

Otterpool Park Employment Land Needs Assessment Final Report

Folkestone & Hythe District Council

December 2018

LICHFIELDS

15787/02/CGJ/LBa
16826762v3

Contents

1.0	Introduction	1
	Background	1
	This Report	2
2.0	Future Employment Space Requirements	4
	Approach	4
	A. Forecasts of Job Growth	4
	B. Future Labour Supply	6
	Floorspace and Land Requirements	9
3.0	Conclusions	11
	Employment Growth Scenarios and Space Requirements	11

1.0 Introduction

- 1.1 Lichfields was commissioned by Folkestone & Hythe District Council (previously Shepway District Council) to undertake an updated Employment Land Needs Assessment ('ELNA') for the District in order to support the evidence base for the Core Strategy Review in respect of the proposed Otterpool Park Garden Town.
- 1.2 Updated technical evidence is required in relation to employment, retail and leisure matters associated with the proposed garden settlement, to align with the Core Strategy Review period to 2037. An updated Retail and Leisure Need Assessment has also been prepared by Lichfields, the findings from which are presented within a separate report.

Background

- 1.3 This updated ELNA is prepared in the context of earlier evidence base work prepared by Lichfields, namely the Shepway Employment Land Review (ELR) update (2017) and Otterpool Park Employment Opportunities Study (2018) which already form part of the Council's evidence base. The scope and focus of these studies are summarised below.

Shepway Employment Land Review (2017)

- 1.4 An Employment Land Review (ELR) was prepared by Lichfields for Shepway District to form part of the evidence base to inform and support implementation of policies contained within the Council's Core Strategy Local Plan¹ in respect of employment land. The ELR will also provide a key input to the development of the next stage of the Places and Policies Local Plan. The study assessed the current position and recent trends within the District's economy, and the potential scale and type of future economic growth and business needs, having regard to the National Planning Policy Framework (NPPF) and guidance contained in the Planning Practice Guidance (PPG). Specific items considered by the ELR include:
- 1 the economic growth prospects of the District;
 - 2 the stock, use of, and take up, of existing employment land, sites and premises;
 - 3 the needs for and role of additional employment land; and
 - 4 the most appropriate broad location and specific locations best suited to support and enable employment and business growth.
- 1.5 A number of potential economic growth scenarios were produced as part of the 2017 ELR to provide a framework for assessing the B class employment space requirements for Shepway during the Core Strategy Local Plan period from 2006 to 2026 (i.e. identifying the residual requirement from 2016 to 2026), and beyond to 2031. These scenarios reflect:
- a forecasts of employment growth in B class sectors (**labour demand**) derived from economic forecasts produced by Experian in March 2016;
 - b consideration of **past trends in completions of employment space** based on available monitoring data from Shepway District Council; and
 - c estimates of future growth of the **labour supply** based on the population assumptions underpinning the objectively assessed need for housing for Shepway from the Shepway Strategic Housing Market Assessment (SHMA).

¹ Shepway Core Strategy Local Plan, Adopted September 2013, <https://www.folkestone-hythe.gov.uk/downloads/file/3336/pd004-2-3-examiner-s-revised-map-letter-to-the-council>

Otterpool Park Garden Town Employment Opportunities Study (2018)

- 1.6 Shepway District Council commissioned Lichfields to prepare an assessment of the potential employment opportunities that could be available from the development of the Otterpool Park garden town in the vicinity of Junction 11 of the M20 motorway. Specific requirements of the brief included:
- 1 Identifying the scope for employment provision within the area identified for strategic level growth associated with:
 - A new garden settlement of at least 5,500 new homes during the Core Strategy Review period to 2037, and further growth beyond the plan period to provide 8,000-10,000 dwellings (subject to masterplanning).
 - The potential to attract significant new inward investment to the area which will support the aspirations for economic growth set out in the Shepway Economic Development Strategy, as well as what other potential exists for growth in the area around Junction 11 and Westenhanger station associated with a new settlement.
 - 2 Considering the type, nature and sectors of the employment opportunities, including those associated with new and emerging markets, which could be attracted to the area.
 - 3 Identifying the features that would make the area more attractive to inward investors, the sectors with particular potential to attract and how these opportunities might translate into Otterpool Park's USP.
 - 4 Considering the spatial planning implications of the employment opportunities identified and how these should be dealt with in the context of developing the masterplan, including the scale, nature and location of employment provision.
 - 5 Considering the relationship between housing type and employment to ensure the homes meet the needs of prospective employers.
 - 6 Setting out the implications for the following to realise the employment opportunities identified: Infrastructure requirements; Public sector interventions; Private investment; Training and education provision; Planning policies for the new settlement; and Approach towards ad hoc emerging proposals.
 - 7 Provide guidance on activities, next steps and a time plan to realise the employment opportunities identified.
 - 8 Consider the impact of realising these opportunities on the rest of Shepway District and wider East Kent area and what actions and measures should be undertaken to mitigate any potentially negative impacts.

This Report

- 1.7 This report provides a partial update of the 2017 Shepway ELR and should be read alongside this previous Study. It updates District wide growth projections and associated employment land requirements over the period to 2037 (i.e. to align with the Core Strategy Local Plan review period) by drawing on the latest population projections and economic forecasts. It then goes on to provide estimates of employment land needs for the District and the garden town specifically, based on different assumptions about where growth and demand could come from.

National Updates to Planning Policy and Practice Guidance

- 1.8 In July 2018 the Government published revisions to the National Planning Policy Framework (NPPF), the first time it has been updated since being published in 2012. To coincide with the revised NPPF, the Government has also updated its Planning Practice Guidance (PPG) in relation to gathering economic evidence and applying this evidence to plan for business growth.
- 1.9 In relation to the economy and planning for business, the revised NPPF does not change the overall aims of policy, although there are some important modifications and subtle shifts in policy direction which will influence the way local planning authorities gather and implement economic evidence for the purposes of plan-making and decision-taking. This includes explicit policy support for re-purposing employment and retail land for residential development in areas of high housing demand - effectively raising the evidential bar to retain key sites for business use - a specific focus on supporting productivity, and a requirement to demonstrate how Local Plans can help deliver Local Industrial Strategies (LIS).
- 1.10 Whilst these revisions post-date production of the Shepway ELR in 2017, they do not necessitate any significant changes to the methodology for assessing employment land requirements that was applied through the study, and that has been replicated as part of this update.
- 1.11 The policies in the updated NPPF will apply for the purposes of examining Local Plans where those plans are submitted after 24 January 2019.

2.0 Future Employment Space Requirements

2.1 This section considers the latest future economic growth needs in Folkestone & Hythe District and at Otterpool Park specifically, drawing on a number of scenarios for the local authority and garden town. These scenarios are used to inform the updated analysis of the potential economic growth drivers within the District and the employment land and planning policy implications that flow from these.

Approach

2.2 The NPPF requires local authorities to “*set out a clear economic vision and strategy which positively and proactively encourages sustainable economic growth, having regard to Local Industrial Strategies and other local policies for economic development and regeneration*” (para 81.a).

2.3 In this context, a number of potential future economic scenarios which were included in the 2017 ELR have been updated in this study to provide a framework for considering future economic growth needs and B Class employment space requirements in Folkestone & Hythe and Otterpool Park over the period to 2037 and beyond. These scenarios draw on:

- 1 Projections of employment growth in the main B class sectors (**labour demand**) derived from economic forecasts produced by Experian (at September 2018); and
- 2 Estimates of future growth of local **labour supply** associated with different assumptions about the scale and timing of new housing delivery at Otterpool Park.

2.4 These approaches have some limitations and careful thought needs to be given as to how appropriate each is to circumstances in Folkestone & Hythe. In addition, to be robust, the economic growth potential and likely demand for employment space in Folkestone & Hythe needs to be assessed under different future scenarios, to reflect lower or higher economic growth conditions arising in future. Although the qualitative analysis is not updated in this report, it should be noted that there are a number of qualitative factors that will also influence the future employment space requirements that need to be planned for.

2.5 Unless otherwise specified, scenarios cover the period 2018 to 2037 to be consistent with the 19-year Core Strategy Review period.

A. Forecasts of Job Growth

2.6 Forecasts of employment growth in Folkestone & Hythe to 2037 were obtained from the September 2018 release of Experian’s UK Local Market Forecasts which take into account recent regional and national macroeconomic assumptions, including the ongoing economic uncertainty regarding Brexit. This represent the latest available forecast data from Experian at the time of analysis.

2.7 It should be noted that such forecasts tend to be most reliable at national and regional scales and consequently less so at the local economy level, but they are widely recognised as a valuable input and can indicate the broad scale and direction of economic growth in different sectors to help assess future employment space requirements.

2.8 Population projections are just one of several inputs used to produce economic forecasts both in terms of future changes in working-age population (i.e. which directly impacts on the demand for jobs) and total population (i.e. which create demand for consumption activities). It is important to note that population projections are frequently revised, as are assumptions around future working-age populations, economic activity rates and national changes to pension age.

2.9 Experian’s September 2018 economic forecasts build in 2016-based national population projections For England, Scotland and Wales, while sub-national population projections are 2014-based.

Scenario 1: Experian Baseline Job Growth

2.10 The forecasts of job growth by sector used here reflect recent trends and are based on projections at regional level, and how economic sectors in Folkestone & Hythe have fared relative to the region’s growth in the past.

2.11 The Experian employment projections indicate overall growth of 4,500 jobs for the District over the 19-year period, equivalent to 237 jobs per annum. Table 2.1 shows forecast change between 2018 and 2037. A detailed breakdown of the baseline Experian forecast by sector is included at Appendix 1.

Table 2.1 Forecast Employment Change in Folkestone & Hythe 2018-2037

	Number of Jobs		Change
	2018	2037	2018-2037
Manufacturing (B1c/B2)*	2,865	2,585	-280
Distribution (B8)**	2,175	2,105	-70
Offices (B1a/b)***	6,645	8,445	+1,800
Total B-Class Jobs	11,685	13,135	+1,450
Jobs in All Sectors	46,200	50,700	+4,500

Source: Experian (September 2018) / Lichfields analysis

Note: * Includes publishing and a proportion of government offices

** Includes vehicle repairs and some construction activities

*** Includes parts of transport and communication sectors that use industrial land

2.12 As shown above, employment in manufacturing and distribution sectors is expected to decrease in the period to 2037, whilst office-based employment is expected to grow by 1,800 jobs between 2018 and 2037. In overall terms, B class sectors are anticipated to account for a third (32%) of all job growth over the 19-year period and are expected to account for a similar proportion of Folkestone & Hythe’s total job base in 2037 as they are in 2018 (at around 25%).

2.13 When compared with the Experian projections used to inform the 2017 ELR (taken from Experian’s March 2016 release), the latest forecasts imply a much lower level of job growth in Folkestone & Hythe on an ‘average per annum’ basis, albeit covering different periods of time and a different end year to the forecast. The latest forecasts imply growth of 237 jobs per annum (between 2018 and 2037) compared with 445 jobs per annum (between 2006 and 2026) in the 2017 ELR. Comparison of different sets of economic forecasts should be treated with caution, as figures inevitably vary across different releases as a result of different modelling assumptions and revisions to official historic job figures. Specifically, the March 2016 forecasts preceded the Brexit referendum held in June 2016, and in general there has been downward revisions to economic forecasts pending confirmation of the UK’s future exit arrangements from the European Union.

2.14 These forecasts are District-wide and are not broken down by sub-District. It is difficult to predict what share of this expected job growth could arise within the Otterpool Park garden town, so they are intended to provide a ‘yardstick’ for the scale and nature of employment growth that could occur across Folkestone & Hythe as a whole by 2037, based on current macroeconomic assumptions.

B. Future Labour Supply

- 2.15 The number of jobs and the associated requirement for employment space that would be necessary to match the forecast growth of the resident workforce in Folkestone & Hythe is also an important consideration. In contrast to the first scenario, this approach emphasises the future supply of labour rather than the demand for labour. It identifies the number of jobs that would be required to match the future supply of economically active persons, as well as the amount of new employment space required to support these new B class jobs within Otterpool Park.
- 2.16 Three labour supply scenarios have been prepared that reflect a number of different assumptions about the scale and timing of new housing delivery at Otterpool Park. These draw on assumptions set out in the Core Strategy Review (Policy SS6) and as implied by the latest masterplan for the garden town. They consider future labour supply at Otterpool Park in isolation, and do not take account of any implications that delivery of new housing at Otterpool Park may have upon housing delivery and population growth across the rest of the District.

Scenario 2: Otterpool Park Policy Position (5,500 new homes by 2037)

- 2.17 A baseline labour supply scenario has been compiled based on population growth assumptions associated with the delivery of 5,500 new dwellings at Otterpool Park over the Core Strategy Review period to 2037 (as per Policy SS6). This assumes that each new household at Otterpool Park accommodates 2.1 residents by 2037, reflecting assumptions contained within the 2014-based household projections.
- 2.18 This scenario is consistent with ONS 2014-based population projections for the District which were used to inform the recent Strategic Housing Market Assessment (SHMA)² and have also been applied as part of the Folkestone & Hythe Retail and Leisure Need Assessment 2018 Update (prepared by Lichfields). It echoes the 'base' population scenario presented in the Retail and Leisure Need Assessment 2018 Update, and assumes that the majority (around 80%) of total population growth that occurs in the District between 2018 and 2037 is accommodated at Otterpool Park.
- 2.19 Table 2.2 summarises the workplace labour supply resulting from this scenario, equivalent to 4,115 total jobs across all sectors by 2037. This represents a 'bottom up' supply based estimate of demand for employment generation at Otterpool Park, assuming that the majority of working-age, economically active residents of Otterpool Park take-up a job within the garden town by the end of the Core Strategy Review period. Of this total, 1,065 jobs (26%) are expected to fall within the B use classes.
- 2.20 This assumes that one additional job would be required for each additional worker, while the proportion employed in B class sectors assumes the same shares as the Experian baseline forecast (presented in Scenario 1). It assumes a working-age population of 15 to 64, that economic activity remains unchanged over the Core Strategy Review period (at 73.2%) and that existing (2011 Census based) District-wide commuting patterns remain unchanged, with the District recording a net outflow of workers in overall terms.

² Strategic Housing Market Assessment, Part One - Objectively Assessed Need, Peter Brett Associates, March 2017

Table 2.2 Forecast Labour Supply at Otterpool Park (Policy Position), 2018 to 2037

	Total Change (2018 to 2037)
Total Population	+11,550
Working-Age Population	+6,120
Workplace Labour Supply (Workforce Jobs in Otterpool Park)	+4,115
All B Class Jobs	+1,065
Office Jobs (B1a/B1b)	+685
Manufacturing Jobs (B1c/B2)	+210
Distribution Jobs (B8)	+170

Source: Lichfields analysis Note: Totals rounded

2.21 It is possible that the supply of labour available to take up employment opportunities at the garden town is higher than the 4,115 estimated above, particularly if the demographic mix at Otterpool Park accommodates a greater working-age population than currently exists across the District, and which is forecast to decline in proportionate terms by 2037. This could occur if the garden town is successful in attracting younger professionals and families for instance.

2.22 Similarly, the above estimate assumes that existing District-wide commuting patterns continue unchanged in future, and that Folkestone & Hythe as a whole continues to be a net exporter of labour. Under a scenario whereby Otterpool Park is able to retain a greater proportion of its working residents to work within the settlement than the District as a whole is currently able to, this would also increase the supply of locally based labour to fill job opportunities than can be created on site.

Scenario 3: Otterpool Park Masterplan (6,375 new homes by 2037)

2.23 An alternative labour supply scenario has been developed to reflect the latest masterplan phasing assumptions for Otterpool Park³ which assume that 6,375 dwellings will be delivered at the garden town by 2037. This represents 875 additional dwellings by 2037 over and above the dwelling contribution figure set out in Policy SS6 of the Core Strategy Review (5,500 dwellings, as considered though scenario 2). The latest masterplan also assumes that 19,720 sq.m of B class floorspace will be delivered at Otterpool Park by 2037⁴ across a mix of B1 and B2 uses.

2.24 This scenario is consistent with the ‘higher growth’ case presented in the Folkestone & Hythe Retail and Leisure Need Assessment 2018 Update, and assumes that each new household accommodates 2.1 residents by 2037.

2.25 The workplace labour supply resulting from this scenario is summarised in Table 2.5 below. It applies the same assumptions as scenario 4 in terms of B class sector share, ratio of jobs to workers, working-age population, economic activity and commuting patterns.

2.26 This results in 4,770 total workplace jobs at Otterpool Park, reflecting the higher quantum of residential dwellings assumed to be completed by 2037 (when compared with scenario 4). 1,235 jobs are expected to fall within B use classes (Table 2.3).

³ Based on Otterpool Park Indicative Development Phasing Masterplan dated 21st September 2018

⁴ A total of 59,447 sq.m B class floorspace is assumed by the masterplan to be delivered on site in total (i.e. extending beyond the Core Strategy Review period)

Table 2.3 Forecast Labour Supply at Otterpool Park (Current Masterplan), 2018 to 2037

	Total Change (2018 to 2037)
Total Population	+13,390
Working-Age Population	+7,090
Workplace Labour Supply (Workforce Jobs in Otterpool Park)	+4,770
All B Class Jobs	+1,235
Office Jobs (B1a/B1b)	+795
Manufacturing Jobs (B1c/B2)	+240
Distribution Jobs (B8)	+200

Source: Lichfields analysis, based on Otterpool Park Masterplan (at September 2018)

Note: Totals rounded

Scenario 4: Otterpool Park Longer Term Potential (up to 10,000 new homes beyond the plan period)

2.27 The final labour supply scenario considers the total scale of population that could be accommodated at Otterpool Park once the new settlement is fully built out. Policy SS6 of the Core Strategy Review (March 2018 Consultation version) identifies that the settlement has potential to provide a total of 8,000-10,000 homes within the site allocation area beyond the plan period, subject to detailed masterplanning.

2.28 Table 2.4 below summarises the workplace labour supply resulting from a scenario whereby the full 10,000 new homes are delivered and occupied at Otterpool Park, applying the same assumptions regarding B class job share, working-age population, economic activity and commuting patterns as scenarios 2 and 3. This scale of population and workplace labour growth represents the ‘maximum case’ and extends beyond the Core Strategy Review period of 2037.

Table 2.4 Forecast Labour Supply at Otterpool Park (Maximum Growth), 2018 to 2037 and beyond

	Total Change (2018 to 2037 and beyond)
Total Population	+21,000
Working-Age Population	+11,120
Workplace Labour Supply (Workforce Jobs in Otterpool Park)	+7,480
All B Class Jobs	+1,935
Office Jobs (B1a/B1b)	+1,245
Manufacturing Jobs (B1c/B2)	+380
Distribution Jobs (B8)	+310

Source: Lichfields analysis Note: Totals rounded

2.29 This results in 7,480 total workplace jobs at Otterpool Park, including 1,935 B class jobs.

Floorspace and Land Requirements

Floorspace

- 2.30 The ‘B class’ element of job growth implied by each of the scenarios considered above can be converted to future B class employment floorspace requirements by assuming the following ratios of jobs to floorspace for different types of B class uses. These are consistent with the ratios applied by the 2017 Shepway ELR:
- **Offices:** 1 job per 12.5 sq.m for general office space;
 - **Industrial:** 1 job per 43 sq.m as an average for light industrial and general industrial space; and
 - **Warehousing:** 1 job per 65 sq.m for general, small scale warehouses (assumed to account for 90% of all requirements) and 1 job per 74 sq.m for large scale, lower density warehouses (assumed to account for 10% of all requirements).
- 2.31 These assumptions are based on the latest Homes and Communities Agency (HCA, now Homes England) guidance on job density ratios produced in 2015. This guidance takes account of recent trends in terms of changing utilisation of employment space, with the key change being the more efficient use of office floorspace due to a higher frequency of flexible working and hot-desking. This has resulted in a reduction in the amount of floorspace per office worker assumed when compared to earlier guidance.
- 2.32 An allowance of 10% is also added to all positive space requirements to reflect a normal level of market vacancy in employment space. From this assessment, the net employment floorspace requirements for each scenario are set out in Table 2.5. This covers the period 2018 to 2037 for all scenarios except scenario 4.

Table 2.5 Net Employment Floorspace Requirements by Scenario

Scenario	Total Floorspace (sq.m)			
	Offices (B1a/b)	Manufacturing (B1c/B2)	Distribution (B8)	All B Uses
1: Experian Baseline Job Growth (District-wide)	24,750	-6,020	-2,370	16,360
2: Otterpool Park Policy Position (5,500 new homes by 2037) (Otterpool Park only)	9,420	9,930	12,360	31,710
3: Otterpool Park Masterplan (6,375 new homes by 2037) (Otterpool Park only)	10,920	11,510	14,330	36,760
4: Otterpool Park Longer Term Potential (up to 10,000 new homes beyond the plan period) (Otterpool Park only)	17,130	18,055	22,475	57,660

Source: Lichfields analysis

Land

2.33 The final step, for all scenarios, is to translate floorspace into land requirements for both office (B1a/B1b) and industrial (B1c/B2/B8) uses. This has been calculated by applying appropriate plot ratio assumptions to the net floorspace estimates presented above using the following assumptions and local adjustment factors to reflect the pattern of development in Folkestone & Hythe. These are also consistent with the ratios applied by the 2017 Shepway ELR:

- Industrial (B1c/B2/B8) – a plot ratio of 0.4 is applied so that a 1 ha site would be needed to accommodate a footprint of 4,000sq.m of employment floorspace; and
- Offices (B1a/b) – it was assumed that 50% of new office floorspace would be in lower density, out-of-centre sites with a plot ratio of 0.4, while 50% would be in higher density, town centre sites with a plot ratio of 2.0.

2.34 The resulting net land requirements for each scenario are set out in Table 2.6.

Table 2.6 Net Employment Land Requirements by Scenario

Scenario	Total Land (Ha)		
	Offices (B1a/b)	Industrial (B1c/B2/B8)	All B Uses
1: Experian Baseline Job Growth (District-wide)	3.7	-2.1	1.6
2: Otterpool Park Policy Position (5,500 new homes by 2037) (Otterpool Park only)	1.4	5.6	7.0
3: Otterpool Park Masterplan (6,375 new homes by 2037) (Otterpool Park only)	1.6	6.5	8.1
4: Otterpool Park Longer Term Potential (up to 10,000 new homes beyond the plan period) (Otterpool Park only)	2.6	10.1	12.7

Source: Lichfields analysis

3.0 Conclusions

- 3.1 This report updates growth projections and associated employment land requirements over the period to 2037 for the District of Folkestone & Hythe and the Otterpool Park Garden Town specifically. It provides a partial update of the 2017 Shepway ELR by drawing on the latest population projections and economic forecasts, based on different assumptions about where growth and demand could come from.
- 3.2 This updated technical evidence is intended to support the evidence base for the Core Strategy Review in respect of the proposed Otterpool Park Garden Town.

Employment Growth Scenarios and Space Requirements

- 3.3 Four future growth scenarios have been considered as part of this update study, reflecting a range of labour demand (i.e. jobs growth) and labour supply (i.e. population growth) based approaches. The scale of employment growth implied by each scenario is presented in Table 3.1 below, alongside associated employment (B class) floorspace and land requirements.

Table 3.1 Employment, B Class Floorspace and Land Change by Scenario

Scenario	Time Period	Total Job Change	B Class Job Change	Floorspace Change (sq.m)	Land Change (ha)
Labour Demand 1: Experian Baseline Job Growth (District-wide)	2018-37	+4,500	+1,450	+16,360	+1.6
Labour Supply 2: Otterpool Park Policy Position (5,500 new homes by 2037) (Otterpool Park only)	2018-37	+4,115	+1,065	+31,710	+7.0
Labour Supply 3: Otterpool Park Masterplan (6,375 new homes by 2037) (Otterpool Park only)	2018-37	+4,770	+1,235	+36,760	+8.1
Labour Supply 4: Otterpool Park Longer Term Potential (up to 10,000 new homes beyond the plan period) (Otterpool Park only)	2018-37 and beyond	+7,480	+1,935	+57,660	+12.7

Source: Lichfields analysis

- 3.4 The labour demand scenario (based on latest Experian forecasts) generates the lowest overall scale of employment floorspace and land requirements, but the second highest B class jobs growth. Scenario 1 relates to District-wide requirements, covering future growth and development at the Otterpool Park Garden Village as well as other parts of Folkestone & Hythe. However, as noted above, there is a degree of volatility associated with macroeconomic forecasts at the present time, particularly when compared with the earlier 2016 forecasts which informed the 2017 Employment Land Review.
- 3.5 The three labour supply based scenarios (2, 3 and 4) all generate higher employment floorspace and land requirements, and also higher overall job growth (with the exception of scenario 2). These three scenarios relate to the Otterpool Park Garden Village only, and the scale of population and household growth that is expected to take place at the Garden Village over the Core Strategy Review period to 2037 and, in the case of scenario 4, beyond this. They consider

the number of jobs and the associated requirement for employment space that would be necessary to match the forecast growth of the resident workforce in Otterpool Park, but do not take account of any implications that delivery of new housing at Otterpool Park may have upon housing delivery and population growth across the rest of the District.

Comparison with New Garden Settlement Policy Aspiration

- 3.6 Policy SS6 of the Core Strategy Review (Consultation Draft March 2018) identifies a ‘challenging target’ for the number of jobs that will be created across the private, public and voluntary sectors within the Otterpool Park New Garden settlement, equivalent to one job per dwelling. This would imply creation of a **minimum of 5,500 new jobs at Otterpool Park by 2037**, with potential for this number to increase beyond the Core Strategy Review end date of 2037. Assuming that B class jobs account for around 25% of all jobs in the Districts by 2037 (based on the latest Experian forecasts used in Scenario 2), it is estimated that 1,425 of the 5,500 jobs could be in B class sectors.
- 3.7 This scenario of job growth represents a policy aspiration rather than one which is derived from a labour demand or supply based assessment, but provides a useful benchmark position against which to compare other scenarios.
- 3.8 Based on anticipated job growth at Otterpool Park as implied by the four scenarios considered here, the policy target for a minimum of 5,500 new jobs at Otterpool Park by 2037 would appear to be challenging, as it exceeds all job growth estimates prepared for the period to 2037 (see Table 3.1), by a considerable margin in some instances.
- 3.9 This assumes that existing commuting and resident self-containment patterns continue in future and also that current levels of economic activity amongst the District’s working-age population remains unchanged; achieving the policy target of 5,500 new jobs could become more realistic if the new garden town settlement achieves higher levels of resident self-containment and if the economic activity rate amongst residents of the garden town can be enhanced.

Comparison with Emerging Masterplan

- 3.10 The latest masterplan for Otterpool Park (September 2018) assumes that 19,720 sq.m of B class floorspace will be delivered at Otterpool Park by 2037 across a mix of B1 and B2 uses. This floorspace figure increases to 59,447 sq.m once the garden town is completed in full (broadly expected by the mid-2040s).
- 3.11 Based on the update assessment presented in this report, the full 59,447 sq.m B class floorspace capacity assumed within the latest masterplan would appear to broadly align with the requirement identified through scenario 4 which relates to the longer-term development of Otterpool Park beyond the plan period to 2037. Assuming that the current masterplan quantum of employment floorspace remains largely unchanged, then this can be considered sufficient to accommodate the longer term, labour supply based need for employment land at Otterpool Park.
- 3.12 Over the Core Strategy Review period to 2037 however, current masterplan phasing indicates that provision of employment floorspace at Otterpool Park is likely to fall short of what is required on site to accommodate employment needs generated amongst the new settlement’s resident labour supply. For instance, scenarios 2 and 3 (based on total dwelling delivery of 5,500 and 6,375 respectively by 2037) generate employment floorspace requirements of 31,710 sq.m and 36,760 sq.m respectively, with the masterplan assuming that just 19,720 sq.m will be delivered at this point in the garden town’s development. This suggests that delivery of

employment floorspace at the garden town may need to be accelerated within the masterplan if employment floorspace is to more fully align with population growth.

Wider Growth Potential

- 3.13 The scenarios considered as part of this ELNA update provide an indication of the minimum level of employment space/land that would be needed to meet growth needs arising at Otterpool Park over the Core Strategy Review period to 2037 and beyond, to encourage sustainable growth that balances population and housing growth with business and employment needs.
- 3.14 Beyond this, there is a clear opportunity to plan for a higher level of employment growth at Otterpool Park, to accommodate wider growth and inward investment opportunities that exist across the wider District, elsewhere in Kent and beyond. These growth opportunities are considered in more detail as part of the Otterpool Park Employment Opportunities Study (2018) which notes that Otterpool Park will not sit in isolation but will become part of the Folkestone & Hythe functional economic market area, with the ability to expand Folkestone & Hythe's commercial property catchment much further than is the case currently.
- 3.15 Otterpool Park is likely to represent one of the largest sources of undeveloped employment land in the District, and a strategic employment offer at Otterpool Park could bring about some degree of competition with other established or future employment sites being delivered within Kent, particularly in the case of footloose investment.
- 3.16 The application of garden town principles at Otterpool Park and the expected focus on the synergy between living and working within the masterplan, will help give Otterpool Park a distinctive offer in the marketplace. Furthermore, the focus on specific growth sectors (such as green construction, advanced manufacturing and low carbon environmental goods and services) could give added focus to the commercial element of Otterpool Park, and could complement initiatives underway in other parts of Kent. Otterpool Park will therefore enhance the overall competitiveness of Kent as a business location, providing a high-profile commercial offer capable of attracting high growth sectors that can drive new investment, as well as exploiting and expanding upon existing sector strengths.

Operational Employment Generation

- 3.17 Finally, it is useful to estimate the scale and type of operational employment that could be supported by Otterpool Park by 2037 under the different growth scenarios considered in this report. This updates initial estimates included in the Employment Opportunities Study (page 51) by drawing on the floorspace requirements identified by this study and the updated Retail and Leisure Need Assessment, the latest emerging masterplan, and with reference to published employment densities and other guidance.
- 3.18 Table 3.2 overleaf summarises these employment estimates for scenarios 2 and 3 (5,500 and 6,375 new homes respectively by 2037) which are consistent with the 'baseline' and 'higher growth' scenarios considered by the updated Retail and Leisure Need Assessment. Table 3.2 also includes indicative employment estimates for other non B class, retail and leisure related uses at Otterpool, based on latest masterplan delivery assumptions.
- 3.19 Employment estimates have not been prepared for scenario 1 (which represents a District-wide scenario) or scenario 4 (which covers an extended time period beyond 2037).

Table 3.2 Indicative Employment Generation at Otterpool Park by Use Class by 2037

Use class	Description	Floorspace (sq.m) / provision	Employment density	Estimated employment
Scenario 2 (5,500 new homes by 2037)				
B1a offices	Workspace hubs	4,710	12.5	377
B1a offices	Business park	4,710	12.5	377
B1c/B2 light industrial*	Business park	9,930	43	230
B8 logistics and distribution	Business park	12,360	65	190
A1 retail	Convenience and comparison retail and non-retail services	10,100	18	561
A2/A3/A4 business, food and drink	Food/beverage and financial/professional services	3,200	17	188
Sub-Total Scenario 2				1,923
Scenario 3 (6,375 new homes by 2037)				
B1a offices	Workspace hubs	5,460	12.5	437
B1a offices	Business park	5,460	12.5	437
B1c/B2 light industrial	Business park	11,510	43	268
B8 logistics and distribution	Business park	14,330	65	220
A1 retail	Convenience and comparison retail and non-retail services	11,700	18	650
A2/A3/A4 business, food and drink	Food/beverage and financial/professional services	3,800	17	224
Sub-Total Scenario 3				2,236
Other Employment Generating Uses				
C1 hotel		5,600	140	40
D1 community	Primary school	4 schools	40 per school	160
D1 non-residential	Secondary school	1 school	70 per school	70
D1 non-residential	Nursery	9 nurseries	20 per nursery	180
D1 non-residential	Community centre	4,900	100	49
D1 non-residential	Health centre	6,820	30	227
D2 leisure	Sports halls	7,425	100	74
Sub-Total Other				800

Source: Lichfields analysis, drawing on latest Otterpool Park masterplan at September 2018. Densities based on 2015 HCA Employment Densities Guidance applied to net internal floorspace areas and Kent County Council for community infrastructure categories. Figures are gross with no adjustments made to assess net additionality

Appendix 1 Experian Baseline Forecasts

Experian Sector	Workforce Jobs		Change 2018-2037	% Change 2018- 2037
	2018	2037		
Accommodation & Food Services	3,100	3,000	-100	-3.2
Administrative & Supportive Services	5,900	6,600	700	11.9
Agriculture, Forestry & Fishing	1,400	1,300	-100	-7.1
Air & Water Transport	0	0	0	0.0
Chemicals (manufacture of)	300	300	0	0.0
Civil Engineering	500	600	100	20.0
Computer & Electronic Products (manufacture of)	0	0	0	0.0
Computing & Information Services	600	800	200	33.3
Construction of Buildings	1,100	1,300	200	18.2
Education	4,100	4,300	200	4.9
Extraction & Mining	0	0	0	0.0
Finance	2,100	2,400	300	14.3
Food, Drink & Tobacco (manufacture of)	0	0	0	0.0
Fuel Refining	0	0	0	0.0
Health	1,800	2,000	200	11.1
Insurance & Pensions	0	0	0	0.0
Land Transport, Storage & Post	3,400	3,700	300	8.8
Machinery & Equipment (manufacture of)	0	0	0	0.0
Media Activities	0	0	0	0.0
Metal Products (manufacture of)	600	400	-200	-33.3
Non-Metallic Products (manufacture of)	0	0	0	0.0
Other Manufacturing	300	200	-100	-33.3
Other Private Services	1,100	1,000	-100	-9.1
Pharmaceuticals (manufacture of)	0	0	0	0.0
Printing and Recorded Media (manufacture of)	0	0	0	0.0
Professional Services	2,200	3,100	900	40.9
Public Administration & Defence	3,700	3,900	200	5.4
Real Estate	700	1,000	300	42.9
Recreation	1,500	2,000	500	33.3
Residential Care & Social Work	3,300	4,300	1,000	30.3
Retail	4,400	4,500	100	2.3
Specialised Construction Activities	1,500	1,800	300	20.0
Telecoms	0	0	0	0.0
Textiles & Clothing (manufacture of)	0	0	0	0.0
Transport Equipment (manufacture of)	0	0	0	0.0
Utilities	1,200	1,100	-100	-8.3
Wholesale	1,400	1,100	-300	-21.4
Wood & Paper (manufacture of)	0	0	0	0.0
Total	46,200	50,700	4,500	9.7

Source: Experian (September 2018) / Lichfields analysis