Inspector's Interim Findings – additional employment matters

The Council has prepared this further briefing note in response to the employment matters raised in the Inspector's Interim Findings (22 December 2016).

1 –WIDER EMPLOYMENT NEEDS/PROVISION

Interim Findings

1.1 In the interim findings, the Inspector made the following request;

It is necessary to establish both whether there is likely to be sufficient land overall to accommodate the employment needs and also what effect there may be on travel patterns, including net flows to London or elsewhere.

An assessment is therefore needed which updates the position on job targets and employment land provision in Maidstone and the adjoining boroughs/districts within the same economic area relative to the anticipated housing and population growth in these areas. (paragraph 108)

Council's response

1.2 In response, the Council commissioned its economic consultants, GVA, to undertake an additional piece of analysis covering with the following matters;

- Understand the commuting assumptions used in the most up to date economic forecasting evidence published by Maidstone and its 5 neighbouring authorities
- Analyse the relationship between population growth, workforce growth, jobs growth and in/out commuting levels across the area covered by Maidstone and its immediate neighbours
- Conclude on the implications for employment land supply and overall commuting patterns across the area

1.3 GVA has prepared a briefing paper setting out its methodology, analysis and conclusions. This is included as Appendix A. The key findings are summarised in the following paragraphs.

1.4 The economic forecasts being used by Maidstone and it neighbours exhibit some variation in terms of the timing of their preparation and the brand of forecasting model used. Maidstone's strongest commuting relationships (excluding London) are with Tonbridge & Malling and Medway. These three authorities have used Experian forecasts in their evidence which indicates that economic relationship assumptions across these 3 areas are likely to be consistent.

1.5 Also, and importantly, commuting patterns from the census (be it 2001 or 2011) are an input to the models used by all the neighbouring authorities. This provides some overall consistency in terms of the baseline for how commuters' origins and destinations have been accounted for across the wider area. The economic models do not, however, predict the exact destination of future out-commuters.

1.6 Further, from the analysis undertaken, it appears that none of Maidstone's neighbours are using an economic scenario for their plan making process which explicitly seeks to increase or decrease commuting rates as a policy objective (a so-called 'policy on' approach). This confirms that none of the authorities are actively following a policy to alter commuting patterns which could have reciprocal impacts on other authority areas.

1.7 The table on page 7 of GVA's note presents a summary of the workforce-jobs-commuting balance for Maidstone and it neighbours. The aim is to provide a strategic overview of how individual authorities' proposals may affect this balance in the future. The table uses the commuting patterns from the 2011 census to help provide some consistent basis.

- Column A – OAN
- Column B – total population growth
- Column C – increase in workforce as a result of population growth (population-led)
- Column D – increase in the number of jobs based on the capacity of the economy (economy-led)
- Column E – number of out-commuters (2011 census)
- Column F – proportion of people living and working in the same LPA (2011 census)
- Column G – proportion of jobs in the LPA taken by people living in the same LPA (2011 census)
- Column H – number of additional jobs needed if the increase in workforce as a result of population growth (column C) were to live and work in the same borough in the same proportion as was evident in the 2011 census (column F)
- Column I – number of new jobs in the LPA (column D) which will be taken by people not living in the borough if the proportion of jobs taken by non-residents stays the same as was evident in the 2011 census (100%-column G)
- Column J – number of new jobs in the LPA which will be taken by people living in the borough if the proportion stays the same as was evident in the 2011 census (D x G)
- Column K – the workforce surplus/deficit (H – J)

1.8 The final column (K) shows that for Maidstone there will be 1,306 additional workers than jobs available in the borough, assuming 2011 commuting patterns. Tonbridge & Malling has a similar scale of 'surplus' workers. Whilst there is a complexity of factors which influence the balance between workers and jobs (such as economic activity rates, unemployment levels), in simple terms these workers could need to commute out of their resident borough for work, and for Maidstone this would represent an increase in out-commuting of approximately 4% (K as a proportion of E). On the other hand, Medway, Swale, Tunbridge Wells and Ashford all show more jobs than workers in this analysis. When the jobs-workforce balance for the 6 authorities is looked at as a whole, this shows that an overall 'surplus' of just 1,724 workers across the 'sub region' could result from the combined authorities' plan proposals/emerging evidence bases. The scale of the potential increase in out-commuting from the sub region as a whole would be just 0.9% of the 2011 position (1,724 as a proportion of 195,674).

1.9 This is a highly marginal change both in absolute and proportionate terms. Also, the role that London plays as a highly significant source of employment for local workers cannot be discounted from this assessment and it can be expected that commuting to London will increase, as workers continue to capitalise on the good public transport links. The briefing paper highlights that for Maidstone the proportion of out-commuting to London increased from 10% of trips in 2001 to 20% in 2011. A further increase should therefore be expected as a continuation of this trend.

1.10 The briefing paper also provides an update of neighbouring authorities' B class land supply position relative to needs. The emerging Plans produced by Ashford, Medway, Swale and Maidstone indicate sufficient supply to meet their quantitative needs and all indicate a degree of over-supply to provide flexibility and choice. For Maidstone, Swale and Medway, additional allocations are stated to be needed to address qualitative issues. Tonbridge and Malling and Tunbridge Wells are at an earlier stage in the Plan making process and have not yet affirmed how much additional land will be allocated. For Tonbridge & Malling the evidence indicates between 3 and 33ha additional land is needed depending on the economic scenario to be followed. Tunbridge Wells' evidence identifies a need for some 12.3ha of additional employment land.

1.11 Where positions have been confirmed, Maidstone and its adjoining authorities are allocating sufficient B class land to meet identified needs.

1.12 Overall, the analysis indicates that there will be sufficient land overall to accommodate employment needs in the wider area. The assessment of the relationship between population growth, workforce growth, jobs growth and in/out commuting levels across the wider area does not indicate any significant to change to the overall commuting balance.

2 – OFFICE FLOORSPACE

Interim Findings

2.1 In the interim findings the Inspector made the following request;

Unless alternative provision is identified there is likely to be a shortfall in the delivery of office floorspace against the identified requirement. Alternative provision may involve mixing development with more lucrative land uses in the town centre.

In the town centre, reduced on-site parking requirements could improve viability where alternative parking and public transport are available.

Consideration should be given to safeguarding part of Woodcut Farm or other sites suitable for office development from other uses for a period pending a recovery of office development values later in the plan period.

Council's response

Employment Floorspace Requirement (2016-31)

2.2 At the Modifications hearing on 1st December, the Inspector requested that Table 4.4 of the submission Local Plan setting out the net employment floorspace requirement be updated to an April 2016 base date. The Council has updated the table to include completions up to 1st April 2016 and the updated table has been included in its schedule of Main Modifications/minor changes:

Update Table 4.4 of the Local Plan to take account of completions[1] to 1st April 2016

	Offices B1a/b (NIA)	**Industry B2 (GIA)**	**Warehousing B8 (GIA)**
Gross requirement (2011-31) sqm	39,830	20,290	49,911
~~**Net requirement (2014-31) sqm**~~	~~**24,000**~~	~~**-15,600**~~	~~**6,500**~~
Net requirement (2016-31) sqm	*24,600*	*-18,610*	*7,965*

2.3 The updated net requirement for offices and warehousing has increased because losses to other uses have exceeded gains. Conversely more industrial floorspace has been completed than has been lost.

[1] For B1a/b – all completions; For B2/8 – completions of 400sqm and above;

Allocations

2.4 As an outcome of both the hearings and the Interim Findings, changes have been proposed to site allocations which will affect the overall employment land supply position. The changes are as follows;

- Policy EMP1(1) Mote Road - proposed Main Modification to state that the site is allocated for up to 2,000sqm of office floorspace as part of a mixed use development
- Policy EMP1(5) Woodcut Farm – proposed Main Modification to state that the site will deliver, as a minimum, 7,500sqm B1a/b floorspace. A further Main Modification proposes an additional criterion confirming that serviced land to accommodate a minimum of 3,300sqm of floorspace within Use Classes B1(a) and B1(b) will be provided before any units falling within Use Classes B1(c), B2 or B8 are occupied. These proposed changes are agreed with the developer
- Policy RMX1(4) Syngenta – proposed Main Modification to delete the allocation for housing and employment (B class uses)
- Policy RMX1(2) Maidstone East and Royal Mail Sorting Office – revision to the proposed Main Modification to state that the site will deliver 4,000sqm of office floorspace as part of the mixed used development. This is an increase of 500sqm from the 3,500sqm figure put forward at the Modifications Hearing based on further consideration of the capacity of the site in the interim. The revised Main Modification to Policy RMX1(2) is set out below. If agreed, this will need to be incorporated in the finalised schedule of Modifications.

Policy	Proposed change	Main Modification or Minor Change	Reason
Policy RMX1(2) – Maidstone East and Royal Mail Sorting Office and paragraph 13.12	Amend paragraph 13.12 as follows; 13.12 <u>*Office uses will be an important component of the mix of uses on the site. The site is in a highly sustainable location adjacent to Maidstone East station which will benefit from improved services to London in 2018 and with good access to Junction 6 of M20.*</u> Housing is <u>*also*</u> seen as an important supporting use on this site. Residential development could be delivered in separate blocks either to the west of the site or possibly south of the railway line fronting Brenchley Gardens, or on upper floors above the retail	Main Modification	To ensure consistency with national policy and to ensure the plan is positively prepared to meet identified needs.

	development. Amend Policy RMX1(2) as follows; **Maidstone East and former Royal Mail Sorting Office, as shown on the policies map, is allocated for development for up to 10,000m2 comparison and convenience retail, *4,000sqm of offices (B1a)* and approximately 210 dwellings. In addition to the requirements of policy H1, planning permission will be granted if the following criteria are met.** **1 The provision of up to 10,000sqm of comparison and convenience shopping floorspace*, 4,000sqm of offices (B1a)* and some 210 dwellings. *The submission of a retail impact assessment is required which demonstrates that the National Planning Policy Framework's impact test is met.***		

2.5 These changes are incorporated into the table below which shows the amount of B class floorspace to be delivered on allocated sites in the Local Plan. Two of the allocated sites are in the town centre and will together deliver 6,000sqm of new office floorspace as part of mixed use schemes.

Table 1 - Local Plan allocations providing B class employment floorspace

<table>
<tr><th></th><th>Office (B1a/b) sqm</th><th>Industrial (B1c/B2) sqm</th><th>Warehousing (B8) sqm</th></tr>
<tr><td>EMP1(1) Mote Road (will be a RMX1 policy)</td><td>2,000</td><td></td><td></td></tr>
<tr><td>EMP1(2) Barradale Farm</td><td></td><td colspan="2">5,500</td></tr>
<tr><td>EMP1(3) Land south of Claygate</td><td></td><td colspan="2">6,800</td></tr>
<tr><td>EMP1(4) Land at Wheelbarrow estate</td><td></td><td colspan="2">14,500</td></tr>
<tr><td>EMP1(5) Woodcut Farm</td><td>7,500</td><td colspan="2">41,500</td></tr>
<tr><td>RMX1(2) Maidstone East</td><td>4,000</td><td></td><td></td></tr>
</table>

TOTAL	**13,500**	**68,300**

Pipeline supply of offices (consents)

2.6 There will be additional supply of office floorspace from planning consents granted between 1st April 2014 and 1st April 2016. The Council previously provided an update on the supply of office floorspace from the main sites granted planning permission since 1st April 2014 in its 'Note on office floorspace' (ED 099).

2.7 A more comprehensive list of sites with extant consent at 1st April 2016 is set out below:

Table 2 – Sites with consent for B1a at 1st April 2016 (>400sqm)

MA/15/505504	Mandarin Chef, 35-37 Lower Stone Street	660sqm
MA/12/0867	Congelow Farm, Benover Road, Yalding	530sqm
MA/13/2059	Knight Ashphalt, Lenham	730sqm
	Total	**1,920sqm**

2.8 This shows that there is a pipeline supply of some 1,920sqm of additional office floorspace. This is additional to the capacity within the designated Economic Development Areas and the Local Plan allocations.

Supply of B1a/b floorspace from windfall sites

2.9 This pipeline supply of consents helps to illustrate that there will be other unidentified sites which will be developed for new offices over the remaining plan period. To date, no allowance for such windfall sites has been included in the Council's assessment of B1a/b supply.

2.10 The Council has undertaken an analysis of the amount of B1a and B1b floorspace completed in the 5 years between 2011/12 and 2015/16 on windfall sites. The list of applications is provided in Appendix B. To ensure only genuine windfall sites were included, the following approach was taken;

- Completions on allocated sites and within the designated Economic Development Areas (including ED1/ED2 sites in the adopted Local Plan) have been excluded; and
- Completions where the office floorspace was ancillary to the primary use of the site/building have been excluded

2.11 The findings are included in Appendix B. This shows that in the preceding 5 years there has been a significant level of delivery of office floorspace on unidentified sites totalling 3,776sqm. The Council considers that a 5 year period represents a reasonable historic period from which to derive a trend and, whilst the annual rate of completions has fluctuated year on year, this should be expected as part of a natural economic cycle. On average, 755sqm has been completed per annum.

2.12 More than 50% of the completed floorspace is in the town centre. As offices are a specified town centre use, national policy and Local Plan policy (Policy DM17 in the submission Plan) would positively support further such development in the future. The most significant scheme was the conversion of the Maidstone Library building in St Faiths Street to 1,443sqm offices. An example of a similar type of site which could provide additional offices, most likely as part of mixed use proposals, is the empty Maidstone Post Office building on King Street PO Sorting office. This site was identified in the Town Centre Study (CEN 002) as an opportunity site (Figure 6.2, page 82, site 52). The Study concluded that the site would be appropriate for 2,740sqm additional retail (paragraph 11.167) with the opportunity for employment on upper floors (paragraph 11.159).

2.13 The schemes contributing to the completed floorspace in the rest of the borough fall into two broad types. Firstly, schemes for the extension of existing business premises in countryside and Policy DM41 (as proposed to be modified) will provide the framework for such proposals in the future. The remaining schemes were on sites within identified settlements where development is, in principal, acceptable.

2.14 Based on this trend, the council considers that it is reasonable to make an allowance for future supply on 'windfall' sites which will contribute to the forecast demand. To not make such an allowance would fail to take proper account of a source of future supply. As the sites which have come forward as windfalls are different in terms of nature and scale to the allocations for B1a/b space made in the Plan, the Council does not consider that the inclusion of the allocations in the Local Plan will alter the future incidence windfall sites to any significant degree.

2.15 In common with the approach taken to housing windfalls, no allowance is proposed for the first 3 years (2016/17 to 2018/19). For the twelve year period 2019/20 to 2030/31 an allowance of 750sqm/annum equates to some 9,000sqm of B1a floorspace to include in the overall employment land supply. The extant consents listed in Table 2 (which are all 'windfall' sites) help to further underline that this rate of supply is likely to continue in the future.

2.16 The revised Monitoring section of the Local Plan includes a monitoring indicator to measure the amount of B class floorspace delivered annually (indicator M18). This data will be used to assess delivery of office floorspace on windfall sites in comparison with the allowance to confirm that this level of supply is being achieved.

B1a/b Land Supply

2.17 Taking account of the sources of supply identified in the preceding sections, the supply position is as follows

Table 3 – B1a/b sources of supply

Requirement 2016-31 (sqm)	**24,600**
Supply (sqm):	
Allocations	13,500
Consents @ 1st April 2016	1,920
Windfall allowance (B1a)	9,000
Total	**24,420**
shortfall	-180

2.18 This shows a small shortfall of some 180sqm against forecast needs by the end of the Plan period. Overall this is de minimus and can be expected to be bridged given that the Local Plan has some 15 years to run. Indeed, since 1st April 2016, consent has been granted for a scheme a Turkey Court, Maidstone[2] (MA/16/502359) which would deliver an additional 816sqm B1a over and above that already assumed for this site in the Council's evidence base (ECON 002). Implementation of this consent alone would overcome the numerical shortfall identified.

2.19 There is therefore a sufficient supply of land for B1a/b uses through allocations and consents in conjunction with a justified allowance for future windfalls to meet the evidenced need for the full Plan period to 2031.

Local Plan Review

2.20 In response to the discussion at the hearings and the Interim Findings, the Council is proposing a Main Modification committing it to a first Local Plan Review with a target adoption date of April 2021. The proposed wording of the Review Policy LPR1 and the supporting text confirms that employment land provision (supply) and needs is one of the matters which the Review may need to address.

2.21 The updated Local Plan monitoring indicators which have been proposed provide a much more comprehensive framework for how the Council will monitor employment land supply (indicators M18-M21). If overall delivery is falling short of identified requirements, the monitoring framework underlines that the Council will need to consider changes to the employment land strategy as part of a Local Plan review.

2.22 The employment forecast that forms part of the Plan's evidence base provides an assessment of needs for the full Plan period to 2031 (ECON 001). Inevitably the confidence

[2] Site is within a EDA so no double counting with the windfall allowance

level of such economic projections reduces over time. Whilst there can be a higher level of certainty over the level of need in the earlier phases of the Local Plan, over the longer term performance needs to be monitored and updated to refine the understanding of need in the future. This is a further argument to review demand and supply as part of the first Local Plan Review.

2.23 The document ED 099 sets out how the need for additional office floorspace (B1a/b) is phased in the Council's economic forecast (ECON 001). The table reproduced below shows the cumulative requirement in 5 year phases to the end of the Plan period.

Table 4 – Office (B1a/b) need in 5 year phases (cumulative)

	2014-16	**2016-2021**	**2021-26**	**2026-31**
B1a/b Cumulative requirement (sqm)	-235	8,094	16,602	24,000

2.24 Reading the supply position in Table 3 in conjunction with the phasing of needs in Table 4 reveals that there is sufficient supply on identified sites alone (allocations and consents) to meet needs up to the start of the 2025/26 monitoring year. This before any account is taken of the supply from windfall sites which the Council considers will form part of a sustained supply of office space over the Plan period. Also, the relative lack of current market interest in larger scale new office development suggests demand may actually be deferred more towards the end of the Plan period than the forecast suggests whilst the office market continues to go through a period of rebalancing with the loss of the poorer quality stock.

2.25 As part of the Local Plan Review, the Council will re-assess both the need (demand) for employment floorspace and the supply, including whether additional allocations or alterations to existing allocations are required.

2.26 Policy RMX1(1) allocates the Newnham Park site specifically for a medical campus of up to 100,000sqm. Criterion 1 of the policy specifies that 25,000sqm of this will be for associated offices and research and development. The site was granted outline consent for 98,000sqm of floorspace in April 2014 with the consent conditioned to state that the occupation of the office buildings shall be limited to those occupiers directly related to the provision of medical services (MA/13/1163). None of this consented floorspace currently counts as supply towards to the general requirement for additional office floorspace . There is a current application to renew the outline consent (MA/16/507292).

2.27 The Council considers that the Local Plan Review would be a timely point at which to review progress with the delivery of the medical campus. At this point it would be 5-6 years since outline consent was first granted and it would be an appropriate point to consider, in the round, if any adjustments to the policy framework for the site are justified. This could include assessing the prospects of the full 25,000sqm being developed out for medical related offices or whether an element could go towards meeting more general office needs. Relevant to this assessment would be both an updated forecast of office needs for the borough and a fuller understanding of the demand for the medical specific office floorspace.

2.28 The allocation is for up to 100,000sqm of floorspace of which 98,000sqm has extant consent. There is a further area of land within the RMX1(1) allocation which is allocated for medical and associated uses which does not form part of the currently consented scheme. This area of land which is shown in the Plan in Appendix C lies between the shopping village and the new access road into the site and extends to some 3ha.

2.29 The medical campus as currently envisaged does not require this area of land. This additional area has the potential to accommodate additional general needs B1a/b floorspace. As part of the Local Plan Review, the allocation of this area should also be reviewed to determine if it should be identified for general office needs. Indicatively, the site is large enough to provide up to 15,000sqm of offices.

2.30 The Council is proposing a Main Modification to the Plan to signal the potential of the Newnham Park site to accommodate additional general needs B1a/b floorspace and for this to be further assessed as part of the first Local Plan Review.

Policy	**Proposed change**	**Main Modification or Minor Change**	**Reason**
RMX1(1)	Add an additional paragraph after paragraph 13.9 as follows; _13.x As the medical campus is a specific allocation for a specialist type of use, the first Local Plan Review will be a timely point at which to review progress with the delivery of the campus and to consider whether any adjustments to the policy framework for this site are justified. Specifically the Council will assess the site's suitability for an element of non-medical B1a/b uses which could be additional to, or a partial alternative to, the floorspace allocated in Policy RMX1(1). Factors which will inform this review will be progress with, and the prospects for, the implementation of medical-related office development on this site and an updated assessment of the need for additional B1a/b class employment floorspace in the borough to the end of the Plan period._	Main Modification	To ensure the plan is positively prepared to meet identified needs.

	Add an additional section to the end of Policy RMX1(1) to read; ***<u>Through the first Local Plan Review the Council will assess the site's suitability for an element of non-medical related B1a/b uses. Factors which will inform this assessment will be progress with, and prospects for, the implementation of medical-related office development on the site and an updated assessment of the need for additional B1a/b floorspace in the borough to the end of the Plan period.</u>***		

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APPENDIX A

Maidstone Borough Local Plan Examination

Additional Analysis in Response to Inspector's Interim Findings: Matter 4 Employment

1.1 This note provides additional analysis relating to the discussion of Employment Matters in the Inspector's Interim Findings from the Examination of the Maidstone Borough Local Plan.

1.2 This focuses on the following key points raised in the Inspector's Interim Findings:

- Updating the position on job targets and employment land provision in Maidstone and adjoining local authorities in relation to projected housing and employment growth
- Considering the impact of cross-border commuting between Maidstone, neighbouring areas and London on job provision

1.3 It is worth noting that throughout the preparation of the Maidstone Borough Local Plan the Council has continued to engage with its neighbours on all matters, including the need for and provision of employment land. At no point have any of the neighbouring authorities raised any challenges or issues relating to the approach to employment matters proposed by Maidstone Borough Council.

1.4 In preparing its Local Plan and evidence base Maidstone Borough Council has taken into account the plans (at whatever stage they were at) of its neighbours. In preparation for the Local Plan Examination Maidstone Borough Council has undertaken further engagement with its neighbours to confirm its plan does not create issues with its neighbours. Through this process all neighbouring authorities have confirmed to the Council that they have no unmet employment land needs which they require Maidstone's Local Plan to address.

1.5 This further note has been prepared to assist the Inspector's understanding of the 'sub-regional' housing and employment context. In line with the existing evidence base this note considers the functional economic area within which Maidstone sits, encompassing the following local authority areas:

- Medway;
- Tonbridge and Malling
- Swale;
- Ashford; and
- Tunbridge Wells

1.6 It is clearly not appropriate for Maidstone Borough Council to 're-assess' the demand and supply for each local authority. Therefore this note provides a further review of the published evidence and policy direction for each district. It then considers the relationship between forecast population and jobs growth in the sub-region and compares this at a strategic level with current in and out commuting rates.

1.7 By undertaking this analysis we have developed a high level understanding of the potential future impacts of housing and jobs growth (as planned) on the need for residents within the sub-region to commute to other locations to work.

Economic Forecasting Approach

1.8 In understanding the potential impacts of growth on the need to commute we first confirm the approach taken by each local authority within their employment forecasts. Each forecasting model includes an assumption on commuting as a key input into the model in order to provide an understanding of the relationship between potential population growth and potential jobs growth.

1.9 Whilst all forecasting models differ in their detailed methodology, on review it is clear none use the existing commuting rate as an 'absolute', with the models internally balancing the demand for labour (jobs) and the supply of labour (population) in each local authority area. Where a local authority area is forecast to provide more jobs than the workforce its population creates the models assume in-commuting will increase, where jobs will be below the workforce models assume out-commuting will increase. In equilibrium the commuting rates are held constant.

1.10 However, whilst the 'standard' base models align commuting between authority areas, each local authority evidence base varies both the population and employment forecasts through their respective SHMA and ELR scenario tests, with the effect that different levels of in/out commuting could result. Therefore, there is potential for the commuting relationship to be different from that assumed in any base model.

1.11 Further, depending on the date of each evidence base, the initial commuting pattern assumptions will vary, with some based on older Census data where 2011 information wasn't published. It is therefore critical to understand the model used in each local authority area, any specific considerations of commuting used and any conclusions drawn. A summary for each is presented below. For Maidstone we also consider how commuting has changed between the 2001 and 2011 Census given the evidence base was prepared using 2001 data.

Maidstone

- Base model used for economic forecasting: Experian Business Strategies (September 2013)
- In the Experian modelling approach used in the MBC Economic Scenario Testing & Employment Land Forecast Report, workplace and residence based variables are linked by the commuting relationship

derived from the 2001 Census, which is how the relationship between workforce and jobs is considered. 2011 Census data had not yet been released.

- Based on 2001 travel to work data;
  - 42,009 people live and work in Maidstone
  - Commuting inflow of 27,746, commuting outflow of 27,501. Therefore there is 60% self-containment (based on the 42,009 Maidstone residents who live and work in Maidstone, as a proportion of the 69,755 total Maidstone jobs).
- Based on 2011 travel to work data;
  - 30,693 people live and work in Maidstone
  - Commuting inflow of 29,999, commuting outflow of 31,095. Therefore there is 51% self-containment (based on the 30,693 Maidstone residents who live and work in Maidstone, as a proportion of the 60,692 total Maidstone jobs).
- In 2001 approximately 10% of trips by Maidstone residents to work outside of the authority area were to London. In 2011 this proportion had doubled, and approximately 20% of the trips to work outside of the authority area were to London. This increase is not surprising as London is a major jobs generator offering a range of employment opportunities, which means it is almost inevitable that residents will (increasingly) continue to commute to London from Maidstone, particularly where transport options have increased or services improved. This will (most likely) also be the case for other neighbouring local authorities in the South East region. It also suggests that the major factor behind the change in the 'self-containment' of the labour in Maidstone resulted from an increase in out-commuting to London rather than within the sub-region.

Swale

- Base model used for economic forecasting in Swale SHMA (September 2015), which informs Employment Needs in Swale (2014-31) Report: Experian (September 2015) – Experian commissioned to run three forecasts, varying population (or housing) assumptions. This is cross-checked with the Oxford Economics EEFM model, Autumn 2014 release (which has adjusted migrations flows compared to the Experian model "to reflect the comparative strengths and weaknesses of local economies", amongst a range of other variations in modelling assumptions (Swale SHMA, page 53)).
- In relation to the consideration of commuting patterns in this modelling approach, it is suggested in the Swale SHMA (page 49) that "where labour supply exceeds demand (for jobs) the model adjusts other labour market variables. For example increasing out commuting, increasing unemployment or suppressing economic activity rates".
- In the Experian modelling approach workplace and residence based variables are linked by the commuting relationship derived from the 2011 Census, which is how the relationship between workforce and jobs is considered.

Ashford

- Base model used for economic forecasting in Strategic Employment Options Report (2012): Cambridge Econometric's Local Economy Forecasting Model (LEFM), consistent with CE's Regional forecasts published in July 2011. Historical employment data in the baseline scenario is to 2009 so does not incorporate more up to date employment trends than this. The Baseline projection incorporates Ashford's economic structure, Ashford's past relative performance compared to the wider South East economy, trend based population growth, and macro-economic sector forecasts (July 2011).
- No specific information on the approach to considering commuting patterns is evident, however 2011 travel to work data could not have been considered as it was not yet published at the time this Report was produced.
- The SHMA Update (June 2015) uses the CE LEFM scenarios from the Strategic Employment Options Report (2012) in its modelling, and introduces an additional revised scenario incorporating CE's November 2013 forecasts. However, there is no information evident on the approach to considering commuting patterns in this revised scenario.

Tonbridge & Malling

- Base model used for economic forecasting in Tonbridge & Malling's Economic Futures Forecasting Study (January 2014): Experian Economic Modelling (May 2013 model run of Experian UK Regional Planning Service (RPS)). As stated in the Study (page 14) "This reflects a range of standard assumptions about the way in which the national and regional economy is expected to perform, incorporating short and long term drivers".
- In the Experian modelling approach used in the Economic Futures Forecasting Study, workplace and residence based variables are linked by the commuting relationship derived from the 2001 Census, which is how the relationship between workforce and jobs is considered. As was the case for Maidstone's evidence, the 2011 Census data had not yet been released.
- An alternative approach, forecasting future labour supply, is also undertaken. This uses the demographic scenario for OAN from the SHMA, where the modelling "takes account of economic activity rates and future pension age changes outlined in current national policy" which facilitates a more nuanced understanding of both in and out commuting, including the relationship of out-commuting with the London economy.

Tunbridge Wells

- Base model used for economic forecasting in the Sevenoaks & Tunbridge Wells Economic Needs Study (August 2016): Oxford Econometrics' 2014 East of England Forecasting Model (EEFM), considering both the 2013 and 2014 EEFM datasets, but then focussing completely on the 2014 EEFM dataset.
- The net commuting assumption in this approach is "the residual between an area's residence-based and workplace-based estimates of number of numbers of people in employment". The residence employment

consideration in this model relies on a commuting matrix from the 2011 Census and assumes no change in commuting patterns over time (EEFM Technical Report 2014[1], page 16).

Medway

- Base model used for economic forecasting in the Medway Employment Land Needs Assessment (2015): Experian Business Strategies (finalised and published in May 2015), which "factors in demographic trends and future expectations and changes" (Medway Employment Land Needs Assessment 2015, page 3).
- In the Experian modelling approach workplace and residence based variables are linked by the commuting relationship derived from the 2011 Census, which is how the relationship between workforce and jobs is considered.

1.12 As shown above, whilst the model base varies Maidstone, Medway and Tonbridge and Malling are all based on Experian data. This suggests that in terms of Maidstone's strongest economic relationships assumptions in the model are likely to be consistent.

1.13 The above analysis also shows that despite differences in the base models used for economic forecasting, the approach of all local authorities in the sub-region is to use use the latest available Census data related to commuting as the starting point for understanding employment growth needs. This provides a level of consistency in the commuting assumptions given it is not then deliberately adjusted to incorporate any subjective 'policy on' scenarios.

Relationship between Population, Workforce and Jobs

1.14 Given there is no common forecast that 'balances' the demand and supply of labour across all the authorities outlined above it is helpful to consider, at a strategic level, the relationship between forecast population and workforce growth in relation to jobs projections in order to understand potential impacts on the need to commute.

1.15 It should be noted this only provides a broad understanding of potential commuting impacts given forecasts vary by time period and forecasting models are not identical. However, by understanding each local authority's forecast position against current commuting patterns, an indicative change in commuting need can be established.

1.16 In the table below the first four columns (A – D) detail the most up to date projection figures for population, homes, workforce and jobs for Maidstone and its five neighbouring local authorities, sourced from the most up-to date evidence bases for each local authority (see source list at the end of this paper). The remaining columns (E – K) consider commuting trends, and possible out-

[1] http://atlas.cambridgeshire.gov.uk/EEFM/EEFM_2014_technical_report_January2015.pdf

commuting influenced by the relationship between projected workforce and jobs growth (where 2011 commuting patterns are held constant).

1.17 Column E simply states the level of out-commuting observed in each local authority in 2011, combined as a total in the final row to show this for the whole economic sub-region. Column F calculates the proportion of local authority residents in 2011 who worked in their local authority area (local residents living and working in the LA / total workers in LA x 100). Column G calculates the proportion of LA jobs taken up by residents in that LA (residents living and working in the LA / total jobs in LA x 100).

1.18 Building on this analysis, column H determines the projected number of local jobs driven by the projected local workforce, which is calculated by multiplying the projected workforce by the 2011 proportion of local residents working in their LA, assuming this is held constant over the period (C x F). Column I then calculates the number of local jobs that will be taken up by non-LA residents, multiplying the projected jobs growth by the proportion of jobs taken by non-LA residents in 2011, again assuming this is held constant over the period (D x (1 – G).

1.19 The projected jobs available for local residents is identified in Column J by subtracting the number of jobs taken up by non-LA residents from the projected jobs growth (D – I) and the difference between columns H and J is indicated in the final column. This difference constitutes the local residents prepared to work in their LA, but who would not necessarily find a job in the LA and would therefore be likely to out-commute. This therefore provides a crude calculation of the change in out-commuting reflecting the relationship between workforce, jobs growth and 2011 commuting patterns.

	Projected homes	Projected population growth	Projected workforce growth	Projected jobs growth	2011 out-commuting	2011 residents working in LA (%)	2011 LA jobs taken by LA residents (%)	Workforce driven local jobs	Jobs growth taken by non-LA residents	Jobs available for Local Residents	Difference
	A	B	C	D	E	F	G	H	I	J	K
Maidstone (2011 – 31)	928dpa	33,811	17,300	14,400	31,239	50%	51%	8650	7056	7344	1306
Swale (2014 – 31)	776dpa	25,000	7,870	10,900	22,825	55%	69%	4329	3379	7521	-3193
Ashford (2011 – 31)	727dpa	25,487	12,700	12,600	17,981	47%	49%	5969	6426	6174	-205
Tonbridge & Malling (2011 – 31)	646dpa	23,635	12,500	7,400 - 8,700	30,624	29%	29%	3625	5716	2335	1291
Tunbridge Wells (2013 – 33)	648dpa	19,210	8,640	9,168	42,477	50%	52%	4320	4401	4767	-447
Medway (2012 – 37)	1,281dpa	58,600	22,676	17,200	50,528	51%	70%	11565	5160	12040	-475
Whole Economic Area	**5,006dpa**	**185,743**	**81,686**	**72,318**	**195,674**			**38565**	**32137**	**40181**	**-1724**

N.B. The relevant projection periods for each local authority have been used based on their most up to date forecasting evidence, so some variation in the time range is evident.

The figures used in this table have been sourced from the most up to date evidence base studies for each local authority, produced by a range of Consultants. There may therefore be some variations in the methodological and calculation approach of these figures.

1.20 As shown in the table above in total there is an under-provision of jobs within the sub-region when compared to the number of workers that will be generated by forecast population growth. Whilst the relationship differs in each local authority area in total there would potentially be 1,724 residents who would need to commute out to work who would otherwise have worked locally.

1.21 Whilst this is clearly a simplification of the complex inter-relationships between population growth, employment and commuting it does give a sense of the scale of impact that forecast growth may have on residents commuting outside of the sub-region to work. Overall it would potentially see a further increase in out-commuting of c.1%.

1.22 It is not possible to robustly project out-commuting and the nature of these flows in terms of destination. However, it is anticipated that commuting to London will continue to increase from Maidstone and neighbouring authorities considering the significant employment role of London and the strong public transport connections already in existence.

1.23 Considering the close in-commuting relationship between Maidstone and the five local authorities, the majority of the out-commuting from the whole economic sub-region is expected to be to London boroughs, particularly considering the doubling in the out-commuting trend to London from Maidstone from 2001 to 2011. However, the trend of out-commuting is likely to predominantly reflect the employment opportunities provided by London and does not necessarily mean there is an under-provision (or increasing under-provision) of jobs for local residents within their local authority areas.

Employment Land Provision

1.24 In terms of the employment land position across the whole economic sub-region it is evident that Maidstone and all local authorities are seeking to meet their quantitative employment need. The exceptions to this are Tonbridge & Malling which has not yet determined how much additional land will be allocated, and Tunbridge Wells which has not yet published a first consultation version of its new Local Plan.

1.25 A summary of the employment land position of Maidstone and the five neighbouring local authorities combined in the economic sub-region is as follows:

Maidstone

- There is a quantitative requirement for additional employment land for office and distribution (B8) uses to meet the maximum jobs growth scenario in its evidence base. There is also an identified qualitative need for employment land to match the likely land requirement of future growth sectors, as detailed in the Examination submission and evidence base documents.

Swale

- As indicated in the Swale Local Plan Examination Inspector's Interim Findings (March 2016); the ELR update translates projected jobs growth into floorspace requirements, and the monitoring of employment land indicates that the Borough continues to have sufficient employment land supply.
- The Borough's proposed main modifications to update its Local Plan evidence reference qualitative reasons for an oversupply of employment land (Main Mods 51/52/53), and allocations amount to an oversupply of 369,299sqm (Main Mods 58).

Ashford

- The Ashford ELR Sites Report (April 2016) identifies that there is a quantitative over-supply of 26.7ha – 27.5ha of employment land.
- In the Ashford Local Plan the Council concludes that "in broad terms there is sufficient land allocated already within existing adopted Plans to meet the overall land requirements to 2030…."

Tonbridge & Malling

- The Tonbridge & Malling Employment Land Review (December 2014) suggests a quantitative under-supply of employment land in the authority area to meet identified need to 2031. There is therefore a need to identify 3 – 33ha of additional employment land alongside maintaining existing sites, in order to meet this identified need.

Tunbridge Wells

- The Tunbridge Wells Employment Land Review (2010) found that the local authority had sufficient capacity to fully meet their identified employment land needs, with no demonstrable over supply.
- However, updated evidence in the Sevenoaks and Tunbridge Wells Economic Needs Study (August 2016), forming part of the evidence base supporting the emerging new Local Plan (at early evidence gathering stage), indicates that in quantitative terms there is a 12.3ha shortfall in employment land to accommodate growth up to 2033/2035. There is therefore a recommendation to address this through new land allocations, which will also support a qualitative case for increased choice of sites. As the new Local Plan is at a very early stage, the Council's response to addressing this shortfall has yet to be formalised, it is therefore unclear if this need will be met within the borough.

Medway

- In its Development Options (Regulation 18) consultation document, Medway Council indicates it is planning to fully meet its quantitative need for 90ha of employment land over the plan period to 2037. Allocations in the previous plan would also provide additional capacity to meet qualitative requirements. The full employment land strategy will be clarified following the completion of the current Regulation 18 Local Plan consultation (16^{th} January – 6^{th} March).

Conclusion

1.26 Whilst the analysis within this paper is only able to provide an indicative understanding of the relationship between projected population and employment growth and its implications for commuting, it is clear that based on current evidence, the impact would most likely be small.

1.27 Given trends in out-commuting to London (which have increased from most boroughs between 2001 and 2011) as well as significant jobs growth planned in other locations that are easily accessible (for example Ebbsfleet, London Paramount, Discovery Park) it is likely that the additional 1% in potential out-commuting would be absorbed elsewhere.

1.28 All local authorities within the sub-region have identified a need for additional employment land based on both quantitative and qualitative, only Tonbridge and Malling and Tunbridge Wells are yet to identify sufficient land capacity to meet the identified requirements because of the stage they are at in the plan making process.

1.29 For Maidstone specifically there would be a deficit of c.1,300 jobs if in-commuting remains constant, this would potentially increase the level of out-commuting by approximately 4% over the plan period. Given the level of growth in out-commuting to London between 2001 and 2011 (10%) this would not represent a significant increase in commuting trends.

Sources

Ashford Strategic Employment Options Report (2012), found at: http://www.ashford.gov.uk/local-plan-2030-evidence-base

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https://www.tmbc.gov.uk/__data/assets/pdf_file/0006/134565/Economic_Futures_Forecasting_Study_Final_160114.pdf

Tonbridge & Malling SHMA (March 2014):

https://www.tmbc.gov.uk/__data/assets/pdf_file/0006/134673/TMBC_SHMA_March2014_web.pdf

Tonbridge & Malling SHMA Update (2016):

https://www.tmbc.gov.uk/__data/assets/pdf_file/0003/242319/SHMA_Sept_2016_Update.pdf

APPENDIX B

Calculation of Windfall Allowance for Offices

Table 5: Completions contributing to calculation of windfall allowance (B1a)

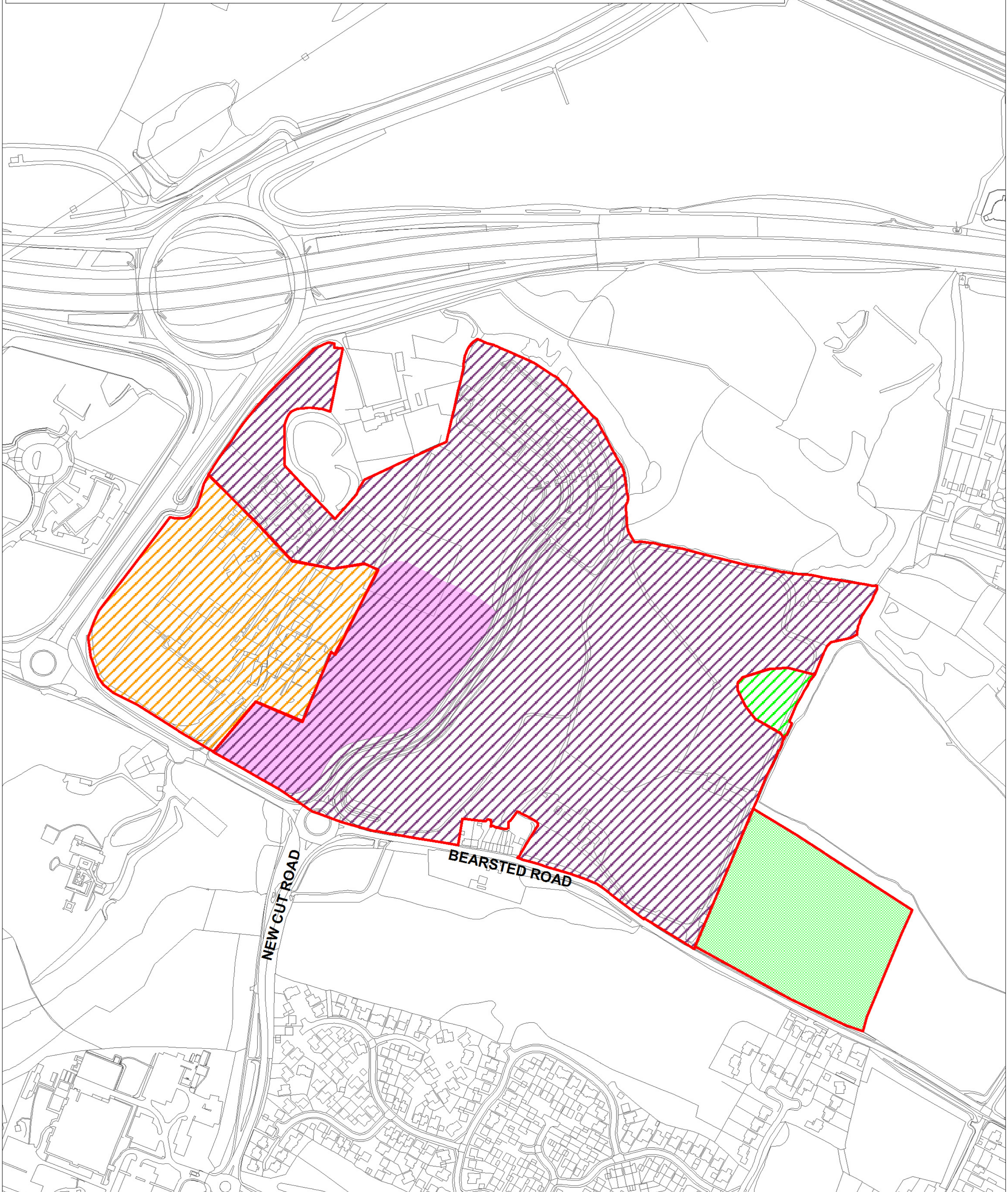
	Application	Town Centre Site/Rest of Borough	B1a Floorspace completed (sqm)	B1a floorspace completed /year (sqm)
14/15 and 15/16	MA/15/503384 Second Floor Sussex House 21 – 25 Lower Stone Street, Maidstone ME15 6YT	TC	225	1709
	MA/14/5285 Allington Marina, Castle Road, Maidstone ME16 0NH	RoB	41	
	MA/15/505223/FULL Maidstone Library St Faiths Street	TC	1443	
13/14	MA/11/1950 Rankins Farm, Linton Hill, Linton	RoB	139	215
	MA/11/1859 First floor, 89 Week Street, Maidstone ME14 1QX	TC	76	
12/13	MA/09/1150 South East Water, Hockers Lane Maidstone ME14 3JJ	RoB	153	567
	MA/10/1524 12 Marsham Road, Maidstone.ME14 1EP	RoB	118	
	MA/11/0995 3 -5 Brewer Street, Maidstone	TC	296	
11/12	MA/10/0140 Corbin Business Park Caring Lane Bearsted ME14 4NJ	RoB	1030	1285
	MA/09/1044 Senacre Housing Co-Op, Ascot House, Epsom Close	RoB	21	
	MA/10/1267 First floor, 17 Earl Street, Maidstone	TC	164	
	MA/10/2180 First floor, Lenham Library, The Square, Lenham.	RoB	70	
			Total Town Centre	2,204
			Total Rest of borough	1,572
			Total	**3,776**
			Average /annum	**755**

Calculation

Delivery of, on average, 750sqm of office floorspace over the past 5 years

12 years (2019/20 – 2030/31) @ 750sqm/annum = 9,000sqm

RMX1 (1) - Newnham Park, Bearsted Road, Maidstone



Legend

- Retail allocation
- Medical and associated uses allocation
- Woodland Nature Reserve
- 'grassy knoll' area to be excluded from development
- Area not covered by planning consent 13/1163

Print date: January 2017

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