FURTHER REPRESENTATIONS TO MEDWAY BOROUGH COUNCIL CORE STRATEGY EXAMINATION IN PUBLIC ON BEHALF OF :-

(i) SOUNDING BOARD PROPERTIES LIMITED
(ii) BOROUGH GREEN DEVELOPMENTS LTD.
(iii) GILLINGHAM FOOTBALL CLUB
(iv) MR DAVID FERRETT

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JAC/9426

dha planning
& development consultants

dha planning
Eclipse House, Eclipse Park, Sittingbourne Road
Maidstone, Kent ME14 3EN
t: 01622 776226 f: 01622 776227
e: info@dhaplanning.co.uk w: www.dhaplanning.co.uk

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1 Context

1.1 Summary

1.1.1 As the NPPF seeks to explain, sustainable development comprises economic, social and environmental issues. For a Core Strategy to be sustainable each of these matters must be appropriately addressed. If one element fails it is inevitable that as with the proverbial pack of cards the other elements will fail.

1.1.2 I appear at the EIP on behalf of four clients, each with very different interests:-

Gillingham Football Club

1.1.3 Gillingham Football Club are Kents only football league club and have been working to relocate for some ten years. It employs some 300 local people and is an important attractor of inward investment, this is an opportunity the Council must make the most of.

Sounding Board Properties

1.1.4 Sounding Board Properties are a Company who I am working with to maximise their property interests at Medway City Estate. In addition they have an interest in land adjacent to it.

Mr David Ferrett

1.1.5 Mr Ferrett owns land on the periphery of Rainham which is considered suitable for housing.

Borough Green Developments

1.1.6 Borough Green Developments own B1/B8 commercial buildings that they are finding hard to let in the absence of sizeable trade counter retail elements.

1.1.7 This means my consideration is across the board, strategic and interrelated. It is the simple relationship between these various elements that I want to explain.

1.1.8 The Thames Gateway emerged as a priority area for regeneration and growth as far back as the 1980's and over time it and Medway has been identified as a major growth area and priority area for regeneration. Part of this was undoubtedly a recognition of the availability of large tracts of brownfield land as well as a clear need for regeneration in the area. Locally it was clear and remains clear that there is a great need for social regeneration and economic development by way of the provision of employment opportunities and skills development. Historically the Naval Dockyards had dominated the local economy but with their closure in 1984 a malaise fell upon the Medway Towns which it has struggled to recover from.

1.1.9 In economic terms the area is heavily stigmatised and it remains the case that certain sectors and areas still find it incredibly hard to attract or retain resources, skilled labour or investment.

1.1.10 It is useful to set out some baseline figures to understand how fragile the Medway economy is and how important it is to sustainable development heading forward. Medway currently has a population of approximately 252,200 people and is forecast to grow to around 280,000 by 2026. Unemployment levels are already above Kent and Regional levels and as a result job creation and business growth remains essential. As the 'State of Medway Report' on the economy sets out, there is a shortage of jobs.

1.1.11 To properly understand how the B1, B2 & mixed B class floor space issues have been addressed since 2004 I have looked at the Annual Monitoring Reports as from 2005.

1.2 AMR 2005

1.2.1 The AMR of 2005 shows substantial losses of floor space with a net gain of just 7135m^2. This did however follow very substantial losses in 2004 and no real increase from 1997 through to 2004. Indeed from 1996, employment in manufacturing and construction industries as a percentage within Medway fell from some 27% to just 20%.

1.2.2 It should be noted that even at that time land at Kingsnorth and Grain was identified to be commercial land.

1.3 AMR 2006

1.3.1 A2, B1, B2 and B8 all showed significant net losses in floor space with a net loss overall cumulatively of 43845m^2.

1.3.2 Figure E02 within the AMR continued to show graphically this poor performance.

1.4 AMR 2007

1.4.1 This was perhaps a slightly better year for the Council but there was still a net loss of 2849m^2 in the B1, B2, B8 and mixed B Class uses.

1.5 AMR 2008

1.5.1 2008 saw an application for a coal fired plant at Kingsnorth but the losses in the B Class Uses continued with the figure to the year-end being a loss of 6807m^2. At this time five out of seven years showed negative growth.

1.6 AMR 2009

1.6.1 2008-2009 generally saw a downturn in the economy. Losses in B1, B2 and B8 in Medway were however compensated by increases in mixed B class uses to show the first increase in B1, B2 and B8 floor space for a number of years of just 3017m^2.

1.7 AMR 2010

1.7.1 Table DD1 of the AMR showed further net losses of B1, B2, B8 and Mixed B floor space of 22,650m^2. It is notable that employment rates fell from 73.7% to 67.3% in 2009/2010. This was 5.6% below the Kent rate, 6.8% below the South East rate and 2.6% below the national average.

1.7.2 This demonstrates that despite development such as universities, Chatham Maritime and other "positive" employment aspects within the other use classes, in overall terms employment rates continued to decline notwithstanding growth in population.

1.7.3 A table within the AMR for that year shows total floorspace supply loss in respect of negative completions between 2007 and 2010 of 72,534 m^2.

1.8 AMR 2011

1.8.1 Table DD1 showed a reduction of 14,632 m^2 of B1, B2 and B8 floorspace with a total of just under 47,000m^2 floorspace (ie. ½ M sq.ft. of business floor space) lost over the last five monitoring years.

1.8.2 The AMR refers to large sites at Kingsnorth, Grain and Strood not being started with ongoing falls in the employment rate and economic activity rate.

1.8.3 Within this I would question whether the losses of land at Thameside Terminal at Cliffe of approximately six hectares has been taken into account in the monitoring and it appears highly likely that there will be a further significant loss of B1/B2/B8 land and jobs due to the proposed redevelopment of Chatham Docks.

2 Draft Core Strategy

2.1 Wording within the submission Draft Core Strategy

2.1.1 I therefore turn to the wording within the Submission Draft Core Strategy to see whether or not the policies relating to B1, B2, B8 and mixed B class uses can be effective in addressing the malaise.

2.1.2 Paragraph 2.30 of the Core Strategy states there should be a focus on sector development by strengthening inward investment, developing the creative industries sector and exploring potential for Centres of Excellence in environmental technology and construction.

2.1.3 Paragraph 2.31 refers to the development of construction, advance manufacturing, sub-contractors and services amongst other things. It is stated that these are assessed as having the greatest potential to boost local economic performance.

2.1.4 Paragraph 2.32 states that it is time to rebuild the employment floor space, with modern, adaptable premises suitable to modern needs.

2.1.5 Paragraph 3.14 recognises that increased employment and economic activity rates and reduction of out-commuting could not be delivered through planning for lower economic growth. The Council therefore propose a baseline figure of 94,500m^2.

2.1.6 At Paragraph 3.21, Grain, Kingsnorth and Lodge Hill are identified as locations for environmental technologies, building products and construction, amongst other activities.

2.1.7 Within the strategic objectives in 3.22 at criteria 4 it is stated that the focus is to be economic and employment growth in Chatham centre, within the major mixed use regeneration sites, through re-investment within the established employment areas and at Rochester Airfield, Lodge Hill,Kingsnorth and Grain. Kingsnorth and Grain are therefore identified as major employment sites on the key diagram.

2.1.8 Paragraph 6.4 states that the current economic downturn has made future prospects uncertain. This is only a partial truth in that over the last ten years the Council have failed to provide new employment floorspace and indeed have seen very substantial losses in employment floorspace. Much of this occurred during periods of growth elsewhere in the country.

2.1.9 In 2010 the Council commissioned consultants, Baxter Associates, to prepare an Employment Land Review Consolidation Study.

2.1.10 Within the Core Strategy Table 6.2 sets out employment floorspace supply by sub-areas. It is noted that 3 of the 4 sub-areas show a deficit whereas The Peninsular ie predominantly Kingsnorth and Grain shows an excess of 635,169m^2. On the face of it this may look positive.

2.1.11 Paragraph 6.22 goes on to conclude that there is a very healthy supply situation. It is however submitted that this is to not understand the unsustainability likely unviability and undeliverability for standard B1/B2/B8 floor space and jobs due to the reliance upon Kingsnorth and Grain.

2.1.12 The other sub-areas ie. Town Centre waterfront, M20 access and Other Urban Areas, show a deficit of 230,680m^2. The expectation therefore must be that this will be compensated by Kingsnorth and Grain beyond the 31,121m^2 shown as the floor space required for that sub-area. These figures may be affected by losses referred to above. The loss in general of employment zones within the other urban areas continues.

2.1.13 The Council therefore now rely on the fact that Kingsnorth and Grain have consents for B1, B2 and B8 uses and argue that a substantial contribution can be made to employment growth from those sites.

2.1.14 The Council anticipate that the employment generated there will more than off-set notional supply deficits elsewhere in Medway.

2.1.15 It is considered that these conclusions demonstrate that Medway has not had reference to its failure to deliver floorspace in those locations over the last ten years. At the same time the Council have failed to have appropriate regard to viability and deliverability.

2.1.16 Grain is over 15 kilometres from the built-up area and Kingsnorth over 7 kilometres from the built-up area. With fuel at very high prices and less than seven miles to the gallon for most large goods vehicles used for B8 distribution, it is unrealistic to expect either the Isle of Grain or Kingsnorth to be attractive to such users.

2.1.17 In addition neither Grain nor Kingsnorth have employment personnel available such that any jobs created will be reliant on the car and again this is of itself unsustainable. Sites should be located close to or on the edge of the built-up urban area where it would be expected that demand will be high.

2.1.18 Recent experience for example at Medway City Estate shows that land becoming available can be expected to command prices of £½M per hectare with a very quick take-up of any land that comes to the market.

2.1.19 In very simplistic terms Kingsnorth and Grain are not well related to the built-up area and will not suit businesses dependent upon vehicle related uses. This means that the potential market for the sites is likely to be dependent upon rail based freight and river based transport.

2.1.20 This is not only the view of consultants such as myself. Reference to the Council's own economic development report demonstrates that their own consultants agree with this position. In the **Medway Economic Development Strategy 2009 to 12 Final Report** at paragragh 8.6 under the heading 'Major sites' the report states that *"...on the Isle of Grain, Transco owns a 900 hectare site of which 600 hectares is available to other potential occupiers. However the site is remote from centres of population and is unattractive to most types of employer." (my under-lining)*

2.1.21 At 8.9 it states that the availability of large amounts of employment land at the Isle of Grain (and to a lesser extent at Kingsnorth), serve to distort the market. It states that whilst these sites are capable of meeting specific requirements and indeed represent an attractive development opportunity for certain types of business – are not locations that will attract employers looking for a high quality operating environment.

2.1.22 Paragraph 8.9 then concludes that "*as such, the amount of land available at these two sites (or at least the Isle of Grain), ought to be excluded from any calculations of forecast take up of employment land as they are irrelevant to most employment uses*". Notwithstanding this statement, the Council attribute over 200,000m^2 to the location.

2.2 Implications for the holistic approach to the Core Strategy

2.2.1 If as suggested in the Council's own Economic Development Strategy these sites should be discounted (and it certainly remains my position that they ought to be) the situation is then that the Council cannot possibly meet its employment land requirements and the deficit in respect of the town centre/water front, M20 access and other urban areas deficit will not be compensated for by other land elsewhere.

2.2.2 The harsh reality is therefore that not only is the location identified unsustainable when looked at in very simplistic terms, but the strategy is unsustainable in that the Council's own advisors are saying that such sites are not viable for the normal range of businesses that would be expected to be needed to form an effective B Class employment base.

2.2.3 As a consequence of the above it is inevitable that the Council will need to re-think its employment strategy and will again inevitably need to seek to identify new sites for B1, B2, B8 and mixed B class uses. The inevitable consequence of this is that it will then have to re-look at its housing strategy and retail strategies and associated infrastructure.

2.2.4 The reason for this statement is simply that at present a significant proportion of the housing to be provided is on current B1/B2/B8 and other employment based sites, particularly on the riverside locations. A full assessment therefore needs to be undertaken of whether or not these sites should be used for non B class purposes. If the Council wish to continue with this strategy on the Waterfront it will inevitably need to provide new sites (in all likelihood greenfield sites) elsewhere.

2.2.5 If this is the case there will inevitably be implications for leisure, housing, retail, open space, protection of the countryside and all other aspects of the Core Strategy.

2.3 National Planning Policy Framework

2.3.1 Paragraph 5 of the NPPF sets out that one of the key principles of sustainability is ensuring strong healthy and just society in achieving a sustainable economy. Failure to provide the circumstances to deliver Medway's economic role means that one of the three dimensions to sustainable development will fail. As a result the social role will fail as people will not be provided with jobs and opportunities. Inward investment will not occur. Capital spend will remain low such that investment in facilities and services and retail for example will not take place. In such circumstances it is essential that other alternative strategies are considered.

2.3.2 Paragraph 17 states that every effort should be made to objectively identify and meet housing, business and other development needs of an area. Plans should take account of market signals, such as land prices and take account of the residential and business communities. The reality of the situation is that whilst a planning permission exists at Grain the last ten years has demonstrated that there is very little likelihood of take-up for the B1, B2,B8 and mixed B Class developments that the Council need to deliver its economic development strategy. This is a matter endorsed in the Council's own Economic Development Strategy Final Report and it would appear that the Council have failed to take the advice of its own consultants. Some allowance may be fair but no proper assessment of this has been made.

2.3.3 All of this having been said I do of course support the re-use of the despoiled and potentially contaminated brownfield land at Grain and Kingsnorth. However the strategy for the Council should not be reliant upon it as it is extremely unlikely that it will deliver the Council's aspirations. Even if it did so it would not be in a sustainable way. In accordance with paragraph 19 it is therefore submitted that the Core Strategy in this case will in fact act as an impediment to sustainable growth by virtue of the fact that it continues to seek to allocate land in an unsustainable location with little prospect of deliverability over the Plan period. This will mean that investment will inevitably go elsewhere and the socio-economic problems of Medway Council's administrative area will progressively worsen.

2.3.4 This situation underpins my main concern which is simply that the Core Strategy will not deliver the turnaround in fortunes of Medway that it seeks to do. A failure to deliver employment land and the loss of further existing employment land to housing does not represent a sustainable environment moving forward. A worsening of the overall socio-economic environment will reduce the level of investment, reduce the attractiveness of places such as Chatham town centre for investment in retail which again will only worsen the retail expenditure leakage as set out in our representations for Borough Green Developments Limited.

2.3.5 We welcome the opportunity to debate these matters further at the EIP.