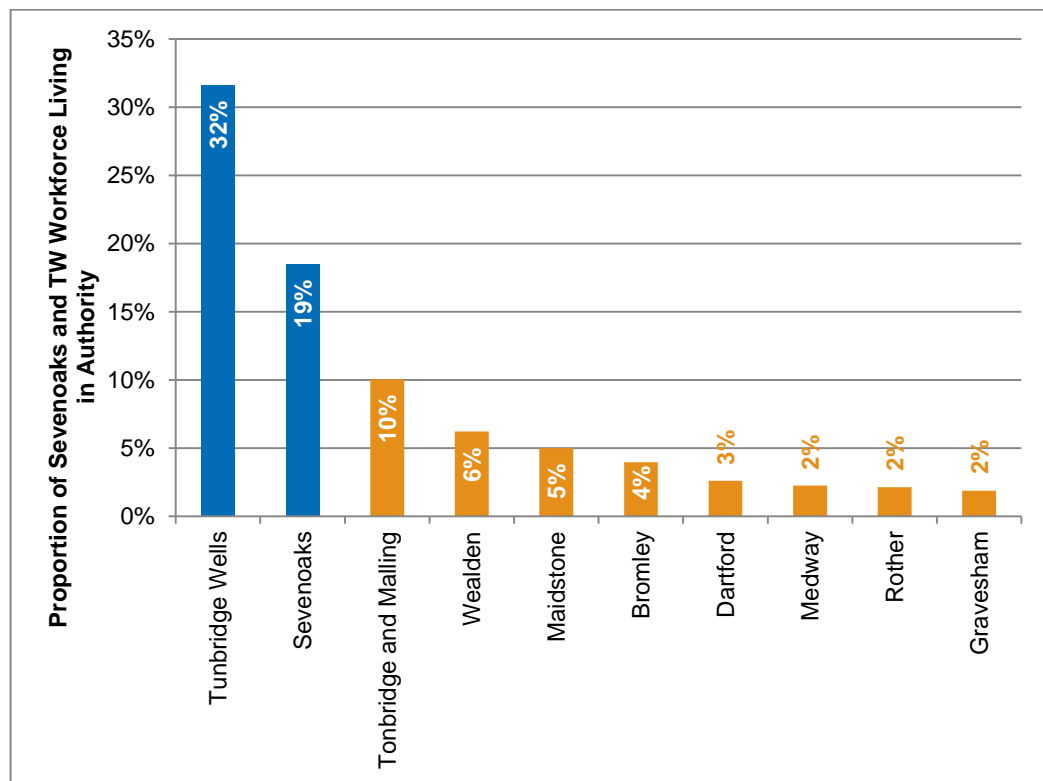
Table 2.1: Place of Residence for Workers in Sevenoaks and Tunbridge Wells 2011

Works in Sevenoaks			Works in Tunbridge Wells		
Lives in	Total	%	Lives in	Total	%
Sevenoaks	12,767	38%	Tunbridge Wells	22,088	52%
Tonbridge and Malling	3,378	10%	Tonbridge and Malling	4,261	10%
Bromley	2,679	8%	Wealden	4,119	10%
Tunbridge Wells	1,924	6%	Maidstone	2,671	6%
Dartford	1,853	5%	Rother	1,520	4%
Bexley	1,151	3%	Sevenoaks	1,278	3%
Gravesham	1,148	3%	Ashford	1,138	3%
Maidstone	1,124	3%	Medway	671	2%
Medway	1,039	3%	Hastings	657	2%
Tandridge	851	3%	Bromley	337	1%

Source: Census 2011

- 2.18 The Census shows that over half of people working in Tunbridge Wells are also residents of the borough. Sevenoaks has a lower level of containment, indicating that the district has a more dispersed economic footprint with a greater proportion of the workforce drawn from a wider area. Both authorities draw around 10% of their workforce from neighbouring Tonbridge and Malling.
- 2.19 When considering Sevenoaks and Tunbridge Wells collectively as shown in Figure 2.4, this indicates that half of people living in the two authorities also work within the two authorities. Tonbridge and Malling, Wealden, Maidstone and Bromley collectively accommodate a quarter of the workforce in Sevenoaks and Tunbridge Wells.

Figure 2.4: Place of Residence for Workers in Sevenoaks and Tunbridge Wells 2011

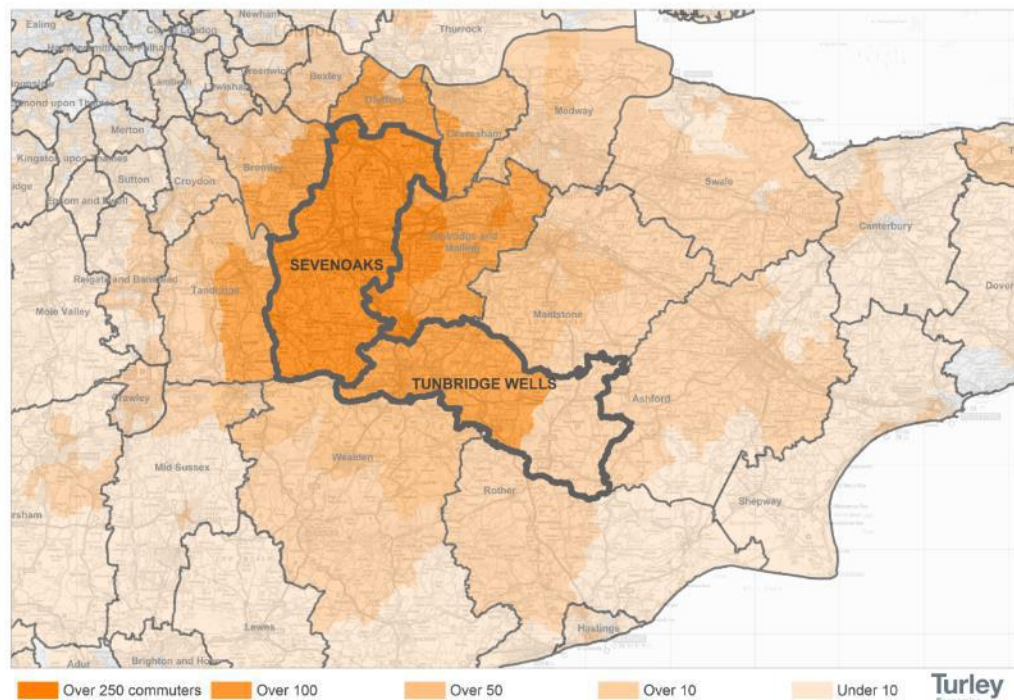


Source: Census 2011

- 2.20 This can be further understood at a local level, again based on Census data. Figure 2.5 shows where⁸ people who work in Sevenoaks live, again indicating that while a sizeable number of workers live within the district, many workers live in adjacent areas of neighbouring authorities and commute into Sevenoaks to work. It is notable that comparatively few people commute from Wealden to Sevenoaks.

⁸ Middle layer super output area (MSOA) of residence

Figure 2.5: Place of Residence for Workers in Sevenoaks 2011

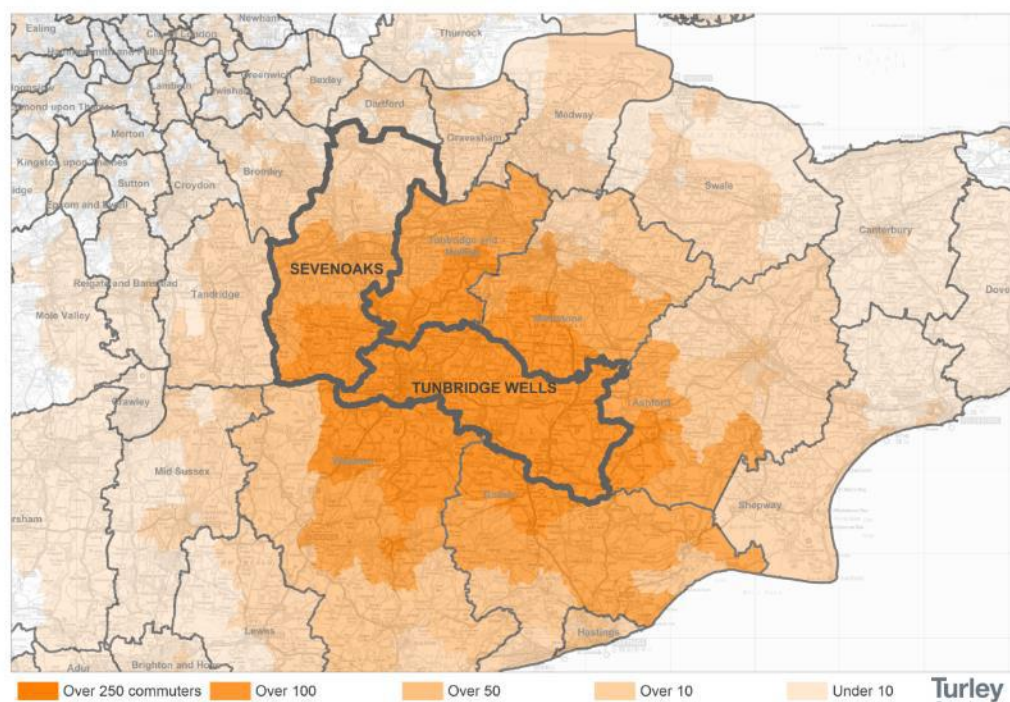


Source: Census 2011; Turley, 2016

- 2.21 Tunbridge Wells shows a slightly different workforce catchment, drawing labour from all neighbouring authorities including unlike Sevenoaks, those to the south and east including Maidstone. This supports the earlier analysis which shows that Tunbridge Wells draws upon a more localised workforce, and indeed the Census shows that people working in Tunbridge Wells travel a shorter distance to work on average⁹.

⁹ Average worker commuting to Sevenoaks travels 16.7km; average worker commuting to Tunbridge Wells travels 13.4km (2011 Census)

Figure 2.6: Place of Residence for Workers in Tunbridge Wells 2011



Source: Census 2011; Turley, 2016

Commuting from Sevenoaks and Tunbridge Wells

- 2.22 Focusing on residents rather than workers provides an indication of commuting trends amongst the resident labour force in Sevenoaks and Tunbridge Wells. Table 2.2 shows the authorities where the greatest numbers of residents work¹⁰.

¹⁰ Table is not exhaustive

Table 2.2: Ten Main Places of Work for Residents of Sevenoaks and Tunbridge Wells 2011

Lives in Sevenoaks			Lives in Tunbridge Wells		
Works in	Total	%	Works in	Total	%
Sevenoaks	12,767	30%	Tunbridge Wells	22,088	50%
Westminster ¹¹	5,528	13%	Tonbridge and Malling	4,062	9%
Bromley	3,095	7%	Westminster ¹²	3,930	9%
Dartford	3,010	7%	Sevenoaks	1,924	4%
Tonbridge and Malling	2,119	5%	Maidstone	1,838	4%
Bexley	1,973	5%	Wealden	1,586	4%
Tower Hamlets	1,311	3%	Tower Hamlets	797	2%
Tunbridge Wells	1,278	3%	Southwark	630	1%
Southwark	1,040	2%	Camden	595	1%
Camden	835	2%	Ashford	509	1%
<i>London – total</i>	<i>18,409</i>	<i>43%</i>	<i>London – total</i>	<i>8,462</i>	<i>19%</i>

Source: Census 2011

- 2.23 Tunbridge Wells represents a more self-contained economic geography, with 50% of all residents in employment working within the borough. Residents do, however, also commute elsewhere, with an equal proportion of residents commuting to Tonbridge and Malling and Westminster. Sevenoaks has a lower level of containment at 30%, with 13% of residents commuting to work in Westminster or the City of London.
- 2.24 While this is a prevalent trend across the South East, Tunbridge Wells and particularly Sevenoaks contain amongst the largest proportion of employed residents commuting to work in Westminster or the City of London. Sevenoaks ranks second of the South East authorities, with only Elmbridge (14%) sharing a stronger commuting relationship with these boroughs. Tunbridge Wells ranks seventh of the region's 67 local authorities¹³.
- 2.25 Indeed, wider Greater London clearly represents an important place of work for residents of both authorities. A total of 18,409 residents commute from Sevenoaks to London¹⁴, representing 43% of all employed residents, while a slightly smaller proportion (19%, or 8,462 residents) commute from Tunbridge Wells to the capital.
- 2.26 When considering residents across the two authorities in composite in the following graph, the importance of central London as a place of work is clear. Around one in ten

¹¹ Includes City of London

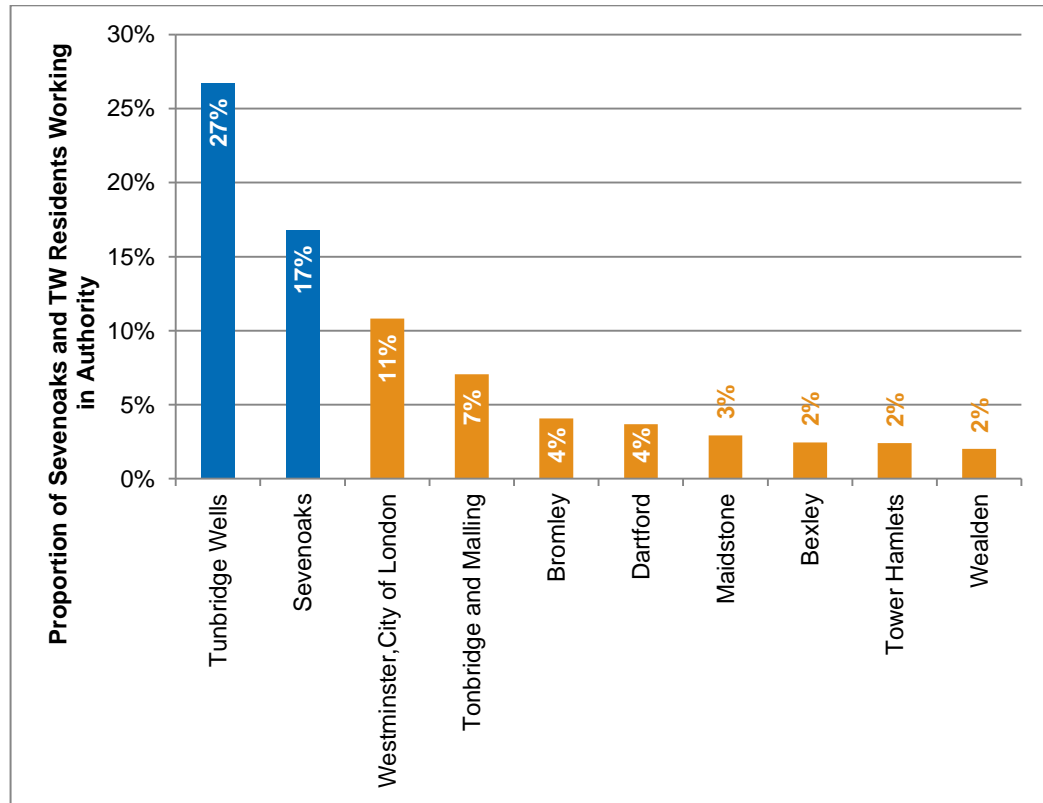
¹² Includes City of London

¹³ Behind Elmbridge, Sevenoaks, Epsom and Ewell, Tandridge, Chiltern and Dartford

¹⁴ Includes London boroughs which are not amongst the ten main places of work for residents (shown in Table 2.2)

residents of the combined area commute to work in Westminster or the City of London, which is the main employment destination outside of Sevenoaks and Tunbridge Wells.

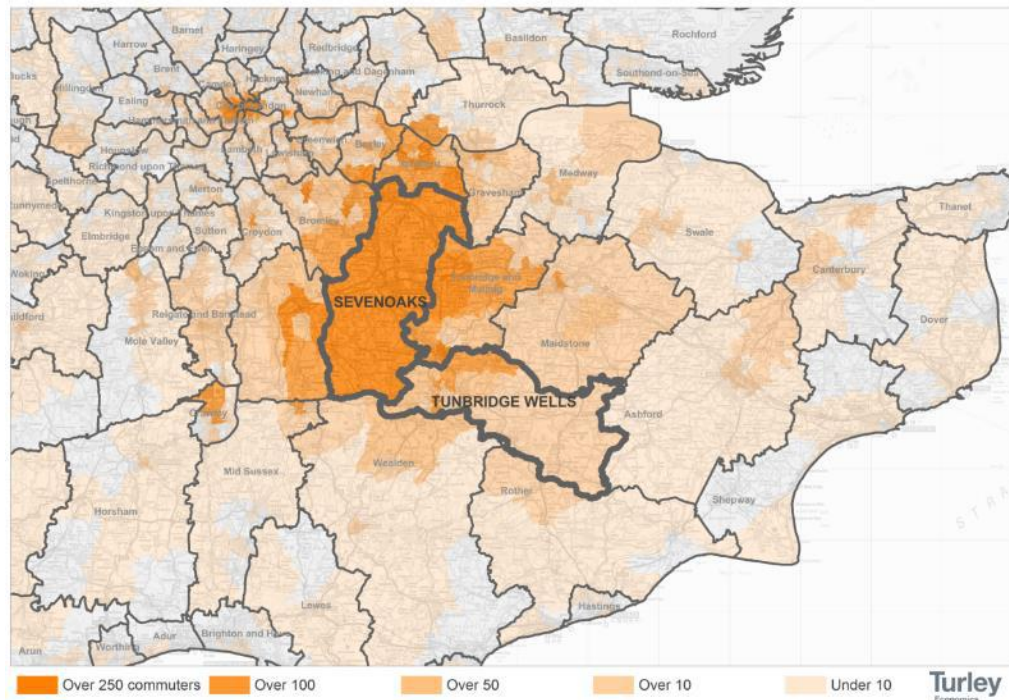
Figure 2.7: Place of Work for Residents of Sevenoaks and Tunbridge Wells 2011



Source: Census 2011

- 2.27 A more local understanding can be gained from the Census, with the following plan showing that many residents of Sevenoaks commute north to Dartford and south east London. This reflects transport infrastructure in the district, with the M25 providing access to the north and a regular rail service serving central London. Notably, there is a limited flow of people from Sevenoaks to Tunbridge Wells.

Figure 2.8: Place of Work for Residents of Sevenoaks 2011



Source: Census 2011; Turley, 2016

- 2.28 A slightly different pattern is evident for Tunbridge Wells, as shown in Figure 2.9. A sizeable number of residents work within the borough, with people commuting to central London and other locations in Tonbridge Wells, Maidstone, Wealden and Crawley.

Housing Market Area

- ¹⁵ http://planningguidance.communities.gov.uk/blog/guidance/housing-and-economic-development-needs-assessments/scope-of-assessments/#paragraph_010

17

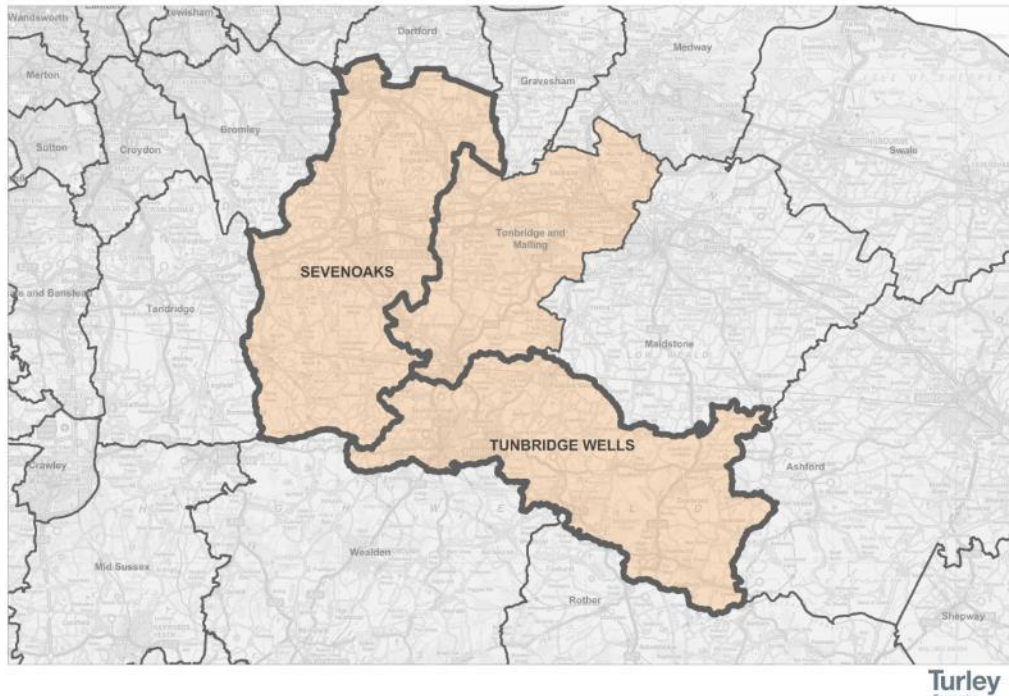
borough (Tonbridge) sharing a relationship with the area. The eastern part of the borough including the 'Malling' area has a greater functional relationship with Maidstone. The SHMA therefore considers needs across Sevenoaks and Tunbridge Wells boroughs only, albeit using a consistent methodology to that used by Tonbridge and Malling, Maidstone and Ashford Councils. It also notes that the areas show a strong relationship with Wealden and Rother.

Defining the Functional Economic Market Area

- 2.32 The analysis in this section shows that Sevenoaks and Tunbridge Wells form part of a wider functional economic geography, with approximately half of jobs in the area taken by residents commuting in from elsewhere and only 44% of the authorities' residents working within Sevenoaks or Tunbridge Wells. The flow of commuters to London is an important characteristic of the local economy, with around 27,000 people commuting from the area to London (2011 Census). This flow is particularly evident for Sevenoaks, which is likely to reflect its proximity to the Greater London boundary and the established rail and road infrastructure that provides comparatively shorter journey times. Sevenoaks also draws upon a comparatively large labour force to support the local economy, with only 38% of jobs in the district taken by residents. Around one in ten people working in Sevenoaks live in neighbouring Tonbridge and Malling. While Tunbridge Wells borough draws upon a more localised workforce, there is also an important inflow of commuters from Tonbridge and Malling and Wealden.
- 2.33 This relationship is also evidenced in the 2011 TTWAs published by ONS, which identify a self-contained economic geography centred around Royal Tunbridge Wells which extends to cover most of Sevenoaks and the neighbouring towns of Tonbridge and Crowborough. This geography is referenced in the SHMA as representative of a functional housing market area. However, when seeking to 'best fit' the TTWA geography to local authority boundaries to support plan making, the 'split' in Tonbridge and Malling creates a challenge given that the 'Malling' area shares a stronger relationship with Maidstone.
- 2.34 Tonbridge and Malling does, however, form a key part of the wider West Kent sub-regional economy, with an established partnership in place to support the area's economic robustness and attract investment. The PPG suggests that such administrative partnerships can provide a basis for defining the FEMA, with the South East LEP and Kent & Medway Economic Partnership areas also forming important strategic geographies in this regard.
- 2.35 The evidence presented in this report suggests that while Sevenoaks and Tunbridge Wells form part of a wider regional economy, within which many areas share important economic relationships with London. There is also a more localised geography that has historically functioned as a sub-regional economy and which shares similar economic characteristics. In order to reflect this local context, therefore, this report considers that Sevenoaks and Tunbridge Wells share a functional economic market area with the local authority area of Tonbridge and Malling. This is considered particularly important given the proximity of the town of Tonbridge to the main settlements of Sevenoaks and Royal Tunbridge Wells and the evidence of commuting patterns.

2.36 The FEMA is shown in Figure 2.10 below.

Figure 2.10: Functional Economic Market Area



Source: Turley, 2016

2.37 On this basis, while this study focuses on assessing the needs for the two commissioning authorities of Sevenoaks and Tunbridge Wells, this is contextualised where appropriate with an understanding of the West Kent and wider economic geographies.

Key messages

2.38 To summarise:

- The PPG states that economic needs should be assessed in relation to the relevant Functional Economic Market Area (FEMA), although there is no standard approach to defining such a geography.
- Sevenoaks and Tunbridge Wells form part of several established economic geographies and partnerships, including the South East Local Enterprise Partnership (LEP), Kent and Medway Economic Partnership and West Kent Partnership. The latter which includes Tonbridge and Malling, has historically functioned successfully as a distinct sub-regional economy, with the Councils continuing to work in partnership to support businesses as well as growth and attract investment.
- Official 2011 Travel to Work Areas (TTWAs) published by ONS identify a single TTWA centred around Royal Tunbridge Wells which entirely covers Tunbridge Wells borough and captures the majority of Sevenoaks district. This does,

however, also extend to Tonbridge, Crowborough and surrounding villages, although there is a limited relationship with Surrey to the west. The northernmost part of Sevenoaks falls within the London TTWA, indicating that the district shares an important functional relationship with the capital.

- This is supported by commuting data from the 2011 Census, which shows that around 27,000 people commute from Sevenoaks and Tunbridge Wells to London. However, half of residents living in Tunbridge Wells also live in the borough, suggesting that the authority is a relatively more self-contained economically than Sevenoaks, where 70% of employed residents commute elsewhere to work.
- The 2015 Strategic Housing Market Assessment (SHMA) also considers a range of spatial data in order to define the housing market area across which housing needs should be assessed. This concludes that while there is a strong basis for considering needs in Sevenoaks and Tunbridge Wells collectively, the area is also influenced by the neighbouring settlements of Tonbridge and Crowborough. Both of which pose a challenge in strategic planning terms, given that both settlements sit within neighbouring authority areas, of which only parts fall within the SHMA area. The 'Malling' area sharing a stronger functional relationship with Maidstone, and south Wealden being a functional part of a SHMA area which includes Eastbourne.
- Notwithstanding this, on the basis of the evidence presented above, it is considered that Sevenoaks and Tunbridge Wells primarily share a functional economic market area with the local authority area of Tonbridge and Malling. This reflects evidence of commuting flows and has become defined as a sub-regional economy through the West Kent Partnership.

3. Policy and Strategy Context

- 3.1 This section presents an overview of the strategic economic context and policy relevant to Sevenoaks and Tunbridge Wells and the assessment of future economic needs. Consideration is first given to the national policy context. This is followed by further consideration of key policy and strategy drivers at a sub-regional and local level.

National Policy Context

- 3.2 HM Treasury published 'Fixing the Foundations'¹⁷ in July 2015, which sets out the plan for increasing national productivity and creating a more prosperous nation. The plan establishes the importance of productivity growth alongside increased levels of employment, which is described as the key to achieving a stronger nation with richer families and improved living standards.
- 3.3 The Government's approach to raising national levels of productivity focusses on two elements:
- **Encouraging long-term investment** in economic capital, including infrastructure, skills and knowledge; and
 - **Promoting a dynamic economy** that encourages innovation and helps resources flow to their most productive use¹⁸.
- 3.4 These two high level drivers of productivity are based on fifteen topics identified as key for the delivery of lasting development and growth. These key points range from investing in business, skills, knowledge and economic infrastructure to ensuring flexible and fair yet competitive markets.

Sub-regional Policy Context

Local Enterprise Partnership (LEP)

- 3.5 The South East Local Enterprise Partnership (LEP) covers both Sevenoaks and Tunbridge Wells, as parts of a wider area consisting of East Sussex, Essex and Kent counties, as well as the unitary authorities of Medway, Southend and Thurrock. The South East LEP is the largest LEP outside of London, and was set up to drive economic growth across the area. The LEP is fully devolved in order to exert a greater influence on local communities, with local delivery partnerships covering Kent and Medway, East Sussex, Essex and Thames Gateway South Essex.
- 3.6 The LEP agreed a Growth Deal with Government in July 2014 – which was expanded in January 2015 – in order to meet the ambitions of the Strategic Economic Plan (SEP) by renewing the '*physical and intellectual capital of the South East*'¹⁹.

¹⁷ HM Treasury (July 2015) Fixing the Foundations: Creating a more prosperous nation

¹⁸ *Ibid* – Page 7

¹⁹ South East Local Enterprise Growth Deal (March 2015)

- 3.7 Reflecting the SEP which highlights that a lack of investment in transport can impact upon business costs, there is an initial focus upon transport infrastructure, in order to provide the foundation for accelerated growth across the LEP area. Local, national and private funding with a total investment of £632 million, will be brought together to focus on key priority areas identified in the SEP. These include:
- **Enhancing transport connectivity** to enable sites to be brought forward for development, alleviate congestion issues and increase the use of sustainable transport;
 - **Increasing business support and productivity** through a market-driven approach, focusing on small and medium enterprises. The investment in growth hubs in Kent and Medway and Southend is a key part of this priority;
 - **Raising local skill levels** to ensure that residents can take advantage of new economic opportunities, with a commitment to ensure that adult skills provision responds to the needs of business; and
 - **Supporting housing and development** in order to alleviate the pressure on housing supply, which is amongst the most severe in the country. Investment in transport will enable the development of housing sites, and local authorities will be encouraged to proactively work together to increase housing supply.
- 3.8 The Growth Deal is expected to support the creation of at least 45,000 jobs while allowing 23,000 homes to be built. This goes some way towards meeting the ambitions set out in the SEP²⁰, which seeks to enable the creation of 200,000 sustainable private sector jobs over the decade to 2021 and increase completions by over 50% to deliver 100,000 new homes by 2021.
- 3.9 The SEP also identifies opportunities to rebalance the economy, moving away from its historic over-reliance upon the public sector and lower value industries such as wholesale, retail, accommodation and construction. The 'knowledge economy' is growing, with particularly strong growth in Kent. The SEP therefore, targets LEP wide growth in advanced manufacturing, life sciences and medical technologies, transport and logistics, low carbon environmental goods and services, creative, cultural and media industries and the visitor economy. The contribution of the rural economy is also acknowledged, given the declining traditional role of agriculture and emerging business opportunities relating to technology, forestry, energy, heritage and tourism.
- 3.10 Productivity in the South East LEP area has historically been lower than other parts of southern England, with growth in output lagging behind comparator areas (e.g. Oxford M4 and Cambridge M11 corridors). There is also a skills challenge, with the pool of suitably qualified people too small to support the growth of high value growth industries reliant upon science, technology, engineering and maths based skills.
- 3.11 Proposed investment in growth corridors also forms a key part of the SEP, with the A21 linking London with Tunbridge Wells via Tonbridge being considered to support the

²⁰ South East LEP (2014) Growth Deal and Strategic Economic Plan

creation of 9,000 jobs. This is identified as an opportunity to support the strong and diverse West Kent economy, with Royal Tunbridge Wells noted as containing one of the region's largest concentrations of digital and software businesses. The former Defence Science and Technology Laboratory (DSTL) site at Fort Halstead offers an opportunity for a new multi-use research and development facility.

- 3.12 The rollout of superfast broadband through the Broadband Delivery UK (BDUK) programme is benefiting both the urban and rural economy in west Kent and elsewhere in the county, with the Making Kent Quicker scheme currently being implemented by Kent County Council. This is expected to complete in 2017, having brought fixed line superfast broadband services to over 95% of residential and business premises.

Growth Deal

- 3.13 As part of the SEP, a Growth Deal for Kent and Medway was secured to achieve an investment of over £80 million over six years. Four key priorities for Kent and Medway were identified through the SEP:

- Achieve a substantial increase in the delivery of housing and commercial developments;
- Unlock economic growth through the delivery of transport and broadband infrastructure;
- Back business expansion through better access to finance and support; and
- Deliver the skills needed to support the local economy.

- 3.14 Investment will ensure that 49,000 homes are delivered over the next six years, with 60,000 new jobs unlocked at housing and commercial development sites and an additional 11,000 knowledge economy jobs created.

- 3.15 Growth of this scale will take advantage of Kent and Medway's major opportunities for expansion, following a sustained historic period of infrastructure investment and a successful partnership between local government and business. The sub-regional economy has changed significantly over the past twenty years, with the traditional industrial base eroded over the long term as a result of global economic change, and an increased dominance of small and medium enterprises.

Growth and Infrastructure Framework

- 3.16 The Kent and Medway Growth and Infrastructure Framework²¹ (GIF) was published in September 2015 by Kent County Council, in order to strategically promote the delivery of housing and jobs growth, and outline the infrastructure required to facilitate this over the period to 2031. A review of the scale of growth planned at the time of the assessment indicates that the population of Kent and Medway could grow by approximately 293,300 over the period from 2011 to 2031, with 158,500 new homes delivered and 135,800 jobs created. However, it is important to note that this is predicated upon the delivery of 3,600 new homes in Sevenoaks and 5,900 new homes in Tunbridge Wells between 2011 and 2031, which represents a lower level of growth

²¹ Kent County Council (2015) Kent and Medway Growth and Infrastructure Framework

than identified within the authorities' respective objectively assessed need (OAN) set out in the latest Strategic Housing Market Assessment.

- 3.17 The economic growth of Kent and Medway is, dependent upon ongoing investment in infrastructure, as well as a growing housing stock to accommodate a growing workforce, many of whom are currently priced out of living and/or owning their own home in west Kent. In Sevenoaks, motorway congestion on the M25 and M26 at peak times has restricted movement, resulting in the inappropriate use of local roads, and there is also an identified need for an urban traffic management control (UTMC) in Sevenoaks town. Congestion is also identified as an issue on the A26 and A264 approaches to Royal Tunbridge Wells, with further congestion at Colts Hill on the A228 remaining an issue.
- 3.18 It is understood that the GIF will be reviewed on an annual basis and work is ongoing to produce a refresh of the document at the current time. It is recommended that the Councils engage with this process to ensure that the level of growth proposed within respective local planning policies is fully taken into account at this strategic scale.

West Kent

- 3.19 West Kent is identified as one of four areas of focused investment in the SEP, alongside Thames Gateway Kent, East Kent and Maidstone. West Kent is described as '*one of the best places in the South East in which to start and grow a business*'²². The knowledge economy in the area is higher than in other parts of the county, with a diverse SME base with high potential for innovation and growth. There is a strong demand for development, with successful flagship developments occurring and good connectivity to strategic road and rail links.
- 3.20 Going forwards locations for growth will require careful selection given the constraints of the High Weald Area of Outstanding Natural Beauty and Metropolitan Green Belt. Congestion on local roads and a lack of available sites and premises have constrained the growth and development of businesses in recent years, and are challenges that need to be addressed.
- 3.21 Given the robustness of the economy and development values it is considered that relatively small levels of investment can unlock substantial private sector leverage. This is currently focused upon the major town centres and established business locations in the sub-region, of which those within Sevenoaks and Tunbridge Wells are summarised below;
- **Royal Tunbridge Wells** is described as a thriving town centre which is expected to see substantial housing growth and cultural investment. Measures are being introduced to tackle congestion at the A26 and A264 while also improving sustainable transport provision. The further completion of the North Farm highway masterplan could further unlock potential future allocations for employment growth. Improvements to Longfield Road completed in 2015 and the dualling of the A21 between Tonbridge and Pembury will also provide a significant enhancement to vehicular access;

²² South East LEP (2014) Growth Deal and Strategic Economic Plan (p166)

- The location of **Swanley (within Sevenoaks District Council)** provides an opportunity to improve the town to enable the development of new homes and employment space. Private sector interest is observed within the centre and southeast of the town, including a new business and enterprise hub; and
- At **Fort Halstead (again, within Sevenoaks District Council)**, the opportunity to develop research-focused business is identified.

Priorities for Growth

- 3.22 Strategies have also been developed through the West Kent Partnership, consisting of Sevenoaks District Council, Tunbridge Wells Borough Council and Tonbridge and Malling Borough Council. This has identified shared investment priorities, which have informed the development of sub-regional growth strategies and the SEP. The Partnership has an important relationship with the Kent and Medway Economic Board, which provides a conduit to the South East LEP.
- 3.23 The Partnership published its priorities for growth²³ in January 2014, which acknowledges the thriving business community in the area with a skilled workforce and a sizeable concentration of small and medium sized businesses. The sub-regional economy is seen to have performed strongly and resiliently through the recession, although the importance of further growth is recognised in the face of continued competition.
- 3.24 The high levels of inward investment over the past decade provides the scope to attract high value relocating businesses in the future, while there are a number of award winning and innovative large employers in the area. Unemployment is consistently low, although it is acknowledged that this can lead to future recruitment problems if basic qualifications and skills are not acquired. This could be exacerbated by the ageing population. The impact of high house prices in restricting the return of many young people from higher education is observed, while the loss of highly skilled commuters to London presents a challenge to local businesses.
- 3.25 The indigenous growth of businesses will be a key driver of growth in West Kent, with a need to support and nurture businesses with high growth potential. West Kent is seen to have a number of key sectors (creative/media industries, science and engineering, land-based and horticulture, construction, retail and distribution, financial services, social care and tourism and hospitality) which should be the focus of economic initiatives.
- 3.26 It is acknowledged that only a limited number of sites are currently available for development to achieve growth in West Kent, due to environmental constraints, and the importance of supporting these sites through the local planning process – and through the provision of infrastructure – is seen as paramount for this reason. In Sevenoaks, key growth locations at Fort Halstead, Broom Hill, Swanley town centre, New Ash Green village centre, Vestry Estate, Edenbridge and Sevenoaks town are identified, while Royal Tunbridge Wells town centre, North Farm, Paddock Wood and the urban area/Southborough are also seen as future growth locations in Tunbridge Wells.

²³ West Kent Partnership (January 2014) West Kent Priorities for Growth

- 3.27 The rural economy – which presents a ‘*unique set of challenges*’²⁴ – also needs to be supported, and the West Kent LEADER programme provides grant support for rural businesses. This is seen to have provided much needed support to this diverse sector, with a new LEADER programme for 2015 to 2020 identified as a priority by the Partnership.

The Case for West Kent

- 3.28 More recently, further research was also commissioned by the Partnership to demonstrate that the success of West Kent generates benefits across the whole of Kent and Medway²⁵. This includes a comparative analysis of the West Kent economy²⁶, which shows that the sub-region makes a significant contribution to the productivity of the wider Kent and Medway economy, providing a strong source of growth, diversity and resilience which is central to the wider economic health and prosperity of the county.
- 3.29 West Kent is seen to have the strongest growth prospects – along with North Kent – although there are also significant constraints, limiting the area’s ability to accommodate new homes and businesses with large space requirements. This is likely to be a factor in the area being less favourably regarded as a location for inward investment – compared to Maidstone and Ashford for example – due to a relative lack of a choice of high quality sites for modern business operations. West Kent is seen to compete with other similar locations to the north, south and west of London, rather than other locations in Kent and Medway.
- 3.30 The success of West Kent in capitalising on its strengths and attracting inward investment is likely to benefit all of Kent and Medway, through supply chain linkages and additional job creation. West Kent also provides a large number of jobs for those from outside the area, providing relatively large numbers of high skilled and higher income jobs. Boosting the number of skilled jobs and workers is important to the long-term growth of the county’s economy.
- 3.31 The study did, however, find that regeneration investment per capita in West Kent fell below other areas of Kent and Medway, such as Maidstone, North Kent and East Kent. West Kent could therefore be disadvantaged by the operation of the county’s capital programme and Local Growth Fund, although it is acknowledged that funding has deliberately been weighted based on project outcomes and deliverability. In contrast, for example, West Kent is likely to benefit to a greater extent than other sub-regions from business support programmes, given the high representation of growth businesses and start-ups.

²⁴ Ibid (p24)

²⁵ Wessex Economics (January 2015) The Case for West Kent

²⁶ Ibid (Appendix 1)

Local Policy Context

Sevenoaks District Council

Core Strategy Development Plan Document (DPD)

- 3.32 The Sevenoaks Core Strategy was adopted in February 2011 in order to guide the development of the district over the period to 2026. Upon adoption, there was a commitment to review the Core Strategy within five years in order to ensure consistently with the then-newly published NPPF. The Council is therefore in the process of producing additional evidence to inform the review, including this report, the SHMA and the commissioned Retail Study currently under preparation.
- 3.33 The Core Strategy acknowledges that the local economy has seen recent growth, although this was influenced by the economic downturn. Many businesses are small and in service or office based sectors, although there is a recognised issue in recruiting and retraining staff due to the high cost of housing and the higher salaries available elsewhere, particularly in London. The traditional role of agriculture is identified, with a recognition that farmers are diversifying through the re-use of existing buildings and the development of new enterprises outside of traditional farm uses.
- 3.34 Various issues and challenges are identified, including the need to meet development requirements within an area constrained by Green Belt, providing for future development of Sevenoaks and improving Swanley through regeneration to address issues of deprivation. The future of rural areas is also a key challenge, with a need to preserve the quality of these areas while meeting the needs of rural communities and ensuring that the rural economy can continue to sustainably develop. A broader supply of land is also needed to meet future business needs, with a primary focus on making effective use of existing employment land. The Core Strategy cites the previous Employment Land Review, which showed that there is a sufficient supply of sites largely in acceptable locations, although there was an identified need for modernisation. A future additional land requirement for between 0.3ha and 1.5ha was identified, with a view that this could be made up through intensification and use of vacant land.
- 3.35 There is a particular focus on the Sevenoaks urban area²⁷, Swanley and Edenbridge, although in addition, there are also a number of Major Developed Employment Sites in the Green Belt – independent of existing settlements – which have built up over a number of years, which are all in commercial use and often pre-date the introduction of planning controls. These sites²⁸ form a significant part of the district's employment land supply.

Allocations and Development Management Plan (2015)

- 3.36 Sevenoaks District Council adopted an Allocations and Development Management Plan²⁹ (ADMP) in February 2015, which – alongside the Core Strategy – forms part of the Local Plan for the district. The ADMP establishes the provision of 79.6ha of

²⁷ Consisting of Sevenoaks town and parts of adjoining parishes outside of the Green Belt as defined by the Core Strategy

²⁸ Chaucer Business Park; GlaxoSmithKline; North Downs Business Park; Fort Halstead

²⁹ Sevenoaks District Council (2015) Allocations and Development Management Plan

employment land in Sevenoaks³⁰, exclusive of Major Developed Employment Sites in the Green Belt. 75.5ha is formed of existing sites, with a new allocation of 4.1ha at Broom Hill, Swanley. The distribution between different areas of the district is summarised in Table 3.1.

Table 3.1: Existing Employment Allocations in Sevenoaks

	Number of sites	Total area (hectares)
Sevenoaks town	11	27.1
Swanley	10	22.1
Edenbridge	2	20.4
Other settlements	4	5.9
Sevenoaks district	27	75.5

Source: Sevenoaks District Council, 2015

- 3.37 The 27 sites presented above include a number of larger allocations, such as Station Road in Edenbridge (18.8ha), Vestry Road in Sevenoaks (11.3ha) and Wested Lane Industrial Estate in Swanley (8.2ha).
- 3.38 In addition to those set out above, Broom Hill – adjacent to the M25 in Swanley – is a longstanding employment land allocation, with the potential to drive the economic regeneration of Swanley. Furthermore, outside of the existing settlements, there are a number of Major Developed Employment Sites in the Green Belt which continue to play major employment roles in Sevenoaks. The ADMP acknowledges the changing policy context introduced through the NPPF, which no longer provides authorities with the opportunity to designate Major Developed Sites in the Green Belt, although three of the sites³¹ are formally identified as important employment generating sites, which will be supported where proposals are consistent with Green Belt and policy on Areas of Outstanding Natural Beauty (AONB):
- **Fort Halstead** – a previously developed site within the Green Belt, originally a Ministry of Defence research establishment and still occupied by defence related industries. The largest employer (DSTL) has recently announced its intention to withdraw from the site by 2017/18, with the landowners intending to bring forward an application to redevelop the site for commercial and residential use. The ADMP is clear that any redevelopment should be employment-led, and maintain the site's role to accommodate approximately 1,200 jobs; There is, however, no net increase in jobs associated with this proposal with the 1,200 jobs proposed being to replace those lost through DSTL's decision to withdraw from the site.

³⁰ Reduced from 86.1ha as a result of detailed boundary amendments

³¹ GlaxoSmithKline closed site in 2010, with continued employment use not viable and residential-led mixed use development most appropriate

- **Chaucer Business Park** – primarily used for transport and storage or general business use, with some manufacturing. There is no available developable land, but the Council promotes the continuation of the site in its current form; and
- **North Downs Business Park** – currently used for a range of activities, including manufacturing and other business uses. Continued use of the site in its current form is promoted.

Sevenoaks Economic Development Strategy

3.39 The Economic Development Strategy³² sets out major priorities for economic development in Sevenoaks over the period from 2014 to 2017. This references the thriving local business community, and recognises that strong foundations are in place for future economic growth given the skilled nature of the workforce and the strong culture of entrepreneurialism. The excellent connectivity of the district is also cited as an important attraction for the commercial sector.

3.40 The strategy identifies seven strategic objectives, summarised below:

- **Inward investment** – in order to ensure that the district can continue to attract strong levels of investment, the strategy states that employment land should be strictly protected, recognising that there is significantly less commercial property available in the district compared with other areas of Kent. It is noted that the district's existing businesses largely want to stay within Sevenoaks, and therefore the importance of providing office space of a suitable size and quality to ensure that business needs are met;
- **Skills and support** – provision of more affordable housing is seen as key to keeping younger and economically active people within the workforce. There is also an identified need to work with businesses to identify skills gaps, ensuring that this is met by education and skills providers;
- **Transport and infrastructure** – infrastructure is seen as vital to the continuing economic growth of Sevenoaks, with investment in transport, flood protection and mobile and superfast broadband connectivity supported in the strategy;
- **Energy and sustainability** – ensuring that businesses can access training and funding opportunities to increase energy efficiency;
- **Places for growth and improvement** – a number of areas of Sevenoaks were identified for improvement, based on consultation of corporate plans, emerging Local Plans and the business community. This includes Swanley, Fort Halstead, New Ash Green village centre, Sevenoaks town centre and Bat and Ball. The improvement and redevelopment of these areas is an aim to be progressed by the Council and its partners;
- **Rural economy** – a significant part of the district's economic output, there is a broad and diverse rural economy, which will be supported in maintenance and diversification through local planning policies, provided that development is

³² Sevenoaks District Council (2014) Economic Development Strategy

compatible with the Green Belt. The district also has some of the highest levels of homeworking, self-employment and home businesses; and

- **Tourism** – tourism is a major contributor to economic viability and growth in Sevenoaks, with the industry worth over £230 million to the local economy and supporting over 4,250 jobs. The Council will support tourism investment, and will work with local businesses to facilitate growth and marketing.

Swanley and Hextable Masterplan

- 3.41 The Council is currently preparing a masterplan which will guide future improvements to Swanley and Hextable. This will identify options for improving the town centre, open spaces, leisure facilities, shops, business space, transport and new homes in both towns. A draft masterplan is expected to be published in summer 2016, which will help to achieve the ambitions and objectives of the Council and the West Kent Partnership.

Tunbridge Wells

Tunbridge Wells Borough Local Plan (March 2006)

- 3.42 The Tunbridge Wells Borough Local Plan³³ was adopted in March 2006, and a number of policies – including all covering economic development – have been saved following adoption of the Core Strategy summarised below.
- 3.43 The plan acknowledges the buoyance of the local economy – with concentrations of employment in Royal Tunbridge Wells, Southborough and Paddock Wood – and partly attributes this to the proximity of London. Adoption of the plan had been preceded by a period of sustained growth in employment opportunities, with the service sectors accommodating a substantial proportion of workers. The dispersal of non-agricultural employment throughout the rural area of the borough is also identified, with an aim to support the rural economy.
- 3.44 The Local Plan was prepared within the context of regional guidance, with the 1996 Kent Structure Plan and 2006 Kent and Medway Structure Plan identifying West Kent as an area of restraint, due to Green Belt and environmental constraints. There was a noted regional concern that the rate of economic development expansion in the area could exacerbate labour supply issues, transport constraints and lead to overheating of the local economy.
- 3.45 In alignment with strategic advice, the Local Plan sought to concentrate larger scale economic development within the urban areas of Royal Tunbridge Wells and Southborough, with respective town centres and Economic Development Areas³⁴ (EDAs) the main area of focus. In addition, Paddock Wood was identified as an area which could accommodate general industry and warehousing development, given its strategic location close to rail and road links. The Local Plan also sought to allocate a site for B Class employment uses located at Gills Green in between Cranbrook and

³³ Tunbridge Wells Borough Council (2006) Tunbridge Wells Borough Local Plan

³⁴ Main concentrations of economic development activity in the plan area outside of town centres, as well as sites allocated for economic development in industrial estates on the edge of Royal Tunbridge Wells, Southborough and Paddock Wood, and all economic development allocations where less intensive forms of business and industrial development are focused and where the capacity exists for further development or redevelopment

Hawkhurst to provide an opportunity for residents to work locally and reduce out-commuting. Villages were also deemed appropriate locations for small-scale economic development activity, while appropriate rural buildings could also be converted to facilitate economic development.

3.46 Policy ED4 sets out five sites allocated for economic development, primarily:

- Land north of Kingstanding Way, Royal Tunbridge Wells;
- Land south of Dowding Way, Royal Tunbridge Wells;
- Land west of Maidstone Road, Paddock Wood;
- Land at the former Hawkhurst Railway Station, Gills Green; and
- Land at Brook Farm, Capel.

Tunbridge Wells Borough Core Strategy (June 2010)

3.47 The Tunbridge Wells Borough Core Strategy³⁵ was adopted in June 2010, and forms part of the Council's Local Development Framework (LDF) which provides an overall spatial vision and strategic objectives for the future development of the borough to 2026.

3.48 The provision of sufficient developable and deliverable land to meet the borough's local and strategic employment requirements is a strategic objective within the Core Strategy, with an objective to focus development at Royal Tunbridge Wells to stimulate and sustain its economic growth and competitiveness as a regional hub which also provides business opportunities for local people. There will also be a need to support the rural economy, by protecting and enhancing the vitality and viability of small rural towns, neighbourhood centres, village centres and the wider rural area.

3.49 Core Policy 7 seeks to maintain the existing net supply of employment floorspace within the borough over the Plan period. There is within the Core Strategy, an acknowledgement that further regional evidence could require a review of this position. The Core Strategy designates the strategic Key Employment Areas, which are areas identified for the retention and encouragement of new employment floorspace and broadly reflect the previously designated Economic Development Areas, with the addition of Royal Tunbridge Wells Town Centre. These are defined as follows:

- Royal Tunbridge Wells Town Centre;
- North Farm/Longfield Road industrial area, Royal Tunbridge Wells;
- High Brooms Industrial Park, Southborough;
- Eldon Way and west of Maidstone Road, Paddock Wood;
- Transfesa Road East and West, Paddock Wood;

³⁵ Tunbridge Wells Borough Council (2010) Tunbridge Wells Borough Local Development Framework – Core Strategy Development Plan Document

- Former Hawkhurst Railway Station and sidings, Gills Green; and
- Brook Farm, Capel.

Site Allocations Local Plan

- 3.50 The Site Allocations Local Plan (SALP) was submitted to the Secretary of State for Examination in June 2015. During the course of the hearing sessions, the Council proposed a number of modifications to the document, which were subject to consultation³⁶ in early 2016.
- 3.51 The SALP was adopted by the Council in July 2016 and replaces and supersedes the site allocation policies in the 2006 Local Plan. The SALP acknowledges that the Core Strategy – and the SALP itself – is based on housing and employment figures set out in the South East Plan, which was revoked by Government in March 2013. There is therefore a commitment to review these figures early in the plan period with the Council commencing work on a new Local Plan at the current time which this study will inform.
- 3.52 The SALP cites the October 2010 Employment Land Review Update³⁷, which reviewed supply in the borough and concluded that sufficient capacity existed within the existing employment areas to accommodate future growth. The underlying employment land evidence is being brought up to date through the preparation of this study and used to inform future employment land policies within the emerging Local Plan.
- 3.53 The SALP defines the spatial extent of the Key Employment Areas set out in the Core Strategy, while three further “Areas of Change”³⁸ are identified within Royal Tunbridge Wells town centre as locations which can enhance the local economy through mixed use development. Two further allocations³⁹ are also made to support Core Policy 7.

Retail and Leisure Study Update 2014

- 3.54 While this Economic Needs Study is principally focused on employment premises in B class uses, it is recognised that the retail sector makes an important contribution to the local economy, which is assessed separately. The emerging Site Allocations DPD introduces an updated retail requirement compared to that planned within the Core Strategy, based on the findings of the Retail and Leisure Study Update⁴⁰ published in 2014. While the Core Strategy sought to provide approximately 26,500sqm of retail space in the borough up to 2017, the figure was later updated through the review of the Retail and leisure study to take the requirement to the end of the Plan period. This therefore increased the figure to 34,100sqm in the emerging Site Allocations DPD, of which over 95% (32,600sqm) is planned in the main urban area of Royal Tunbridge Wells and Southborough.
- 3.55 This reflects its role as the main retail and leisure destination in the borough, and also responds to a need to support further investment in the town to strengthen its position in

³⁶ Tunbridge Wells Borough Council (2016) Site Allocations Local Plan (adopted July 2016)

³⁷ GVA Grimley (2010) Employment Land Review Update

³⁸ These include Civic Complex/Crescent Road Area of Change ((AL/RTW2A), Former Cinema Site Area of Change (AL/RTW2B) and Vale Avenue Area of Change (AL/RTW3).

³⁹ 77 Mount Ephraim (Sturge House, Brockborne House) (AL/RTW20), Mount Pleasant Avenue Car Park (AL/RTW21)

⁴⁰ PBA (2014) Tunbridge Wells Borough Council Retail and Leisure Study Update

light of competition from out-of-town retailers and other shopping destinations outside of the borough.

- 3.56 The Retail and Leisure Study is currently being updated again in order to inform the new Local Plan alongside the other evidence base documents.

Key messages

- 3.57 To summarise:

- There is a substantial body of policy and strategic documents which will inform and guide the future economic development of Sevenoaks and Tunbridge Wells.
- The South East LEP is currently driving investment in transport infrastructure in order to support accelerated growth and meet the strategic ambitions of the region. This can capitalise on the opportunity to rebalance the regional economy, away from an historic over-reliance upon the public sector towards the growing 'knowledge economy'.
- Within the South East LEP, there are major opportunities for growth of the Kent and Medway economy, with a recent sustained period of investment in infrastructure and a successful partnership between local government and business.
- The strength and robustness of the West Kent economy is acknowledged by the LEP, given the sizeable knowledge economy and diverse base of SMEs in innovation and growth sectors, although there is also recognition that the supply of development sites is limited by environmental constraints. The rural economy also makes a significant contribution to the sub-regional economy.
- Adopted local planning policy in Sevenoaks seeks to direct employment development towards Sevenoaks Urban Area, Swanley and Edenbridge, although there are also a number of independent Major Developed Employment Sites which form a significant part of the employment land supply but are located within the Green Belt. The need to support the sustainable development of the rural economy is also acknowledged.
- In Tunbridge Wells the current policy position is to maintain the existing net supply of employment space within the borough through the designation of the Key Employment Areas within the Core Strategy and the policy approach within Core Policy 7. Additionally, sites are allocated for a range of employment uses within the Site Allocations Local Plan.

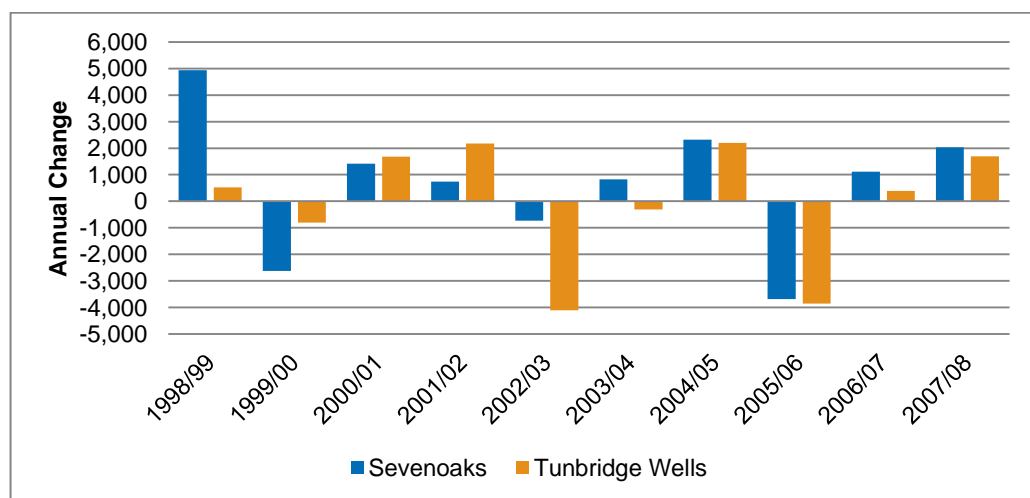
4. Economic Baseline

- 4.1 This section assesses the current composition of the Sevenoaks and Tunbridge Wells economies and performance against a number of key economic and labour market indicators. This includes a review of historic trends relating to employment based on jobs held by people working in each authority, the business base and sectorial change. This enables the identification of local drivers of change and an assessment of the area's track record in delivering growth in the pre and post 2008-2010 recessionary periods.
- 4.2 The analysis covers the local administrative geographies of Sevenoaks and Tunbridge Wells and the FEMA, seeking to compare these with South East and national averages. It draws on a range of data sources including the Census (2001 and 2011), Annual Population Survey (2014/15), Business Register and Employment Survey (2014), and published economic forecasts, including the East of England Forecasting Model and Experian.

Employment trends

- 4.3 Understanding historic growth trends and the current structure of the economy provides an indication of how the local economy has changed over recent years, and also suggests how employment growth may be achieved in future.
- 4.4 Data from the Annual Business Inquiry (ABI) is available to cover the pre-recession period from 1998 to 2008. Figure 4.1 shows annual change in the number of employees working in both Sevenoaks and Tunbridge Wells. This shows there was an overall increase in the number of jobs in Sevenoaks district over this period, equivalent to 6,359 jobs or 17.3%, which is significant compared to Tunbridge Wells where there was an overall decline of 0.9% or a loss of 419 jobs from 1998 to 2008. Whilst most years saw an increase in the number of jobs, periods of decline are evident, most notably in 2005/06.

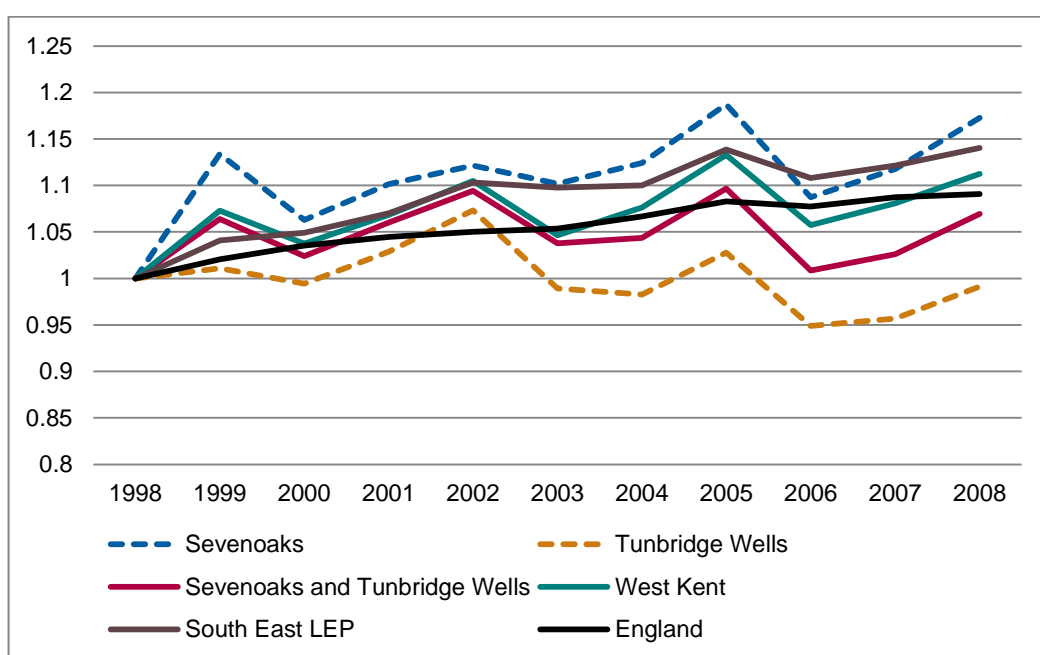
Figure 4.1: Historic Change in Employees 1998 – 2008



Source: ABI

- 4.5 Figure 4.2 compares this change to the national and regional rate as well as FEMA and the wider county, by indexing change to 1998. This illustrates the historical underperformance of the Tunbridge Wells economy relative to the comparator areas. In contrast, the Sevenoaks economy generally performed above average compared to West Kent, the South East LEP area and England, with the exception of a slight decline in 2006.

Figure 4.2: Indexed Change in Employees 1998 – 2008



Source: ABI

- 4.6 Change broken down by sector is summarised in the following table, based on the 2003 Standard Industrial Classification (SIC). The table suggests that both Sevenoaks and Tunbridge Wells saw significant levels of decline within the manufacturing sector, although the level of decline was more prominent in Sevenoaks. A notable decline in the transport, storage and communication; financial intermediation and public administration and defence and compulsory social security sectors is also apparent across both authorities, although greater levels of decline were apparent in Tunbridge Wells. Tunbridge Wells also experienced decline of 24.3% of employees in the agriculture, hunting and forestry sector, whilst Sevenoaks saw an increase in the sector of 17.0%.
- 4.7 Over the period from 1998 to 2008 Sevenoaks saw a notable increase in construction, hotels and restaurants, education, real estate, renting and business activities. Tunbridge Wells saw the greatest levels of increase in employees in real estate, renting and business activities, education and other community, social and personal service activities.

Table 4.1: Historic Change in Employees by Sector 1998 – 2008

Sector (SIC2003)	Sevenoaks		Tunbridge Wells	
	Total Change	% Change 1998 – 2008	Total Change	% Change 1998 – 2008
Agriculture, hunting and forestry	131	17.0%	-354	-24.3%
Fishing	0	0.0%	-	-
Mining and quarrying	-	-	-	-
Manufacturing	-1,176	-24.9%	-804	-19.7%
Electricity, gas and water supply	-	-	-	-
Construction	1,474	67.1%	-97	-5.1%
Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods	-681	-7.8%	-269	-2.6%
Hotels and restaurants	1,867	103.8%	856	39.7%
Transport, storage and communication	-402	-21.8%	-1,920	-53.8%
Financial intermediation	-265	-20.6%	-1,506	-35.7%
Real estate, renting and business activities	3,758	66.0%	2,287	34.2%
Public administration and defence; compulsory social security	-381	-19.1%	-747	-38.2%
Education	1,261	48.6%	1,032	28.5%
Health and social work	594	22.0%	255	3.8%
Other community, social and personal service activities	245	10.3%	870	46.7%
Private households with employed persons	0	0.0%	0	0.0%
Extra-territorial organisation and bodies	0	0.0%	0	0.0%
Total	6,359	17.3%	-419	-0.9%

Source: ABI

- 4.8 The ABI was replaced by the Business Register and Employment Survey (BRES) from 2009, and while not directly comparable with the ABI data this allows an assessment of more recent change in employment across the study area. Table 4.2 shows that the number of employees has grown at a faster rate in Tunbridge Wells, by 2,120 employees per annum, than Sevenoaks, at 640 employees per annum. This differs to the trends identified above where Sevenoaks demonstrated higher levels of employee growth over the period from 1998 to 2008.

Table 4.2: Historic Change in Employees 2009 – 2014

	2009	2010	2011	2012	2013	2014	Average per annum
Sevenoaks	41,200	43,900	44,500	43,200	45,400	44,400	-
Change	-	2,700	600	-1,300	2,200	-1,000	640
Tunbridge Wells	46,800	48,000	48,300	47,800	47,200	57,400	-
Change	-	1,200	300	-500	-600	10,200	2,120

Source: BRES

Employment by Sector

- 4.9 Table 4.3 summarises more recent change by sector, illustrating sectors which have seen the greatest absolute change in employees since 2009.
- 4.10 The greatest increase in employees was seen in the administrative and support service activities sector with an increase of around 700 employees, accounting for a proportional increase of 21.9%. This was closely followed by the human health and social work activities sector which saw an increase of circa 600 employees or 16.3%. The greatest reduction in employees was seen in the manufacturing and professional, scientific and technical activities sectors circa 100 employees, accounting for a 4.0% reduction in employees in Sevenoaks, with a 1.4% reduction in Tunbridge Wells. A slight loss of employees was also seen in the mining and quarrying and construction industries.
- 4.11 In Tunbridge Wells, the construction and public administration and defence, and compulsory social security industries saw the greatest reduction in the number of employees (circa 500). The greatest increase in the number of employees was seen in the financial and insurance activities sector, with 5,800 additional employees in 2014 than 2009, an increase of 208.3%. There has also been significant growth in the number of employees in the administrative and support service activities (circa 2,200) and professional, scientific and technical activities (circa 1,600).

Table 4.3: Absolute Change in Employees by Sector 2009 – 2014⁴¹

Growth Sectors 2009 – 14	Total Change	Decline Sectors 2009 – 14	Total Change
Sevenoaks			
Administrative and support service activities	700	Manufacturing	-100
Human health and social work activities	600	Professional, scientific and technical activities	-100
Real estate activities	400	Mining and quarrying	0
Accommodation and food service activities	300	Construction	0
Wholesale and retail trade	300		
Tunbridge Wells			
Financial and insurance activities	5,800	Construction	-500
Administrative and support service activities	2,200	Public administration and defence; compulsory social security	-500
Professional, scientific and technical activities	1,600	Other service activities	-400
Accommodation and food service activities	1,000	Education	-400

Source: BRES

- 4.12 It is also important to recognise how the change in the number of employees over the period from 2009 – 2014 has changed in each sector proportionally, as set out in Table 4.4.
- 4.13 In Sevenoaks the greatest proportion of decline was in mining and quarrying, however as previously highlighted, the actual loss in the number of employees was minimal. The greatest proportional increase in employees was seen in the water supply, sewerage and waste management and electricity, gas, steam and air conditioning sectors, with 191.1% and 168.1% increase, respectively. There has also been a high proportional increase in the agriculture, forestry and fishing sector, by 42.3%.
- 4.14 In Tunbridge Wells, the greatest proportional decrease was seen in the agriculture, forestry and fishing sector (45.8%) and public administration and defence; compulsory social security (42.9%). The increase in the number of employees in the electricity, gas, steam and air conditioning supply sector was relatively low, yet equates to a significant proportional increase of 212.8%. The financial and insurance activities sector, however,

⁴¹ Figures are rounded to the nearest 100.

as highlighted previously has seen high growth in the number of employees, equating to a significant proportional growth of 208.3%.

Table 4.4: Historic Change in Employees by Sector 2009 – 2014

Growth Sectors 2009 – 14	% Change	Decline Sectors 2009 – 14	% Change
Sevenoaks			
Water supply; sewerage, waste management and remediation activities	191.1%	Mining and quarrying	-38.5%
Electricity, gas, steam and air conditioning supply	168.1%	Manufacturing	-4.0%
Agriculture, forestry and fishing	42.3%	Professional, scientific and technical activities	-1.4%
Real estate activities	39.1%	Construction	-0.4%
Tunbridge Wells			
Electricity, gas, steam and air conditioning supply	212.8%	Agriculture, forestry and fishing	-45.8%
Financial and insurance activities	208.3%	Public administration and defence; compulsory social security	-42.9%
Administrative and support service activities	84.3%	Water supply; sewerage, waste management and remediation activities	-26.7%
Professional, scientific and technical activities	43.8%	Construction	-26.3%

Source: BRES

- 4.15 ONS published jobs density estimates for 2013 in April 2015. Jobs density is defined as the number of jobs in an area divided by the resident population aged 16-64 in that area. For example, a job density of 1.0 would mean that there is one job for every resident aged 16-64.
- 4.16 Evidence suggests that the job densities in Sevenoaks and Tunbridge Wells are similar, at 0.81 and 0.80 respectively, and are broadly in line with the national average of 0.80, yet greater than the average across the South East LEP which is somewhat lower, at 0.72.

Table 4.5: 2013 Job Density

Geography	2013 Job density
Sevenoaks	0.81
Tunbridge Wells	0.80
Sevenoaks and Tunbridge Wells	0.81
West Kent	0.82
South East LEP	0.72
England	0.80

Source: ONS Job Density, 2015

- 4.17 It is also important to establish the current profile of employment, highlighting key sectors in the local economy. This is summarised in Table 4.6, and shows that the distribution, hotels and restaurants; banking, finance and insurance; and public administration, education and health sectors account for the greatest proportions of employment in Sevenoaks and Tunbridge Wells. In Tunbridge Wells, these sectors account for a significant 81.9% of employees, which is higher than Sevenoaks where the sectors support 69.6% of employees. In Sevenoaks the construction sector accounts for 9.9% of employees, this is almost 4 times the proportion of construction employees in Tunbridge Wells, at 2.6%.

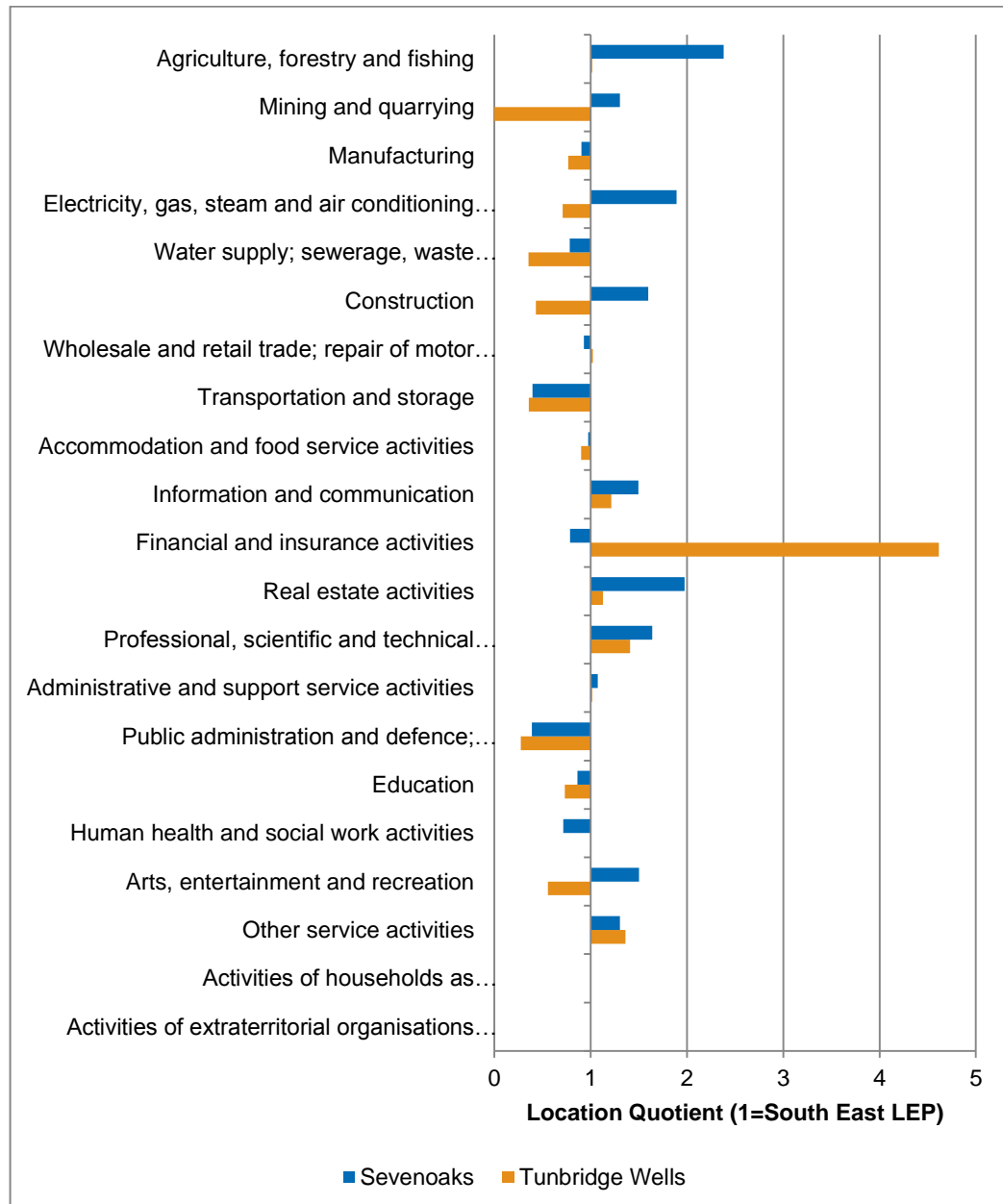
Table 4.6: Sectorial Profile 2014

	Sevenoaks		Tunbridge Wells	
	Employees	%	Employees	%
Agriculture, forestry & fishing	200	0.5%	100	0.2%
Mining, quarrying & utilities	500	1.1%	300	0.5%
Manufacturing	2,800	6.3%	3,100	5.4%
Construction	4,400	9.9%	1,500	2.6%
Distribution, hotels and restaurants	10,800	24.3%	14,600	25.4%
Transport and communications	2,800	6.3%	3,100	5.4%
Banking, finance and insurance	11,200	25.2%	19,700	34.3%
Public admin. education and health	8,900	20.0%	12,700	22.1%
Other services	2,700	6.1%	2,300	4.0%
Total services	1,900	4.3%	2,000	3.5%
Overall Total	44,400	-	57,400	-

Source: BRES

4.18 Finally, it is beneficial to understand how sectors are represented in Sevenoaks and Tunbridge Wells relative to the wider regional economy. The following charts present location quotients for both areas. This shows how the proportionate contribution of each sector in Sevenoaks and Tunbridge Wells in employment terms compares to the economy of the wider South East LEP. A quotient greater than 1 suggests that a sector is over-represented (specialised) relative to the wider area and a quotient less than 1 suggests under-representation.

Figure 4.3: Location Quotients 2014



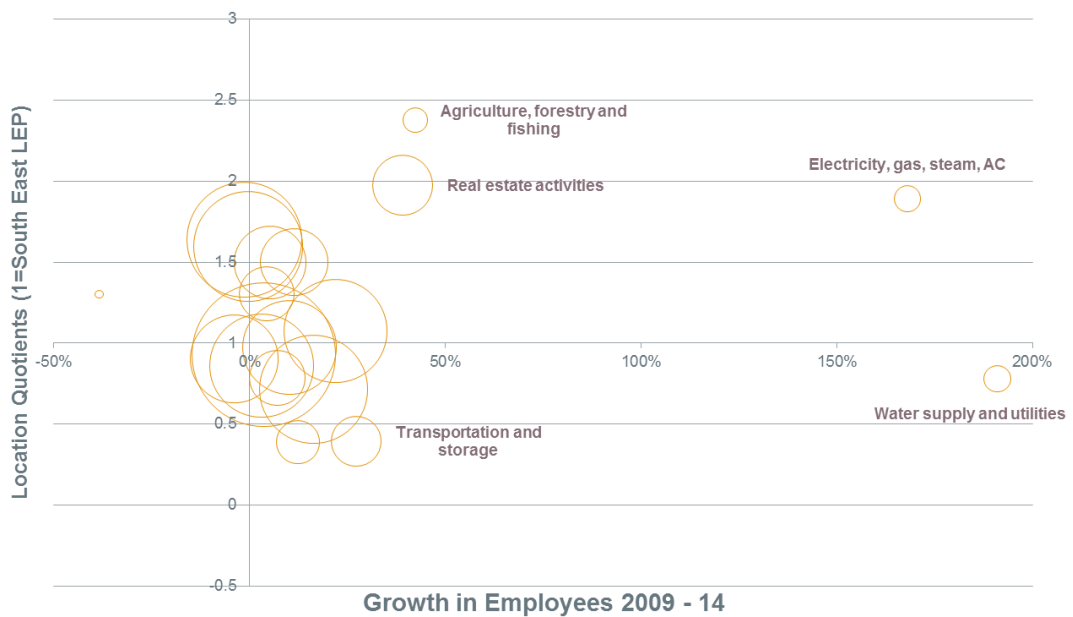
Source: BRES

4.19 This shows that Tunbridge Wells has a particular specialism in the financial and insurance industry, with this representing a larger proportion of all employment than seen across the South East LEP. There is also a slight over-representation of

professional, scientific and technical activities. However, mining and quarrying industries, public administration and defence and transportation and storage are under-represented in the Tunbridge Wells economy. Sevenoaks has the greatest specialisms in agricultural industries, real estate, utilities and professional services, with transportation and storage and public administration under-represented in the local economy relative to the wider South East LEP.

- 4.20 The following charts build on this analysis factoring in growth in employees over the period from 2009 to 2014. This analysis is beneficial in understanding growing sectors which may either be over or under represented compared to the wider South East LEP economy. Building on the analysis presented above this highlights a number of highly represented growing sectors in Sevenoaks, including real estate activities; agriculture, forestry and fishing; and electricity, gas, steam and air-conditioning supply. This also shows that whilst the transportation and storage and water supply and utilities sectors are under-represented, both sectors have witnessed a degree of growth between 2009 and 2014.

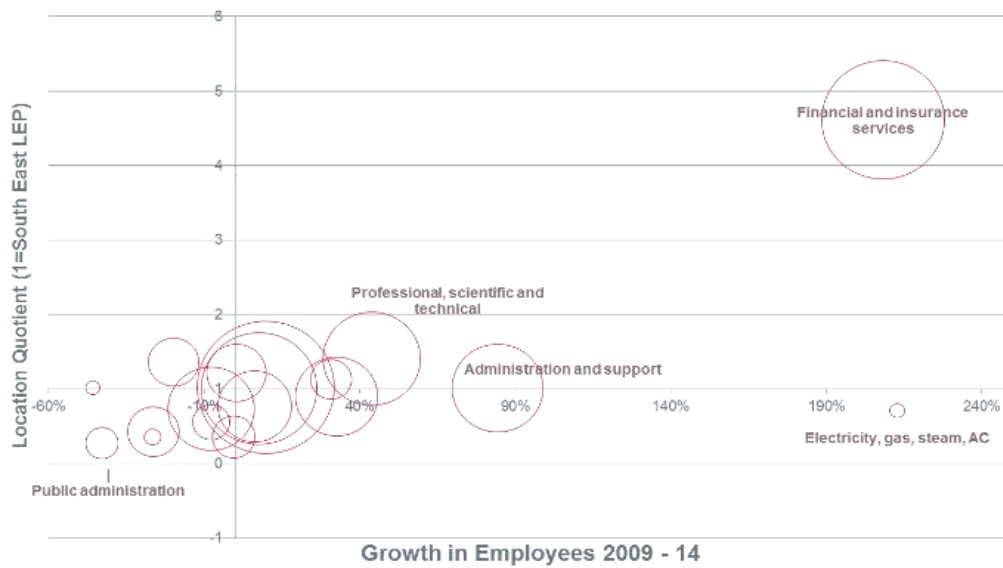
Figure 4.4: Growth and specialisation – Sevenoaks



Source: BRES and Turley Analysis

- 4.21 The chart below presents a similar analysis for Tunbridge Wells, highlighting the high growth and high representation in finance and insurance; professional, scientific and technical; and administration and support sectors. Like Sevenoaks the areas has also witnessed growth in electricity, gas, steam and air-conditioning supply sector. The sector is relatively small in both areas and is currently under-represented in Tunbridge Wells at present.

Figure 4.5: Growth and specialisation – Tunbridge Wells

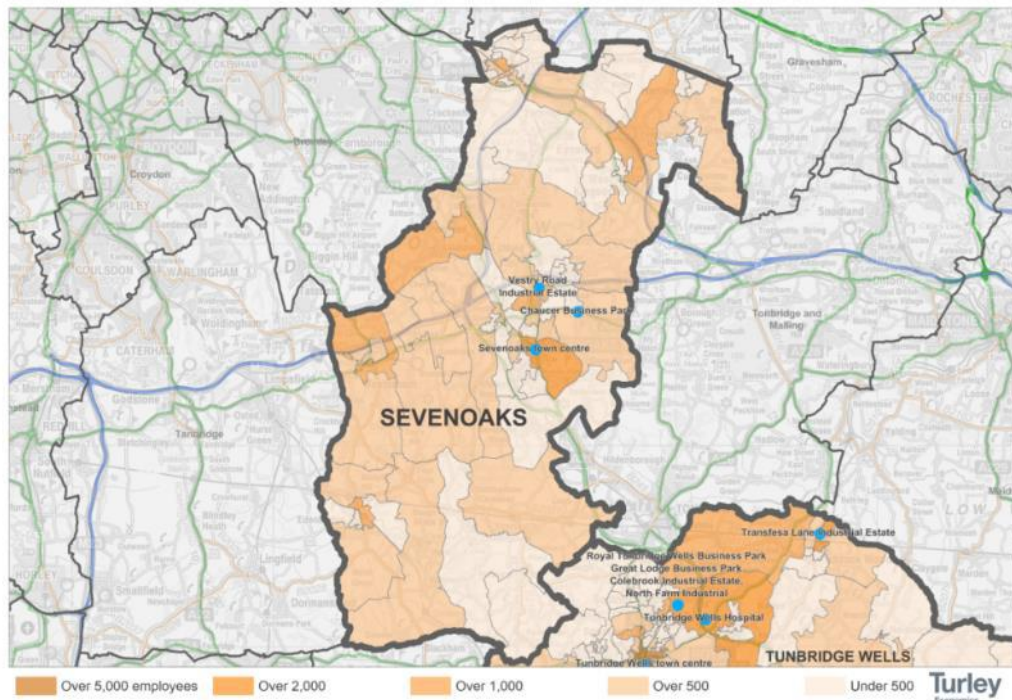


Source: BRES and Turley Analysis

Spatial Distribution of Employment

- 4.22 Evidence from BRES breaks down the number of employees by lower layer super output area (LSOA) in Sevenoaks and Tunbridge Wells, as presented in the following plans for both authorities. The town centres, principal industrial estates and other major employers are also illustrated for context. The LSOA covering Sevenoaks town centre contains over 2,000 employees, representing the main area of employment within the district. The area to the north of the town centre which includes the Vestry Road Industrial Estate also contains a concentration of employees.

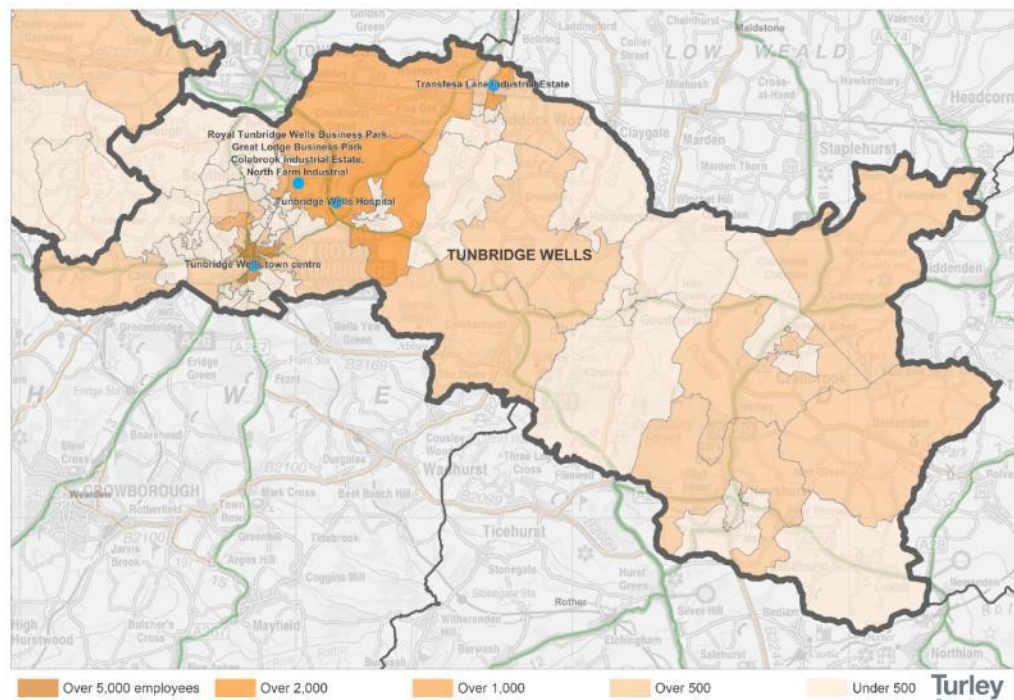
Figure 4.6: Sevenoaks Employees by LSOA 2014



Source: Turley, 2016; BRES, 2014

- 4.23 In Tunbridge Wells, again the greatest number of employees is concentrated within Royal Tunbridge Wells town centre, although there are also significant amounts of employees working at North Farm in Tunbridge Wells, Transfesa in Paddock Wood and the Tunbridge Wells Hospital in Pembury.

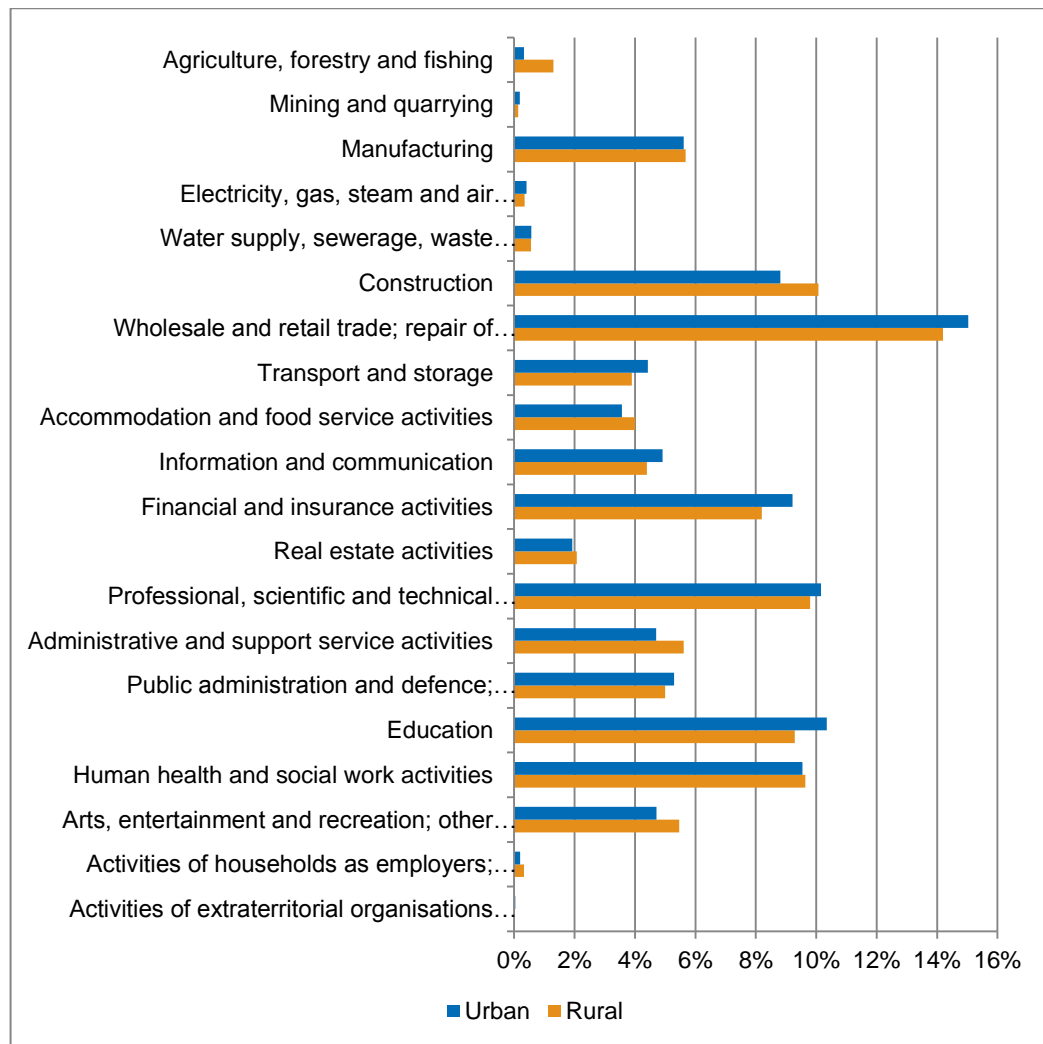
Figure 4.7: Tunbridge Wells Employees by LSOA 2014



Source: Turley, 2016; BRES, 2014

- 4.24 While BRES provides an indicator of overall employment in different areas of Sevenoaks and Tunbridge Wells, the 2011 Census provides further evidence on prevalent industries in rural areas of the authorities. This is based on the rural/urban classification applied by ONS, which indicates that 46% of employed residents in Sevenoaks live in rural areas and 38% of employed Tunbridge Wells residents live in rural areas.
- 4.25 The following chart shows the industry of employment for residents in urban and rural areas of Sevenoaks, highlighting that wholesale and retail, financial and insurance activities and education are more prevalent in urban areas of the district. Conversely, the construction industry plays a greater role in the rural economy, with agriculture, forestry and fishing, accommodation and food and administrative and support services also more prominent in rural areas of the district.

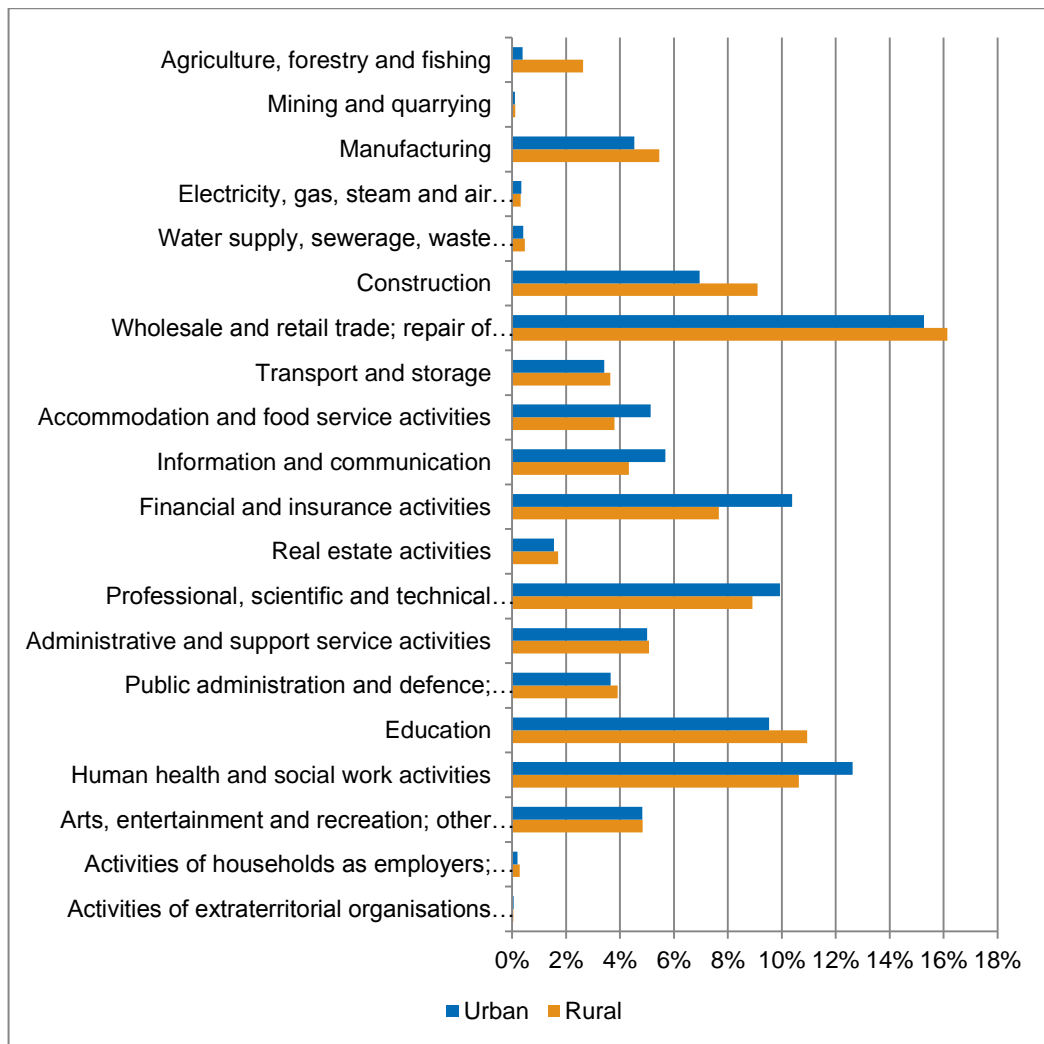
Figure 4.8: Industry of Urban and Rural Employment in Sevenoaks 2011



Source: Census 2011

- 4.26 A comparable analysis is presented below for Tunbridge Wells, highlighting the significant role of the agriculture, construction, education, manufacturing and wholesale and retail industries in rural areas of the district. Employment in urban areas is more skewed towards financial and insurance services, human health and social work activities, ICT and other professional services.

Figure 4.9: Industry of Urban and Rural Employment in Tunbridge Wells 2011



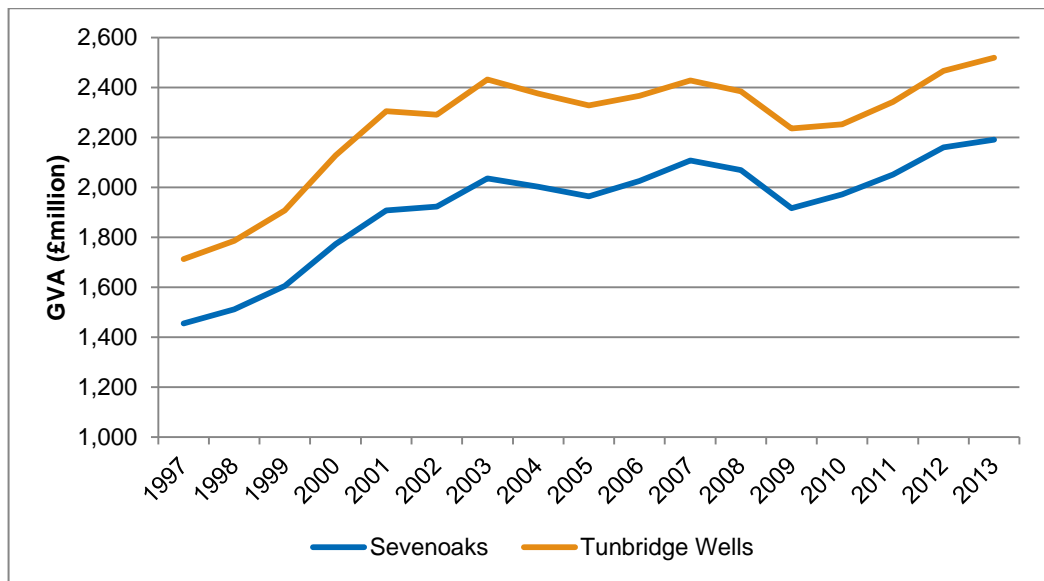
Source: Census 2011

Gross Value Added (GVA)

- 4.27 Gross value added (GVA) is a key measure of productivity in the local economy, and analysis of Experian data⁴² shows how this has changed historically in Sevenoaks and Tunbridge Wells. As the following graph shows, there has been a similar growth in GVA in both authority areas, with a considerable increase between 1997 and 2003 before a broad stabilisation.

⁴² Experian (December 2015) Local Market Forecasts Quarterly

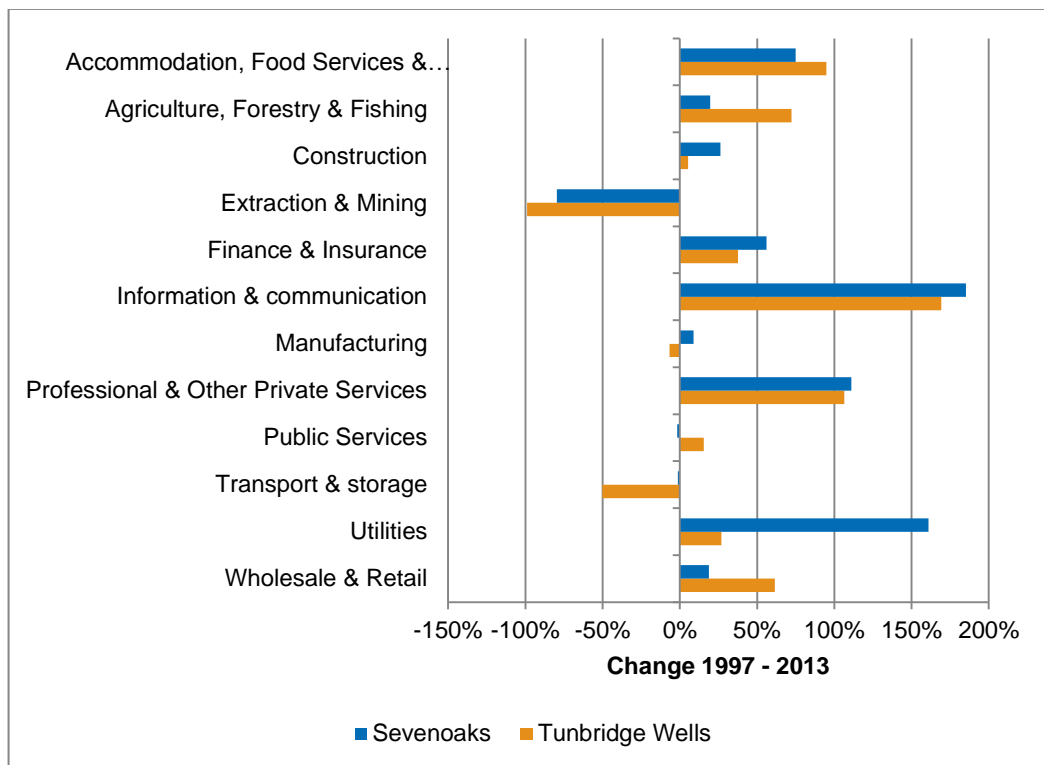
Figure 4.10: Historic Change in GVA 1997 – 2013



Source: Experian, 2015

- 4.28 This can also be broken down by sector, and the following graph shows how the contribution of different sectors has changed over this period.

Figure 4.11: Historic Change in GVA by Sector 1997 – 2013



Source: Experian, 2015

- 4.29 The contribution of the information and communication sector has increased in both Sevenoaks and Tunbridge Wells over the period shown, with a growth in the contribution of both professional and other services and accommodation, food services and recreation. Sevenoaks has also seen a sizeable proportionate growth in the contribution of utilities. Tunbridge Wells has seen a growth in agricultural industries, despite a fall in the number employed in the sector, suggesting an increased productivity amongst the borough's agricultural enterprises. The extraction and mining sector has declined in both authorities, however, with manufacturing and public services also seeing little growth.
- 4.30 Table 4.7 shows proportionate growth in different sectors in Sevenoaks and Tunbridge Wells. Various periods are presented, covering a period of sustained national economic growth (1998 – 2008), a more recessionary climate (2009 – 2013) and the period as a whole, from 1998 to 2013. It is important to note that the proportionate figures can be sensitive to rapid growth from a small base, which can exaggerate trends in sectors which make a small overall contribution to GVA.

Table 4.7: Proportionate Change in GVA by Sector

	Sevenoaks			Tunbridge Wells		
	97 – 08	09 – 13	97 – 13	97 – 08	09 – 13	97 – 13
Accommodation, Food Services & Recreation	82%	6%	75%	99%	8%	95%
Agriculture, Forestry & Fishing	8%	12%	20%	50%	12%	72%
Construction	40%	5%	26%	19%	3%	5%
Extraction & Mining	-65%	-31%	-80%	-72%	-92%	-99%
Finance & Insurance	30%	14%	56%	20%	16%	38%
Information & Communication	168%	18%	185%	166%	14%	169%
Manufacturing	2%	16%	9%	-5%	5%	-7%
Professional & Other Private Services	82%	22%	111%	85%	18%	106%
Public Services	-1%	2%	-2%	18%	1%	16%
Transport & Storage	-1%	11%	-1%	-33%	-13%	-50%
Utilities	114%	36%	161%	36%	11%	27%
Wholesale & Retail	16%	16%	19%	43%	25%	62%
Total GVA	42%	14%	51%	39%	13%	47%

Source: Experian, 2015

- 4.31 It is clear that much of the growth in the information and communication sector occurred prior to the recession, with a similar profile of growth for the professional and other private services sector. During the recession, wholesale and retail saw the greatest increase in contribution in Tunbridge Wells, with the utilities sector driving growth in Sevenoaks.

Business Base

- 4.32 In order to assess the characteristics of the areas business base, 2015 evidence provided by ONS has been utilised. The 'UK Business: Activity, Size and Location' dataset provides information on the total number of businesses in the whole UK economy in March 2015, broken down by industry and local authority. This provides a measure of businesses which complements the earlier analysis of employees, with different trends emerging if industries are dominated by larger employers, for example.
- 4.33 This shows that in March 2015 there were 6,370 businesses in Sevenoaks and 6,115 businesses in Tunbridge Wells. The professional, scientific and technical industry supports the greatest proportion of businesses within both Sevenoaks (20% - or 1,270 businesses) and Tunbridge Wells (24% - or 1,450 businesses). Within both authorities, the construction industry accounts for the second highest proportion of businesses, equating to 14% in Sevenoaks and 10% in Tunbridge Wells. The industry representing the smallest number of businesses is public administration and defence, with just 25 businesses operating in the industry in Sevenoaks and 20 in Tunbridge Wells.

Table 4.8: Business Enterprises by Industry 2015

	Sevenoaks		Tunbridge Wells		Sevenoaks and Tunbridge Wells	West Kent	South East LEP	England
Agriculture, forestry & fishing	200	3%	280	5%	4%	3%	4%	5%
Production	380	6%	255	4%	5%	5%	6%	6%
Construction	895	14%	620	10%	12%	13%	16%	12%
Motor trades	180	3%	135	2%	3%	3%	3%	3%
Wholesale	360	6%	270	4%	5%	5%	4%	4%
Retail	370	6%	445	7%	7%	6%	7%	8%
Transport & Storage (inc. postal)	150	2%	95	2%	2%	2%	4%	3%
Accommodation & food services	255	4%	295	5%	4%	4%	6%	6%
Information & communication	570	9%	565	9%	9%	9%	7%	8%
Finance & insurance	145	2%	135	2%	2%	2%	2%	2%
Property	240	4%	205	3%	4%	3%	3%	4%
Professional, scientific & technical	1,270	20%	1,450	24%	22%	22%	17%	18%
Business administration & support services	600	9%	575	9%	9%	9%	8%	8%
Public administration & defence	25	0%	20	0%	0%	0%	0%	0%
Education	100	2%	130	2%	2%	2%	2%	2%

Health	210	3%	220	4%	3%	4%	4%	4%
Arts, entertainment, recreation & other services	420	7%	420	7%	7%	6%	6%	7%
Total	6,370	-	6,115	-	-	-	-	-

Source: Activity, Size, Location

Size profile of the business base

- 4.34 Data on the size profile of the business base in March 2015 is also available through the 'UK Business: Activity, Size and Location' dataset.
- 4.35 The size profile of the Sevenoaks and Tunbridge Wells business base demonstrates a slightly higher representation of micro sized (0 - 9 employees) businesses at 90.3% and 90.1% respectively, when compared to 89.7% across West Kent, 89.4% across the South East LEP and 88.8% on average across England. The number of small businesses (10 - 49 employees) in Sevenoaks and Tunbridge Wells is slightly lower, at 8.2% and 8.3% respectively, than the wider averages ranging from 8.5% to 9.2%. The number of medium and large businesses in Sevenoaks and Tunbridge Wells, at 1.5% and 1.6%, is also lower than the West Kent (1.8%) and South East LEP (1.7%) and national (2.0%) averages. However, whilst only accounting for 1.6% of all businesses, the medium and large businesses in Sevenoaks and Tunbridge Wells make an important contribution to the area in terms of total employment. Key employers in Royal Tunbridge Wells include Cripps, a major solicitors practice, and AXA PPP Healthcare, one of the largest private health care providers in England, both of whom have major offices in Tunbridge Wells. At Paddock Wood, key employers include Steller UK, Warburtons and MW Mack.

Table 4.9: Businesses by size band 2015

	Micro (0 – 9)	Small (10 – 49)	Medium (50 – 249)	Large (250+)
Sevenoaks (Total Businesses)	5,750	525	75	20
Sevenoaks (%)	90.3%	8.2%	1.2%	0.3%
Tunbridge Wells (Total Businesses)	5,510	505	85	15
Tunbridge Wells (%)	90.1%	8.3%	1.4%	0.2%
Sevenoaks and Tunbridge Wells	90.2%	8.2%	1.3%	0.3%
West Kent	89.7%	8.5%	1.4%	0.3%
South East LEP	89.4%	8.8%	1.4%	0.3%
England	88.8%	9.2%	1.6%	0.4%

Source: Activity, Size, Location

Change in the business base

- 4.36 It is also important to understand the historic change in the area's business base. The Business Demography statistical dataset published by ONS provides information on registered active UK enterprises and the births and deaths of enterprises. This dataset replaces the VAT Registrations statistics published by the Department for Business, Innovation and Skills (BIS) and does not provide data comparable to that set out above.
- 4.37 According to Business Demography statistics, in 2014 there were 6,745 active businesses (enterprises) in Sevenoaks and 6,585 in Tunbridge Wells. Over the period from 2004 to 2014, the number of businesses in Sevenoaks increased by 805, demonstrating growth of 13.6%, and the number of businesses in Tunbridge Wells increased by 850, demonstrating growth of 14.8%. This growth is broadly in line with the average for West Kent and the South East LEP, albeit slightly lower than the national average growth of 18.6%. This is summarised in Table 4.10 below.

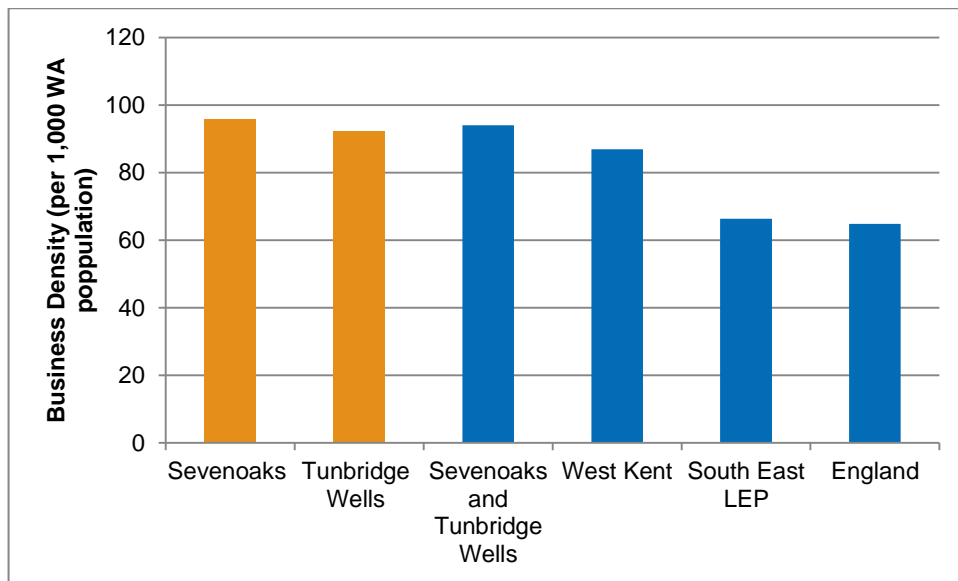
Table 4.10: Business growth 2004 – 2014

	2004	2014	Total Change 2004 - 2014	% Change 2004 – 2014
Sevenoaks	5,940	6,745	805	13.6%
Tunbridge Wells	5,735	6,585	850	14.8%
Sevenoaks and Tunbridge Wells	11,675	13,330	1,655	14.2%
West Kent	16,485	18,925	2,440	14.8%
South East LEP	146,460	166,730	20,270	13.8%
England	1,885,265	2,235,345	350,080	18.6%

Source: Business Demography

- 4.38 When the size of the business base in Sevenoaks and Tunbridge Wells is compared to the size of the working age population (aged 16 – 64), it shows that the area has a much higher business density, at 96 and 92 businesses per 1,000 working age people, respectively, than the averages across the wider comparator areas. This is presented in the following figure.

Figure 4.12: Business density 2014



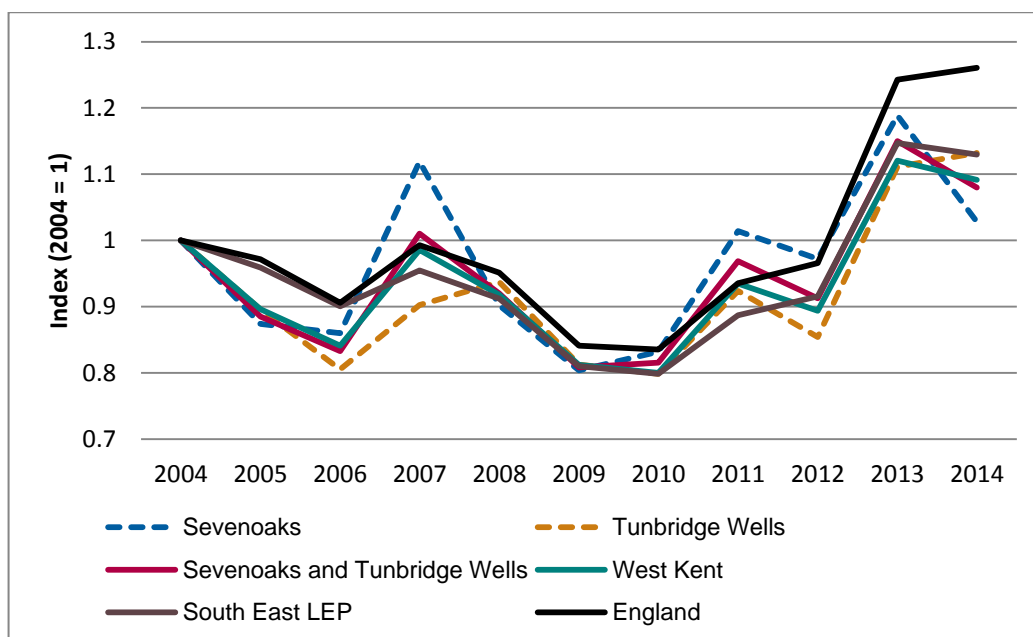
Source: Business Demography and Mid-Year Population Estimates

- 4.39 The high business density in Sevenoaks and Tunbridge Wells suggests that there are lower levels of medium and large companies and a higher number of smaller businesses within the area, compared to the wider areas.

Business Start-Up Rates

- 4.40 Over the period from 2004 to 2014, the number of business start-ups has fluctuated across all of the comparator areas. Generally, business start-ups declined from 2004 – 2006 before increasing to 2007/2008 and declining again during the recessionary period. From 2012 to 2013 start-up rates in both Sevenoaks and Tunbridge Wells increased by 22.3% and 30.1%, respectively. However, whilst Tunbridge Wells showed marginal increase (1.9%) in business start-ups from 2013 to 2014, start-ups in Sevenoaks declined by 13.5% over the same period.

Figure 4.13: Indexed Business Start-Ups 2004-2014



Source: Business Demography

Business Survival Rates

- 4.41 Table 4.11 sets out the 5 year survival rates of businesses that were started up in 2009. This suggests that the survival rates of businesses in years 1 to 5 in both Sevenoaks and Tunbridge Wells were either in line with or higher than the average business survival rates in West Kent, the South East LEP area and England.

Table 4.11: 2009 Start-Up Business Survival Rates

	Survival Rate				
	1 Year	2 Year	3 Year	4 Year	5 Year
Sevenoaks	92.2%	79.1%	64.3%	51.3%	44.3%
Tunbridge Wells	93.2%	76.9%	64.1%	53.0%	46.2%
Sevenoaks and Tunbridge Wells	92.7%	78.0%	64.2%	52.2%	45.3%
West Kent	91.7%	76.9%	62.6%	51.3%	44.2%
South East LEP	92.2%	75.6%	60.8%	49.6%	42.0%
England	90.9%	73.9%	59.7%	48.9%	41.8%

Source: Business Demography

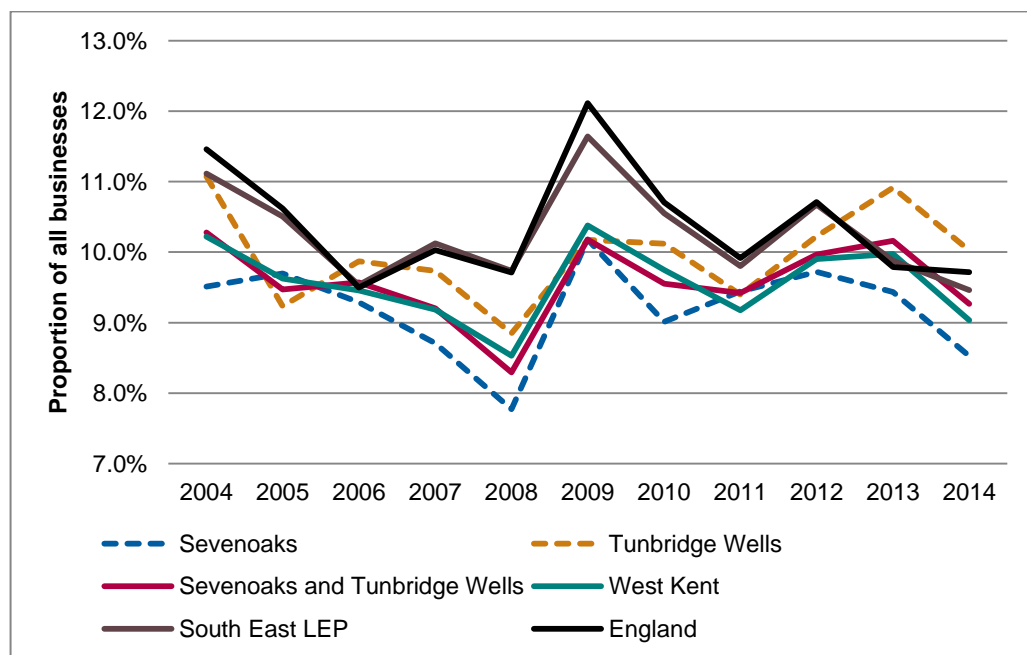
Business Closures

- 4.42 Business closures data (otherwise known as business deaths) published by ONS identifies businesses no longer active in a given year, having been classified as active in the preceding year. This is based on information held by HM Revenue and Customs and Companies House in relation to VAT and Pay as You Earn. This provides an indication

of the number of businesses ceasing to operate and contribute to the local economy on an annual basis.

- 4.43 Business closures in Sevenoaks stood at 8.5% of all businesses in 2014, which was lower than the comparator averages which ranged from 9.0% to 9.7%. In comparison Tunbridge Wells had a higher rate of closures at 10.0% of all businesses.
- 4.44 Notwithstanding Tunbridge Wells maintained a strong performance during the recession and until 2012, with closure rates lower than national average. Sevenoaks has also historically maintained business closures at a rate lower than the South East LEP area and the national average.

Figure 4.14: Business Death Rate 2004 – 2014



Source: *Business Demography*

Successful Investments

- 4.45 The analysis above can be contextualised using data shared by Locate in Kent, which records the number of investments successfully facilitated by the organisation and the number of jobs created or saved.
- 4.46 As summarised in Table 4.12, this indicates that a total of 10 investments have been facilitated in Sevenoaks and Tunbridge Wells over the most recent two year period, saving or creating just under 700 jobs. The majority of these jobs were created in 2015/16, with wider West Kent also attracting significant new job creation during this time as a result of investments such as Amazon's new distribution centre in Aylesford in Tonbridge and Malling.

Table 4.12: Successful Investments in West Kent 2014 – 2016

	April 2014 – March 2015		April 2015 – March 2016	
	Successes	Jobs	Successes	Jobs
Sevenoaks	2	59	2	310
Tunbridge Wells	1	15	5	312
Sevenoaks and Tunbridge Wells	3	74	7	622
West Kent	4	89	12	1,391

Source: Locate in Kent

- 4.47 Data shared by Locate in Kent also indicates that there were 86 active projects in West Kent, primarily searching for manufacturing, retail, wholesale and construction premises⁴³. More than a third of projects involved relocations from elsewhere in Kent, with almost a quarter looking to expand. This demonstrates the demand for West Kent as a business location, and its importance in ensuring that companies are not lost to other areas. Locate in Kent conclude that the level of active projects in West Kent does not reflect all market activity, and reflects the difficulty that many businesses have in securing suitable premises and sites within the area. Those businesses that are committed to West Kent are likely to seek support from them, whilst others who successfully locate or expand within the area do so following their own commercial negotiations.

Population and labour force

Population

- 4.48 An assessment of population provides a valuable indicator of the socio-economic vitality of an area, highlighting growth or decline which would impact upon the size of the labour force in Sevenoaks and Tunbridge Wells. Annual mid-year population estimates are published by the ONS, and the following chart shows how the population of Sevenoaks and Tunbridge Wells has changed over the past decade.

Table 4.13: Population Change 2004 – 2014

	2004	2014	Change	%
Sevenoaks	110,045	117,811	7,766	7.1%
Tunbridge Wells	105,131	116,105	10,974	10.4%
Sevenoaks and Tunbridge Wells	215,176	233,916	18,740	8.7%
West Kent	325,617	358,342	32,725	10.1%
South East	3,761,026	4,097,289	336,263	8.9%
England	50,194,600	54,316,618	4,122,018	8.2%

⁴³ Locate in Kent (2016) West Kent Report

Source: ONS

- 4.49 Sevenoaks and Tunbridge Wells are comparable in the size of their respective populations, although it is evident that Tunbridge Wells has seen a stronger level of population growth over the past decade. This has surpassed the growth seen across West Kent, and that recorded in the South East LEP area and England more widely. Conversely, the population of Sevenoaks has grown to a slightly smaller extent.

Age Structure

- 4.50 Age is an important indicator in determining the socio-economic structure of the population, and particularly the number of residents of working age who can contribute to the labour force and potentially be available for employment.
- 4.51 Table 4.14 summarises the structure of the population of Sevenoaks and Tunbridge Wells, based on 2014 mid-year population estimates.

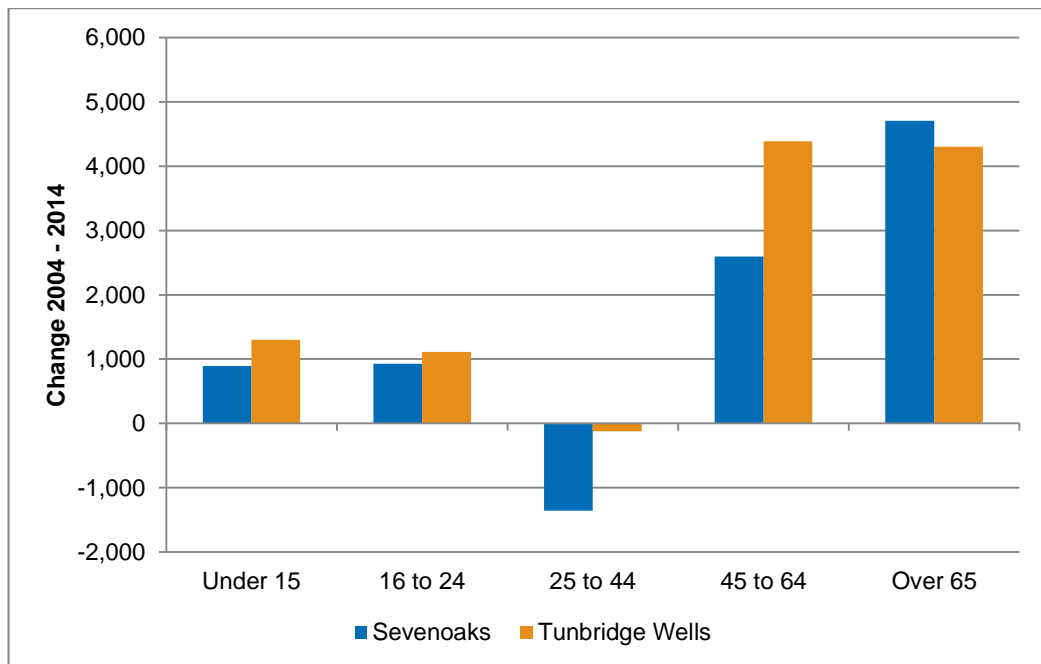
Table 4.14: Age Profile 2014

	Under 15	16 to 24	25 to 44	45 to 64	Over 65
Sevenoaks	19.6%	8.9%	23.3%	27.6%	20.5%
Tunbridge Wells	20.2%	9.3%	25.5%	26.6%	18.4%
Sevenoaks and Tunbridge Wells	19.9%	9.1%	24.4%	27.1%	19.5%
West Kent	20.1%	9.5%	24.3%	27.0%	19.1%
South East	18.9%	10.8%	24.2%	26.3%	19.8%
England	19.0%	11.4%	26.7%	25.3%	17.6%

Source: ONS, 2014

- 4.52 Sevenoaks contains a comparatively large proportion of older residents aged 65 and over, surpassing the levels seen nationally. Tunbridge Wells contains a relatively large proportion of children aged 15 and under, reflecting and driving the West Kent trend. Compared to England and the wider South East LEP, however, younger people aged 16 to 24 form a smaller component of the population in both authority areas, supporting the conclusion that the working age population also contains a marginally larger older cohort.
- 4.53 The age profiles have been partially driven by recent trends. As shown in the following graph, over the past decade, both Sevenoaks and Tunbridge Wells have seen sizeable growth in older age groups, with more limited growth in younger age groups. There has been a notable decline in the number of residents aged 25 to 44 in both authorities.

Figure 4.15: Change in Population by Age Group 2004 – 2014



Source: ONS

Economic Activity

- 4.54 A person is deemed economically active if they are either in employment, or not in employment but seeking work and ready to start within two weeks, or waiting to start a job already obtained. Similarly, economic inactivity can be a measure of the number of residents not in employment, or not actively looking for employment.
- 4.55 Local data on economic activity can be compared to national and regional benchmarks to determine whether there is a high or low rate of activity, highlighting the size of latent labour force either currently employed or available to start work immediately.
- 4.56 The Annual Population Survey (APS) provides an indicator of the number of economically active residents in an area based on responses received during the previous October to September period, and considers the economic activity rate for all residents aged 16 to 64. This is summarised in Table 4.15.

Table 4.15: Economic Activity (Oct 2014 – Sep 2015)⁴⁴

	Sevenoaks	Tunbridge Wells	Sevenoaks and Tunbridge Wells	West Kent	South East LEP	England
Economically active residents	54,100	54,500	108,600	172,000	1,948,400	26,618,900
Economic activity rate	75.6%	76.9%	76.3%	79.1%	78.5%	77.8%
Employed residents	51,700	51,400	103,100	165,500	1,846,700	25,164,000
Employment rate	72.3%	72.6%	72.5%	76.1%	74.4%	73.6%
Unemployment rate	4.4%	5.6%	5.1%	–	5.2%	5.5%
% of economically inactive who want a job	23.6%	24.0%	23.7%	25.6%	27.6%	24.2%

Source: ONS, 2015

4.57 The latest APS data suggests that Sevenoaks and Tunbridge Wells have comparable levels of economic activity and employment, which fall below those seen in the wider comparator areas. West Kent as a whole has a high level of economic activity and employment, however, indicating that the population of Tonbridge and Malling contains a greater number of economically active residents.

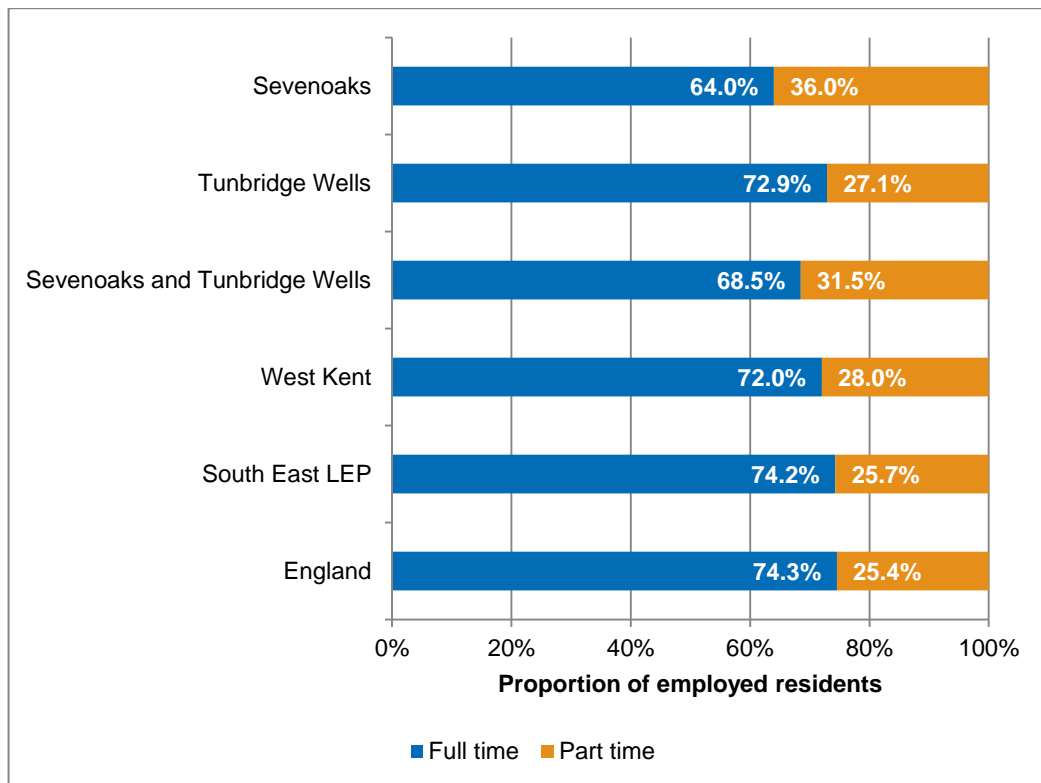
4.58 The APS also shows the proportion of economically inactive residents who want a job, potentially highlighting a sizeable latent labour force in the area. Around 24% of economically inactive residents in Sevenoaks and Tunbridge Wells are seeking work.

Full time and part time work and self-employment

4.59 The APS also highlights the proportion of employed residents who work in full time or part time occupations. This is summarised in the following graph, again based on residents aged 16 to 64.

⁴⁴ Where data is not provided information is not available.

Figure 4.16: Full Time and Part Time Employment (Oct 2014 – Sep 2015)



Source: ONS, 2015

- 4.60 Sevenoaks contains a comparatively large number of residents working in part-time employment, which notably exceeds the levels seen in the comparator areas presented. Conversely, a larger proportion of Tunbridge Wells residents work in full-time employment, surpassing West Kent but falling short of the South East LEP and England, where almost three quarters of residents work in full-time employment.
- 4.61 The APS also identifies those aged 16 and over who are self-employed. As shown below, a comparably large proportion of employed residents in Sevenoaks and particularly Tunbridge Wells are self-employed, compared to wider comparator areas.

Table 4.16: Self-Employment (Oct 2014 – Sep 2015)

	Self-employed	% of all in employment
Sevenoaks	10,500	19.3%
Tunbridge Wells	11,800	21.8%
West Kent	33,600	19.4%
South East LEP	317,900	16.4%
England	3,951,500	15.1%

Source: ONS, 2015

Working from Home

- 4.62 The 2011 Census identified 7,846 residents in Sevenoaks and 8,177 residents in Tunbridge Wells who worked mainly at or from home, who were aged 16 or over.
- 4.63 The number of residents working from home increased over the decade to 2011, with the 2001 Census recording 5,948 people in Sevenoaks mainly working from home and 5,808 residents in Tunbridge Wells. This represents an increase of 32% and 41% respectively⁴⁵.
- 4.64 Of those working from home in 2011, it is possible to identify the industry of occupation. Table 4.17 summarises the main industries in which those working mainly from home work. This highlights consistent trends across both authorities, with a large proportion of those working from home working in professional, scientific and technical industries or wholesale and retail trade. Over one in ten of those working from home work in the construction industry, with information and communication a further source of home working.

Table 4.17: Top 5 Industries of Residents Working from Home 2011

Sevenoaks		Tunbridge Wells	
Professional, scientific and technical	16.5%	Professional, scientific and technical	16.4%
Construction	12.2%	Wholesale and retail trade	10.5%
Wholesale and retail trade	10.1%	Construction	8.8%
Information and communication	8.4%	Information and communication	8.8%
Other	7.7%	Human health and social work	7.8%

Source: Census 2011

Qualifications and Skills

- 4.65 Whilst skills requirements differ by business sector and occupational groups, being able to access a pool of suitably qualified and experienced workers is important to both new and existing businesses, including those who are well established within an area and seeking to grow. It is also likely to influence the type of businesses attracted to Sevenoaks and Tunbridge Wells, in addition to the type of employment land that is required.
- 4.66 It is therefore, important to understand the skills profile of the local labour force, which is recorded in the 2011 Census. This identifies the highest level of qualification, standardised as follows:
- **No qualifications;**
 - **Level 1 qualification** – 1+ 'O' level passes, 1+ CSE/GCSE any grades, NVQ level 1, or Foundation level GNVQ;

⁴⁵ 2001 Census figure only records those aged 16 to 74 and in employment, therefore excluding any home-working resident aged 75+

- **Level 2 qualification** – 5+ 'O' level passes, 5+ CSE (grade 1), 5+ GCSEs (grade A – C), School Certificate, 1+ 'A' levels/'AS' levels, NVQ level 2, or Intermediate GNVQ;
- **Apprenticeship**;
- **Level 3 qualification** – 2+ 'A' levels, 4+ 'AS' levels, Higher School Certificate, NVQ level 3, or Advanced GNVQ;
- **Level 4/5 qualification** – first degree, higher degree, NVQ levels 4 and 5, HNC, HND, qualified teacher, medical doctor, dentist, nurse, midwife or health visitor; and
- **Other qualification** – vocational/Work-related Qualifications, Qualifications gained outside the UK (Not stated/ level unknown).

4.67 Table 4.18 shows the highest level of qualification of the local labour force, which consists of residents aged 16 and over.

Table 4.18: Residents' Highest Level of Qualification 2011

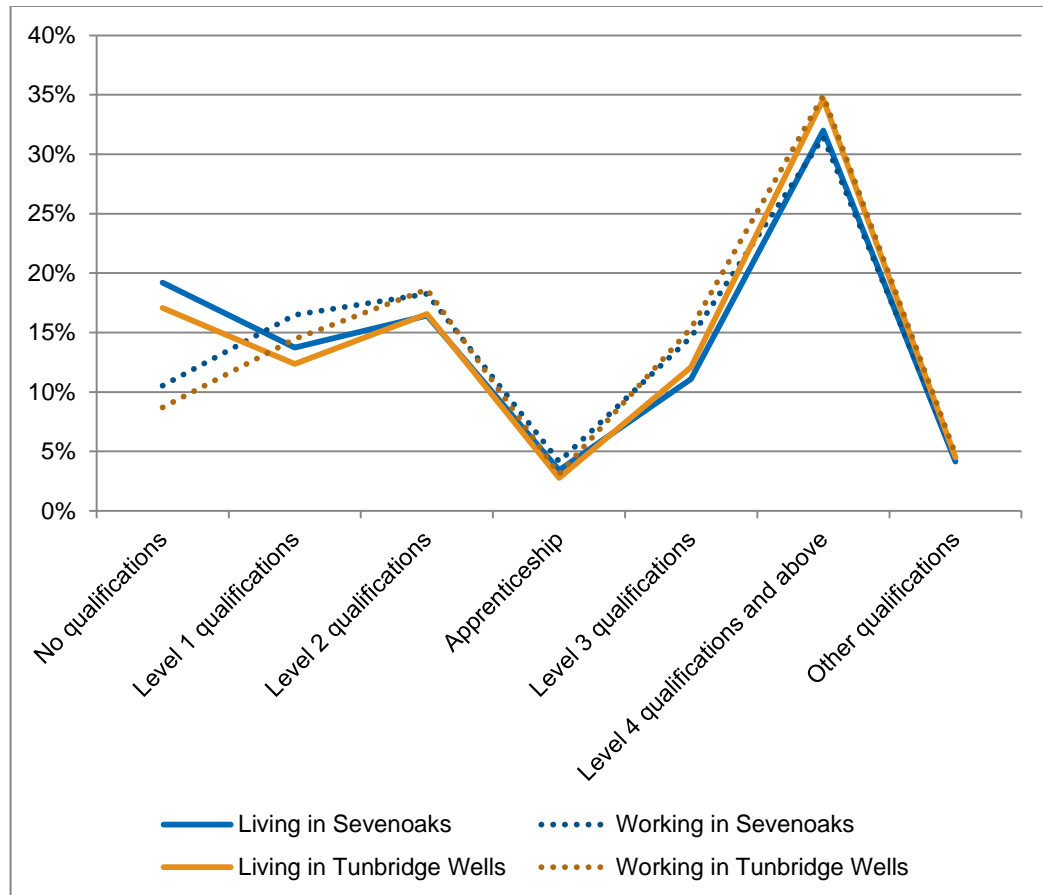
	Sevenoaks	Tunbridge Wells	Sevenoaks and Tunbridge Wells	West Kent	South East LEP	England
No qualifications	19.2%	17.1%	18.1%	18.8%	23.3%	22.5%
Level 1	13.7%	12.4%	13.1%	13.7%	15.4%	13.3%
Level 2	16.4%	16.6%	16.5%	16.9%	17.2%	15.2%
Apprenticeship	3.4%	2.8%	3.1%	3.4%	3.8%	3.6%
Level 3	11.1%	12.1%	11.6%	11.8%	12.0%	12.4%
Level 4/5	32.0%	34.6%	33.3%	31.2%	23.5%	27.4%
Other qualifications	4.1%	4.5%	4.3%	4.2%	4.9%	5.7%

Source: Census 2011

- 4.68 Compared to the South East LEP and England, Sevenoaks and Tunbridge Wells contain fewer residents with no qualifications, with one third of residents across the combined area possessing a degree level qualification or higher (Level 4/5). Comparatively fewer have apprenticeship, level 3 and other qualifications.
- 4.69 Whilst the analysis above focuses on the qualifications of residents, it is also beneficial to consider the qualifications of the workforce, which removes those residents commuting elsewhere to work but adds those commuting to Sevenoaks and Tunbridge Wells. This provides an indication of the skillset of those working in the local economy.

4.70 The following chart illustrates the skills of the labour force (i.e. residents) and workforce (i.e. employed workers) in Sevenoaks and Tunbridge Wells.

Figure 4.17: Highest Level of Qualification for Residents and Workers 2011



Source: Census 2011

4.71 Whilst there is a broad similarity in profile, there are a number of notable trends

- Firstly, a large proportion of those working and living in both authorities have a degree level qualification or higher, which aligns with the profile of the labour force.
- However, a larger proportion of residents have no qualifications, compared to those working in the area, although it is important to recognise that the former includes all residents whereas the latter captures only those in employment; and
- The workforce contains a greater proportion of people with lower level qualifications.

Occupations

4.72 The occupational profile shows the types of jobs held by residents. This is sourced from the APS for the period from October 2014 to September 2015, with the analysis based upon the nine major groups of the Standard Occupational Classifications (SOC). This is presented in Table 4.19.

Table 4.19: Residents' Occupation of Employment (Oct 2014 – Sep 2015)

	Sevenoaks	Tunbridge Wells	Sevenoaks and Tunbridge Wells	West Kent	South East LEP	England
Managers, directors & senior officials	13.7%	12.7%	13.2%	13.1%	11.1%	10.5%
Professional occupations	29.2%	22.2%	25.7%	22.4%	18.4%	19.9%
Associate professional & technical	15.8%	14.3%	15.1%	16.3%	14.1%	14.3%
Administrative & secretarial	6.6%	9.9%	8.3%	9.5%	11.8%	10.7%
Skilled trades	7.5%	4.9%	6.2%	7.7%	11.7%	10.5%
Caring, leisure & other services	6.0%	8.4%	7.2%	8.7%	9.6%	9.1%
Sales & customer services	5.2%	11.8%	8.5%	7.5%	7.4%	7.6%
Process, plant & machine operatives	3.0%	7.9%	5.4%	5.3%	6.2%	6.3%
Elementary occupations	12.2%	8.0%	10.0%	9.3%	9.7%	10.8%

Source: ONS, 2015

- 4.73 A comparatively high proportion of Tunbridge Wells and particularly Sevenoaks residents are working as managers, directors or senior officials, while there is also a clear skew towards professional occupations compared to the wider South East LEP and England. Relatively few residents in Sevenoaks work in administrative or secretarial occupations, with skilled trades, caring, sales and customer services also under-represented amongst residents. In contrast, a relatively large proportion of Tunbridge Wells residents work in sales and customer services, reflecting the role of Royal Tunbridge Wells as a service centre.

Earnings

- 4.74 Income provides an indication of the strength of the local economy, given their relationship with wider economic factors such as gross value added (GVA) and productivity. Earnings levels also have a relationship with prosperity, and as such the economic wellbeing of residents.
- 4.75 Table 4.20 summarises median gross annual earnings for full-time workers in Sevenoaks and Tunbridge Wells, based on the provisional results of the 2015 Annual Survey of Hours and Earnings (ASHE). Both residence-based and workplace-based earnings are presented, in order to establish variance between the labour force who may work elsewhere, and those working in Sevenoaks and Tunbridge Wells. Neighbouring Tonbridge and Malling, the wider South East LEP and England are also presented, along with London given the strong commuting relationships identified in section 2 of this report.

Table 4.20: Median Gross Annual Earnings 2015⁴⁶

	Residence-based earnings	Workplace-based earnings
Sevenoaks	£30,731	£25,220
Tunbridge Wells	£35,331	£27,393
Tonbridge and Malling	£34,996	£28,639
South East LEP	£29,647	£26,611
London	£33,203	£35,333
England	£27,869	£27,872

Source: ONS, 2015

- 4.76 Median earnings for residents of Tunbridge Wells surpass those received in any of the comparator areas presented, with median earnings for residents of Sevenoaks slightly lower but continuing to surpass the median for the wider South East LEP area. Importantly, there is a clear disparity between residence-based and workplace-based earnings in both Sevenoaks and Tunbridge Wells, indicating that many residents commute elsewhere for higher paid employment.

Key messages

- 4.77 To summarise:
- **A diverse business base** - In 2014 the key business sectors in Sevenoaks and Tunbridge Wells included distribution, hotels and restaurants, banking, finance and insurance, public administration, education and health sectors, these accommodating 69.6% of employees in Sevenoaks and 81.9% of employees in Tunbridge Wells. Both authorities also have a higher than average proportion of micro businesses, employing 9 or less people.
 - **Employment growth sectors include finance and insurance, agriculture and property** - Recent evidence from BRES covering the period from 2009–2014 suggests that Tunbridge Wells has experienced higher levels of employment growth, equivalent to 2,120 employees on average per annum, compared to 640 in Sevenoaks. Over this period, change was apparent in a number of sectors across the two authorities including growth within the finance and insurance, agriculture and property sectors.
 - **GVA growth is derived from growing commercial sectors** - Over the period from 1997 to 2013, there has been a similar growth in GVA in both authority areas, although productivity in Tunbridge Wells has historically remained higher than in Sevenoaks. A substantial proportion of GVA growth is derived from the information and communication sector in both Sevenoaks and Tunbridge Wells,

⁴⁶ Available data cannot be aggregated to provide figures for combined Sevenoaks and Tunbridge Wells area or West Kent

with a growth in the contribution of both professional and other services and accommodation, as well as food services and recreation.

- **A location that attracts professional, scientific and technical businesses** - In March 2015 there were 6,370 businesses in Sevenoaks and 6,115 businesses in Tunbridge Wells. In both authorities, the professional, scientific and technical industries are prevalent within the business base. Growth in the number of businesses over recent years is broadly in line with the average growth across West Kent and the South East LEP.
- **A strong location in which to start a small business** - In 2013 and 2014 business start-ups in Tunbridge Wells showed positive signs of growth. Although Sevenoaks demonstrated business start-up growth in 2013, there is evidence of decline from 2013 to 2014. Survival rates of start-up businesses in both authorities are either in line with or higher than the averages seen more widely within West Kent, the South East LEP area and England. Business closures in 2014 as a proportion of all active businesses in Sevenoaks were low at 8.5%, compared to the South East LEP average of 9.5%. Tunbridge Wells saw a slightly higher rate of closures at 10.0% reflecting the higher number of start ups.
- **A growing population but ageing workforce** - The population of Tunbridge Wells has grown at a faster rate than the wider areas over the past 10 years, whilst Sevenoaks has growth at a slightly slower rate. In both authorities, the greatest increase in residents was seen in residents aged 45 and over, with residents aged 25 to 44 declining. As a result, the proportion of economically active and employed residents in the two authorities is lower than the wider area averages.
- **A high level of self-employment** - Across the two authorities a higher than average proportion of employed residents work part time, particularly in Sevenoaks, and a higher proportion of people in employment are self-employed, particularly in Tunbridge Wells.
- **A highly skilled population but skills gaps remain** - Relative to the average for the South East LEP and England, Sevenoaks and Tunbridge Wells contain a low proportion of residents with no qualifications and a high proportion with qualifications equivalent to Level 4 and above. Compared to residents of Sevenoaks and Tunbridge Wells, fewer employed workers in the two authorities have no qualifications, yet the workforce contains a greater proportion of people with lower level qualifications (Level 1 and 2). This is reflected in the annual earnings of residents and employees of the two authorities, with residents in Sevenoaks and Tunbridge Wells on average earning a higher wage in comparison to those who are employed within the authority areas but live elsewhere.

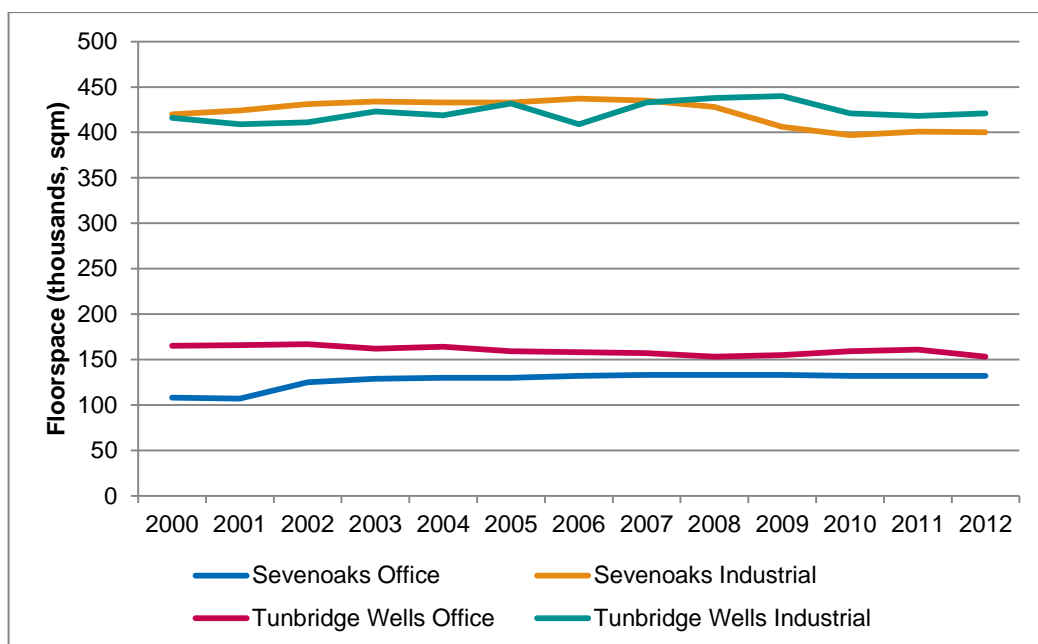
5. The Existing Stock of Employment Floorspace

- 5.1 This section considers the current composition and changes in the existing stock of employment floorspace across the study area, in addition to past development rates drawing on Council monitoring data.

Rateable properties

- 5.2 Statistics are published by the Valuation Office Agency⁴⁷ (VOA) which can be used to understand how the amount of business floorspace in Sevenoaks and Tunbridge Wells has changed, based on analysis of properties liable for business rates. The latest statistics were published in March 2012, and are shown in the following graph.

Figure 5.1: Office and Industrial Floorspace 2000 – 2012



Source: VOA, 2012

- 5.3 Industrial premises occupy the greatest amount of floorspace in both Sevenoaks and Tunbridge Wells, reflecting the larger size requirements of industrial occupiers. The amount of industrial floorspace in Sevenoaks has, however, fallen over the period shown, with a reduction in floorspace of approximately 20,000 sq m. The amount of office space in Tunbridge Wells has also fallen by approximately 12,000 sq m, with a moderate increase of 5,000 sq m in industrial premises in the borough. Sevenoaks has, however, seen the amount of office floorspace increase by approximately 24,000 sq m, or 22%.

⁴⁷ VOA (2012) Business Floorspace (Experimental Statistics)

- 5.4 This analysis can be brought up to date through a review of business premises as of February 2016, based on CoStar data. Table 5.1 shows the number of properties identified in Sevenoaks and Tunbridge Wells, alongside an indicative average size for each employment type. This demonstrates that industrial and warehouse occupiers have greater floorspace requirements, with office users typically occupying around 600 sq m in each authority.

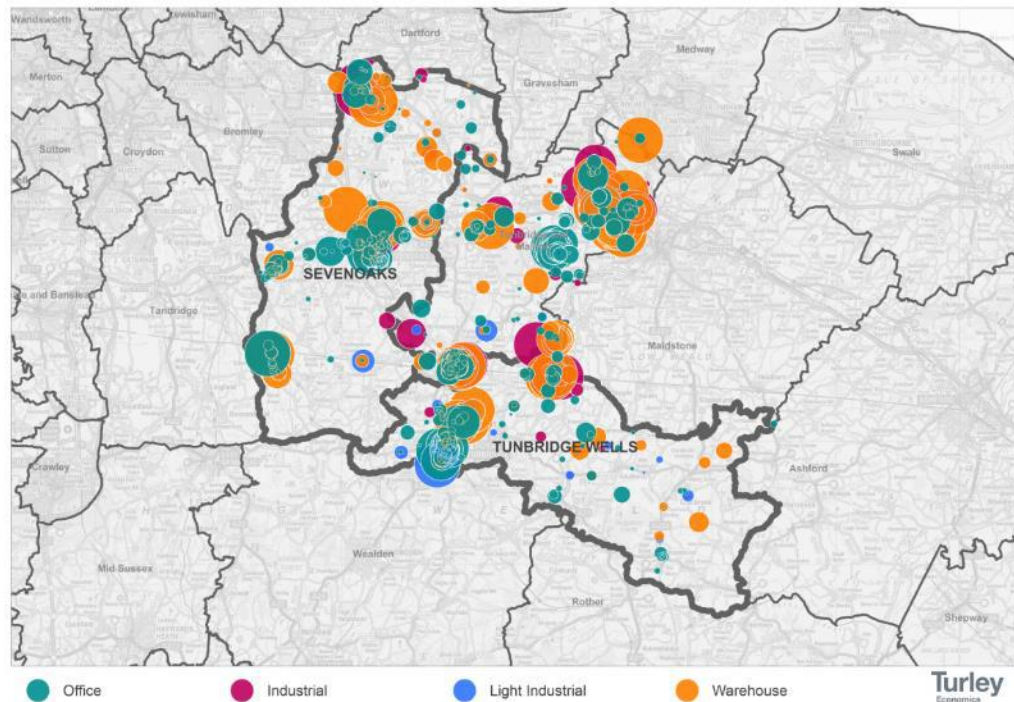
Table 5.1: Business Premises by Type and Size – February 2016

	Sevenoaks		Tunbridge Wells	
	Number of properties	Average floorspace (sq m)	Number of properties	Average floorspace (sq m)
Office	206	606	257	592
Industrial	24	2,094	33	1,889
Light industrial	27	735	29	1,039
Warehouse	103	1,769	77	2,235
Total	360	1,048	396	1,053

Source: CoStar, 2016

- 5.5 Business premises in Sevenoaks, Tunbridge Wells and neighbouring Tonbridge and Malling are presented in the following plan – again broken down by type – in order to profile the existing supply across West Kent. This is aggregated by postcode to highlight the areas in which the greatest supply of business space exists.

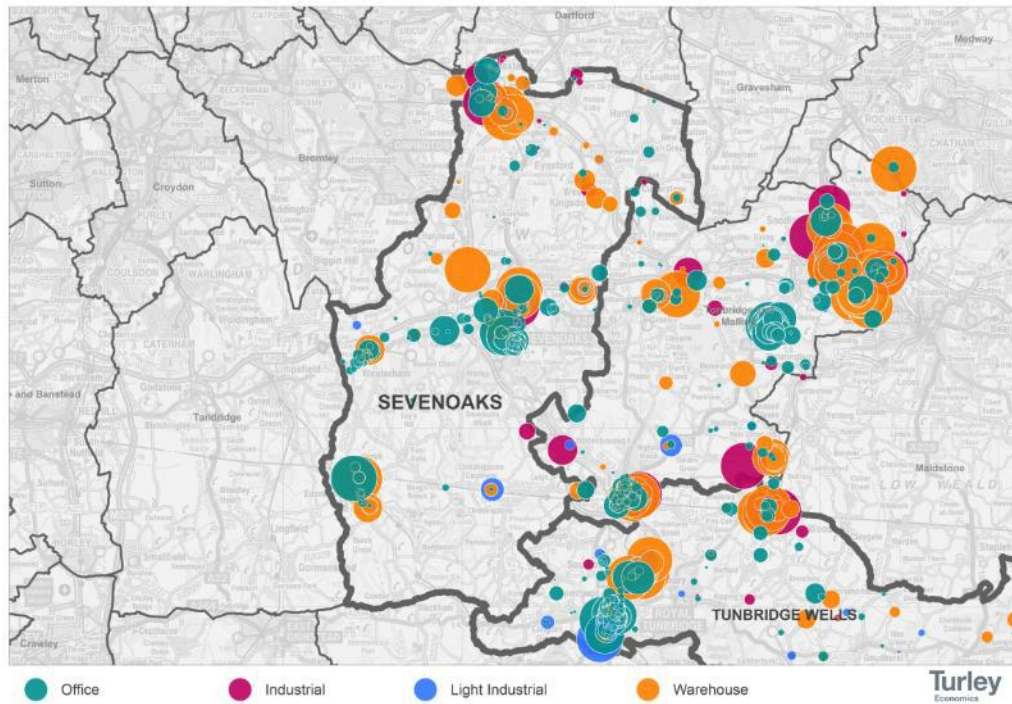
Figure 5.2: Business Premises in West Kent – February 2016



Source: CoStar, 2016; Turley, 2016

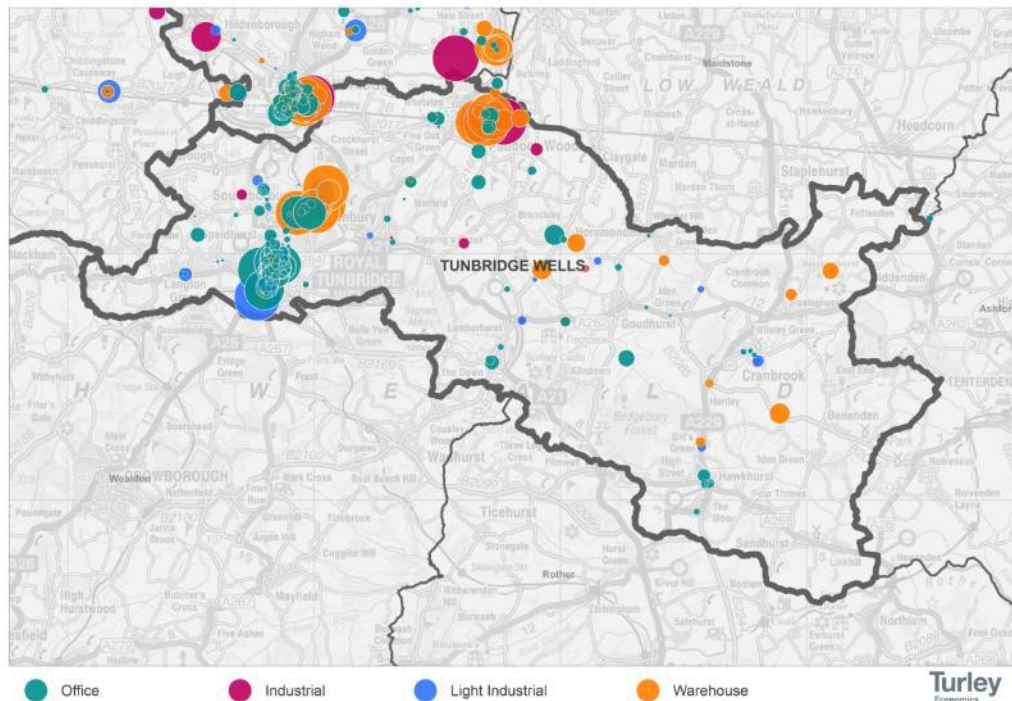
- 5.6 There are concentrations of employment premises in Sevenoaks town and Royal Tunbridge Wells, with a range of types including office space. There are also concentrations in Swanley and Paddock Wood, with a distribution of smaller employment premises across more rural areas of both authorities. It is also notable that there is a concentration of employment space in Tonbridge, close to the local authority boundary. At the scale of the wider FEMA, concentrations of floorspace are also evident elsewhere in Tonbridge and Malling, including to the north of the borough around Aylesford and the M20 corridor.
- 5.7 Separate plans for each authority are presented below.

Figure 5.3: Business Premises in Sevenoaks – February 2016



Source: CoStar, 2016; Turley, 2016

Figure 5.4: Business Premises in Tunbridge Wells – February 2016

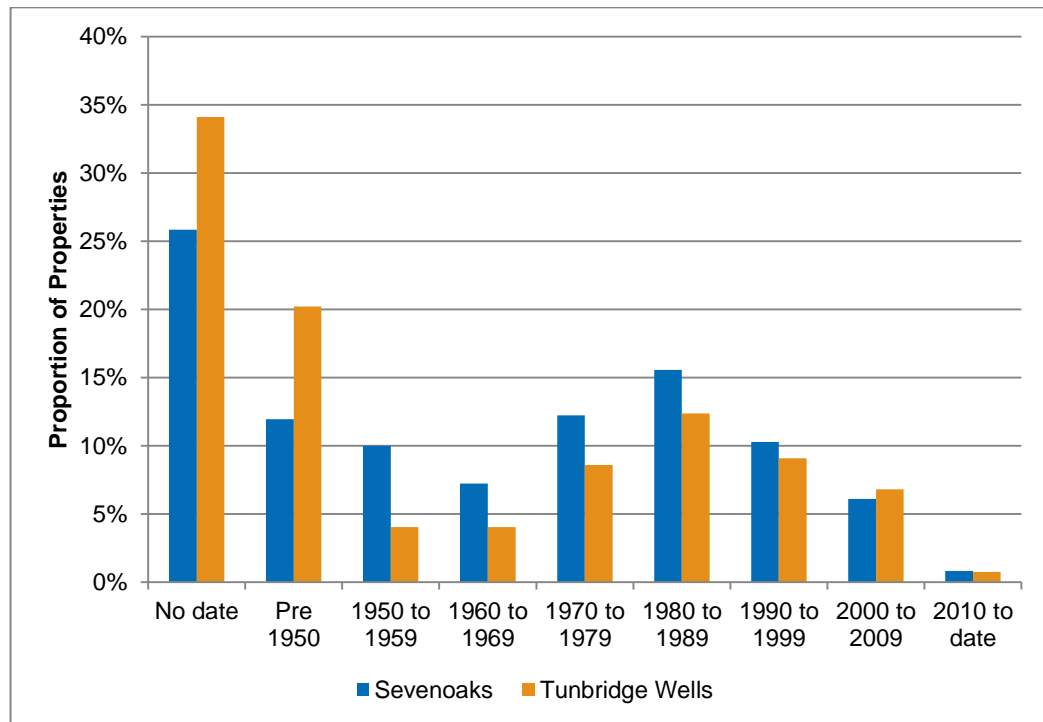


Source: CoStar, 2016; Turley, 2016

Age of Premises

- 5.8 The age of commercial premises can also be established using CoStar, as summarised in the following graph. While age is not recorded for some properties, this suggests that Tunbridge Wells has a comparatively large number of commercial properties built before 1950. Premises in Sevenoaks are broadly newer.

Figure 5.5: Proportion of Stock by Age



Source: CoStar, 2016

Past development rates

- 5.9 The remainder of this section considers past development rates drawing on Sevenoaks District and Tunbridge Wells Borough Council monitoring data.

Completions

- 5.10 Monitoring undertaken by both Councils allows an understanding of recent completions and losses of B Use Class employment floorspace since 2008/09. As shown in Table 5.2 a total of 85,632 sq m of floorspace was completed over the 7 year period to 2014/15, of which the majority - 62,619 sq m or 73% - was completed in Tunbridge Wells. A total of 23,013 sq m was completed in Sevenoaks over the same period.

Table 5.2: Completed Floorspace (sq m) – Gross Gains

	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	Total
Sevenoaks	4,455	3,280	2,609	4,670	1,646	2,158	4,195	23,013
Tunbridge Wells	5,881	18,871	5,016	23,157	2,638	1,620	5,436	62,619
Total	10,336	22,151	7,625	27,827	4,284	3,778	9,631	85,632

Source: Sevenoaks District Council, Tunbridge Wells Borough Council and Kent County Council

- 5.11 In overall terms, the highest rate of completions took place in 2009/10 and 2011/12 when 22,151 sq m and 27,827 sq m of floorspace was completed. The majority of this development took place in Tunbridge Wells with the completion of 22,151 sq m and 27,827 sq m during these monitoring years. However, the table shows varying levels of completions in both areas; in Sevenoaks ranging from a high of 4,670 sq m in 2011/12 to a low of 1,646 sq m in 2012/13. Tunbridge Wells recorded its lowest rate completion over the period in 2013/14 when just 1,620 sq m was completed.
- 5.12 Table 5.3 disaggregates these completions by use class. At 33,820 sq m, B8 completions account for the largest share of completed floorspace since 2008/09. This is to be expected given the larger floor plates typically required for warehousing and storage, however it is notable that those developments that have come forward have been relatively modest in scale - this perhaps a reflection of the scale of the logistics market in Sevenoaks and Tunbridge Wells, but also a dearth of sites that are suitably located and capable of accommodating premises with floorplates.
- 5.13 A total of 14,252 sq m of completed floorspace, or 16.6%, was associated with the completion of B1a floorspace, with a further 14,800 sq m attributable to B1c or mixed B1 completions. Combined B1 accounts for around 35% of all floorspace completed since 2008/09, although it is evident that the overall quantum of new B1, and particularly B1a, floorspace coming forward has reduced in recent years.
- 5.14 In contrast the overall rate of B2 floorspace completions has fluctuated, peaking in 2011/12 with the completion of 6,700 sq m of floorspace and again in 2014/15 with the completion of 4,169 sq m of floorspace.

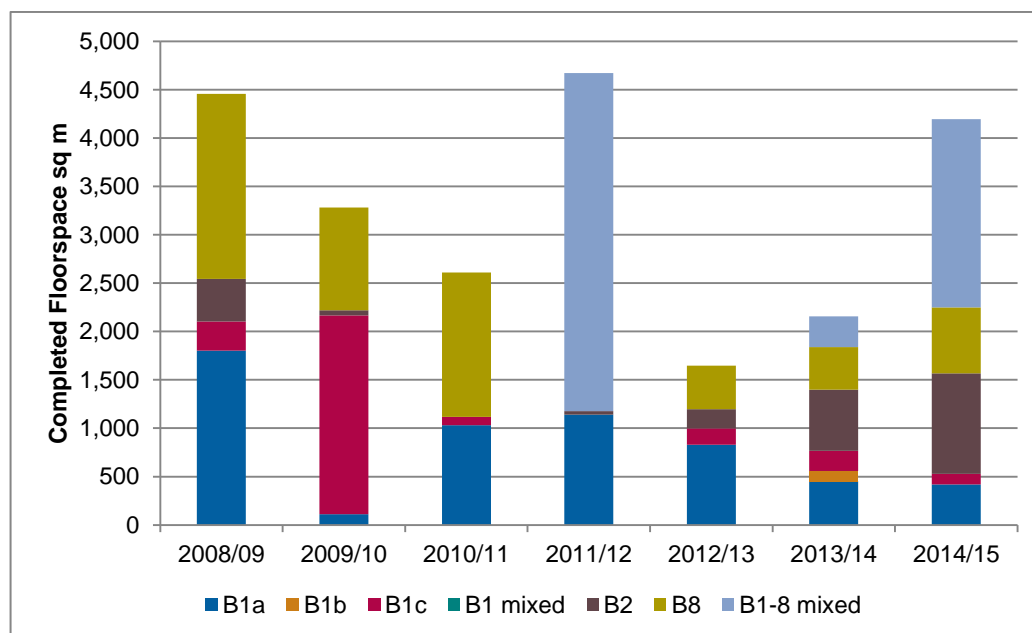
Table 5.3: Completed Floorspace (sq m) Gross Gains by Use Class – Sevenoaks and Tunbridge Wells

Use	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	Total
B1a	3,269	4,236	1,784	1,854	1,081	1,036	992	14,252
B1b	0	0	0	413	0	106	0	519
B1c	2,957	2,496	266	26	820	227	341	7,133
B1 mixed	534	430	0	5,835	235	0	660	7,694
B2	919	1,028	1,271	6,701	1,125	1,097	4,169	16,310
B8	2,657	13,961	4,159	9,506	1,023	992	1,522	33,820
B1-8 mixed	0	0	145	3,492	0	320	1,947	5,904
Total	10,336	22,151	7,625	27,827	4,284	3,778	9,631	85,632

Source: Sevenoaks District Council, Tunbridge Wells Borough Council and Kent County Council

- 5.15 The following charts present a more detailed analysis by area and use class. The profile of completed floorspace in Sevenoaks has also changed over this period, with an increase in B2, B8 and mixed B1-8 developments in recent years. In contrast, the quantum of B1a office floorspace completed has declined with just 420 sq m completed in 2014/15.

Figure 5.6: Completed Floorspace (sq m) Gross Gains - Sevenoaks

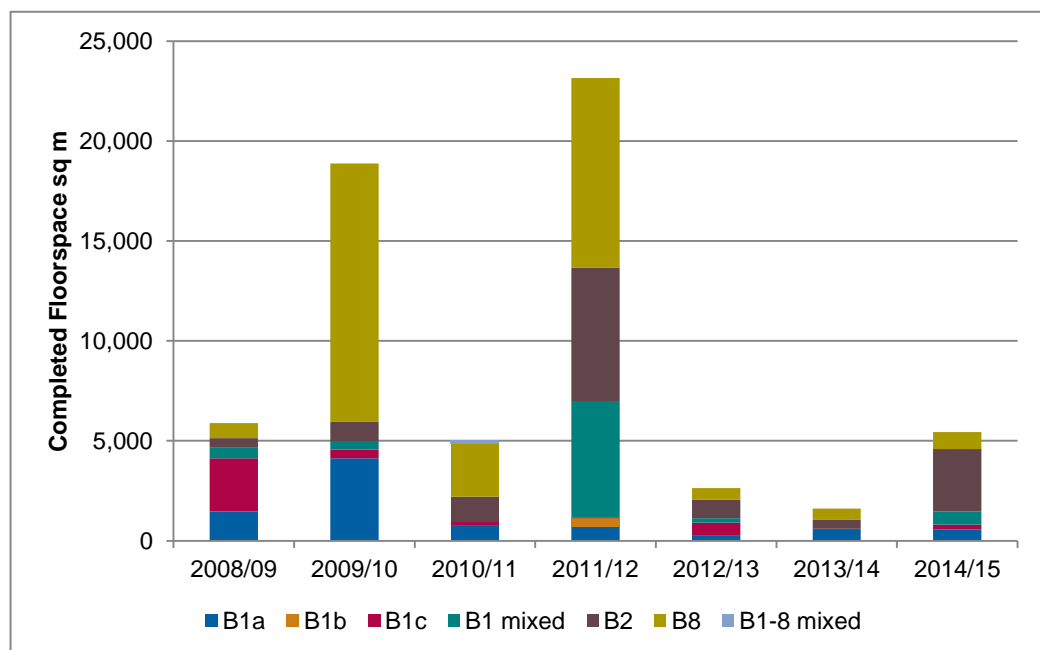


Source: Sevenoaks District Council, Tunbridge Wells Borough Council and Kent County Council

5.16 The chart below presents the same analysis for Tunbridge Wells and highlights the large quantum of B8 floorspace completed in 2009/10 and 2011/12. Further interrogation of the Council's monitoring data reveals, however, that 17,934 sq m of this floorspace relates to change of use or the redevelopment of existing floorspace on two existing employment sites. The associated planning applications are:

- Application Ref: 07/02777 which was associated with the development of 12,099 sq m of B8 floorspace in 2009/10 following a fire at the Transfesa Industrial Estate; and
- Application Ref: 10/00265 which was associated with the reclassification of 5,835 sq m of existing employment floorspace for B8 use.

Figure 5.7: Completed Floorspace (sq m) Gross Gains – Tunbridge Wells



Source: Sevenoaks District Council, Tunbridge Wells Borough Council and Kent County Council

5.17 Although completion rates dropped significantly during 2012/13 and 2013/14, the area witnessed an increase in the last monitoring year; driven largely by the completion of 3,132 sq m of B2 floorspace. Again, however, the quantum of new B1a floorspace completed has been minimal.

Losses

5.18 It is also important to consider pressure on existing floorspace and the amount of employment floorspace being lost to alternative uses. This is illustrated in Table 5.4 and shows over the period from 2008/09 the area has collectively lost 133,324 sq m of employment floorspace. The largest reported losses were in 2014/15 when 34,101 sq m was lost, followed by 2008/09 with a loss of 31,236 sq m.

Table 5.4: Completed Floorspace (sq m) Gross Losses

	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	Total
Sevenoaks	3,120	1,828	4,120	1,515	3,379	6,573	25,685	46,220
Tunbridge Wells	28,116	6,221	6,213	22,766	5,154	10,218	8,416	87,104
Total	31,236	8,049	10,333	24,281	8,533	16,791	34,101	133,324

Source: Sevenoaks District Council, Tunbridge Wells Borough Council and Kent County Council

- 5.19 The net effect of these losses is shown in the Table 5.5 and Figure 5.8 below and shows that over the 7 year period from 2008/09 the area witnessed a net loss of 47,692 sq m of B Use Class employment floorspace.
- 5.20 The rate of loss slowed during the recessionary period from 2009 to 2012, reflecting the downturn in the housing market over the same period, but has risen sharply in recent years from just over 4,200 sq m in 2012/13 to 24,470 sq m in 2014/15.

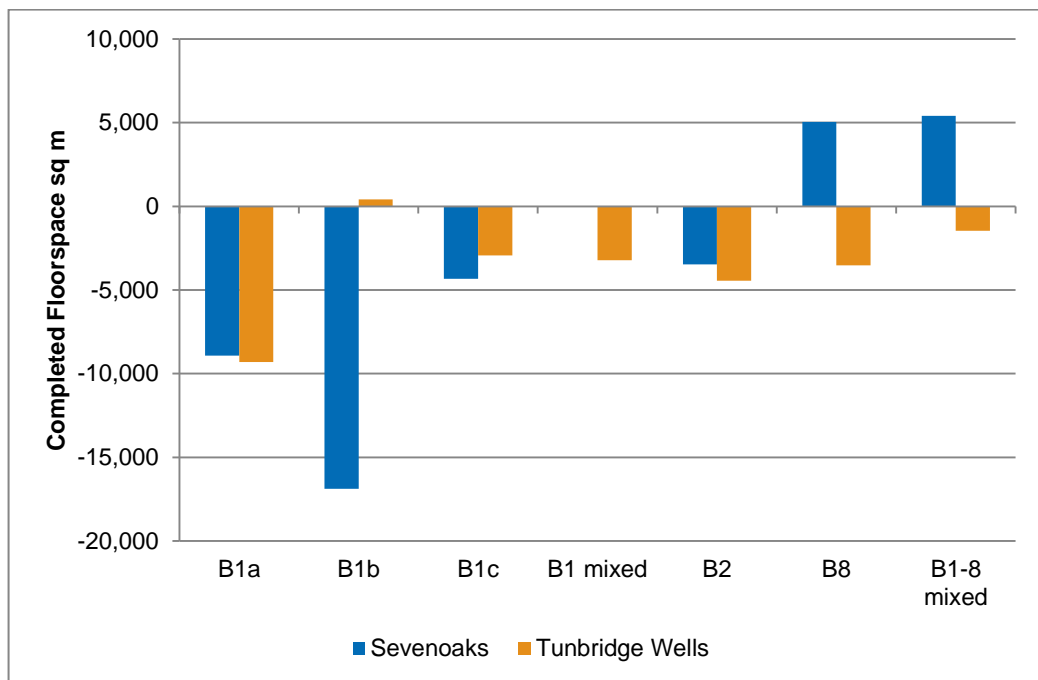
Table 5.5: Completed Floorspace (sq m) Net – Sevenoaks and Tunbridge Wells

	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	Total
B1a	1,492	1,969	-2,227	-1,260	-1,503	-6,113	-10,586	-18,228
B1b	-375	0	0	413	0	106	-16,610	-16,466
B1c	1,448	1,656	-3,266	-714	-1,837	-3,020	-1,528	-7,261
B1 mixed	534	330	0	-3,177	-1,574	0	660	-3,227
B2	-3,906	-2,086	-916	-3,294	1,125	-2,733	3,884	-7,926
B8	-20,093	12,233	3,979	8,556	614	-1,573	-2,237	1,479
B1-8 mixed	0	0	-278	3,022	-1,074	320	1,947	3,937
Total	-20,900	14,102	-2,708	3,546	-4,249	-13,013	-24,470	-47,692

Source: Sevenoaks District Council, Tunbridge Wells Borough Council and Kent County Council

- 5.21 As shown in Figure 5.8, recent trends are being driven by large losses of B1 floorspace, although across Tunbridge Wells losses are evident in other market sectors. In contrast Sevenoaks has experienced some gains in B8 and mixed B1-8 floorspace.

Figure 5.8: Net Change in Completed Floorspace (sq m) by Use 2008/09 to 2014/15



Source: Sevenoaks District Council, Tunbridge Wells Borough Council and Kent County Council

5.22 The strong housing market and high residential property values make both Sevenoaks and Tunbridge Wells attractive locations for residential development, and in turn, places increased pressure on the supply of lower value employment land. The impact of this is being exacerbated through Permitted Development Rights for the conversion of office to residential which is having a profound effect on the overall supply of secondary B1a office floorspace across the area.

5.23 Since 2013, monitoring data provided by the authorities indicates that Sevenoaks has received 20 prior approval applications for the conversion of office to residential uses up to March 2015. A total of four schemes have been completed, with a further four under construction. The remaining schemes have yet to commence on site. In terms of overall scale, the following schemes in Sevenoaks are of particular note:

- Horizon House, Swanley – conversion of office to create 56 residential dwellings. The scheme is under construction and will result in the loss of 3,998 sq m of B1a floorspace in Sevenoaks
- Tubs Hill House, Sevenoaks – conversion of office to create 74 residential dwellings. The scheme has not yet started but will result in the loss of 9,530 sq m of B1a floorspace in Sevenoaks.

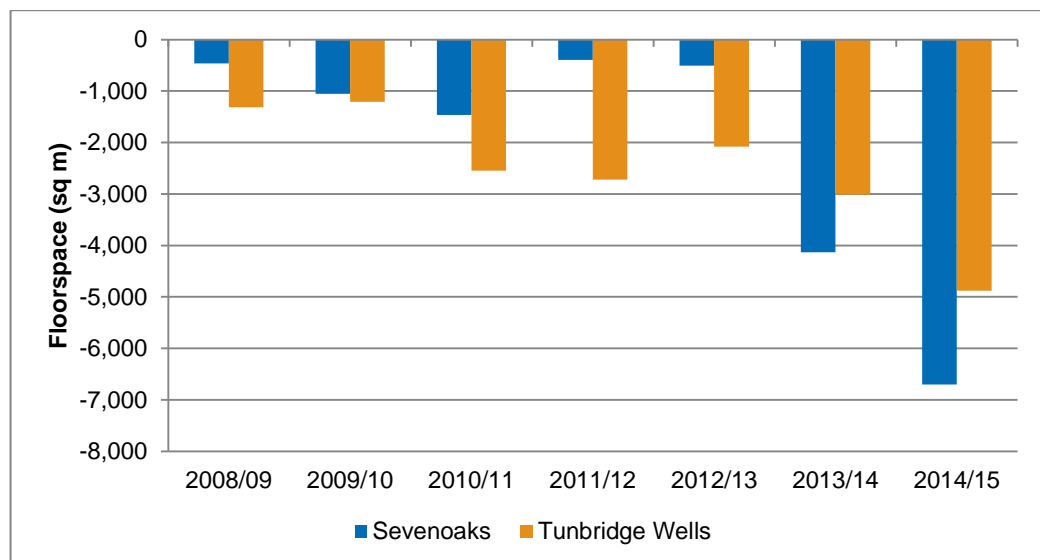
5.24 A total of 37 notices have also been received in Tunbridge Wells. Three schemes were reported completed as of 31 March 2015. These were at Park Lodge, Tudeley; The Barn, Shear Farm, Cranbrook; and at Jaeger House, Royal Tunbridge Wells. A further

five were under construction. Large office to residential conversions in the borough include:

- Union House, Royal Tunbridge Wells – This scheme has not yet started but will result in the loss of 6,500 sq m of B1a floorspace.
- Calverley House, Royal Tunbridge Wells – This scheme has not yet started but will result in the conversion of the existing office to create 51 residential dwellings.
- Merevale House, Royal Tunbridge Wells – This scheme has not yet started but will result in the loss of 1,580 sq m of B1a floorspace.
- Wellington Gate, 7 - 9 Church Road, Royal Tunbridge Wells – This scheme has not yet started but will result in the conversion of the existing office to create 32 residential dwellings.

5.25 The increased rate of loss of B1a floorspace is evidenced in Figure 5.9 below which shows the change in the quantum of floorspace lost over the period from 2008/09 to 2014/15.

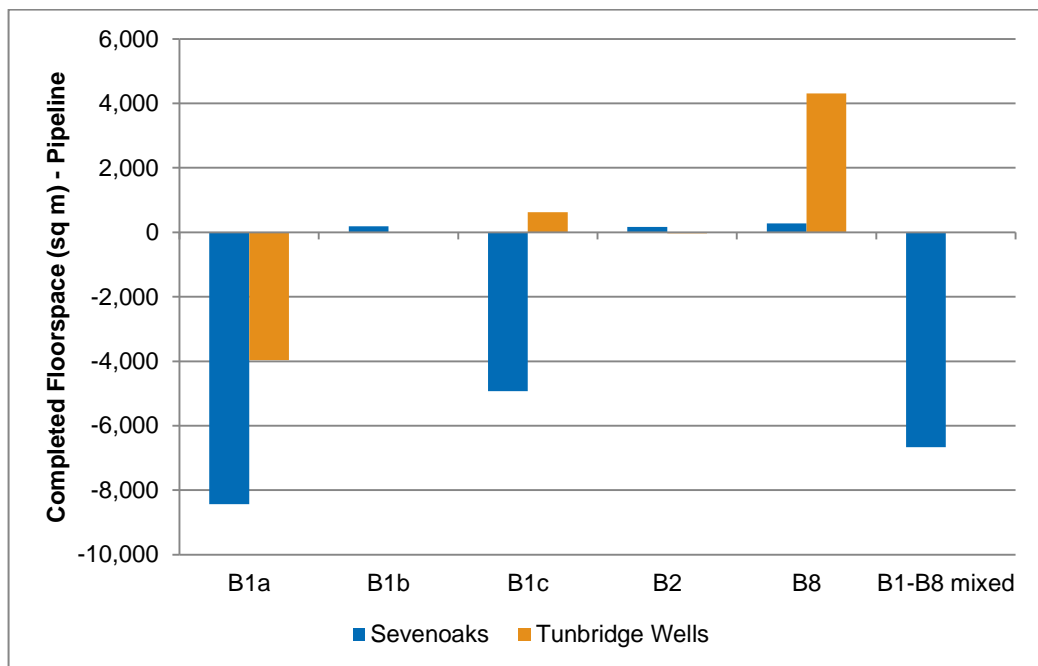
Figure 5.9: Loss of B1a Floorspace (sq m) 2008/09 to 2014/15



Source: Sevenoaks District Council, Tunbridge Wells Borough Council and Kent County Council

5.26 Analysis of pipeline schemes either under construction or not started reveals that this trend is set to continue for the foreseeable future. Sevenoaks is forecast to lose a further 16,724 sq m of B1a employment floorspace, against an overall gain of 8,288 sq m resulting in a net loss of just over 8,000 sq m of floorspace. Sevenoaks is also expected to witness further net losses of B1c floorspace and mixed B1-B8 floorspace.

Figure 5.10: Net Change in Floorspace (sq m) by Use – Pipeline schemes under construction or not started



Source: Sevenoaks District Council, Tunbridge Wells Borough Council and Kent County Council

- 5.27 Tunbridge Wells is also expected to see a net loss of approximately 4,000 sq m of B1a floorspace with the expected gain of 10,568 sq m being offset by a loss of some 14,529 sq m. There is, however, evidence of a modest net gain in B1c floorspace and a gain of 4,306 sq m of B8 floorspace.
- 5.28 The pipeline suggests that there are unlikely to be significant gains or losses of B1b and B2 floorspace across either area.

Key messages

- 5.29 To summarise:
- In terms of the overall stock of employment floorspace, industrial premises occupy the greatest amount of floorspace in both Sevenoaks and Tunbridge Wells, reflecting the larger size requirements of industrial occupiers. Whilst the stock of industrial floorspace fell across Sevenoaks over the period to 2012, Tunbridge Wells experienced modest increases. The reverse is evident when considering office floorspace which increased in Sevenoaks up to 2012 and reduced in Tunbridge Wells.
 - Employment floorspace is concentrated in the main urban areas of Sevenoaks town and Royal Tunbridge Wells. There are also concentrations in Swanley and Paddock Wood, with a distribution of smaller employment premises across more rural areas of both authorities. Data has been mapped across the FEMA and

highlights concentrations of employment space in Tonbridge, close to the local authority boundary, as well as north towards Aylesford and the M20 corridor.

- Both areas are characterised by an ageing stock of employment floorspace with Tunbridge Wells in particular having a comparatively large number of commercial properties built before 1950. In both areas under 10% of the stock was constructed post 1999.
- Notwithstanding this, new floorspace has continued to come forward with a review of council monitoring data revealing that 85,632 sq m of floorspace was completed over the 7 year period to 2014/15. The largest share of this floorspace being completed in Tunbridge Wells. Completion rates have, however, fluctuated across both areas; in Sevenoaks ranging from a high of 4,670 sq m in 2011/12 to a low of 1,646 sq m in 2012/13 and in Tunbridge Wells from 27,827 sq m in 2011/12 to 1,620 sq m in 2013/14.
- Significant losses of B1a floorspace have been reported across both areas in the relative absence of any significant new development of office floorspace. Permitted development rights for office to residential conversions have exacerbated these losses and are expected to continue to represent a significant threat to the supply of office floorspace across the local authorities.
- Overall, the areas stock of employment floorspace is being lost at a much faster rate than it is being replenished. Over the period from 2008/09 the area has collectively lost 133,324 sq m of B Use Class employment floorspace, resulting in a net loss of 47,692 sq m, when completed employment floorspace is taken into account.

6. Understanding Market Performance

- 6.1 Understanding the dynamics of the commercial property market and recent trends in availability and supply of employment land and floorspace is beneficial in establishing the extent of revealed and latent demand for different types of commercial floorspace across Sevenoaks and Tunbridge Wells.
- 6.2 This element of the study has been led by Colliers International, a leading commercial real estate company with a wealth of knowledge and intelligence on national, regional and local occupier and investment market trends.
- 6.3 To set the analysis in its wider context, Colliers have considered recent trends in the occupier and investment markets at a national level. This is followed by a more detailed analysis of changes in supply and demand for commercial property across the South East and Kent, as well as locally across Sevenoaks and Tunbridge Wells, drawing on a range of secondary data sources.
- 6.4 Colliers have also examined market data on lettings, transactions and availability and have supplemented their analysis with intelligence from locally based commercial agents in order to build a detailed picture of supply and demand for both B use class and non B uses across the area.

Office Market

UK & South East

- 6.5 The largest office market in the UK is London. A shortage of new supply and availability of refurbished stock constrained the number of office transactions towards the end of 2015 in Central London. The London vacancy rate has now fallen for eleven successive quarters.
- 6.6 Grade A availability continued to decline in Q4 2015 across the City and West End markets, ending the year 43% down on the availability supply for 2014. Whilst the availability of second-hand space increased in the West End, across London as a whole it was down by 23% year on year. Prime rents remain at record levels in a number of submarkets, with the West End and City headline figures remaining at £125 per sq ft (£11.61 per sq m) and £70 per sq ft (£6.50 per sq m) respectively in January 2016.
- 6.7 In contrast to slowing growth in Q4 for most of London, IPD, which is a quarterly property index, report⁴⁸ that regional (outside of London) annual rental growth generally continued its upward trajectory, led by Eastern Offices (7.9%), the South West (5.9%) and the West Midlands (5.0%). This is being driven by good levels of occupier demand and employment expansion in these regional market areas.
- 6.8 Demand across non-core submarkets continues to originate from a wide range of occupiers requiring affordable Grade A space. Cost-effective options are drawing

⁴⁸ IPD (2016)

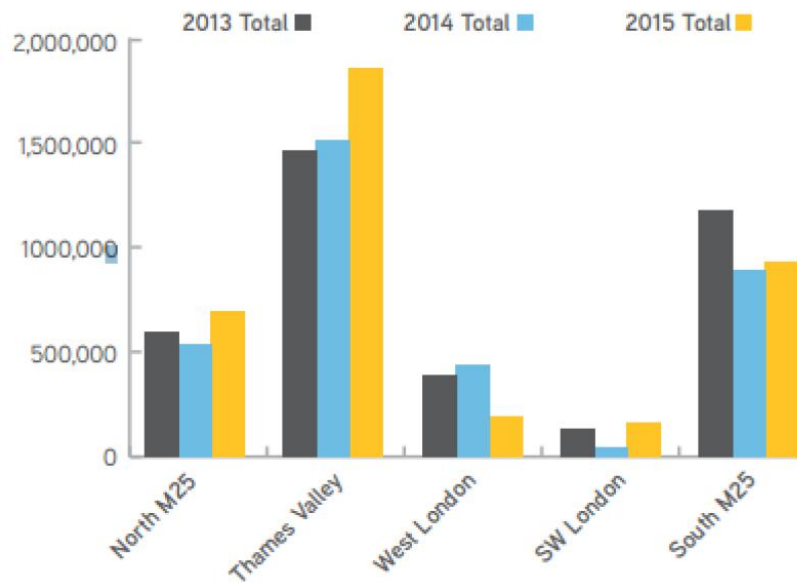
tenants to affluent west London suburbs which currently offer a discount to central London rents.

- 6.9 Foreign investors continue to drive the market in Central London accounting for over 50% of office transactions by value. At regional level foreign investors remain active with several notable deals concluded in 2015. These include AEW Europe's purchase of the Bath Road multi-let offices in Slough from SEGRO for £325m and Ho Bee (Singapore) acquired Apollo and Lunar House in Croydon for £99m.
- 6.10 In Q4 2015 South East investment transactions totalled £1.31 billion which compares to £0.748 billion in Q1 2015, £1.44 billion in Q2 2015 and £0.98 billion in Q3 2015. Investment transaction volumes totalled £4.475 billion in 2015, up 16% compared to the £3.85 billion transacted in 2014 and £2.1 billion in 2013. There were more than 200 office deals completed in the South East in 2015.
- 6.11 The weight of money from UK Institutions and Private Equity houses remains the main driving force behind the South East investment market. The spectrum of buyers is diverse and includes the traditional property companies who remain very active, high net worth private individuals and overseas investors.
- 6.12 Multi-let town centre assets continue to attract the greatest interest and achieve the greatest price. Value-add assets offering management angles also remain keenly sought after by investors, as these offer the chance to capture the rental growth.
- 6.13 The Government's decision to extend Permitted Development Rights continues to reduce secondary office stock in town centres and aids rental growth but impacts on the availability of office stock for rent in the market and on vacancy rates. This rental growth is ensuring there is no slowdown in investor interest which is understandable when the London vacancy rate is falling and has been for three years; it is now at a 15 year low of c.3%.
- 6.14 Annual office accommodation take-up across the South East in 2015 reached 3.84 million sq ft (356,748 sq m) which represented a 12.5% increase on the 2014 figures⁴⁹. As shown in Figure 6.1 the Thames Valley area has seen the most take up over the last 3 years, however the South M25 market remained strong with occupier activity reaching a figure of c.1m sq ft. As a result availability in the South M25 sub-sector was down and the vacancy rate reduced to 12.2%⁵⁰.
- 6.15 Colliers report that 53% of take-up was for Grade A product, demonstrating that tenants active in this market continue to look for the best quality space in order to offer the most efficient, attractive, comfortable and convenient accommodation offer for employees, customers and clients.

⁴⁹ Colliers International (2016)

⁵⁰ Colliers International (2016)

Figure 6.1: Office take up



Source: Colliers International

- 6.16 Central London's rapidly increasing rents and supply decrease is beginning to reach the tipping point where many occupiers have looked to relocate to the South East. Across the region in 2015, total office investment turnover was £4.48 billion, a 16% year on year increase⁵¹. Colliers report that funds led the market with 37% of transactions with property companies at 31% and private investors representing 13% of transaction volume.
- 6.17 Q4 2015 prime South East office yields remained static from the previous quarter, holding at 5.15%. Colliers estimate total investor returns for South East offices to 2020 (rental growth and capital value appreciation) to average 7.15% per annum; this figure would be down on the 9.8% per annum averaged over the last five years⁵².

Local Office Market Context

- 6.18 Improving economic conditions have contributed to greater commercial property activity across Kent in 2015, with the area experiencing rental growth for the first time since the 2008 financial crisis⁵³. Tenant demand in Kent is from a range of sectors, with the extensive retail provision across the region and good accessibility to London serving to bolster demand further.
- 6.19 The office sub-markets of Sevenoaks town and Royal Tunbridge Wells are characterised by local occupiers such as local solicitors, accountants, architects and professional services occupiers. The office accommodation tends to be period properties that have been refurbished by landlords to offer a modern workspace provision.

⁵¹ Colliers International (2015)

⁵² IPD (2016)

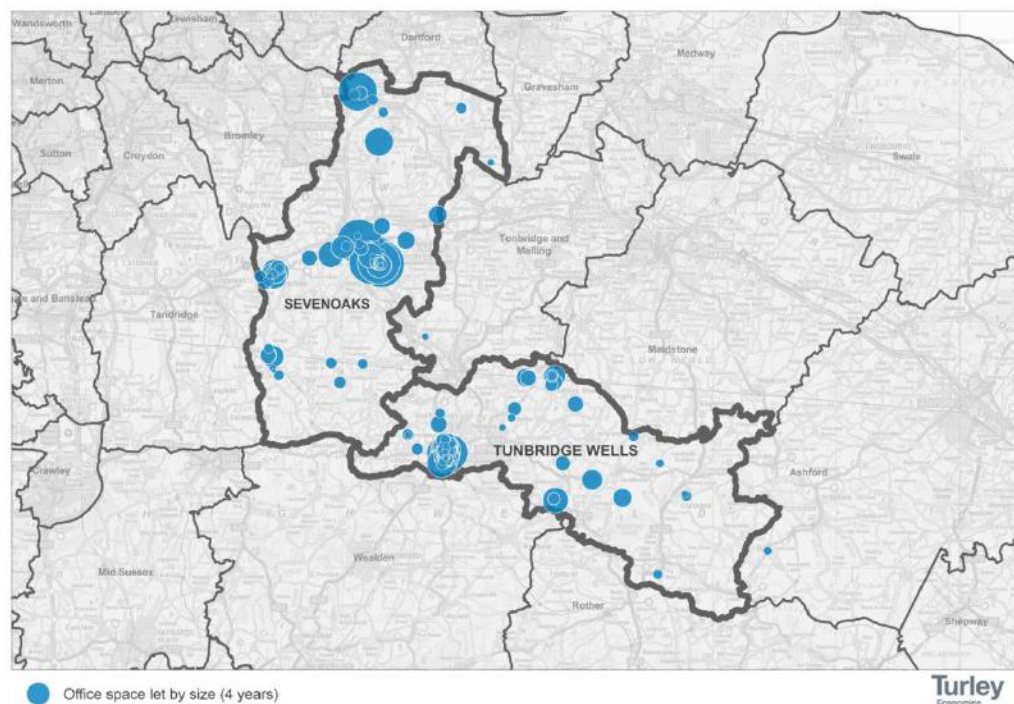
⁵³ Kent Property Market Review (2015)

- 6.20 The area has attracted many prestigious companies. Cripps LLP, a major solicitors practice who have recently invested in new premises and AXA PPP Healthcare, one of the largest private health care providers in England who have major offices in Royal Tunbridge Wells.
- 6.21 In Sevenoaks, there are a number of local professional consultancy practices including architects Offset, Open and BHD who have strong reputations across the region. Construction organisation FM Conway acquired the 40,000 sq ft (3,716 sq m) Becket House in Sevenoaks town to refurbish as their new head office. Countryside Properties opened a regional office in St John's House in Sevenoaks town in April 2015⁵⁴.

Demand

- 6.22 Data sourced from CoStar enables an understanding of the spatial distribution of demand in Sevenoaks and Tunbridge Wells, based on office lettings recorded over a four year period (2011 – 2015). This is illustrated at Figure 6.2, which aggregates lettings to show the total amount of office floorspace let at each postcode.

Figure 6.2: Amount of Office Space Let by Postcode (2011 – 2015)



Source: CoStar, 2016; Turley, 2016

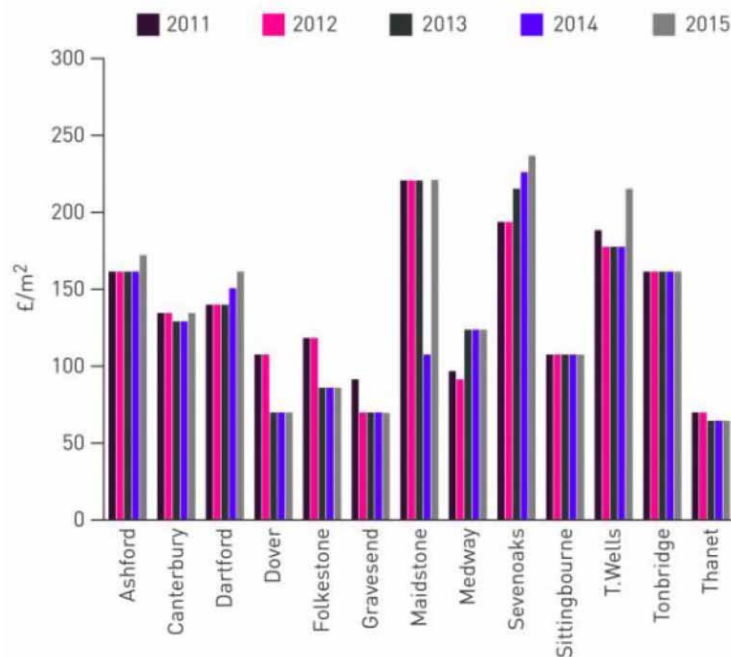
- 6.23 Over the period from 2011 to 2015 a total of 399,653 sq ft (37,129 sq m) of office floorspace was let across Sevenoaks and Tunbridge Well. It is evident that a considerable amount of office space has been let in the main urban areas of Sevenoaks town and Royal Tunbridge Wells over the period assessed, with lettings also recorded in areas such as Swanley, Westerham and Paddock Wood. There is a more limited take-

⁵⁴ Kent Property Market Review (2015)

up of office space across more rural areas, where there is an overall smaller supply of office premises.

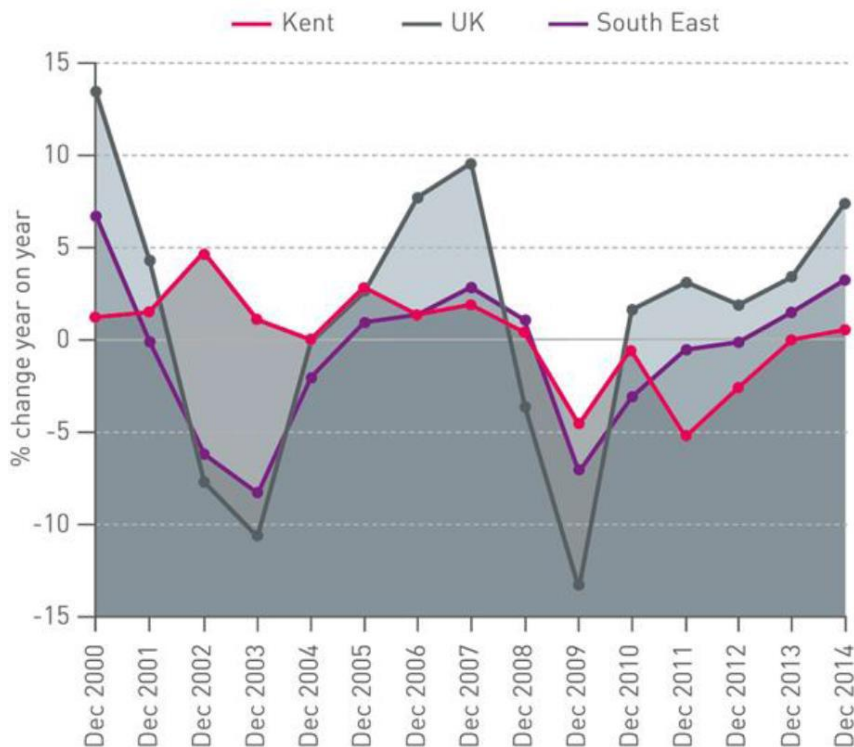
- 6.24 Local agents comment that there is good demand from existing local and regional occupiers looking to expand or upgrade, however similar to the wider South East, demand is constrained by a lack of suitable, purpose built accommodation.
- 6.25 A comparison of rents and rental growth in the UK, South East and Kent, is shown in Figures 6.3 and 6.4 below. As Figure 6.2 illustrates, Maidstone, Sevenoaks and Tunbridge Wells command the highest rents in the region with headline rents for 2015 reaching £23.00 per sq ft (£2.13 per sq m) in Sevenoaks and £18.00 per sq ft (£1.67 per sq m) in Tunbridge Wells. The rents in Tunbridge Wells have been relatively static since 2012 but the town has now realised rental growth through the increase in demand and scarcity of supply as the economy strengthens.
- 6.26 Colliers are aware of a requirement for circa 40,000 sq ft (3,716 sq m) of office floorspace for an insurance company in Sevenoaks town centre but currently there is no suitable building able to facilitate this requirement. Colliers consider that this is unlikely to change in the absence of a comprehensive development in the town.

Figure 6.3: Kent office rents



Source: Claxtons as presented in Kent Property Market (2015)

Figure 6.4: Kent, UK and South East Office Rental Growth



Source: MSCI as presented in Kent Property Market (2015)

Supply

- 6.27 Appendix 1 provides a list of office stock currently available in the area. It is notable, however, that there has been a lack of office development in Sevenoaks and Tunbridge Wells since the financial crisis in 2008 and the recent upturn in demand has absorbed availability further. Colliers estimate that there is currently less than two years supply of office space available in the market if historic take-up levels remain. Furthermore, a large percentage of this is likely to be obsolete for modern day office occupation and as a result an increasing amount of stock is being lost to alternative uses.
- 6.28 The permanent extension to Permitted Development Rights enabling conversion of offices to residential use - first introduced as a temporary measure in 2013 - is expected to absorb stock further, driving down vacancy rates and acting as a constraint to the market.
- 6.29 Within Sevenoaks District there are currently exemptions in place at the 160 London Road (formerly British Telecom Building), additional parts of London Road and parts of the Westerham Trading Centre.
- 6.30 However, there are recent examples of office buildings in the area that have been lost to alternative uses including:
- Tubs Hill House, Sevenoaks town – 64,800 sq ft (6,020 sq m) recently sold to Wilmott Dixon who has plans to convert the building into apartments.

- Union House, Tunbridge Wells – 70,000 sq ft (6,503 sq m) office bought by Dandara for residential development. A Full Planning Application for redevelopment to provide 127 residential dwellings; retail/community/office floorspace totalling approximately 851 sq m (GIA); and associated private and public parking totalling 215 spaces, was submitted to Tunbridge Wells Borough Council in May 2016.
- Merevale House, Tunbridge Wells - 17,000 sq ft (1,579 sq m) old building currently let to the Court Service until 2017. A prior notification for the change of use of floors 3 and 4 from office to residential use was received in March 2015⁵⁵.
- Vale House, Tunbridge Wells - 20,000 sq ft (1,858 sq m) – Vale House is an older office building currently let until 2018. It is understood the building was recently purchased by a private investor for conversion to residential, although to date no application has been received.

6.31 The residential market in both Sevenoaks and Tunbridge Wells remains particularly strong, with strong demand for new homes that come onto the market. The areas connectivity to central London adds to the appeal of both areas and creates a vibrant market for commuters. The amenities of both Sevenoaks and Tunbridge Wells and their respective town centres further enhances the attractiveness of the area to prospective purchasers, with demand putting upward pressure on residential property values.

6.32 Examples of two new build schemes by The Berkeley Group illustrate just how lucrative residential development can be in this area. Rye Lane in Sevenoaks contains one bed apartments that range in value from £550 - £620 per sq ft⁵⁶ (£51- £57 per sq m). Royal Wells Park, in Tunbridge Wells has units on sale that equate to £550 per sq ft (£51 per sq m) for two bed apartments and £540 per sq ft (£50 per sq m) for a 3 bed house;⁵⁷ when office investment deals range in capital value from £120 to £350 per sq ft (£11-33 per sq m) it is clear why residential developments are so popular in both areas.

Leasing Market Activity

6.33 Looking forward Colliers office and research teams foresee 'business as usual' in the South East with demand outstripping supply. Rental growth currently drives the investment market in the South East and with supply continuing to lag behind demand; this is not expected to change. Appendix 2 provides a list of recent office lettings in Sevenoaks and Tunbridge Wells.

Investment Market

6.34 The prime yield figure of 5.15% for the South East region (excluding London) compares with 8.3% for Kent as an average; this is the strongest figure the county has seen since 2007⁵⁸, however this lack of growth does mean that the investor demand for offices in Kent is weaker than in the South East as a whole. As the South East includes established office areas such as Guildford and Slough then this is understandable.

⁵⁵ Application Ref: 16/504331/FUL

⁵⁶ Rightmove (2016)

⁵⁷ Rightmove (2016)

⁵⁸ Kent Property Market (2015)

- 6.35 Colliers are predicting subdued yield compression in 2016, with many core markets approaching near peak levels in the current cycle. There is therefore potential for investors, particularly those who are being priced out of traditional core markets across London and prime South East office areas, to look further afield to locations such as Tunbridge Wells and Sevenoaks where value can be found in commercial stock let to tenants with strong covenants.
- 6.36 Recent years have witnessed increased demand from local businesses to owner occupy their business premises. For example Beckett House, an office building which extends to 40,000 sq ft (3,716 sq m) on the Vestry Industrial Estate in Sevenoaks was bought by F.M Conway for circa £4m. Conway secured the site from other interested parties which included developers looking to convert the building into residential demonstrating tenant demand. This type of inward investment can be attributed to an increase in both business confidence and trade volumes.
- 6.37 Table 6.1 lists office investment transactions in Sevenoaks and Tunbridge Wells since November 2013.

Table 6.1: Office Investment Transactions Sevenoaks and Tunbridge Wells

Date	Address	Price	Yield	Notes
December 2015	1 Suffolk Way, Sevenoaks	£4.6m	6.29%	14,524 sq ft (1,349 sq m) multi-let building bought by RO Real Estate from Marley Pension Limited
August 2015	Prospect House, 8 Pembroke Road, Sevenoaks	£2.53m	7.00%.	8,906 sq ft (827 sq m) building bought by Drapers Company purchased from M&M Property Asset Management LLP
May 2015	Brooke and Seymour House, Mount Ephraim Road, Tunbridge Wells	£3.5m	10.00%	20,057 sq ft (1,863 sq m) of office accommodation purchased by Stonegate Homes Ltd from Savills IM European Commercial Fund
April 2015	Merevale House, London Road, Tunbridge Wells	£2.47m	5.35%	17,871 sq ft (1,660 sq m) of office accommodation bought by Silvercoin-Investment Ltd from a private vendor
March 2015	Suffolk House, Sevenoaks	£4m	7.00%.	17,500 sq ft (1,626 sq m) of offices bought by Sevenoaks District Council from an undisclosed vendor

Date	Address	Price	Yield	Notes
November 2014	77 Mount Ephraim, Tunbridge Wells	£6m	8.00%	An undisclosed buyer purchased the 49,428 sq ft (4,499 sq m) office building from MCL Group Ltd
September 2014	Union House, Pantiles, Tunbridge Wells	£9m	8.9%.	68,448 sq ft (5,991 sq m) purchased by Dandara Ltd from the British Steel Pension Fund. A Planning Application for redevelopment to provide residential, retail, community and office floorspace was submitted in May 2016
July 2014	26-28 Pembroke Road Sevenoaks	£2.55m	8.34%	9,352 sq ft (869 sq m) bought by The Milton Group Limited from Oaktree Capital Ltd
May 2014	Osprey House, Black Eagle Square, Westerham	£1.37m	7.17%	7,041 sq ft (654 sq m) bought by a private investor
November 2013	Tubs Hill House, Sevenoaks	£5.5m	5.24%	64,800 sq ft (6,020 sq m) bought by Development Securities and Marlinspike from administrators. The building was subsequently sold to Wilmott Dixon for £11m with plans to convert the building into apartments.

Source: CoStar, 2016

Industrial & Logistics Market

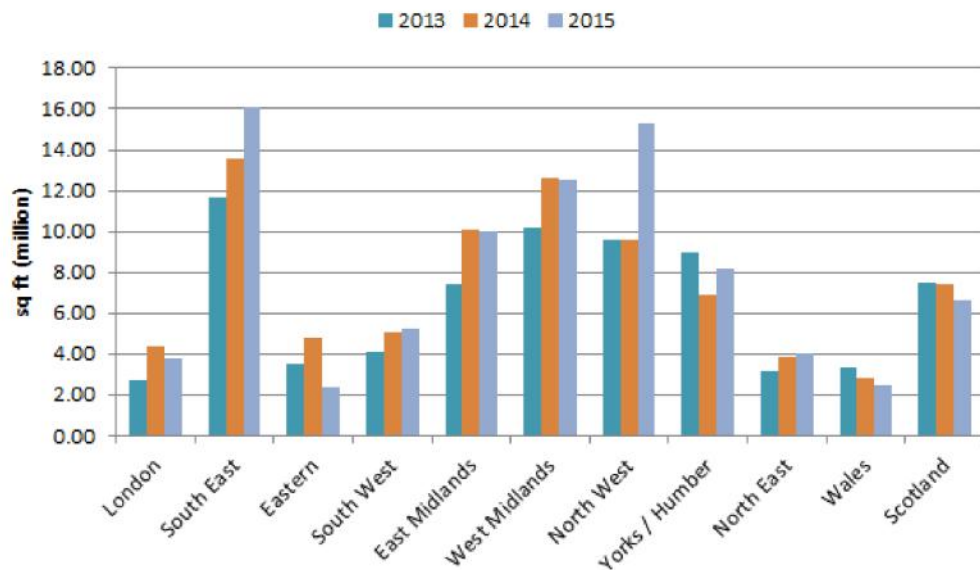
UK and South East

- 6.38 In the broadest sense, the UK industrial property market is split between manufacturing and distribution warehouses. The strength of domestic consumer goods demand continues to be the main support for this sector in the UK, with exports continuing to struggle due to weak global trade and exchange rate volatility.
- 6.39 The UK manufacturing industry experienced an overall output decline in 2015 by 1.7%, largely due to challenges including the strength of the pound sterling making UK exports less attractive in terms of value and increased competition, a trend that looks set to continue in the short term.
- 6.40 UK warehouse space take-up in 2015 reached 24m sq ft, (c.2.2m sq m) 9.5% higher than the long term average of 22m sq ft (2.0m sq m) Colliers International estimate that the UK will require an additional 64.5 - 108m sq ft (6-10m sq m) of distribution space between 2016 and 2020, based on anticipated demand fuelled by the buoyant e-commerce sales growth. Consumer goods demand is likely to be the continued driver behind distribution growth moving forward.
- 6.41 The North West saw the strongest prime rental growth in 2015, driven by accelerating activity in the multi-let sector. Continued tenant demand and decreasing vacancy rates is helping to strengthen the rental growth prospects for industrial and logistics properties in the North West⁵⁹.
- 6.42 In the South East, where land values saw marked uplifts due to supply shortages, strong levels of absorption were observed. The continued lack of speculative development has caused the market to experience high levels of competition both in Central London and the outskirts. The South East market continues to attract a vast number of occupiers, though the market continues to face healthy competition from alternative uses⁶⁰.
- 6.43 However, London and Eastern regions witnessed lower transaction levels, mainly due to the lack of new stock, particularly in the 100,000 sq ft + (9,290 sq m) band. Indeed, availability continues to fall across all regions for this type of product with design and build being the only option in most locations. The growth in demand for multi-channel/e-commerce orientated warehouse units may present opportunities for landlords to retrofit or redevelop existing product, but only where circumstances allow.
- 6.44 As shown in Figure 6.5, the South East region led the take up of industrial space in the UK for the third consecutive year, with take-up reaching 16m sq ft (c.1.5 sq m) in 2015, increasing from 13.5m sq ft (1.25 sq m) in 2014. Availability has been gradually falling since the end of economic recession due to increased demand for distribution space coupled with the reluctance of developers to build units speculatively and a lack of available development finance in the wake of the financial crisis.

⁵⁹ Colliers International Industrial and Logistics Third Edition 2015

⁶⁰ Colliers International Industrial and Logistics Third Edition 2015

Figure 6.5: UK Industrial Take Up 2013-2015



Source: Colliers International

- 6.45 The strong demand for industrial space in the South East and reduced supply has led to the strengthening of the industrial investment market across the region with prime South East industrial yields standing at 5.1% at the end of 2015.
- 6.46 Colliers estimate average returns (rent and capital value appreciation) of 7.6% per annum through to 2020 for the South East. The lack of stock also paves the way for an influx of speculative development across the region. However, as a result of limited yield compression due to the market approaching ever nearer historic peak yields, these estimated returns would be down from the annualised 12.4% total returns over the last 5 years.

Local Industrial & Logistics Market Context

- 6.47 The Local Authority areas of Sevenoaks and Tunbridge Wells are home to a number of small business and industrial parks that cater for local demand.
- 6.48 The principal industrial estate in Sevenoaks is the Vestry Estate on Vestry Road. It is predominantly 1960s and 1970s warehousing with units ranging in size from 2,000 to 25,000 sq ft (185 to 2,323 sq m)⁶¹. Another key estate is the Chaucer Business Park on Watery Lane. The 4 hectare business park that was developed in the late 1980s and early 1990s has units ranging from around 1,500 to 7,000 sq ft (139 to 650 sq m)⁶². Plans showing the location of existing employment areas in Sevenoaks can be found at Appendix 6.
- 6.49 Within Tunbridge Wells Borough, the principal industrial estates are High Brooms, North Farm and Transfesa and Eldon Way Industrial Estates at Paddock Wood. High Brooms and North Farm are accessed via the A26 or the A21 for road access and are both in

⁶¹ McMeeking (2016)

⁶² McMeeking (2016)

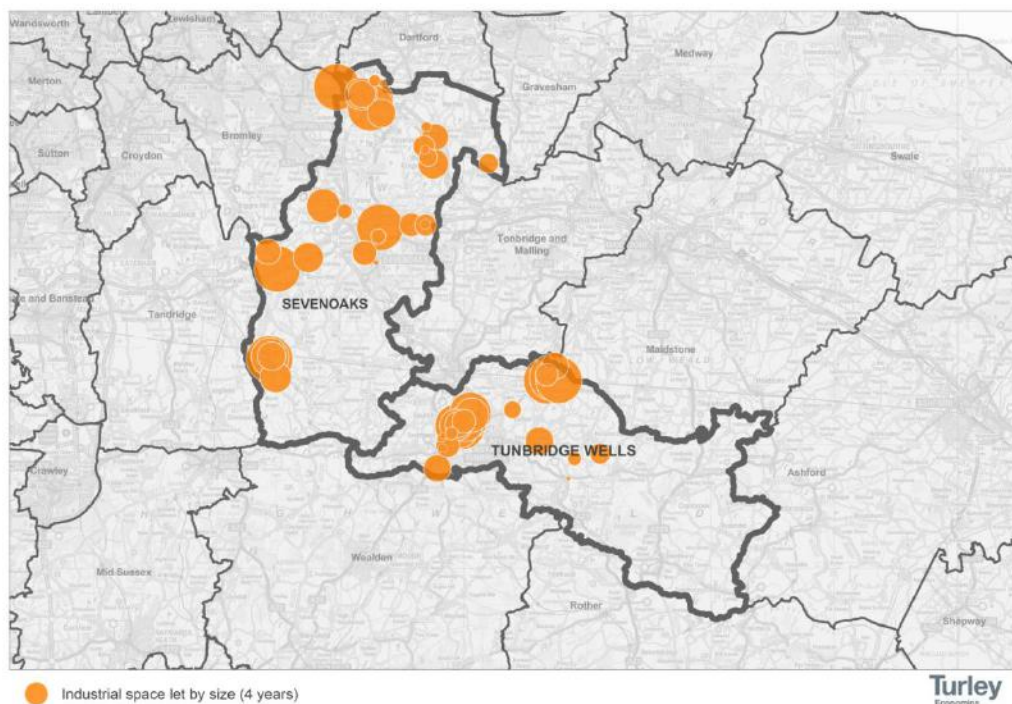
very close proximity to High Brooms Rail Station. Paddock Wood is further to the east and is accessed via the A228. Please refer to Appendix 6 for plans showing the location of these employment areas.

- 6.50 Throughout the wider Borough of Tunbridge Wells there are a number of rural industrial estates Gills Green in Hawkhurst, Speldhurst Business Park and the Hawkwell Business Estate at Colts Hill, Pembury.

Demand

- 6.51 Data sourced from CoStar enables an understanding of the spatial distribution of demand in Sevenoaks and Tunbridge Wells, based on industrial lettings recorded over a four year period (2011 – 2015). This is illustrated at Figure 6.6, which aggregates lettings to show the total amount of industrial floorspace let at each postcode.

Figure 6.6: Amount of Industrial Space Let by Postcode (2011 – 2015)

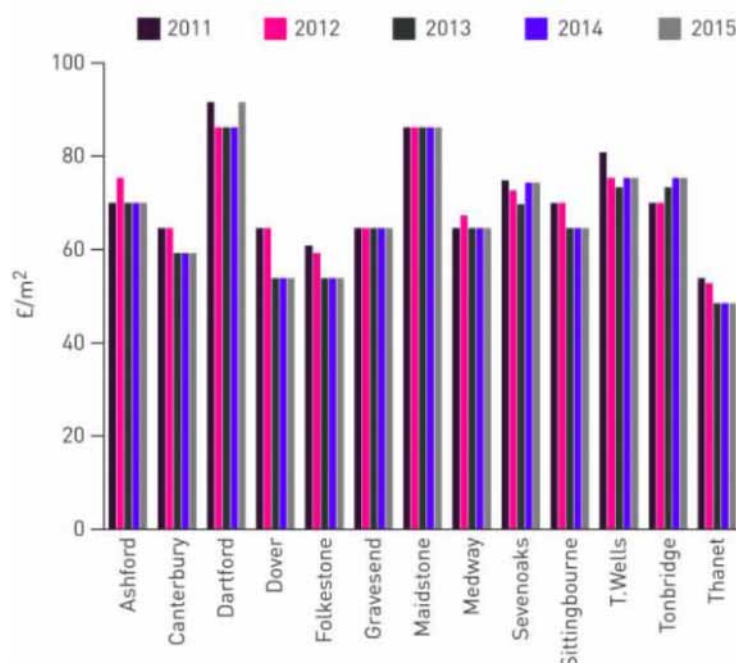


Source: CoStar, 2016; Turley, 2016

- 6.52 Over the period from 2011 to 2015 a total of 656,341 sq ft (60,976 sq m) of industrial floorspace was let across Sevenoaks and Tunbridge Well.
- 6.53 While the earlier analysis of the office market identified a clearer skew towards urban areas, there is a more balanced distribution of demand for industrial premises in the District, based on lettings recorded over this period. There do, however, remain clusters of take-up in locations such as Royal Tunbridge Wells, Swanley, Paddock Wood and Edenbridge.

- 6.54 The wider Kent industrial market has seen inward investment from the supermarket retailers Asda, Lidl, Ocado and Aldi in the last two years⁶³. These deals underpin the trend for large retailers and supermarket retailers to move towards a strategic logistic portfolio. However, these locations in Kent are predominantly outside of the Sevenoaks and Tunbridge Wells boundaries in established logistics areas such as Maidstone and Dartford.
- 6.55 Figure 6.7 shows that Sevenoaks and Tunbridge Wells' industrial markets are amongst the stronger contingency in Kent in terms of rental values, yet remain markedly behind Dartford and Maidstone given their role as an industrial property market hub. Indeed, Maidstone and Dartford are key industrial and business park hubs in the County and the London Gateway Development north of Dartford across the River Thames is one of the largest logistics parks in Europe.
- 6.56 The Kings Hill Business Park near West Malling which has over 800,000 sq ft (7,432 sq m) of business space with consent for a further 1.2m sq ft (111,483 sq m)⁶⁴. Over 200 companies are based here including Barclays, Balfour Beatty and Rolex. From an office perspective the developments of new B1 space in Croydon from the Ruskin Square development, the Hammerson Development and the various other office and residential mixed use schemes in the town centre could impact. With transport accessibility from London and the prestige of being in a greater London location with all the recreational and shopping requirements on the doorstep this will be enticing for occupiers looking for new space.

Figure 6.7: Kent Industrial Rents



Source: Caxtons as presented in Kent Property Market (2015)

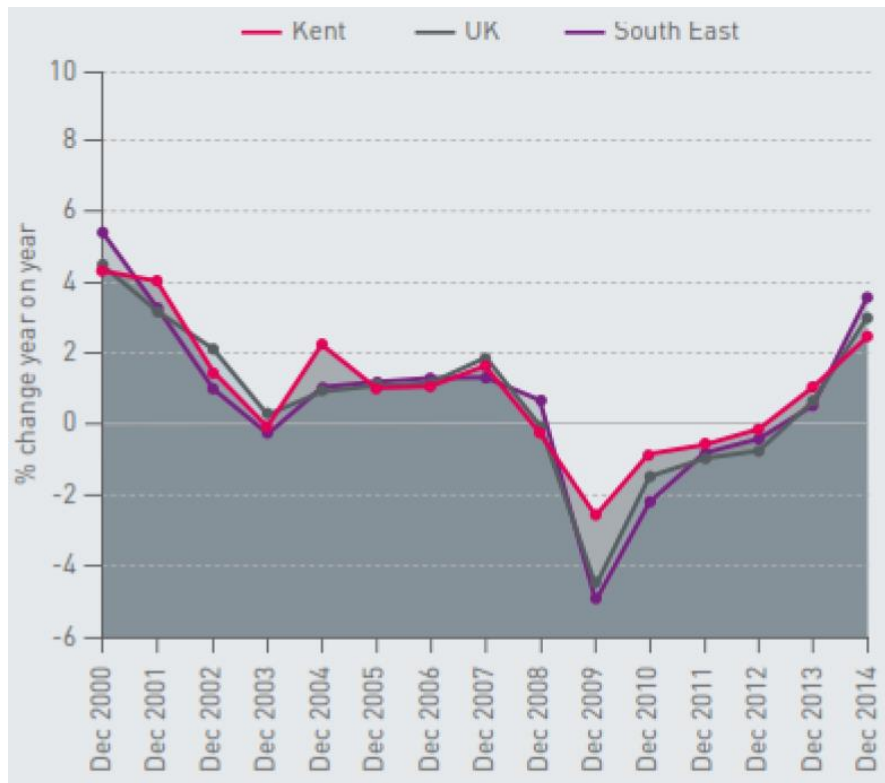
⁶³ Kent Property Market (2015)

⁶⁴ Kings Hill (2016)

6.57 As shown in Figure 6.8, the South East as a region has shown the greatest increase in rents over the last year, with rents increasing c. 4% during 2014. Kent is also showing growth in line with the South East and the UK generally.

6.58 Headline rents in Sevenoaks in 2015 were £6.60 per sq ft and £6.70 per sq ft in Tunbridge Wells which remains behind 2011's figure of c. £7.50 per sq ft.

Figure 6.8: UK, Kent and South East Industrial Rental Growth



Source: MSCI as presented in Kent Property Market (2015)

Supply

6.59 Supply has generally decreased over recent years in the wake of the financial crisis along with the rest of the UK. This has reduced commercial property developers' appetites to speculatively build or fund commercial premises without a pre-let commitment in place.

6.60 Similar to the office market a key challenge facing the sector is the availability of industrial land for development. Land in and around commuter towns is lucrative for developers for residential development. With the strain on housing supply in London continuing, it is predicted that demand and growth will ripple out to the South East and London's commuter belt.

6.61 A planning application has been approved for the redevelopment of Fort Halstead in Sevenoaks for up to 200,000 sq ft of business park space in addition to 450 homes⁶⁵.

⁶⁵ Kent Property Market (2015)

This scheme should go some way to easing the supply squeeze, although it is notable that as the proposal is replacing existing jobs, there is likely to be no net gain in employment on the site.

- 6.62 Appendix 3 summarises recent industrial letting activity across Sevenoaks and Tunbridge Wells.

Investment Market Activity

- 6.63 The December 2015 prime yield for South East industrial property stood at 5.1%⁶⁶, the average yield across Kent fell to 7%⁶⁷. Much like the office market, muted yield compression is expected across the UK in 2016 with many markets approaching the strongest yield figures seen in the current cycle.
- 6.64 This increases the attractiveness of industrial stock in markets such as Sevenoaks and Tunbridge Wells that are well connected to the transport network and offer high yielding multi-let estates with significant asset management opportunities. Transactional activity is expected to cool slightly this year, particularly in the first half, but should gather some steam toward the year end as 'Brexit' uncertainty fades⁶⁸.

Table 6.2: Recent Investment Deals

Date	Address	Price	Yield	Notes
December 2015	BKT Factory, North Farm Road, Tunbridge Wells	£1.75m	8.43%	345,000 sq ft (32,051 sq m) industrial unit let to Brown, Knight & Truscott Ltd; purchased by a private investor
June 2015	Units 1-13 - Dana Trading Estate, Transfesa Road, Tunbridge Wells	Portfolio sale	8.25%	188,189 sq ft (17,483 sq m) of industrial space purchased by Morgan Stanley Real Estate and C2 Capital. The assets were bought as part of a wider portfolio totalling £23m.

Source: CoStar, 2016

⁶⁶ IPD (2016)

⁶⁷ Kent Property Market (2015)

⁶⁸ Colliers International February 2016 Property Snapshot

Retail and Leisure

- 6.65 High Street retailing bounced back in January 2016, according to Visa Europe's Spending Index, with a 2.7% rise year on year, the largest increase since 2014.
- 6.66 It is notable that *'spending on clothing and footwear rose by 5%, but that was beaten by a 7.8% increase in spending on recreation and cultural activities and a 9.7% increase in spending on hotels, restaurants and bars'*⁶⁹.
- 6.67 With the UK economy stable, strong consumer confidence, improving wage growth and the intention of a minimum wage rise in April 2016, retail spend is increasing and retailers are seeing signs of recovering from the effects of the recession.
- 6.68 Meanwhile, online retailing grew by 14.9% in January compared to January 2015⁷⁰. Online retailing has been the primary shopping arena for price conscious consumers and has seen the strongest growth in and around smaller towns of the South East of England. Tunbridge Wells, with a comparison spend of £435m, is a multi-channel/e-commerce⁷¹ purchasing 'hotspot' and only Guildford has a higher multi-channel spend in the UK⁷². This high consumer confidence is expected to remain in 2016. This is partially down to commentators predicting that the 0.5% Bank of England interest rate will remain until November 2016 at the earliest if not into 2017⁷³.
- 6.69 The growth of internet shopping is allowing customers to compare items from a number of retailers, and as a result, retail units are increasingly becoming show rooms as less physical space is required. The effect of internet shopping growth is that retailers are being specific about the space they take; their decisions are becoming ever more strategic leading to a divergence in rental levels dependent on location on the high street⁷⁴.
- 6.70 The divergence in rental levels is expected to result in a divergence of capital values from the prime growth areas to the secondary areas which remain stable in growth. This should in turn result in an increase in investment activity as secondary units are bought by speculative property investors waiting for the return of income streams in secondary locations.
- 6.71 Convenience food shopping is in decline and the frantic race for space which drove up many high street rents is no longer on. Food retailers are being extremely considered in their acquisitions and disposing of their non performing stores. This strong macro-environment combined with growing retail sales volumes would normally result in decreasing voids and increasing growth. But UK retailing has experienced a

⁶⁹ EGI 08.02.16

⁷⁰ British Retail Consortium 09.02.16

⁷¹ Channels include retail stores, online stores, mobile stores, mobile app stores, telephone sales and any other method of transacting with a customer

⁷² Experian

⁷³ The Telegraph 04.02.16

⁷⁴ Colliers National Retail Barometer Autumn 2015

paradigmatic shift, which will continue to impact the property market for some time to come⁷⁵.

- 6.72 In 2017 the rates revaluation will take place, this may help retailers outside of London if as predicted they see a rate decrease; but rents are rising and it remains to be seen if a decrease in rates will be felt in real terms.

Local Retail Market Overview

Sevenoaks Retail Market

- 6.73 Retail floor space in Sevenoaks is estimated at 0.33 million sq ft (30,658 sq m). The space is predominantly located in three retail areas:
- Town Centre
 - Riverside Retail Park
 - Otford Retail Park
- 6.74 As shown in Table 6.3 the total market share of comparison goods spend in the three main retail areas of Sevenoaks is 9% which is an aggregate of £52,987,956 per annum. The District has a total shopper population, (people who regard Sevenoaks District as their main retail shopping destination) of 23,011⁷⁶.

Table 6.3: Sevenoaks District Comparison Spend Breakdown

Retail Area	Shopper Population	Comparison Spend	Market Share
Town Centre	18,482	£42,360,330	7%
Riverside Retail Park	2,948	£6,940,962	1%
Otford Retail Park	1,581	£3,683,664	1%

Source: Experian, 2016

- 6.75 The strongest retail pitch of Sevenoaks is the town centre. The national retail brands in the town are Pizza Express, Wagamama, Cote and Bills for restaurant A3 use. Waitrose and Tesco provide convenience food retailing and for A2 financial services HSBC Santander and Lloyds bank are present on the High Street. In terms of leisure provision there is a Stag Cinema on the High Street and Sevenoaks Leisure Centre located on Buckhurst Lane.
- 6.76 As shown in Table 6.4 below, there are currently 268 retail units in the town centre, of which 6.72% are vacant.

⁷⁵ Colliers National Retail Barometer Autumn 2015

⁷⁶ Experian

Table 6.4: Sevenoaks town Retail Mix

Retail Classification	Number of Units
Comparison	91
Convenience	10
Financial & Business Services	39
General Offices	23
Health & Medical Services	2
Leisure Services	32
Public Services	5
Retail Service	40
Transport Services	7
Unclassified Building	1
Vacant Retail	18
Total Units	268
Vacancy Rate	6.72%

Source: Experian, 2016

- 6.77 Riverside Retail Park is c.2.5 miles north of Sevenoaks town centre, and is a bulky goods retail park. Tenants on this scheme include Pets at Home, Homebase (including Argos and Habitat), Sainsbury's Screwfix and Halfords along with a petrol filling station. The scheme is c. 42,000 sq ft (3,900 sq m) and is currently fully let.
- 6.78 Otford Retail Park is the smallest in terms of shopper population at c.1,500 who have a total spend of £3,683,664 at this bulky goods retail park. There are three units totalling 42,000 sq ft (3,900 sq m) the current tenants Wickes, Currys/PC World and Carpetright. Otford Retail Park is north of Sevenoaks Town Centre c.2.5 miles and is located next to Riverside Retail Park.
- 6.79 The shopper population numbers for the combined primary, secondary and tertiary shopping catchments of Sevenoaks, according to the 2011 census is 349,450 broken down as follow:
- Primary - 55,862 people*
 - Secondary - 160,319 people*
 - Tertiary - 121,269 people*

** The data excludes those under 16 years of age*

- 6.80 Of those who do not choose one of the retail areas of Sevenoaks to carry out their main comparison shop, 20% of the market shop in Tunbridge Wells, 12% shop in Bluewater and 7% in Tonbridge.

Table 6.5: Sevenoaks Comparison Spend Leakage

Centre	Type	Comparison Spend	miles	Shopper Population	Market Share
Tunbridge Wells	Town Centre	£127,803,108	10.1	60,240	20%
Bluewater	Major Centre	£77,433,471	12.1	33,152	12%
Tonbridge	Town Centre	£44,386,887	6.4	21,298	7%
Sevenoaks	Town Centre	£42,360,330	0	18,482	7%
Lakeside	Major Centre	£39,726,863	15.4	16,949	6%
Tunbridge Wells – North Farm/ Kingstanding Retail Park area ⁷⁷	Retail Park	£29,445,415	9	13,936	5%
Maidstone	Major Centre	£21,644,553	14.3	9,625	3%
Bromley	Major Centre	£20,747,945	11.9	8,461	3%
Orpington	Town Centre	£15,173,047	8.3	6,156	2%
Caterham	Town Centre	£13,886,109	11.7	5,933	2%

Source: Experian, 2016

- 6.81 The 20% market share lost to Tunbridge Wells is not unexpected given the number of units, the mix of retailers and the quality of the retail offer in Tunbridge Wells. It is also not unexpected that Bluewater receives 12% of potential spend from Sevenoaks; although 12 miles north of the town centre, Sevenoaks has a higher than average car ownership and Bluewater ranks second in the top 20 shopping centres in the UK⁷⁸.

⁷⁷ Defined by Experian as Great Lodge Retail Park & Kingstanding Business Park and covers all retail areas to the north of Longfield Road.

⁷⁸ Venue Score 2015-16

Tunbridge Wells Retail Market

6.82 The town centre retail floorspace in Tunbridge Wells is estimated to be 1.17 million sq ft (c.109,000 sq m). The three retail areas where comparison shopping is predominantly undertaken within the borough are:

- Royal Tunbridge Wells Town Centre;
- North Farm Retail area (Kingstanding Retail Park et al); and
- Linden Park Road Retail Park (Sainsbury's and Homebase/Habitat).

6.83 The total market share of comparison goods spend in Tunbridge Wells Borough is 55% which is an aggregate of £238,405,410 per annum. The Borough has a total shopper population, of 358,272. This is split between the catchment areas as follows⁷⁹:

- Primary catchment 76,684*
- Secondary catchment 160,319*
- Tertiary catchment 121,269*

Table 6.6: Tunbridge Wells Comparison Spend Breakdown

Destination	Type	Spend	Miles	Shopper Flow	Market Share
Town Centre	Town Centre	£238,405,410	0	106,692	46%
North Farm/ Kingstanding Retail Park area	Retail Park	£36,158,237	2.2	16,742	7%
Linden Park Road Retail Park	Retail Park	£11,899,763	0.7	5,220	2%

Source: Experian, 2016

6.84 The strongest retail pitch is the town centre. Brands in the town centre include Jamie's Italian, Bills, and Cote for restaurant A3 use, Tesco, Iceland, Sainsbury's Local and M&S for A1 convenience food retailing. There are numerous fashion retailers including Russell and Bromley, Hoopers department store, Whistles, and Joules. Metro Bank is one of the most recent openings on the high street improving financial services in the town centre. The High Street area and Camden Road also offer a range of smaller and independent units.

6.85 As shown in Table 6.7 below, there are currently 778 retail units in the town centre of those 13% are vacant.

⁷⁹ * The data excludes those under 16 years of age

Table 6.7: Tunbridge Wells Retail Mix

Retail Classification	Number of Units
Comparison	294
Convenience	46
Financial & Business Services	64
General Offices	43
Health & Medical Services	4
Industrial Activities	1
Leisure Services	106
Public Services	11
Religious Services	6
Retail Service	87
Transport Services	13
Unclassified Building	2
Vacant Non-Retail	2
Vacant Retail	99
Total Units	778
Vacancy Rate	12.72%

Source: Experian, February 2016

6.86 North Farm Retail Area, approximately 2 miles north east of Tunbridge Wells Town Centre, is the borough's main out of centre retail area and comprises of a number of retail parks including:

- Fountains Retail Park providing c.110,000 sq ft (10,219 m²) of retail floorspace with occupiers such as M+S Home, Halfords, Home Sense and Staples.
- Kingstanding Retail, which is traditional retail warehouse park of 80,000 sq ft (7,432 sq m) with 2 retail units. The scheme comprises a John Lewis at Home, and a Booker cash and carry unit.
- Tunbridge Wells Shopping Park which comprises is c.40,000 sq ft (3,716 sq m) with Argos Extra, New Look and Next anchoring the scheme.
- Great Lodge Retail Park which comprises c.170,000 sq ft (15,793 sq m) with B&Q, Toys R Us on site.

- Knights Park which is c.100,000 sq ft (9,290 m²) leisure park, with a Bowlplex, Nuffield Health and an Odeon cinema. In terms of rents this scheme was ranked 41st most expensive retail park, in terms of rental levels, in 2014.
- There are also other units also present in the area including Asda, Hobbycraft, Oak Furniture.

6.87 Linden Park Road Retail Park is the smallest in terms of shopper population. The parks tenants are Sainsbury's and Homebase with a hotel and restaurant on the periphery of the site. The retail park is c.0.5m south of the town centre.

Table 6.8: Tunbridge Wells Comparison Spend Leakage

Centre	Type	Comparison Spend	miles	Shopper Population	Market Share
Royal Tunbridge Wells	Town Centre	£238,405,410	0	106,692	46%
Tonbridge	Town Centre	£39,830,726	4.3	19,301	8%
Tunbridge Wells – North Farm/ Kingstanding Retail Park area	Retail Park	£36,158,237	2.2	16,742	7%
Bluewater	Major Centre	£26,423,967	21.2	12,189	5%
Crowborough	Town Centre	£16,685,717	6.7	6,908	3%
Maidstone	Major Centre	£14,091,401	14.9	6,496	3%
Hastings	Town Centre	£13,337,206	23.5	5,508	3%
Sevenoaks	Town Centre	£13,305,021	10.1	6,268	3%
Tunbridge Wells - Linden Park Road Retail Park	Retail Park	£11,899,763	0.7	5,220	2%
Lakeside	Major Centre	£11,799,428	24.6	5,487	2%

Source: Experian, 2016

- 6.88 Royal Tunbridge Wells town centre retains 46% of its market share. An explanation for this strong percentage is the strength of the centre; its mix of retailers across the age ranges is excellent; Fenwicks, H&M, LK Bennet, M&S and Gap all trade on the high street or in Royal Victoria Place.
- 6.89 Royal Victoria Place is the shopping centre within the town centre; it is one of many areas of Tunbridge Wells which has its own shopper identity. Royal Victoria Place has planning permission, granted 6 March 2016, for an extension and refurbishment of the shopping centre an investment of c.£70m which will include an eight screen cinema.
- 6.90 In Tunbridge Wells Aldi are proposing a new store on the edge of the town centre on Eridge Road; community consultation has recently commenced.

Recent Deals and Transactions

- 6.91 Rents in Sevenoaks are c. £70/75 Zone A. Recent deals on the high street include Sweaty Betty and Barkers. Whilst the A3 restaurant scene is strong in Sevenoaks, fashion retailers are light. M&S have recently moved to their new London Road site in 2013 and that development was the first town centre development for c.25 years. M&S's old premises will be occupied in part by Nando's and it is understood that a planning application has been submitted.
- 6.92 Rents in Tunbridge Wells vary between £70 to £170 Zone A depending on location. Metro Bank paid c. £170 for the new store on Calverley Road for a bespoke store; rents elsewhere on Calverley Road are c. £140 Zone A. Royal Victoria Place shopping centre rents are c. £70 Zone A, however with a scheme extension and improvement in the mix of tenants it is expected that rents will increase through competition for space and due to the proposed new entrance into Calverley Road. It is understood Morrison's has recently closed, with the unit potentially being re-occupied by The Range. The former cinema site at Mount Pleasant is a site of 1.5 acres (0.6 hectares), has been vacant and levelled for two years. The site was purchased by Altitude UK in April 2016 and they have carried out some initial public consultation on potential uses for the site.

Review of High Street Floor Space

- 6.93 Voids are still being seen on the high street in Sevenoaks where voids are running at 6.72%. Voids in Tunbridge Wells are c.13%. The quality of stock in both towns is high, although, as Sevenoaks town centre is linear, the strength of the retail covenants reduces at the extremities of the high street. This is particularly seen at the southern end around the Waitrose, which has suffered since the opening of the Marks and Spencer store, which is en route to the train station. In Royal Tunbridge Wells strength of the retail tenant mix is excellent, with areas that have a distinct character encouraging dwell times and movement around the town centre.

Summary

6.94 In summary:

- The employment use markets of Sevenoaks and Tunbridge Wells are well established and have historically satisfied the needs of the local occupiers. There are, however, many challenges that face both occupiers and owners if they are to retain current tenants, who prefer new grade A space and protect owners from deprecating assets in terms of redevelopment of sites for residential.
- Sevenoaks and Tunbridge Wells are popular residential areas for London commuters. When you consider that the average property values in the respective towns are £636,000 and £451,000 as of February 2016, compared with £284,000 for the whole of the UK⁸⁰, it is plausible that current office landlords and developers see the relaxation of PDR as an opportunity.
- A further challenge for Tunbridge Wells and Sevenoaks is the strength of competing regional centres. However, infrastructure improvements, such as those currently being undertaken on the A21 between Tonbridge and Pembury, will enhance the attractiveness of industrial and out of town stock in Tunbridge Wells Borough. There has also been a road improvement on Longfield Road where the North Farm estate is accessed which has improved the employment area and will hopefully be a catalyst for further investment in the area.
- Furthermore, with London and the South East commuter belt to grow in significance, with the capital's population projected to increase to 10 million by 2030, these people will need servicing for goods demand. Additionally, many occupiers such as Amazon have already launched plans to introduce smaller warehouses in and around London to service the increased demand for faster delivery; up to one hour's delivery time currently. There could therefore be an opportunity for existing areas with the Borough or District to cater for smaller industrial and business park units used to service the populations of London and Kent.
- In terms of retail, spend is increasing and retailers are seeing signs of recovering from the effects of the recession. However, the growth of internet shopping increasingly means retail units are becoming show rooms as less physical space is required. The effect of internet shopping growth is that retailers are being specific about the space they take.

⁸⁰ Zoopla (2016)

7. Understanding business and stakeholder views

- 7.1 Planning Practice Guidance (PPG) highlights the importance of liaising closely with local stakeholders and the business community to understand their current and potential future needs.
- 7.2 In support of this important Government requirement two stakeholder workshops were held as part of the study process, one within Sevenoaks District and another within Tunbridge Wells Borough. The workshops provided the study team with the opportunity to present on emerging findings, particularly with regards to the FEMA and baseline, whilst also allowing those in attendance to share their view on the work undertaken to date. They were also used to explore opportunities and constraints that businesses and other key stakeholders felt needed to be addressed in order to ensure that Local Plan employment policies remained responsive to their needs and in turn support the continued sustainable economic growth of the area.
- 7.3 The two events attracted 66 attendees including:
- Council representatives;
 - Neighbouring authorities;
 - Commercial agents;
 - Developers;
 - Landowners;
 - Local businesses and representative groups; and
 - Local education providers.
- 7.4 Each workshop comprised two presentations followed by facilitated group discussions:
- **Discussion 1** sought to obtain feedback on the study scope and approach, and whether stakeholders agreed with the emerging findings. This was followed by consideration of the areas main economic strengths and any perceived weaknesses. Members of each group were also asked to reflect on the key opportunities and drivers of economic growth, as well as the main threats to the economy in the future.
 - **Discussion 2** focussed on key growth sectors and forecast job growth over the plan period. Members of each group were also asked to consider factors that had the potential to influence the scale of growth and comment on any necessary infrastructure or other investment required to achieve the levels of growth envisaged.

The following provides a summary of the key messages arising from these discussions. A more detailed full briefing note summarising the feedback received from each workshop is provided at Appendix 4.

Tunbridge Wells Stakeholder Workshop Feedback

- 7.5 The Tunbridge Wells workshop was held in Royal Tunbridge Wells on Wednesday 16th March 2016. A total of 39 people attended the event.
- 7.6 Table 7.1 below presents a summary SWOT analysis of the local economy arising from discussion 1.

Table 7.1: Tunbridge Wells Borough SWOT Analysis

Strengths	Weaknesses
Quality of place	Transport infrastructure/congestion
Recognised brand	Connectivity to strategic road network
Highly skilled resident population and workforce	Age of commercial property
Proximity to Central London	Broadband in rural areas
Established business networks	Lack of expansion premises/sites
Affordability relative to London markets	Lack of higher education institutions
	Skills retention
Opportunities	Threats
A21 Growth Corridor	Declines in working age population
New connection to A26	Access to skills (lower level)
New land allocations, including sites in the Green Belt	Over-reliance on finance sector
Retention of young people	Businesses meeting needs outside of the borough
Supporting growth in logistics, creative industries, medical R&D and life-sciences	Further loss of office due to permitted development rights
Digital Infrastructure to support home working	Further loss of younger working people

Source: Turley

- 7.7 In addition to the above, attendees were asked to comment on the scale of forecast employment growth, including the potential for Tunbridge Wells to create, on average, 500 jobs per year over the period to 2033. It was generally perceived that the creation of 500 jobs per annum in Tunbridge Wells is achievable but that this level of growth would be subject to:
- **Land and premises availability** – it was noted that the current lack of supply acts as a disincentive to potential investors and is constraining the growth of existing businesses;

- **Labour and skills availability** - to support non-professional service sector roles which will make up a significant proportion of new job opportunities across the borough as well as employees for lower skilled jobs (this is hindered by high housing costs); and
- **Addressing local transport and congestion issues** - particularly around North Farm and Pembury.

7.8 Locations perceived to have growth potential:

- North Farm/Pembury/A21 Corridor;
- Paddock Wood;
- A228 Corridor;
- Areas near to the Hospital, and
- Land between Kent Academy and Bypass.

Sevenoaks Stakeholder Workshop Feedback

7.9 The Sevenoaks workshop was held in Sevenoaks town on Friday 18 March 2016. A total of 27 people attended the workshop. Table 7.2 below presents a summary SWOT analysis of the local economy arising from discussion 1.

Table 7.2: Sevenoaks District SWOT Analysis

Strengths	Weaknesses
Location / proximity to London	Shortage of commercial sites/premises
Transport infrastructure – road and rail	Broadband reliability in rural areas
Quality of place	Greenbelt constraints
Highly skilled resident population and workforce	Skills shortages in some sectors
Business base	Age demographic skewed by housing affordability
Opportunities	Threats
Improvements to public transport connectivity	Lack of affordably priced housing
Growth in logistics, energy, renewables, tourism and tech start-ups	Ageing population
New commercial stock in north of district at motorway junctions	Limited supply of land for employment related development
Growing the rural economy	Competition from other areas in Kent
	Access to skills (lower level)

Source: Turley

- 7.10 In addition to the above attendees were asked to comment on the scale of forecast employment growth, including the potential for Sevenoaks to create, on average, 445 jobs per year over the period to 2033.
- 7.11 Whilst Sevenoaks (district) was perceived to be well positioned to secure job growth, there was a perceived need for a stronger level of 'transformational growth' given competition from neighbouring areas. This level of growth would, however, be contingent on the availability of affordably priced housing and skills retention.
- 7.12 Locations perceived to have growth potential include:
- Fort Halstead, which offers potential to support employment creation in R&D related industries and sectors; and
 - Swanley, capitalising on its strategic location and proximity to south London market to grow logistics related employment.
- 7.13 It was also indicated that the economic growth potential of Edenbridge and Westerham should also be considered.

Additional Stakeholder Consultations

- 7.14 The workshops have been supplemented with a series of consultations with other local stakeholders including Locate in Kent. The key themes to emerge through these discussions, and which have relevance when considering the qualitative needs of businesses and potential investors, are summarised below:
- Locate in Kent perceive the main issue in Sevenoaks and Tunbridge Wells to be the imbalance between the supply and demand of land and properties. As a result Locate in Kent have fewer properties to recommend to those enquiring and are therefore actively promoting land and property that is more readily available across other Kent locations.
 - Whilst Tunbridge Wells is seen as a good office/industrial location, there is less investment demand across Sevenoaks. Notwithstanding this both areas were perceived to benefit from good rail connections to London, despite rail improvements to other areas of Kent arising from the HS1 investment. It was noted that whilst this has shortened journey times the cost of travel is higher.
 - It was noted that Tonbridge and Malling is seen by the market as a less favourable place to invest, yet due to land and premises availability has been successful in attracting larger investments particularly at Aylesford and Kings Hill. Amazon recently set up a warehouse in Aylesford. The wider Kent area also remains a popular location for Foreign Direct Investment, particularly within the warehousing sector with recent activity from Aldi, Lidl, Asda.
 - A key issue for Sevenoaks and Tunbridge Wells is a lack of higher quality stock. This particularly applies to offices in town centres where there is limited space and old stock. It was noted that permitted development rights, and office to residential conversions continue to impact on the available supply.

- Locate in Kent noted that West Kent's property offer for small businesses is limited. The main areas of focus include the East Malling Research Centre, which has a horticulture focus (food R&D), and Discovery Park outside of the area. In view of this there was a perceived need for more incubator/start up space (as well as move on space) across both areas. For example, Churchill Square at Kings Hill operates at a 4% vacancy rate, indicating high demand in West Kent.
- It was noted that some Local Authorities are starting to deliver incubator/start up space within their Council buildings (e.g. Maidstone). A key requirement is for these spaces to be flexible to allow for the changing size of business as they grow. The current offer at Maidstone provides space for up to c.6 employees per business. Providing flexible space to accommodate employees above this will ensure the space can support a business as it grows, particularly in areas such as Sevenoaks and Tunbridge Wells where move on space is limited.

Key issues arising from the stakeholder engagement process

7.15 A number of common themes and issues emerged from the workshops. The following are of particular note to the consideration of future economic needs across both areas:

- **An attractive business location.** The availability of a highly skilled workforce and the attractiveness of the area as a place to live were highlighted as key selling points which make Sevenoaks and Tunbridge Wells' an attractive business location. It was also felt that businesses in the area benefited from established and supportive business networks, thereby supporting business creation and survival.
- **Varied opportunities for growth.** There are perceived to be opportunities for growth across a range of sectors including professional and businesses services, but also creative industries, information and communication technologies (in particular tech start-ups). Growth in construction and health care services were also acknowledged, and the areas potential to support employment life-sciences / medical R&D. The diversity of the sectoral opportunities means that there are growth opportunities for both Sevenoaks and Tunbridge Wells.
- **The role of the rural economy.** It was noted that the importance of rural areas as employment centres should not be overlooked when considering future growth prospects. While employment is largely concentrated in urban centres, rural areas were noted as providing opportunities for farm diversification, with scope to support growth of renewable industries in particular.
- **Lack of land and premises availability.** Whilst the area remains an attractive business location with good prospects for growth, it was felt that the local planning system needed to be more responsive to facilitate business growth and expansion. A key issue highlighted was the lack of available land and premises with stakeholders suggesting more land in both areas needed to be allocated to avoid the relocation of strategic employers to other areas where their land and property needs can be better served.

- **Transport infrastructure and congestion.** Transport and accessibility were consistently reported as key barriers to growth, particularly in town centres and around industrial parks in Tunbridge Wells. Despite improvements businesses noted that congestion remains an issue.
- **Digital connectivity in rural areas.** Broadband availability and reliability in rural areas was consistently raised as an issue across both areas. Whilst rural areas tend to be difficult to serve due to distances from telephone exchanges, in the context of increased levels of home-working and a need to support rural employment, it was felt that further investment was necessary to improve the speed and quality of internet connection. The continued roll-out of high speed fibre optic broadband across Kent has the potential to extend coverage to rural areas across Sevenoaks and Tunbridge Wells, thereby improving accessibility for rural based businesses.
- **Addressing skills requirements and gaps.** While businesses in attendance did not identify any specific skills gaps, concern was raised regarding the availability of skills locally to support growth in the service sector and demand arising from lower order occupations. Unmet demand from vocational sub-sectors was considered to be a threat to the local economy. It was suggested that more needed to be done to retain younger working age residents through the provision of apprenticeships and other training initiatives. Other proposed measures included creating stronger links between businesses and local education providers.

7.16 Although not all of these issues can be addressed through employment policies within the Local Plan, they provide an important context for future investment planning, economic development strategy and business and stakeholder engagement more generally.

8. Demand Assessment

- 8.1 Having considered the performance of the local economy, operation of the commercial property market and needs of businesses, this section turns to consider future economic development needs and land requirements across Sevenoaks.
- 8.2 The PPG notes that:
- ‘assessing development needs should be proportionate and does not require local councils to consider purely hypothetical future scenarios, only future scenarios that could be reasonably expected to occur’⁸¹.*
- 8.3 Within this context, plan makers should consider:
- Sectoral and employment forecasts and projections (labour demand);
 - Demographically derived assessments of future employment needs (labour supply techniques);
 - Analysis based on the past take-up of employment land and property and/or future property market requirements; and
 - Consultation with relevant organisations, studies of business trends, and monitoring of business, economic and employment statistics⁸².
- 8.4 These different approaches are explored in more detail below. The focus is on developing and testing a number of scenarios which can be used to assess economic needs and land requirements over the period from 2013 to 2033/35.
- 8.5 It should be noted that the analysis within this section relates solely to Tunbridge Wells, drawing on the joint baseline and stakeholder consultation exercises - presented within sections 2-7 of this report - where appropriate.

Overview of the different approaches

Labour Demand

- 8.6 Sectoral and employment forecasts and projections have been used to anticipate the extent of future employment across Tunbridge Wells. The purpose of introducing the employment forecasts is to consider potential growth in both workforce and full time equivalent (FTE) employment to enable an estimation of potential future floorspace and land requirements. This approach requires that future employment forecasts be broken down to a sectoral level, and then these sector level forecasts be matched, as far as possible, to different types of employment premises and land.
- 8.7 Oxford Economics’ 2014 East of England Forecasting Model (EEFM) has been used to provide a starting point for understanding potential future job creation in Sevenoaks and

⁸¹ 004 Reference ID: 2a-004-20140306, revision date 06.03.2014

⁸² 033 Reference ID: 2a-033-20140306, revision date 06.03.2014

Tunbridge Wells. These local forecasts are derived from and consistent with Oxford Economics' world, UK national and UK regional forecasts, and reflect areas' historic specialisms in particular sectors to provide an unconstrained view of future change in economic, labour market and demographic factors which could be expected if historic trends continue⁸³. EEFM forecasts are used by a number of public sector bodies, and are produced for authorities in the East of England as well as selected authorities in the East Midlands and South East to allow for LEP aggregation.

- 8.8 EEFM forecasts rely heavily on published data, and are based on past observed trends which reflect historic infrastructure and policy environments. The local concentration of each sector is compared to the regional profile – with consideration of change over time – and used as the basis to forecast how the sector may perform in the future. A number of labour market and demographic factors are applied to the sector forecast to estimate jobs and employment.
- 8.9 The Sevenoaks and Tunbridge Wells Strategic Housing Market Assessment (SHMA) considers both the 2013 and 2014 EEFM datasets⁸⁴, but acknowledges that further consideration will be given to likely future economic performance and scale of jobs growth through the preparation of this study. This report therefore focuses solely on the 2014 EEFM, given that this represents the most up-to-date EEFM dataset published by Oxford Economics for the two authorities.
- 8.10 Consideration is also given to the requirement for adjustments to be made to the baseline forecasts in response to consultation with stakeholders and businesses and known major projects and investments that are in the pipeline and likely to come forward over the plan period.
- 8.11 The analysis is based on the period from 2013 to 2033, and onwards to 2035 to reflect the potential longer Local Plan period. It is important to note that the EEFM runs only to 2031, and therefore an estimate to 2033 and 2035 has been made based on an extrapolation of the absolute annual growth over the last five years of the forecast (2026-2031). This is consistent with the approach used in the SHMA.

Labour Supply

- 8.12 The second approach to calculating future employment needs and land requirements is based on an assessment of labour supply. The PPG states that a demographically derived assessment of employment needs should be undertaken in understanding future development needs⁸⁵. This approach allows for an estimation of the number of workers expected to be employed in Sevenoaks and Tunbridge Wells over the period from 2013 to 2035, and in turn allow for an estimation of future land requirements.
- 8.13 The SHMA identifies an '*appropriate trend-based demographic projection*' for both Sevenoaks and Tunbridge Wells, which allows for a return to slightly higher levels of net migration from London. This is uplifted slightly to arrive at an objectively assessed need (OAN) for 620 dwellings per annum in Sevenoaks, in order to grow the labour force and

⁸³ Oxford Economics (2015) East of England Forecasting Model – Technical Report

⁸⁴ GL Hearn (2015) Sevenoaks and Tunbridge Wells Strategic Housing Market Assessment

⁸⁵ 033 Reference ID: 2a-033-20140306, revision date 06.03.2014

support the level of job growth forecast in the district. A comparable uplift is not made for Tunbridge Wells, however, with this demographic scenario therefore underpinning the recommended OAN for 648 dwellings per annum in the borough.

- 8.14 On this basis, the 'London adjusted' projection is considered the most appropriate demographic labour supply scenario for the purposes of this study. Outputs relating to population and labour force modelling have been sourced from GL Hearn to inform the analysis for both authorities.

Past Take Up

- 8.15 The third and final approach considered is the past take up approach. The Councils' monitoring data provides details of the scale of completed employment related development across each local authority area over recent years. Data is available to cover the period from 2008/09. Whilst past development rates are subject to a degree of volatility, and cannot be relied upon in isolation, extrapolating these forward provides a useful proxy for considering future levels of demand for different types of employment floorspace. It also provides a benchmark against which to compare the requirements generated under the Labour Demand and Labour Supply Scenarios.

Consultation and Monitoring Trends

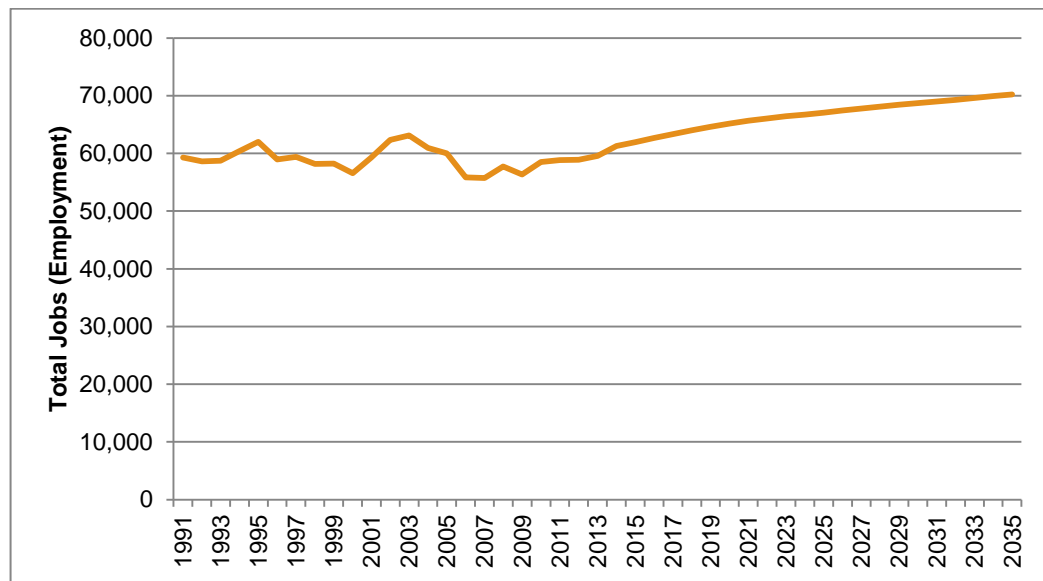
- 8.16 Though this in itself is not a specific scenario for consideration, the previous baseline, stakeholder consultation and review of market signals is used to inform the formation of the above approaches and to reflect on their appropriateness.

1. Labour Demand

EEFM Baseline Scenario

- 8.17 EEFM data indicates that there were a total of 59,580 jobs in Tunbridge Wells in 2013, with the number of jobs in the borough forecast to increase by 10,024 over the period to 2033. This increases to 10,643 over the period from 2013 to 2035. This is illustrated in the following graph.

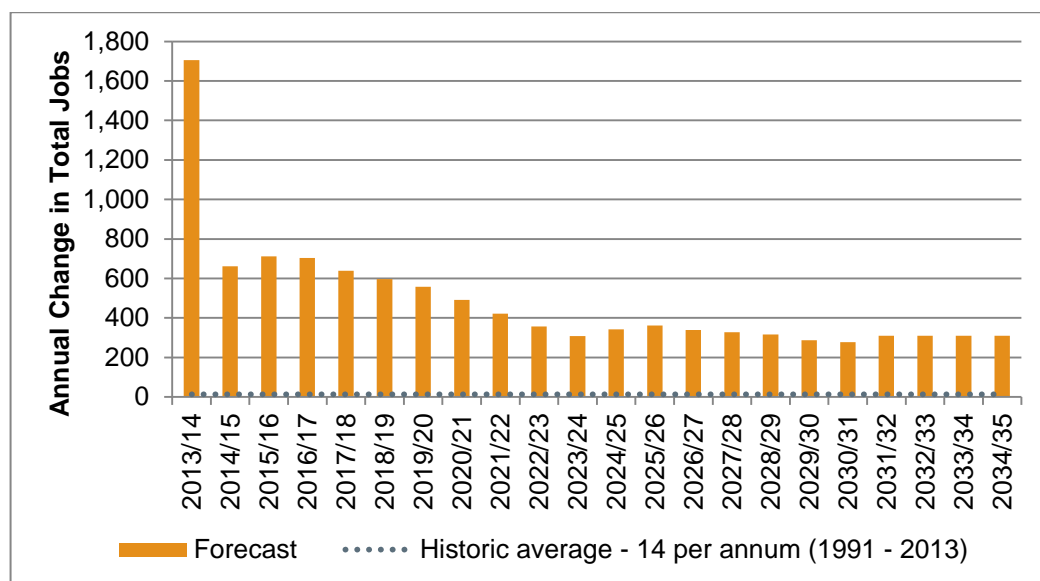
Figure 8.1: Forecast Change in Employment 2013 – 2033



Source: EEFM, 2014

- 8.18 Growth of this scale would result in the annual creation of 501 jobs in Tunbridge Wells over the period to 2033, or 484 jobs per annum to 2035. As shown in the following graph, this is considerably higher than the historic level of job creation in the borough, particularly early in the forecast period.
- 8.19 As highlighted above, these forecasts are based, to a degree, on past observed trends. Within the economic baseline (Section 4) it was highlighted that the borough has, in recent years, experienced a higher level of employment growth than in the past, particularly within the finance and insurance sector. It is therefore considered that a continuation of historic trends – which also cover a recessionary period - would not be reflective of recent performance or indeed the borough's economic potential.
- 8.20 This was also a key discussion point at the stakeholder workshop where it was expressed that the scale of jobs growth could be achieved, subject to there being capacity to accommodate these jobs. It was also expressly stated that further interrogation of the EEFM was required to understand sectors driving employment growth. This analysis is presented in more detail below.

Figure 8.2: Forecast Annual Change in Total Employment 2013 – 33



Source: EEFM, 2014

Change in Employment by Sector

- 8.21 The total jobs growth results from projected growth in some sectors and decline in others. The following table shows forecast change in total jobs, broken down by industrial sector over the period to 2033 and 2035.

Table 8.1: Forecast Change in Employment by Sector 2013 – 33 (Absolute change in number of jobs)

	2013 – 18	2018 – 23	2023 – 28	2028 – 33	2013 – 33	2013 – 35
Agriculture	1	-79	-63	-59	-199	-223
Mining & quarrying	0	0	0	0	0	0
Manufacturing - food	9	-17	-29	-30	-67	-79
Manufacturing - general	-33	-64	-74	-68	-239	-267
Manufacturing - chemicals only	22	6	-4	-5	19	17
Manufacturing - pharmaceuticals	0	-1	-1	-1	-2	-2
Manufacturing - metals	-2	-5	-5	-5	-18	-20
Manufacturing - transport equipment	-70	-87	-87	-79	-323	-355
Manufacturing - electronics	-4	-9	-11	-10	-33	-38
Utilities	-8	-10	-8	-8	-34	-37
Waste & remediation	2	-2	-1	-2	-4	-5
Construction	344	212	186	174	916	987
Wholesale	233	159	71	52	515	538
Retail	387	266	122	89	863	903
Land transport	53	-58	-85	-90	-181	-217
Water & air transport	2	0	0	0	2	2

	2013 – 18	2018 – 23	2023 – 28	2028 – 33	2013 – 33	2013 – 35
Accommodation & food services	352	146	65	48	611	633
Publishing & broadcasting	191	100	57	65	413	438
Telecoms	70	52	42	45	209	227
Computer related activity	228	162	132	125	647	699
Finance	248	244	255	238	985	1,082
Real estate	327	186	188	173	873	943
Professional services	939	447	315	272	1,973	2,085
Research & development	1	0	0	0	1	1
Business services	253	78	-5	-22	304	298
Employment activities	135	73	41	36	285	300
Public administration	-87	-5	0	-2	-94	-94
Education	245	303	356	371	1,275	1,423
Health & care	25	116	106	96	344	382
Arts & entertainment	145	29	1	-8	167	165
Other services	419	179	113	104	815	858
Total	4,423	2,423	1,679	1,499	10,024	10,643
% of overall growth forecast	44%	24%	17%	15%	–	–

Source: EEFM, 2014

- 8.22 Sectors with the strongest forecast growth and decline in employment are summarised in table 8.2 below. This shows that professional services are expected to see the strongest growth in Tunbridge Wells, representing approximately one in five new jobs forecast in the borough over the forecast period. Job creation is also forecast in the education sector, finance and construction, with long-term declines forecast in manufacturing, agriculture and land transport. A short term fall in the number of jobs in public administration is also anticipated.

Table 8.2: Forecast Change in Employment by Sector 2013 – 33 (Absolute change)

Strongest Forecast Growth		Strongest Forecast Decline	
Sector	Total	Sector	Total
Professional Services	1,973	Manufacturing – transport equipment	-323
Education	1,275	Manufacturing – general	-239
Finance	985	Agriculture	-199
Construction	916	Land transport	-181
Retail	863	Public administration	-94

Source: EEFM, 2014

- 8.23 Job creation can also be considered proportionately. Table 8.3 identifies the sectors forecast to see the greatest proportionate growth and decline in Tunbridge Wells. This should however be treated with caution as large proportionate changes may be as a result of a small base and therefore represent small absolute change.

Table 8.3: Forecast Proportionate Change in Employment by Sector 2013 – 33

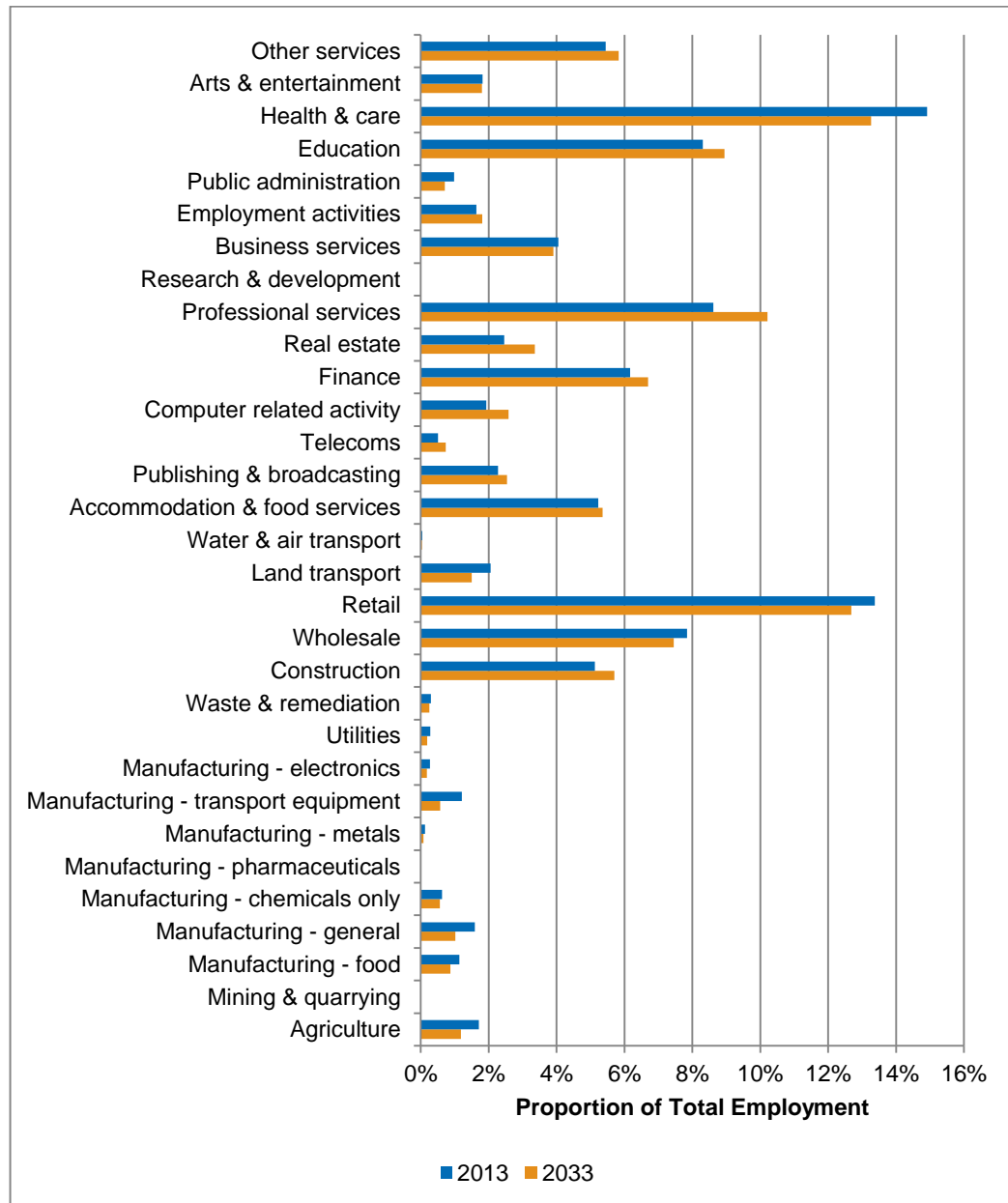
Strongest Forecast Growth			Strongest Forecast Decline		
Sector	Total	%	Sector	Total	%
Telecoms	209	69%	Manufacturing – transport equipment	-323	-45%
Real estate	873	60%	Manufacturing - general	-239	-25%
Computer related activity	647	56%	Manufacturing – metals	-18	-24%
Professional services	1,973	38%	Manufacturing – electronics	-33	-21%
Publishing & broadcasting	413	30%	Utilities	-34	-20%

Source: EEFM, 2014

- 8.24 Telecoms is forecast to see the greatest proportionate growth, with real estate and computer related activity also forecast to grow by more than half. Conversely, many manufacturing sectors are expected to decline in size in Tunbridge Wells.

- 8.25 As a result of the changes forecast above, the sectorial employment profile of Tunbridge Wells is expected to alter, with a greater representation of those sectors projected to grow and a lower representation of those projected to decline. This is shown in Figure 8.3 below.

Figure 8.3: Tunbridge Wells Employment Profile by Sector 2013 – 33



Source: EEFM, 2014

- 8.26 The health and care and retail sectors currently account for the greatest number of jobs in Tunbridge Wells, although the proportionate representation of these sectors is forecast to decline over the period to 2033. Professional services are expected to grow to account for around 10% of all jobs in the district by 2033, while education, finance, real estate and construction are also expected to play a greater role in the local economy.

Considering the Need for Adjustments

- 8.27 As identified earlier in this section, it is important to consider whether adjustments to the baseline scenario are necessary to reflect known major projects and investments that are likely to come forward over the plan period.
- 8.28 A review of extant planning permissions and liaison with the Council has not identified any major strategic employment sites in the borough which would require an adjustment to the baseline scenario. North Farm and the A21 corridor represent the main strategic areas of opportunity, as detailed in section 3 of this report, although there is currently an absence of information on the employment capacity of specific sites in the area.
- 8.29 Major developments outside of the FEMA may also have an effect on the baseline, with the planned development of Ebbsfleet Garden City expected to include over 11,000 new homes, 250,000sqm of retail, hotel and leisure space and around 650,000sqm of new employment floorspace⁸⁶. Once developed, Ebbsfleet Garden City could compete with Tunbridge Wells for office and logistics occupiers, particularly given the area's connectivity on the HS1 rail line and adjacency to the River Thames. The scale of residential development will also generate a significant growth in labour force, many of which are likely to benefit from the parallel job creation planned.
- 8.30 Paramount London is a further planned development on the Swanscombe peninsula, which is currently being progressed through the Nationally Significant Infrastructure Project (NSIP) process. Early consultation material⁸⁷ suggests that up to 27,000 skilled or semi-skilled full-time jobs could be generated upon opening in 2021, inclusive of jobs created on site – at the Entertainment Resort and surrounding hotels – and further indirect jobs potentially generated through the supply chain and increased spending in the local area. This development could draw creative industries, whilst generating supply chain opportunities which Tunbridge Wells may be positioned to exploit.
- 8.31 Furthermore, it is important to understand the potential implications of ongoing transport investment, particularly in light of strategic plans to improve transport connectivity and unlock new growth opportunities across the South East, outlined in section 3 of this report.
- 8.32 As noted above, HS1 is one such historic investment which has substantially improved the connectivity of Ebbsfleet and Ashford by providing a direct link to St Pancras, Stratford and Europe. These areas therefore possess a competitive advantage over Tunbridge Wells for prospective business occupiers, particularly for office based sectors which benefit from high speed rail links. HS1 could therefore be seen to have a negative effect on office-based sectors in the borough, although given that this investment has already been made and is in operation, it is considered that economic drivers associated with HS1 are likely to have already influenced historic trends and therefore future forecasts.
- 8.33 The Lower Thames Crossing could also have a significant effect on the regional economy. Congestion at the existing Dartford Crossing is seen as a major restriction on

⁸⁶ AECOM (2015) Ebbsfleet Garden City Development Report

⁸⁷ Sourced from London Paramount website – <http://londonparamount.info>

the development and growth of the region, impacting upon productivity and constraining business opportunities. A business survey cited in recent consultation documents⁸⁸ indicates that nearly three quarters of businesses felt that congestion affects their business, with almost half suggesting that they would employ more people if the congestion problem was addressed. Highways England recently consulted on route options, with a new crossing directly linking the M2 and M25 the preferred option. This would link Ebbsfleet, Swanscombe and Gravesend with Tilbury and wider areas of Thurrock, creating over 5,000 new jobs and yielding a significant economic benefit. A new crossing remains at an early stage of development, however, with an expected opening of 2025 – 2027 depending on the availability of public financing. In relieving congestion across the region, the Lower Thames Crossing could have a positive effect on logistics operators in Tunbridge Wells, although this benefit would be long-term and unlikely to be realised until towards the end of the plan period. On this basis, this investment is therefore unlikely to have a significant measurable effect in Tunbridge Wells which can be realistically modelled at the current point in time.

- 8.34 There is also a recognised need to expand airport capacity in the South East through the provision of a new runway at Heathrow Airport or Gatwick Airport. The Airports Commission identified that each of the options considered would generate significant additional employment in the local area, including jobs on site as well as indirect and induced jobs generated through the supply chain and onward expenditure⁸⁹. The expansion of Gatwick would be more likely to influence Sevenoaks and Tunbridge Wells given its more proximate geography, although it is noted that:

“The number of jobs predicted as a result of expansion at Gatwick are lower, although still significant, and take longer to build up. This reflects both Gatwick’s different business model, which has a higher proportion of low-cost carriers and less transfer traffic, and hence requires a smaller number of staff per passenger, and also the slower rate at which demand increase at the airport following expansion

“These employment impacts would be felt in an area of comparatively low unemployment, although they would be of material benefit to Crawley, which supplies the largest single proportion of the airport’s workforce and has higher unemployment than the surrounding region, and to other areas with transport links to the airport such as Croydon”⁹⁰

- 8.35 The Commission unanimously concluded that the case for a new runway to the north-west of Heathrow was the strongest of the options considered, This will inform the Government’s decision on which option to progress, which is currently under consideration. Expansion at Gatwick would deviate from the recommendations of the Commission, and – even if progressed – the precise impact of the expansion on the economy of Sevenoaks and Tunbridge Wells is unknown. This effect would be unlikely to be realised before 2025⁹¹.

⁸⁸ Highways England (2016) Lower Thames Crossing – Summary Business Case

⁸⁹ Airports Commission (2015) Final Report

⁹⁰ Ibid (para 7.36 – 7.37)

⁹¹ Letter from Sir Rory McNulty to the Prime Minister (6 June 2016)

- 8.36 Collectively, consideration of these projects and investments has identified no short-term significant factors which would necessitate adjustment to the baseline forecasts produced by EEFM at this point in time.

Future Employment Land Needs

- 8.37 With a baseline scenario of employment growth established, the implications for floorspace and land requirements over the period to 2033 and 2035 can be considered. This is based on full-time equivalent (FTE) employment, converted into floorspace using employment densities and then land using a plot ratio.

- 8.38 This reflects the guidance in the PPG⁹², which identifies the four key relationships in translating employment outputs into land requirements:

- **Standard Industrial Classifications (SIC) sectors to use classes.** This is achieved by assigning jobs to land use categories, including those likely to occur in B and non-B use classes.
- **SIC sectors to types of property.** This is an estimate of the proportion of employment that is likely to take place in each of the property sub-sectors, namely office, research and development (B1a/b), industrial (B1c/B2) and warehousing and distribution (B8).
- **Employment to floorspace using employment density.** This involves the conversion of employment to floorspace (sq m), using employment densities derived from the HCA's Employment Density Guide⁹³.
- **Floorspace to site area using plot ratio.** The final step involves the application of standard plot ratio assumptions to convert estimates for floorspace into estimates for net developable land.

- 8.39 Turley has an established employment land calculator that is used to estimate economic demand and convert to land requirements, in line with the methodology above. It has been reviewed to ensure alignment with the Sevenoaks and Tunbridge Wells employment and business base. This is applied consistently across both Sevenoaks and Tunbridge Wells in order to provide an indication of the employment land required to support forecast job creation in each authority and across the combined area.

Forecast Changes in FTE Employment

- 8.40 While the analysis earlier in this section considered change in total employment, Oxford Economics also publish FTE forecasts which correspond with the EEFM and can be used to inform assessments of employment land requirements. This indicates that the creation of 10,024 jobs in Tunbridge Wells over the period from 2013 to 2033 is equivalent to 9,168 FTE jobs, increasing to 9,732 FTE jobs over the period to 2035. This is broken down by sector in Table 8.4 below.

⁹² 034 Reference ID:2a-034-20140306, revision date 06.03.2014

⁹³ HCA (2015) Employment Density Guide, 3rd edition

Table 8.4: Forecast Change in FTE Employment by Sector in Tunbridge Wells (Absolute change in number of jobs)

Sector	2013 - 33	2013 – 35	Sector	2013 – 35	2013 – 35
Agriculture	-193	-217	Hotels and restaurants	541	561
Mining and quarrying	0	0	Publishing and broadcasting	390	414
Food manufacturing	-63	-74	Telecoms	205	223
General manufacturing	-226	-252	Computer related activity	625	674
Chemicals excl. pharma	19	17	Finance	930	1,022
Pharmaceuticals	-2	-2	Real estate	788	851
Metals manufacturing	-17	-19	Professional services	1,823	1,927
Transport equipment, machinery & equipment	-314	-346	Research and development	1	1
Electronics	-32	-36	Business services	279	272
Utilities	-34	-37	Employment activities	260	274
Waste and remediation	-4	-5	Public administration	-91	-92
Construction	856	922	Education	1,107	1,235
Wholesale	494	517	Health and care	356	396
Retail	744	778	Arts and entertainment	138	135
Land transport	-174	-208	Other services	759	799
Water and air transport	2	2	Total FTE Employment	9,168	9,732

Source: EEFM, 2014

SIC sectors to Use Classes and Type of Premises Required

- 8.41 For the purposes of this study, only activities requiring employment space in B class uses generate a need for employment land, and not all additional jobs will be associated with such activities. On this basis, the net amount of FTE employment growth expected to occur in B class employment sectors needs to be calculated.
- 8.42 This is achieved by assigning jobs to land use categories, identifying those likely to require space in B class uses and those which will generate a need for non-B floorspace. The assumptions applied are set out in Appendix 5 of this report.
- 8.43 Once assumptions are applied for individual sectors and aggregated to provide a profile of future change in Tunbridge Wells as a whole, this indicates that approximately half (50%) of additional FTE jobs forecast in the borough will require office, industrial or warehouse space. The majority of jobs forecast under this scenario will require office space, with a smaller need for warehousing space and a reduced need for industrial premises. This is summarised in Table 8.5 below.

Table 8.5: Change in B Use Class FTE Employment

Type	Use Class	2013 – 2033	2013 – 2035
Office	B1a/b	4,506	4,823
Industrial	B1c/B2	-304	-361
Warehouse	B8	364	364
Total B	B1/B2/B8	4,566	4,826
Non-B	Other	4,601	4,906
Total FTE Jobs		9,168	9,732

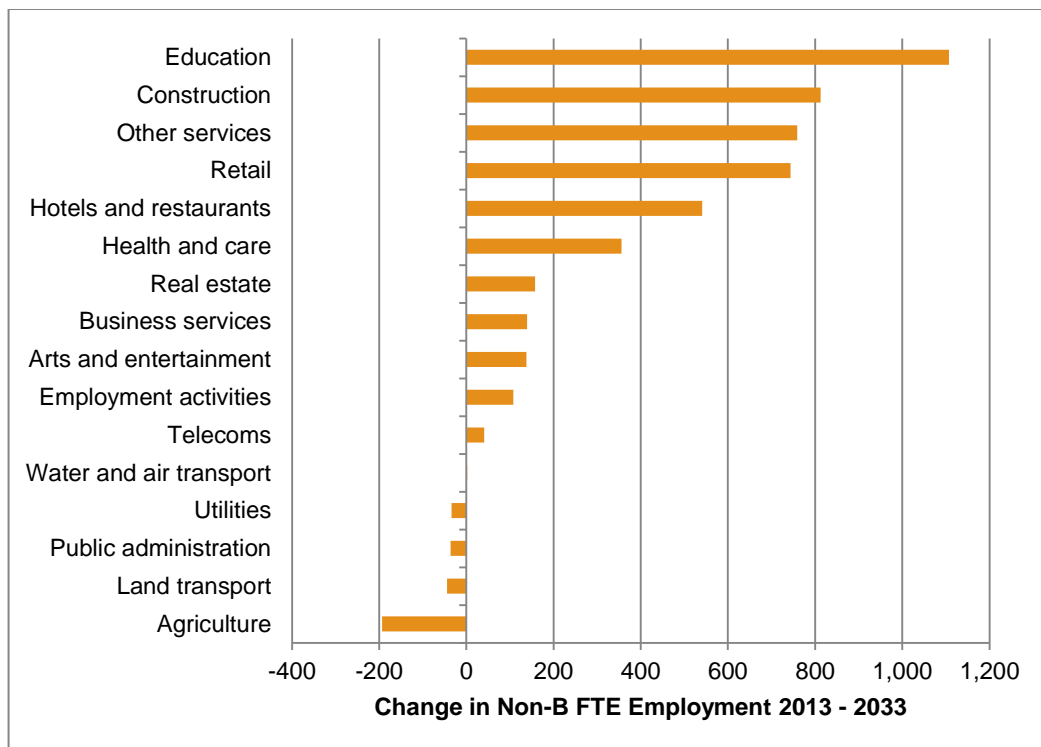
Source: EEFM, 2014; Turley, 2016

- 8.44 This assessment considers the need for employment space in B class uses, although for completeness Figure 8.4 identifies those sectors expected to see a change in employment which will impact upon the need for non-B premises. This is based on FTE employment over the period from 2013 to 2033, with no conversion into land or employment space.
- 8.45 Based on the assumptions applied, education (+1,107 FTE jobs) represents the main sector where employment growth is not assumed to directly generate a need for B class employment premises. Construction (+813 FTE jobs) is also expected to see sizeable growth, which is only assumed to generate a small demand for storage space in use class B8. Other sectors are forecast to see growth include:
- Other services (+759 FTE jobs);
 - Retail (+744 FTE jobs);
 - Hotels and restaurants (+541 FTE jobs); and

- Health and care (+356 FTE jobs).

8.46 It is advisable for the Council to consider how forecast change in the sectors presented can be accommodated through the development of policy and allocation of land/sites to meet this need. This should draw upon available modelling and datasets, including projections of pupil demand and future healthcare strategies for example.

Figure 8.4: Change in Non-B FTE Employment by Sector



Source: EEFM, 2014; Turley, 2016

Converting Employment to Floorspace and Land

8.47 The next step converts employment to floorspace through application of an employment density, before converting to land using a plot ratio.

8.48 Employment densities are derived from the HCA Employment Density Guide⁹⁴, which estimates the amount of floorspace (sq m) per FTE employee in various types of business premises. Published densities for office, industrial and warehouse premises have been respectively averaged as follows to reflect variation amongst different occupiers:

- **Office** – general office (corporate; professional services; public sector; technology, media and telecoms; finance and insurance), call centres;
- **Industrial** – light industrial, industrial and manufacturing; and

⁹⁴ HCA (2015) Employment Density Guide, 3rd edition

- **Warehouse** – national distribution centre, regional distribution centre, 'final mile' distribution centre.

- 8.49 It is considered appropriate to apply a higher employment density for research and development given the scale of difference with offices, its specific identification within the EEFM forecasts and the relative prevalence of the industry in Tunbridge Wells.
- 8.50 For consistency, this has been converted to gross external area (GEA), which provides the most appropriate basis for calculating land requirements through the planning process⁹⁵.

Table 8.6: Employment Densities (sq m GEA per FTE)

B1a/b		B1c/B2	B8
Office	R&D	Industrial	Warehouse
13.3sqm	55.1 sq m	44.8 sq m	73.5 sq m

Source: HCA, 2015; Turley, 2016

- 8.51 Applying these assumptions to the baseline EEFM forecasts provides an estimate for the amount of employment floorspace required. This indicates that there will be a significant need for office floorspace over the period assessed, reflecting the type of jobs expected to be created. There will also be a sizeable need for warehouse space, with an implied surplus of industrial space relative to the baseline employment scenario.

Table 8.7: Forecast Change in B Class Employment Floorspace (sq m GEA)

Type	Use Class	2013 – 2033	2013 – 2035
Office	B1a/b	59,900 sq m	64,108 sq m
Industrial	B1c/B2	-13,625 sq m	-16,172 sq m
Warehouse	B8	26,789 sq m	26,787 sq m
Total B	B1/B2/B8	73,063 sq m	74,723 sq m

Source: EEFM, 2014; HCA, 2015; Turley, 2016

⁹⁵ For offices, 15% uplift to convert net internal area (NIA) to gross internal area (GIA), and further 5% uplift to convert GIA to gross external area (GEA). For industrial, 5% uplift to convert NIA to GIA, and further 5% uplift to convert GIA to GEA. No conversion necessary for warehouse given publication of employment density on GEA basis

- 8.52 Finally, this can be converted to land through the application of plot ratio assumptions, which allow for how land is developed for different uses. A plot ratio of 1.5 is applied for office premises, reflecting likely multi-storey development, and a ratio of 0.4 is applied for industrial and warehouse premises to reflect the typically less intensive nature of such development.
- 8.53 Table 8.8 below sets out the expected future demand for employment land in B class uses in Tunbridge Wells, following application of plot ratios. This indicates that baseline growth could be accommodated through provision of 7.3ha of additional employment land over the period to 2033, with the greatest need for land suitable for office and particularly warehousing premises. The assessment indicates that there is a surplus of industrial space, with a reduced need for land of this type over the plan period.

Table 8.8: Forecast Change in B Class Employment Floorspace (Ha)

Type	Use Class	2013 – 2033	2013 – 2035
Office	B1a/b	4.0ha	4.3ha
Industrial	B1c/B2	-3.4ha	-4.0ha
Warehouse	B8	6.7ha	6.7ha
Total B	B1/B2/B8	7.3ha	6.9ha

Source: EEFM, 2014; HCA, 2015; Turley, 2016

2. Labour Supply

- 8.54 The SHMA recommends an appropriate trend-based demographic projection which can be used to understand the demographically derived need for employment in Tunbridge Wells. This allows for an increased net in-migration from London, to reflect the minor recessionary effect of reduced net migration from the capital. This scenario would grow the population of Tunbridge Wells by 19,210 over the period from 2013 to 2033, with this growth scenario underpinning the recommended OAN for the borough.
- 8.55 Modelling provided by GL Hearn to inform this study suggests that population growth of this scale would lead to an increase of 8,640 in the number of Tunbridge Wells residents working. Allowing for commuting and converting to FTE⁹⁶, this suggests that there will be a need for 8,244 additional FTE jobs in the borough by 2031 to meet the demographically derived need for employment, increasing to 8,928 FTE jobs for the period to 2035. This is a lower level of job growth in the borough than implied within the Labour Demand scenario, although it is again important to recognise that not all FTE jobs will require commercial floorspace in B class uses.
- 8.56 This modelling output is not broken down by industry, and it is therefore necessary to apply an assumption to estimate the types of jobs required to meet this demographic need. The proportionate split of employment by sector within the 2014 EEFM for Tunbridge Wells in 2033 and 2035 has been established and applied to the total number

⁹⁶ Based on forecast relationship between total employment and FTE employment in 2033/2035 in 2014 EEFM

of jobs expected to be supported in each respective year. Implied change in the number of people working in each sector over the period from 2013 has subsequently been calculated.

- 8.57 The implications for floorspace and employment land can be estimated by following a consistent methodology to that applied in the Labour Demand scenario to enable comparison. This is presented in the following table, and indicates that a need for both office and warehousing land will be generated by demographic growth in the population of Tunbridge Wells. This generates a requirement for 4.8ha over the period to 2033, although this allows for a reduced requirement for industrial space in the borough.

Table 8.9: Employment Land Required – Labour Supply scenario

	B1a/b Office	B1c/B2 Industrial	B8 Warehouse	Total B	Non-B
2013 – 2033					
FTE jobs	4,287	-387	289	4,189	4,055
Floorspace (sq m)	56,983	-17,327	21,260	60,917	–
Land required (ha)	3.8	-4.3	5.3	4.8	–
2013 – 2035					
FTE jobs	4,638	-436	298	4,500	4,428
Floorspace (sq m)	61,650	-19,532	21,892	64,010	–
Land required (ha)	4.1	-4.9	5.5	4.7	–

Source: GL Hearn, 2015; EEFM, 2014; HCA, 2015; Turley, 2016

3. Past Take Up

- 8.58 The third and final approach considered is the past take up approach. Tunbridge Wells Borough Council's monitoring data provides details of the scale of completed employment related development in the Borough over recent years. Data is available to cover the period from 2008/09, with a summary of completed floorspace over this period set out in Table 8.10 below.

Table 8.10: Completed Floorspace 2008/9 and 2014/15 (sq m)

Use Class	Completed floorspace (sq m)	Per annum (sq m)	% of Total
B1a	8,463	1,209	13.5%
B1b	413	59	0.7%
B1c	4,207	601	6.7%
B1 mixed	7,694	1,099	12.3%
B2	13,909	1,987	22.2%
B8	27,788	1,408	44.4%
B1-8 mixed	145	21	0.2%
Total	62,619	6,383.57	100%

Source: Tunbridge Wells Borough Council

- 8.59 This shows that since 2008/09 approximately 62,619 sq m of employment floorspace was reported completed across the Borough. It notable, however, that this data is skewed significantly by two major applications:
- Application ref: 07/02777 which was associated with the development of 12,099 sq m of floorspace in 2009/10. This followed a fire at the Transfesa Industrial Estate and comprised 10,014 sq m of B8 storage and warehousing floorspace and 2,085 sq m of B1a office floorspace.
 - Application ref: 10/00265 which was associated with the reclassification of a number of existing units to enable flexible use of the premises for B8 storage and warehouse uses. This application covered 17,505 sq m of existing B1 and B2 floorspace and did not involve any alterations.
- 8.60 These applications comprise a total of 29,604 sq m of employment floorspace which if deducted from the totals presented above, reduces the overall quantum of completed floorspace to 33,015 sq m over the period from 2008/09 to 2014/15. This is summarised in Table 8.11 below.

Table 8.11: Completed Floorspace 2008/09 to 2014/15 (sq m) with deductions

Use Class	Completed floorspace (sq m)	Per annum (sq m)	% of Total
B1a	6,378	911	19.3%
B1b	413	59	1.3%
B1c	4,207	601	12.7%
B1 mixed	1,859	266	5.6%
B2	8,074	1,153	24.5%
B8	11,939	1,706	36.2%
B1-8 mixed	145	21	0.4%
Total	33,015	4,716.43	100%

Source: Tunbridge Wells Borough Council

- 8.61 Whilst this indicates there has been demand for employment floorspace, in order to estimate the land take up equivalent it is also necessary to consider how this floorspace has been created - specifically whether this has been delivered through new build/redevelopment, an extension to an existing property or change of use. This is important as whilst being an indicator of demand, new employment floorspace created through a change of use will have not, in the past, resulted in the take up of new land. Extensions to existing buildings will also have a much smaller land take than larger standalone new build developments.
- 8.62 An analysis of completions by type of development is provided in Table 8.12 below. It should be noted that this analysis covers the 6 year period from 2009/09, reflecting the availability of monitoring data to facilitate this detailed analysis.

Table 8.12: Completed Floorspace by Type of Development 2009/10 to 2014-15

2009/10 - 2014/15	B1a	B1b	B1c	B1	B2	B8	TOTAL	%
Change of use	3,574	0	1,223	120	4,833	3,374	13,124	52%
New Build / Redevelopment	1,421	413	33	775	2,127	6815	11,584	46%
Extension / other	134	0	276	145	0	0	555	2%
Total	5,129	413	1,532	1,040	6,960	10,189	25,263	100%

Source: Tunbridge Wells Borough Council, Kent County Council and Turley Analysis

- 8.63 The above analysis shows that 52% (13,124 sq m) of all new employment floorspace completed between 2009/10 and 2014/15 was created through change of use.
- 8.64 The remaining 48% (or 12,139 sq m) of floorspace was created through new build/ redevelopment or extensions/other types of development and can therefore be associated with the take up of new, or the reuse and/or intensification of existing,

employment land. As the Council does not monitor take up by land, the following plot ratios assumptions have been applied to convert this floorspace to land:

- A plot ratio of 1.5 is again applied for new build B1a/b office premises, reflecting likely multi-storey development.
- A plot ratio of 0.4 is applied for new build B1c, B2 and B8 industrial and warehouse premises.
- A plot ratio of 1 is applied to extensions on the basis that site infrastructure will already be in place.

8.65 The results of this analysis are presented in Table 8.13 below.

Table 8.13: Estimated Land Take Up 2008/09-2014/15⁹⁷ (Ha)

Take up 2009/10-2014/15	B1a/b Office	B1c/B2 Industrial	B8 Warehouse	Total
New Build / Redevelopment	0.16	0.60	1.70	2.46
Extension / other	0.02	0.03	0.00	0.05
Total	0.18	0.63	1.70	2.51

Source: Tunbridge Wells Borough Council and Turley Analysis

8.66 Table 8.13 show that over the period from 2009/10 to 2014/15 and estimated 2.5ha of employment land was taken up for development. This is equivalent to a rate of 0.4ha per annum.

8.67 Extrapolating the annual average take up of 0.4ha per annum between 2009/10 and 2014/15 forward over the period from 2013 to 2033 would generate a requirement for 8.4ha of employment land. Extrapolating this forward a further two years to 2035 would generate a requirement for 9.2ha.

8.68 These projections are broken down by use class in Table 8.14 and Figure 8.5 below and show, when projecting forward past trends, the highest demand will be for land suitable for general industrial (B1c/B2) storage and warehouse (B8) uses.

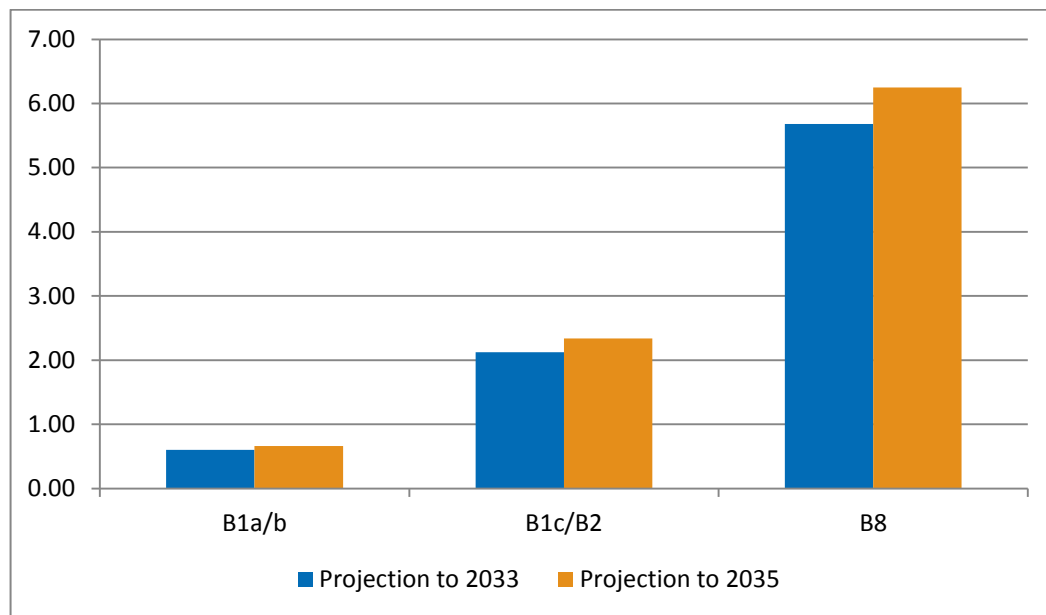
⁹⁷ For the purposes of estimating land take up for B1 developments it has been assumed that two thirds of these completions relate to B1a/b floorspace (for which a plot ratio of 1.5 has been applied) with the remaining third relating to B1c floorspace (for which a plot ratio of 0.4 has been used).

Table 8.14: Employment Land Required – Past Take Up

Projection to 2033/35	B1a/b Office	B1c/B2 Industrial	B8 Warehouse	Total
Projection to 2033	0.6	2.1	5.7	8.4
Projection to 2035	0.7	2.3	6.2	9.2

Source: Turley

Figure 8.5: Employment Land Required – Past Take Up



Source: Turley, 2016

8.69 Whilst past development rates cannot be relied upon in isolation, extrapolating these forward provides a useful proxy for considering future levels of demand for different types of employment floorspace. There are, however, some limitations and drawbacks associated with the use of the past take up approach including:

- Past allocations of land for employment use may reflect historic policy objectives and economic strategies that are no longer relevant or appropriate to future planning purposes.
- Past allocations may also reflect historic patterns of economic and business development that are no longer relevant, given changes to business practices, market conditions and opportunities presented by technological change. For example, over the past 10-15 years there have been significant advances made in manufacturing technologies and business practices (e.g. lean manufacturing, greater use of offshoring, etc.) that have resulted in declining demand for industrial land in many areas. Similarly, the rise of internet shopping has increased demand for premises for warehousing and distribution.

- A further implication of technological and business practice change is that there may be a legacy of poorly utilised existing employment land that could be recycled for modern uses rather than new sites becoming available.

8.70 In the case of Tunbridge Wells, completions and past take up trends are also likely to reflect the borough's constrained land supply position. This is evident in the comparatively high level of completions associated with change of use, relative to other forms of development and the strong levels of latent demand reported by Colliers, local commercial agents and other stakeholders through the study process.

Summary of net employment land requirements

8.71 In summary, future employment needs and land requirements in Tunbridge Wells have been assessed using three complementary approaches:

- Sectoral and employment forecasts and projections (labour demand);
- Demographically derived assessments of future employment needs (labour supply techniques); and
- Analysis based on the past take-up of employment land and property and/or future property market requirements.

8.72 The amount of employment land required under each of these scenarios is summarised in Table 8.15 below.

Table 8.15: Summary of Employment Land Requirements

	Labour Demand	Labour Supply	Past Take Up
Land required 2013 – 2033 (ha)			
B1a/b Office	4.0ha	3.8ha	0.6ha
B1c/B2 Industrial	-3.4ha	-4.3ha	2.1ha
B8 Warehouse	6.7ha	5.3ha	5.7ha
Total B	7.3ha	4.8ha	8.4ha
Land required 2013 – 2035 (ha)			
B1a/b Office	4.3ha	4.1ha	0.7ha
B1c/B2 Industrial	-4.0ha	-4.9ha	2.3ha
B8 Warehouse	6.7ha	5.5ha	6.2ha
Total B	7.0ha	4.7ha	9.2ha

Source: Turley, 2016

8.73 These scenarios generate a potential net requirement for between 4.8ha (Labour Supply) to 8.4ha (Past Take Up) over the period from 2013-33 and 4.7ha (Labour Supply) to 9.2ha (Past Take Up) to 2035.

- 8.74 Whilst the land requirements generated under all three scenarios are only indicative, and will change subject to the level of analysis and assumptions applied, they provide a good indication of the sectors which are likely to drive economic land requirements across Tunbridge Wells over the next 20-22 years for the purposes of plan making.

Allowance for choice and flexibility

- 8.75 In order to plan positively for potential future employment growth it is also considered best practice to add a margin of choice/flexibility factor to the land demand forecast calculation. This is an additional amount of land that ensures a reasonable choice of sites for businesses and developers and to allow for delays in sites coming forward or premises being developed.
- 8.76 Determining a robust figure for margin of choice is not an exact science and will always be open to a degree of subjectivity. However, as highlighted from the stakeholder consultation process the lack of supply is a major perceived weakness and threat to the growth of the local economy. In view of this, an allowance equivalent to five years supply is considered to be appropriate. This buffer will help to ensure that the Council remains responsive to potential changes and increased market demand that may occur over the plan period.
- 8.77 Where a reduction in land is forecast, no buffer has been applied.

Allowance for losses

- 8.78 In planning for employment land it is prudent to make an allowance for some replacement of losses of existing employment land that may be developed for other, non B use Class employment uses, or non-employment uses such as residential.
- 8.79 The monitoring data provided by the Council indicates that between 2008/09 and 2014/15 around 47,600 sq m of employment floorspace was lost in the borough⁹⁸, of which 18,847 sq m was office (B1a/b) floorspace, 18,629 sq m industrial (B1c/B2) floorspace and 10,125 sq m warehouse and storage (B8) floorspace.
- 8.80 This is equivalent to a loss of 6,800 sq m per annum, which when extrapolated forward over a 20 year period, would suggest the need to potentially replace 136,000 sq m of floorspace.
- 8.81 This is considered to be excessive on the basis that not all of these losses need to be replaced, and losses arising through office to residential conversions, which have been a key driver in recent years, may decline as the best sites and opportunities are developed early in the plan period. In view of this a percentage allowance is considered to be more appropriate. This would allow for some replacement of obsolete office and industrial premises with better quality provision elsewhere in the borough, whilst also recognising that further losses through Permitted Development are still likely to occur.
- 8.82 In view of the above the following allowances have been made:

⁹⁸ Excludes loss of floorspace reported for planning application ref: 07/02777 and 10/00265.

- For B1a/b offices an allowance of 673 sq m per annum is assumed. This is based on 25% of the average annual loss of office floorspace over the last 7 years and would equate to 13,460 sq m, or 0.9ha of land, over a 20 year period, increasing to 1.1ha over the period from 2013-2035. This is considered appropriate given recent losses of office floorspace arising due to Permitted Development Rights and is comparable to the current pipeline of losses known to the Council in 2014/15, but which have not yet started. In addition to the above, the vacancy rate within the existing stock of office floorspace is 3.8%. This is comparatively low, with a rate of 10% normally being required to ensure there is sufficient headroom in the supply and to support the healthy operation of the market.
- For B1c/B2 floorspace, an allowance of 399 sq m per annum is assumed. This is equivalent to a lower rate of 15% of the average annual loss of B1c/B2 industrial floorspace over the last 7 years and would equate to 7,980 sq m, or 2.0ha of land over a 20 year period to 2033, increasing to 2.2ha over the period from 2013-2035. This allowance, which is also comparable to the land required under the past take up approach (2.1ha to 2033 and 2.3ha to 2035, is considered beneficial in light of the low vacancy rate in the current stock of industrial floorspace (currently 0.7%⁹⁹) and reflects the fact that take up of B1c/B2 floorspace has continued in the relative absence of job growth in traditional manufacturing sectors.
- An allowance of 217 sq m, or 15% of the average annual loss of B8 storage and warehousing floorspace over the last 7 years, has also been assumed. This is equivalent to 4,340 sq m or 1.1ha over the period to 2033 and 1.2ha over the period to 2035. This allowance is considered to be appropriate in light of the already strong forecast growth in this sector, whilst allowing for some replacement of losses without placing undue pressures on the borough's limited land supply.

8.83 The estimated land requirements arising from each scenario when these allowances are taken into account is presented in Table 8.16 below.

⁹⁹ CoStar, 2016

Table 8.16: Employment Land Required (2013-2033 and 2013-2035)

	Labour Demand	Labour Supply	Past Take Up
Land required 2013 – 2033 (ha)			
B1a/b Office	5.9	5.6	1.6
B1c/B2 Industrial	-1.4	-2.3	4.6
B8 Warehouse	9.5	7.7	8.2
Total B	14.0	11.1	14.5
Land required 2013 – 2035 (ha)			
B1a/b Office	6.3	6.0	1.8
B1c/B2 Industrial	-1.8	-2.7	5.0
B8 Warehouse	9.6	8.1	8.9
Total B	14.0	11.4	15.8

Source: Turley

Overall assessment of the different approaches

- 8.84 When considered in overall terms, there is clear alignment between the labour demand and past take up scenarios, with the labour supply scenario generating a slightly lower requirement. However, when comparing the individual requirements for office and industrial floorspace a number of key differences are notable:
- The B1a/b office requirement ranges from 1.6ha under the past take up approach to 5.9ha under the labour demand scenario between 2013 and 2033. The past take up requirement is largely a result of a lack of new build office activity over the past 7 years. This is, however, considered to be more indicative of a lack of supply – both of land and existing floorspace – across the borough than a lack of demand, with Council monitoring data indicating that office occupiers have been meeting their needs through conversion and change of use of existing property. The analysis of property market conditions and the wider stakeholder consultation undertaken as part of the study also reveals a strong level of latent demand for office floorspace.
 - The B1c/B2 industrial requirement is also varied, over the period to 2033 ranging from -2.3 under the labour supply scenario to 4.6ha when considering the past take up approach. Whilst it is notable that both the labour demand and labour supply forecasts are sensitive to the forecast reduction in B1c/B2 employment, the past take up projection shows that despite job losses in manufacturing, and other related sectors, the borough's B1c/B2 industrial market remains active.
- 8.85 On the basis of the requirements presented above and in accordance with the NPPFs promotion of positive planning, it is recommended that the Council plans on the basis of the labour demand scenario with a view of accommodating, as a minimum, the borough's objectively assessed need for:
- 5.9ha of land suitable B1a/b office use.

- 8.1ha (net) of land suitable for B8 uses¹⁰⁰.

8.86 Taking into account the forecast losses of B1c/B2 industrial land, the borough would have an objectively assessed need for 14ha of employment land over the period to 2033 and 2035¹⁰¹. This requirement are summarised in Table 8.17 below.

Table 8.17: Objectively Assessed Need

Recommended OAN	
Land required 2013 – 2033 (ha)	
B1a/b Office	5.9ha
B1c/B2 Industrial	-1.4ha
B8 Warehouse	9.5ha
Total B	14.0ha
Land required 2013 – 2035 (ha)	
B1a/b Office	6.3ha
B1c/B2 Industrial	-1.8ha
B8 Warehouse	9.6ha
Total B	14.0ha

Source: Turley

- 8.87 This represents a recommended minimum requirement. However, in view of past take up and market signals, the Council may wish to consider planning on the basis of a higher (positive) requirement for B1c/B2 land, recognising that the market has been active in recent years and that take up has continued at a pace which has not necessarily reflected jobs growth.
- 8.88 This approach would help to ensure there is a sufficient choice of sites for prospective occupiers and investors and would avoid constraining the market. This could be achieved by assuming no decline across these sectors or, if the Council is willing to be more protective, by adopting the past take up projection, increasing the overall requirement by 4.6ha - to 20ha - over the period to 2033.

¹⁰⁰ This assumes that surplus B1c/B2 land is recycled for B8 use. If this land is not suitable then there may be a need to identify additional land to accommodate forecast growth and accommodate the higher requirement of 9.5ha of land.

¹⁰¹ The static nature of the requirement to 2035 reflects the continuation of job losses in B1c/B2 sectors between 2033 and 2035.

9. Site Assessment

- 9.1 In line with Planning Practice Guidance (PPG) it is important that Local Planning Authorities (LPAs) identify a future supply of land which is suitable, available and deliverable for economic development uses over the plan period¹⁰². Identifying such a supply will help enable the Council to respond to business requirements and meet its objectively assessed economic development needs identified in Section 8.
- 9.2 In support of this requirement, the study process has included an assessment of the existing employment land portfolio across Tunbridge Wells. This exercise, which has been led by Colliers International, has involved:
- Assessing the adequacy of existing employment sites and those which should be retained for future employment use;
 - Assessing the suitability of allocated employment land yet to be developed; and
 - Identifying potential new employment sites/employment locations to meet the identified future economic need.
- 9.3 Plans showing the location of the employment areas/sites forming part of the assessment are provided at Appendix 6.
- 9.4 Whilst many of the sites feature in existing development plans, and are generally considered suitable locations for employment use, the focus of the appraisal is on whether circumstances have changed which would alter their overall quality and suitability for employment use.
- 9.5 The Council has also requested that a number of sites/locations identified through the Call for Site process be qualitatively assessed as part of the study. The results of this analysis have been submitted separately for consideration by the Council and will be published in due course.

Methodology

- 9.6 The starting point for Colliers was the preparation of a baseline review of the local commercial market to understand the strength of demand for B Use Class and other non B uses (including retail) across the study area. Following this, and in order to determine the quality and suitability of the existing supply, all sites were inspected during March and April 2016 with proformas used to capture key information. Proformas for the borough's Key employment areas and allocated sites can be found at Appendix 7.
- 9.7 In accordance with PPG, market demand factors have been considered to enable conclusions to be reached regarding the adequacy and ongoing market attractiveness of the supply of existing employment areas and allocations. The results of this analysis have been captured in a scoring matrix to allow relative assessments of each employment area/site to be made against pre-set criteria.

¹⁰² National Planning Practice Guidance (2014) 'Housing and economic land availability assessment' paragraph 001

- 9.8 A copy of this scoring matrix is enclosed at Appendix 8, with the criteria used in this summarised below.

Location

- 9.9 The location criteria assess' the proximity to the built or rural environment. If a site is in the built environment it will score highly, if in a rural environment but close or within a built environment a mid-score will be applied. A mid-score is also applied to sites in rural areas which make an important contribution to rural employment. If the site is in a rural environment and has no proximity to the built environment a low score has been applied.

Strategic Access

- 9.10 Good strategic accessibility was assessed on the basis of a sites' proximity to the highway network and public transport nodes. A high score was applied if there was immediate access from a site to a major highway network or that access was within a reasonable distance of an A road, useable by HGV's and / or the site had good public transport nodes close by. A mid score was applied if the site had good access to an A road via local access routes and some public transport access. A low score was applied if there was restrictive access to major arterial routes for example the site entrance was on an unclassified road or a poor quality B road and there was no/poor public transport accessibility.

Site / Premises Condition

- 9.11 The site or premises condition assessment was based on the quality of the existing employment sites or land dependant on its attractiveness in terms of estate maintenance, car parking, evidence of vacancies and if the buildings on site were suited for modern day use. If a site was a high quality employment area with well-maintained units, grounds with ample parking a high score was applied. A high score was also applied if the site was a high quality greenfield site. A mid score was applied if the site was an established employment area with a mix of building ages and condition. A low score was applied if the site was not well-maintained, buildings looked old and there were a high level of vacancies.

Availability

- 9.12 Availability was assessed on the availability of the site within a given timescale. These timescales were within 5 years, within 10 years and if available in 10 years +, with sites available in the short term receiving a higher score.

Land Ownership

- 9.13 A higher score was given to a site if the site was in public ownership, a mid-score applied if the site was in the private sector and a lower score applied if the ownership of the site is unknown or in mixed ownership (public / private). The significance of this criteria is that if the land ownership is not known or it was in multiple ownerships then the development timeframe would be slower than if in one ownership with the ownership intentions known.

Market Activity / Developer Interest

- 9.14 If recent levels of interest in the site for development or for allocation to employment use were ascertained then a high score was attributed, if there had been historic interest a

mid-score was attributed. If interest in the site was minimal or unknown a low score was attributed.

Suitability for Growth

- 9.15 The suitability for growth is dependent on the number of sectors that would invest or occupy any of the existing sites or any potential new sites allocated for employment uses in a new Local Plan. A higher score was attributed if it was felt a number of Investors would invest or occupy in premises on the site dependant on its suitability. If the site were suitable for one type of occupier and or moderately suitable for more than one occupier a mid-score was attributed. A low score was attributed if the site has limited suitability for any employment occupier.

Development Constraints (including access/infrastructure, environmental or other policy designation)

- 9.16 This criterion assessed the sites on its benefits from a physical perspective including assumed ground condition with a greenfield site scoring higher than a brownfield site, access or form of access evidenced or assumed to be non-contentious again scoring higher than not. A mid score was applied if the site was an existing business site but there was no ability or low ability to expand. A low score was attributed if means of access into the site could not be identified or it was existing but poor. A low score was also applied if the site was not level or the shape of the site did not lend itself to development.

Need for Investment

- 9.17 The need for investment was assessed taking into account development constraints and assumed costs to develop. The criteria also took into account where the investment if any would be found, a higher score was attributed if no public investment was required and a lower score if major investment was required and that source of investment was unidentified.

Viability

- 9.18 The viability scoring was based on an assessment of costs required to develop, refurbish sites into good quality employment stock or maintain sites in good condition vs. the anticipated demand taking into account strategic access and location. A site was assumed more viable if taking into account other criteria demand were assumed high and the costs required to maintain demand were low or marginal. A site was given a low score if occupier demand was low based on present condition or location and that was not expected to change if investment was made to develop, refurbish or maintain the site.

Neighbouring uses

- 9.19 If a site has no negative impacts on neighbouring uses, for example an existing employment allocation or the site was bordered by a motorway then its attractiveness as an employment allocation would be high and therefore a higher score would be attributed. If the neighbouring uses were greenbelt land or residential neighbours were close or there was no separation between the uses then the site would be less attractive and the score attributed was low. If impact is apparent or foreseen but mitigation can be installed or adequate separation is in existence a mid-score was attributed.

Importance to Economic Development Activities

- 9.20 If the site, allocated or proposed, is an attractive or prominent site which is currently or would in the future bring about significant benefits to the Borough or District a high score was ascribed. If a site would support regeneration or employment use would bring moderate benefits a mid-score was ascribed. If the site has restricted use or is restricted in size and therefore demand is or would be limited the site was ascribed a low score.
- 9.21 The scoring matrix concludes by assessing the sites on a good, adequate or poor basis:
- A **good** site is a site which should have its employment allocation protected. These sites have scored highly in the matrix assessment; the sites will be well located, accessible and be fit for modern B use classes with no or few conflicts with adjacent occupiers/uses.
 - An **adequate** site will be an acceptable employment site which has some compromises in terms of location and or access. The site may require investment to bring the premises up to date. These sites may have the potential for alternate uses.
 - **Poor** sites will have low quality accommodation and will have many vacant units. They will almost certainly be in the wrong location or will conflict heavily with adjacent uses. These sites will have high potential for alternate uses including residential. The Council may wish to consider reallocation of the site through the Local Plan process.
- 9.22 The headline results from the site survey and assessment process is summarised below, with more detailed site specific analysis provided at Appendix 8.

Tunbridge Wells Site Assessments

- 9.23 A total of 14 sites have been assessed within Tunbridge Wells Borough. These consist of: ;
- 7 Key Employment Areas (KEA) designated within the Adopted Core Strategy;
 - 2 sites allocated specifically for employment generating uses within the adopted Site Allocations Local Plan (SALP) for B Class employment uses, namely Mount Ephraim (AL/RTW20) and Mount Pleasant Avenue (AL/RTW21); and
 - 2 sites allocated within the Adopted Local Plan 2006 for B Class employment use, including Land North of Kingstanding Way and Land South of Dowding Way (both of which fall within the North Farm / Longfield Road KEA).
- 9.24 The employment area/sites assessed are summarised in Table 9.1 overleaf.

Table 9.1: Tunbridge Wells Borough Employment Sites (including designated Key Employment Areas and Sites specifically allocated for B Class employment Uses)

Turley / Colliers Reference	Site Name	Policy Ref	Site Area (ha)
TW_KEA1	High Brooms Industrial Estate	AL/S04	4.28
TW_KEA2	Land at Brook Farm, Capel	AL/VRA4	1.3
TW_KEA3	Land at the former Hawkhurst Railway Station, Gills Green	AL/HA6	1.02
TW_KEA4	<p>North Farm /Longfield Road</p> <p>This KEA includes two sites previously allocated in the 2006 Local Plan:</p> <ul style="list-style-type: none"> - Land North of Kingstanding Way (7.03ha). This allocation has been largely developed, however there is some residual capacity (see above) - Land South of Dowding Way (1.46ha). This allocation has been largely developed and there is not perceived to be any residual capacity. 	AL/RTW28	26
TW_KEA5	Land east of Maidstone Road, Paddock Wood	AL/PW5	15.64
TW_KEA6	Land west of Maidstone Road, Paddock Wood	AL/PW5	3.16
TW_KEA7	<p>Tunbridge Wells Town Centre</p> <p>This KEA includes two sites specifically allocated for B class uses including Mount Ephraim (AL/RTW20) (2.71ha) and Mount Pleasant Avenue (AL/RTW21) (0.13ha), in addition to a number of sites allocated for a mix of uses in the SALP, within which B1 office development could be accommodated¹⁰³.</p>	AL/RTW27	28.21
Total			47.01 ha

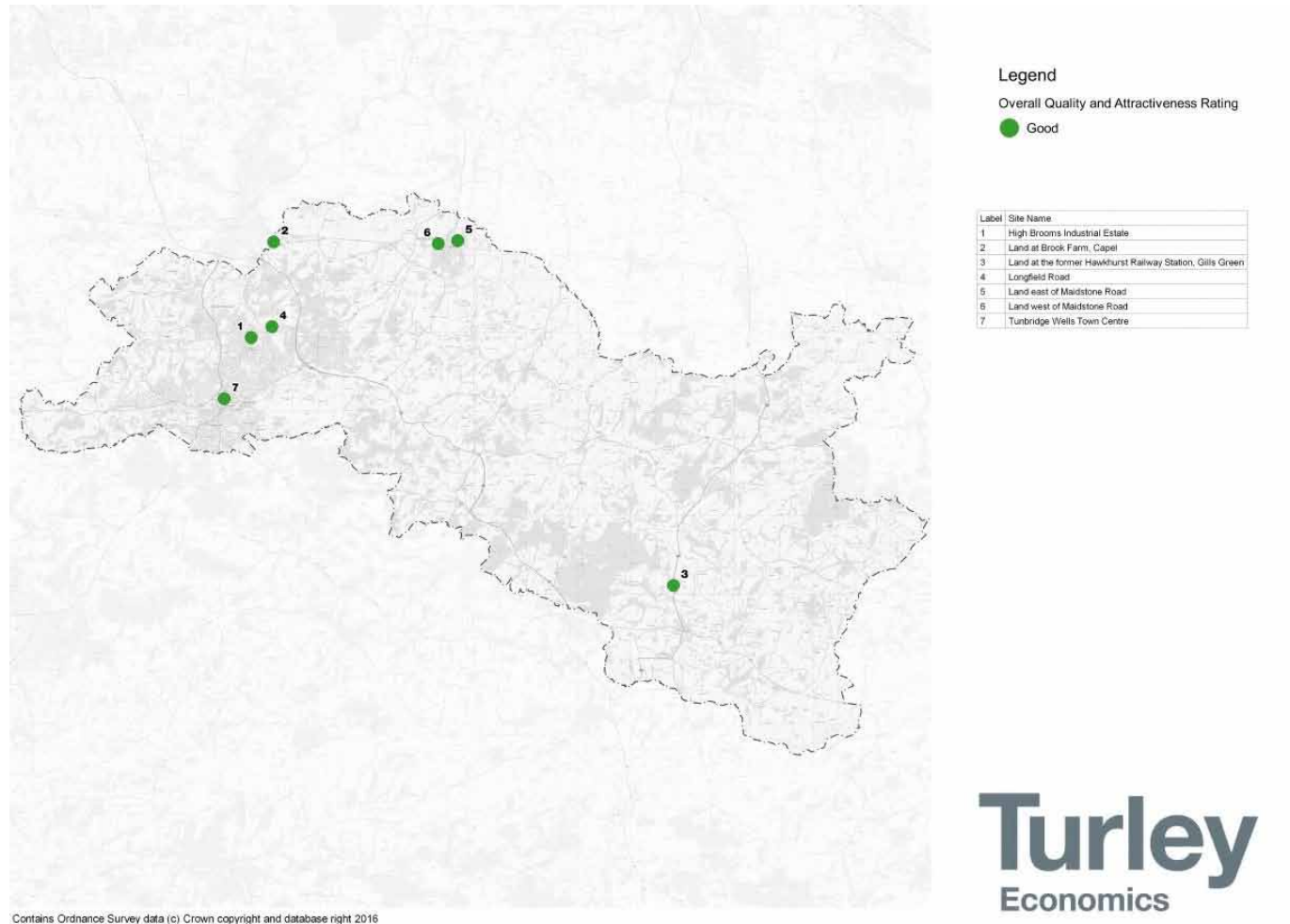
Source: Tunbridge Wells Borough Council

¹⁰³ These include the Civic Complex/Crescent Road Area of Change (AL/RTW2A), the Former Cinema Site Area of Change (AL/RTW2B) and the Vale Avenue Area of Change (AL/RTW3).

Appraisal of Existing Key Employment Areas

- 9.25 The existing Key Employment Areas and allocated sites have been assessed using the matrix scoring system in Appendix 8. The results of this analysis are summarised in Figure 9.1 below.
- 9.26 It is concluded that all Key Employment Areas and Site Allocations assessed across Tunbridge Well have been assessed as 'good' and should therefore be retained as employment sites.
- 9.27 It is recommended that a feasibility study of Mount Pleasant Avenue is progressed to understand development potential, cost and viability.

Figure 9.1: Appraisal of Existing Employment Areas



Source: Turley and Colliers International

- 9.28 The following provides a brief statement on the suitability and market attractiveness of each of the key employment areas and allocations assessed.

High Brooms Industrial Estate Key Employment Area

- 9.29 High Brooms Estate, Hazelmere High Brooms and Orchard Business Centre are employment areas within the larger North Farm Road Industrial area. The area benefits from good accessibility and is relatively flat with estate roads linking the three industrial areas. Buildings on site are characterised by a mix of single storey block built units with steel frames at upper levels and double height steel frame office blocks. There is car parking provision, however spaces appear to be a premium; at the time of the site visit cars were being parked along estate roads outside of designated parking areas.
- 9.30 The KEA is predominantly occupied by B1a/b office, B1c/B2 industrial, B8 warehouse uses in addition to automotive (car repair) and trade counter uses. Occupiers employers include Fit for Less gym, the Chimera Climbing Centre and Total Control Group, who occupy the Prospect House office building.
- 9.31 **Colliers' view** is that this is a good employment area. However, there are limited expansion opportunities due to the existing residential properties surrounding the majority of the industrial estate.

Land at Brook Farm, Capel Key Employment Area

- 9.32 The Brook Farm KEA employment area is characterised by a number of car dealerships, namely Mini (ex AUDI) and Porsche. Homedics Group occupy the office building to the front of the site on the A26. There was evidence of construction activity with the site adjacent to the Porsche dealership under construction, with a further small plot, adjacent to the roundabout and site entrance, available for development.
- 9.33 **Colliers' view** is that this is a good employment site, although the sensitive landscape in this area is considered to be a constraint to further expansion beyond the confines of the current site boundary. There may be scope for vertical intensification when units become technologically obsolete or demand is apparent. It is considered that B1 and B8 uses would be most suited to this site.
- 9.34 Due to the site being on the border of Tonbridge and Malling and Tunbridge Wells, any potential expansion would also be subject to negotiation with Tonbridge and Malling Borough Council.

Land at the former Hawkhurst Railway Station, Gills Green Key Employment Area

- 9.35 The Gill Green KEA is characterised by a mix of B2 and B8 uses. Existing occupiers include Howdens, Nortrade Seafood Specialist and Raven Roofing Supplies. The buildings on site are of steel frame construction and good quality. There is also evidence of new single storey buildings being constructed to provide additional accommodation.
- 9.36 The KEA is accessed from the A229 and is highly visible. There are bus stops at c.60m and 150m to the south of the site. However, the area is around 18 miles from the M25 therefore connections to the strategic motorway network are somewhat limited. Notwithstanding this, the site is well occupied and there is also evidence of recent take, with the construction of a new unit to the west of the site being pre let.

9.37 **Colliers' view** is that this is a good rural employment site. It is considered there is potential to extend the site to the south west to accommodate further B2 and B8 uses. Although not currently allocated, it is understood a further c.3 acres of land is potentially available to facilitate this expansion and there is potential demand from existing occupiers.

9.38 It should be noted, however, that any future development would need to be sensitive to the landscape character of the area and compatible with the residential properties which would border the potential expansion site; for example a buffer zone would most likely be required to screen any potential development. This area, and possible allocation, would also need to be tested through the Local Plan process.

North Farm /Longfield Road Key Employment Area

9.39 The area of North Farm/Longfield Road is one of the main employment areas in Tunbridge Wells. This area is largely developed, is well maintained, attractive for tenants and has ample car parking for customers.

9.40 Existing employment uses include the Council Recycling Centre and a sewage works on North Farm Lane, while Longfield Road is characterised by employment, trade counter uses in addition to a number of car dealerships. Existing tenants include Screwfix, Halfords and Citroen.

9.41 North Farm is also a major retail destination. Fountains Retail Park' is one of a number of established retail parks and is anchored by a 4,650 sq m (50,000 sq ft) M&S and includes occupiers such as Homesense and McDonalds.

9.42 The majority of the area is developed with modern and fit for purpose buildings, many of which are fully occupied.

9.43 Although congestion persists at peak times, the road network improvements completed locally, including the dualling of the A21, are expected to result in improvements in traffic flow and an increase in visitors for both leisure and employment purposes.

9.44 However, the expansion of the retail areas now limits the scope for employment floor space expansion in the area. The only allocated site which has not been developed is the land at North Farm Lane (currently the subject of a planning permission for 2,640 sq m of light industrial floorspace). The site is small however, measuring at around 0.7ha. It is perceived that the lack of employment land is also forcing operators to move further afield to areas such as Tonbridge and Malling.

9.45 Previously allocated sites at North Farm/Longfield Road, which have since been developed, include:

- **Land North of Kingstanding Way** - This allocation is located to the north of the developed employment areas of North Farm and Longfield Road and is to the northern tip of Kingstanding Way. The strategic access into the main site itself is excellent for car borne journeys however there is little / no public transport nodes close to the site. This area is considered a suitable site for the existing B1, B2 and B8 uses, however development opportunities are limited. The 0.7ha site at North Farm Lane represents the only available allocated site within this area.

Colliers' view is the site is a good employment site and opportunities for expansion should be explored by the Council (see below).

- **Land South of Dowding Way** - This area is a fully developed B class, retail and retail warehousing 'park'. The area is strategically located for road access however public transport is minimal. The brand strength of tenants is strong with retailers to the north including Dreams, M&S and Homesense. The remainder of the site is occupied by car showrooms, including Audi, Vauxhall and Hyundai. **Colliers' view** is that this site is a good employment location and suitable for B1, B2 and B8 uses. Although the land should be retained for employment use, there is limited scope for expansion as the site is fully developed and constrained by Dowding Way and existing employment areas to the east of the area.

- 9.46 Colliers' view is that the North Farm / Longfield KEA is a good employment area, and if expansion were possible, then strong demand is expected from all employment sectors across B1, B2 and B8. It is noted that an expanse of land located to the east of Kingstanding Way remains undeveloped but is not currently allocated. This site is considered to be a possible suitable location for expansion. In line with the above conclusions and strong demand is expected from all sectors, however this area is considered to be most suitable for B1 and B8 use. This would also require substantial investment and pre-lets to bring this forward. Any future allocation would need to be tested through the Local Plan process.

Land East of Maidstone Road, Paddock Wood Key Employment Area

- 9.47 The Maidstone Road area of Paddock Wood remains a strong employment location and supports a range of food use manufacturing and distribution. The land east of Maidstone Road is predominately occupied by the Transfesa Road Industrial Estate. The Transfesa site, which has a direct link onto the station concourses, is relatively flat and fully developed. There are no adjacent uses which are sensitive to the range of employment uses on site.
- 9.48 The estate is fully occupied with current tenants including Warburtons, Steller UK with the largest unit let at c.3,906 sq m (42,000 sq ft) to Restore Ltd and the smallest unit at 1,116 sq m (12,000 sq ft) to Fastnet fish.
- 9.49 **Colliers' view** is that this is a good employment site and suitable for B1, B2 and B8 uses. Whilst there are small pockets of B1a accommodation, Colliers do not see this as an office location and it is no threat to the established centres in Tunbridge Wells.
- 9.50 The site therefore should be retained, however due to the area being fully developed there is limited scope for further development within the KEA boundary. A number of sites do, however exist on both sides of Maidstone Road which may be suitable for future development and expansion. There is already evidence of new development appearing on Maidstone Road, to the north of the existing employment areas. These sites offer better access to the road network and there may be scope to see further expansion in the land between the developed plots. Redevelopment within the existing employment areas is also expected as tenant requirements and mix change on site.

Land West of Maidstone Road (Eldon Way Industrial Estate) Key Employment Area

- 9.51 Eldon Way Industrial Estate is on the west side of Maidstone Road. There are c.50 units on site. The site is relatively flat, fully developed and well established. First developed in the 1970's with continued development in the 1990's and many units have been refurbished. There is considered to be good parking provision on site. There are no adjacent uses which are sensitive to the uses on the site..
- 9.52 Occupiers include Bidfest Foodservice, Mack and Jestic Foodservice Equipment. The Mack unit is approx. 16,000 sq m. This also provides access to the more secure accommodation on the east side of the railway spur in the Transfesa Distribution Centre. An area to the west of Maidstone Road (B2160) and to the north of the British Car Auctions facility was previously allocated for employment use, but no development proposals came forward during the time that it was allocated. The site was subsequently de-allocated through the Core Strategy due to issues of flood risk which impacted on its deliverability. The site, which is within the flood zone (2 and 3), as is the vast majority of Eldon Way and the majority of the industrial, business and distribution site to the east of Maidstone Road.
- 9.53 Notwithstanding the above, Eldon Way remains as an existing Key employment Area and **Colliers' view** is that this is a good employment site and suitable for B1, B2 and B8 uses. The site should therefore be retained for employment use. Expansion should be explored in line with the recommendations for the land to the West outlined above, although it is notable that the site is constrained by residential development, flood risk areas and the existing road network which may limit its development potential.

Tunbridge Wells Town Centre Key Employment Area

- 9.54 Royal Tunbridge Wells Town Centre is also designated as a Key Employment Area, in recognition of its contribution of a wide range of employment generating uses within the defined extent of the Town Centre, including B class office use. The occupational office market in Royal Tunbridge Wells is well established and performs well with several large corporate organisations located within the town. The amenities in Tunbridge Wells town centre, coupled with the fast train links to London, serves to bolster demand for employment space. With recent increases in general transactional activity and values, headline rents are back to pre-recession highs. This has triggered a number of office refurbishments and further investment in Royal Tunbridge Wells itself.
- 9.55 Demand in the local market is underpinned by an established professional services sector. For example, Cripps Solicitors have recently taken office space at the Berkeley Homes scheme in the Royal Wells Park development. However, in addition to movement in the local market, inward investment in the town is seeing various key developments coming forward. This in turn is attracting demand from outside Royal Tunbridge Wells with the town now competing on a sub-regional basis with Kings Hill, a substantial commercial centre near West Malling.
- 9.56 It is notable, however, that total supply in the local market area has dramatically fallen with less than 9,300 sq m (100,000 sq ft) currently available, representing less than 2 years supply at historic take up levels. Availability has fallen following a number of recent lettings and the ongoing impact of change in Permitted Development Rights

allowing conversion of offices to residential use. These factors have led to a fall of approximately 50% in supply since 2011. It is anticipated that this will serve to further inflate rental values as availability falls further. The defined Town Centre Key Employment Area includes a number of established business/office locations as well as allocated sites specifically for B class employment uses¹⁰⁴ and three “Areas of Change”¹⁰⁵ (which specify a mix of uses, including B Class employment which may be appropriate as part of a mixed use scheme).

9.57 There are a number of existing key employment locations within the Town Centre including:

- **Clanricarde/Lonsdale Gardens** – this area is fully developed with detached villas over three floors with associated car parking and well maintained gardens on Lonsdale Gardens and Clanricarde Gardens. Both streets are characterised by a mix of residential, office and complimentary uses, with the area established as one of the two main established office areas within the town (Mount Ephraim being the other). The properties on the south of Lonsdale Gardens back onto the Vale Road commercial area. A modern office block, Mount Pleasant House, is of brick construction with three stories of B1 use above ground floor and parking is located at the western end of Lonsdale Gardens. This development has retail facing onto the high street and is within close proximity to the train station. Due to the location of the area, proximity to the train station and amenities it is expected that properties which come forward for sale will be at risk of residential refurbishment through Permitted Development. Whilst there are a number of commercial occupants who have active requirements for Tunbridge Wells, the majority of occupiers require large floorplates with good car parking which this area does not provide.
- **Vale Avenue** - this area is included within the Vale Avenue Area of Change and is allocated for a mix of uses, including B1 office, hotel and conference, retail and residential. The area currently comprises a number of 1970's red brick detached office uses. A pay and display car park for the town centre is also accessed from Vale Avenue. Whilst a number of vacancies were seen at the time of the site visit, Merevale House (Vale Road) and Vale House (Clarence Road) have been bought by a private company with redevelopment 'in mind' when the existing leases expires.

9.58 Both of these areas are easily accessible to the town centre and its public transport links making this an ideal location for B1 use. Both areas connect in with the highway network in Tunbridge Wells and have parking either on site, on street or with easy access to a public car park within 100m. Whilst the properties are not purpose built office units at Clanricarde/Lonsdale Gardens, the area has high occupancy and suits the requirements of the local area.

9.59 **Colliers' view** is that the areas allocated in the town centre for B1(a) use are good locations for employment purposes. However, there are limited opportunities for

¹⁰⁴ Mount Ephraim (AL/RTW20) (2.71ha) and Mount Pleasant Avenue (AL/RTW21) (0.13ha)

¹⁰⁵ These include the Civic Complex/Crescent Road Area of Change (AL/RTW2A), the Former Cinema Site Area of Change (AL/RTW2B) and the Vale Avenue Area of Change (AL/RTW3).

expansion as existing stock is located in conservation areas and is restricted in its ability to be extended to create larger floorplates, which growing businesses require. It is unclear how office growth will be accommodated in the town centre unless there is a comprehensive redevelopment similar to the Berkeley Homes scheme at Royal Wells Park. This is considered to be unlikely, however, due to a lack of suitable and available development sites. It is therefore considered that office demand could be met through the creation of new office floorspace outside of the town centre. Sites which could deliver tenant requirements are those that are close to transport links, have ample car parking for customers and are strategically located close to highway networks.

Mount Ephraim

- 9.60 Mount Ephraim (A264) is located to the west of the town centre and to the west of the A26 at the top of the hill. Mount Ephraim itself is a long road at the top edge of the Lower Common, linking the junction with the A26 to the north and the junction with Major York's Road to the west. There are a limited number of large prominent detached properties, including Chancellors House, in this location which benefit from views over the Lower Common, Wellington Rocks and the Linden Park Cricket Club. Occupiers include the Mount Ephraim House residential Care Home, Travelodge Hotel, Jarvis Investment Management, The MI Group, Handelsbanken Wealth Management, Panini, AV Trinity and Creaseys. Many of the villa style properties have been converted into office accommodation and there are various examples of new and converted residential properties.
- 9.61 Colliers view is that the area presents a good opportunity for a range of commercial, leisure and residential uses. There will, however, be pressure to convert the office accommodation to residential use to the high sales values achievable in this location. Notwithstanding the above, the properties in this area have the potential to offer good "out of centre" office accommodation, especially for single occupancy "prestige" companies.
- 9.62 Given the sites locational advantages, and demand context presented above, there is likely to be pressure to redevelop 77 Mount Ephraim - a 1980's built office building in superb and well managed grounds with a selection of mature trees (allocated under Policy AL/RTW20). It is understood that a portion of the site has already been sold for residential development.
- 9.63 In addition, Cripps will be relocating from 3 – 13 Mount Ephraim Road in 2016. The offices Cripps will vacate are currently being marketed and there is expected to be strong competition from the residential market. There is precedent for a change to residential on Mount Ephraim Road as in 2014 a change of use application from offices to 12 residential apartments was permitted at one address. The continued use of Permitted Development rights by developers to create a supply of smaller new homes, in the absence of new Grade A office development represents a key risk to the town centre office market.

Mount Pleasant Avenue

- 9.64 This site is located to the east of Mount Pleasant Avenue and south of the AXA office development. The site is a publically owned pay and display car park, with one-way vehicle movements in parts.

9.65 Mount Pleasant Avenue is on a steep gradient north to south and any development here would need to work with the topography of the site. **Colliers' view** is that this site would make a good employment location and if development is forthcoming on this site a B1a/b office scheme would be considered feasible. However, the site shape and size will demand a creative design solution and a more detailed feasibility study should be progressed to understand the capacity of the site.

Summary of Sites / Locations with potential for development or expansion

9.66 The development potential for the existing designated Key Employment Areas and sites Allocated specifically for B Class employment uses is limited, with just 0.7ha of land being allocated and available for development. There is, however, demand for new employment floorspace across the borough, particularly higher quality Grade A accommodation in accessible locations.

9.67 Colliers therefore anticipate that the creation of new employment floorspace in a number of locations across the borough would be met with demand. These locations, which have been introduced above, include:

- **North Farm/Longfield Road KEA** – land to the east of Kingstanding Way; This area benefits from excellent access to the strategic highway network and has the potential to form part of the wider A21 “growth corridor”. The site would be most suited to B1 and B8 uses. **Gills Green KEA** – land to the south west of the existing employment area. This would act as an extension to the existing KEA in response to revealed demand for employment floorspace in this area. The site would be most suited to sensitive B1c/B2 and B8 uses in line with the current employment offer.
- **Maidstone Road area, Paddock Wood** – areas of the north between existing development plots on Maidstone Road. This would help to mitigate piecemeal development which is currently in evidence, whilst improving the availability of B1c/B2 and B8 floorspace more generally in this area. It is notable, however, that this area is constrained by its Flood Zone 3 designation.
- **Tunbridge Wells Town Centre** – there are limited sites allocated within the SALP specifically for B Class development within the Town Centre, however future development within mixed use and “Area of Change” allocations may provide some B class employment (B1a uses) development over the Plan period. Although further expansion, due to the nature of the office stock and conservation area status of the town centre, is limited, there may be opportunities within the new Local Plan for allocation for small-scale redevelopment to provide new office stock within Town Centre locations or sites on the edge of the town.

A21 Corridor

9.68 As a potential growth area the A21 Corridor is also considered by Colliers to offer an excellent opportunity to provide additional employment land for Tunbridge Wells. The release of sites following the A21 Tunbridge to Pembury dualling would enable strategic access to be obtained to this area. It is considered that, the sites are in the right location to meet demand and are greenfield land thereby creating the ideal blank canvass to facilitate new businesses entering the market across the entire B spectrum of uses.

9.69 The sites would be purpose built to meet demand and therefore will assist in inward investment from occupiers not currently represented in the Borough by changing the perceptions of business’ looking for space in what is one of the major transport corridors in the region. The developments are expected to be a group of like tenants in a business park format.

- 9.70 With a lack of expansion zones around existing employment locations this could be an exciting advancement for Tunbridge Wells' future employment aspirations. It is considered that the land along the A21 Corridor should be considered by the Council and a comprehensive review of the area should be progressed, including the assessment and consideration of any sites submitted through the Call for Sites process.

10. Supply Demand Balance and Policy Recommendations

- 10.1 This concluding section compares the borough's objectively assessed need with actual levels of available land across the borough. This is based on an assessment of land available across the borough's Key Employment Areas, as well as current committed schemes, in order to identify the need for additional employment land, or surpluses of it, in both quantitative and qualitative terms.

Quantitative need

- 10.2 PPG states that local authorities should develop an idea of future economic needs based on a range of data and forecasts of quantitative and qualitative need. In this respect, planning for employment growth should avoid relying on single sources of data or projections which tend to rely upon a number of different variables which are inevitably subject to change.
- 10.3 In response to this, the borough's objectively assessed needs have been established using a range of techniques, including labour demand, labour supply and past take up scenarios.
- 10.4 In accordance with the NPPFs promotion of positive planning, it was subsequently recommended that the Council plans on the basis of the labour demand scenario with a view of accommodating, as a minimum, the borough's objectively assessed needs as summarised in Table 10.1 below.

Table 10.1: Recommended Land Requirements 2013-2033/35

	OAN/ Employment Land Requirement
Land required 2013 – 2033 (ha)	
B1a/b Office	5.9ha
B1c/B2 Industrial	-1.4ha
B8 Warehouse	9.5ha
Total B	14.0ha
Land required 2013 – 2035 (ha)	
B1a/b Office	6.3ha
B1c/B2 Industrial	-1.8ha
B8 Warehouse	9.6ha
Total B	14.0ha

Source: Turley

- 10.5 This confirms a need for 14ha of employment land over the period to 2033/35. Whilst it would be typical to present a residual requirement - taking into account completions over the period from 2013-2015 - in the case of Tunbridge Wells borough, where new floorspace has been created this has been more than offset by losses of floorspace. The

result of this is a net loss of employment floorspace during this period. On this basis, no further adjustments to the requirement are proposed and it is recommended that the Council plans positively to meet its full objectively assessed need for 14ha of employment land over the period to 2033.

- 10.6 As detailed in Section 9, the pipeline supply of employment land from existing allocations (excluding any potential future Local Plan allocations identified through the Council's Call for Sites exercise) in the borough comprises just 0.7ha (net) of land at North Farm Lane, Royal Tunbridge Wells.
- 10.7 Existing committed schemes – either under construction or not started as of 31st March 2015 – have also been considered, drawing on monitoring data published by Tunbridge Well Borough Council and Kent County Council. Excluding land at North Farm Lane, the delivery of these schemes would result in a net gain in employment floorspace equivalent to around 933 sq m. When converted to land using the plot ratios introduced in Section 8, these committed schemes have the potential to contribute around 1ha to the borough's overall supply of employment land.
- 10.8 Taking these factors into account, Table 10.2 compares demand for B use Class land against the identified site supply.

Table 10.2: Supply/demand balance 2013-2033/35

Supply / Demand Balance	
Land required 2013 – 2033/35 (ha)	
B Use Class Land Requirement	14.0ha
Land Supply	0.7ha
Net Commitments	1.0ha
Total B	-12.3ha

Source: Turley

- 10.9 The above analysis shows that the borough has a shortfall of land – equivalent to around 12.3ha - to accommodate future B Use Class development over the period to 2033/35.
- 10.10 Given the constrained land supply position the majority of this requirement will need to be met through new allocations, with priority given to allocating sites with the potential for delivery in the early years of the plan period.

Qualitative need

- 10.11 The case for new allocations in Tunbridge Wells borough is strengthened when considered in the context of recent levels of market demand and other qualitative needs.
- 10.12 The borough is characterised by a steady level of demand for both office and industrial floorspace, with much of this demand concentrated across the borough's Key Employment Areas. Colliers analysis of the relative performance of these designations

also serves to highlight their ongoing popularity and sustainability in economic development terms, with many operating at full, or near to full, capacity.

10.13 According to CoStar¹⁰⁶ the vacancy rate for office is currently around 3.8%, and for industrial, just 1%. A rate of 10% is typically seen as being necessary to support the healthy operation of the market.

10.14 Currently, these issues are being compounded by:

- High levels of occupation within existing key employment areas, coupled with very low vacancy rates within the existing stock of both office and industrial floorspace;
- Ageing stock of office floorspace and little new development in recent years;
- Permitted Development Rights which continue to erode supply of office floorspace;
- Limited residual site capacity for new development. The small site at North Farm Lane provides the only vacant site currently allocated for B1-8 uses; and
- Market perceptions regarding the lack of available supply, which act as a disincentive to prospective investors across all sectors.

10.15 There is evidence to suggest that in the absence of suitable sites and premises, demand for floorspace is being met through change of use. In rural areas there is also evidence of new floorspace being created through the conversion of redundant and other agricultural premises. These developments, whilst responding to demand in rural areas, have been comparatively small scale with the nature of development constrained by the setting or type of premises being converted.

10.16 As highlighted through the stakeholder engagement process, the current lack of headroom, in both the supply of land and floorspace, is a key concern. As well as acting as a disincentive for new investors, it also limits the scope for movement and expansion within the existing business base; something that was considered to be critically important for retaining strategic employers that provide a vital source of local employment within the borough.

10.17 Whilst there is an overriding need to ensure the available land supply is used efficiently, if insufficient land is allocated for future employment yielding uses, then there is a risk that the supply of employment land may become a constraint on growth of local businesses or the ability of the borough to realise its full economic potential.

¹⁰⁶ www.costar.com

Needs across the FEMA

- 10.18 As demonstrated within Section 2, it is evident that Sevenoaks district and Tunbridge Wells borough share important economic linkages which also extend to cover parts of neighbouring Tonbridge and Malling. Although it is not the intention of the authorities to prepare a joint Local Plan, it is nevertheless beneficial - and a requirement of the PPG - for each authority to have an appreciation of economic needs across this wider functional economic geography.
- 10.19 This report has identified an OAN of at least 14ha of employment land across Tunbridge Wells borough over the period to 2033 and 2035. This represents a recommended minimum land requirement for the purposes of preparing the new Local Plan,
- 10.20 When the 14ha requirement is assessed against the borough's remaining allocations and committed schemes there remains shortfalls of around 12.3ha of employment land to accommodate future B use Class development over the same period. However, recognising that the industrial market has been active in recent years, should the Council wish to plan on the basis of a higher (positive) requirement for B1c/B2 land, then additional suitable land will need to be identified.
- 10.21 The study has identified an OAN of at least 11.5ha of employment land across Sevenoaks over the period to 2033, and 11.6ha to 2035. Like Tunbridge Wells, the supply of land available for new B use Class development is limited and results in a shortfall of around 8.5ha over the period to 2033 and 8.6ha over the period to 2035.
- 10.22 Collectively Sevenoaks and Tunbridge Wells have an identified OAN of at least 25.5ha of employment land over the period to 2033, with an overall need to identify 20.8ha of employment land across the two authorities. Over the period to 2035, the identified OAN is for 25.6ha of employment land, with an identified shortfall of 20.9ha.
- 10.23 The latest assessment of economic needs across Tonbridge and Malling was published in December 2014. This study, prepared by Nathaniel Lichfield & Partners (NLP) considers needs over the period to 2031. Four different scenarios for future employment land were considered as part of the study, the majority of which indicated higher levels of future economic growth in Tonbridge and Malling than the borough had achieved in the recent past, implying in broad terms a need for between 67.2ha and 92.7ha of employment land over the period to 2031. The study confirms that the majority of this requirement relates to industrial (B1c/B2) and warehouse and storage (B8) uses.
- 10.24 The study concludes that Tonbridge and Malling has a shortfall of employment floorspace to meet future needs up to 2031, although this supply demand balance varies between individual office and industrial uses and by location. Whilst there is sufficient supply to accommodate the borough's future office needs, there is an identified shortfall of industrial space equivalent to between 3.2ha and 33ha. The study notes that there is scope for Tonbridge to play a greater role in accommodating the borough's identified economic needs over the longer term, particularly with regards to industrial activity and this may require identifying additional land to accommodate industrial, particularly B8,

uses in and around the town, potentially as part of selective extensions to existing industrial estates¹⁰⁷.

- 10.25 The ENS study process has identified a number of potential areas of search for new allocations within Sevenoaks and Tunbridge Wells. A number of sites have also been identified through the Call for Sites exercises undertaken across each area. Although subject to the Local Plan process, at this stage it is not envisaged that Sevenoaks or Tunbridge Wells will be reliant on each other, or adjoining authorities, to meet their identified OAN. However, the allocation of new sites will represent a key discussion point between the two authorities, and also Tonbridge and Malling Borough Council who are also planning to accommodate growing demand for industrial space.

Policy recommendations

- 10.26 The above provides a strong quantitative and qualitative case for retaining existing employment areas and allocating additional land to accommodate the borough's future needs. Therefore, in order to ensure the needs of different employment sectors can be met over the plan period it is recommended that the Council plans positively and increases the choice of sites through new allocations.
- 10.27 Colliers consider there to be potential for the expansion of a number of Key Employment Areas. The identification of suitable land adjacent to Longfield Road/North Farm, Maidstone Road (Paddock Wood) and Gills Green has the potential to address the identified shortfall, but would also help to create a balanced portfolio of employment land, ensuring the needs of businesses in the north and in rural areas are being catered for. It would also help to ensure new job opportunities are being created alongside new housing provision – over time helping to mitigate out-commuting from the borough.
- 10.28 Where barriers to lateral expansion exist - due to sites either being landlocked, in rural settings or in areas of landscape or environmental constraint - the Council may wish to consider identifying new standalone allocations. In response to forecast demand, such sites should be suitable for B1a/b office and B8 storage and warehouse occupiers, however, sites which may be suitable for a mix to B1-8 uses should also be considered in order to accommodate latent demand from B1c/B2 industrial occupiers.
- 10.29 Areas of the borough where new supply would be met with demand include:
- areas close to main arterial roads (such as the A21), where accessibility to the highway network for business operations is quick;
 - areas which are close to public transport nodes or sites which have space for ample car parking for staff and customers will also be met with demand; and
 - areas which have a critical mass of employment uses and amenities. These areas will be attractive to investors and occupiers, as the highway and public transport infrastructure will already be in existence.

¹⁰⁷ NLP (2014) Tonbridge and Malling Employment Land Review – Final Report, p62

10.30 The A21 corridor continues to be a focus for transport investment and whilst the full impacts and benefits of the current programme have yet to be fully assessed, it is considered to be an area with significant growth potential. The identification and allocation of new sites in this area has the potential to significantly improve the choice of sites to the market and create the flexibility to respond to the needs of occupiers and investors operating across the full range of employment sectors. Whilst benefiting from the surrounding road network and accessibility, development would need to be sensitive to the landscape character of the area. It is also possible that some upfront investment may be required to facilitate development.

10.31 In addition to the above, Tunbridge Wells borders a number of other administrative areas, including Wealden, Rother, Ashford and Maidstone. It will be important that the Council continues to work collaboratively with these authorities as they take forward their Local Plans, and in line with Duty to Cooperate, ensure the effective coordination of cross boundary issues relating to the demand for, and supply of, employment land.

Protecting employment sites

10.32 This ENS provides a strong economic justification for the retention and protection of the borough's supply of employment land and premises. To help protect the supply of sites it is recommended that:

- The Council adopts criteria based protection policies (that are consistent with the NPPF), and where proposals for non-policy compliant uses come forward, it requests robust evidence that the site is no longer suitable or viable for employment related use including, as a minimum, evidence that the site has been actively marketed for a at least 2 years with no prospect of being developed/redeveloped for its intended use.
- Existing employment areas and sites are categorised with protection policies adopted to resist non B use class employment development on borough's supply of good and best performing sites. This should be informed by regular review and top up analysis to maintain the currency of the evidence.
- The Council considers the use of Article 4 directions to withdraw Permitted Development Right for light industrial to residential conversions (from 1st October 2017) in certain areas. This should be supported with evidence demonstrating how the retention of light industrial units in a given location contributes to the local economy and supports the Council's wider economic strategy ambitions.
- New sites are allocated in response to the evidenced need presented within this report, which has due regard to market signals. These allocations should, however, be regularly reviewed thereby enabling the Council to have access to up to date evidence on their ongoing suitability and market attractiveness for employment use.
- The Council maintains a 5 year housing land supply to negate the need for residential development on existing and allocated employment sites.

Enabling Actions

10.33 The following enabling actions are also recommended:

- A more detailed review of the office market in Royal Tunbridge Wells. This includes a survey of stock and premises availability relative to identified demand /the needs of both existing and prospective occupiers.
- Linked to the above, ongoing engagement with the borough's strategic employers/occupiers to understand their land and premises requirements. This is in response to feedback received via the stakeholder workshops that indicated a number of existing employers are currently occupying premises that are operationally inefficient. There is a risk that some businesses may leave if they are unable to find alternative premises inside of the borough. Proactive engagement will help to mitigate this risk and minimise the displacement of large businesses (and their supply chains) outside of the borough.
- Undertaking a survey of start-up, small and rural businesses to understand their needs and location requirements. The study could then be used to inform policy decisions regarding the location of new start-up, incubator and grow on space. The stakeholder workshop identified a qualitative need for a start-up space for creative industries which should be explored further through this work.
- Continuing to support rural based employment development by responding positively to proposals that encourage the re-use of redundant agricultural buildings.
- The use of Council landholdings to attract inward investment and help to facilitate employment development. This should be supported by ongoing business, investor and umbrella organisations (e.g. Locate in Kent, SE LEP, UKTI) and engagement in order to raise awareness of the borough's land and property offer.
- Improvements to digital connectivity to support further growth of the rural economy and homeworking. Whilst this is outside of the Council's direct control, there may be further opportunities to seek additional funding to support local digital infrastructure projects and investments.
- Review of potential business rates (non-domestic rates) revenues that could be realised through the allocation of new employment sites. This would serve to highlight the potential public revenue benefits associated with additional employment related development in the borough.

10.34 It is understood that work is underway by the Council to assess transport infrastructure and constraints as part of the Local Plan review process. This will be beneficial in identifying the need for further improvements in transport infrastructure (road and rail) to facilitate economic growth, investment priorities and employment development at key locations across the borough.

Monitoring

- 10.35 It will be imperative that the employment land position is monitored to ensure the borough remains responsive should changes in the pattern of supply and demand occur over the plan period. It is therefore recommended that the assessment of sites is kept up-to-date as part of the Council's monitoring report and should be updated yearly. This includes recording both completed floorspace as well as land take up (in hectares) to assist with future monitoring and assessments of need.
- 10.36 It is also prudent to make regular updates to the underlying demand evidence, to reflect any changes in economic market conditions. With this in mind, it is recommended that a comprehensive assessment of economic development need is undertaken at least every 3-5 years, with an early review to take into account any changes in economic circumstances and forecasts arising from Britain's decision to leave the European Union.

Appendix 1: List of Available Office Stock

Appendix 2: List of Recent Office Lettings

Appendix 3: List of Recent Industrial Lettings

Appendix 4: Stakeholder Workshop Notes

Appendix 5: SIC Sector to Use Class Assumptions

In assigning SIC sectors to use classes, consideration has been given to the employment land module inbuilt within the EEFM 2014, which applies assumptions on employment in B and non-B uses based on a detailed review of individual SIC codes and analysis of employment by sector in the East of England based on BRES data¹⁰⁸.

This does, however, highlight that there is no exact science to allocating forecast jobs to types of employment space, and this assessment has therefore drawn upon the EEFM assumptions with adjustments to reflect the local context of Sevenoaks and Tunbridge Wells. This is primarily based on analysis of BRES 2014 data for the two authorities, which provides further detail on the weighting of employment within Oxford Economics' broad sectors and the implications for the type of jobs likely to be created over the plan period, and the subsequent type of employment space required.

	SIC	B1a/b	B1c/B2	B8	Non-B
Agriculture	01 – 03	0%	0%	0%	100%
Mining and quarrying	05 – 09	0%	0%	0%	100%
Food manufacturing	10 – 12	0%	100%	0%	0%
General manufacturing	13 – 18, 31 – 33	0%	100%	0%	0%
Chemicals excl. pharma	19, 20, 22, 23	0%	100%	0%	0%
Pharmaceuticals	21	0%	100%	0%	0%
Metals manufacturing	24, 25	0%	100%	0%	0%
Transport equipment & machinery	28 – 30	0%	100%	0%	0%
Electronics	26, 27	0%	0%	100%	0%
Utilities	35 – 37	0%	0%	0%	100%
Waste and remediation	38, 39	0%	97%	0%	3%
Construction	41 – 43	0%	0%	5%	95%
Wholesale	45, 46	10%	30%	60%	0%
Retail	47	0%	0%	0%	100%
Land transport	49, 52, 53	0%	0%	75%	25%
Water and air transport	50, 51	0%	0%	0%	100%
Hotels and restaurants	55, 56	0%	0%	0%	100%
Publishing and broadcasting	58 – 60	62%	15%	23%	0%
Telecoms	61	40%	20%	20%	20%

¹⁰⁸ Oxford Economics (2015) East of England Forecasting Model – Technical Report

	SIC	B1a/b	B1c/B2	B8	Non-B
Computer related activity	62, 63	95%	0%	5%	0%
Finance	64 – 66	100%	0%	0%	0%
Real estate	68	80%	0%	0%	20%
Professional services	69 – 71, 73 – 75	100%	0%	0%	0%
Research and development	72	100%	0%	0%	0%
Business services	77, 79 – 82	50%	0%	0%	50%
Employment activities	78	23%	25%	10%	42%
Public administration	84	61%	0%	0%	39%
Education	85	0%	0%	0%	100%
Health and care	86 – 88	0%	0%	0%	100%
Arts and entertainment	90 – 93	0%	0%	0%	100%
Other services	94 – 99	0%	0%	0%	100%

Appendix 1: List of Available Office Stock

Building	Address	Available space (sq ft Net Internal Area)	Notes
	Oak House, London Road, Sevenoaks	1,500	Self-contained open-plan suite of air-conditioned offices on the upper ground floor of a modern building with private parking. Quoting £26.60 psf
	3rd Floor, Suffolk Way, Sevenoaks	3,457	Town centre refurbished Grade "A" standard with suspended ceilings, fluorescent lighting, on-site parking for 10 cars and a 13-person passenger lift.
	The Old Harpsichord Factory 2 Bradbourne Road, Sevenoaks	1,927	Refurbished self-contained offices with parking. Quoting £9 psf or £500,000 for a freehold sale with vacant possession.
	The Studio, 149 High Street, Sevenoaks	432	Self-contained office building constructed in 2012. Comfort cooled/heated, carpeted, perimeter trunking, multiple-opening rooflight and parking for 2 cars. Quoting £23.00 psf.



Caxton House, Maidstone Road,
Sevenoaks

1,468

Two-storey brick building with pitched, slated roof and parking for approx 10 cars. Quoting £17.00 psf



71 Dartford Road, Sevenoaks

1,568

Four-storey, semi-detached Victorian building in need of refurbishment. Quoting price on application.



53-55 High Street, Sevenoaks

3,113

Self- contained first floor office with on site parking. Available to sub-let or by assignment.



5 Victoria Road, Sevenoaks

1,200

Open plan, ground floor space with CAT II spec lighting, perimeter trunking and carpeting. Quoting £20.80 psf.



116 High Street, Sevenoaks

755

First floor self-contained office space in the town centre with 2 parking spaces. Rent on application.



Wellington Gate, Church Road,
Tunbridge Wells

4,000

Modern specification offices with four pipe fan coil air-conditioning, two x 10 person passenger lifts, fully accessible carpeted metal raised floors; marble floored entrance lobby and ample parking. Quoting terms on application.



Wallside House, 12 Mount
Ephraim Road, Tunbridge Wells

7,544

Detached period office building with 34 on site car parking spaces, lifts and modern fit-out. Rent on application.



Corn Exchange House, The
Pantiles, Tunbridge Wells

1,822

Self-contained first and second floor offices in a period office building. Quoting rent £12.00 psf.



Royal Victoria House, Lower
Pantiles, Tunbridge Wells

1,330

Ground floor open plan offices in Grade II listed office building overlooking The Pantiles. Rent on application.



Prospect House, 11-13 Lonsdale
Gardens, Tunbridge Wells

Suites from 335 to 1650

A range of office suites available for £21.50 psf.



1-3 Nevill Estate Yard, Eridge
(Tunbridge Wells)

3,675

Period former sawmill having converted to provide open plan offices with basement and sotorage. 20 parking spaces on site. Small rural business park situated directly fronting the A26. Quoting £12.25 psf.



Chapman House, Chapman Way,
Tunbridge Wells

3,610

Open plan office space arranged two floors with a self-contained entrance. Parking for 16 cars. Quoting £7.50 psf.



B4 Speldhurst Business Park,
Langton Road, Speldhurst
(Tunbridge Wells)

700

Fully self-contained open-plan office on rural business park. Quoting £12.85 psf.



Foundation House, Coach &
Horses Passage, Lower Pantiles,
Tunbridge Wells

601

Modern open-plan offices with lifts and ample parking. Quoting £15.00 psf.



86 Mount Pleasant Road,
Tunbridge Wells

889

Modern open plan offices arranged over first, second and third floors of a Grade II Listed building situated in the town centre. Quoting £13.50 psf.



Spa House, 18 Upper Grosvenor
Road, Tunbridge Wells

2,504

Detached office building quoting £795,000 for the freehold.



First & Second Floor Offices, 45
High Street, Tunbridge Wells

1,024

High street offices quoting £14.65 psf.



Oxford House, Mount Ephraim
Road, Tunbridge Wells

1,460

Second floor office Suite in central location with 2 car parking space. Quoting £18.00 psf.



Bank House, 22-24 Garden
Street, Tunbridge Wells

9,200

Town centre office building with Parking quoting £2.2m for the freehold.



Oakhurst House, Mount Ephraim,
Tunbridge Wells

5,400

GF office suite to be refurbished and ready in March 2016. 27 Car Parking Spaces. Rent on application.



London Road, Southborough,
Tunbridge Wells

900

Self-contained office building. Quoting £16.60 psf.



20-26 St Johns Road,
Northfields, Tunbridge Wells

8,000

Open plan offices with on-site parking, near to the town centre. Rent on application.

Source: Costar (March 2016)

Appendix 2: List of Recent Office Lettings

Sevenoaks District

Date	Address	Size (sq ft)	Annual rent (£psf)	Rent Type	Term	Break Date	Review Date	Rent Free
Dec-15	116A High St, Sevenoaks	679	21.18	Effective	5 yrs	03/12/2018		0
Oct-15	Chevening Rd, Sevenoaks	1,748	16.89	Effective	5 yrs			4
Sep-15	8 Pembroke, Sevenoaks	8,906	21.00	Achieved	10 yrs			
Aug-15	50-52 London Rd, Sevenoaks	1,750	20.58	Effective	5 yrs	02/08/2018		4
Jul-15	77 High St, Sevenoaks	526	16.13	Effective	5 yrs	30/07/2017		3
Jul-15	65A London Rd, Sevenoaks	385	18.18	Achieved	10 yrs		19/07/2020	0
Jun-15	Main Rd, Sevenoaks	5,658	21.50	Asking				
May-15	94-94A High St, Sevenoaks	470	21.28	Achieved	5 yrs	30/04/2018		0
Apr-15	26 Market Sq, Westerham	1,230	15.04	Achieved	5 yrs	29/04/2018		1
Mar-15	26 Market Sq, Westerham	922	15.25	Effective	6 yrs	30/03/2018		
Mar-15	7 Oakhill Rd, Sevenoaks	14,006	20.30	Achieved	5 yrs			
Feb-15	4A Brewery Ln, Sevenoaks	1,000	22.50	Asking	5 yrs	26/02/2018		1
Feb-15	26 Market Sq, Westerham	373	16.09	Achieved	4 yrs	31/01/2017	31/01/2017	
Feb-15	1 Suffolk Way, Sevenoaks	3,670	23.00	Asking				
Jan-15	Chevening Rd, Sevenoaks	906	18.76	Achieved	5 yrs			
Jan-15	69C London Rd, Sevenoaks	1,088	16.08	Achieved	10 yrs	14/01/2020	14/01/2020	6
Dec-14	Squerryes, Westerham	1,275	17.25	Asking				

Nov-14	26 Market Sq, Westerham	1,202	14.98	Achieved	6 yrs	18/12/2018	18/12/2018	
Nov-14	Goodley Stock Rd, Westerham	1,845	11.38	Effective	5 yrs			0
Nov-14	Vestry Rd, Sevenoaks	2,100	12.00	Achieved	1 yr 2 mos			
Oct-14	Market Sq, Westerham	1,743	12.47	Achieved	10 yrs	20/10/2019	20/10/2019	
Sep-14	Fircroft Way, Edenbridge	1,435	5.00	Asking				
Sep-14	London Rd, Westerham	2,208	15.00	Asking				
Sep-14	London Rd, Westerham	2,476	19.03	Effective	5 yrs			
Jun-14	1 Suffolk Way, Sevenoaks	4,975	21.00	Asking				
May-14	Chevening Rd, Sevenoaks	1,824	17.54	Achieved	10 yrs	29/05/2019	29/05/2019	3
May-14	160 London Rd, Sevenoaks	5,275	21.50	Achieved	10 yrs	15/05/2019	15/05/2019	12
May-14	Watery Ln, Sevenoaks	986	11.27	Effective	5 yrs	31/05/2017		2
Apr-14	Vestry Rd, Sevenoaks	586	10.00	Achieved	1 yr 8 mos			
Apr-14	1-5 London Rd, Swanley	1,667	8.91	Effective	5 yrs	31/03/2017		9

Source: Costar (March 2016)

Tunbridge Wells Borough

Date	Address	Size (sq ft)	Annual rent (£psf)	Rent Type	Term	Break Date	Review Date	Rent Free
Jan-16	Coach And Horses Psge, T Wells	1,515	13.20	Asking				
Nov-15	2-6 Lonsdale Gdns, T Wells	1,350						
Nov-15	10-12 Garden St, T Wells	1,278	16.43	Asking				
Jun-15	Lamberhurst Down, T Wells	4,069	11.30	Achieved	5 yrs	21/05/2018		0
May-15	Lamberhurst Down, T Wells	1,401	11.42	Achieved	10 yrs	21/05/2018		3
Feb-15	53-55 Calverley Rd, T Wells	2,000	13.00	Achieved	5 yrs 6 mos	31/07/2017		6
Feb-15	7-9 Church Rd, T Wells	3,900	18.00	Asking				
Feb-15	7-9 Church Rd, T Wells	1,823	18.00	Asking				
Feb-15	7-9 Church Rd, T Wells	2,000	18.00	Asking				
Jan-15	Tong Ln, T Wells	2,146	13.05	Achieved	5 yrs	01/03/2018		0
Oct-14	The Pantiles, T Wells	1,157	15.99	Asking				
Sep-14	12 Montacute Rd, T Wells	1,144	13.11	Asking				
Jul-14	90 Calverley Rd, T Wells	1,189	9.50	Asking				
Jul-14	90 Calverley Rd, T Wells	2,357	9.50	Asking				
Apr-14	3 Calverley St, T Wells	1,800	15.55	Asking				
Apr-14	72 Grosvenor Rd, T Wells	1,572	11.29	Asking				

Apr-14	19 Mount Ephraim Rd, T Wells	1,670	11.97	Asking		
Apr-14	19 Mount Ephraim Rd, T Wells	4,270	15.92	Asking		
Mar-14	16 Grove Hill Rd, T Wells	1,809	5.53	Achieved	1 yr 9 mos	04/01/2015

Source: Costar (March 2016)

Appendix 3: List of Recent Industrial Lettings

Sevenoaks District

Date	Address	Size (sq ft)	Annual rent (£psf)	Rent Type	Term	Break Date	Review Date	Rent Free
Aug-15	Old London Rd Sevenoaks	2,100	5.23	Asking				
Aug-15	Old London Rd Sevenoaks	2,170	5.52	Asking				
Jul-15	Fircroft Way Edenbridge	1,531	5.00	Asking				
Jun-15	Gabriel Spring Rd Longfield	1,100	9.27	Effective	3 yrs			
Apr-15	Fircroft Way Edenbridge	1,880	5.00	Asking				
Mar-15	Park Rd Swanley	1,595	8.50	Asking				
Dec-14	London Rd Swanley	11,608	7.25	Asking				
Dec-14	Pilgrims Way Sevenoaks	2,135	7.50	Asking				
Nov-14	Park Rd Swanley	1,728	7.81	Asking				
Nov-14	The Flyers Way Westerham	1,230	10.22	Asking				
Oct-14	Vestry Rd Sevenoaks	4,035	7.54	Effective	5 yrs			3
Sep-14	The Flyers Way Westerham	8,123	5.00	Asking				
Sep-14	The Flyers Way Westerham	8,562	5.00	Asking				
Jul-14	The Flyers Way Westerham	995	12.01	Asking				
Jul-14	The Flyers Way Westerham	1,263	10.05	Asking				
May-14	Noahs Ark Sevenoaks	4,910			10 yrs	15/05/2019	15/05/2019	
May-14	Hodsoll St Sevenoaks	1,063	6.58	Asking				

Date	Address	Size (sq ft)	Annual rent (£psf)	Rent Type	Term	Break Date	Review Date	Rent Free
Mar-14	Old London Rd Sevenoaks	3,200	4.69	Asking				
Mar-14	Old London Rd Sevenoaks	2,100	5.24	Asking				
Mar-14	Park Rd Swanley	1,195	8.50	Asking				
Feb-14	Scratchers Ln Longfield	2,568	8.96	Asking				

Source: Costar (March 2016)

Tunbridge Wells Borough

Date	Address	Size (sq ft)	Annual Rent (£psf)	Rent Type	Term	Break Date	Review Date	Rent Free
Jan-16	Eldon Way Paddock Wood	1,607	7.00	Asking				
Dec-15	Eldon Way Paddock Wood	6,400	6.00	Asking				
Dec-15	Eldon Way Paddock Wood	6,400	6.00	Asking				
Dec-15	Paddock Wood	4,650	6.00	Asking				
Dec-15	Kingstanding Way Tunbridge Wells	2,555	9.00	Asking				
Dec-15	Longfield Rd Tunbridge Wells	500	15.00	Asking				
Oct-15	North Farm Rd Tunbridge Wells	6,166	7.30	Asking				
Sep-15	Goudhurst Rd Tunbridge Wells	195	12.30	Asking				
Sep-15	Transfesa Rd Paddock Wood	11,040	6.52	Asking				
Aug-15	North Farm Tunbridge Wells	34,500	4.52	Achieved	25/08/2020	25/08/2020	10 yrs	
Jul-15	Chapman Way Tunbridge Wells	2,264	7.51	Asking				
Jul-15	Longfield Rd Tunbridge Wells	500	13.00	Asking				
Jul-15	Maidstone Rd Tunbridge Wells	1,545	7.11	Asking				
May-15	Eldon Way Paddock Wood	2,370	6.00	Asking			10 yrs	
May-15	6-8 Mereworth Rd Tunbridge Wells	470	12.23	Asking				
Apr-15	Eldon Way Paddock Wood	4,650	6.00	Effective			10 yrs	
Mar-15	Mount Ephraim Tunbridge Wells	936	7.48	Asking				

Date	Address	Size (sq ft)	Annual Rent (£psf)	Rent Type	Term	Break Date	Review Date	Rent Free
Mar-15	Kingstanding Way Tunbridge Wells	2,553	8.81	Asking				
Jan-15	Lamberts Rd Tunbridge Wells	11,238	2.76	Achieved	12/04/2020	12/04/2020	10 yrs	
Jan-15	Longfield Rd Tunbridge Wells	1,170	10.56	Asking				
Nov-14	Eldon Way Paddock Wood	3,300	5.88	Asking				
Oct-14	Eldon Way Paddock Wood	3,223	6.02	Asking				
Oct-14	Cryals Rd Matfield	7,020	5.70	Asking				
Oct-14	Kingstanding Way Tunbridge Wells	2,572	8.75	Asking				
Oct-14	Kingstanding Way Tunbridge Wells	1,865	9.65	Asking				
Oct-14	2 Silverdale Ln Tunbridge Wells	1,650	5.15	Asking				
Aug-14	Transfesa Rd Paddock Wood	12,515	4.95	Achieved	28/09/2016		4 yrs	
Aug-14	Eastlands Ln Paddock Wood	4,627	6.48	Asking			5 yrs 4 mos	
Aug-14	St Johns Rd Tunbridge Wells	647	8.50	Asking				
Aug-14	Transfesa Rd Paddock Wood	7,344	4.95	Achieved	28/02/2017	28/02/2017	7 yrs 7 mos	
Jun-14	Eldon Way Paddock Wood	11,950	6.53	Achieved			10 yrs	
Mar-14	Longfield Rd Tunbridge Wells	2,314	9.50	Asking				
Mar-14	Longfield Rd Tunbridge Wells	495	13.13	Asking				
Mar-14	1 Stag Rd Tunbridge Wells	4,932	6.49	Asking				
Feb-14	Transfesa Rd Paddock Wood	9,800	3.80	Achieved			3 yrs	

Source: Costar (March 2016)

Appendix 4: Stakeholder Workshop Notes

Briefing

Sevenoaks and Tunbridge Wells Economic Needs Study

Tunbridge Wells Stakeholder Workshop – Discussion Notes

March 2016

Introduction

1. This briefing note provides a summary of the key discussion points arising from the Economic Needs Study Stakeholder Workshop held in Tunbridge Wells on Wednesday 16th March 2015.
2. The workshop comprised two presentations followed by facilitated discussions focussed around the following questions:

Discussion 1

- What observations do you have regarding the scope and approach to the research? Do you agree with the emerging findings?
- What, if any, other specific aspects of the economy and commercial market over recent years should be taken into account?
- What do you consider to be the areas main economic strengths?
- Historically, what have been the key weaknesses; factors that have acted as barriers / constraints to growth and business investment?
- What opportunities exist to capture more growth and business investment? What do you consider to be the key drivers of economic growth and development in the future?
- What are the main threats facing the Tunbridge Wells and wider West Kent economy?

Discussion 2

- Do you think the scale of growth and key growth sectors identified in the EEFM is representative of the Tunbridge Wells economy?
 - What do you consider to be the key drivers of future growth for Tunbridge Wells?
 - Are there any other drivers of growth (e.g. other projects and investments) that have the potential to influence the scale of employment change in particular sectors?
 - What supporting infrastructure or other interventions are required to support this level of growth and unlock future economic development?
3. Feedback from the group discussions is summarised below.

Discussion 1

Observations of scope / approach

- With reference to the analysis of commuting patterns it was perceived that lower paid employees working in the borough are travelling from Maidstone and Hastings due to high housing costs in Tunbridge Wells.
- The ageing population was highlighted as an important consideration, including an understanding of the rate of increase and whether this aligns with expected trends. The lower rate of growth in the working age population was also highlighted with a need to identify areas where people in these age cohorts are being lost to.
- It was noted that market trends evidenced across Tunbridge Wells are exhibited across the wider Kent area. Key issues highlighted included the impact of permitted development rights and net loss of employment floorspace.
- Neighbouring authorities noted that the study should consider the impact on the Strategic Housing Market Assessment.
- An analysis of comparative rental values and vacancy rates should be included within the study.
- It will also be important to consider projected employment growth in the context of past trends in employment creation. However, it was also expressed that past trends have been fairly neutral in relation to growth and Tunbridge Wells is now an authority trying to promote future economic growth..
- It was considered that the timeframe for action needed to better align with economic cycles with timings for land allocations accelerated in response to demand and periods of economic growth.

Strengths

- Natural environment and attractiveness of the area as a place to live and work. This benefits the area by attracting residents, businesses and employment thereby creating affluence.
- Retail and leisure provision is supported by those with higher disposable incomes to spend in the local area. This in turn supports employment and the strength of the retail offer in the town centre.
- Tunbridge Wells is a recognised brand – a place where people and businesses want to locate and invest.
- Quality of services and schools.
- Skills base, in particular the large proportion of the resident and workplace based population hold higher level skills and qualifications.
- Proximity to central London.
- The mix of occupiers and businesses operating within Tunbridge Wells. This includes major employers such as AXA.

- It was also perceived that the area benefits from its strong and established business networks e.g. Tunbridge Wells Together (bringing together SMEs & larger businesses)
- The area offers locational advantages in terms of its accessibility and affordability relative to overheated London markets. As a result the area can offer more favourable lease covenants for prospective occupiers / businesses looking to invest.
- Tunbridge Wells is also perceived as a good location for large office occupiers / employers due to the availability of a skilled workforce, but also the strong housing offer.

Weaknesses

- Transport infrastructure - particularly road congestion both in town centres and near industrial parks (North Farm particularly mentioned). Key congestion hotspots include St Johns Road, the bridge at High Brooms, Pembury Road, Dowding Way. Poor connectivity to the strategic road / Motorway network was also highlighted.
- Whilst demand exists, and some speculative development is taking place, there is a perceived lag in development resulting in the area missing out on investment as businesses chose to locate elsewhere.
- Poor public transport links to industrial areas which create an over reliance on car journeys. It was noted that bus services/times of operation mean that 'out of hours' staff have to drive to industrial parks. Congestion on the rail network at peak times was also highlighted as weakness.
- Improvements to the A21 were welcomed but perceived not to have gone far enough to resolve issues. It was suggested that a connection to the A26 is required.
- Land availability – in particular a lack of (large) out of town sites. Not only is this preventing companies moving to the area but also results in existing businesses looking outside of Tunbridge Wells for sites to expand. Greenbelt was identified as a particular constraint limiting development.
- Age of commercial property and reliance on older stock. Linked to this there is a perceived lack of grow on space for business. Start-up costs, which will include property costs, were also perceived to be high.
- Education provision - Whilst schools are good there is high demand for places with insufficient provision highlighted as a potential weakness. The lack of a university campus was perceived as a weakness.
- Parking provision in the town centre.
- Broadband in rural areas. It was noted that poor connectivity also affects some business parks.
- Perception that businesses from outside of West Kent find it difficult to access the area and break into existing networks.

- Whilst the area benefits from a highly skilled workforce the area struggles to retain skills to support employment growth in more vocational / creative industries.
- The proportion of people of working age is also decreasing further impacting on the available labour supply across the borough.
- The area competes with other parts of the South East for public resources. It was considered that the area is sometimes perceived as not always being receptive to growth.

Opportunities

- Resolving the lack of land supply through new allocations, including the consideration of sites in the greenbelt.
- It was considered that new sites which are capable of accommodating B2 industrial and B8 warehousing/storage uses between 1-5,000 sqft and up to 10,000 sqft would be met with considerable demand.
- Redevelopment of the Cinema Site in Tunbridge Wells Town Centre was perceived as an important project for the borough. It was considered that the site offers the opportunity to create an innovative mixed use (retail/office) development offering both large and smaller scale units. It was accepted that residential is likely to be required to drive viability however.
- Further improvements to the A21 including a new connection to the A26.
- A21 growth corridor/Pembury bypass.
- Relaxation of planning laws to stimulate / accelerate the delivery of new supply.
- Introduction of a park and ride to relieve traffic congestion in the town.
- Improving links between businesses and local education providers to ease the transition from education to employment and support more young people into employment with locally based businesses.
- Expansion of the Royal Victoria Place as a means of attracting further investment in the town.
- A 'Covent Garden Style' approach to investment in the Pantiles was also highlighted as a way of further enhancing the town centre offer.
- Development of a new creative hub for start-ups operating within the creative industries sector.
- Exploring opportunities to attract more 24-40 year olds back into Tunbridge Wells. Linked to this was the need to understand and meet the housing needs of these households who typically will require access to more affordably priced homes.
- Provision of new education facilities - university / post grad / life science parks or facilities to support medical R+D / tech jobs.

- Consideration of the needs of non-B uses which have the potential to generate employment (e.g. land for car dealerships).
- The use of Council landholdings to attract inward investment and reduce delivery risks / costs for prospective investors.
- Ensuring adequate infrastructure (e.g. digital) to support home working and encourage start-ups.

Threats

- Difficulties in accessing /attracting individuals with lower end skills due to high house prices and low accommodation availability. This presents a risk to businesses operating in the service/sales sector that typically need access to lower level skills.
- Reductions in the working age population – increasing numbers of older residents who typically want part time hours and shorter length in post. This has the potential to impact negatively on the competitiveness of the local economy.
- Permitted development rights supporting office to residential conversions. This has the potential to further reduce the overall supply of office accommodation available for businesses.
- Online retail further reducing spend on the high street coupled with increasing competition from out of town shopping centres e.g. Bluewater.
- Re-basing of business rates and impacts this will have on small businesses.
- Displacement of supply chain companies due to a lack of expansion premises/sites..
- Poor highway network acting as a disincentive for prospective investors / businesses looking to locate in the area.
- Existing employers being housed in a number of buildings in and around the town centre, some of which are considered to be operationally ineffective. There is a risk that some businesses may leave if they are able to find alternative premises outside of the borough.
- Proximity to London and the continued loss of the younger working aged population who are choosing to live and work in the capital.
- Large employers such as AXA, whilst providing a large share of employment could leave the borough over exposed to changing macro-economic conditions.
- Impacts of further changes to the NPPF / national planning policy

Discussion 2

Scale / drivers of growth

- There was a general agreement with forecast declines in employment in traditional sectors such as manufacturing. However, it was noted that technological advances in manufacturing have resulted in the sector becoming more efficient. This has reduced the numbers employed in the sector but not necessarily resulted in less demand for land/floor space.
- It was considered that there is potential for employment growth, but this will only occur if more land is released to support business investment and expansion. Indeed, 500 jobs per annum was perceived to be achievable if there was capacity to accommodate this number of jobs.
- Labour supply was identified as a potential constraint, particularly for forecast job growth in non-professional roles (e.g. customer service, retail, health and social care and construction). Indeed there was a perceived skills gap in engineering and construction driven by a general lack of apprenticeship opportunities in the area (linked also to the absence of course providers).
- Neighbouring authorities expressed concerns with forecasting models/anomalies with figures and in particular the extent to which previous policies have impact on trends. There is a need to understand the extent to which the model is policy neutral and then consider appropriate scenarios. Consideration also needs to be given to the housing / employment balance and extent to which commuting patterns/levels have been factored into the forecasting.
- It was considered that further interrogation of the EEFM is required. For example, understanding the increase in key sectors (e.g. education and other growth sectors). There is a need to understand if one key employer driving growth or whether the sector is genuinely growing. A degree of caution / concern was also expressed in regards to LEP priorities.
- It was felt that further consideration needs to be given to the level of growth that the area could sustain and potential improvements (e.g. to transport infrastructure) needed to unlock the areas potential. This included capacity of A21, but also the A26. This would need to be undertaken through a separate study and informed by modelling being carried out at a more strategic level.
- A number of local businesses expressed growth aspirations and site requirements. This included a haulage local delivery company with a requirement for a 4 acre standalone site on a freehold basis with good transport access.
- A local online retailer also has plans to grow its workforce by up to 100 this year and will most likely outgrow their existing space within the next 5 years generating a requirement for a larger warehouse unit within the borough.
- In line with feedback provided above, a number of occupiers are also seeking new office accommodation within Tunbridge Wells but have been unable to find premises which meet their requirements.

Factors influencing growth

- Ability / opportunities that exist to attract businesses from the Maidstone area. This would be subject to the availability of land and property.
- Supporting growth in the logistics market and accommodating associated demand for smaller distribution units to support last mile delivery.
- The leisure and cultural offer was considered to be an important driver of future growth and a means of attracting more people to live and work in Tunbridge Wells. A number of projects were referenced which had a focus on improving local provision. This included:
 - Royal Victoria Place improvements which were perceived to offer the potential to raise the profile of Tunbridge Wells as a retail destination.
 - Hop Farm Open Air Cinema
 - Bewl Water on the East Sussex border, A21 corridor (leisure)
 - Solomen's Conference Centre and Spa

Supporting infrastructure and other interventions

- Expansion of employment at North Farm.
- Improvements/expansion to road and rail capacity. A transport infrastructure study is needed to accompany the employment land review.
- Identification and allocation of commercial sites away from Tunbridge Wells Town Centre, including:
 - Paddock Wood/Transfesa Road
 - Pembury
 - A228 Corridor (Tesco area)
 - Hospital area
 - Land between Kent Academy and Bypass (also benefits from links to bypass)
 - Extension of development in key location in the green belt. Potential to generate revenue to help fund highways improvements?
 - Recycling of buildings and land in greenbelt
- Provision of a range of accommodation types to support both micro businesses and local start up but also larger blue chip companies. It was considered that commercial B use class premises should be separate from retail.
- Improvements to broadband and mobile coverage in rural areas.
- Affordable housing to attract and retain lower skilled staff.

- It was also suggested that a more proactive approach to market engagement was required - open dialogue with the Council Chief Executive / planners / potential investors.

Contact

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March 2016

SEVP3001

Appendix 5: SIC Sector to Use Class Assumptions

In assigning SIC sectors to use classes, consideration has been given to the employment land module inbuilt within the EEFM 2014, which applies assumptions on employment in B and non-B uses based on a detailed review of individual SIC codes and analysis of employment by sector in the East of England based on BRES data¹⁰⁹.

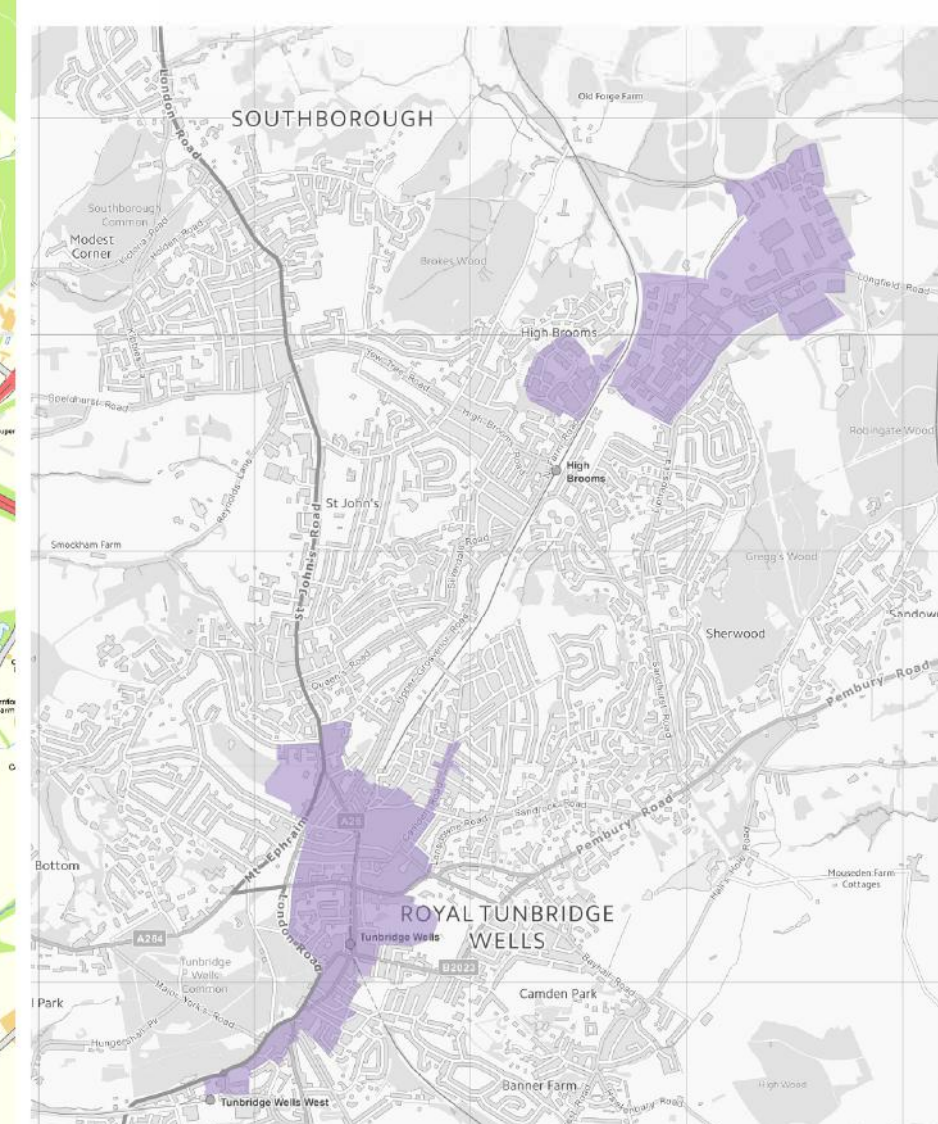
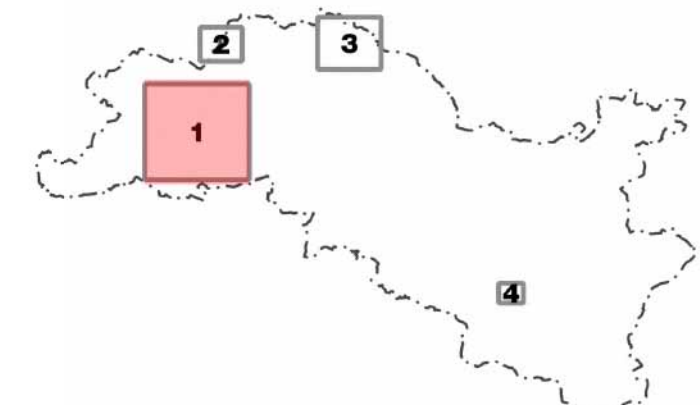
This does, however, highlight that there is no exact science to allocating forecast jobs to types of employment space, and this assessment has therefore drawn upon the EEFM assumptions with adjustments to reflect the local context of Sevenoaks and Tunbridge Wells. This is primarily based on analysis of BRES 2014 data for the two authorities, which provides further detail on the weighting of employment within Oxford Economics' broad sectors and the implications for the type of jobs likely to be created over the plan period, and the subsequent type of employment space required.

	SIC	B1a/b	B1c/B2	B8	Non-B
Agriculture	01 – 03	0%	0%	0%	100%
Mining and quarrying	05 – 09	0%	0%	0%	100%
Food manufacturing	10 – 12	0%	100%	0%	0%
General manufacturing	13 – 18, 31 – 33	0%	100%	0%	0%
Chemicals excl. pharma	19, 20, 22, 23	0%	100%	0%	0%
Pharmaceuticals	21	0%	100%	0%	0%
Metals manufacturing	24, 25	0%	100%	0%	0%
Transport equipment & machinery	28 – 30	0%	100%	0%	0%
Electronics	26, 27	0%	0%	100%	0%
Utilities	35 – 37	0%	0%	0%	100%
Waste and remediation	38, 39	0%	97%	0%	3%
Construction	41 – 43	0%	0%	5%	95%
Wholesale	45, 46	10%	30%	60%	0%
Retail	47	0%	0%	0%	100%
Land transport	49, 52, 53	0%	0%	75%	25%
Water and air transport	50, 51	0%	0%	0%	100%
Hotels and restaurants	55, 56	0%	0%	0%	100%
Publishing and broadcasting	58 – 60	62%	15%	23%	0%
Telecoms	61	40%	20%	20%	20%

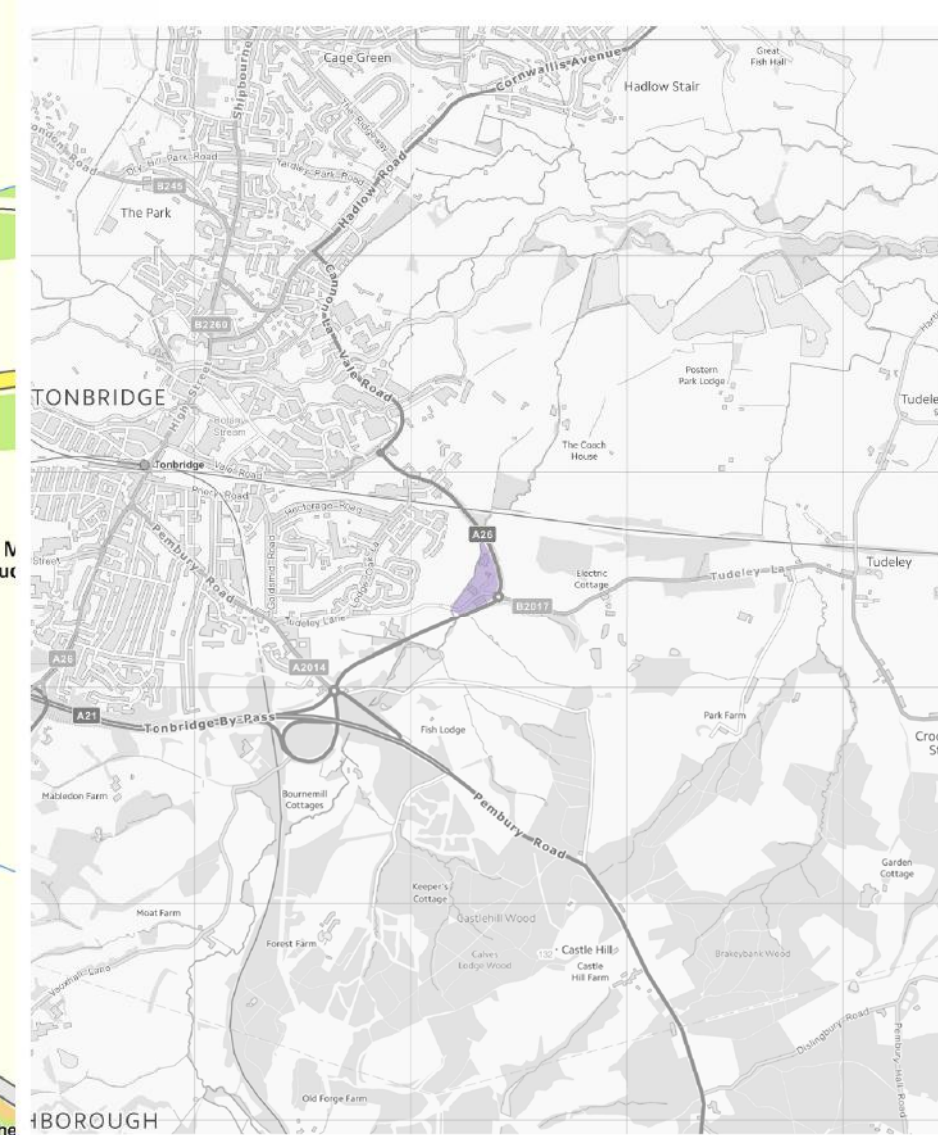
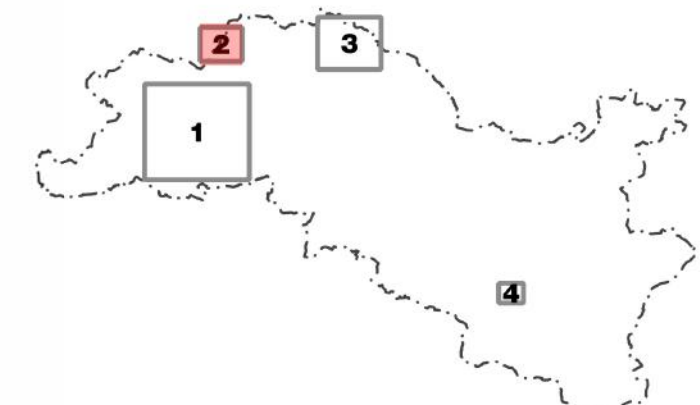
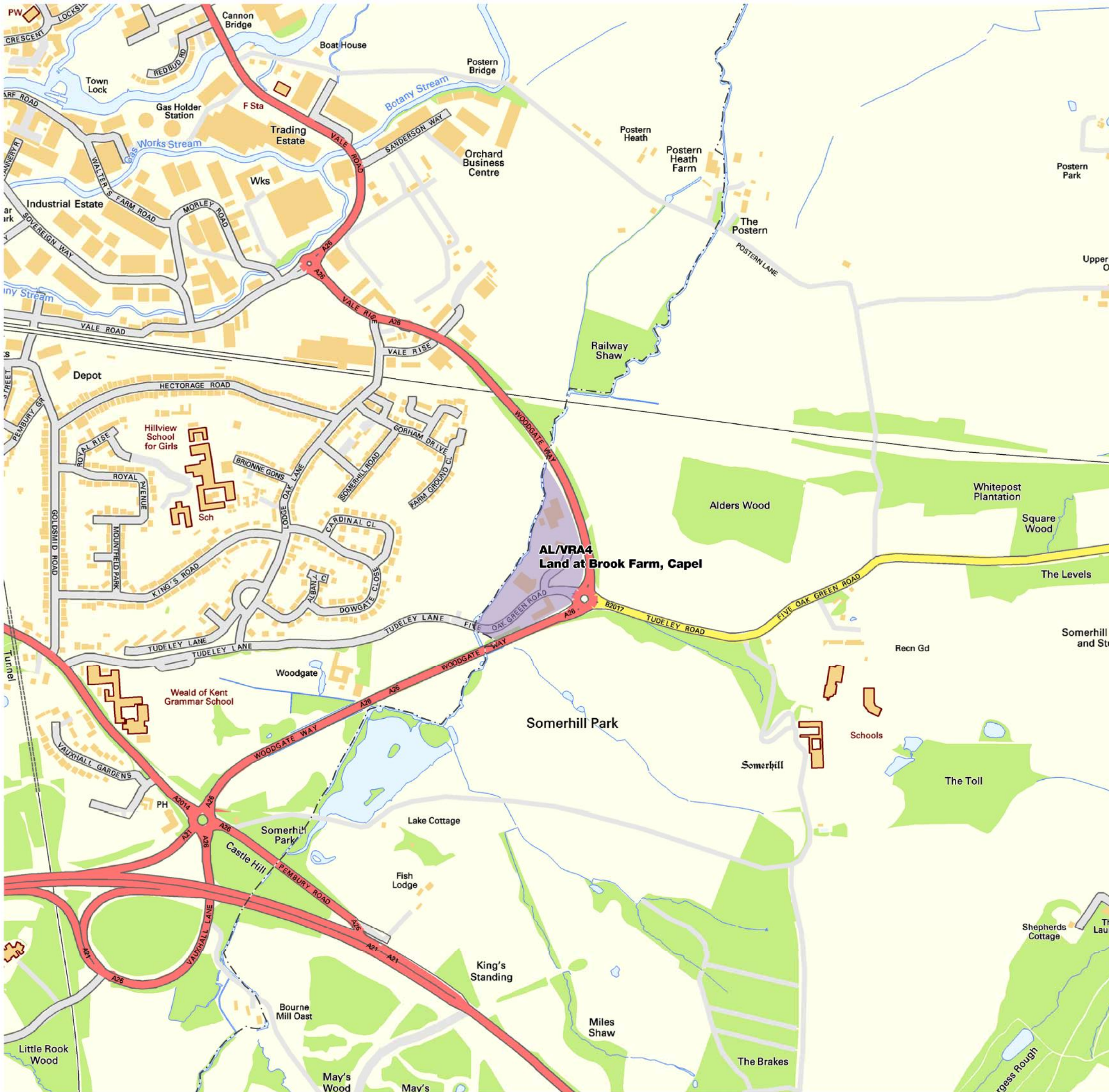
¹⁰⁹ Oxford Economics (2015) East of England Forecasting Model – Technical Report

	SIC	B1a/b	B1c/B2	B8	Non-B
Computer related activity	62, 63	95%	0%	5%	0%
Finance	64 – 66	100%	0%	0%	0%
Real estate	68	80%	0%	0%	20%
Professional services	69 – 71, 73 – 75	100%	0%	0%	0%
Research and development	72	100%	0%	0%	0%
Business services	77, 79 – 82	50%	0%	0%	50%
Employment activities	78	23%	25%	10%	42%
Public administration	84	61%	0%	0%	39%
Education	85	0%	0%	0%	100%
Health and care	86 – 88	0%	0%	0%	100%
Arts and entertainment	90 – 93	0%	0%	0%	100%
Other services	94 – 99	0%	0%	0%	100%

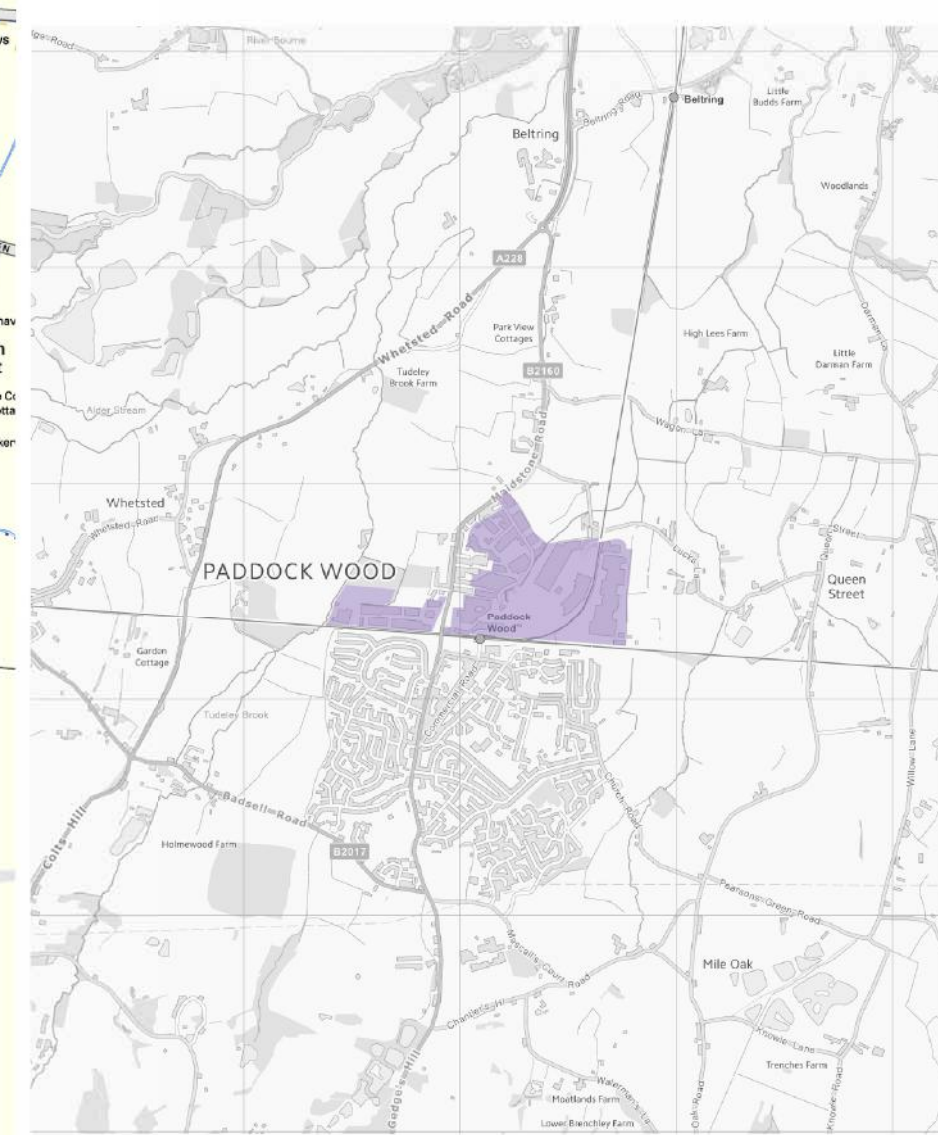
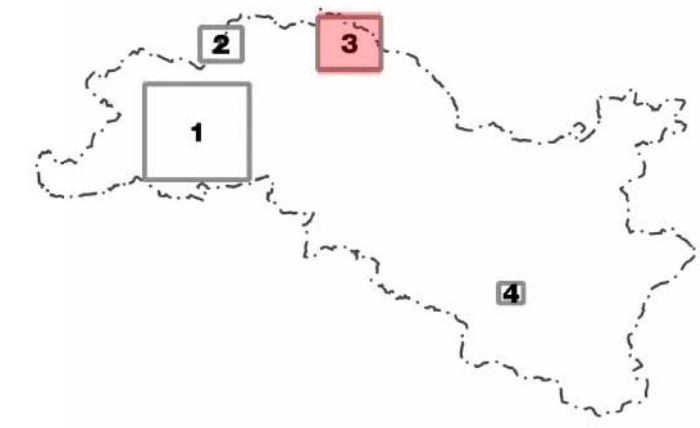
Appendix 6: Employment Site Location Plans



Turley
Economics



Turley
Economics



Turley
Economics

Appendix 7: Site Appraisal Proformas

Site Appraisal Pro-forma		
Local Authority	Tunbridge Wells	
Name of site	Mount Ephraim	
Date of survey	22 April 2016	
Reference	TW_EA1	
Address (incl. postcode)	Mount Ephraim, Tunbridge Wells TN4 8GN	
Location type (1)	Inside/Outside Limits to Built Development	Inside
Location type (2)	Town Centre	
	Edge of Centre	✓
	Out of Centre	
	Rural	
	Major developed site in greenbelt	
Site area	The site area is on the edge of T.Wells town centre. The site slopes from west to east of the site area.	
Site description	The area consists of detached residential villas which have been converted to B1 use. Private car parking is to the front of the villas; Car parking on the street is restricted.	
Ownership	Private	
Existing/previous Uses	B1 office use.	
Accessibility	Good accessibility to the town centre and is just off the A26 London Road.	
Adjacent land uses	Commercial and residential surround the site.	

Development constraints & environmental Issues (including Policy Designations)	Constrained by the built environment.	
Evidence of marketing / market activity / developer interest	No evidence of marketing. All units appeared fully occupied.	
Employment site quality	Good – Good Employment Location	✓
	Adequate	
	Poor – Sub-standard/Vacant	
Suitable alternative uses	Residential	✓
	Retail	
	Leisure	
	Other	
Summary	Occupancy levels are high in this area however refurbishment of the villas into residential would also suit this area. The area is close to all town centre amenities and public transport links. Retain for B1 use.	

Site Photos:



Site Appraisal Pro-forma		
Local Authority	Tunbridge Wells	
Name of site	Mount Pleasant Avenue	
Date of survey	24 April 2016	
Reference	TW_EA2	
Address (incl. postcode)	Mount Pleasant Rd, Royal Tunbridge Wells TN1 1RS	
Location type (1)	Inside/Outside Limits to Built Development	Inside
Location type (2)	Town Centre	✓
	Edge of Centre	
	Out of Centre	
	Rural	
	Major developed site in greenbelt	
Site area	TBC	
Site description	The site is brownfield and currently in use as a car park. The rectangular site is on a gradient sloping north to south.	
Ownership	Public	
Existing/previous Uses	Tunbridge Wells BC public car park	
Accessibility	Accessibility is at the east of the site from Mount Pleasant Avenue. The southern half of Mount Pleasant Avenue has a 'one way' traffic restriction. The access spur is at a steep gradient from east to west.	
Adjacent land uses	To the east of the site is Calverley Grounds, a Historic Park and Garden. To the north is one of AXA PPPs offices and to the west is the back of the retail / commercial units facing onto Mount Pleasant Road.	

Development constraints & environmental Issues (including Policy Designations)	Constrained by the gradient on the site and the built environment around the site.	
Evidence of marketing / market activity / developer interest	This site is being actively promoted by the Council as a new Council Offices.	
Employment site quality	Good – Good Employment Location	✓
	Adequate	
	Poor – Sub-standard/Vacant	
Suitable alternative uses	Residential	
	Retail	
	Leisure	
	Other	
Summary	<p>Mount Pleasant Avenue is on a steep gradient north to south and any development here would need to work with the topography of the site. Colliers' view is that this site would make a good employment location and .if development is forthcoming on this site a B1a/b office scheme would be considered feasible. However, the site shape and size will demand a creative design solution and a more detailed feasibility study should be progressed to understand the capacity of the site.</p>	

Site Photos:



Site Appraisal Pro-forma		
Local Authority	Tunbridge Wells	
Name of site	Land North of Kingstanding Way	
Date of survey	22 April 2016	
Reference	TW_EA3	
Address (incl. postcode)	North Farm Lane / Longfield Road	
Location type (1)	Inside/Outside Limits to Built Development	<i>Inside</i>
Location type (2)	Town Centre	
	Edge of Centre	
	Out of Centre	✓
	Rural	
	Major developed site in greenbelt	
Site area	22.3 Ha	
Site description	Previously allocated employment site forming part of the wider North Farm/Longfield Road KEA now largely developed and occupied. A 0.7ha site (land at Land South of Micro Ready Mix Concrete, North Farm Lane) is currently the subject of a planning application for 3 blocks of B1c light industrial units. The Council has advised that Application 10/01239 (revised in 2013 under ref 13/02123) has not started and gives approval for 2,640 sq m of industrial floorspace on the site.	
Ownership	Private	
Existing/previous Uses	A mix of B use class employment and trade counter uses. On North Farm Lane itself is the council recycling centre and sewage works.	
Accessibility	Excellent access from North Farm Road. Close to the A21.	
Adjacent land uses	Kingstanding Way retail park to the south. Decimus Park to the north. Tunbridge Wells household waste centre and water treatment plant to the east.	

Development constraints & environmental Issues (including Policy Designations)	No development constraints	
Evidence of marketing / market activity / developer interest	We believe this site would be suitable for all B class employment uses.	
Employment site quality	Good – Good Employment Location	✓
	Adequate	
	Poor – Sub-standard/Vacant	
Suitable alternative uses	Residential	
	Retail	
	Leisure	
	Other	
Summary	<p>The site should be retained for employment use.</p> <p>This site will support the council's aspiration for further employment development to meet future requirements. This site is strategically located, within a developed and thriving employment area.</p> <p>Development timeframe c.5ys</p>	

Site Photos:



Site Appraisal Pro-forma		
Local Authority	Tunbridge Wells	
Name of site	Land South of Dowding Way	
Date of survey	24 April 2016	
Reference	TW_EA4	
Address (incl. postcode)	Lamberts Rd, North Farm Industrial Estate, Tunbridge Wells TN2 3EH	
Location type (1)	Inside/Outside Limits to Built Development	Inside
Location type (2)	Town Centre	
	Edge of Centre	
	Out of Centre	✓
	Rural	
	Major developed site in greenbelt	
Site area	1.46	
Site description	The site is a predominantly developed area. It is triangular in shape developed to the north with a small area to the south and tip of the triangle to the north which is green land. There are two units on site of modern steel frame, double height, and construction. The majority of the remaining site is hard standing.	
Ownership	Private	
Existing/previous Uses	The land is developed in part as car show rooms to the north, greenfield land to the south.	
Accessibility	Existing access to the east of the site which serves both occupants on site. There is limited public transport in the immediate area.	
Adjacent land uses	A range of B uses are adjacent to the site.	

Development constraints & environmental Issues (including Policy Designations)	Plans suggest there is a pond at the southern tip of the site which may be a balancing pond. This would impact on any development proposals.	
Evidence of marketing / market activity / developer interest	No evidence of marketing.	
Employment site quality	Good – Good Employment Location	✓
	Adequate	
	Poor – Sub-standard/Vacant	
Suitable alternative uses	Residential	
	Retail	
	Leisure	
	Other	
Summary	<p>The site is located on the edge of an already intensely developed B use area and would be suitable for development for a range of B uses. The land in the main is developed with a small area of site which is not. The undeveloped area is green and plans suggest there is a pond (potential balancing pond) in this undeveloped area. It is suggested that intensification of the site to the south is prohibited.</p> <p>This site would be suitable for all B uses.</p> <p>Redevelopment of the site to increase intensity in the long term c.10yrs +</p>	

Site Photos:



Site Appraisal Pro-forma		
Local Authority	Tunbridge Wells	
Name of site	High Brooms Industrial Estate	
Date of survey	22 April 2016	
Reference	TW_KEA1	
Address (incl. postcode)	Enterprise Centre, Chapman Way, Tunbridge Wells TN2 3DR	
Location type (1)	Inside/Outside Limits to Built Development	Inside
Location type (2)	Town Centre	
	Edge of Centre	
	Out of Centre	✓
	Rural	
	Major developed site in greenbelt	
Site area	4.28	
Site description	<p>High Brooms Estate, Hazelmere High Brooms and Orchard Business Centre are areas within the larger North Farm Road Industrial area. The site is relatively flat with estate roads linking the three industrial areas. Construction on site is a mix with single storey block built units lower level with steel frames at upper levels alongside double height steel frame construction detached office blocks. There is car parking on site however at the time of the visit cars were parked on the estate roads. The site has a dense tree buffer zone at its border to the north, south and west of the site. To the east is the access road from Dowding Way.</p>	
Ownership	Private	
Existing/previous Uses	Uses include B1, B2, B8 with occupants such as Team Frames window centre, car mechanics, insurance brokers, Fit for Less gym and the Chimera Climbing Centre.	
Accessibility	Site is easily accessible from North Farm Road / Dowding Way that links to the A21 (c.1.5m north east of the site) which links into the M25.	
Adjacent land uses	The site is surrounded by residential properties.	

Development constraints & environmental Issues (including Policy Designations)	No development constraints for redevelopment of the site on its original footprint.	
Evidence of marketing / market activity / developer interest	Marketing boards for vacant units on site. (Core Commercial)	
Employment site quality	Good – Good Employment Location	✓
	Adequate	
	Poor – Sub-standard/Vacant	
Suitable alternative uses	Residential	
	Retail	
	Leisure	✓
	Other	
Summary	The site serves a variety of B class uses as well as other use commercial business; the site appears well established and well used. The site should maintain its employment allocation.	

Site Photos:



Site Appraisal Pro-forma		
Local Authority	Tunbridge Wells	
Name of site	Land at Brook Farm, Capel	
Date of survey	13 April 2016	
Reference	TW_KEA2	
Address (incl. postcode)	Brook Farm, Five Oak Green Road, TN11 0QN	
Location type (1)	Inside/Outside Limits to Built Development	Outside
Location type (2)	Town Centre	
	Edge of Centre	
	Out of Centre	
	Rural	✓
	Major developed site in greenbelt	
Site area	5.75 acres (2.3 Ha)	
Site description	Crescent shaped site at the junction of the A26 (Woodgate Way) and the B2017 (Tudeley Road). Flat site screened to the north west with mature trees hiding the business park to the rear. Site dominated by car sales – Mini (ex AUDI) and Porsche – and Homedics Group office building to the front of the site on the A26. One site under construction next to the Porsche building and one site on the roundabout available for further development.	
Ownership	Unknown	
Existing/previous Uses	Unknown	
Accessibility	Very good with access from the roundabout which also provides access to the business park to the rear	
Adjacent land uses	Rural on the other side of the A26 and business uses to the rear in Tonbridge and Malling	

Development constraints & environmental Issues (including Policy Designations)	Lack of car parking for the existing users. Good visibility to the A26, which is why the site is attractive to car dealerships. Potential for further dealers if required and opportunities for new B1 based business. Well screened from the A26 (west) and more open to the A26 (north)	
Evidence of marketing / market activity / developer interest	The sites are fully occupied and one is on the market.	
Employment site quality	Good – Good Employment Location	✓
	Adequate	
	Poor – Sub-standard/Vacant	
Suitable alternative uses	Residential	
	Retail	
	Leisure	
	Other	Business
Summary	Retain and intensify. Expansion of the site beyond the existing boundary would be difficult due to environmental constraints.	

Site Photos:



Site Appraisal Pro-forma		
Local Authority	Tunbridge Wells	
Name of site	Land at the former Hawkhurst Railway Station, Gills Green	
Date of survey	22 April 2016	
Reference	TW_KEA3	
Address (incl. postcode)	Gills Green, Hawkhurst TN18 5BD	
Location type (1)	Inside/Outside Limits to Built Development	Inside
Location type (2)	Town Centre	
	Edge of Centre	
	Out of Centre	
	Rural	✓
	Major developed site in greenbelt	
Site area	1.02	
Site description	The site is located to the west of the A229 c. 1.41 km (4,609.92 ft) north of the village of Hawkhurst. The site is predominantly flat and is developed for B1/B2/B8 uses.	
Ownership	Private	
Existing/previous Uses	The site is used for B2 and B8 uses. The buildings are of good quality and new single storey buildings are being developed. The units are of steel frame construction.	
Accessibility	Accessed from the A229 and is highly visible. However the site is some way from the main motorway network the M25 is c. 30km to the north of the site. There are bus stops c. 60m and 150m to the south of the site.	
Adjacent land uses	To the opposite side (east) of the A229 is a garden centre; to the north of the site are a number of large detached residential properties. To the south of the site a new housing development is currently being built..	

Development constraints & environmental Issues (including Policy Designations)	There is an area of land to the south west of the site which would be suitable for an expansion zone. Access would be through the existing estate.	
Evidence of marketing / market activity / developer interest	The potential expansion zone has previously been promoted through the Local Plan process.	
Employment site quality	Good – Good Employment Location	
	Adequate	✓
	Poor – Sub-standard/Vacant	
Suitable alternative uses	Residential	✓
	Retail	
	Leisure	
	Other	
Summary	<p>Due to new units being developed on site the industrial estate is assumed to be meeting the requirements of the commercial sector. However the distance to the main highway network implies that the business operates in a local market.</p> <p>Possible business development could potentially come forward in the short term (within 5 years)</p>	

Site Photos:

Site Appraisal Pro-forma		
Local Authority	Tunbridge Wells	
Name of site	North Farm /Longfield Road	
Date of survey	18 March 2016	
Reference	TW_KEA4	
Address (incl. postcode)	Decimus Park / Longfield Rd, Tunbridge Wells TN2 3BF	
Location type (1)	Inside/Outside Limits to Built Development	Inside
Location type (2)	Town Centre	
	Edge of Centre	
	Out of Centre	✓
	Rural	
	Major developed site in greenbelt	
Site area	26	
Site description	The site is a fully developed purpose built industrial estate. The units are of modern steel frame construction. The site is flat and fully developed. The site incorporates 2 areas within a large community of industrial users/estates to the north east of Tunbridge Wells.	
Ownership	Private	
Existing/previous Uses	Industrial estate.	
Accessibility	The area is highly accessible from the A21	
Adjacent land uses	Adjacent land uses are retail warehousing and industrial areas. To the north and east areas of undeveloped greenfield land..	

Development constraints & environmental Issues (including Policy Designations)	The sites are constrained by their own boundaries and greenfield sites to the north and east.	
Evidence of marketing / market activity / developer interest	No evidence of marketing new units under development at Decimus Park	
Employment site quality	Good – Good Employment Location	✓
	Adequate	
	Poor – Sub-standard/Vacant	
Suitable alternative uses	Residential	
	Retail	
	Leisure	
	Other	
Summary	The site should be maintained for employment use. This is a well retained development to the north east of the Tunbridge Wells industrial area. Evidence of new units being built provides evidence of demand.	

Site Photos:







Site Appraisal Pro-forma		
Local Authority	Tunbridge Wells	
Name of site	Land east and west of Maidstone Road, Paddock Wood	
Date of survey	13 April 2016	
Reference	TW_KEA5 / TW_KEA6	
Address (incl. postcode)	Eldon Way, Paddock Wood, Tonbridge TN12 6BE / Dana Estate, Transfesa Rd, Paddock Wood, Tonbridge TN12 6UT	
Location type (1)	Inside/Outside Limits to Built Development	Inside
Location type (2)	Town Centre	
	Edge of Centre	
	Out of Centre	✓
	Rural	
	Major developed site in greenbelt	
Site area	East site = 15.64 West Site = 3.16	
Site description	<p>Transfesa Road Paddock Wood is the industrial estate east of Maidstone Road. The site is relatively flat and fully developed.</p> <p>Eldon Way Industrial Estate is on the west side of Maidstone Road. There are c.50 units on site. The site is relatively flat and fully developed.</p> <p>Both sites are north of Paddock Wood town centre and Paddock Wood Train station.</p>	
Ownership	Private	
Existing/previous Uses	<p>Eldon Way Industrial Estate contains various industrial buildings with associated office space. First developed in the 1970's with continued development in the 1990's and many units have been refurbished. Good parking provision on site. Steel framed buildings.</p> <p>Transfesa</p>	
Accessibility	<p>The Transfesa site has a direct link onto the station concourse.</p> <p>Both sites can be accessed from Maidstone Road (B2160); the closest motorway network is the M20 to the north of the site c.9miles.</p>	

Adjacent land uses	To the north, east and west is greenfield agricultural land; to the south is Paddock Wood Town Centre.	
Development constraints & environmental Issues (including Policy Designations)	Both sites are constrained by their site boundaries. No development constraints in situ identified although flooding is recognised as a constraint within this area of Paddock Wood	
Evidence of marketing / market activity / developer interest	Eldon Way Industrial Estate is predominantly occupied with a small number of vacant units being marketed by Brackets.	
Employment site quality	Good – Good Employment Location	✓
	Adequate	
	Poor – Sub-standard/Vacant	
Suitable alternative uses	Residential	
	Retail	
	Leisure	
	Other	
Summary	Both industrial estates are predominantly occupied and established – retain the sites for employment use.	

Site Photos:



Site Appraisal Pro-forma		
Local Authority	Tunbridge Wells	
Name of site	Tunbridge Wells Town Centre (please refer to separate Proformas for Mount Pleasant Avenue and Mount Ephraim)	
Date of survey	13 April 2016	
Reference	TW_KEA7	
Address (incl. postcode)	a) Clanricarde Gardens / Lonsdale Gardens Tunbridge Wells, Kent, TN1 1JY b) Vale Avenue Tunbridge Wells, Kent, TN1 1JY	
Location type (1)	Inside/Outside Limits to Built Development	Inside
Location type (2)	Town Centre	✓
	Edge of Centre	
	Out of Centre	
	Rural	
	Major developed site in greenbelt	
Site area	Total Tunbridge Wells employment area = 28.21	
Site description	a) Two streets of B1 office uses. The ground slopes upwards from the south to north of the area. b) 'Vale Avenue' is an area of B1 uses which is located on either side of Vale Avenue	
Ownership	Private	
Existing/previous Uses	a) Detached villas over three floors with associated car parking and well maintained gardens on Lonsdale Gardens and Clanricarde Gardens. A modern office block of brick construction with three stories of B1 use above ground floor parking is located at the western end of Lonsdale Gardens. A number of modern two storey buildings and four storey buildings have been built in the area have been constructed for B1 use. b) Vale Avenue comprises a number of 1970's red brick detached office uses of substantial size. There is also a P&D car park to the north of Vale Avenue.	

Accessibility	Both sites are easily accessible from the town centre and its public transport links. Both areas connect in with the highway network in Tunbridge Wells and have parking either on site or on street and have a P&D public car park within 100m.	
Adjacent land uses	Uses include B1 and residential. The town centre is within 100m.	
Development constraints & environmental Issues (including Policy Designations)	a) No potential to develop beyond the boundaries of the individual units at Clanricarde Gardens. The area is within the Tunbridge Wells conservation area. b) Vale Avenue feels like it could be redeveloped. The P&D car park is accessed from Vale Avenue by car and can be accessed on foot directly next to Tunbridge Wells Train station. Morrisons Supermarket has closed and this could lead to this end of the town centre being regenerated. The area is on a hill which may limit any new development from a viability or design perspective.	
Evidence of marketing / market activity / developer interest	a) Morrisons has closed which is on the ground floor of the P&D car park accessed from Vale Avenue and evidence of marketing at on office buildings on Vale Avenue. b) No evidence of marketing at Clanricade Gardens	
Employment site quality	Good – Good Employment Location	✓
	Adequate	
	Poor – Sub-standard/Vacant	
Suitable alternative uses	Residential	✓
	Retail	
	Leisure	
	Other	
Summary	<p>Vale Avenue feels like it requires some regeneration. The areas connection to the town centre and the train station is excellent and as an office B1 location the employment allocation should remain although a mix of uses would be suitable for this area. Development in the medium term (within 10 years)</p> <p>Clanricarde Gardens works well as an office location and should keep its allocation. No potential to extend the range of B uses in this area but residential would be an alternative use. Development potential within 5 years for residential development.</p>	

Site Photos:









Appendix 8: Site Scoring Matrix

								Suitability and Market Attractiveness Factors															
Type	Policy Ref	Turley/Colliers Reference	Settlement / Parish	Site name	Address	Postcode	Site Area	1. Location	2. Strategic access	Site/premises condition	4. Availability	5. Land ownership	6. Market activity / developer interest	7. Suitability for growth	8. Development constraints	9. Need for investment	10. Viability	11. Neighbouring uses	12. Importance to Economic Development Activities	Score	Overall Quality and Attractiveness Rating (good, adequate, poor)	Recommendation (Retain, Monitor, Consider Release)	Suitable uses
Key Employment Area	AL/ISO4	TW_KEA1	High Brooms	High Brooms Industrial Estate	North Farm Road, Tunbridge Wells	TN2 3DY	4.28	5	3	3	1	3	3	5	3	3	5	3	5	42	Good	Retain	B1, B2, B8
Key Employment Area	AL/VRA4	TW_KEA2	Capel	Land at Brook Farm, Capel	Five Oak Green Road, Capel	TN11 0QN	1.30	3	5	5	3	3	5	3	3	3	3	3	3	42	Good	Retain	B1, B2, B8
Key Employment Area	AL/HA6	TW_KEA3	Gills Green	Land at the former Hawkhurst Railway Station, Gills Green	Croanbrook Road, Gills Green	TN18 5BD	1.02	1	5	5	5	3	5	5	3	3	3	3	5	46	Good	Retain	B1, B2, B8
Key Employment Area	AL/RTW28	TW_KEA4	Paddock Wood	North Farm / Longfield Road	Decimus Park, Kingstanding Way, Tunbridge Wells	TN2 3EY	26.00	5	5	5	1	3	5	5	3	5	5	5	5	52	Good	Retain	B1, B2
Key Employment Area	AL/PW5	TW_KEA5	Paddock Wood	Land east of Maidstone Road, Paddock Wood	Maidstone Road, Paddock Wood	TN12 6UT	15.64	5	5	5	5	3	5	3	3	3	3	5	5	50	Good	Retain	B1, B2, B8
Key Employment Area	AL/PW5	TW_KEA6	Paddock Wood	Land west of Maidstone Road, Paddock Wood	Maidstone Road Paddock Wood	TN12 6BE	3.16	5	3	3	5	3	5	5	3	5	3	3	5	48	Good	Retain	B1, B2, B8
Key Employment Area	AL/RTW27	TW_KEA7	Royal Tunbridge Wells	Tunbridge Wells Town Centre	Various sites	TN1 1JY	28.21	5	5	5	5	3	5	3	3	5	5	5	5	54	Good	Retain	B1, C3
Employment Allocation	AL/RTW20	TW_EA1	Royal Tunbridge Wells	Mount Ephraim	Mount Ephraim	TN4 8BS	2.71	5	5	5	3	3	3	3	5	5	5	5	5	52	Good	Retain	B1, C3
Employment Allocation	AL/RTW21	TW_EA2	Royal Tunbridge Wells	Mount Pleasant Avenue	Mount Pleasant Avenue	TN1 1QT	0.13	5	5	1	5	5	5	3	1	1	3	3	3	40	Good	Retain	B1
Other employment sites (2006 LP)	Policy ED4	TW_EA3	Royal Tunbridge Wells	Land North of Kingstanding Way	Kingstanding Way	TN2 3GP	7.03	5	5	3	5	3	5	5	5	1	5	5	5	52	Good	Retain	B1, B2, B8
Other employment sites (2006 LP)	Policy ED4	TW_EA4	Royal Tunbridge Wells	Land South of Dowding Way	Dowding Way	TN2 3EH	1.46	5	3	3	1	3	3	5	5	5	5	5	5	48	Good	Retain	B1, B2

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