

Thanet District Council

# Thanet Local Development Framework

Employment Land Review  
May 2010

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# 1 Introduction

- 1.1 This Employment Land Review (ELR) is produced by Thanet District Council to provide a key part of the evidence base for the Council's Local Development Framework (LDF) Core Strategy and in particular the allocation of land for employment uses, to help to deliver sustainable economic growth.
- 1.2 The importance of delivering economic growth and diversification is outlined within Government guidance, specifically Planning Policy Guidance 4 (PPG4): Industrial, Commercial Development and small firms. More recently in the planning white paper, *Planning for a Sustainable Future*, the Government reinforce the need to encourage sustainable economic development and its commitment to producing a strong, stable and productive economy.
- 1.3 In line with Government guidance, the Council wishes to ensure that its strategy, land allocations and policies provide for choice, flexibility and competition, and are sustainable and based upon a realistic assessment of the needs of local business and market reality. Thanet's economy is one the key themes in the Council's Corporate Plan, with the main priorities to attract inward investment and support indigenous companies, attracting more jobs to the area and helping those who are unemployed.
- 1.4 The study's format and methodology broadly follows Government guidance on completing Employment Land Reviews, and the Council's main objectives for this study are:
  - i) to complete a qualitative and quantitative review of existing employment sites in the district;
  - ii) to determine the scale and nature of the likely future demand for employment land up to 2026.
  - iii) to identify which sites, if any should be retained or released from allocation, and if necessary identify additional sites to be brought forward.
- 1.5 In line with government guidance the study concentrates on employment space needs for Class B Uses i.e. B1 (Business), B2 (General Industrial), and B8 (Storage and Distribution). The study does not assess requirements for other employment generating uses such as retail, tourism, healthcare and education, although these are taken into consideration when determining the future requirements for employment land.
- 1.6 In completing the main objectives, the Council has carried out its own local research and also drawn upon a variety of published documents and statistics, including planning policy, local and regional economic strategy documents, and published social and economic statistics. Section 1.8 provides an overview of the framework of the report and research carried out. All documents used are listed in the Reference section of the Appendices.
- 1.7 The project also considers the employment land reviews carried out in adjoining districts, Dover and Canterbury, and takes into consideration the impact of employment land availability within these districts.

### 1.8 The framework of the report and summary of research carried out is as follows:

**Chapter 2: Characteristics Review:** This chapter provides an introduction to the district, and an overview of the existing social and economic conditions and recent trends in Thanet, using published socio-economic documents and statistics. This will include some comparison and consideration of adjoining areas.

**Chapter 3: Planning Policy Context and emerging strategic aims of the Council:** The planning policy context of the study is outlined and the key objectives of the Council's strategic aims are identified, to provide a background for the study. A critical review of past and current local plan policies will be carried out to assess whether they are working or not.

**Chapter 4: Assessment of Existing Employment Land/Space:** the current stock of B-Use Class employment space, including amount and type, is identified from published statistics. Recent patterns of supply and demand, and development rates are considered, along with the identification of issues which have impacted upon the development of allocated employment land including that of competition from employment land in neighbouring districts.

**Chapter 5: Commercial Property Market of Thanet:** a comprehensive understanding of the functional property market will be developed and defined. This will include an appreciation of the different property markets in terms of sectors, segments and their operating geographies, at a regional, sub-regional and local level. The property market will be defined taking into consideration the following factors: travel to work areas (commuting flows in and out of authority), Thanet's context within the region and regional property markets, sub-regional and local market areas, and segment areas. There will be a discussion of rental levels, inward investment, property availability/vacancy rates, start-up space and rural provision. This section will also include a summary of market perceptions and the needs of local businesses from engagement that has been carried out with key stakeholders.

**Chapter 6: Determining the future employment land requirements of Thanet:** The first part of this chapter includes an assessment of potential areas for economic growth in the District drawing upon findings of the previous chapters. A variety of methods are used to determine the requirements in both quantitative and qualitative terms, these include assessing past patterns of land take-up, the forecasting of economic growth and Thanet's future labour supply and demand.

**Chapter 7: Review and Appraisal of existing employment sites:** A list of all existing employment sites over 0.25ha or 500m<sup>2</sup> is identified, including all allocated and retained sites in the current Local Plan, additional sites identified from planning permissions and the current Business Rates Ratings List. A qualitative assessment of each site has been carried out, including the identification of physical factors and constraints, employment and market attractiveness factors, sustainability and accessibility issues, planning policy factors and ownership issues. This information has been collected from desktop research and site visits. Potential development plots will be identified from existing allocated sites, and the call for sites that has been carried out for the LDF process. Sites that are capable of intensification or in need of redevelopment will be identified. These sites will be assessed in terms of their deliverability and developability over the planning period.

**Chapter 8: Balancing current supply against future demand:** This chapter brings together the projections of future employment land requirements, presented in Chapter 6, and the employment land supply presented in Chapter 7. It discusses both the quantitative and qualitative requirements for employment land supply up to 2026, and whether the current supply of land is suitable in quantity, quality and type for future requirements. It considers whether there is a need for additional land, alternative land, or if there is a surplus in land supply. This chapter makes recommendations for future employment land allocations.

**Chapter 9: Summary, Conclusions and Policy Recommendations**

## 2 Characteristics Review

### Introduction to the District

- 2.1 Thanet is a small coastal district located on the northeast tip of Kent, and comprises of 3 main coastal towns – Margate, Broadstairs and Ramsgate, and a new town centre, Westwood, located in the centre of the District, equidistant to the main coastal towns. Thanet has a number of other coastal and rural villages. The district is bounded by 32 km of coastline on its north and east sides, and to the south and west lies the Former Wansum Channel separating the district from its neighbours of Dover and Canterbury.
- 2.2 The district has an area of 103 square kilometres and a resident population of about 129,200 people (in 2007) living in some 56,000 households. Approximately 30% of the District is urban with 95% of the population living in the main centres. The districts attractive coastline includes many sandy beaches, many of which have European Blue Flag status, and much of the coast is protected by international nature conservation designations. Inland outside of the urban areas, a large amount of high quality agricultural land exists, which is farmed intensively.

### Location, transport links and accessibility

- 2.3 In terms of accessibility, the district has good road links to London and the M25, via the A299 (dual carriageway) and A2/M2. There are good routes into and out of the district to Dover (via the A256-part dual carriageway) and to Canterbury and Ashford (on the A28 – single carriageway). The district is also linked well by train to Canterbury, Dover, Ashford and London, and with the introduction of the High Speed Domestic Rail Service due at the end of 2009, the travel time to London St Pancras from Ramsgate via Ashford should be reduced to 76 minutes. Whilst the district does have a number of good transport links it is still on the periphery of Kent and the South-East, and in particular its proximity to London is poor compared to the rest of the south-east.
- 2.4 The district has an airport of regional significance, Kent International Airport at Manston. At present it handles mainly freight transport with some passenger services, its current terminal is capable of handling up to 700,000 passengers per annum. The emerging airport masterplan proposes significant growth of the airport, which is supported by the regional spatial strategy. The draft masterplan states that *'given current demand, expected demand growth and the growth constraints on other airports, we predict that our airport will serve around 6 million passengers and cater for around 500,000 tonnes of freight by 2033. This growth would sustain 7,500 jobs and stimulate and support substantial economic development in Thanet and East Kent.'*<sup>1</sup> In the light of the current recession it is expected that the timescales for these forecasts may be revisited.
- 2.5 Ramsgate is a major cross channel port with passenger and freight services currently running to Belgium. The port represents a niche UK port facility, capable of handling passenger traffic in an efficient and customer friendly way. The Port of Ramsgate is well placed to offer comfortable and convenient travel to the northern part of mainland Europe and offers itself as the sensible alternative to other channel ports and is recognised as a port of regional significance in the SE Plan. A recent deal has been agreed with Euroferries to provide a new fast ferry service between Ramsgate and Boulogne.

### Socio- Economic Background

- 2.6 Thanet has historically experienced severe social and economic problems, associated with a restricted manufacturing base and a declining tourism sector. This is demonstrated by a range of economic indicators and parts of the district are characterised by high unemployment, low educational skills, poor health, one-parent families, low wages and a high level of transient population.

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<sup>1</sup> Kent International Airport – Manston. Draft Masterplan. October 2008.

- 2.7 The district has, in recent years attracted in-migration of unemployed people and asylum seekers, and been a place where other local authorities house 'looked after' children and other vulnerable people. This has been attributed to the relatively low property prices in the district (approximately 20% lower than the rest of Kent), and the availability of suitable properties. This has resulted in a resident population containing many people with support needs, putting a great strain on the local economy and services.
- 2.8 The district suffers from high levels of social and economic deprivation, having some of the most deprived wards in the south-east of England. Thanet is ranked as the 65<sup>th</sup> most deprived District in the whole of England (out of a total of 326 Districts), and the most deprived in Kent.
- 2.9 Table 1 shows 10 economic performance indicators, and Thanet Rank, showing that relative to all other Districts/Unitary Authorities in England. Thanet has a low ranking, being in the bottom 30% for all but three of the indicators. Even the three exceptions, resident-based earnings, % working age population with NVQ4+ and total employees are only just outside the bottom 30%.<sup>1</sup>

**Table 1 - Economic Performance Indicators - Thanet 2003-2008**

Economic Performance Indicator	Percent Rank 2003	Percent Rank 2008	Actual Value 2003	Actual Value 2008
Unemployment Rate	10	10	3.8	3.2
Median Full-time Earnings (workplace)	38	28	354.9	402.7
Median Full-time Earnings (residence)	26	35	352.7	424.7
Employment Rate	34	11	74.7	68.7
Total Employees	36	33	38,189	38,561
Stock of VAT Registered Businesses	19	20	2,350	2,715
3 Year Business Survival Rates	16	11	65	68
GVA per head	5	14	8,131	11,522
% Employees in Knowledge Economy	11	17	7.0	9.2
% Working Age Population with NVQ4+	39	37	20.4	22.9

Source: KCC Analysis and Information Team – Economic Profile 2008 Thanet<sup>1</sup>

## Labour Supply

- 2.10 Thanet has a labour force of 60,300 (in 2008) persons, which represents 79.4% of its population that are 16 and over. This figure is not far from that of the South-East at 82.2%, and is greater than the rest of Britain at 78.8%. There are a total of 14,700 (20.6%) economically inactive persons in the district, which represents a greater proportion than that of the south-east (18%) with those wanting a job also representing a greater proportion in Thanet (6.2%) than the South-East (5.1%).
- 2.11 Until recently, there has been a constant fall in the unemployment rate since 1996. This remains significantly higher than the South-East and Kent averages. Thanet's ranking also worsened between 2003 and 2008, indicating that the gap in unemployment rate between Thanet and other districts is increasing.
- 2.12 Additionally, Thanet has a much higher proportion of over 65 year olds than elsewhere in Kent and there are a large proportion of young people.<sup>2</sup>
- 2.13 Furthermore, the recent economic downturn has made the situation significantly worse. The unemployment rate has significantly increased since these statistics and Thanet continues to have

<sup>1</sup> Economic Profile 2008 Thanet. EP05/08. Analysis and Information Team, Kent County Council (November 2008)

<sup>1</sup>

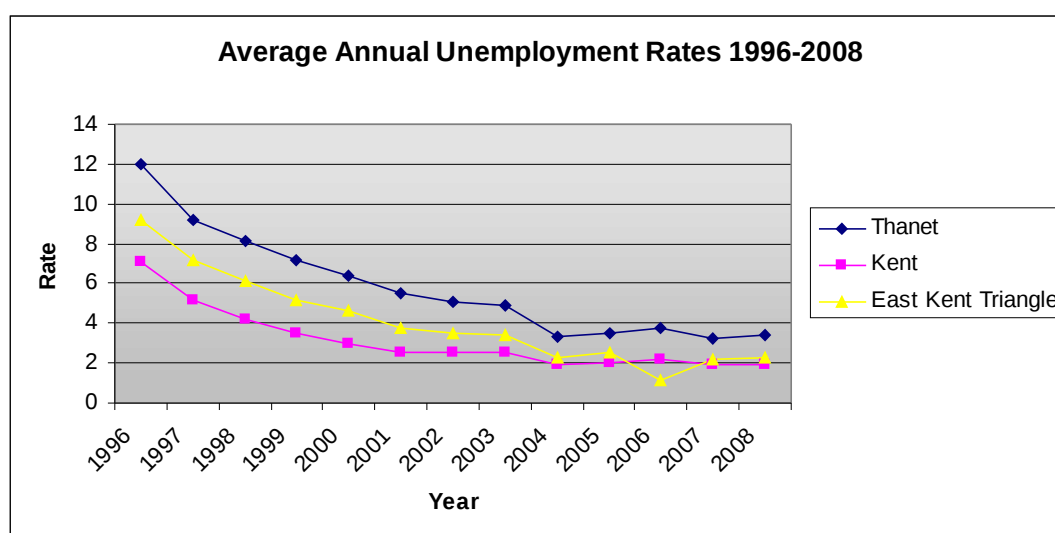
<sup>2</sup> "A naturally vibrant Isle" Culture Matters - Thanet District Council's Cultural Strategy (February 2008)



the highest proportion of people, compared to other districts in Kent. Thanet's unemployment rate measured in September 2009 was 5.6%, which is 60% greater than the same time in 2008.<sup>1</sup>

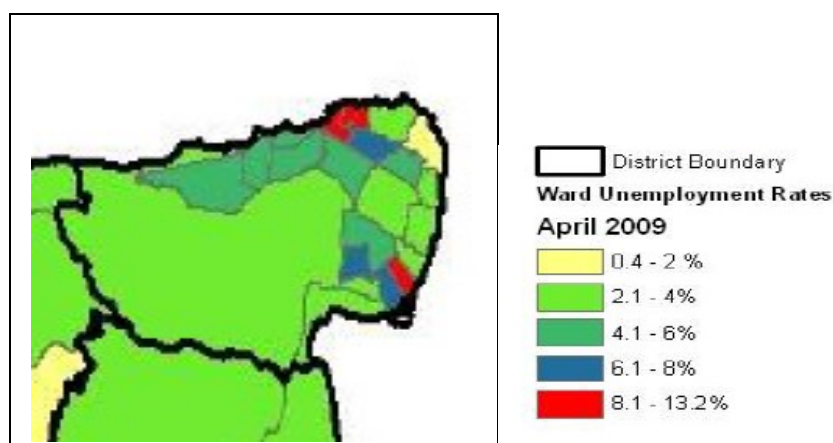
- 2.14 Figure 2 indicates the ward unemployment rates across the district, and shows that the Cliftonville West, Margate Central and Eastcliff Wards have an unemployment rate between 8.1% and 13.2%, some of the highest levels in the country.

**Figure 1- Average Annual Unemployment Rates 1996-2008**



Source: National On-line Manpower Information System (NOMIS) and Research & Intelligence Kent County Council \* East Kent Triangle comprises Thanet, Dover and Canterbury

**Figure 2 - Ward Unemployment Rates in Thanet**

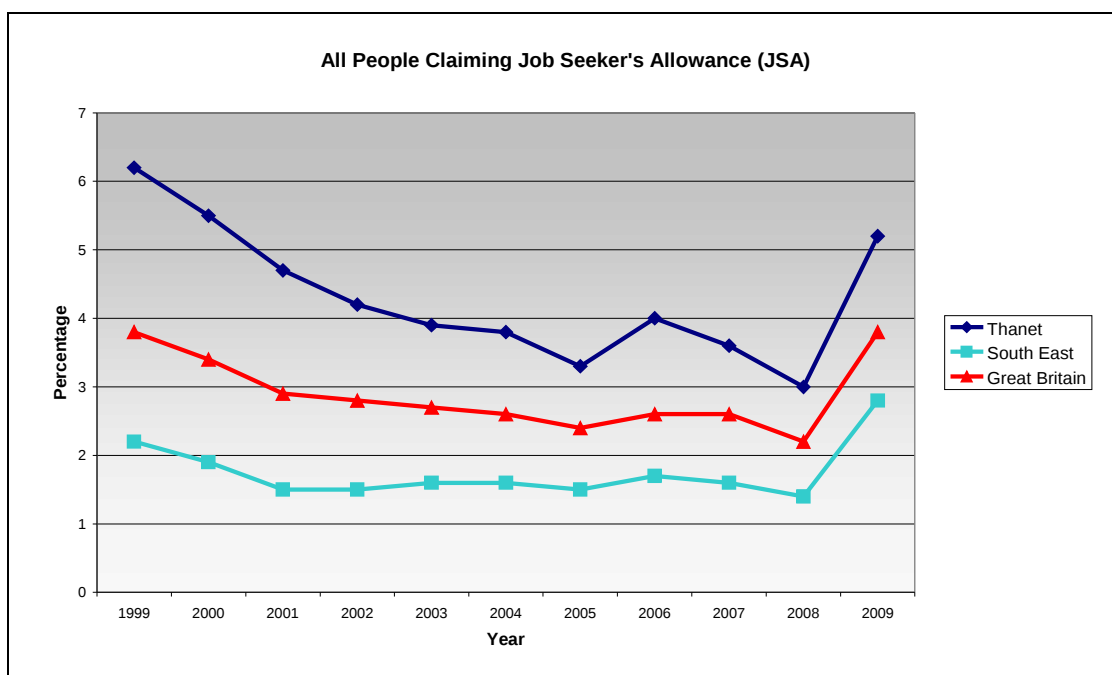


Source: KCC Unemployment Change in Kent UN04/08 – April 2009.

- 2.15 The percentage total number of claimants is shown in Table 2, and whilst there has been a slight improvement since 1999, there is no significant decrease, with nearly 20% of the population claiming benefits, compared to just fewer than 10% for the south-east and 14.2% for the whole of England. The level claiming job seekers allowance is also high (Figure 3); well above the average for both the South-East and England.

<sup>1</sup> Unemployment Change in Kent. UN09/09. Analysis and Information Team. Kent County Council

**Figure 3 - All People Claiming Job Seeker's Allowance (JSA) in Thanet, South East and Great Britain 1999-2009**



Source: NOMIS

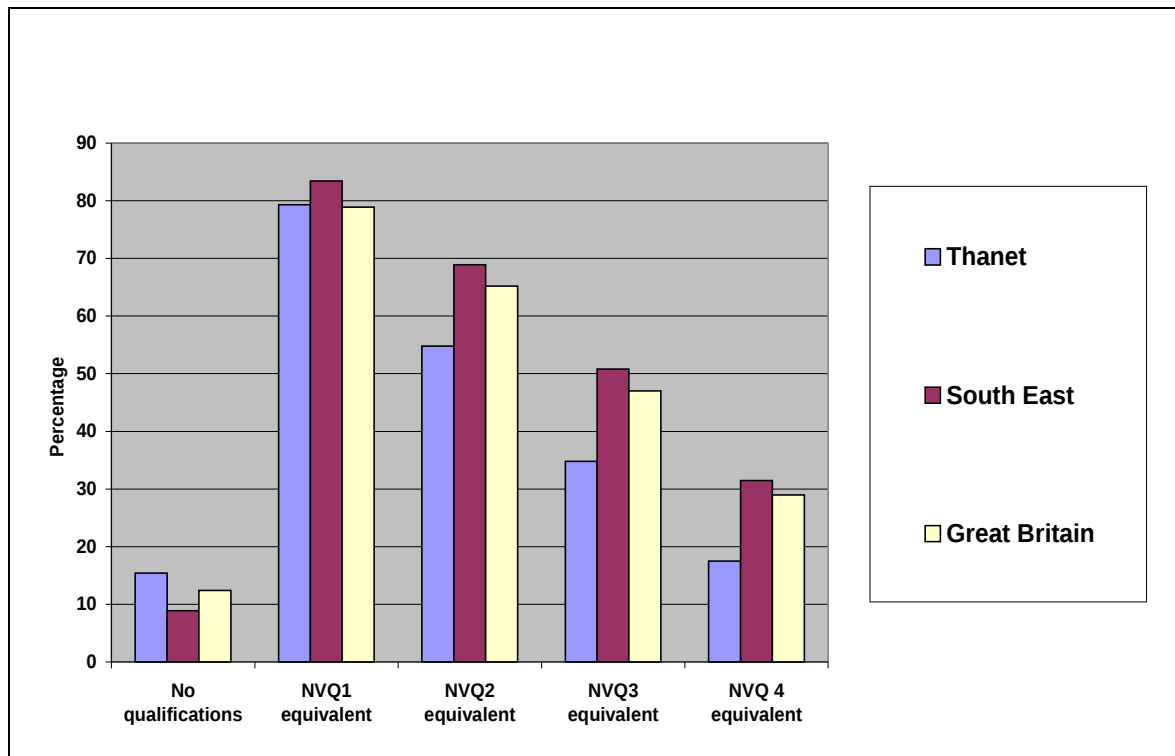
**Table 3 - Total Number of Claimants (%)**

	Aug-99	Aug-00	Aug-01	Aug-02	Aug-03	Aug-04	Aug-05	Aug-06	Aug-07	Aug-08
<b>Thanet</b>	21.1	20.1	19.2	19.5	19.4	18.9	19.5	19.5	19.2	19.7
<b>South East</b>	9.8	9.4	9.1	9.8	9.8	9.7	9.7	9.9	9.6	9.9
<b>Great Britain</b>	15.8	15.2	14.8	15.3	15.1	14.7	14.5	14.5	14	14.2

Source: NOMIS

- 2.16 The districts population suffers from poor skills levels. In 2008 nearly 15% of the population had no qualifications (Figure 4). This has shown a marked increase since 2001, where over twice as many people in the district had no qualifications. Thanet's performance is significantly worse than that of the South-East and Great Britain, with only 18% of people attaining the equivalent of NVQ4 qualifications.
- 2.17 Furthermore, in 2007 only 56% of pupils achieved five or more GCSEs at A\* - C grades, this is significantly less than Canterbury (65%), Shepway (63%) and Dover (70%).

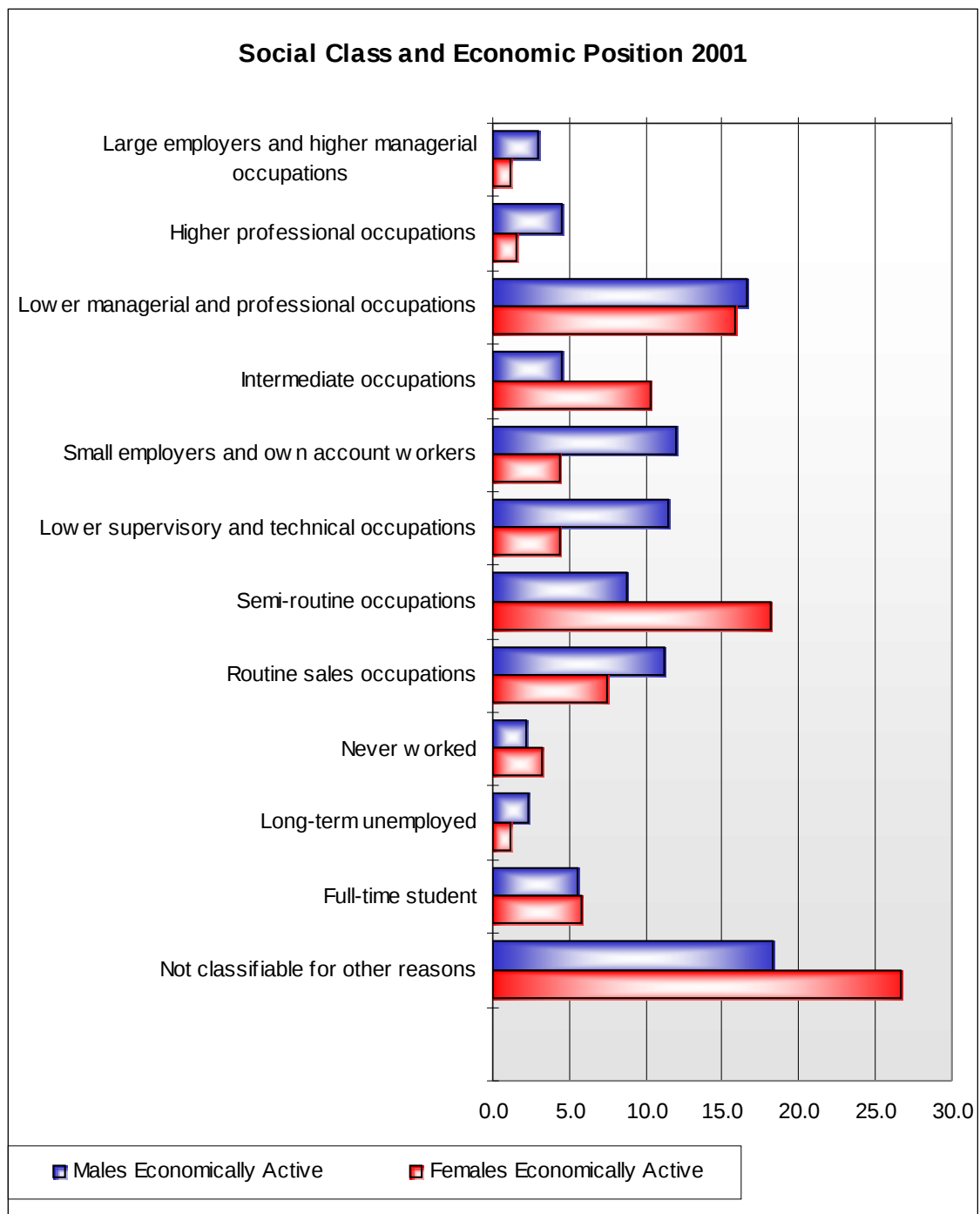
**Figure 4 - Qualifications of Thanet Residents Compared to the South East and Great Britain**



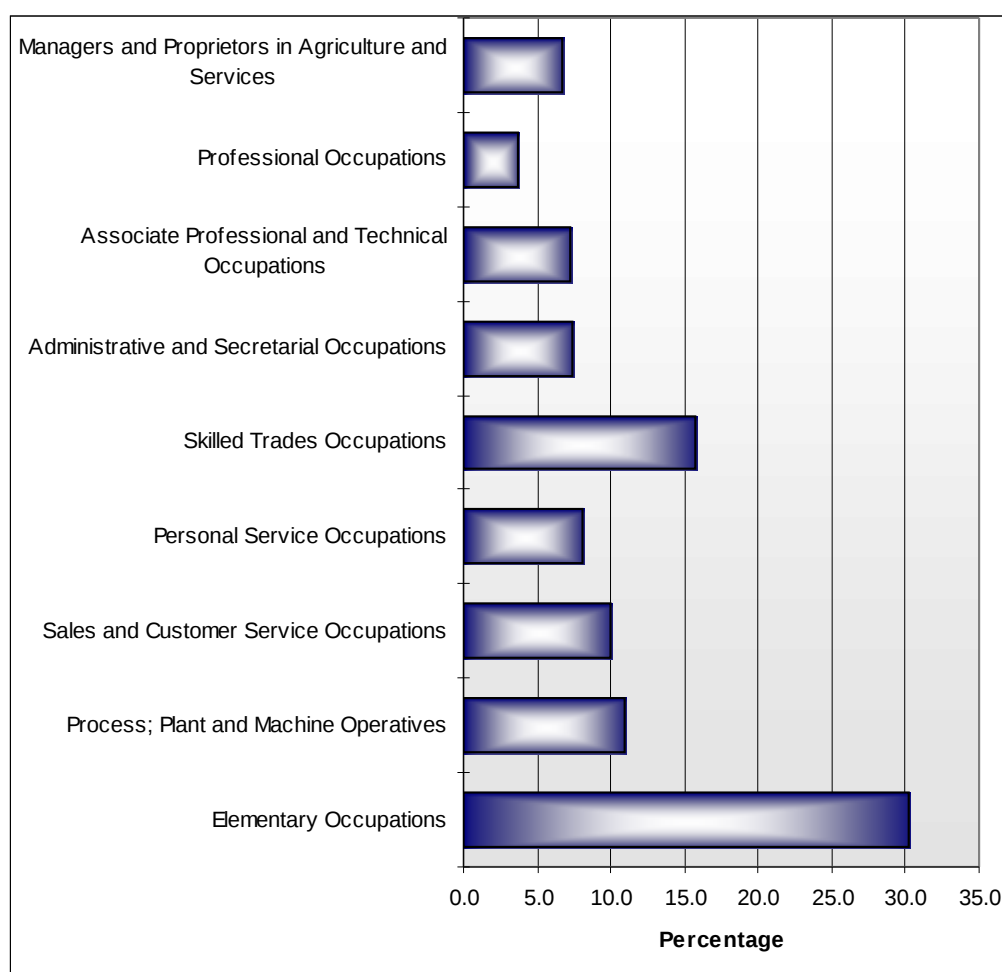
Source:

- 2.18 The labour supply for the district is generally low skilled, and the majority of the resident population are therefore employed in low skilled jobs, with less than 10% of people employed by large employers, higher managerial occupations and higher professional occupations, and the greatest proportion employed in lower managerial and professional occupations and semi-routine occupations (Figure 5).
- 2.19 Unemployment by usual occupation shows the greatest demand for elementary occupations, and skills trades occupations, indicating that there is a shortage of these types of jobs, and that the resident population of Thanet are seeking in the majority, low skilled jobs. (Figure 6)
- 2.20 The current lack of skilled workforce in the district is a major concern and needs to be addressed in order to decrease the levels of benefit dependency, create an appropriately skilled workforce in order to attract major inward investment.

**Figure 5 - Social Class and Economic Position of Thanet Residents**



**Figure 6 - Unemployment by Usual Occupation**



## Labour Demand

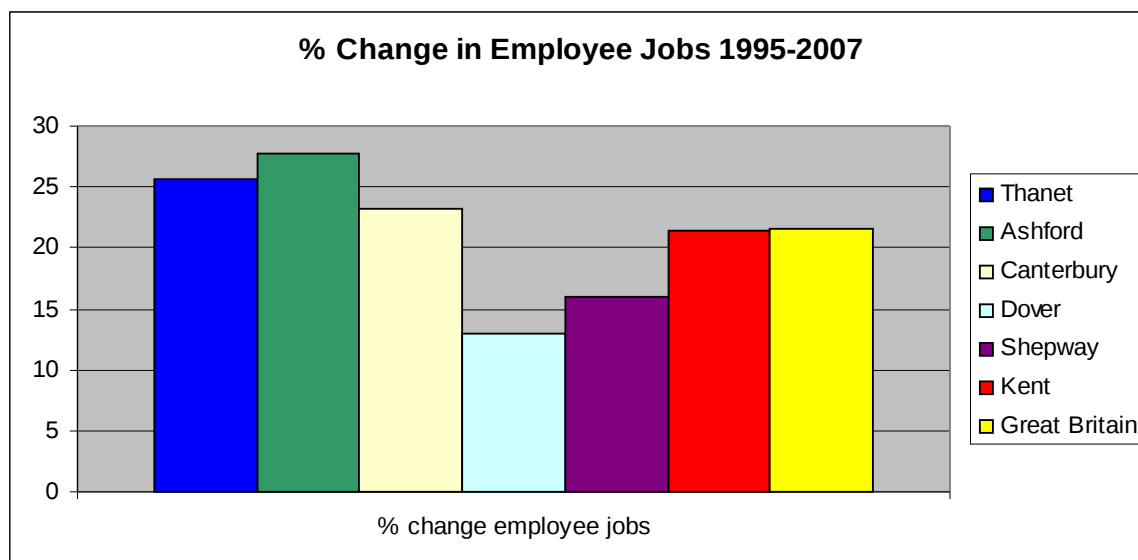
**Table 3 - Number of Employee Jobs**

	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>Thanet</b>	34,100	32,600	38,200	37,200	36,600	38,300	40,600	38,900	39,800

\* The number of employee jobs is the number of jobs held by employees and excludes self-employed, government-supported trainees and HM Forces, so this count will be smaller than the total jobs figure shown in the Jobs density totals, which in 2006 was 47,000 jobs.

- 2.21 The number of employee jobs in the district has been increasing over the past 10 years, up to a total of 39,800 in 2007. Whilst there has been a decrease in employee jobs since 2005, the increase since 1995 represents a 25.7% change. This corresponds to a greater percentage job growth than Kent and Great Britain as a whole, and greater than Thanet's neighbouring districts of Dover and Canterbury.
- 2.22 Job density statistics shown in Table 4, demonstrate the ratio of total jobs to working age population. The most recent data is from 2006, but nevertheless illustrates an increase in job density; however Thanet still performs relatively poorly in comparison to the south-east and other districts in East Kent.

**Figure 7 - Comparison of Percentage change in Employee Jobs 1995-2007**



Source: NOMIS

**Table 4 - Comparison of Job Density**

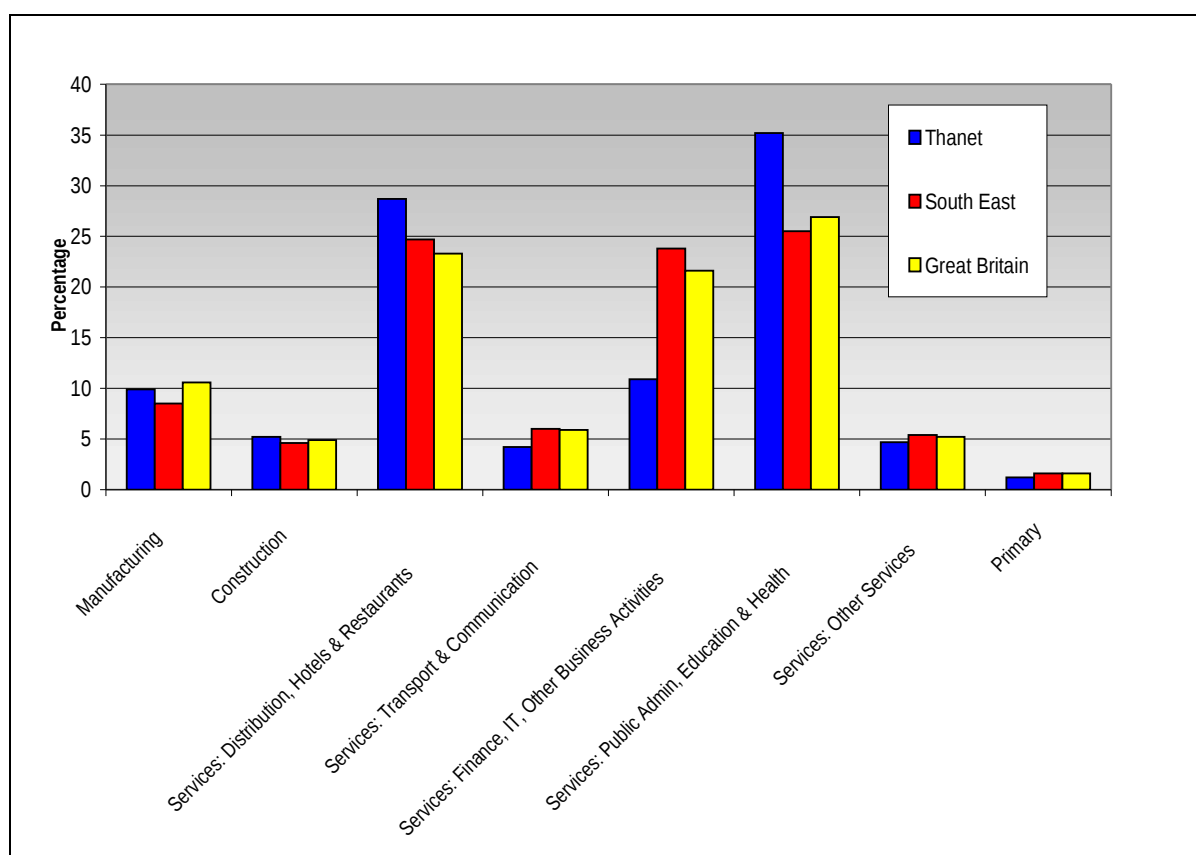
	2000	2001	2002	2003	2004	2005	2006
Thanet	0.56	0.67	0.66	0.69	0.67	0.69	0.65
South East	0.88	0.87	0.88	0.87	0.86	0.88	0.89
Ashford	0.77	0.88	0.89	0.88	0.88	0.86	0.85
Canterbury	0.75	0.80	0.80	0.79	0.76	0.77	0.75
Dover	0.70	0.72	0.78	0.79	0.73	0.74	0.73
Shepway	0.67	0.75	0.78	0.73	0.70	0.73	0.69

Source: NOMIS

2.23 In terms of the distribution of employee jobs across the SIC broad industrial groups, Public Admin, Education and Health account for the greatest proportion of jobs (35.2%). This is an over-representation compared to the South-East and Great Britain by approximately 10%. Similarly is the proportion of jobs within the Distribution, Hotels, and Restaurants industries (28.7). In contrast, Thanet has an under-representation of jobs in the Finance, IT and other business activity industries at only 10.9%, this is over 10% less than the South-East and Great Britain. The proportion of jobs in the construction, tourism and other services is similar to the south-east and Great Britain, and the Manufacturing industry shares a greater proportion compared to the South-East but less than Great Britain as a whole, with manufacturing employment now accounting for 9.9% of all Thanet jobs.

2.24 Since 1995 there has been a significant increase in the number of employee jobs in the construction industry within the district, with a 122.6% increase, but the industry still only provides for 5.2% of jobs in Thanet. Whilst growth in this sector is evident across the region and country, this is a significantly greater percentage increase compared with Kent as a whole, Dover and Canterbury. Canterbury in fact showed a decrease in the number of jobs in this sector. Growth is also evident in distribution, hotels and restaurants (52.1%), banking, finance and insurance (39.4%), and public administration, education and health (21.7), with the growth of the latter being very much in line with the rest of the region and Britain as a whole. Growth in the distribution, hotels and restaurant sectors is slightly higher than other districts in the region, but relative to Great Britain as a whole shows much greater growth.

**Figure 8 - Key Sectors of Employment 2007**



Source: Nomis

- 2.25 The sectors that have shown a decrease in employee jobs since 1995 are the primary industries<sup>1</sup> (-23.6%), manufacturing (-19.6%) and transport and communications (-9.7). The decline in primary industries is greater in Thanet than the rest of the region and Great Britain as a whole, however the decrease in manufacturing has not been as great as in other areas, in contrast, Dover shows a percentage increase in the manufacturing industry. In terms of transport and communications, this has seen a growth across Great Britain as a whole, but east Kent appears to be suffering from a decline in this industry compared to the rest of Kent.
- 2.26 It is worth noting that only approximately 30% of employment in the district is provided by B-Use Class jobs, and this needs to be considered when determining future land requirements.

## Tourism and the Creative and Cultural Industries

- 2.27 Thanet has been a traditional tourist destination for over 200 years, and culture and tourism plays an important role in the economy of Thanet. Tourism began to grow from the mid 19<sup>th</sup> Century, until the industry began to decline from the 1950s, due to foreign package holidays. This has had a significant impact upon Thanet's economic position. Since the 1990s, there has been significant concentration on the area's culture and heritage as a way to regenerate the area.
- 2.28 Many people in Thanet are currently employed in culture and tourism based jobs. The tourism sector is estimated to support 4,481 actual jobs (Thanet Tourism Economic Impact Estimated 2003)<sup>2</sup>, whilst a further 1078 are supported through indirect expenditure.<sup>3</sup>

<sup>1</sup> Industries that produce raw materials and exploit natural resources such as minerals, forestry and farming.

<sup>2</sup> "A naturally vibrant Isle" Culture Matters - Thanet District Council's Cultural Strategy (February 2008)

<sup>3</sup>

**Table 5 - Volume and Value of Tourism to Thanet**

	(1998)	(2000)	(2003)
Staying Trips	<b>545,000</b> (equiv. to 2.1m. nights)	<b>518,000</b> (equiv. to 2.16m. nights)	<b>497,000</b>
Direct Tourist Expenditure Generated by Visitor Nights	<b>£79.45 million</b>	<b>£85.56 million</b>	<b>£84.42million</b>
Day Visitors	<b>2.19 million</b>	<b>2.60 million</b>	<b>2.23 million</b>
Direct Tourist Expenditure Generated by Day Visitors	<b>£35 million</b>	<b>£44.96 million</b>	<b>£54.1million</b>

*Source: Cambridge Economic Impact Model 1998 & 2000, Tourism SE Research unit 2003*

- 2.29 Table 5 indicates the total number of day and night trips taken to Thanet, indicating that in 2003, it contributed £140 million to the local economy.
- 2.30 In relation to the creative and cultural industries, research has estimated that in Thanet this industry already employs nearly 800 people, around 2% of the total workforce, in 148 predominantly small businesses.<sup>3</sup>
- 2.31 Major investment in cultural regeneration over the last decade has also helped to improve and transform the area, improving the tourist experience, image of Thanet and encourage businesses to locate and families to move into the area.
- 2.32 Major investment in the creative and cultural industries in Margate has helped to create a cultural quarter in Margate's Old Town, which is continuing to develop and grow. Plans for the Turner Contemporary form a significant part of the regeneration focus of the town, and the prospect of a major new art gallery is already attracting new investments, businesses and residents to the area. The area is home to galleries, art workspaces, residential studios and new commercial facilities such as the former Lloyds Bank building which is now the Margate Media Centre which provides accommodation and facilities for creative businesses.

#### *Retail and Leisure*

- 2.33 The retail and leisure industry is an important sector within Thanet, especially since the opening of Westwood Cross, these sectors employ approximately 26% of Thanet's workforce. With 1,023 businesses employing 9,926 people, 4 of which employ over 200 employees. Within this 33% work in 'retail sale in non specialist stores, 20% in 'other retail sale of new goods in specialist stores', 12% work in 'restaurants' and 11% in 'bars'.<sup>1</sup> These sectors have seen strong growth in recent years.

#### *Health and Social Care*

- 2.34 Health and Social Care industries also contribute significantly to employment opportunities in Thanet, employing approximately 20% of Thanet's workforce. These include employment in hospital activities, and social work both with and without accommodation. The growing policy towards care at home, and changing preference to remain at home as long as possible, provides particular opportunity for future growth in this sector.
- 2.35 Table 6 shows percentage of all persons in employment by occupation, this indicates where the jobs are available. Comparing this to the rest of the South-East, there are fewer people working in Managerial and Senior Officials occupations, professional occupations, with a greater proportion working in skills trades occupations and elementary occupations.

<sup>3</sup>

<sup>1</sup> Thanet Economic Growth and Regeneration Strategy. Strategy Report. SQW and BBP Regeneration



**Table 6 - Occupations Classified by SOC 2000 (July 2007 – June 2008)**

<b>Occupation</b>	<b>Thanet (%)</b>	<b>South East (%)</b>	<b>Great Britain (%)</b>
Managers and Senior Officials	15.8	17.3	15.4
Professional Occupations	10.2	14.8	12.9
Associate Professional & Technical	14.1	15.4	14.6
Administrative & Secretarial	7.7	11.4	11.6
Skilled Trades Occupations	13.6	10.3	10.8
Personal Service Occupations	10.5	7.8	8.1
Sales and Customer Service Occupations	8.2	7.2	7.6
Process Plant & Machine Operatives	6.1	5.3	7.2
Elementary Occupations	13.8	10.4	11.5

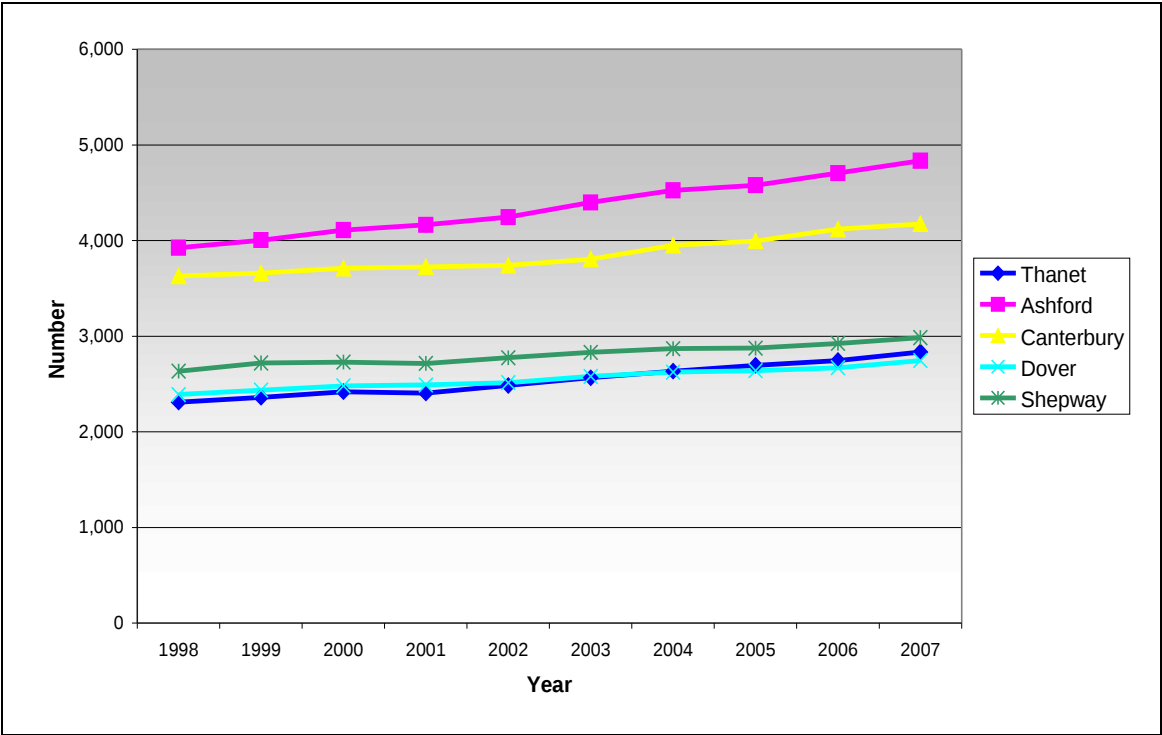
*Source: ONS*

### **Businesses in the District**

- 2.36 The total number of VAT registered business in the district has increased by 22.7% between 1998 and 2007. This is a greater percentage increase than the south-east (19.7%) and Great Britain (18.4%), and many of the other districts in East Kent, with only Canterbury having a higher percentage increase of 23.2%. This suggests above average entrepreneurial activity locally, and the need to support the start-up of indigenous companies. In 2007 there were 305 registrations and 215 de-registrations of businesses in the District, leaving a total stock of 2,835 businesses. (Figure 9).
- 2.37 There are very few major employers in Thanet, with over 65% of businesses employing between 1-4 people. Out of a total of 4,000 firms, only 100 firms employ more than 100 people. (Figure 10). The largest companies in the district include Thorley Taverns, Cummins, Piper Windows, Thanet Earth and Tesco's. Public Sector organisations such as the NHS and Local Councils employ a significant number of residents. Located just outside the district at Sandwich is Pfizer which is East Kents only major single-site employer, which employs approximately 4,900 people, of which some 40% are Thanet residents.<sup>1</sup>

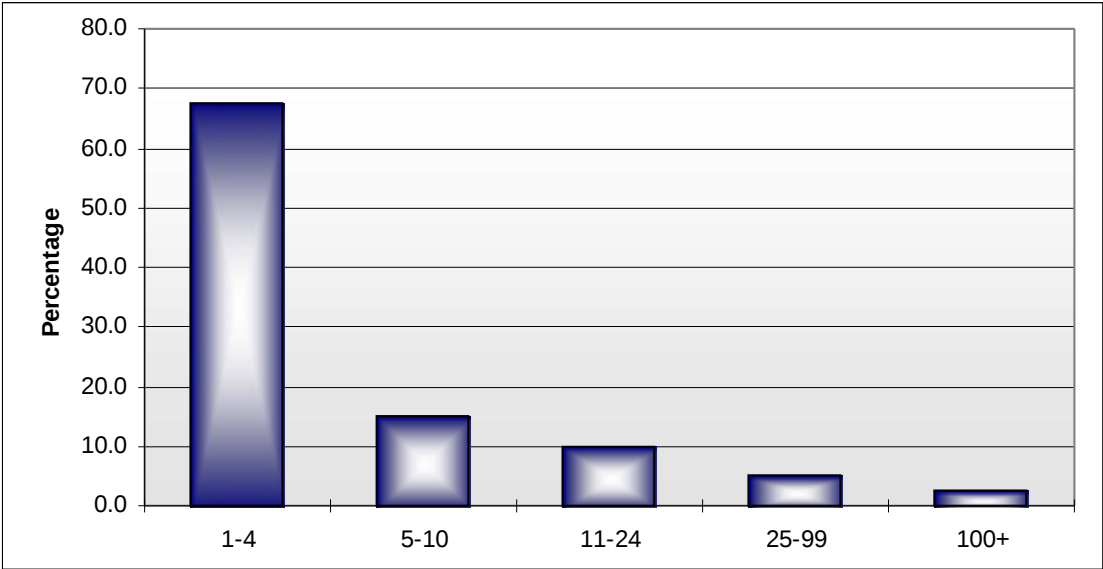
**Figure 9 - A Comparison of Total Stock of VAT registered businesses**

<sup>1</sup> Thanet Economic Growth and Regeneration Strategy. Strategy Report. SQW and BBP Regeneration



Source: NOMIS

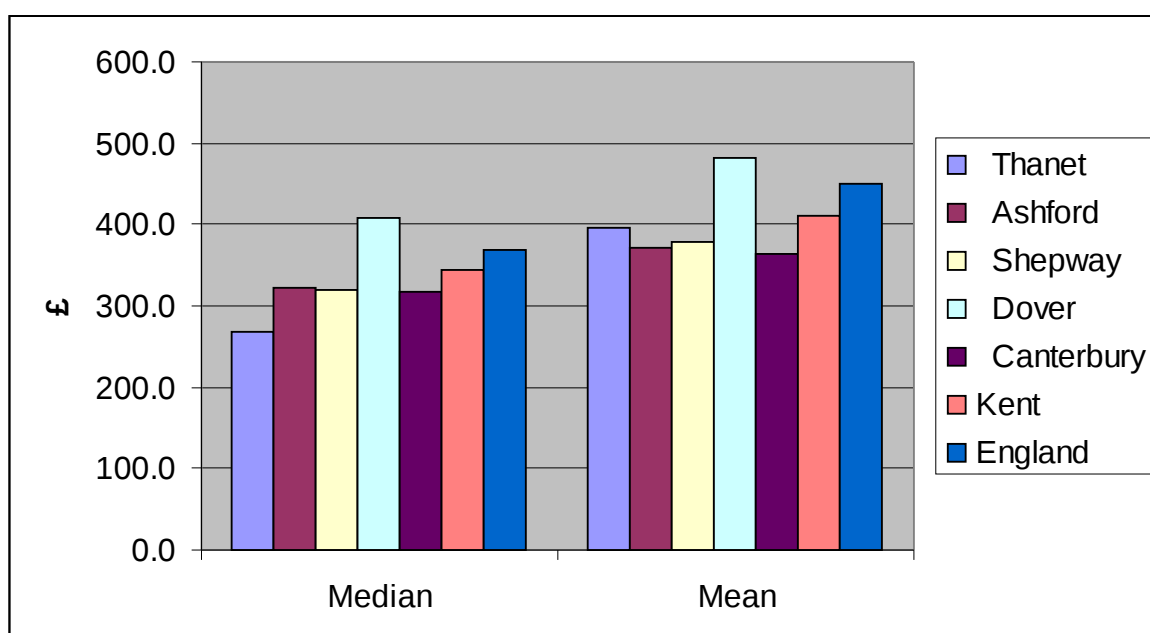
Figure 10 - Firm size by employee numbers (%)



Source: ONS – Annual Employment Survey (factored)/Annual Business Inquiry

Wage Levels

Figure 11 - Median and Mean Wage Level 2008



Source: Annual Survey of Hours and Earnings, Office for National Statistics.

- 2.38 Figure 11 shows the median and mean wage levels by workplace for different districts across Kent, Kent as a whole and England, in 2006. Median earnings can provide a better measure of average earnings as they are not influenced by extreme values. Thanet has the lowest median wage level in Kent at £268.4 per week.

### Government and European Funding

- 2.39 Thanet benefits from having Assisted Area Status. Through the Grants for Business Investment (GBI) scheme the aim is to assist businesses to increase productivity by funding capital investment in equipment and technology. It is for businesses looking to expand, modernise, rationalise, diversify and increase productivity in order to maintain or establish sustainable growth and provide skilled jobs. Thanet is a Tier 2 area where any size of business can access the grant, with a possible 15% more funding available than a Tier 3 area. It is important that the District maximises the potential of its Area Assisted Status in order to promote inward investment and support the growth of indigenous companies to achieve economic development.
- 2.40 Under the European Structural Fund Thanet has Objective 2 Status which enables the district to benefit from the European Competitiveness Grants through a bidding process and qualifies for Interreg Funding which is dependent on having partners in two other European Regions outside of the UK.

## Key Findings and Recommendations

- Thanet exhibits severe social and economic problems.
- Thanet's peripheral location and the characteristics of its resident population have resulted in a poor economic base and high levels of unemployment.
- Competition from other areas in closer proximity to London is prevalent and problematic.
- Thanet's labour force exhibit low skills and qualification levels.
- Wage levels are relatively low.
- Employment opportunities rely heavily upon the public sector, hotels and restaurants sectors.
- Manufacturing whilst declining, still accounts for 10% of employment
- There are few major private companies and a low proportion of people employed in the knowledge based sectors.
- 30% of employment is provided in B-Use Class jobs.
- Potential future growth has been identified in the tourism and creative and cultural industries
- There are insufficient job opportunities to supply to resident workforce.
- The number of registrations of new businesses is relatively high and increasing annually. It is essential that opportunities exist to support their growth.
- Both the poor labour supply and labour demand need to be addressed in order to tackle the low level of economic performance in Thanet.
- Advantage must be taken of the following positive factors:
  - o Kent International Airport
  - o Access to Europe, proximity to Dover and Port of Ramsgate
  - o New High Speed Rail Link
  - o Thanet's Area Assisted Status and Objective 2 Status
  - o Positive natural and built environments

## 3 Planning Policy and Guidance Context

### Introduction

- 3.1 The policy and guidance documents that need to be considered in carrying out the Employment Land Review, include Planning Policy Guidance 4: Industrial, Commercial Development and Small Firms, the draft Planning Policy Statement 4: Planning for Prosperous Economies and the Regional Spatial Strategy (SE Plan). The Regional Economic Strategy and the East Kent Sustainable Community Strategy are also relevant.
- 3.2 This chapter also includes a summary of existing Local Plan policies that relate to employment land, and a critical review of their success.
- 3.3 The Council's Corporate Plan and Economic Growth and Regeneration Strategy are also considered to be relevant and will be summarised here.

### Planning Policy Statement 4: Planning for Sustainable Economic Growth (PPS4)

- 3.4 PPS4 relates to all economic development and is relevant to the production of this Employment Land Review and the economic objectives for Thanet within the Local Development Framework.
- 3.5 PPS4 refers to economic development as development in the B Use Classes, public and community uses, main town centre uses and other development which provides employment, generates wealth or produces economic output or product. The ELR concentrates on employment land for the B Use Classes, but the need for other employment generating uses should be considered.
- 3.6 The document advises that the detailed need for land and floorspace for economic development should be assessed over the plan period.
- 3.7 An assessment of the existing and future supply of land available for economic development is required, ensuring that all existing site allocations for economic development are re-assessed in light of the policies in the PPS. Land should be safeguarded from other uses, a range of sites identified, to facilitate a broad range of economic development, including mixed use. Existing site allocations should not be taken forward without evidence of the need and reasonable prospect of their take up during the plan period. If there is no reasonable prospect of a site being used for economic use, the allocation should not be retained and wider economic uses or alternatives should be considered. It is recommended that any reviews of land for economic development should be done at the same time as the strategic housing land availability assessment.
- 3.8 The development plan must set out a clear economic vision and strategy to positively and proactively encourage sustainable economic growth, having regard to areas of high deprivation. The plan should support existing business sectors, and identify potential for new or emerging sectors. Policies must be flexible to accommodate sectors not anticipated and allow quick response to changing circumstances and plan positively for the location, promotion and expansion of clusters or networks of knowledge driven or high technology industries.
- 3.9 Development should seek to make the most efficient and effective use of land, prioritising previously development land which is suitable for re-use, and reflects requirements of businesses, such as size of site, quality, access and proximity to markets and workforce.
- 3.10 Office use is considered as a main town centre use and should therefore be concentrated within or on the edge of existing town centres. An assessment of the capacities of existing centres to accommodate development should be carried out.
- 3.11 Sustainable transport and other infrastructure needed to support planned economic development should be planned for. The means of delivering sites for different business types should be considered.

**Regional Spatial Strategy: South East Plan**

- 3.12 The South East Plan recognises that there are concentrations of severe deprivation and exclusion remaining throughout the region, particularly in the east and coastal areas, which have the lowest levels of employment growth. In coastal areas the resident full time labour force continues to significantly outnumber the workplaces resulting in considerable out-commuting.
- 3.13 At a regional level, it is forecast that the total employment is to rise by between 600,000 and 740,000 (to 2026) depending on the forecasting scenario used. The main growth is expected to be in business and services, leisure, retail and restaurants and hotels services, with the main decline being seen in manufacturing. Regionally there is an increase in demand for employment sites for office and retail and less for industrial land.
- 3.14 Six key sectors for future growth are identified in the RSS; digital media, marine technologies, health technologies, environmental technologies and services, built environment and aerospace and defence. *Policy RE2: Supporting Nationally and Regionally Important Sectors and Clusters* emphasises the importance of supporting nationally and regionally important sectors and clusters. The policy requires local authorities to carry out regular employment land reviews and to identify sectors and clusters which enjoy competitive advantage within the local area to ensure that opportunities exist for their expansion. There is also a need to identify the potential for new sectors and clusters to ensure that opportunities are available for their development. Land and premises need to be available to meet the specific requirements of these sectors, and local assets should be enhanced, developed and promoted to facilitate their development.
- 3.15 The RSS suggests a number of interventions at a sub-regional and local level including:
- 1) the provision and safeguarding of land in appropriate locations
  - 2) the provision of premises of an appropriate type, size, price and quality
  - 3) the provision of advanced ICT infrastructure
  - 4) the improvement and exploitation of other assets in the local area
  - 5) non-land use interventions such as sectors skills programmes, business support, marketing initiatives to attract inward investment, the establishment of centres of excellence, and strategies to establish and enhance networks between businesses and sectors.
- 3.16 *Policy RE3: Employment and Land Provision* requires that a range of employment sites and premises are provided to support the local economy. Emphasis is placed upon the need to provide a flexible supply of land to meet the varying needs of the economic sectors.
- 3.17 Local Authorities shall carry out regular employment land reviews, which will include reviewing all extant allocations of employment land for their suitability to meet future needs. It suggests that where land cannot be economically developed, or which for other reasons is not suitable for employment purposes, alternative allocations may need to be made and the original land reallocated for alternative purposes. Employment land supply policies should provide for a range of sites and premises to meet more general needs in locations based upon the following criteria:
- i) sites are or will be accessible to the existing and proposed labour supply
  - ii) there should be efficient use of existing and underused sites and premises, through increasing the intensity of use of accessible sites
  - iii) there should be a focus on urban areas
  - vi) sites should be located to promote the use of public transport
- It recommends that accessible and well-located industrial and commercial sites should be retained where there is good prospect of employment use.
- 3.18 This needs to be carefully assessed in terms of the local economy and provide for sectors and types of firms which exist and are suitable to the area, including warehousing, offices and light and general industrial uses. Economic diversity should be supported through the promotion of SMEs, business in rural locations, and an increase in business services, retail, restaurants, hotels and leisure uses.

- 3.19 There is an increasing need to protect the best industrial land as well as making the most efficient use of existing and surplus industrial land. The plan needs to offer a high quality portfolio of sites to meet the needs of growing sectors and to attract inward investment. Sites should be adequate in quantity and high quality, and be adaptable to a broad range of employment uses, current and future requirements, and provide for flexibility and better use of land.
- 3.20 The RSS recognises that a highly skilled, flexible and adaptable labour force is the foundation for the future competitiveness, productivity and prosperity of the region. *Policy RE4: Human Resource Development* emphasises the need to work jointly with the business sector and training providers to deliver programmes to ensure that the skills provision meets business requirements and that the workforce has access to and can benefit from new job opportunities. This is particularly relevant for Thanet, where the labour force is generally low skilled.
- 3.21 The principles of smart growth are encouraged, whereby economic growth should not require importing of extra labour or use of extra land. *Policy RE5: Smart Growth* states that particularly in coastal areas there is a need to assist more people to join the labour force by removing barriers to work and enhancing skills levels.
- 3.22 *Policy RE6: Competitiveness and Addressing Structural Economic Weakness* focuses on enabling every region to perform to its full potential in both economic and employment terms. There is a need to address the inter-regional disparities and structural weakness, to focus on releasing the untapped potential of the area, concentrating on the economic dynamism generated by the urban areas, and developing new futures for coastal towns to exploit and enhance the advantages of their location.
- 3.23 This is particularly relevant for Thanet, which is an area of severe economic and social deprivation. Priority should be given to allocating land for delivering economic development, protecting sites for industrial and commercial uses where there is a good prospect of employment use, consider upgrading or improving existing sites and working to overcome barriers to delivering sites, including identifying infrastructure planned and necessary to support economic growth.
- 3.24 The South East Plan identifies Thanet within the East Kent and Ashford sub-region. At present none of the coastal towns offer a wide choice of employment types. *Policy EKA1: Core Strategy* states that the sub-region should exploit the potential for housing and business at locations served by the CTRL domestic services, especially Ashford. It indicates that, as a Growth Area, Ashford should develop as an office, research and business node, providing market growth for the sub-region as a whole.
- 3.25 The coastal towns are identified as being of major strategic importance and are encouraged to develop their international gateway roles and diversify and enlarge their research and manufacturing base. Employment growth at Ashford should not divert private and public investment away from coastal areas or occur at the expense of the coastal regeneration areas, but rather provide a positive relationship.
- 3.26 Interim job numbers provided in the Plan suggest that 50,000 new jobs are to be created in the sub-region by 2026, and provision needs to be made for this growth in new economic activity.
- 3.27 The RSS identifies Thanet as a major urban area in the sub-region which requires a much larger economic base. *Policy EKA4: Urban Renaissance of the Coastal Towns* states that the economy of Thanet will be developed and diversified through provision of a full range of accessible local services, a regional role for Kent International Airport (Manston), expansion of Port Ramsgate as Kent's second cross-channel port and continued inward investment in manufacturing and transport, notably in aviation and marine engineering. The Sandwich Corridor, on the edge of Thanet in the neighbouring district of Dover, which is currently the base for the large pharmaceutical company Pfizer, should grow as a manufacturing and research area.
- 3.28 *Policy EKA5: The Gateway Role* recognises that the growth of gateways should be supported as catalysts for economic development. Kent International Airport should become a catalyst for economic development and growth as a major passenger terminal, and the large land reserves within and adjacent to this should remain available for ancillary and related activity.

- 3.29 *Policy EKA6: Employment Locations* requires Local Development Documents to confirm the broad scale of new business and related developments already identified and need to give priority to the completion of major employment sites. The amount of employment land provided in East Kent should be generous where growth is concentrated and where the local economy is most urgently in need of regeneration.
- 3.30 The South East Plan indicates that employment land provision needs to be on a scale sufficient to match growth in housing and labour supply and reduce the need to travel long distances to work. There should be provision for new office, manufacturing and service functions, including higher value activity to address current underperformance. A range of readily available sites and premises provided to meet needs of new business start-ups, growing businesses and inward investment should be provided.
- 3.31 The document states that recent increase in employment have been in activities not concentrated on land primarily for business use, or with growth by established firms. The take-up of major sites has been slow. There is therefore a need to consider, not only major business sites, but to provide more widely for new employment locations. Small workshops and business locations in urban areas, plus education and other services, and town centre concentrations of retail, business services, finance and leisure can create important locations for new employment, and should be encouraged. There is also potential in East Kent for a mixed rural economy close to the urban centres.
- 3.32 The existing strategic sites, namely Manston Business Park and Eurokent Business Park in Thanet, provide a major opportunity for inward investment.
- 3.33 In Thanet, the amount of existing employment land, the new Westwood Centre, the potential for growth in aviation and proximity to the major employment site at Sandwich, means major new employment locations are not needed. However, any major new investment proposals which may come forward should not be ruled out.

### **The Regional Economic Strategy (RES) 2006-2016 and the Framework for the Coastal South-East**

- 3.34 The RES identifies three broad economic contours in the South East, with Thanet being located within the Coastal South East. This area has unique environmental assets and a string of distinctive coastal towns and cities, yet is an area that has seen continued economic and social decline. The area of the Coastal South East is identified as having economic underperformance as a result of its relative remoteness, isolation, deprivation, ageing population, transient population, poor quality housing and limited agglomeration advantages resulting from a restricted (180°) hinterland. There is a need to invest in the potential of individuals and areas to lift underperformance by harnessing a range of opportunities including skills progression, innovation and creativity, economic upgrading and culture and leisure-based growth.
- 3.35 Figure 12 identifies three main priorities for the Coastal South East. These include priorities for the creation of high quality places to live, work, learn and invest by investing in urban renaissance, redeveloping and regenerating key town centres to stimulate development of local economies, whilst supporting enterprise and the creation of a wide variety of businesses. Additionally, creating a competitive coast with a strong economy and an inclusive and connected coast with confident and ambitious communities and businesses. There is a need to raise the quality on offer to visitors, release the enterprise potential of the creative industries, leisure facilities and visitor economy and expand the cultural offer. The CTRL, HS1 service needs to be exploited to overcome the relative geographical isolation and attract new high value business, additionally connectivity needs to be improved along the coast and with key hinterlands and London.

### **Figure 12 - Advancing the Vision for the Coastal South East: Framework Policies**





Source: Coastal South East: A Framework for Action

- 3.36 In particular relation to employment land provision, the strategy advises that sufficient employment land must be provided through the redevelopment of brownfield land and refurbishment of existing stock, to provide new and flexible employment space.
- 3.37 The strategy indicates the need to raise educational attainment and aspirations, including a comprehensive approach to enterprise education and improved access to higher and further education. Furthermore, improved access is needed to workplace learning for low-skilled, low-paid, low-status workers to enable labour market progression, and strategies are needed to bring the economically inactive back into work and training.

#### East Kent Sustainable Community Strategy

- 3.38 The Sustainable Community Strategy for East Kent is a fundamentally important document which sets out a clear, long-term vision for the future of East Kent over the next twenty years and outlines the steps that will need to be taken in order to make this vision a reality.
- 3.39 The key visions for East Kent is that it will take pride in educational excellence that supports ambition, achievement and skills, for the workplace and beyond, and economic enterprise that is confident, resilient and with the support of local higher and further education institutions, innovative enough to seize opportunities presented by new markets and emerging technologies. Provide for fairer, stronger and healthier communities, a high quality, integrated transport network, a distinctive profile as a visitor destination and a priceless asset of its unique natural environment and a commitment to protect it for future generations.
- 3.40 In terms of those visions relevant to this Employment Land Review and development of economic policies, one of the key themes is the economy. This theme states that East Kent will have a thriving and diverse local economy, well adapted to the needs and character of the area and drawing upon:
- A living environment of unparalleled quality
  - Strong academic and vocational foundations, with robust links to local business needs
  - A range of employment sources blending both the well-established and the newly emerging
  - Pioneering research and development work undertaken by higher education institutions and Pfizer UK
  - Flexible planning structures that allow a swift business response to changing economic conditions.

- 3.41 The vision to create East Kent as a hub of an expanded transport network integrating unique rail, air, sea and road connectivity, should bring prosperity to East Kent and also link the UK to Europe. This includes the potential expansion of Kent International Airport, and the introduction of the High Speed Rail Link
- 3.42 Tourism is identified as a key economy for future employment in the area, and suggests that boosting visitor numbers, average expenditure and length of stay, could support an additional 10,200 jobs in the tourist economy. The strategy recognises that tourism jobs can be characterised by low skills, low wages and seasonality, but suggests that there is an opportunity to exploit tourism as an entry point to the labour market, functioning as a skills escalator. The strategy suggests that local authorities will be encouraged to allow more employment land for food and drink establishments and accommodation, with particular focus on guest houses and B&Bs.

### **Thanet District Council's Corporate Plan**

- 3.43 The Council's Corporate Plan sets the aims and ambitions for Thanet for 2007-2011 across six key themes, one of which is Thanet's Economy. Thanet's economy is identified to be of key importance as it is one of the most economically deprived districts in the south east.
- 3.44 The Corporate Plan has four main objectives for Thanet's economy; thriving coastal towns with unique identities; an integrated transport hub; available employment opportunities; employable workforce.
- 3.45 The plan identifies key pieces of work that are going to be carried out in the next three years, some of which are particularly relevant for this employment land review.
- 3.46 **Thriving Coastal Towns with unique identities:**
- support Margate Renewal Programme, by playing an active role in the Margate Renewal partnership and leading the delivery of key projects
  - develop area action plans for Westwood, Manston, Ramsgate and Broadstairs
  - speed up delivery of the Local Development Framework
  - Secure funding for further regeneration of historic buildings and areas
- 3.47 **An integrated transport hub:**
- work with KIA to agree a masterplan for the airport
  - develop a sustainable business plan to enable the Port of Ramsgate to be successful
  - Work with the transport authorities to develop a plan to improve public transport links in Thanet
  - work with partners to maximise benefits of the high speed rail link
- 3.48 **Available employment opportunities:**
- develop a flexible approach to the management of land owned by the Council and its partners to create employment opportunities
- 3.49 **Employable Workforce:**
- develop the Thanet Works Strategy with partners to deliver the Working Neighbourhood Fund helping local people to be 'work ready'.

### **Economic Growth and Regeneration Strategy**

- 3.50 An economic growth and regeneration strategy report was produced by SQW Consulting and BBP Regeneration for the Council, to provide a framework for Thanet's continued economic growth over the next 10 years.
- 3.51 The report identified some opportunities for future growth, and recommended that future economic policy and strategies within Thanet for the next 10 years should be focused on the following key sectoral 'drivers' where there is real growth potential:
- Creative and cultural industries
  - Retail and leisure
  - Health and social care

- Life sciences / Bio-technology
- Transport and Communications

3.52 The report also recommends some Transformational Interventions which should be taken forward. These include projects relating to:

- Linking areas of excellence within Thanet College/CCCU to entrepreneurial activities
- Identifying and developing business opportunities around Turner Contemporary
- Drawing up Business Plans to develop the area's key creative industry sub sectors
- Development niche retail and leisure offers within the Thanet main towns
- Establishing a cluster of businesses / activity around the bio-technology / life sciences sector
- Capitalising on the opportunities of CTRL domestic – by developing Ramsgate and Margate as a lifestyle choice with quality residential, leisure and retailing offers
- Developing Ramsgate as a centre for alternative energy by capturing the servicing and support for new windfarms in the area
- Developing the highest capacity wireless broadband network as a catalyst to attract businesses and entrepreneurs within the area's key sectors

### Summary and Critical Review of Existing and Past Local Plan Policies

3.53 The weak economy of Thanet has always been a major area of concern for the local planning authority and economic development has been on the top of the agenda. Historically, therefore the provision of sufficient employment land and the encouragement of its development have been key issues in the Development Plan for Thanet. Thanet's Urban Local Plan 1984 stated priority was for *'The Creation of Employment Opportunities: The Council will give top priority in its own spending programmes and budget to the retention of existing jobs and the creation of significant new employment opportunities within the District and to the provision of land or premises and facilities to implement such opportunities'*.

3.54 Land allocated in this plan was only sufficient to meet the requirements for employment land up to 1986, and additional land would only be identified during a review of the Local Plan. The majority of this land comprised the established industrial estates of Pysons Road, Westwood, and Dane Valley, and other smaller industrial estates located within the urban areas. The site at Manston Road, Ramsgate was also identified as a potential employment location.

3.55 In 1987, a Department of Trade and Industry Report and the Kent Impact Study drew attention to the lack of 'quality' employment sites in Thanet. In response, the DTI suggested the establishment of a large business park site. This was chosen to be located on an entirely Greenfield site, adjacent to Manston Airport near to the improving road network. Its location also took advantage of the proximity to the runway and relationship with the port, and was named Kent International Business Park, better known now as Manston Business Park.

3.56 Whilst the site was identified for potential future employment development in 1987, it was not formally allocated in any Development Plan until the Isle of Thanet Local Plan 1998. In the meantime, Cohline were granted planning permission for a factory and had located on the site.

3.57 The Isle of Thanet Local Plan 1998 allocated a significant amount of land for employment development, including Manston Business Park (KIPB), Eurokent Business Park (known then as Rose Farm), Hedgend Industrial Estate, Land at Manston Road, Ramsgate and Thanet Reach Business Park.

3.58 It was considered at the time that KIBP, given the locational and other advantages, would provide the greatest potential to act as a magnet and to 'pull in' investment from outside the area. It was considered that KIBP provided the opportunity to help combat past under performance and provide for the needs of business by offering a unique location, flexibility and a scale and image that would prove attractive to inward investors.

- 3.59 Rose Farm was identified following the analysis of need, and a further land search, and whilst it comprised Grade 1 agricultural land, it was not possible to identify any alternative site of lower agricultural value within/adjacent to the built up area, or ones which would not interrupt the 'sweep' of open farmland nor conflict with important landscape considerations. Rose Farm was identified specifically to meet the needs of small and medium sized firms.
- 3.60 The current Thanet Local Plan 2006 contains two main policies relating to B1, B2 and B8 use employment land supply. Policy EC1 identifies 5 sites within the district that are allocated for future employment development, totalling an area of approximately 135 hectares. These sites were identified within the Isle of Thanet Local Plan 1998, and were carried forward into the Thanet Local Plan 2006. In 2001, as the current Local Plan was developing, approximately 19.24 ha (14%) of the allocated land had been developed.
- 3.61 The Thanet Local Plan 2006 set a vision for the plan period to see the business parks being developed at a much more substantial rate, than had previously been the case, with a wide range of companies and economic activity. Consequently there should be an upturn in economic activity, average earnings and per capita GDP, and unemployment levels in Thanet should reduce significantly towards the Kent averages. This however has not been the case.
- 3.62 Since these sites were originally allocated relatively little development has taken place. Manston Business Park has seen the greatest amount of development, including the development of Cummins Power Generation, Cohline, Invicta Produce, Avia Technical Services and Summit Aviation, however there still remains a significant amount of vacant land (49.7ha), and the expectation for a high quality flagship Business Park has not yet been realised.
- 3.63 Eurokent Business Park also remains predominantly undeveloped (20.5ha). The most significant development that has occurred on this site is the leisure complex at Westwood, which comprises a cinema, casino and variety of restaurants. Employment development that has occurred includes the Saga call-centre, Marlowe Innovation Centre, recent SEEDA development of high-spec office and industrial units, which remain vacant, and a factory which was formerly occupied by Grupo Antolin but now vacant.
- 3.64 Thanet Reach Business Park contains a number of businesses including the Kent Innovation Centre. However, much of the site has been given over to educational purposes with the siting of the Thanet Campus of Canterbury Christ Church University there. In addition a recent planning permission on 3.77 ha of land has been granted for the relocation of Thanet College to the site.
- 3.65 At the present time a total of approximately 53 ha (39%) of land at these three employment sites has been developed, 33.66 ha (25%) of this has been since 2001. The rate of development of these sites has therefore increased, but not by a significant amount. The Local Plan implementation target for this policy aimed for a 75% take up of this land during the Local Plan Period (up to 2011). At the present time (July 2009) the implementation is 36% away from this target. Should the current rate of take-up continue, approximately a further 6-7% of the allocation would be developed by 2011, still 30% below the target of 75%.
- 3.66 Furthermore, it is important to note that a significant element of the development that has occurred has not been for B1, B2 or B8 employment uses as specified within Policy EC1. In fact, a total of approximately 5.88 ha of these allocated sites have been developed for alternative uses, including a cinema, restaurant and casino complex on the Eurokent Site, the Thanet Campus of Christchurch University at Thanet Reach Business Park and an NHS drop-in centre at Manston Road.
- 3.67 Further planning consents have been given for alternative uses, the most significant of which is for the relocation of Thanet College to Thanet Reach Business Park, taking up approximately 3.77 ha of the remaining developable area.
- 3.68 Successive land use plans have allocated generous quantities of employment land in a range of complementary locations in Thanet. While this has been essential to ensure that no investment

opportunity considering locating in Thanet has been missed, the overall take up of land has been disappointing and can be attributed to a number of factors, including infrastructure, peripherality and accessibility, ownership and land banking, and competition. These factors are considered further in the next chapter.

- 3.69 The second policy relating to employment land supply, policy EC12, identifies 19 additional sites that are currently in employment use, and protects them for these purposes. The demand for business premises fluctuates with general economic conditions. Business premises or land should not be lost to alternative uses due to any temporary slackness in demand. In order to conserve the stock and in the interests of facilitating the establishment and expansion of small businesses, Policy EC12 was developed to retain suitable sites for employment uses falling within use classes B1, B2 and B8.
- 3.70 In developing this policy a survey of the District was undertaken, and each employment site identified was assessed in the light of economic development, environmental constraints and highway requirements. These sites were identified as those that were suitable for long term employment use.
- 3.71 This Policy has, in most cases, been successful, and only a very small proportion of land identified here currently has an alternative uses. From a survey completed in May/June 2009 of all the employment sites, approximately 3.27 ha of land were identified to be in a use other than B1, B2, B8 uses (This does not include such uses that have ancillary retail functions and is in addition to that identified above as being used for alternative purposes on Policy EC1 land). 2ha of this land relates to three retail warehouses and 0.08ha housing development, which were both included within sites protected by this policy.
- 3.72 It is estimated that since the policy was adopted in 2006, only 1.18ha has been developed for alternative uses. 1ha of which, was allowed in order to facilitate the relocation of a relatively major company in the district, Silent Gliss, who required larger more modern premises. The other was for an extension to the retail warehouse, mentioned above, which was allowed as it would result in a net increase in jobs on the site.
- 3.73 To measure the relative success of this policy, the amount of land lost on retained land can be compared to the total amount of employment land lost to other uses in the district. The Commercial Information Audits of 2006/2007 and 2007/2008 show a total of 3.96ha being lost between April 2006 and March 2008. This amount includes the 1.18 ha identified above, so there has been an additional 2.76 ha lost, twice as much as on retained land, but over one less year. A further indicator is the amount of land pending losses, which is measured by extant planning consents yet to be implemented. In the 2007/2008 audit this equated to 2.85ha of land, and there are no losses to alternative uses pending on allocated land.
- 3.74 This evidence suggests that the policy has been successful in retaining land for B1, B2 and B8 employment uses.
- 3.75 In addition to the above two policies relating to the supply of B1, B2 and B8 employment land, there are other policies contained within the Thanet Local Plan 2006, which are relevant to this study.
- 3.76 Policies EC2, EC4 and EC5 relate to the Kent International Airport (KIA) at Manston, and the surrounding land. The policies support the growth of KIA which has significant potential to encourage the economic regeneration of Thanet, and East Kent as a whole. Policy EC4 relates to the land north of the runway (the Northern Grass), and is restricted for airside development purposes; for activities that have an operational requirement for direct access to aircraft and therefore dependent on a location immediately adjacent to the runway or capable of direct access to it via taxiways. This allocation, whilst restricted, does provide additional employment land for the district, as well as supporting the development of the airport. Planning permission was granted for a large hanger for aircraft painting, but this has now expired, and a freight building for a Border Inspection Point to facilitate the movement of fresh produce has been built. The only other airside development currently present has been established at the airport for a number of years. This

provides for potential as a general employment site, and will be considered in the appraisal in Chapter 7.

- 3.77 Policy EC6 relates to the Fire Training School/MOD Complex which is located on Manston Road, in close proximity to the airport. The future of Fire Training School facilities around the country is currently under review, and the future use of the site for these purposes is uncertain. This policy therefore seeks to retain the site for commercial use, and supports development which would assist the expansion of the airport, including potential employment uses.

### **Emerging Strategic Objectives**

- 3.78 The timing of this document coincides with the production of Thanet's Core Strategy Preferred Options Consultation Document. The strategic visions and objectives that are emerging out of this document are therefore a relevant consideration. Those which impact upon existing and future employment land are identified here, and the appropriateness of these strategic objectives are considered in Chapter 8 and 9.

3.79 **The Future Role of Westwood**

The current vision for Westwood is for it to develop and consolidate as a successful and complete residential and business community. Whilst the Westwood neighbourhood currently contains a mixture of uses, including retail, leisure and employment, its immediate residential catchment is limited. The current preferred option is therefore to provide additional housing at Westwood, some of which is proposed to be located on land which is currently allocated for employment purposes in the Thanet Local Plan 2006. The Council believes that Westwood provides a highly suitable and sustainable location for new homes.

3.80 **Supporting the Growth of Kent International Airport (KIA)**

The future growth of the airport to one of regional significance is supported as a preferred option for providing economic prosperity in the District, which continues the view of the existing Local Plan. One of the currently preferred options supports the recommendations set out in the Draft Airport Masterplan. These recommendations include the release of the Northern Land, which is currently protected for airside development, for general employment purposes.

## Key Findings and Recommendations

- Policies and strategies should:
  - o be criteria based
  - o safeguard land from other uses
  - o be flexible and adaptable
  - o be able to respond to changing economic circumstances, needs of varying economic sectors, and a range of opportunities
  - o support existing sectors and needs of growing sectors and attract inward investment
- Sites must be economically developable for employment purposes, and likely to come forward in plan period.
- Priority should be given to:
  - o Allocating land
  - o Protecting sites for industrial and commercial use
  - o Upgrading and improving existing sites
  - o Overcoming barriers to delivering sites
- The amount of existing allocated employment land is sufficient, and no major new employment locations are needed. However, any major new investment proposals which may come forward should not be ruled out.
- The economy should be diversified through:
  - o The development of the coastal towns as international gateways
  - o Diversification and enlargement of research and manufacturing base
  - o Providing a regional role for KIA
  - o Expansion of Port Ramsgate
  - o Taking advantage of HS1
  - o Continued inward investment in manufacturing and transport, notably aviation and marine engineering
  - o Providing support for small workshop and business locations
- Thanet is identified as having potential for future growth in the following sectors:
  - o Creative and cultural
  - o Tourism
  - o Retail and leisure
  - o Health and social care
  - o Life sciences / bio-technology
  - o Transport and communications
- A significant amount of allocated land remains undeveloped (~80ha), due to slow levels of take-up
- Land ownership and infrastructure have been constraints to development in the past.
- Simply allocating land for employment purposes has not been enough to encourage development, and other strategies therefore need to be considered to encourage economic development.
- Existing established sites have been successfully retained through policy, which needs to continue to support to the local market.

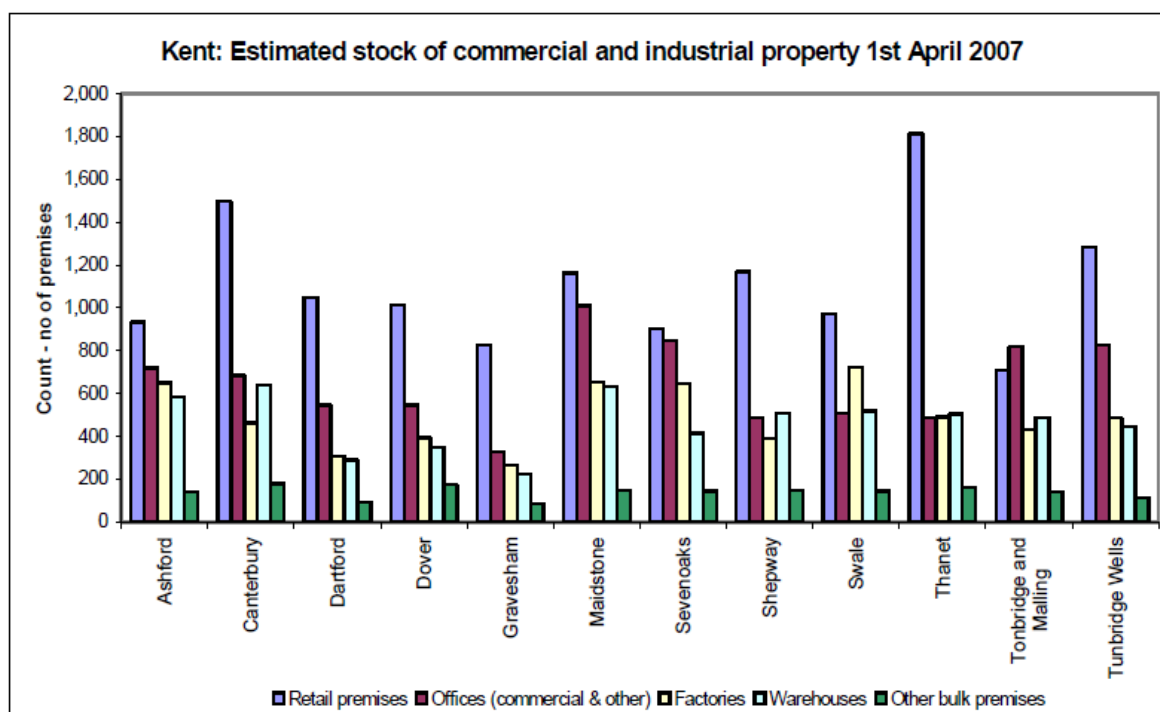
- Non land based policies need to be supported to deal with human resources development, including skills levels and education attainment and aspirations.

## 4 Assessment of Existing Employment Space

### Estimated Stock of Employment premises

- 4.1 The estimated stock of employment premises shows that the number of premises in Thanet is spread evenly across the three main employment uses, offices, factories and warehouses, at approximately 500 premises each. These amounts compare reasonably well with the rest of the districts in the East Kent Area, being greater than the amounts in Dover and Shepway, and not significantly less than that of Canterbury and Ashford. However, in terms of the number of office premises, the majority of other districts in Kent have a greater number of offices than the other employment generating uses, with only Gravesham having a lower stock of office premises, in Kent, than Thanet.
- 4.2 In terms of the amount of floorspace available in the district, in April 2008 there was approximately 100,000 m<sup>2</sup> office floorspace, 335,000 m<sup>2</sup> of factories and 155,000 m<sup>2</sup> warehousing space. The total amount of employment floorspace is the second lowest out of the East-Kent Districts, with only Shepway having less. Like the overall stock, the amount of Office floorspace in Thanet is lower than the other districts, with office accounting for only 17% of the stock in the district. Factories account for 56% of the stock, whilst warehouses account for 26% of the stock.

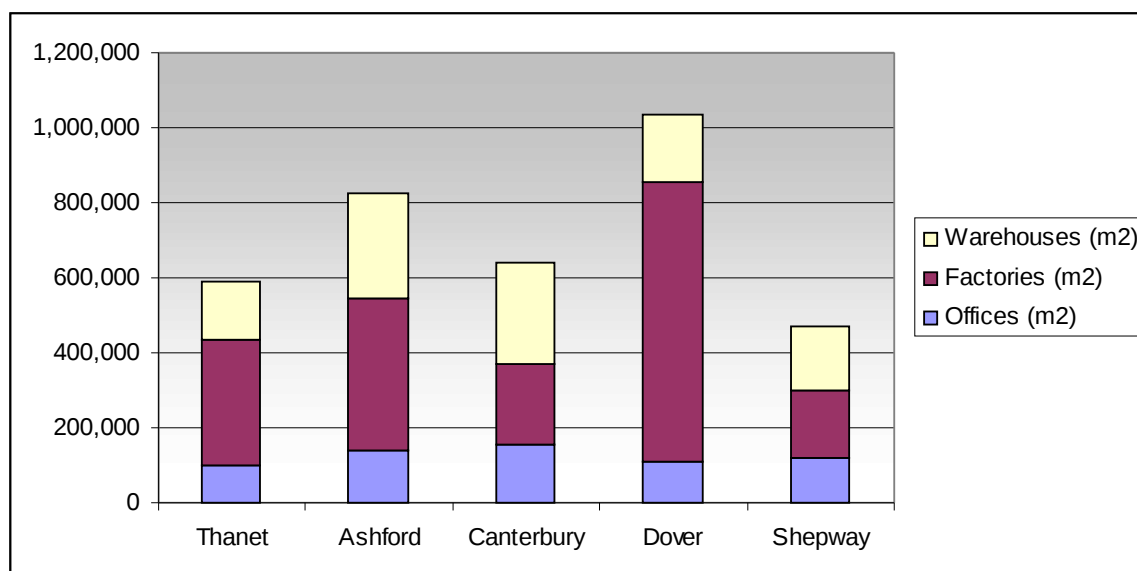
**Figure 13 - Estimated Stock of Commercial and Industrial Property 2007**



Source: Kent (KCC Area) Commercial Information Audit 2007/08 KCC Analysis and Information Team



**Figure 14 - Amount of Employment Floorspace (m<sup>2</sup>)**



### Change in Stock of Employment Premises

4.3 Table 7 provides an indication of the change in amount of employment floorspace between 2005 and 2008, and compares these with the other districts in East Kent. Whilst data is available from 1998, due to the change in calculating methods it is advised that the data from 2005 should not be compared with that taken in previous years. In Thanet the figures suggest an increase of 17,000 m<sup>2</sup> between 2005 and 2008, which is equivalent to 3% of its stock. This is the highest overall increase compared to other districts in East Kent. The largest gain in Thanet was in Office space adding 15,000 m<sup>2</sup> to its stock, a similar amount to Ashford. A decrease was seen in the amount of factory floorspace across all Districts with the exception of Dover. Thanet saw a loss of 5,000 m<sup>2</sup>, less than Ashford and Canterbury, but more than Shepway.

**Table 7 - Change in Employment Floorspace 2005-2008**

	Offices m <sup>2</sup>			Factories m <sup>2</sup>		
	2005	2008	% Change	2005	2008	% Change
<b>Thanet</b>	85000	100000	18	340000	335000	-1.5
<b>Ashford</b>	128000	141000	10	413000	402000	-2.7
<b>Canterbury</b>	152000	153000	0.7	232000	218000	-6.0
<b>Dover</b>	109000	112000	2.8	739000	741000	0.3
<b>Shepway</b>	111000	118000	6.3	183000	180000	-1.6

	Warehouses m <sup>2</sup>			Total m <sup>2</sup>		
	2005	2008	% Change	2005	2008	% Change
<b>Thanet</b>	148000	155000	11.5	573000	590000	3.0
<b>Ashford</b>	269000	284000	5.6	810000	827000	2.1
<b>Canterbury</b>	254000	268000	5.5	638000	639000	0.2
<b>Dover</b>	171000	181000	5.8	1019000	1034000	1.5

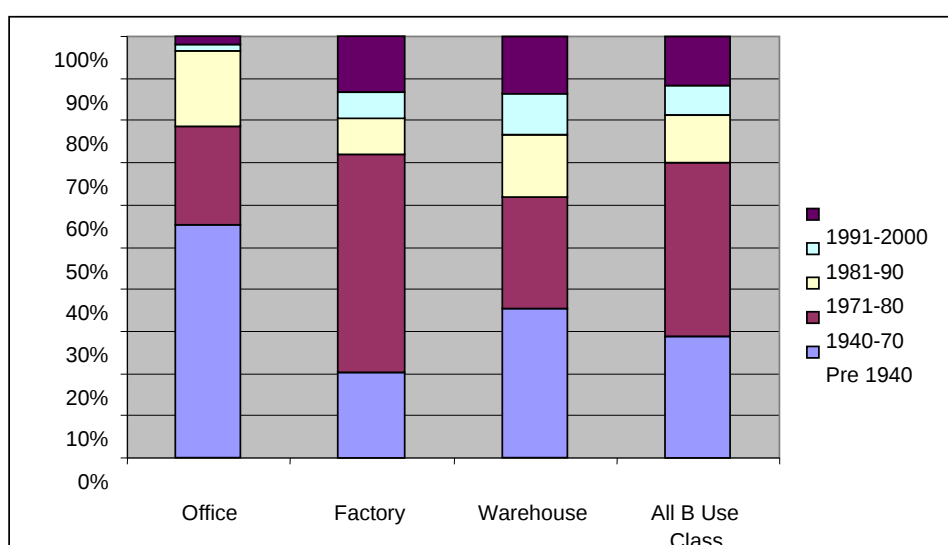
<b>Shepway</b>	166000	171000	3.0	460000	469000	2.0
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Source: ONS

### Age and quality of premises

- 4.4 A survey of the age of commercial and industrial stock at local authority level was carried out by the ODPM in 2004. Figure 15 shows the age of commercial property in Thanet, for offices, factories and warehouse by total floorspace. This indicates that for all B use Class Stock, 30% dates from pre-1940 and 70% was built prior to 1970.
- 4.5 Office stock has the greatest proportion of floorspace built prior to 1940 (56%). This is significantly greater than that of the South East average built prior to 1940 which is less than 20%. Only 3% of the District office stock has been constructed since 1980, which is significantly less than for the rest of the South East (52%).
- 4.6 Factory premises has the greatest proportion of its existing stock built between 1940 and 1970 (~50%), and approximately 13% has been constructed since 1991. Thanet has a greater amount of factory stock built since 1991 compared to the South East, whose average is 8%.
- 4.7 In terms of warehousing floorspace, this type of stock shows the greatest proportion being built most recently in Thanet, with 23% being constructed after 1981, however this is much less than the South East which has 44% of its overall warehouse floorspace built since 1981.
- 4.8 These statistics indicate that the majority of Thanet commercial property stock is relatively dated, and there has been a limited amount of new stock constructed in the past twenty years. These statistics are supported by evidence from the site visits carried out for this project. The majority of Thanet's stock is located on established industrial estates, and there is little evidence of redevelopment taking place to re-new any of this stock. More recent development has taken place on the strategic allocated employment sites, such as Manston, Eurokent and Thanet Reach Business Parks, however compared to the overall stock in Thanet, this is not significant.

**Figure 15 - Age of Commercial stock in Thanet by floorspace**



Source: Adapted from Age of Commercial and Industrial Stock: Local Authority Level 2004

## Property Availability/Vacancy Levels

**Table 8 - Vacancy Levels of Commercial Property (%)**

	Thanet	South East	Ashford	Canterbury	Dover	Shepway
Apr 04-Mar 05	4	9	8	4	4	4
Apr 03-Mar 04	5	9	9	4	5	5
Apr 02-Mar 03	6	8	10	4	6	4
Apr 01-Mar 02	7	7	10	4	6	4
Apr 00-Mar 01	9	6	9	4	5	4
Apr 99-Mar 00	9	6	11	6	7	7
Apr 98-Mar 99	9	7	13	7	6	7

Source: ONS

- 4.9 National data indicates that Thanet has a relatively low property vacancy rate, which has been continually decreasing since 1998. At 4% vacancy level between April 2004 and March 2005, this is over half of that of the South East average (9%), is less than Ashford, and the same as Canterbury, Dover and Shepway.
- 4.10 The low vacancy level indicated by the national data is supported by the site visits of existing employment sites, which were carried out as part of the research for this project. A more detailed commentary of this is provided within Chapter 5, where each site is discussed individually. Generally, a low level of vacancy was identified, with only a total of 22 units being identified as unoccupied (this does not include the new units at Eurokent Business Park, or any vacant units which may be present at the innovation centres).
- 4.11 A vacancy rate higher than this would naturally be expected, to allow for smooth movement and progression of businesses through the property market. These low vacancy levels could indicate a relatively stale property market in Thanet, with fewer businesses progressing through the property market, or on the contrary, a high level of demand for the type of property that is provided in Thanet. These low levels are particularly encouraging considering the current economic climate.

## Start-up Space

- 4.12 A number of start-up space projects exist within Thanet, these include the Kent Innovation Centre, the Marlow Innovation Centre and the Margate Media Centre. Additionally a number of the established business parks and rural business locations offer small, cheap premises for start-up opportunities.
- 4.13 The **Kent Innovation Centre (KIC)** is a £3.8 million purpose built facility providing serviced incubation space and business support, encouraging the creation and growth of technology and knowledge based companies, which has been successfully operating since 2002.
- 4.14 KIC is owned and operated by Thanet District Council and situated adjacent to Canterbury Christ Church University's (CCCU) £7.8 million Broadstairs Campus on Thanet Reach Business Park. The Centre will play a key role in addressing Thanet's economic problems and the need for high quality, managed workspace for start-up, indigenous business and inward investors
- 4.15 The Centre offers:
- \* 45 serviced offices on three floors, with power, lighting and wideband data points
  - \* High-tech, prestigious environment for start-ups and SMEs, with access to board/meeting facilities
  - \* Easy-in/easy-out licence terms

\* Car parking for tenants and visitors

- 4.16 Unfortunately the KIC recently has had more enquiries for general start-up space rather than specifically innovation type businesses.
- 4.17 The **Marlowe Innovation Centre** is a business centre for innovative companies in East Kent with offices and workshops at affordable rents. It was completed in August 2008 and is a bright airy building designed to accommodate innovative small businesses and help them grow.
- 4.18 It provides a mix of light industrial and office space, is a fully managed building which offers easy-in, easy-out licenses at affordable rents.
- 4.19 In addition tenants enjoy free parking, heating and power and a fully staffed reception, with each workspace providing a modern telephone system and high specification fibre optic broadband.
- 4.20 The **Margate Media Centre** provides an original base for start-up and established media-related companies seeking serviced office accommodation in Thanet. The centre is located in the heart of historic Margate Town with its lively mix of creative businesses, galleries and restaurants, and is owned and operated by Thanet District Council
- 4.21 The purpose of the Centre is to become a fundamental part of a wider strategy to regenerate Margate and its surrounding areas.

## Rural Employment Space

**Table 9 - VAT Based Enterprises by Urban/Rural Location (%) (March 2007)**

	Employment Size Band: Urban	Employment Size Band: Rural
<b>Thanet</b>	90.4%	9.6%
<b>South East</b>	69.9%	30.1%
<b>England</b>	74.2%	25.8%

Source: ONS

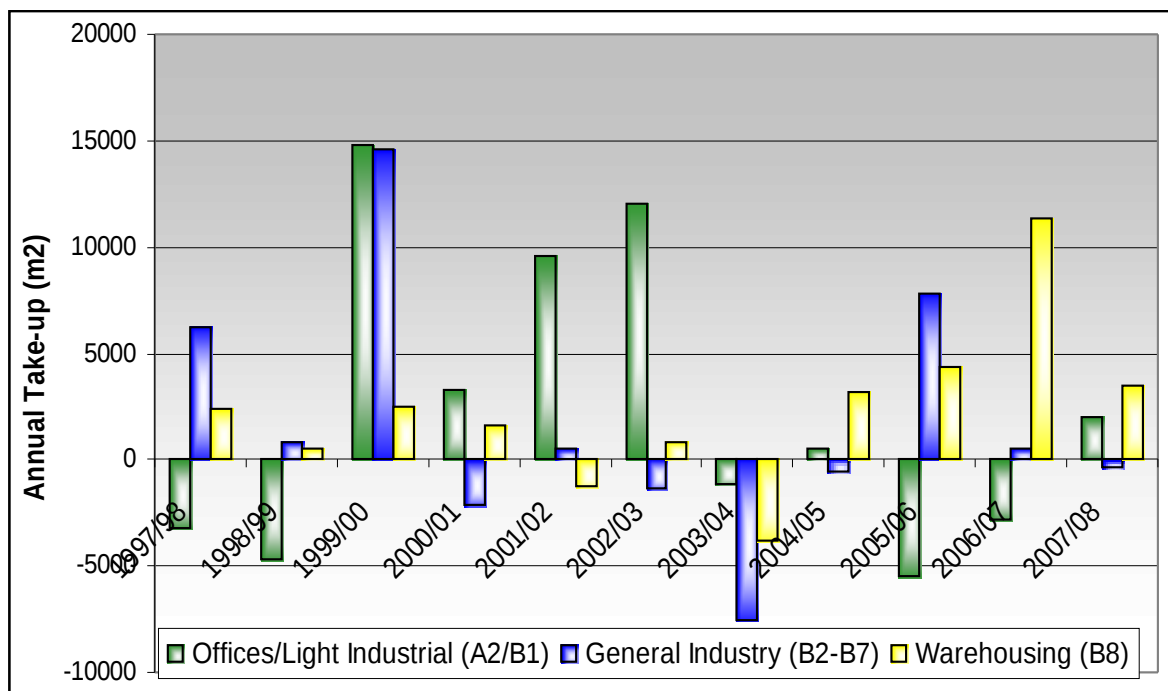
- 4.22 Table 9 indicates that Thanet has quite a low representation of rural employment enterprises when compared to the rest of the South East and England, with less than 10% of all VAT registered enterprises being located in rural areas. Thanet District is classed as 'Other Urban' in the Local Authority Urban Rural Classifications 2005<sup>1</sup>, meaning that less than 26% of its population live in rural areas.
- 4.23 Whilst the proportion of VAT enterprises in Thanet located in rural areas is low, there are a number of sites located within the rural areas and in particular around the airport. 11 out of the 32 sites identified in Chapter 5 are located in rural areas, and the survey carried out suggests that rural sites account for approximately 42% of the total employment land supply that were identified. The main contributor to this is Manston Business Park, which is the main strategic allocated employment site, located close to the airport.
- 4.24 Other reasonably substantial rural sites include Laundry Road Industrial Estate and Hedgend Industrial Estate, which are established sites for general business and industry.
- 4.25 Other rural employment provision includes a number of former agricultural buildings, which have been converted to B1, B2 and B8 uses. Sites such as Manston Green and Sarre Business Centre provide village employment opportunities. There are also a number of sites located outside of the the villages within rural locations.

## Development/Take-up Rates

<sup>1</sup> Kent Rural Delivery Framework, Kent Rural Board

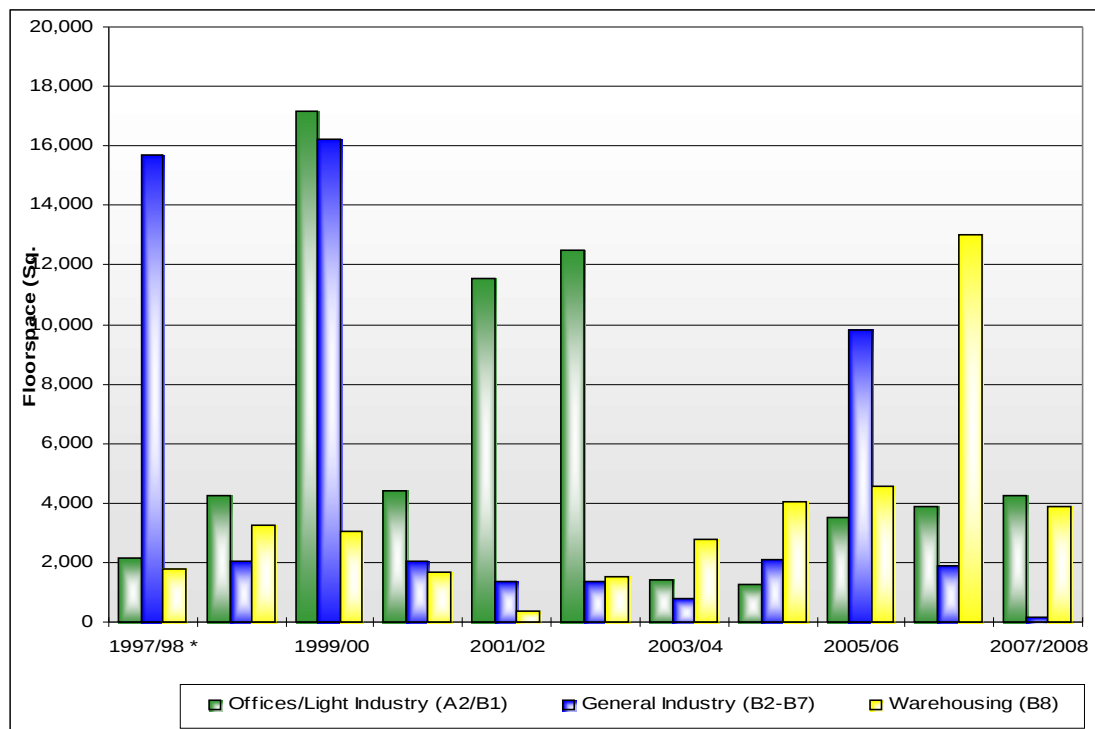
- 4.26 Development Rates for Thanet District have been analysed from information collected in the Commercial Information Audit, carried out annually by Kent County Council (KCC). This survey provides information on the amount of employment floorspace built, from a survey of planning permissions. Data is available from 1998, and therefore provides a long-term view of development rates in the district, across the B1, B2 and B8 sectors. Information is also available on the amount of employment land lost to other uses. The pattern of net and growth completions/take-up are shown in Figures 16 and 17.
- 4.27 In terms of the levels of gross-take up of employment space, over the past 11 years the district has seen an average of 14,530m<sup>2</sup> take-up across all types of employment space annually, with the net take-up being lower at 6,223m<sup>2</sup> which indicates the loss of existing employment space to other uses. Relative to other districts in Kent, the difference between the gross and net take-up rates is small, indicating that there is relatively little employment land lost to different uses. Furthermore the amount of land transferred from employment to residential use between 2002 and 2008 is the lowest in the county, at just 0.1 ha, compared to the greatest with Maidstone having lost 66ha. The amount lost in Thanet is comparable to Ashford, Shepway, Swale and Gravesham who all lost less than 3ha of employment land to residential developments since 2002.

**Figure 16 - Net Completions/Take-up Rates of Employment Space 1997/98 – 2007/08**



Source: Research and Intelligence: Kent County Council

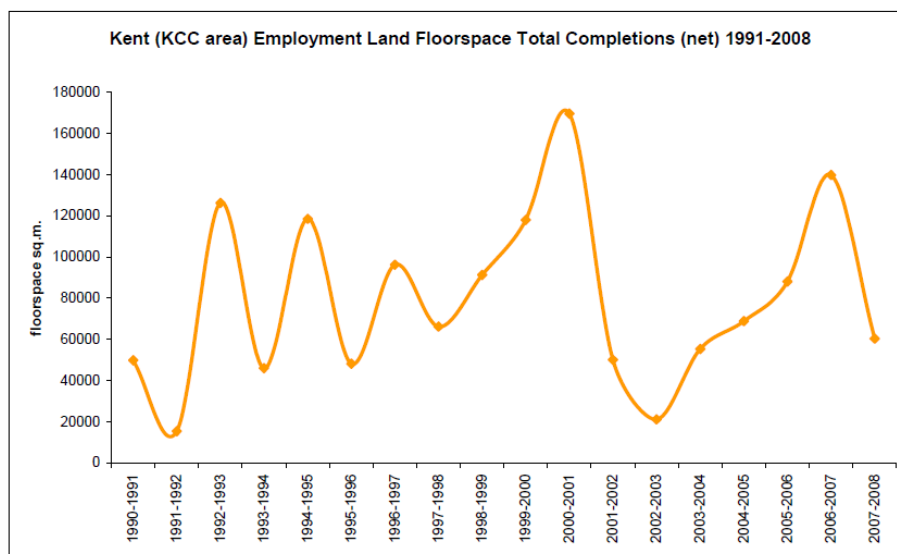
**Figure 17 - Gross Completion/Take-up Rates of Employment Space**



Source: Research and Intelligence: Kent County Council

4.28 Figures 16 and 17 show that the level of take-up in the district has been quite uneven, with large fluctuations from year to year. The general pattern of development rates, appears to be in cycles, with peaks around the year 1999/00 and 2006/07, and troughs in development rates either side of these. This generally follows the pattern shown for the KCC area in Figure 18.

**Figure 18 - Kent Employment Land Floorspace Total Net Completions 1991-2008**



Source: KCC Commercial Information Audit

- 4.29 Gross completions for all the B-use classes over the past 11 years have equated to an average of 14,530 m<sup>2</sup> per year, with net completions equating to an average of 6,132 m<sup>2</sup> per year.
- 4.30 In terms of net completions of employment space in Thanet, B8 use has seen the greatest development rate since 1997, at 25,153m<sup>2</sup>, this is only slightly greater than the net completed employment space for A2/B1 uses, which equate to 24,671 m<sup>2</sup>. The development rate for general industry (B2-B8) has been lower, but not significantly at 18,628 m<sup>2</sup> (net).
- 4.31 The pattern of office (A2/B1) take-up over the past 11 years has seen large fluctuations, with an average of 2,242 m<sup>2</sup> per year. Figure 17 shows peaks of development in the years 1999/00, 2001/02 and 2002/03, however the development rate since then has been significantly lower, and in the past five years there has been an average gross take-up of 2,870 m<sup>2</sup>, compared with the average over the past 11 years of 14,530 m<sup>2</sup>. Net take-up rates show significant losses in the past 5 years, these can mainly be attributed to single large losses of employment land, for example in 2005/06 the loss can be attributed to a single retail development at Westwood Cross on what was employment land. Office use has seen the greatest gross completions of employment space, but also a significant loss of existing space.
- 4.32 The average net take-up rate for general industry uses (B2-B7) over the past 11 years is 1,693 m<sup>2</sup>. The use shows the highest gross completions, but also the equivalent of 3/5 of gross completions in losses elsewhere. The pattern has also seen major fluctuations, with peaks in 1997/98, 1999/00 and more recently 2005/06. In other years net completions have been relatively low, each at less than 2,000 m<sup>2</sup> per year. The most recent peak is due to just two developments, that of Silent Gliss, and Cummins, two major companies in the district.
- 4.33 In terms of warehousing (B8) uses, the average net completions has been 2,195 m<sup>2</sup> per year over the past 11 years. This sector has shown its greatest development rate over the past four years, and the peak in 2006/07 is due to a large extension by Cummins. Whilst the development rate for warehousing uses has been lower than the other employment uses, it has also seen the lowest loss of space.
- 4.34 The amount and pattern of development identified in the past 11 years is highly variable, and the peaks in development rates or losses are in most cases a result of one more significant development. This makes it difficult to predict what the future pattern of development may be.

#### **Available Employment Land**

- 4.35 From a survey of all existing allocated and retained employment sites, the total amount of land currently undeveloped is 87.44 (ha). Of this approximately 5.7ha has planning permission, however only 1.4ha of this is for B1, B2 and B8 uses, with 4.3ha being for the Thanet College development at Thanet Reach Business Park. 31.7ha of land at Manston Business Park has a planning application for employment purposes currently under consideration by the Local Planning Authority. Taking this into account, the amount of land that is currently undeveloped and does not have planning permission is approximately 50ha. Of this 43.96ha is located on allocated sites within the Thanet Local Plan 2006, and 6.3ha is located on already established industrial estates identified for retention within the Thanet Local Plan 2006.

#### **Potential reasons for the relatively slow development of allocated sites**

##### *Peripherality and Accessibility*

- 4.36 Thanet has always suffered from the perception of being distant from the main markets and peripheral to centres of activity usually focused on London. Kent itself is often viewed as being on the 'wrong side' of London and Thanet is at the 'wrong end' of Kent.
- 4.37 Despite significant improvements to the highway network and more recently to train services this perception continues and is a significant barrier to attracting inward investment into the area.

### *Ownership and Land-banking*

- 4.38 Some sites within the district appear to have suffered from lack of marketing or owners holding onto sites in anticipation of higher future values. This has meant that prospective investors have not been encouraged into the area.

### *Infrastructure*

- 4.39 Lack of Infrastructure and the cost of providing this has been identified as a key problem constraining development in Thanet, and in East Kent as a whole. Whilst there has been plenty of land available for development, these sites have not been adequately serviced and accessible for development, due to limited primary utilities and road infrastructure.
- 3.40 In response to this problem, the East Kent Spatial Development Company (EKSDC) was formed in April 2002. The organisation was set up by partners SEEDA, English Partnerships, KCC, Thanet and Dover District Council to identify key infrastructure shortfalls (electricity, gas, water and waste) which were constraining business growth in East Kent and to unlock the potential for development of land by bringing forward utilities infrastructure in the Thanet Central Island and Sandwich Corridor areas.
- 3.41 EKSDC have a portfolio of 16 strategic sites across Kent, of which three are the allocated employment sites of Manston Business Park, Eurokent, and Thanet Reach, plus Manston Airport. Other sites identified in Thanet are the Westwood Town Centre Area, Westwood Expansion Land and Westwood Housing Land. The remaining sites are located in the Sandwich Corridor Area, just outside of Thanet District.
- 3.42 Phase 1 of work which is now complete has provided electricity to the Thanet Central Island, to supply Manston Airport, Manston Business Park and Eurokent Business Park. Southern Water is also committed to providing primary water infrastructure to Thanet Reach and Eurokent. There is currently still capacity within the existing sewer system for some development at Manston Business Park. Once this capacity has been reached, provision of additional infrastructure required for further development at Manston Business Park will be provided as and when development of the site comes forward.
- 3.43 Additionally, Eurokent Business Park has recently been serviced by the new Haine Road, which provides access through the centre of the site and opens it up for development.
- 3.44 The provision of such infrastructure at the strategic employment sites in the District removes a major constraint to their future development.

### *Competition from Employment Space/Land in other districts*

- 4.45 Competition from neighbouring districts and the rest of the South East is particularly relevant for Thanet. As discussed in the characteristics review, Thanet struggles to attract inward investment for a number of reasons. It is therefore important to recognise the amount of employment space in nearby districts, the extent of available land and any major new employment developments coming forward which might compete with Thanet for future demand. Information has been obtained from the Commercial Information Audit Monitoring Survey (2007-2008) Kent (KCC Area) Report and the employment land reviews published by the relevant authorities.
- 4.46 *Dover District* has a total of 169 ha of employment land supply identified (includes, of which 55ha is present on allocated employment sites. The majority of this is located on just two employment sites, the largest of which is 18.3 ha at Pfizers, which is located on the edge of the Thanet District boundary, and the White Cliffs Business Park Phase III contributes 15.9 ha. Dover is a key location for transport and distribution industries due to the presence of the major Port, but has a limited office market. Like Thanet, the occupational mix within Dover is biased towards the low



growth manufacturing and lower skilled occupations. Only the presence of the large pharmaceuticals company Pfizer stands out against this trend.<sup>1</sup>

- 4.47 *Canterbury District* has a total of 47ha of remaining developable land which is currently allocated for employment purposes.<sup>2</sup> This includes a 20 hectare science and technology business park allocation at Little Burton Farm, near Canterbury and the Business Innovation Centre at the University of Kent to help encourage the development of knowledge-based firms. Additionally there are approximately 17 ha of land in Herne Bay which is allocated for B1, B2 and B8 uses, and industrial related local business demand is also concentrated along the Thanet Way corridor. Like Thanet, many major allocated sites have not come forward for development. However, one site, Lakesview Business Park at Hersden has proved to be a success in the past few years, and there is potential for the expansion of this onto adjacent land.<sup>3</sup>
- 4.48 *Shepway District* had a total of 77ha of employment land recorded as available for development in 2007, of which 47 ha was available on allocated employment sites. The majority of this is available on just two of the districts employment sites, 36% at Link Park in Hythe and 16% at Hawkinge West allocation in Folkestone. These sites are identified for a mixture of B1, B2 and B8 uses. Like Thanet, Shepway suffers from a weak economic base, and a lack of major employers. Saga Group, a financial services firm is the largest private employer in the District.
- 4.49 *Ashford District* has been identified as a Growth Area. In December 2002 a study to assess Ashford's capacity for growth concluded that within the period to 2031, Ashford has the capacity to provide an additional 31,000 homes and 28,000 jobs.<sup>4</sup> Ashford's economy is dominated by Ashford Town, with the remainder of the District being mainly rural. Ashford has a sizeable amount of commercial floorspace, which is dominated by manufacturing and warehousing space. Eureka Park, which is located just off Junction 9 of the M20 provides a 40 ha office location, and there remains a substantial amount of land available here for development. Ashford's Core Strategy identifies a number of urban extension sites, which will provide a significant amount of land for employment opportunities to support the population growth expected in the district. Ashford's attraction as a location for inward investment is likely to grow due to the HS1 rail service, with travel times to London of less than 40 minutes.
- 4.50 It is considered that Ashford represents the strongest competition for attracting inward investment to Thanet, out of the East Kent area. Shepway, Dover and Canterbury do provide an element of competition, but also exhibit very similar market conditions to Thanet, struggling to attract major investment proposals.
- 4.51 Outside of East Kent, the rest of Kent also acts as competition to Thanet, with some major strategic sites present. These include that at Ebbsfleet, Crossways Business Park (Dartford), Kings Hill Business Park (Tonbridge and Malling), and potential new employment land allocations at Maidstone.

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<sup>1</sup> Dover District Business Development Strategy 2007 and Employment Land Review Dover District Council 2009

<sup>2</sup> Commercial Information Audit Monitoring Report 2007-2008 Kent (KCC Area) Report

<sup>3</sup> Research Report in respect of An assessment of Employment Land in Canterbury District (2008)

<sup>4</sup> [http://www.ashford.gov.uk/about\\_the\\_borough/ashfords\\_growth.aspx](http://www.ashford.gov.uk/about_the_borough/ashfords_growth.aspx)

## Key Findings and Recommendations

- The amount of Office and Distribution floorspace has increased in the last four years, however, the amount of factory space has decreased.
- Vacancy levels are relatively low, indicating either a stagnant property market, or a high level of demand for the type of property provided in the district.
- The provision of quality and affordable start-up space is good.
- The quality of the majority of property is quite poor, with a significant amount dating pre-1940, and very little being built recently. Although, property is being maintained to a standard required to be occupied.
- There is a significant amount of land identified and available for employment development, totally approximately 87 ha on allocated and retained sites.
- Competition is rife from the rest of Kent, in particular from strategic employment sites in closer proximity to London.
- In neighbouring districts a significant amount of land is available and provides alternative locations and competition for Thanet. In particular development at Ashford and Canterbury will provide the greatest competition for investment opportunities in East Kent.
- Past development rates fluctuate significantly, and where high levels of completions or losses are apparent, these are usually associated with single large developments. This indicates an unpredictable rate of development and inward investment.
- There has been very little employment land lost to residential development, especially compared to other districts in Kent.

## 5 Commercial Property Market of Thanet District

### Introduction

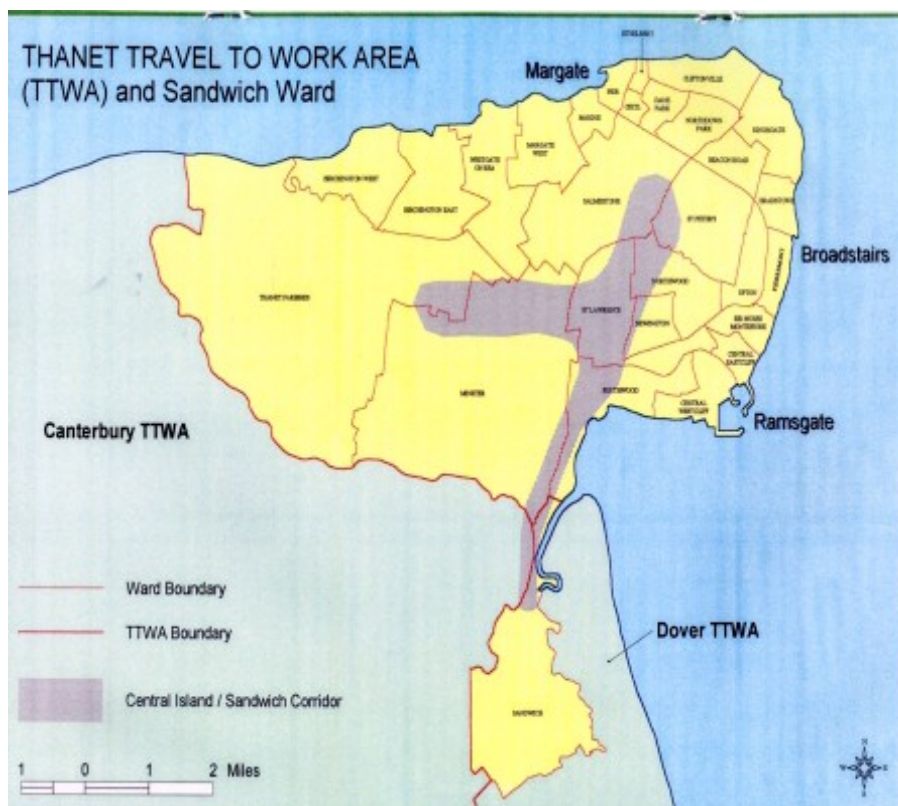
5.1 Defining and understanding the functional property market of Thanet is essential for informing the Employment Land Review. This should include an appreciation of different property markets, sectors and segments operating and their different geographies. Based upon the Economy and LDF Guide produced by SEEPB, the following elements should be used to define the functional property market area:

- understanding travel to work areas (commuting flows in and out of the authority)
- context within the region and regional property markets
- understanding sub-regional and local market areas
- understanding segment areas

### Travel to Work Areas

5.2 There is a need to understand travel to work areas. Based upon information collected in the Census 2001, Thanet's travel to work area is named as Margate, Ramsgate and Sandwich. The boundary to the TTWA is mainly contained by the Thanet District boundary, but extends towards Sandwich; down the A256 to the large pharmaceutical and employment opportunities located there, in particular the presence of Pzifiers who employ a significant number of Thanet residents.

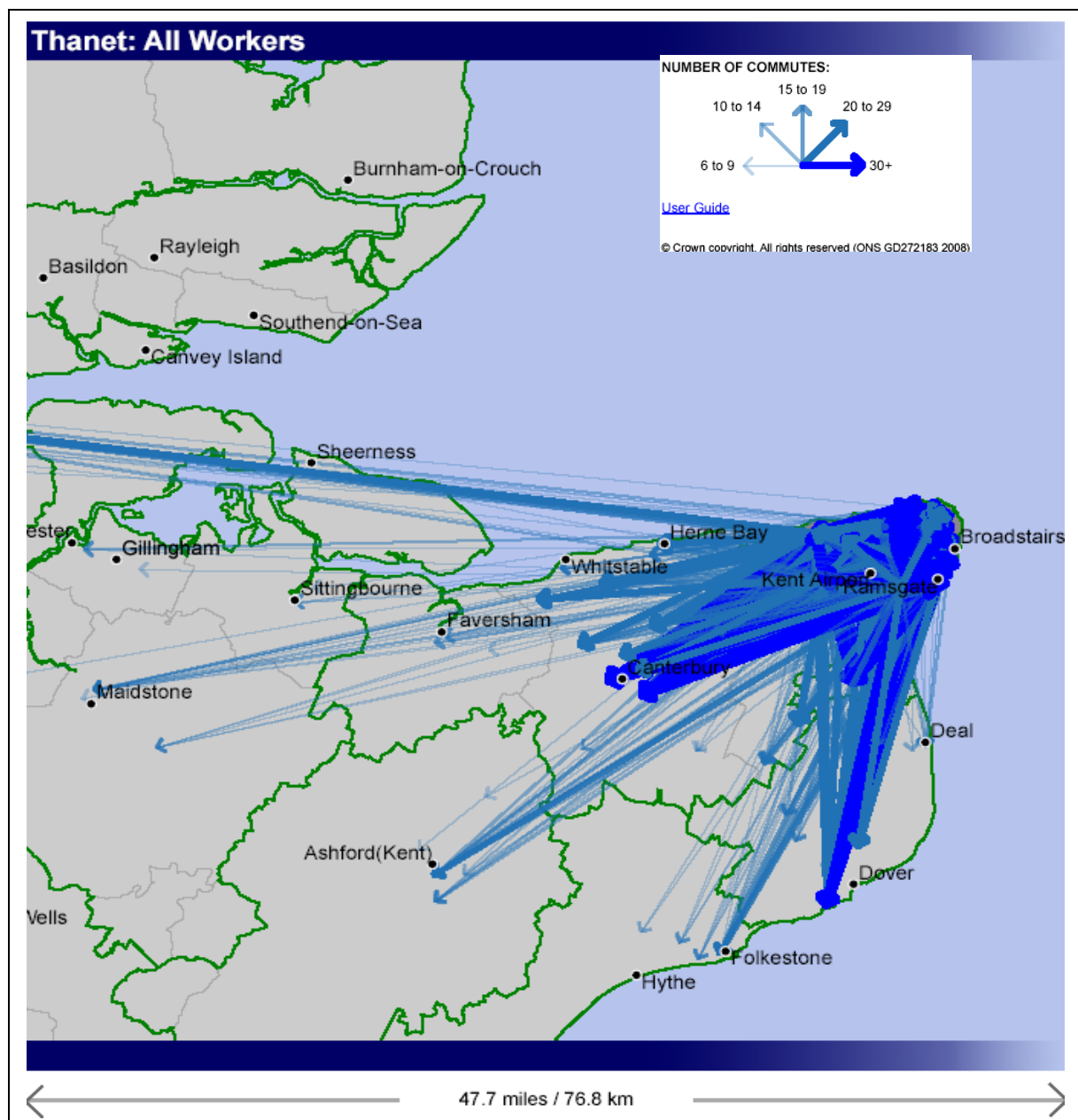
**Figure 19 - Thanet Travel to Work Area**



Source: ONS

- 5.3 With regards to people commuting into the district to work, this is the lowest in Kent, with 87% of people working in the District also living there. This indicates that Thanet has a small employment catchment and cannot attract a large number of people from outside the district to work there, demonstrating the relative lack of employment opportunities. In contrast only 38% percent of people who work in Dartford also live there.
- 5.4 Table 10 and Figure 20 summarise the amount of commuting out of the district. 30% of people living in the District commute out of Thanet to work. Out-commuting levels are the greatest to Dover and Canterbury, with a significant number also commuting to London.

Figure 20 - Commuters out of Thanet District



Source: ONS

- 5.5 More people therefore travel out of the district to work, than those that travel to work in Thanet. The total number of people working in Thanet District is 40,694 (2001). This net out-commuting suggests that there are insufficient jobs to meet the needs of the local population, let alone attract employees from outside of the District.

**Table 10 – Workplace of Thanet Residents**

<b>Destination</b>	<b>Number</b>	<b>Percentage</b>
Within Thanet	36,812	74%
Dover	4218	9%
Canterbury	3673	7.4%
Greater London	1293	2.4%
Inner London	847	1.6%
Shepway	435	0.9%
Swale	449	0.9%
Ashford	403	0.9%
Maidstone	379	0.8%
Other in Kent	334	0.6%
Outer London	331	0.6%
Medway	272	0.5%
Other outside Kent	189	0.4%

- 5.6 It is acknowledged that it is unlikely that Thanet will ever be able to provide sufficient employment opportunities to reverse these trends significantly, and it is therefore accepted that in the future the level of out-commuting may remain relatively high.

#### **Context within Region and Regional Property Markets**

- 5.7 The South East Regional Property Market Study (SERPRS, 2007) and a review of the East Kent Property Market carried out by BTF Lister and GENECON (2006) provide an overview of the commercial property market.
- 5.8 East Kent is identified as the area east of a line drawn from Faversham to Ashford. This area is distinct from the more populous and prosperous west and mid Kent areas. Within the East Kent Area further sub-regional property markets are identified. The more economically active towns of Ashford, Canterbury, Whitstable and Herne Bay, can be split from the extreme eastern and southern parts of the county comprising the areas of Dover and Deal, Folkestone and Shepway, Sandwich and Thanet.
- 5.9 The following key points from these reports are relevant:
- The distribution of the office market across the South-East is significantly skewed in favour of regions around London, M25 and Heathrow. Of all the districts in the South-East region Thanet contains the 9<sup>th</sup> lowest amount of office stock. This stock is similar to the rest of the coastal strip between Eastbourne and Ramsgate, which all have no significant office market.
  - The industrial property market is more broadly distributed across the south-east region than office-based activity. Milton Keynes stands out as having a significantly greater industrial stock than any other district in the south-east region. Thanet contributes much more significantly with industrial stock than office stock, in terms of overall floorspace, being close to the median of all south east districts. This is similar in concentration of industrial activity to Canterbury, with the larger concentrations in Kent being in Medway, Swale and Dover. Kent, as a whole, has the largest concentration of industrial activity in the South-East.

- Other than new retail developments which have taken place across East Kent, there has been little new commercial development, when compared to the rest of the south-east. The development that has taken place has either been 'design and build' or following agreement of a pre-let. Speculative development has increased recently, but this has been mainly limited to the construction of small 'starter' type units, and development by private sector developers has been restricted to the more established commercial locations, such as Canterbury, Whitstable and Ashford.
- Public sector investment has allowed development to take place at Aylesham and Tilmanstone, Dover and Folkestone. Since this report such development has taken place at Eurokent Business Park in Thanet.
- Due to the lack of new development, supply tends to be dominated by poorer, second hand buildings, rather than new or refurbished accommodation. In most locations there is adequate supply of land available for development, although supply at Canterbury is more limited.
- Land values remain depressed in East Kent peripheral locations, whilst values in more active commercial locations have improved. The depressed values are primarily a result of an over-supply of land, and poor infrastructure. The average value for industrial land in 2006, in Dover was £180,000 and Thanet £150,000 per acre.
- In East Kent, there is some demand for office and industrial premises. However, the market operates at such low rental levels, that it cannot trigger other market activity as speculative developers will not operate at such low rental levels. As a result there is little or no speculative development taking place, and any that does take place is a result of public sector investment aiming to stimulate the market.
- In terms of factors that impact upon industrial floorspace requirements, various features of the economic history and character of the South-East are important. The deindustrialisation which is evident across much of the UK is not so evident in the South-East. Here manufacturing output is actually growing and the decline in manufacturing employment indicates an increase in productivity, not a reduced demand for industrial land and property. This is partly a result of the South-East having a diverse range of industries, rather than not being dominated by a small number of industries.

### 5.10 The Key Points:

- Thanet lies within the property market area of Coastal East Kent.
- This area has a suppressed office market, but more significant industrial market, with manufacturing being particular prevalent and important.
- Low rental values mean that speculative development is unlikely to occur.

### Thanet Local Property Market Area

- 5.11 In terms of Thanet itself, the main towns of Ramsgate, Margate and Broadstairs have a number of established industrial estates, which provide a mixture of sizes and age of buildings, much of which is second hand, poor quality stock. These sites are occupied by a wide variety of businesses, many of which are manufacturing companies, and there is a notable use of the older industrial stock by retail and trade counter users.
- 5.12 A large proportion of the developable land within East Kent is situated within the Thanet area. New commercial development on allocated sites has been limited, and a lot of the development that has occurred has been for retail and leisure uses, rather than office and industrial employment generating uses. However, some notable successes in recent years include Cummins Power Generation, Summit Aviation, Cohline (at Manston Park) and Saga at Eurokent.
- 5.13 The highest concentrations of B2 uses are located in the Central area of the Island and in and around Westwood. The larger established industrial estates, such as Westwood, Haine and Pysons

Road are located on the urban edges of the towns of Margate, Ramsgate and Broadstairs, towards the Westwood area.

- 5.14 Office (B1/A2) uses are generally concentrated in the town centre areas of the main towns, however there are no major office buildings or clusters of office activity in Thanet.
- 5.15 Storage and distribution uses tend to have to highest concentrations on sites located close to the strategic road network, outside of or on the edge of the main towns, in locations such as Manston, Laundry Road and Hedgend.
- 5.16 Thanet local commercial property market area extends south of the District into the Sandwich Corridor in the district of Dover. This area, located just to the south of Thanet's district border is dominated by Pfizer's Discovery and Production Complex, who employ 3,600 people. The area north of Pfizer has allocated approximately 48.5ha of land, around half of which is occupied by the former Richborough Power Station. The site is also home to Thanet Waste, a large waste management company, open storage space and general industrial uses. There is also a significant amount of undeveloped land.

## Rental Levels

- 5.17 As mentioned previously, rental levels in Thanet are extremely low in comparison to the rest of Kent. This is the case for both office and industrial accommodation. Indicative rents are as follows:

**Table 11 – Rental and Land Values**

Sector	Average	Best
Office (£/sq.ft.)	£7.00	£8.00
Industrial (£/sq.ft.)	£4.00	£6.50
Industrial Land (£/acre)	£150,000	£200,000

*Source: Local Property Agents, BTF Lister East Kent Property Market Review (2006), South-East Regional Property Market Study (2007).*

- 5.18 These rental levels are similar to those in the neighbouring area of Sandwich and Dover. In terms of the office market, other areas in East Kent have higher rental levels. Canterbury has on average higher rental levels in the office market of around £10 per sq.ft. and the market in Ashford is much stronger with recent activity achieving rental levels of £20 per sq.ft. Compared to areas closer to London, this is still relatively low, where rental levels can reach £50 per sq.ft.
- 5.19 With regards to industrial rents, the variation in East Kent is less than that for office rents. Canterbury, Dover, Aylesham, Tilmanstone and Betteshanger and Sandwich, all have similar rental levels to Thanet. Compared to the rest of Kent and the South-East however, this significantly low, with rents in areas closer to London reaching £12.50 per sq.ft.
- 5.20 These low rental levels for Thanet and other parts of East Kent mean that speculative development for either office or industrial space is unlikely to take place. This, on top of other issues such as poor quality of existing built stock, lack of new buildings and because many of the land opportunities that exist do not meet requirements in terms of location, accessibility, infrastructure, quality and/or price results in a severely depressed commercial property market when compared to the more prosperous areas of Kent and the South-East.

## Vacancy Levels

- 5.21 Vacancy levels are discussed in Chapter 4. They can give an indication of the balance between supply and demand for employment premises. The relatively low vacancy levels of less than 5% indicate that there is a high demand for the type of property that exists in the district; mainly, older cheaper premises.

- 5.22 The most significant level of vacancy is apparent at Eurokent Business Park, with the recent SEEDA development remaining vacant, as well as the former Grupo Antolin premises. With regards to the recent SEEDA development, its vacancy indicates a lack of demand for these types of premises, which are expensive relative to the older premises which exist in the district, and emphasise the risk of speculative development in Thanet.

### **Sector Clusters**

- 5.23 The ODPM and SEEPB guidance suggests that key segment areas and their distribution across the district needs to be considered. However, in Thanet, there are no clusters of any particular segments in the District, or a significant representation of any sector. A report done by Atkins for SEERA, '*Spatial Requirements of Key Sectors in the South East*' identifies the spatial distribution of key sectors in the south-east, and shows that Thanet has a very low quotient of all 12 key sectors identified. Thanet has a relatively simple economic structure of low value general industry and business.

### **Perceptions of Thanet's Commercial Property Market**

#### *Survey of Commercial Property Agents*

- 5.24 A survey of commercial property agents in Thanet was carried as part of the ELR research. A questionnaire was sent to four commercial property agents who deal with the Thanet area, in addition to carrying out an interview with Locate in Kent. The aim of this piece of research was to gain some information from people who deal with the property market in Thanet, and to inform the study with regards to their experiences of the existing property market, including information concerning supply and demand for property, and factors that affect this. A copy of the questionnaire can be found at Appendix 1. The key questions relate to the demand and supply of commercial property in Thanet, and the perceived advantages and disadvantages for businesses to locate in Thanet.
- 5.25 In terms of the businesses interested in commercial property in Thanet, the surveys results indicate that the greatest demand comes from businesses that are already located here. These businesses are usually trying to acquire new, better, or larger premises. Locate in Kent estimate that 50-60% of demand is from manufacturing companies, and this was also recognised in the questionnaire responses from the other agents. The types of businesses can range, but most are from manufacturing firms and general industrial businesses, and there is very limited demand from office functions.
- 5.26 There is some interest from logistics and distribution companies, and most of the manufacturing companies have a distribution function ancillary to them. There is also some interest from decentralised call centres, and national retailers.
- 5.27 Fewer enquiries come from businesses who wish to relocate to the area. However this is the case for East Kent generally. Locate in Kent recognised an increasing interest from the environmental technology sectors however this does not only apply to Thanet.
- 5.28 The surveys identified key factors which attract businesses to Thanet, the most important of which are its access to Europe, the availability of funding and grants and land development opportunities. The relatively cheap cost of both land and property is also a draw, with it being the cheapest in Kent, along with the relatively cheap cost of labour.
- 5.29 However, the workforce also exhibit low skills levels, which is one of the main weaknesses identified. Other weaknesses identified are poor transport infrastructure, Thanet's peripheral location (unless business activity is linked to Europe), limited market opportunities, and distance from established commercial centres.
- 5.30 With regards to the types of premises sought after, the survey found that the most sought after are small industrial units/yards, smaller starter business units, distribution warehouses and flexible



office accommodation. Furthermore, there is a demand for small sites for redevelopment for industrial or office purposes.

- 5.31 Surveys responses advised that there is a lack of supply of these types of premises (small fully serviced units), and that those that exist, whilst cheap, are often old and in poor condition. These are however often the most sought after units because they are relatively low cost.
- 5.32 Companies that are unable to locate here because of the lack of supply, often find premises in neighbouring districts, such as those in the Canterbury and Dover Districts.
- 5.33 The survey responses advised that the types of premises that should be provided to support future growth are those such as starter business units of approx 50-190 sqm, flexible office accommodation possibly offering serviced accommodation for start up businesses, distribution units in locations close to motorway network, and generally land available to develop for office and industrial units.
- 5.34 The key points:
- The main demand and growth is coming out of the local market, and therefore should be supported.
  - There is insufficient supply of property to meet this demand
  - Relatively little interest from companies wishing to relocate to Thanet, or large inward investors.

#### **Supply and Demand of Commercial Property as recorded by Locate in Kent**

- 5.35 Locate in Kent collect data relating to the demand and supply of commercial property which they experience in East Kent. This information is broken down into individual authorities, and whilst the information is not exhaustive, it does provide an indication on the supply and demand for property in Thanet, which can also be compared to the rest of East Kent. The demand figure is calculated from the number of enquiries that Locate in Kent receive, whilst the supply figure is from the property portal, which is Locate in Kent's comprehensive property database. Property types are split by floor area, and the data is a snapshot of the situation at the end of each month in the year. The data which is currently available relates to the year April 2008 to March 2009. (Full data breakdown available at Appendix 2)

#### *Industrial Premises*

- 5.36 The figures indicate that for industrial premises the balance between demand and supply of premises fluctuates throughout the year, and varies significantly for different property sizes. The figures do provide some interesting insights into property supply and demand in Thanet.
- 5.37 Firstly, in terms of the smaller premises, ranging from 0-1,000 sqm, the balance between demand and supply is relatively even. The figures show the demand for these size premises decreasing from April 2008 to March 2009, but supply showing a slight increase. So, whilst demand was greater than the supply in April 2008, this had reversed by July 2008 and supply continued to outstrip demand for each month until March 2009. The larger premises (+ 1,000 sqm) however, showed a greater demand than supply throughout the year. In particular there was no supply of premises over 2,700 sqm for the entire year, but a number of enquiries were received for these size premises. The demand for premises ranging between 1,000sqm and 2,700 also outstripped the supply available.
- 5.38 In terms of where the greatest demand was, this is for property in the range of 92-464 sqm in floor area, with on average 10 enquires a month. The supply, in terms of the number of available units, for these sized premises does meet the demand. However, the East Kent Review 2005-2007, a report done by Locate in Kent indicates that whilst this may be the case, consistently more companies would be assisted to relocate to, or expand in, East Kent if more suitable quality properties were available in the right locations. The same situation exists regarding serviced, developable land.

- 5.39 There is a much smaller demand for larger premises, and the level of demand decreases with increasing floor area. However, as noted previously, there is little or no supply of these types of premises in Thanet.
- 5.40 The pattern of supply and demand for industrial accommodation in East Kent as whole provides an interesting comparison to the situation in Thanet alone. The supply of all premises up to 1,850 sqm significantly outweighed the demand across East Kent for every month of the year April 2008 to March 2009, indicating that there is greater supply of these types of properties in Dover and Canterbury than in Thanet. Individual figures for Dover and Canterbury indicate that for these smaller premises the demand is greater in Thanet than in Dover, and similar to that of Canterbury. The supply of these premises however is significantly greater in Canterbury than Thanet, especially for premises less than 464sqm in floorspace. The supply in Dover is similar to that of Thanet. This provides significant competition for Thanet.
- 5.41 With regards to larger premises, for East Kent, the demand for premises between 1,850 and 5,500 sqm outweighs the overall supply, as well as for premises over 5,500 sqm. Dover appears to have the greater supply of these premises, with Canterbury having the fewest. Demand for these types of premises, whilst apparent, is significantly lower than for the smaller sized premises, this also applies to the supply.
- 5.42 It must be noted that whilst supply outweighs demand in some cases, this only considers size of premises, and not suitability in any other terms, for example location, specification or standard.
- 5.43 The key points:
- In Thanet the supply and demand of smaller premises (under 1,000sqm is relatively even) is relatively even. Canterbury has a much greater supply of these sized premises, and therefore provides an alternative and perhaps more attractive location for businesses.
  - The greatest demand is for units between 90 and 464 sqm.
  - Demand almost always outstrips supply for premises over 1,000 sqm.
  - Greatest difference in supply and demand for 920 to 4645 sqm, showing lack of property availability for these sized properties.

### *Office Premises*

- 5.44 In the year from April 2008 to March 2009, the only sized premises where supply consistently outstrips demand was for the smallest office units of less than 90 sqm. For office units between 90 and 464 sqm, demand was greater than supply for each month of the year, and for premises between 464 and 930 sqm, the balance of supply and demand was relatively even. For all premises larger than, this demand was greater than the supply in Thanet and the greatest shortage appears to be in the 930 to 1860 sqm size ranges. However, the demand for these premises is extremely low, with only a max of 3 enquiries per month, in the majority of cases there were none or only one enquiry for such premises.
- 5.45 Both the demand and supply of office premises in Thanet is significantly lower than that for industrial premises, being less than half across all size ranges.
- 5.46 When compared to the rest of East Kent, office supply in Dover and Canterbury is greater than that of Thanet. With regards to demand, this is lower in Dover than Thanet, but slightly greater in Canterbury. Overall for East Kent, the supply significantly outstrips the demand for office accommodation, especially for premises less than 930 sqm.
- 5.47 The key points:
- Demand for office much lower than for industrial premises in Thanet, as well as East Kent.
  - Supply of smallest office premises is double that of the demand.
  - There was no supply of office premises above 930 sqm, and whilst demand was relatively low, there was some for these sized premises. With the greatest shortage for premises between 930 and 1860 sqm.

### Needs of Local Businesses

- 5.48 The Council's Economic Development Team undertakes an annual Business Survey. The survey consists of a postal questionnaire, and is sent to a selection of businesses located in Thanet. The aim of the survey is to inform the Council of the views of the local business community to help shape the Council's priority 'Improving Thanet's Economic Prosperity'<sup>1</sup>.
- 5.49 In order to inform the ELR, the past two years worth of questionnaires have been sent out to all the businesses operating in the B1, B2 and B8 use classes. A total of 1824 businesses were sent questionnaires over these two years, with a response rate of 10%.
- 5.50 The questions which are relevant to the ELR advise what local businesses think are the strengths and weaknesses of operating in Thanet, the ambitions of the companies and any barriers which restrict these ambitions.
- 5.51 The survey results indicated that only 45% of businesses thought that Thanet was a very good or fairly good place to do business, with 34% thinking that Thanet was neither a good nor poor place to do business and 18% having the view that Thanet is a fairly poor or very poor place to do business.
- 5.52 The main obstacle identified by businesses are rising business costs, however this is not only relevant to Thanet, and would be a problem elsewhere. In terms of factors specific to Thanet, the recruitment of staff with appropriate skills is the obstacle identified the most, followed by poor transport infrastructure in the district. Crime and limited market opportunities were also identified as barriers to doing business in Thanet.
- 5.53 Furthermore, these factors have been identified as barriers to achieving the ambitions of companies. Additional factors identified were lack of economic growth in region, traffic congestion, parking charges, planning, geographical location, unemployment, decline in particular industries, local wealth and deprivation. Many of these factors have been identified previously within this report, and the surveys responses substantiate the well known problems and issues which need to be tackled in the district to enhance economic development.
- 5.54 However, it is not all negative, and the survey does identify some positive factors, which need to be built upon. The questionnaire also asked what gives Thanet an edge within the wider business community. The most popular factors selected were the district's access to Europe, and the presence of Kent International Airport. Other positive factors identified were regeneration and development in the district, the quality of life, transport links and access to customers.
- 5.55 In terms of future aspirations of business in the District, surviving the current economic climate was an objective identified by a significant number of responses, with only a few businesses hoping to grow their companies in the next year. The difference in aspirations of businesses between the two surveys taken a year apart is noticeable, with many more responses indicating their ambitions to grow in the earlier survey taken at the end of 2007. The survey completed at the end of 2008 received only 19 responses whose aspirations were for the company to expand, this is compared to 52 in the earlier survey carried out. This indicates that the current economic climate is affecting business confidence and prosperity quite significantly in Thanet. Overall 42% of businesses were hoping to expand in the near future.
- 5.56 Other points emerging from the survey indicates that more than half of the firms responding have been operating in the district for more than 11 years, indicating that many businesses have historic ties with the district and have been long established. 17% of companies currently operating in the district have been for less than five years.

### Inward Investment

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<sup>1</sup> Full details of the questionnaire and a breakdown of results can be obtained for Thanet District Council upon request

- 5.57 Thanet District has an unpredictable, but reasonable record in attracting inward investment in recent years, with Locate in Kent recording a total of 46 successes in locating businesses in Thanet between April 1997 and March 2009. It should be noted that this number is not solely new businesses locating within Thanet, but also expansion and/or relocation of existing businesses within Thanet. There have been a total of 13 businesses that have relocated or expanded from into Thanet, from outside of Kent, and 5 new start-up businesses locating in Thanet in this time period.
- 5.58 The pattern of inward investment in the District has fluctuated significantly over since 1997, but has seen an improving picture in the last three years, with nearly twice as much activity taking place between April 2005 to March 2009 than between April 1997 and March 2005. Table 12 shows the number of successes and jobs created in East Kent between October 2005 to March 2008, and additionally the number created in Thanet between April 2008 and March 2009. All areas of East Kent have seen an increased number of successes in 2006-7 compared to 2005-6, and Thanet and Canterbury had increased numbers in 2007-8, compared to 2006-7. Thanet also saw an increase in successes in 2008-9, compared to 2007-8. This has also been reflected in increased jobs created and retained. This rate of increase in successes across East Kent has been greater Kent as whole, indicating an increasing improving picture for East Kent, of which Thanet has contributed significantly.
- 5.59 The performance of Thanet compares well to the rest of East Kent, showing the greatest number of successes between 2005 and 2008. With the number of average number of jobs being created being much higher than Canterbury and Dover, at 51 per success, compared to 8 in the other two districts. This significantly greater job per success rate is a result of a large investment in Thanet in September 2007 (Thanet Earth/Fresca Ltd), which was expected to create 550 jobs.
- 5.60 In terms of the sectors which have been locating in Thanet since 1997, the most common is other manufacturing (manufacturing not included in other sectors (e.g. engineering, ICT and life sciences) with 8 successes, followed by 6 successes in the ICT sector. Other sectors which have had multiple successes include Transport and Logistics, Retail and Wholesale and Engineering. With regards to the type of operation taking place, manufacturing/assembly has accounted for 50% of all success, with sales/admin accounting for 30%.
- 5.61 Significantly notable projects in the past four years include Thanet Earth/Fresca Group; a hi-tech greenhouse complex, which is championing locally-grown produce and working towards a sustainable future by using green technologies. Silent Gliss Ltd, a Swiss company and specialists in contemporary interior design, whose headquarters are at Pyramid Business Park (Cromptons), Broadstairs, have expanded and created an additional 36 jobs. Avia Services Ltd is component repair and overhaul facility which located at Manston Business Park in 2005-06 creating 90 jobs. Cummins Power Generation located to Manston Business Park in 1994 and have continued to expand in recent years creating an additional 68 jobs in 2006-07. Saga has also developed a state-of-the-art call centre at Eurokent Business Park.
- 5.62 More recently there has been interest from a major inward investment opportunity. Land at Manston Business Park has been purchased, and there is an ambition to bring a number of Chinese businesses to site as well as a new facility known as China Gateway offering space to a number of businesses to merchandise their products. A planning application is currently being considered by Thanet District Council, and has been deferred for approval by the Planning Committee subject to a number of negotiations. The certainty of this project is unknown, and it is also difficult to project exactly how many businesses may be established and consequently how many jobs may be created, but should the development go ahead, a significant amount of the allocated land at Manston will be developed.

**Table 12 - Number of Successes and Jobs Created in East Kent**

## Thanet Local Development Framework – Employment Land Review

Year	Area	Successes	Jobs Created	Average jobs/success	Jobs Retained
2005-6	Thanet	3	117	39	110
	Canterbury	2	11	6	9
	Dover	2	7	4	15
	<b>Total East Kent</b>	<b>7</b>	<b>135</b>	<b>19</b>	<b>134</b>
2006-7	Thanet	6	102	17	205
	Canterbury	3	27	9	2
	Dover	8	90	11	268
	<b>Total East Kent</b>	<b>17</b>	<b>219</b>	<b>13</b>	<b>475</b>
2007-08	Thanet	9	702	78	39
	Canterbury	8	69	9	26
	Dover	5	30	6	103
	<b>Total East Kent</b>	<b>22</b>	<b>801</b>	<b>36</b>	<b>168</b>
<b>2005-08</b>	<b>Thanet</b>	<b>18</b>	<b>921</b>	<b>51</b>	<b>354</b>
	Canterbury	13	107	8	37
	Dover	15	127	8	385
	<b>Total East Kent</b>	<b>46</b>	<b>1155</b>	<b>25</b>	<b>777</b>
2008-09	Thanet	<b>11</b>	<b>141</b>	<b>13</b>	<b>148</b>

Source: Locate in Kent

## Key Findings and Recommendations

- Thanet has an extremely weak commercial property market compared to the rest of the South-East, although this is similar to conditions in East Kent as a whole.
- The office market is particularly weak, with the industrial and distribution markets showing slightly greater strength.
- Thanet has a relatively simple economic structure of low value general industry and business, with no significant clusters of key sectors.
- Low rental levels and land costs exist in the District.
- There are low vacancy levels in existing cheaper, older stock.
- Inward Investment opportunities are limited and unpredictable.
- Perceived obstacles to locating business in Thanet include the lack of appropriately skilled workforce and poor transport infrastructure.
- Perceived advantages include access to Europe and presence of Kent International Airport.
- Main demand and growth is from the local market which needs to be supported.
- Greatest demand is for smaller premises, between 90 and 450 m<sup>2</sup>, offices and industrial, and there is a lack of supply, which needs to be affordable.
- Lack of property available between 1000 and 4500 m<sup>2</sup>.

## 6 Determining Future Employment Land Requirements for Thanet

### Introduction

- 6.1 This chapter assesses the amount and type of employment space likely to be needed in Thanet up to 2026. It concentrates primarily on employment uses in the B1, B2, and B8 use classes, but alternative employment generating uses are also discussed.
- 6.2 There are a range of methods used to project future employment growth and land demand. The main approaches suggested within the ODPM Guidance are:
- Labour demand techniques – forecasts for employment growth in the main B sectors.
  - Labour supply techniques – forecasts the future labour supply based upon population and future housing supply.
  - Past take-up of employment land – projection based upon the past take-up of employment land, with adjustments if necessary to reflect any changing future circumstances.
- 6.3 All types of forecasting has some limitations, and uncertainty is inherent in all of these methods. It is therefore necessary to consider the forecasts as ‘best guesses’, using them as starting points. The forecasts should then be adjusted based upon local circumstances and other factors applied as part of a scenario testing process.
- 6.4 It is recommended within the consultation document on the SEEPB Supplementary Guidance<sup>1</sup> on ELRs that to help understand and overcome the uncertainties and limitations, a mixture of forecasting methods should be used. This provides a forecasting range and allows for informed and reasoned assumptions to be made and applied.
- 6.5 It is therefore considered appropriate to use all three methods for determining future employment land requirements in Thanet, to provide a range of forecasts. These will then be considered in the light of local circumstances and alternative growth scenarios to provide more robust evidence.

### Labour Demand Forecasts of Employment Growth

- 6.6 Forecasts of employment growth are considered up to 2026. This provides an estimate of the total number of jobs that will be available in the district. A number of forecasts have been carried out over the past three years to inform the production of the South East Plan. These have been completed by Experian Strategies and are used here to provide a starting point for forecasting employment growth in Thanet up to 2026.
- 6.7 The LDM model projections are based upon historical growth in Thanet relative to the region and UK (depending on which area it has the strongest relationship with) on a sector-by-sector basis. For example, if Thanet has outperformed the region or UK in a particular sector it is assumed that they will do in the future. These largely reflect a continuation of recent trends.
- 6.8 A set of forecasts taken at different times over the past three years have been used, as the economic circumstances at the time affects the forecast outcomes. In the light of the current economic situation, when comparing forecasts for the region from 2008 and 2009, with those carried out in 2006, there has been on average a 48% decrease in employment growth output. On the basis that job growth is one of the components of GVA growth, there appears to be a clear indication that the recent economic downturn will have impacts in terms of employment growth. This further range in employment forecasts provides employment growth projections for different growth scenarios.

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<sup>1</sup> *South East Plan Supplementary Guidance: Employment Land Reviews*. Consultation on the South East Regional Approach for Employment Land Reviews. South East England Partnership Board. July 2009.

- 6.9 Table 13 sets out the projected employment growth from 2006 to 2016 to 2026 for each forecast. The forecasts range quite significantly with a minimum growth of 1280 jobs to a maximum of 5507 job increase between 2006 and 2026. The Experian LMD Winter 2008 figures show a decline in employment up to 2016, with growth occurring again after this. This forecast when compared to the others clearly accounts for the current recession, and could represent a low growth scenario.

**Table 13 – Projected Employment Growth 2006 - 2026**

METHOD	2006	2016	2026	2006-2026 TOTAL NO. OF JOBS	TOTAL NO. OF B CLASS JOBS			
					B1	B2	B8	TOTAL
EXPERIAN LMD SPRING 09	46664	48187	49737	3073	+617	-688	+586	+515
EXPERIAN LMD SPRING 08	46496	48810	52003	5507	+920	-438	+865	+1347
EXPERIAN LMD WINTER 08	46498	45768	47778	1280	+392	-780	+379	-9
<b>EXPERIAN AUTUMN 06</b>	<b>46431</b>	<b>48910</b>	<b>51429</b>	<b>4998</b>	<b>+857</b>	<b>-477</b>	<b>+807</b>	<b>+1187</b>

- 6.10 The employment growth forecasts account for growth across all types of employment, of which only a proportion is provided in the main B use classes. The Experian Spring 2009 forecasts are broken down into 9-sectors showing employment growth by individual sector. This information is used to inform what proportion of growth in employment is projected to occur in the main B class sectors, and therefore the demand for this type of land. Details of the full calculations, conversions and assumptions used, can be found at Appendix 3.
- 6.11 SEEPB Supplementary Guidance<sup>1</sup> suggest that the most robust job numbers that should be used to inform the ELR are the Experian LMD Autumn 2006 projections, which while being broadly trend-based projections are based on a GVA growth rate of around 3%, which is the regional aspiration as set out in the South East Plan. The figures for Thanet take into account the sub-regions growth and regeneration aspirations, with growth being equally distributed between the period 2006-2016 and 2016-2026.
- 6.12 The projection suggests gains of 1187 jobs in the B-use classes in Thanet over the period to 2026, 70 new jobs per year, with growth in the office and distribution markets outweighing job losses in the manufacturing sector. This is in relation to a total job growth of around 5,000, the remainder of which is mainly attributed to growth in the retail, hotels and catering, health, education and other public service sectors.
- 6.13 The job projections can be converted into the additional floorspace and land requirements. Typical floorspace to jobs ratios are suggested in the ODMP Guidance, and SEEPB Supplementary Guidance<sup>1</sup>. Additionally the document 'Use of Business Space and Changing Working Practices in the South East' by SEERA, provides further evidence with regards to employment densities. In

<sup>1</sup> South East Plan Supplementary Guidance: Employment Land Reviews. Consultation on the South East Regional Approach for Employment Land Reviews. South East England Partnership Board. July 2009.



particular it suggests that Kent has above average floorspace to worker ratio than the rest of the South East. This is probably a result of a higher concentration of distribution/warehousing, general industrial premises and manufacturing, with an average ratio of 43.1 sq.m. per worker. Additionally, it was found the firms with less than 10 employees have typically higher floorspace to worker ratios. In the case of Thanet, the majority of firms have less than 10 employees. These factors suggest that the employment ratios in Thanet will be on the higher side of those indicated within the guidance.

- 6.14 With regards to the floorspace ratio for distribution uses, this varies significantly dependant upon the nature of the use, with general, smaller scale warehousing having a much lower ratio than large scale, lower density strategic units, which are assumed to be less likely in Thanet.
- 6.15 The business surveys carried out also provided information regarding number of employees, and whilst these showed a wide range of ratios, the average was higher than the standard ratios suggested.
- 6.16 The following ratios have therefore been assumed:
- B1 (office): 20 sq m per worker
  - B2 (manufacturing): 45 sq m per worker
  - B8 (distribution): 50 sq m per worker
- 6.17 With regards to converting the floorspace to land requirements, the ODPM guidance suggests standard plot ratios for different employment uses vary between 0.25 and 0.6, with the smallest ratio being for business parks and town centre office, middle for industrial sites and greatest for warehouse. Kent County Council assume an average of 0.35. Considering the types of sites in the district, the potential demand for industrial units, and a plot ratio of 0.43 for a recent proposal<sup>1</sup>, an average plot ratio of 0.4 is assumed here. So, a site of 1 ha would be needed to accommodate 4,000 sqm of employment floorspace.

**Table 14 - Land Requirements Based Upon Experian LMD Forecasts Spring 2006**

	2009-2026		
	Job Numbers	Floorspace Need (sq m)	Land Need (ha)
Office (B1)	+729	+14,580	+3.6
Manufacturing (B1/B2)	-404	-18,180	-4.5
Distribution (B8)	+686	+34,300	+8.6
<b>Total B-class</b>	<b>1011</b>	<b>+30,700</b>	<b>+7.7</b>

*Source: Experian*

- 6.18 On this basis, the employment forecast suggests that there will be a requirement for approximately 7.7ha of employment land up to 2026, set out in Table 14. This includes the greatest need for distribution uses, and some need for office land, with an overall decrease in land for manufacturing space.
- 6.19 These projections appear to be very unoptimistic, especially when compared to past take-up rates of employment space in Thanet, and the targets set for employment development in previous plans (Kent and Medway Structure Plan and Thanet Local Plan 2006). A cautious approach must therefore be taken when considering these forecasts and other methods should be considered.

<sup>1</sup> Planning Application for 31.7ha of land at Manston Business Park

### Employment Land Projections based upon Past Take-up Rates

- 6.20 Past employment land take-up data can allow us to project the potential future employment land take-up rates, and therefore the amount of land that will be required for employment in the future. These rates reflect the past market demand and actual development patterns, and therefore long-term rates of employment land can provide a basis for informing future needs. However, changing circumstances must also be taken into consideration when projecting from past data, for example, in Thanet, whilst there has not been a shortage of land supply for employment purposes, traditionally the take-up of employment land has been constrained by a number of other factors, as discussed previously. Nevertheless, these figures can provide a starting point for projecting future employment land requirements.
- 6.21 Past take-up/development rates used in this report are taken from the Commercial Information Audit, which is the statutory monitoring report of employment development, which is carried out by Kent County Council annually for each district in Kent. This report monitors planning permissions for new employment development, and losses of employment space, across the three main employment uses, Offices (A2/B1), General Industry (B2-B7) and Warehousing (B8), and was discussed in Chapter 4. The monitoring reports include A2 uses, which do not strictly form part of this employment land study, so this will need to be taken into consideration in the projections.

**Table 15 - Employment Land Projections based upon CIA past land take-up/development rates.**

	Change 1997-2008 (sqm)	Average Annual Change (sqm/ year)	Additional floorspace/land requirements to 2026.	
<b>B1</b>	+24,671	+2,243	+38,131 sqm	+9.5 ha
<b>B2</b>	+18,628	+1693	+28,781 sqm	+7.2 ha
<b>B8</b>	+25,153	+2287	+38,879 sqm	+9.7 ha
<b>Total</b>	<b>+68,452</b>	<b>+6,222</b>	<b>+105,791 sqm</b>	<b>+26.4 ha</b>

*Source: Adapted from KCC Commercial Information Audit*

- 6.22 Employment Land Projections based upon CIA past land take-up/development rates results in the need for 26.4ha of employment land up to 2026.
- 6.23 A simpler way at looking at future land requirements is to assess the amount of allocated employment land that has actually been developed for employment purposes since the current land allocations were originally allocated in 1998. This provides 11 years of data which should allow for natural fluctuations in the market and cycles of development rates. Taking development only in the B-Use Class Sectors, a total of 32.3 ha of development has occurred over the past 11 years. This equates to 2.9ha per year. If this pattern were to continue until 2026, a total of 50ha of land would be required.

### Comparison of Forecasts and Projections

- 6.24 Future land requirements based upon past rates of employment development, and take up of employment land provide quite a wide range of future employment land requirements. Ranging from 7.7ha to 50ha of land needed up to 2026, dependant upon which method is used.
- 6.25 Generally, all projections show the strongest increase in warehouse and distribution uses, followed closely by the demand for office space, which is a surprise considering the relatively weak office market that exists in Thanet. However, recent growth is shown in the finance, IT and other business activities sectors and the projections based upon past stock and development rates include A2 uses, which could contribute to the higher projections for office space shown from past rates of development.
- 6.26 With regards to manufacturing space, the projections based upon CIA data show an increase in the need for manufacturing floorspace up to 2026, whilst the Experian forecasts show a decrease. This discrepancy between results could be related to changing working practices in the manufacturing industry. Whilst there may be a decrease in the number of jobs being provided in the industry, the

requirements for land and buildings has not decreased. This is evident in the CIA figures on employment space development compared to the LMD Experian projections which estimate job numbers in particular sectors. It is therefore considered more appropriate in the case of Thanet, where manufacturing is a key sector to assume an increase in the need for manufacturing space over the plan period, rather than a decrease.

- 6.27 The projection based upon pure development of allocated employment land shows a significantly greater need for land up to 2026. This is likely to be because these do not take into account the loss of any employment space in the district, or consider future growth or decline across particular sectors. It is difficult to explain the significant difference between the other methods. The data collected by Kent County Council with the Commercial Information Audit should provide a robust data set, which assesses every planning application for new employment development or for its loss. Whilst the SEEPB Supplementary Guidance<sup>1</sup> suggests that the Experian Autumn 2006 forecasts should be used as a starting point to inform the ELR, these projections appear to be pessimistic considering development rates show that new development has been occurring across all three use classes.
- 6.28 In view of the poor economic situation that exists in Thanet, and the desperate need for economic growth, it would be inappropriate to base future land needs upon what seems like such a low growth scenario, as this would further inhibit any opportunity for growth. It is therefore considered appropriate to use the projections based upon past development rates taken from the CIA as a baseline point for employment growth in the district.

### **Labour Supply Forecasts of Employment Growth**

- 6.29 Labour supply forecasts carried out by Kent County Council, which are based upon the South East Plan Housing targets for the district, indicate that by 2026 there will be a 3.2% decrease in economically active population in Thanet, equating to a loss of 1,800 economically active persons. (Appendix 4) This indicates a potential shortage in local labour supply in Thanet, which could potentially constrain the development of available employment sites.
- 6.30 However, other factors also need to be considered. Firstly, the current position in Thanet is that of insufficient employment opportunities to support the resident workforce, and therefore whilst the number of economically active people in the District may be predicated to decrease, in order to increase the job density additional employment opportunities are still required. Subsequently, by decreasing the current above average rate of unemployment in the district, a significant number of jobs could be filled. Additionally, the provision of additional employment opportunities would help to decrease the number of out-commuters, which would increase the available labour supply. The neighbouring districts of Canterbury, Dover and Ashford are projected to have an increase in economically active population. In particular at Ashford the increase is quite significant (19,800) due to its growth area status. The large increase in labour supply in surrounding districts provides the opportunity for some of Thanet's jobs to be filled relatively locally. Whilst it is acknowledged that it is unlikely the current net out-commuting pattern is likely to be completely reversed, there is potential for some change in the pattern should employment opportunities be provided in the District. Furthermore, with the expected future squeeze in public sector funding, and reduced number of jobs available in the manufacturing sector, could potentially free up labour, adding to the overall labour supply.
- 6.31 For these reasons, it is not considered that for the purposes of providing sufficient employment land to support economic growth in Thanet that the decrease in economically active population should result in a lower supply of employment land being provided.

### **Other factors affecting employment land requirements**

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<sup>1</sup> *South East Plan Supplementary Guidance: Employment Land Reviews*. Consultation on the South East Regional Approach for Employment Land Reviews. South East England Partnership Board. July 2009.

- 6.32 The current economic climate is a significant factor affecting the future demand for employment space. The projections based upon past take up of employment space do not reflect the major economic slowdown currently being experienced. However, the employment growth projections do take into account the economic situation dependant upon the time they were carried out. It is not clear how long the current slowdown will last, or exactly what impact it will have upon employment growth. The employment growth forecast carried out in Autumn 2008 will be used as a starting point for a low growth scenario. The uncertainty of the future economic situation emphasises the need to be flexible in employment land supply.
- 6.33 The large employment site on the Sandwich Corridor must be taken into consideration. This site lies just outside the boundary of Thanet, and provides a significant amount of land and existing employment development. The total site area is 27.5ha with 19.6 ha of this remaining as developable land (KCC, 2008). Currently Pfizer's is the main occupier, and there are opportunities for development within this site, and also the re-use of some of the buildings which are no longer required by the company. This is expected to attract B1 users and is available in the short term timescale. More recent development on the north of the A256 includes a waste materials reclamation site and car parts auctioneers, and general industrial units. There remains further development and employment opportunity for B2 uses within the medium term timescale. This area provides significant opportunity for development and employment opportunities for Thanet due to its close proximity. It is not considered that this should be classed as competition, as it operates within the same property market area, and is in close proximity to Thanet and its workforce.
- 6.34 Competition from other districts is a significant factor for Thanet. Due to its peripheral location in Kent, there are a number of other locations where businesses would choose to locate prior to thinking about Thanet. For example, the strategic business parks at Kings Hill, West Malling, and with Ashford having growth status, and planned major development here, this will compete for larger office and industrial development over and above Thanet. Competition from other districts has been discussed in Chapter 4 but this factor may moderate growth in Thanet, as it has done in the past.
- 6.35 Changing working practices such as home-working, hot-desking, more efficient use of labour, and the off-shoring of services would reduce the employment space needs in Thanet. However, to what degree this will occur is very difficult to predict.
- 6.36 All of these factors would suggest that employment growth on B-Use Class land in the district could be stunted as it has been in the past. However, there are a number of factors which suggest employment growth will be greater than it has been previously.
- 6.37 The level of new business registrations provides an indication of the number of new firms that are starting-up in the District. Between 1998 and 2007 the number of VAT registered business increased by 22.7%. This percentage increase was greater than that of the South-East and Great Britain, and all districts in East Kent other than Canterbury. The number of de-registrations per year has decreased since 2001 and the number of registrations per year has increased. This indicates that more new businesses are starting up and that more of them are also surviving. This suggests an improving situation for Thanet, and the need to provide sufficient and appropriate start-up space.
- 6.38 Commuting patterns in Thanet show that 30% of people living in the District commute out to work. Whilst of all the people working in the District, only 13% commute from outside of Thanet. This suggests a relative lack of employment opportunities in Thanet, and by providing increased opportunity for development; this could alter commuting patterns, increasing the available labour supply for Thanet. Additionally, the same could be achieved through bringing the currently inactive population back into work.
- 6.39 Due to the currently poor economic situation in Thanet, economic growth and regeneration strategies in the district are key to its success, and a number of regeneration projects, such as the cultural and arts based regeneration project in Margate, discussed previously, have the potential to provide spin-off effects in attracting new employment development. Additionally, potential opportunities which could increase employment growth in the district include the development of

Kent International Airport, the introduction of the High Speed Rail Link, improvements to strategic road access, and the growth of Ramsgate Port as a major cross channel port.

- 6.40 Furthermore, by removing barriers to development, such as infrastructure and land ownership issues, which have potentially affected past development rates, and allocating sites which are realistically developable and deliverable, development rates should be greater than in the past.
- 6.41 The unpredictability of inward investment in the district and the pattern of past employment land take-up shows significant fluctuations year to year. With the large net increases in employment development usually being as a result of one large development, the amount and timing of any inward investment is highly volatile. For these reasons it is essential that a flexible attitude is taken towards the supply of employment land, to deal with a variety of scenarios.

## Growth Scenarios

- 6.42 The above analysis indicates some demand for future employment land within Thanet up to 2026. The employment land projections based upon past development/take up rates, and labour demand forecasts provide a range of employment growth scenarios.
- 6.43 Traditionally inward investment and take up of allocated employment land has been quite slow, with most growth in employment occurring within the existing local market and recently with the start-up of new businesses. Furthermore, Thanet has severe economic deprivation, and the creation of new employment opportunities is seen as a vital component in decreasing this deprivation, and improving the economic situation in Thanet. It is therefore essential that sufficient and appropriate land and property is provided to allow this to happen.
- 6.44 It seems reasonable that the baseline scenario should assume a broad continuation of past economic trends and employment growth in the district. The following baseline employment land need is therefore assumed from projection of past development/take up rates.
- 6.45 These are considered to provide a reliable starting point as they do not take into account the current recession, and past take-up rates are not particularly optimistic for future employment growth in Thanet. These therefore provide a good mid-range for employment land needs up to 2026.

**Table 16 - Baseline Scenario Range for future employment land requirements to 2026**

	<b>Additional floorspace Requirement (sqm)</b>	<b>Land requirements to 2026 (ha)</b>
<b>B1</b>	+38,131	+9.5
<b>B2</b>	+28,781	+7.2
<b>B8</b>	+38,879	+9.7
<b>Total</b>	<b>+105,791</b>	<b>+26.4</b>

Source: TDC

- 6.46 A lower growth scenario provides employment land projections for a situation of a much less buoyant economic climate than has been present in recent years, and would represent the situation should the current weak economic situation continue until 2026. (Table 17). This projection is based upon the LMD Experian Employment Forecast taken in Autumn 2008, at the centre of the current economic downturn. This is suggested as an appropriate low growth scenario in the SEEPB Supplementary Guidance. These represent the lowest potential growth in employment, and considering the relatively pessimistic forecasts produced from the Autumn 2006 forecasts, which were based upon 3% GVA growth, this is unlikely to represent the situation over the next 18 years.

**Table 17 - Low Growth Scenario for Employment Land Requirements to 2026**

	<b>Additional Floorspace Needs (sqm)</b>	<b>Additional Land Needs (ha)</b>
B1	+4,600	+1.15
B2	-5,760	-1.44
B8	+24,300	+6.08
<b>Total</b>	<b>23,140</b>	<b>+5.8</b>

*Source: TDC*

- 6.47 A higher growth scenario assumes a higher employment growth rate than is projected from past take up rates, and employment growth projections. It appears reasonable that future employment growth in Thanet could achieve higher rates than in previous years, due to the factors outlined above. This is certainly an aspiration for the District in order to reduce the current degree of economic and social deprivation that exists. It is therefore considered reasonable to assume a 30% higher level of employment growth than the baseline projections, indicated in Table 18, which would result in the need for 34.4ha of employment land.

**Table 18 - High Growth Scenario for Employment Land Requirements to 2026**

	<b>Additional Floorspace Needs (sqm)</b>	<b>Additional Land Needs (ha)</b>
B1	49,570	12.4
B2	37,415	9.4
B8	50,542	12.6
<b>Total</b>	<b>137,528</b>	<b>34.4</b>

*Source: TDC*

#### **Provision of a Safety Margin**

- 6.48 There are a number of other factors which indicate that an additional allowance on top of this high growth scenario for employment land needs to be taken into account.
- 6.49 Firstly, margin of error needs to be provided given the uncertainties in the forecasting process, and the assumptions made when translating employment growth into land requirements.
- 6.50 Secondly, the loss of employment land allocations to alternative uses will also impact the amount of land required over the plan period. Recent development patterns indicate that a significant amount of allocated employment land has been developed for alternative employment generating uses. Looking at recent planning experience, it is clear that under particular circumstances it is considered acceptable and appropriate to locate such uses on allocated employment land. Taking into consideration the growth expected in the alternative employment generating sectors (healthcare, education, hotels and leisure) it is likely that in the future further development will occur on allocated employment sites. Since 2001, 4.58ha of land has been lost of alternative employment generating uses, with an additional 3.7ha having planning permission. This equates to approximately 0.57ha per year being developed for alternative employment generating uses. It is difficult to predict exactly how much development of this nature will occur, but should this pattern continue a total of approximately 9.7ha of allocated employment land could be developed for alternative employment generating uses.
- 6.51 Thirdly, in order for the property market to operate efficiently, it would be expected that a degree of vacancy would be present in existing employment sites. This allows for movement and expansion of firms, and choice for new and existing businesses. For example, it may be necessary in some instances for sites to be redeveloped prior to them being occupied by new companies, and such sites would stay vacant for the time this takes to complete. It is therefore necessary to ensure that a degree of additional land is provided to allow for this turnover. It is normally assumed that a vacancy rate of 10% allows this to occur.
- 6.52 Finally, it is also necessary to provide developers and occupiers a degree of choice within the market.

- 6.53 It is also considered necessary in the case of Thanet to provide a relatively generous additional allowance. In particular, the extent of any spin-off effects from projects such as the growth of Kent International Airport, Ramsgate Port, the introduction of the High Speed Rail Link, improved road access, and other general regeneration in the District, are difficult to estimate. Additionally considering the sporadic pattern of inward investment into the district, the potential of a significant proportion of land at Manston to being taken up in the near future, and the need to provide sufficient choice to attract firms to help diversify and improve the local economy, it is considered appropriate to provide a safety margin of 50%.

**Table 19 - Total Floorspace/Land Requirements for Three Growth Scenarios, including a 50% Safety Margin**

	Lower Growth		Baseline Growth		Higher Growth	
	Floorspace (m <sup>2</sup> )	Land (Ha)	Floorspace (m <sup>2</sup> )	Land (Ha)	Floorspace (m <sup>2</sup> )	Land (Ha)
<b>B1</b>	+6,900	+1.7	+57,197	+14.3	+74,355	+18.6
<b>B2</b>	-8,640	-2.2	+43,171	+10.8	+56,123	+14.0
<b>B8</b>	+36,450	+9.1	+58,318	+14.6	+75,813	+19.0
<b>Total</b>	<b>+34,710</b>	<b>+8.7</b>	<b>+158,686</b>	<b>+39.7</b>	<b>+206,292</b>	<b>+51.6</b>

Source: TDC

- 6.54 Including a safety margin of 50%, the employment land projections for the three growth scenarios, provide a wide range for future employment space requirements up to 2026, of between 8.7ha and 51.6ha of land. It is appropriate to check the reasonableness of this estimation against the actual development that has occurred on allocated employment land in recent years.
- 6.55 The Kent and Medway Structure Plan 2006, which has now been superseded by the South East Plan, set the previous land allocation requirements for Thanet. The allocation was for 304,000 m<sup>2</sup> of floorspace over the period 2001-2021, which would be equivalent to 258,400 m<sup>2</sup> over the current plan period to 2026. The higher growth scenario resulting is less than that previously assumed to be a reasonable amount, and therefore does not seem to be over-optimistic.
- 6.56 However, in view of the current uncertainty over future economic conditions, it is difficult to identify which of the three growth scenarios is more likely to take place over the next 17 years. However, it is necessary to ensure that the provision of land is generous rather than insufficient, especially in an area where economic growth is essential. It is therefore considered necessary to take a cautious approach to ensure the amount of land available is not insufficient and the high growth scenario is therefore considered appropriate for the case of Thanet.

**Table 20 - Total Employment Floorspace and Land Requirements including 50% safety margin**

	Additional Floorspace Needs (sqm)	Additional Land Needs (ha)
B1	74,355	18.6
B2	56,123	14.0
B8	75,813	19.0
<b>Total</b>	<b>206,292</b>	<b>51.6</b>

Source: TDC

- 6.57 The figures suggest that an additional 206,292 sqm of floorspace will be needed by 2026, which equates to approximately 51.6 ha of land.

#### **What type of land/employment space is required and where?**

- 6.58 The forecasts and projections provide some indication as to the amount of land that is required for employment development up to 2026. Just as important is the type of development that is likely to take place and therefore the type and location of land and premises that are likely to be required.
- 6.59 The projections suggest that the most significant growth will be in the B1 and B8 use classes. Some of the B1 growth is likely to occur within the existing town centres of Ramsgate, Broadstairs and

Margate, with any larger more significant office developments likely to require edge of centre land and development opportunities. This suggests that the B1 land requirements may not be as great as projected as some development may occur in the re-use and conversion of existing buildings within town centres. Further research would need to be carried out to assess what capacity the existing town centres have to accommodate office development.

- 6.60 Significant growth in the distribution sector is also projected. Opportunities for development are therefore needed on sites located in close proximity to the strategic road network, as well as sea, rail and airport network. Development opportunities for warehousing, distribution and storage sites also require access to high quality ICT infrastructure.
- 6.61 In terms of manufacturing space, the projections suggest there will be some additional need for appropriate land. These types of processes are usually best located away from residential development.
- 6.62 The RSS suggests the diversification and promotion of healthcare technologies, marine and logistics, as well as the further encouragement of opportunities in manufacturing across all of the sectors.
- 6.63 The amount and type of inward investment that may occur in the future is highly unpredictable, and whilst projections and other sources suggest particular sectors and uses, past experience shows uncertainty over what and when inward investment may occur. It is therefore considered essential that the land allocations provide for a variety of opportunities and potential end users. It is not considered necessary or appropriate to identify sites which are only suitable for particular segments or sectors, with the exception of residential locations, where development should be restricted to B1 uses.
- 6.64 The potential growth of Kent International Airport is expected to be a catalyst for economic development, and the provision of land in and around the airport would support this.
- 6.65 Two of the key issues that may have restricted inward investment in the past are land ownership and the lack of infrastructure on key sites. It is therefore essential that sites for future development are serviced with infrastructure, and are in the ownership by persons likely to develop the site for employment purposes.
- 6.66 In terms of types of premises that are required in the district. The assessment of Thanet's commercial property market identified an even balance between the demand and supply of start-up space, however limited choice is available and much of the existing stock is old and poor quality. The vacancy of the SEEDA development at Eurokent identifies a lack of demand of these types of premises. There appears therefore a need to provide cheaper, basic but good quality employment space, both office and industrial units.
- 6.67 Evidence from VAT registrations of new businesses, the take-up of the innovation centres, the demand versus supply information, and the low vacancy rates of small premises on existing sites, suggests that there is significant demand for small, start-up space. The supply of these premises needs to be affordable and flexible.



## Key Findings and Recommendations

- Based upon employment land projections, and a variety of other factors, it is estimated that between 34,710 m<sup>2</sup> and 206,292 m<sup>2</sup> of additional employment floorspace is required within the plan period.
- This equates to a total of between 8.7ha and 51.6ha of land.
- Because of the nature of the Thanet economy and the need to stimulate growth and ensure that no significant opportunities are lost, it is recommended that a generous allocation of land should continue to be provided.
- The higher growth scenario is therefore considered to be the most appropriate projection for future employment space and land requirements. Table 21 shows the amounts phased over the two time periods 2009-2016 and 2016-2026, with even development each year.

**Table 21 - Phased Employment Floorspace and Land Requirements to 2026**

	2009-2016		2016-2026		Total (2009-2016)	
	Floorspace (m <sup>2</sup> )*	Land (ha)^	Floorspace (m <sup>2</sup> )*	Land (ha)^	Floorspace (m <sup>2</sup> )*	Land (ha)^
B1	30,600	7.7	43,700	10.9	74,300	18.6
B2	23,100	5.8	33,000	8.3	56,100	14.0
B8	31,200	7.8	44,600	11.2	75,800	19.1
<b>Total</b>	<b>84,900</b>	<b>21.2</b>	<b>121,300</b>	<b>30.4</b>	<b>206,200</b>	<b>51.6</b>

\*rounded to the nearest one hundred

^rounded to the nearest 0.1 of a hectare

Source: TDC

- The projections indicate that 37% of the floorspace/land is required for B8 development, 36% for B1 development, and 27% for B2 development.
- Opportunities for B1 development should exist close to existing town centres and urban areas, and some of the forecasted demand is likely to occur within existing centres and buildings. Further research would need to be carried out to assess what capacity the existing town centres have to accommodate office development.
- Sites for B8 uses should be available with good access to the strategic road network, as well as sea and air networks.
- Sites for B2 uses should be best provided away from residential areas.
- Land allocations should be flexible and allow for a range of opportunities for different sectors and uses.
- There needs to be a variety of land which is suitable for both inward investment opportunities, and accessible to growth within the existing market.
- New development needs to be flexible and affordable to the local market, and in particular the provision of starter units and mid-range property should be encouraged and if possible assisted.

## 7 Review and Appraisal of Existing Employment Sites

### Introduction

- 7.1 This section identifies existing, allocated and potential employment sites in the district and assesses their main characteristics and quality in terms of their appropriateness to meet the future need for employment purposes in the district. An overview of the sites to be appraised is provided, including an introduction of sites by their current Local Plan status, an assessment of employment site by location, by type, and vacancy rates (land and buildings). Individual commentary is provided on each site, with the aim of supplementing a formal scoring exercise, which has been carried out to assess each site in terms of its developability and deliverability for employment purposes within the plan period.
- 7.2 The government guidance suggests that the site appraisal process should be undertaken in two stages. The first is a preliminary site appraisal of allocated sites of 0.25 ha or more, which remain wholly or partly undeveloped. In the case of Thanet this would only be relevant to five sites, and it is therefore considered that a more detailed appraisal than the preliminary assessment should be carried out in order to establish which, if any, of the sites should be released or retained. Additionally, it is not considered that any of these sites could be released from allocation, or the decision be made that they should definitely be retained without carrying out a full site appraisal.

### Selection of Sites

- 7.3 The sites have been identified from those currently allocated and retained in the Thanet District Local Plan 2006, together with additional sites selected from the Commercial Information Audit (CIA) carried out yearly by Kent County Council which monitors new employment development, and the current Business Rates Rating List obtained from the Valuation Office.
- 7.4 The ODP guidance on Employment Land Reviews suggests that sites above 0.25ha should be assessed. A total of 38 developed and allocated sites have been assessed, amounting to over 239 ha in total area. The sites are restricted to those in B1, B2 and B8 use, and do not include office accommodation located in town centre areas, however, these types of accommodation will be considered in assessing future requirements.
- 7.5 This chapter also identifies and assesses potential employment sites which are not currently allocated or in employment use. These sites have been identified from the Regulation 25 call for sites, and potential sites suggested by officers at the Council during a desktop study.

### Introduction to Existing Allocated and Retained Sites

- 7.6 There are currently five sites allocated for economic development purposes in the Thanet Local Plan 2006 under Policy EC1. Table 22 shows the total site area, and remaining developable areas, with and without planning permission, and also indicates the amount of land lost to alternative uses.
- 7.7 In addition to these five allocated sites, land at the airport (Northern Grass) is also allocated for employment purposes, but this is restricted to airside development, which includes uses based on operation of passenger handling services, air cargo operations related to the site, operation of aircraft maintenance and manufacturing and services ancillary to the maintenance and operation of the airport. Therefore development within this area which does not specifically require an airside location will currently be opposed. This site is not currently included within the districts committed employment land supply.

Table 22 - Existing Allocated Employment Sites

Employment Allocation	Site Area (ha)	Total Developed Area (ha)	Remaining Developable Area without PP (ha)	Remaining developable Area with PP (ha)	Area lost to other uses since allocation (ha)
Manston Park, Manston	<b>75.2</b>	27.83#	47.37*	0*	0
Eurokent Business Park, Ramsgate	<b>38.6</b>	18.1	19.5	1	3.58
Thanet Reach Business Park, Broadstairs	<b>9.74</b>	2.85	2.59	4.3^	~1"
Manston Road, Ramsgate	<b>8.42</b>	5.76	2.66	0	0
Hedgend Industrial Estate, Thanet Way	<b>2.46</b>	0.85	1.21	0.4	0
Northern Grass~	<b>26</b>	0	26	0	0
<b>TOTAL</b>	<b>134.42</b>	<b>55.39</b>	<b>73.33</b>	<b>5.7</b>	<b>4.58</b>

\* A current planning permission for 31.7 ha has been agreed by Council, subject to further negotiations.

# includes 12.47ha for access road

^ Planning Permission for a College Campus, site area includes existing access road

" Canterbury Christchurch University

~The use of this site is restricted to that requiring an airside location

Source: TDC

- 7.8 There are an additional 20 sites currently retained for employment purposes (B1, B2 and B8), under Policy EC12. In developing this policy a survey was undertaken of the district to identify such sites. Each site was assessed in the light of economic development, environmental and highway requirements and the protected sites were seen to be appropriate for long term retention. The already developed parts of the allocated sites identified above are also included for retention under Policy EC12. Two of the retained sites fall below the recommended threshold, however it is considered necessary to include these, as they are formally identified and retained in the current Thanet Local Plan.
- 7.9 Whilst these sites have already been assessed for their appropriateness to meet future needs, it is considered necessary for them to be appraised again here, as a number of the sites contain much older, poorer quality buildings, which need to be considered. Furthermore, whilst many of the sites are fully developed, some do have potential development plots which need to be identified and there could be opportunities for intensification or redevelopment of particular sites.
- 7.10 A more detailed commentary on each site is provided below, but generally these sites accommodate a mix of general industry and business, and storage and distribution type uses. The majority of these sites are relatively old, with most buildings appearing to be built in the 1950-70s. There appears to a high demand for these types of premises with very few units being vacant.
- 7.11 The start up and growth of small business is vital for the Thanet economy and they already account for a significant proportion of local firms. It is a feature of the Thanet economy that many smaller firms, whether established or just start ups simply cannot afford purpose built , new or modern buildings. Therefore the type of sites identified under Policy EC12 performs a vitally important

function within the economy providing cheap, flexible and accessible premises in a wide variety of locations.

**Table 23 - Existing Retained Employment Sites**

Site	Total Site Area (ha)	Area lost to alternative uses (ha)	Potential Development Area (ha)
Westwood Industrial Estate	25.9	3	0.75*
Pysons Road Industrial Estate, Broadstairs	22.79	-	0.6
Dane Valley Industrial Estate, St Peters	8.53	-	3.49
Haine Road Industrial Estate, Ramsgate	6.52	-	0.45
Laundry Road Industrial Estate	3.68	-	-
All Saints Industrial Estate, Margate	3.16	-	0.86
Manston Road Depot	2.97	-	-
Tivoli Road Industrial Estate	2.45	-	-
Cromptons Site, Poorhole Lane, Broadstairs	2.26	-	-
Jentex Site, Cliffsend	2.09	-	-
140-144 Newington Road, Ramsgate	1.12	-	-
Princes Road Depot	0.98	-	0.25
Whitehall Road Industrial Estate	0.95	-	-
Pioneer Business Park	0.64	-	-
Northdown Industrial Estate, St Peters	0.89	-	-
Factories, Suffolk Avenue	0.45	-	-
Manston Green	0.38	-	-
Magnet and Southern, Newington Road	0.29	0.09	-
St Lawrence Industrial Estate	0.19	-	-
Fullers Yard, Victoria Road	0.17	-	-
<b>TOTAL</b>	<b>86.41</b>	<b>3.09</b>	<b>6.4</b>

\* 0.323 has planning permission

Source: TDC

#### Introduction to additional employment sites not currently allocated or retained

7.12 Additional sites have also been identified from the Commercial Information Audit, a monitoring report which is carried out annually by Kent County Council, which monitors planning permissions for new employment development and from the Business Rates Rating List. An additional 13 sites have been identified from these sources, which are currently in B1, B2 or B8 uses.

**Table 24 - Additional Sites not currently identified in Thanet Local Plan**

Site	Total Site Area (ha)
R/O 37-89 Cecilia Road, Ramsgate	0.76
K Laundry, Northwood Road, Ramsgate	0.54
Stroud and Stylecast, Margate Road, Westwood	0.89
Brazil Brothers, Sacketts Hill, Dane Court Road	2.00
East Northdown Farm, Margate	0.67
Cheesmans Farm, Alland Grange Road	0.54
Builder's Merchant, Westwood	0.55
The Dump, Manston Road	1.95
Charles River, Manston Road	8.59
Little Cliffsend Farm, Little Cliffsend	0.46
Sarre Business Centre, Sarre	0.25
Hoo Farm, Monkton Road	0.54
Thorne Farm, Thorne Hill	0.75
<b>TOTAL</b>	<b>18.49</b>

Source: TDC

## Overview of sites

- 7.13 The broad location of employment sites in the district is illustrated in the table below. Appendix 5 shows the distribution of sites across the district and includes a map of each site. This indicates that the urban areas contain the largest number of sites, but that these sites are normally smaller sites. There are nearly half as many sites in rural areas, and these amount to nearly twice the overall site area of those in urban areas. Sites on the urban/rural edge and those in the rural areas share a similar proportion of total employment land in the district, with very few sites being located in the centre of the towns.

**Table 25 - Employment Sites by Broad Location**

Location	Number of Sites	Total Site Area (ha)	% of total site area
Town Centre	-	-	0
Urban Area	18	47.93	20
Urban/Rural Edge	7	89.58	37
Village	2	0.38	1
Rural	11	99.9	42
<b>TOTAL</b>	<b>38</b>	<b>238</b>	<b>100</b>

Source: TDC

- 7.14 In terms of the spatial distribution of existing employment areas in the district, there is a cluster of sites around the central area of the Island, in and around Westwood and the airport at Manston. Whilst many sites are located in rural locations, these are still in close proximity to the main towns and have good access to the strategic road network. The opening of the new Thanet Way in 1999 meant that there was a continuous dual-carriageway from the M25, via the A2 and M2 directly into Thanet. Since then local dualling has further improved accessibility such that virtually no part of Thanet is more than a 15 minute drive from a dual carriageway
- 7.15 Manston Business Park is the largest of the allocated Employment Areas, and has a rural location in the centre of the Island, adjacent to the Kent International Airport. This distribution of employment sites in the centre of the island supports the Council's initiatives which aim to diversify and enhance the economy of Thanet by focusing on the unique economic strands between the airport, the harbour and the three main business parks; Manston Park, Euokent and Thanet Reach.
- 7.16 In terms of employment in rural locations, there are a number of smaller sites located in these areas. There are two main rural sites, Laundry Road Industrial Estate located south of the airport and Hedgend Industrial Estate, located at St Nicholas on the A229 Thanet Way, near the boundary with Canterbury District. Both sites, whilst rural, have good access to the strategic road network. The majority of the other rural sites scattered around the district are converted agricultural buildings, and are occupied by small scale office and cottage type industries.
- 7.17 In terms of the spatial distribution of different use classes, B1, B2 and B8, there appears to be very little pattern, with the majority of the sites exhibiting a mixture of all light and general industrial uses, as well as storage and distribution uses, with a smaller proportion of heavy industrial. In terms of the distribution of offices, traditionally, there has been a very low demand for office development in Thanet. The majority are small offices in town centres or above shops, with few larger office buildings.
- 7.18 Table 26 provides an indication of the type of employment sites that exist in the district. This indicates that the majority of sites are general industry/business sites.

**Table 26 - Employment Sites by Type**

Type	Number of Sites		Total Site Area (ha)	% of Total Site Area
	<i>Fully Developed</i>	<i>Partly Undeveloped</i>		
<b>Established/potential office location</b>	1	1	38.8	16
<b>Business/offices parks</b>	1	1	77.46	33
<b>Warehouse/Distribution</b>	2		4.12	1.7
<b>General Industry/Business</b>	20	5	88.3	37
<b>Heavy/Specialist</b>	2	-	1.18	<1
<b>Incubator/SME Cluster Sites</b>	-	-	0	0
<b>Specialist Freight Terminals</b>	-	-	0	0
<b>Sites for Specific Users</b>	2	-	10.68	5
<b>Recycling/Environmental Industries</b>	3	-	6.92	3
<b>Education/General Industry</b>	-	1	9.74	4
<b>Rural/Cottage Industry</b>	1	-	0.38	<1
<b>TOTAL</b>	<b>30</b>	<b>8</b>	<b>237</b>	<b>100</b>

Source: TDC

### Appraisal and Ranking of Employment Sites

- 7.19 A formal appraisal exercise was carried out in order to rank each of the identified sites. This was carried out following a site visit to each of the sites and involved a desktop exercise with a number of Council Officers, including Planning, Highways, Environmental Health and Contaminated Land Officers.
- 7.20 The sites were assessed in terms of marketability, sustainability, deliverability and strategic planning factors. A full breakdown of the site appraisal criteria can be found in Appendix 6, as well as the individual score breakdown for each site. The site appraisal criteria have been based upon the guidance given in the ODPs ELR guidance and the supplementary guidance provided by the SEEPB. A commentary is also provided for each site to supplement the formal scoring system.
- 7.21 The main aim of this exercise is to establish whether the existing sites in the district satisfy the future requirements of employment growth in the district, and the recommendations will be made in Chapter 8 based upon the site appraisals.
- 7.22 Table 27 presents the appraisal score and ranking of all the sites assessed across the district. All of the sites are presented in one table, and the sites with potential development land have been highlighted.

**Table 27 - Appraisal and Ranking of Employment Sites**

Site Name	Location	Size (ha)	Remaining developable area (ha)	Potential Uses	Score (out of 20)	Quality
Cromptons *	Westwood	2.26	0	B1 B2	20	Excellent
Haine Road *	Ramsgate	6.52	0.45	B1 B2 B8	19	
Manston Green *	Manston	0.38	0	B1	19	
Manston Road (N) #*	Ramsgate	1.67	1.07	B1 B2 B8	19	
Pioneer *	Ramsgate	0.64	0	B1 B2	19	
Tivoli Road *	Margate	2.45	0	B1	19	Good
Fullers Yard *	Margate	0.17	0	B1	18	
Jentex *	Cliffsend	2.09	0	B1 B2 B8	18	
Laundry Road *	Minster	3.68	0	B1 B2 B8	18	
Magnet and Southern *	Ramsgate	0.29	0	B1 B2	18	
Manston Park #*	Manston	75.2	47.37	B1 B2 B8	18	
Pysons Road *	Broadstairs	22.8	0.6	B1 B2 B8	18	
St Lawrence *	Ramsgate	0.19	0	B1	18	
Westwood Industrial *	Westwood	25.9	0.75	B1 B2 B8	18	
140-144 Newington Rd *	Ramsgate	1.12	0	B1	17	
All Saints *	Margate	3.16	0.86	B1 B2	17	
Builder's Merchant	Westwood	0.55	0	B1	16	
Eurokent #*	Westwood	38.6	20.5	B1	16	
Hedgend #*	St Nicholas	2.46	1.61	B1 B2 B8	16	
Princes Road *	Ramsgate	0.98	0.25	B1 B2	16	
Northdown *	St Peters	0.89	0	B1	16	Average
Sarre Business Centre	Sarre	0.25	0	B1	16	
Whitehall Road *	Ramsgate	0.95	0	B1	16	
Charles River	Manston	8.59	0	B1 B2 B8	15	
Thanet Reach #*	Broadstairs	9.74	6.89	B1	15	
Little Cliffsend Farm	Cliffsend	0.46	0	B1 B2 B8	14	
Manston Road (S) #*	Ramsgate	6.8	1.59	B1 B2 B8	14	
R/O Cecilia Road	Ramsgate	0.76	0	B1	14	
Suffolk Avenue *	Margate	0.45	0	B1	14	
Stroud and Stylecast	Westwood	0.89	0	B1	14	
Thorne Farm	Minster	0.75	0	B1 B2 B8	14	
Cheesemans Farm	Manston	0.54	0	B1 B2	13	
Dane Valley (developed) *	St Peters	5.04	0	B1 B2	13	
Hoo Farm	Monkton	0.54	0	B1 B8	13	Poor
Manston Road Depot *	Margate	2.97	0	B1 B2	13	
East Northdown Farm	Margate	0.67	0	B1	12	
K Laundry	Broadstairs	0.54	0	B1	12	
The Dump	Manston	1.95	0	B8	12	
Brazil Brothers	Broadstairs	2	0	B8	11	Poor
DaneValley(undeveloped) *	St Peters	2.49	3.49	B1 B2	11	

Source: TDC

# Covered by Policy EC1 Thanet Local Plan 2006

\* Covered by Policy EC12 Thanet Local Plan 2006

Sites with Remaining Developable Land

### Commentary on Allocated Sites

- 7.23 **Manston Business Park (75.2ha)** is the largest single area of employment land in the District. It was first allocated for employment purposes in the Isle of Thanet Local Plan 1998. It is located at the centre of Thanet, within the countryside and adjacent to the airport. It is easily accessible from the main centres of population, the port at Ramsgate, and is connected by dual carriageway to the M25. The site is identified as the primary inward investment site for the district is considered to be a prime site for business use, and a number of major companies already operate from here. These include Cohline, Cummins, Invicta Produce, Avia Technical Services (ATS) and a recently developed office and workshop facility for Summit Aviation. The site also contains some recently developed smaller units, currently occupied by Addington Conservatories, Coastal Data, Electrical Assembly Solutions Ltd, and Family Care Homes Ltd. All of the buildings on the site are currently occupied.
- 7.24 The site has remained mainly undeveloped for many years, and the majority of the site still remains undeveloped; a total of 49.7ha; 18ha of which was purchased by Kent County Council in 2006. The map below shows potential development plots. The remaining undeveloped part of the site is subject to a current planning application for 137,664m<sup>2</sup> of industrial and warehouse development, for predominantly manufacturing uses.
- 7.25 Thanet District Council and Kent County Council are working closely together in particular to bring development forward on both this site and Eurokent Business Park.
- 7.26 **Eurokent Business Park (38.6ha)** is situated roughly equidistant between the three main Thanet towns. It is located between the recently developed Westwood Town Centre, a retail and leisure hub, and the new Marlowe Academy School. To the East lies the Jackie Baker Sports Ground, the all weather running track to the south, and to the west, beyond Haine Road lies open agricultural land. The site is also located adjacent to Newington, a large housing estate which suffers from high levels of unemployment and social deprivation. Running through the middle of the site is the recently completed Eurokent, Thanet Access Road Phases 4 and 5, which relieves the route along Haine Road, provides an additional route into Westwood Cross and opens up the site for development.
- 7.27 The most northern part of the site has been developed for leisure uses, as part of the Westwood Cross development, and houses a multiplex cinema, restaurants and Casino. To the east of this lies a vacant industrial building, previously occupied by Grupo Antolin, and just to the south of this is a SAGA call centre and an ambulance station. The centre of the site remains undeveloped, with approximately 20 hectares of vacant land. At the south of the site lies the Marlowe Innovation Centre, which was completed in August 2008, and provides affordable accommodation for innovative small businesses, with a mix of light industrial and office space. Adjacent to this is the recently completed *Eurokent Business Park*, a joint venture by SEEDA in conjunction with Thanet District Council, comprising a high quality scheme of imaginatively designed units, with flexible accommodation serving a mixture of B1, B2 and B8 uses. These units are currently being marketed for sale or to let, but all of these units have been vacant since the development was completed in early 2009.
- 7.28 The potential for housing on part of the site is being investigated as an option in the development of Thanet's Core Strategy as part of the plans for the future development of Westwood as a town centre.
- 7.29 **Thanet Reach Business Park (9.7 ha)** is situated in Broadstairs, located in very close proximity to Westwood, with good cycle and pedestrian links. The site is currently only partially developed, and includes the Thanet Campus of Canterbury Christchurch University College, the Innovation Centre and other business uses. Kent Innovation Centre (KIC) is a £3.8 million purpose built facility providing serviced incubation space and business support, encouraging the creation and growth of technology based companies, and has been successfully operating since 2002. The centre plays a key role in addressing Thanet's economic problems and the need for high quality, managed workspace for start-up, indigenous business and inward investors.



- 7.30 A substantial part of this site remains undeveloped, approximately 6.36 hectares. Of this 3.77 hectares have recently been granted planning permission for Thanet College, a further education college who wish to move from their existing old and outdated site in Broadstairs. This leaves approximately 2.6 hectares of land vacant for development which is owned by Tesco, and ideal for future employment development. The site has all necessary services available for development, and with adjoining uses being mainly commercial, with limited residential, the site appears to be ideal for a mix of business development.
- 7.31 **Manston Road, Ramsgate (North – 1.67ha and South – 6.8ha)** is located on the edge of Ramsgate, abutting open countryside, adjacent to the Tesco Store on Manston Road, and the new Meridian Village Housing Development. It is separated by the railway line from residential development, on the Nethercourt Estate to its south. The site spreads around three sides of the recent Tesco store development, and comprises a mixture of allocated, retained, developed and undeveloped employment land. The allocated part of the site comprises 2.15ha, of which 0.6 hectares has recently been developed as an NHS medical centre comprising office space, outreach facilities and day care provision for mental health outpatients. This leaves approximately 1.5 ha remaining developable area, in two separate sites. One is located on north-west side of Tesco, directly abuts Manston Road and is a completely vacant site, which is ideal for further employment development. The other part is located to the south of Tesco, and is bounded by the Old Timber Yard and employment land retained under policy EC12.
- 7.32 Of the land currently identified to be retained in the Local Plan, this is separated into two parts. To the east of the Tesco store is a large single building occupied by Flambeau Europlast. The building is in particularly poor condition, and requires substantial work for its use to continue, in particular the entire roof needs replacing. The site is located below the road level of Manston Road and is well hidden from public viewpoints. To the east of this site, lies a vacant piece of land, which is accessed through the Flambeau Europlast site. To the east of this is a former Timber Yard, which houses 5 industrial buildings; occupiers include a Timber Merchant, and Eastonways (coach company). Two of the buildings are currently unoccupied and being marketed for light industrial use. Both vacant buildings appear to be in good condition, with plenty of external storage and parking space. However, the external areas of the site are poorly maintained and the occupied buildings are in only satisfactory condition.
- 7.33 **Hedgend Industrial Estate (2.46ha)** comprises 0.85 hectares of land which is developed with a mixture of 19 units for general industry and business uses. All but one of the units are occupied (June 2009), and generally the buildings are in good condition, even though some date back to the 1960s.
- 7.34 The undeveloped part of the site comprises 1.61 ha, which was originally identified in the Isle of Thanet Local Plan 1998 to provide opportunities for the development and growth of small firms in the rural areas of Thanet. The site, whilst in a rural location, is extremely well linked to the Thanet Way, so highly accessible by motor vehicle. Access improvements directly into the undeveloped part of the site would be required, but should not be particularly problematic. The site is currently occupied by a dwelling and McNab Kennels (dog kennelling). An outline planning permission has been granted for part of the site, for 1400 sqm of office and B2 floorspace, but no reserved matters have been submitted. The application expires July 2010. This site would be ideal for distribution activities.

### Commentary on Retained Sites

- 7.35 **Westwood Industrial Estate (26ha)** is the largest of the existing employment sites retained in the current Local Plan. It is located on the main route between Westwood and Margate. Significant occupiers include Hornby, Emco Wheaton and Travis Perkins. At the front of the site there are three retail units currently occupied by B and Q, Halfords and Beds Direct. The rest of the site has a mixture of general industries and businesses occupying it, with a range of building ages and sizes, and standard of upkeep and presentation. Parts of the site are well presented, with newer buildings, allocated parking and organised external areas, in particular the southern corner of the site where some buildings appear to have been recently refurbished and extended. However, parts of the site and some buildings, in particular the rear areas of Hornby and Roe Timber Ltd are in poor condition.

The Thor Chemicals site is currently being decommissioned; a large amount of remediation work is required to remove contamination from the land.

- 7.36 The very southern corner of the site (0.9 hectares), fronting onto Nash Road, has been granted planning permission for residential, and this is nearing completion. Adjacent to this development is a separate access to the site from Star Lane, this area has recently been refurbished.
- 7.37 There are two small areas with development potential. One has planning permission for 12 small industrial units, which expires April 2010, and the other is an un-used car park to the rear of Halfords, and comprises 0.41 ha. In terms of the vacant units, there are 9 units currently vacant, these comprise units of 500m<sup>2</sup> or less, for office or light industrial use. These are all being marketed for these purposes.
- 7.38 This site is an important, well established industrial estate with high occupancy rates.
- 7.39 **Pysons Road Industrial Estate (22.8ha)** is another relatively large, important, established industrial estate, located in Broadstairs. It is well located in terms of its accessibility to the main towns, road network and public transport links. It is occupied by a variety of general industries and businesses, with some heavy/specialist industry, including Sericol. This site is again a mixture of standards, with some of the buildings being poor in condition and upkeep, in particular the smaller units in Blenheim Close and Lysander Close. Most of the older buildings appear to be of the same age and design and probably date to the 1960s. Parking is particularly poor in Blenheim Close, but is good where larger units are occupied by more established businesses, for example Blaze Neon, and Sericol. There is limited landscaping and public realm upkeep within the site, however the site boundary along Pysons Road contains a well landscaped strip with tree line, which helps to shield the site from the road, and green wedge opposite.
- 7.40 Whilst the standard of accommodation and site presentation is poor in some places, it appears to function well as a location for business and industry. All but two of the premises are occupied. There is only a small area remaining for possible development, located within the Sericol site.
- 7.41 **Dane Valley Industrial Estate, St. Peters (8.5ha)** is located on the edge of St. Peters, abutting the countryside. The site is occupied by a wide variety of general business and industry. Parts of the site are in extremely poor condition, with very poor building condition, parking, road surface, access and general public realm presentation. These areas are located as you get further into the site and account for approximately 40% of the developed part of the site. The areas to the centre of the site are significantly better, with reasonable road access, parking areas, and generally a good standard of accommodation. Occupying these parts of the sites are businesses such as KCC Social Services Offices and D Read Metal Works. The site is also home to a skate park and climbing wall facility. The area directly adjacent to the main entrance to the site is a small area named Oakwood Business Park. This is in relatively good condition, appears to be functioning well, and all of the units are occupied, by a mixture of business, such as DC Homewood Ltd Electrical Supplies, Kingsgate Furniture and Oakwood Joinery.
- 7.42 The site contains three areas which are currently undeveloped. Two of these are located at the rear of the site, and have very poor access, are located above the former rubbish tip (contamination is therefore a constraint), an ancient monument, on uneven ground, have electricity pylons running through them and are located on the edge of the Green Wedge which separates the built up areas of Broadstairs and Margate. It is therefore not considered that they provide any great potential for decent development opportunities, but are unlikely to be developed for alternative uses, due to these constraints. The other area is accessed directly from Northdown Road, and located on the southern side of the railway line. The site is being partly used for the storage of scaffolding, but the rest remains undeveloped. The main constraint to development of this site is the access, which is very poor, and would not be suitable for larger vehicles. A small section of the boundary is adjacent to residential properties; otherwise it is bounded by the railway line and rest of the industrial estate beyond this, and open area of Green Wedge to its east.
- 7.43 **Haine Road Industrial Estate (6.52ha)** is located on part of the A256 which forms the main access road into the district from Sandwich and Dover. The site is located right on the urban edge and is

occupied by a mixture of general industrial uses, including Active Signs and AEM Ltd Aircraft Accessory Repairs. The site comprises a mixture of building ages and conditions, but is generally satisfactory. The buildings range in size, but most being between 500-1000m<sup>2</sup> in floorspace. The site appears to work well, is reasonably well laid out, with good vehicular access and turning, and only one vacant unit on the site. A few of the companies on the site occupy more than one unit and are spread across the site. This could suggest a shortage of larger premises.

- 7.44 A small area of potential development land is located to the front of the site and is owned by Active Signs. The development of this site would require improvements to the junction onto Haine Road, and is therefore a constraint to its future development.
- 7.45 **Laundry Road (Telegraph Hill) Industrial Estate (3.68)** is located to the south of the airport, off Manston Road, and has easy and close access to the strategic road network. It is located within the rural area, and the site is surrounding by farmland. Approximately half of the site is occupied by White's Transport, haulage and distribution company. The remainder of the site comprises a mixture of B1, B2 and other B8 companies, which contains three main buildings located around a central car parking area. The buildings are a mixture of ages, dating from the 1930s to very recent, with a new development of three industrial units only recently been completed. The main entrance to the site and the buildings surrounding the car park appear to be in relatively good condition, and are functioning for their purposes, and this part of the site is well presented and in good upkeep. The secondary entrance to the site, to access Whites Transport, is however, not as well maintained. The road is un-kempt, and the area is used for open storage of rubbish. This part of the site could provide a development opportunity for some new small industrial units. Companies occupying the site include Manston Express, Frontline Electronics, Mears and Kent Tooling, and only one unit is vacant.
- 7.46 **All Saints Industrial Estate (2.45ha)** is the largest of four sites located in Margate. The site is sparsely and poorly developed, bounded on one side by the railway line, and the other by residential properties, which are set up a bank at a much higher ground level. The site is in poor condition, including the building, external areas and access road. It comprises a central section with a row of 10 general industrial units, occupied by a variety of general industrial businesses including D and J Haulage, Parkinsons Tools and Invicta Metals. One of these units is vacant, is the only vacant unit on the site. Between this and the railway are two other buildings and an area of open storage occupied by Kandoo Timber. There is another area of open storage to the south of the site, currently being used by Angle Scaffolding. Adjacent to the residential properties lies a large piece of vacant land, approximately 0.86ha in size. This site has twice been subject to planning applications for residential development, both of which were refused. This site provides an opportunity to be developed for employment purposes.
- 7.47 **Manston Road Depot (2.97ha)** is located just outside the urban area of Margate, and comprises TDCs refuse and recycling depot. The majority of the site is open storage associated with this use and there is one office building on the site. To the rear of this is an area of open storage occupied by Bretts Ltd. The large areas of open storage on this site, give the site a poor visual appearance, however this is not visible when passing on the road. The main building is in reasonable condition, and there is plenty of parking provided on site. The presence of contamination may affect any redevelopment of the site, however there is potential for intensification, whilst maintaining the waste use.
- 7.48 **Tivoli Road Industrial Estate (2.45ha)** is located within the urban area of Margate. The site is triangular shaped and bounded on one side by the railway line, and the other two sides by residential properties. The site consists of three buildings, between 1,500m<sup>2</sup> and 3,000m<sup>2</sup> in size. The site is in relatively good condition, with decent road layout and surfacing, good parking areas, and the buildings appear to be in good condition. Current occupiers are Jewsons and Thanet Training Centre (offices for mentally handicapped training). One of the buildings, formally occupied by Barrett George, remains vacant and is being actively marketed for light industrial purposes. Part of this site also had an extant planning consent for the erection of commercial starter units, however this expired at the beginning of August 2009. This site is an important town centre site and is close to the local workforce.

- 7.49 **Cromptons Site (2.26ha)** is located in the commercial area of Westwood and is occupied by two established businesses, Silent Gliss and Novatec, and is an excellent modern employment site. The site comprises two large buildings and is well presented, with areas of landscaping and well organised parking areas. The Silent Gliss building is less than 5 years old. There is a small area of 0.21 ha to the rear of the site, which appears to have the potential for some development.
- 7.50 **Jentex (2ha)** is a single occupier site, occupied by Jentex Fuel Oils Ltd. The site is located on Canterbury Road East and has good road access out of the district, adjacent to the village of Cliffsend, Manston airfield and open countryside. The site comprises a mixture of buildings, oil storage tanks and open storage areas designed specifically for its current use, as an Oil Storage Depot. The site is currently underutilised but its use is invaluable bearing in mind its location in relation to the airport and port. The site in its current form is only suitable for this use. Should the site become available for redevelopment, significant work is likely to be required to remove contamination on the site.
- 7.51 **140-144 Newington Road (1.12ha)** is the largest of the sites located within the urban area of Ramsgate, and currently has a sole occupier, Piper Windows. The two buildings on site are in satisfactory condition, and the parking area which is located at the front of the site is poorly laid out, presented and maintained. The site is located adjacent to the residential area of Newington, and the opening hours of the site are therefore restricted, providing a good B1 site. The current occupier would, however, prefer to work 24 hours.
- 7.52 **Princes Road Depot (0.98ha)** is, in most parts, in very poor condition. It is bounded to the north-west by the railway line, in the middle of the urban residential areas of Ramsgate. The site can be split into 5 distinct sections. Directly adjacent to Pioneer Business Park is an electricity substation, directly adjacent to this is a vacant plot of land approximately 0.25ha in size. Thanet Ware/Ellington Works is located adjacent to this, and comprises a single building, which appears in extremely poor condition, although it still appeared to be in use. Adjacent to this are four newer industrial buildings, occupied by the businesses Allsorts and Martins Motors Servicing. Located to the rear of all of this between the railway bridge is an currently used for the open storage of scaffolding (Line Port) and a car wash. Generally the site seems disorganised and poorly maintained, however it is fully occupied by small businesses. This is an ideal urban employment site, which would benefit significantly from redevelopment or intensification.
- 7.53 **Whitehall Road Industrial Estate (0.95)** is also located in the urban residential area of Ramsgate. The site comprises a mixture of general industrial uses, with three buildings. To the front of the site is Whitehall Service Centre MOT garage. Within the site are two industrial buildings, both estimated to be dated from the 1970s. The buildings and site are in satisfactory condition, there is plenty of parking and turning space provided, and one building was being refurbished. The site is bounded on all sides by residential properties, and its use is therefore restricted. Occupiers include Kent Metals, Oliver Carpets, All Woods and Holland Motors. There was one vacant unit on the site, which is being actively marketed for industrial use. The site provides another good urban employment area for B1 uses.
- 7.54 **Northdown Industrial Estate (0.89ha)** is located is St. Peters, Broadstairs. The site contains a single industrial building split into 11 units, and a small office building. The buildings are estimated to date from approximately 1960s, and the industrial buildings are in poor condition, whilst the office building is only slightly better. The site has a reasonable amount of space available for parking, but lacks turning space for larger vehicles. The site does appear to be functioning well, all units are currently occupied and site presentation is reasonable. Current occupiers include Michael Wholefoods, Carpet Maintenance Specialist Ltd, and Cirrus Engineered Products Ltd. This is a good B1 site of relatively cheap premises.
- 7.55 **Pioneer Business Park (0.64ha)** is located adjacent to Princes Road Industrial Estate in Ramsgate, and comprises 6 buildings which house Pioneer Welding and Finishers. The buildings appear to be in good condition, and look well maintained. The site is generally well organised and provides a decent employment site currently in B2 use.

- 7.56 **Suffolk Avenue, Factories (0.45ha)** is a relatively small site, located in the predominantly residential area of Westgate. The site is occupied by two buildings both just over 2,000 sqm, occupied by Britelight Windows and Conservatories, and Lexerton Furniture. The building which fronts onto Suffolk Avenue appears to be in sound condition, probably dates from the 1970s. The building at the rear of the site however appears to have little life left, but it is currently still functioning as a factory. The site is generally well maintained, with most storage areas are hidden from public view. There is plenty of space for parking on the site, as well as decent turning areas. The site has been known to result in Environmental Health complaints for noise and late working hours.
- 7.57 **Manston Green (0.38ha)** is located in the village of Manston and comprises a small site of converted farm buildings, occupied by cottage industries, including The Garden House Ltd, Jane Knight Curtains and Blinds and Glass Forming. The site is well presented, and maintains the rural farmyard presentation. Whilst the buildings probably date from the early 19<sup>th</sup> century they have been well renovated and are in good condition. One of the six units is currently vacant, and being marketed as a rural office. The site is ideal for small businesses, and provides a village enterprise and good rural employment opportunities.
- 7.58 **Magnet and Southern (0.29ha)** is a single occupier site occupied by a single building, with an open forecourt/parking area to the front. Whilst the building dates to approximately the 1960s it appears to be in reasonable condition and versatile. The site is well maintained with an area of landscaping to the side of the building. Part of the area retained in the Thanet Local Plan has been developed for a terrace of five houses, approximately 0.09 ha. The site is in a good location within the urban area of Ramsgate and bounded to the rear by the railway line and Ramsgate Railway Depot, providing a versatile employment site.
- 7.59 **St Lawrence Industrial Estate (0.19ha)** is the a very small site comprising a single building, split into five small units, and occupies a mixture of small business activities, including Canterbury Pottery, Dave Walker Engineering and Meltdowns Art Studios. Access to the site is particularly poor, and there is limited parking and turning space within the site. The buildings date to the 1960s and are in satisfactory condition, and appear to have been re-roofed relatively recently. The site is bounded by residential properties and a school to the north. All of the units are occupied, and provide versatile small units which are popular and affordable.
- 7.60 **Fuller's Yard (0.17ha)** is the smallest site currently retained for employment purposes in the Thanet Local Plan and is located in the urban area of Margate. It contains 12 units for office and light industrial use only, and is owned by TDC. Fullers Yard comprises six new industrial units built in 2006 and six renovated buildings (circa 1898) which accommodate small and medium sized businesses. The starter units range from 20 sq m – 92 sq m, all of which have parking provisions on site, are in good condition. The site is bounded on two sides by educational facilities, in a predominantly residential area. The site is currently occupied by businesses such as Kingfisher Electrical, Chi Building Services, and SW Flooring. Two of the 12 units are currently vacant and are being marketed for light industrial use. This is a good edge of town centre employment site for small businesses.

### Commentary on Additional Sites

- 7.61 There are a total of 12 additional sites identified for discussion.
- 7.62 **Charles River (8.6ha)** is the largest of the additional sites and is located close to the airport. It comprises a single occupier site, is a global provider of research models and preclinical, clinical and support services for pharmaceutical and biotechnology companies. The site is developed around the needs of this particular occupier, and is in good condition. Should the current user leave the site, it is likely to require complete redevelopment for employment purposes to continue, but is in an ideal location adjacent to the airport.
- 7.63 **The Dump (1.95ha)** is located on Manston Road, between Margate and the airport. Its use as a waste transfer site is in the process of ceasing, as the premises have been relocated at Richborough, on the Sandwich Corridor, just outside Thanet District. The site comprises mainly

open storage areas, with a couple of small buildings, all hidden within a bund which surrounds the site. The area fronting Manston Road is subject to an extant planning permission for an architectural salvage yard, and a current application is being considered to extend this use to the rear of the site. The site is in a poor location, with poor access to the strategic road network and local workforce.

- 7.64 **Stroud, Stylecast and John Icke (0.89ha)** is in a highly accessible location on the corner of Ramsgate Road and Poorhole Lane, also includes the retail unit of Topps Tiles, all of the uses contain an element of retail sales as well as light industrial/manufacturing use. The buildings are a mixture of ages, but it is estimated that all were constructed more than 20 years ago. Site presentation is poor, with large areas of open storage, and excessive signage visible from the public highway. Each use has a separate vehicular access, but there is a general lack of parking or turning space within the site. With the expansion of Westwood the site is likely to have future retail potential.
- 7.65 **Builders Centre (0.55ha)** is located on the main Westwood roundabout and is currently unoccupied. There is one building which is located to the rear of the site set back from the roundabout, and is in poor condition. This site is in a prime location, and is a key site for the future development of Westwood, which is likely to require complete redevelopment in order for any use to continue on the site. Non-B-Class use has potential here, due to the development of Westwood.
- 7.66 **Cecilia Road (0.76ha)** is the largest additional site in the urban area of Ramsgate, located to the rear of residential properties in Cecilia Road in the Old Chalk Pit. The site occupies two businesses, Jewsons and RC Rook and Sons, the second of which has planning permission for an extension to its premises. Access directly into the site is good, with good signage, although located on the coastal side of Ramsgate Town, local road capacity is constrained and the site is directly adjacent to residential development. The site is capable of redevelopment or intensification for small-scale employment uses.
- 7.67 **K Laundry (0.5ha)** site is located on the outskirts of Ramsgate Town, close to the Westwood area. It comprises a single occupier site, for K Laundry. There are a variety of buildings on the site, developed in a haphazard piecemeal way, and are a mixture of ages, totalling 1800 sqm of floorspace for mixed B1, B2 and B8 purposes associated with K Laundry. The site is located in a predominantly residential area, and the site has a poor relationship with the house directly adjacent the site. Site presentation and presentation are satisfactory, with an open yard/parking area located to the side of the main buildings. Access onto the site is poor, and turning area to the front of the site is limited. It is likely that the site would need to be redeveloped should the current use cease, for future employment purposes to utilise the site, and there is likely to be contamination to deal with.
- 7.68 **Brazil Brothers (2ha)** is located within the Green Wedge separating the towns of Margate and Broadstairs. It is occupied as open storage and distribution site by a skip hire company and waste transfer station. The site is not visible from the main road as it is well landscaped on its boundaries. The site is located adjacent to a farm yard, associated nursery, a cluster of residential properties, but is mainly bounded by farmland. Further built development on the site is likely to be unacceptable, but the site has potential for open storage uses.
- 7.69 **Thorne Farm, Thorne Hill (0.75ha)** comprises a relatively substantial former agricultural building conversion development, located to the south of the airport within the countryside. The site contains 9 medium sized units, varying between 128sqm and 758sqm. They are all occupied, by a variety of general manufacturing and engineering businesses, including an industrial rubber warehouse and fabricator and a frame manufacturer. The site is well established and the buildings are in relatively good condition. There is sufficient parking and turning space; however access for large vehicles from the main road network is poor.
- 7.70 **East Northdown Farm (0.67ha)** comprises a wide variety of small (mainly less the 80 sqm in floorspace) units, former agricultural sheds and buildings. The site is disorganised, poorly maintained, and the buildings are generally in poor condition. However, all of the units are occupied, and the site provides cheap accommodation for a variety of small businesses.

- 7.71 **Cheesemans Farm (0.54ha)** is located down a narrow country lane, and comprises a mixture of converted farm buildings, and some additional new buildings, all of which are in reasonable condition, and appear to be functioning well. The road surface and access around the site is poor, but there is good space allocated for car parking. The site is occupied by B1 and B8 uses, businesses including Airport Connections, and Isle of Thanet Commercials. There is one unit vacant, which is being marketed to let as a workshop/storage unit. This provides a decent rural employment site and good use of former agricultural buildings.
- 7.72 **Hoo Farm (0.54ha)** is located on the road between the villages of Minster and Monkton, and also comprises the conversion of former agricultural buildings. The site currently comprises of 7 units and a recent planning permission has been granted for the erection of a building totalling 450sqm of floorspace for B1 and B8 use. The former agricultural buildings have been renovated and are in good condition. One of the units is currently vacant and being marketed for B1 or B8 use. Current occupiers include a blacksmiths and forgemasters, and other general manufacturers and engineering companies.
- 7.73 **Little Cliffsend Farm (0.46ha)** is located on the outskirts of Ramsgate and comprises another farm diversification scheme, providing employment location in the rural area. It is a 0.45ha site, occupied by a number of buildings, separated into 7 units. The buildings are of good quality, the presentation of the site maintains its rural feel, with a decent tree line shielding the site from external views. There is plenty of parking and turning space provided. The buildings are occupied by a variety of small businesses including Feature Designs, APC Ltd and Spicer and Spicer
- 7.74 **Sarre Business Centre (0.25ha)**, comprises an office development of fully refurbished farm buildings, located within the village of Sarre. The site and buildings are in excellent condition, well designed for its purposes. One of the units is currently vacant and is being marketed for office use. SEH Clinical Care occupy one of the offices. The development is an ideal B1 site and is a sustainable village employment site.

### Potential Additional or Replacement Sites

- 7.75 Potential sites for employment use have been put forward by landowners in the call for sites through the Local Development Framework process. A total of 23 additional sites have been put forward. These have also been appraised for their potential future use for employment, and the results can be viewed in Appendix 7. All but one of these sites lie within the countryside, Greenfield sites, in agricultural use. None of the sites have existing infrastructure and no existing access roads. For these reasons all of these sites have attained a score of between 5 and 10. For these reasons, none of these sites are considered to be suitable for future employment development. The other site is located at East Northdown Farm, located adjacent to the existing employment site which has been identified and appraised as an existing employment site. The potential new area for employment achieved a score of 11.
- 7.76 In addition to this two other sites have been identified for potential future employment use by Council Officers. These are the MODs fire training school (currently allocated in Policy EC6), and the Land north of the airport, the Northern Grass (currently allocated in Policy EC4 for airside development. These sites have both scored 15.
- 7.77 **Airside Development Land (Northern Grass) (126ha)** at Kent International Airport is allocated for economic development within the current Thanet Local Plan, however not strictly for B1, B2 and B8 uses, but for development which requires as an airside location, for example operation of passenger handling services, air cargo operations related to the site, operation of aircraft maintenance and manufacturing and services ancillary to the maintenance and operation of the airport. The site is not currently included within the current committed employment land supply and is not immediately available for development, but could provide opportunity in the future. The Draft Airport Masterplan is seeking greater flexibility of land uses for some of this area, as it regards the ability to develop both aviation and non-aviation activity in this area as a key to successful growth of the airport.
- 7.78 The **Fire Training School/MOD Complex (37ha)** is located on Manston Road, in close proximity to the airport. The future of Fire Training School facilities around the country is currently under review,

and the future use of the site for these purposes is uncertain. The site contains some high quality buildings and provides future potential for B Use Class employment and other employment generating uses. The current policy relating to the site seeks to retain the site for commercial use, and supports development which would assist the expansion of the airport, including potential employment uses.



## Key Findings and Recommendations

### Potential Employment Land

- Thanet has 12 existing sites with land available for development, totalling approximately 85 ha of undeveloped land, plus an additional two sites with potential for future development. 74.5ha of land is of good or excellent quality for future employment purposes, and suitable for a mixture of B1, B2 and B8 uses. 1.59ha of land is ranked to be of average suitability for future employment use, with 3.5 ha being of poor potential for future employment use. Recommendations for each site are set out in Table 8.1, after considering the balance between supply and demand.

### Existing Retained Employment Sites

- Thanet has 24 existing sites which are currently retained by Policy EC12 of the Thanet Local Plan, which provide invaluable accommodation for the start up and growth of SMEs. Three of these sites have been subdivided for the purpose of this ELR, resulting in a total of 27 existing sites.
- 22 of the 27 sites received a good or excellent score and it is therefore recommended these should be retained for employment purposes. These sites are vital for the Thanet economy and they already account for a significant proportion of local firms.
- 4 sites received an average score in the appraisals, the qualitative function of these sites should therefore be considered.
- Dane Valley scored as 'poor' because of the standard of the buildings, access and contamination issues. However, the site is fully occupied and plays an important role within the local economy providing cheap, flexible and accessible premises, and should therefore be retained.
- Manston Road Depot received a low score because of its relatively remote location, and the need for its current use. However, the site is capable of intensification, would not be appropriate for any other use, and should therefore be retained.
- The current policy retains these sites for B1, B2 and B8 purposes only. It is recognised that a significant proportion of economic growth comes from outside of these uses, and it is recommended that consideration be taken to allow other employment uses (excluding those uses identified in PPS4 as town centre uses) on these sites.
- **All 24 existing retained sites to continue to be retained for employment purposes.**
- A number of the retained sites exhibit relatively poor building quality, and whilst are currently functioning well as employment locations, the condition of the buildings could in the future affect their functionality. It is therefore recommended that a strategy needs to be put in place for the renewal/upgrade of buildings within some of the sites.
- **The following sites are in greatest need for renewal/upgrade:**
  - o Dane Valley Industrial Estate, St Peters
  - o Princes Road Depot, Ramsgate
  - o Factories, Suffolk Avenue (Buildings to rear of site in severe need of redevelopment)
  - o All Saints Industrial Estate, Margate (Potential renewal of buildings or redevelopment/refurbishment of whole site to include existing undeveloped land)
  - o Haine Road Industrial Estate, Ramsgate (Parts only)
  - o Pysons Road Industrial Estate, Broadstairs (Parts only)
  - o Westwood Industrial Estate, Broadstairs (Parts only)

### Other Existing Employment Sites

- An additional 13 existing employment sites have been identified, which are over the 0.25ha threshold.
- Due to the importance of such sites to the economy of Thanet it is necessary to consider whether these sites should also be retained for employment purposes to avoid loss to alternative uses, such as housing. Table 28 summarises the recommendations for each site based upon the quantitative and qualitative site appraisal exercises.

**Table 28 - Recommendations for other existing sites**

Site	Size (ha)	Score	Comments	Recommendation
R/O 37-89 Cecilia Road, Ramsgate	0.76	Average	Local road capacity constrained, surrounded by residential.	Protect B1 only
K Laundry, Northwood Road, Ramsgate	0.54	Poor	Contamination significant, re-use of site for alternative use would require demolition and redevelopment.	Do not protect
Stroud and Stylecast, Margate Road, Westwood	0.89	Average	Sustainable location, at centre of Westwood vision, pressure for retail use in future.	Protect
Brazil Brothers, Sacketts Hill, Dane Court Road	2.00	Poor	Green Wedge location, therefore intensification of built development problematic, also highway issues at junction. Open storage only future potential	Do not protect
East Northdown Farm, Margate	0.67	Poor	Poor quality buildings, but in high demand. History of complaints from the site. Potential for re-modelling of entire site.	Do not protect
Cheesmans Farm, Alland Grange Road	0.54	Average	Rural site, good quality cheap units, poor access to workforce	Protect
Builder's Merchant, Westwood	0.55	Good	Sustainable location, prime site for redevelopment, important for Westwood vision, alternative uses may be more appropriate	Protect
The Dump, Manston Road	1.95	Poor	Existing PP for architectural salvage yard, likely to be implemented, former usage as waste transfer station, contamination significant. Poor location.	Do not protect
Charles River, Manston Road	8.59	Good	Good current use. Potential for re-use if current occupiers left, but would be likely to require complete redevelopment. Close to airport.	Protect
Little Cliffsend Farm, Little Cliffsend	0.46	Average	Former agricultural building conversion, large vehicle access problematic, good small scale uses in demand	Protect
Sarre Business Centre, Sarre	0.25	Good	Excellent re-use of former agricultural buildings, good rural village employment site, however poor access to workforce	Protect
Hoo Farm, Monkton Road	0.54	Average	Good rural employment site, however poor access to workforce	Protect
Thorne Farm, Thorne Hill	0.75	Average	Good rural employment site, re-use of agricultural buildings, poor access for large vehicles and proximity to workforce	Protect

## 8 Balancing Supply and Demand

### Introduction

- 8.1 This chapter brings together the projections of future employment land requirements, presented in Chapter 6, and the employment land supply presented in Chapter 7. It discusses both the quantitative and qualitative requirements for employment land supply up to 2026, and whether the current supply of land is suitable in quantity, quality and type for future requirements. It considers whether there is a need for additional land, alternative land, or if there is a surplus in land supply.

### Quantitative Supply and Demand Balance

- 8.2 Chapter 6 identified a need for up to 206,292sqm of additional employment floorspace from 2009-2026, which equates to 51.6ha of land. The distribution of land requirements across the three B-use classes is quite even, with 18.6ha required for B1, 14ha required for B2 and 19ha required for B8.
- 8.3 The supply of existing allocated employment land is taken from the survey carried out by the district council in association with this report. This assessed all existing employment sites identified to be over 0.25ha in size, and includes the existing allocated and retained sites in the current Thanet Local Plan. The total supply of land identified from the survey is located on the existing allocated and retained sites, and amounts to approximately 85ha of land. A total of 74.5ha of this land is ranked as a good or excellent potential employment site.
- 8.4 There is therefore a notional surplus of **33.4ha** of allocated land. This potentially allows for the release of the some lower quality employment land for alternative purposes, providing that the remaining allocated land is sufficient in terms of its amount and type and provides realistic opportunities for employment development in both the short and long term.
- 8.5 Table 8.1 sets out the recommendations regarding each site with potential for employment development, taking into consideration the current surplus, and the need for a relatively even spread of land across the B1, B2 and B8 use classes.

**Table 29 - Recommendations for Potential Employment Land**

Site	Area (ha)	Score	Delivery timescale	Comments	Recommendation
Manston Business Park	49.7	Good	Short term	Existing flagship business park, which whilst it has been slow to develop, is partly developed, with recent market activity, in an ideal location to strategic road network and airport, and there are no potential alternative uses.	Retain (B1, B2, B8)
Eurokent Business Park	20.5	Average	Short term	Slow take-up for employment purposes. Emerging strategy for the development of Westwood involves use of some of site for residential, potentially a better use.	Potential for partial release if alternative uses considered to more appropriate (B1)
Thanet Reach Business Park	6.9	Average	Short-medium term	Pressure for educational uses on part of site. Remainder of site provides excellent site for employment purposes linked to education uses.	Potential for partial release if alternative uses considered to more

					appropriate (B1)
Manston Road (N), Ramsgate	2.7	Excellent	Short term	Excellent location, no constraints to development, recent activity, no potential alternative uses.	Retain (B1, B2, B8)
Manston Road (S), Ramsgate	1.59	Average	Medium-long term	Potentially difficult site to develop due to access constraints and land levels. However, no appropriate alternative use.	Part of site with buildings retain (B1, B2, B8) Land consider release
Hedgend Industrial Estate	1.6	Good	Short term	Provides excellent location for distribution uses. No potential alternative uses.	Retain (B1, B2, B8)
Pysons Road Industrial Estate, Broadstairs	0.6	Good	Long term	Owner not currently wanting to develop, but in middle of existing established industrial estate so longer term potential.	Retain (B1, B2, B8)
Haine Road, Ramsgate	0.45	Excellent	Medium-long term	Part of existing established industrial estate. Improvements to access required prohibiting development in the short term.	Retain (B1, B2, B8)
Westwood Industrial Estate	0.75	Good	Short-medium term	Part of existing established industrial estate. Part has planning permission for development.	Retain (B1, B2, B8)
All Saints Industrial Estate, Margate	0.86	Good	Short-medium term	Adjacent to existing industrial estate, potential for alternative uses weak and recent interest in use of site evident. Good town centre site.	Retain (B1, B2, B8)
Princes Road, Ramsgate	0.25	Good	Short-medium term	Land within existing industrial estate. Good urban location.	Retain (B1, B2, B8)
Dane Valley, St Peters	3.49	Poor	Medium-long term	Owners interested in developing the site. Contamination major constraint as well as access and residential neighbours.	Consider release
Airside Development Area (Northern Grass), KIA	126	Good	Long term	Location in close proximity to airport and Manston Business Park gives excellent potential to support future growth	Consider lifting current policy restriction for part of area
Fire Training School	37	Good	Medium-long term	Future use by MOD uncertain, site may never become available.	Continue existing policy

Source: TDC

### Qualitative Supply and Demand Balance

- 8.6 Thanet's economic base and performance remains fragile and is characterised by small firms with low requirements for managerial, professional and skilled jobs. The location of the district, at the eastern end of Kent, also means that it is often at a disadvantage in competing with other business parks closer to London. However the existing Local Plan and emerging Local Development Framework Core Strategy see the business parks, the airport and port as vital to the regenerations

of the area in terms of diversifying and expanding the economy. Therefore a good range, variety and balance of employment land needs to be available for development, in order to meet the needs of the local market, as well as any potential inward investors, and to provide for a range of potential uses.

- 8.7 Current policies identify the existing allocated and retained sites for a mixture of B1, B2 and B8 uses. B2 uses are restricted to areas located away from residential development. The majority of the sites provide potential for a mixture of B-Use Class activities, and it is recommended that policies should remain flexible to allow for a range of B-Use Class activities. The most suitable uses for each site are recommended in Table 8.1, and the majority of land is flexible for a variety and combination of employment uses, and therefore suitable for the future demand shown across the B1, B2, and B8 classes.

### *Major Strategic Sites*

- 8.8 Manston Business Park provides the ideal site for inward investors and potential development opportunities for growing existing businesses in the district to re-locate. The site provides land opportunities for a range of industry sectors. Based upon the past take up rates, and level of inward investment that occurs in the District, it is considered that the amount of land here is sufficient to provide for this need up to 2026.
- 8.9 In view of their sustainable locations, the slow take up by traditional employment uses and the overall quantity of available employment land both Eurokent Business Park and Thanet Reach Business Park may have the potential for partial release.
- 8.10 The principle of using part of Thanet Reach Business Park for education purposes has already been established by the granting of planning permission for the development of a College Campus. Given the importance of education and skills development in the district, and the potential to consolidate this site as an education, training and innovation role, it is recommended that this part of the site be released from employment allocation, and protected for education purposes. The remainder of this land is ideal for office development.
- 8.11 Eurokent Business Park has been very slow to develop (apart from Saga and public-funded units), with the majority of development being for alternative commercial uses including, a pub, restaurants, hotel, cinema and casino uses. The partial release of this land for alternative uses, including residential and other commercial purposes should be considered dependant upon an assessment of the suitability and need for this land for these alternative uses.

### *Industrial and Offices Land/Premises for indigenous market*

- 8.12 Evidence also indicates demand for property from within the local market on a smaller scale. Whilst the current economic situation is poor, the vacancy levels of these types of properties remain low, showing significant demand. Sites therefore need to be available to encourage this potential development and growth in the local market and premises need to be readily available. These include small business units and start-up space, and a ladder of premises of different sizes up to larger units, which should be provided for both office and industrial uses and help develop these markets and retain expanding businesses. The most crucial factor is that premises need to be affordable.
- 8.13 Potential development plots within existing established industrial estates are considered to provide one option for this type of development, and a total of 12.3ha currently exists. However, evidence shows that due to the low rental values which exist in Thanet, speculative development for premises is unlikely to occur.

### *Start-up Space*

- 8.14 In terms of start-up space, although the three innovation centres in the District provide for this type of accommodation, the demand for these types of premises, which provide small scale, managed,

low cost flexible units with easy in/out arrangements, for a range of sector activities, suggests more space will be required up to 2026, to accommodate indigenous start-ups and businesses growing out of working at home functions. Potential locations for such development would be at the remaining employment land allocations at Thanet Reach and Eurokent.

### *Rural Provision*

- 8.15 The relatively close proximity of all rural areas in Thanet to the urban areas, the strategic sites and the existing allocation of Hedgend Industrial Estate at St Nicholas, means that there is no need for additional rural employment land allocations. The majority of rural employment space is provided through conversion of redundant agricultural buildings, and the evidence suggests that these are popular types of accommodation for businesses in the District.
- 8.16 There is potential for future demand for conversion of agricultural buildings for business purposes, both in connection with farm diversification schemes or otherwise. It is recommended that the existing farm diversification policy (Thanet Local Plan Policy CC10) is retained. Additionally, Planning Policy Statement 4: Planning for Sustainable Economic Growth, recommends that Local Development Documents should set out policy criteria for the conversion and re-use of buildings in the countryside for economic purposes.<sup>1</sup>

### *Supporting growth of the airport*

- 8.17 The Airport Masterplan is proposing greater flexibility of land uses for the area north of the B2060, namely the Northern Grass. The site is currently restricted for airside development only, and the masterplan regards the ability to develop both aviation and non-aviation activity in this area as key to the successful growth of the airport. This issue is considered here in more detail.
- 8.18 The site received a good score in the site appraisal exercise, as this site itself provides both a deliverable and developable site for future employment development. Its location adjacent to the airport is advantageous to this, and with the growth of the airport being at the centre of future economic development in the district, the relaxation of current policy restriction on this site may be appropriate.
- 8.19 An assessment needs to be made as to whether or not releasing this land would result in growth of the airport as is expected, or if the land is not released, whether this would be likely to hinder its growth and the potential economic regeneration of the District. This is difficult to assess, but any potential for hindering the growth of the airport and therefore the catalyst for economic growth of Thanet should be considered carefully.
- 8.20 Another consideration is how the release of this land could potentially affect the development of the existing allocated employment sites, in particular that of the nearby Manston Business Park, which is already partly developed. As Thanet's exiting flagship Business Park it is considered that the development of this site should be a priority. Potentially the release of the Northern Grass could hinder the development at Manson Park as it provides an alternative location for development.
- 8.21 Taking both of these factors into account, an option could be for a phased release of this site, whereby Manston Business Park should be developed prior to the Northern Grass being released for B-Use Class purposes, unless it can be demonstrated that Manston Business Park is not suitable for the potential user.

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<sup>1</sup> Planning Policy Statement 4 (PPS4): Planning for Sustainable Economic Growth. DCLG, 2010.

## 9 Summary, Conclusions and Policy Recommendations

### The Context of Thanet's Economy

- 9.1 Thanet has a relatively small economy, and is one of the most economically and socially deprived areas in the country. It is currently performing the worst of any district in the south-east in terms of unemployment figures. Thanet has Area Assisted Status, allocated as a Tier 2 area and under the European Structural Fund has Objective 2 Status.
- 9.2 The main factors affecting its poor economic base are its peripheral location in Kent, the presence of a restricted manufacturing base and declining tourism sector. The population of Thanet also adds to its economic woes, with a large transient population, high levels of inactivity, and lack of skilled workforce.
- 9.3 For these reasons, employment growth in the district has traditionally been quite slow and there is a lack of large employers and inward investment in the district. This has shown some signs of improvement since 2001, but not significant. Job density figures indicate that there is 0.65 (2006) of a job per person being of an economically active age. This density is lower than the rest of the districts in East Kent, and significantly less than the south-east average of 0.89.
- 9.4 Recent growth has been seen in the construction and distribution, hotels and restaurant sectors, with a decline in the manufacturing industry, which still provides for 10% of Thanet jobs, and has not shown as significant a decline as the rest of the south-east. Thanet has a high dependence upon public sector employment, and more traditional industries including lower value added manufacturing and the visitor economy. The public administration, education and health and distribution, hotels and catering sectors account for the highest proportion of jobs in Thanet, totalling approximately 63% (2007).
- 9.5 The office market in Thanet is particularly weak, with no major office locations existing in the District. However, demand is evident for office based start-up space for newly forming businesses.
- 9.6 The main centres of economic activity are the towns of Ramsgate, Broadstairs and Margate, all of which have varying roles. A number of well established industrial estates are located within these towns and their peripheries. The new town centre at Westwood has brought significant economic benefits to Thanet, with huge growth in the retail offer.
- 9.7 There are two strategic employment sites in Thanet, Eurokent and Manston Business Park, both of which have shown relatively slow uptake of employment development since they were first identified in 1994 and formally allocated in 1998.
- 9.8 Thanet's economic strengths include its proximity to Europe, the presence of Kent International Airport and the Port of Ramsgate. Wage levels are low and there are plenty of land development opportunities. Improved transport links, with the dualling of the Thanet Way in 2006, the introduction of High Speed rail services in 2009 and the completion of the East Kent Access dual carriageway scheduled for 2012, have and will improve access to the area significantly. Additionally Thanet offers the potential for a high quality of life, has an attractive coastal environment, with blue flag beaches and international nature conservation designations, and housing is relatively affordable. However, the economic performance of Thanet still needs major improvements.
- 9.9 The current global economic situation throws even more uncertainty into the future growth prospects for Thanet, but a positive approach must be taken to ensure all potential opportunities for economic growth are taken advantage of.

### History

- 9.10 Thanet's weak economy has always been a major area of concern for the local planning authority. Historically therefore, the provision of a generous supply of employment land and the encouragement of its development have been key issues in previous economic development policies for Thanet.
- 9.11 Recent experience has demonstrated that whilst sufficient land has been available for employment development, the take-up of such land has been well below the targets set, and the development that has taken place has done very little in overcoming Thanet's poor economic base and high level of social deprivation.
- 9.12 Past levels of inward investment have been unpredictable and sporadic, with no real pattern occurring. The types of companies investing in Thanet are predominantly manufacturing companies from a variety of sectors, and there exist no particular segment clusters.
- 9.13 The start-up of new businesses and the growth of indigenous companies contribute significantly to Thanet's economy. Recent patterns indicate a growing number of new businesses starting up each year, and a higher number of businesses being successfully and continuing to grow. It is therefore essential that these activities are encouraged and given sufficient help to start-up, grow and develop successfully.
- 9.14 This approach therefore needs to be reviewed and other strategies need to be incorporated to encourage economic development.
- 9.15 The current Thanet Local Plan 2006, allocated three main strategic sites for employment purposes, with the aim to encourage economic growth.
- 9.16 Since these sites were originally allocated relatively little development has taken place. Manston Business Park has seen the greatest amount of development, including the development of Cummins Power Generation, Cohline, Invicta Produce, Avia Technical Services and Summit Aviation, however there still remains a significant amount of vacant land (49.7ha), and the expectation for a high quality flagship Business Park has not yet been realised.
- 9.17 Eurokent Business Park also remains predominantly undeveloped (20.5ha). The most significant development that has occurred on this site is the leisure complex at Westwood, which comprises a cinema, casino and variety of restaurants. Employment development that has occurred includes the Saga call-centre, Marlowe Innovation Centre and recent SEEDA development of high-spec office and industrial units, which remain vacant.
- 9.18 Thanet Reach Business Park has seen a reasonable amount of development, although the majority of this was for the Thanet Campus of Canterbury Christchurch University. In addition the Kent Innovation Centre is also present and in 2009 planning permission was given for the relocation of Thanet College to the site.
- 9.19 Whilst employment development has been evident in Thanet and improvements have been seen, this has not been sufficient to overcome the severe social and economic problems in the District. Land development opportunities have been generous, although, potential infrastructure and land ownership constraints may have inhibited the amount of take-up that has occurred.
- 9.20 Past experience of simply allocating sufficient employment land is not enough to encourage the amount of employment development that is needed to boost Thanet's economy. However, unless the land is available no development can take place.
- 9.21 In terms of existing employment space, the current Thanet Local Plan 2006 protects 25 sites to be retained for employment purposes within use classes B1, B2 and B8. Evidence shows that the popularity and demand for these premises within the district is high. Whilst the accommodation on



the majority of these sites is not always of the highest standard, they provide a variety of flexible and affordable accommodation, in a range of locations around the District. These support the start-up and renewal of indigenous SMEs, which form a significant basis for the Thanet economy. It is considered essential that appropriate sites should be retained to protect them from redevelopment for alternative uses.

### **Key Current and Future Visions affecting employment land allocations**

- 9.22 The airport is considered to provide the single most important catalyst for regeneration and employment growth in the District. The presence and expansion of Kent International Airport needs to be fully utilised in order for the potential of Thanet to be realised. Pressure for development in and around the airport is likely in the future.
- 9.23 The development of Westwood in recent years, and the vision for the future role of Westwood has significantly changed since the original allocation of Eurokent Business Park. The vision for Westwood is to create a successful and complete residential and business community with the new town centre at its heart. This may include a mixture of business and residential development.

### **Recommendations for Future Employment Land Allocations**

- 9.24 The findings indicate that Manston Business Park provides nearly sufficient land in itself to allow for the forecasted growth in employment demand up to 2026. With constraints of land ownership and infrastructure now being overcome, this partially developed site should remain the key strategic employment site in the District. Whilst this site on its own does provide for sufficient land for the forecasted growth and the site is reasonably flexible in terms of potential uses, it does not provide for a range or choice of employment land, which there needs to be, and the site is not particularly suitable or accessible for starter businesses or those growing in the indigenous market. Other sites therefore need to be available to provide for a choice of sites.
- 9.25 The remaining existing employment sites provide for an additional 31ha, at Eurokent, Thanet Reach, Manston Road (N) and Hedgend. Plus the Northern Grass provides a further 26ha of land which is currently restricted to airside employment development. All of these sites provide alternative locations and a variety of development opportunities.
- 9.26 Eurokent and Thanet Reach Business Parks have shown potential for alternative uses which are required and may be more suitable on each of the sites. At Eurokent, the site is currently being considered for residential purposes to support the growth and development of Westwood as a Town Centre. At Thanet Reach, the development of educational facilities of Canterbury Christchurch and the planning consent for the relocation of Thanet College indicate the sites suitability for educational purposes, and it is considered this should be supported.
- 9.27 Given the amount of surplus land available, and the potential for relaxation of the restrictive policy on part of the land at Kent International Airport, it is considered that that de-allocation of part of Eurokent and Thanet Reach could be appropriate and would not result in any undermining of the districts economic development prospects. In fact, the creation of a mixed use community at Westwood, with improved connectivity could help retain higher levels of economically active people and send a positive sign to the world that Thanet is 'open for business'
- 9.28 At Thanet Reach it makes sense to release the area which has planning permission for the relocation of Thanet College, and to retain the remainder of the site (2.59ha) for employment purposes.
- 9.29 At Eurokent, employment and other development has been sporadic in nature. It is envisaged that a master plan approach will be applied to promote the opportunity to include a mix of development potentially including housing, in order to integrate the area as a sustainable mixed use neighbourhood. It would be for the master plan to assess and indicate the amount of employment land that should be retained and released to achieve that objective, and to outline a suitable

disposition of compatible land use elements. However, it is envisaged that to be compatible, the employment element would likely need to be limited to Use Class B1.

- 9.30 Land at Manston Road (N) and Hedgend Industrial Estate provide an additional 2.67 ha of alternatively located land for employment purposes.
- 9.31 Potential development plots within existing established industrial estates, totalling 12ha also provide an alternative option for employment development. Due to the nature of these sites and the small size of pieces of land available, it is considered that this provides appropriate land for development of cheaper, basic and flexible accommodation which is in demand for the growth and start-up of local businesses.
- 9.32 The potential relaxation of the policy restriction on part of the land at Kent International Airport needs to be carefully considered. In terms of pure quantity of land, there remains sufficient at the five allocated sites and development opportunities within existing employment sites to provide for demand up to 2026. It is also important that this does not hinder potential development at Manston Business Park which is currently developed sporadically and needs to consolidate in order to provide the high quality business park which is aspired to. However, arguments for growth at the airport support the relaxation of this policy perhaps on a phased basis.
- 9.33 Taking both of these factors into account, the recommendation is for a phased release of this site, whereby Manston Business Park should be developed prior to the Northern Grass being released for B-Use Class purposes, unless it can be demonstrated that Manston Business Park is not suitable for the potential user.

### **Retention of Existing Sites**

- 9.34 Evidence shows that the demand for property on existing employment sites is high. It is a feature of the Thanet economy that many local firms in the area are unable to afford to build their own premises, lease or buy units available on the larger business parks, and are looking for older, cheaper premises in which to start up or expand.
- 9.35 The demand for business premises fluctuates with general economic conditions, and even in the current economic climate the vacancy rate of premises across the district is lower than would be expected. Naturally there will be pressure for redevelopment of such sites for alternative, higher value uses, especially at times of recession. However, business premises or land should not be lost to uses less beneficial to the community in general due to any temporary slackness in demand. A longer-term perspective is needed in the Thanet context.
- 9.36 There has been pressure recently from the owners of some sites for redevelopment to allow new purpose built premises to be built. These proposals have included a proportion of residential development. It is recognised that many of the existing premises are in a poor condition and not ideal for continuing use for employment purposes, and that redevelopment to provide modern purpose built premises should be encouraged. It is recommended that each proposal should be considered on its own merits, and the main consideration should be the impact on job numbers and the future employment for the district.
- 9.37 It is therefore recommended that all existing sites which have been identified to be suitable for employment purposes and support the growth of local businesses should be protected and retained for employment purposes. The current policy retains these sites for B1, B2 and B8 purposes only. It is recognised that a significant proportion of economic growth comes from outside of these uses, for example the service sectors. It is recommended that consideration be taken for the potential to allow other employment uses (excluding those uses identified in PPS4 as town centre uses) on these sites.

**Other interventions needed to encourage economic development**

- 9.38 Past experience of simply allocating sufficient employment land is not enough to encourage the amount of employment development that is needed to boost Thanet's economy. This approach therefore needs to be re-assessed, and other strategies need to be incorporated to encourage economic development.
- 9.39 Workforce development is a key requirement. Evidence shows that residents with higher-level qualifications are in short supply, and therefore enhancing and developing skills of the workforce is important in order to encourage economic development. This is not only about developing skills, and education level, but also the attitudes and aspirations of Thanet's residents.

## Summary of Key Recommendations

### Recommendations for Employment Land Allocations

Sites to remain allocated for B1, B2 and B8 use:

**Manston Business Park**  
**Manston Road Industrial Estate (N)**  
**Hedgend Industrial Estate**

Sites which could be considered for partial release from current allocation:

**Eurokent Business Park**  
**Thanet Reach Business Park**

Potential Future Additional Sites for B1, B2 and B8 use:

**Northern Grass\***

*\*This allocation should be a longer term option, and subject to Manston Business Park being fully developed in the first instance, or this site being demonstrated to not be suitable for the proposed development.*

### **Policy Recommendations for Existing Employment Sites**

Policy required to retain the following sites for employment purposes, with use restricted to B1 in residential areas:

Westwood Industrial Estate  
Pysons Road Industrial Estate  
Haine Road Industrial Estate  
Laundry Road Industrial Estate  
Dane Valley Industrial Estate  
Northdown Industrial Estate  
Cromptons Site, Poorhole Lane  
Jentex Site  
All Saints Industrial Estate  
Tivoli Road Industrial Estate  
Manston Green  
Manston Road Depot  
Fullers Yard  
Manston Road Industrial Estate  
St Lawrence Industrial Estate  
140-144 Newington Road  
Magnet and Southern, Newington Road  
Princes Road Depot  
Pioneer Business Park  
Whitehall Road Industrial Estate  
Factories, Suffolk Avenue  
R/O 37-89 Cecilia Road, Ramsgate  
Stroud and Stylecast, Westwood  
Cheesemans Farm  
Builder's Merchant, Westwood  
Charles River  
Little Cliffsend Farm  
Sarre Business Centre  
Hoo Farm  
Thorne Farm

Plus the developed parts of the sites recommended for allocation in Box 1.

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