LODGE HILL

Outline Planning Application on behalf of Defence Infrastructure Organisation

Economic Strategy

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This document forms part of a suite of documents which comprise the Lodge Hill Outline Planning Application.

CONTENTS

1 INTRODUCTION

1.1 Lodge Hill is a proposed new settlement in Medway, located on a large predominantly brownfield site on the edge of the main urban area. The development will, over a fifteen to twenty year period, provide new homes; business opportunities and jobs; community facilities and access to recreation and the countryside, and a unique opportunity to help achieve the wider vision for Medway.

1.2 The site is identified by Medway Council, and in planning policy for the Thames Gateway, as a key strategic site to help deliver new homes and jobs. However, at present, it is currently "off the map" on the basis that it has been in military use for decades and therefore the outside world has had limited access. More broadly the location, despite its accessibility and environmental quality, is not part of any established market for high value investment.

1.3 The opportunity for the Proposed Development is therefore, not just the creation of a new place, but also to bring forward a high quality economic offer that can bring something unique to Medway, and the wider South East, attracting new investors and businesses to the area. This will require a relentless focus on quality, a long term approach to place-making and marketing, flexibility to respond to changing (and unpredictable) market demand, and partnership working with the Council and Government, inward investment and regeneration agencies.

1.4 This strategy is a supporting document as part of the Outline Planning Application submitted by DIO. It sets out the thinking behind the proposals contained within the outline planning application, the economic vision for Lodge Hill and the scale of potential uses and impacts, and the approach to partnership working which is intended to be adopted to ensure that the vision is realised and that opportunities for existing Medway people and businesses to benefit from this are achieved.

1.5 Section 2 considers the policy context for the proposals; in particular the need for economic growth. Section 3 considers the economic evidence base which has informed the proposals. Section 4 sets out the economic vision and Section 5, the development proposals for Lodge Hill. Section 6 identifies the likely economic impacts including the numbers of jobs in the construction phase and completed development. Section 7 describes the approach to implementation and Section 8 provides a summary of the strategy.

2 POLICY CONTEXT

National Policy

Promotion of Economic Growth

2.1 The Coalition Government, elected in May 2010, has undertaken a comprehensive overhaul of economic policy. The economy is currently slowly emerging from a deep recession and Government policy is therefore focussed on providing the right conditions for economic growth. This includes general measures to get the economy moving, but also an ambition to address underlying weaknesses which saw many places, and types of business not sharing in prosperity in the previous boom. The Government's new economic model therefore aims to achieve balanced growth, across the country and also across different economic sectors.

Encouraging Local Approaches to Promoting Growth

2.2 These policies are being developed alongside the Government's broader strategy of decentralisation, or "localism", which seeks to provide local partners with the incentives and tools to shape their areas' economic future.

2.3 The ***Local Growth White Paper***[1], published in October 2010 set out the Government's approach to local growth "shifting power away from central Government to local communities, citizens and independent providers". The Government seeks to spread growth across the UK in four main ways:

- Reform of the planning system, including a presumption in favour of sustainable development, streamlining of planning policy, requiring local authorities to work together;
- Incentives for local authorities to support growth, through the New Homes Bonus, Enterprise Zones, and plans to allow more local retention of business rates;
- Reforming sub-national structures through abolition of Regional Development Agencies and their replacement with Local Enterprise Partnerships;

[1] Local Growth: Realising Everyone's Potential (CM 7961, 2010)

- Focussed investment including the Regional Growth Fund, major infrastructure, broadband connections, low-carbon energy and climate change adaptation, and support for high growth companies and the commercialisation of technologies.

2.4 The Government has expanded on each of these issues in a series of further policy announcements.

Planning Reform and the Promotion of Growth

2.5 In March 2011, alongside the Budget, the Government published a "Plan for Growth" (HM Treasury and BIS, 2011) setting how the Government intends to support growth and re-balance the economy. It was supported by a ***Written Statement "Planning for Growth***" by the Minister of State for Decentralisation (23 March 2011) which confirmed that "The Government's top priority in reforming the planning system is to promote sustainable economic growth and jobs."

2.6 It suggests that key factors that local authorities need to take into account when considering development proposals include: national policies to support growth; the need for a "flexible and responsive" supply of land for key sectors, including housing; direct and indirect benefits from development; local economies' sensitivity to change, and the need to consider up to date information; and ensuring that they do not place "unnecessary burdens on development."

2.7 The draft ***National Planning Policy Framework*** is intended to fulfil the Government's commitment to streamline the planning system by bringing together all national policy guidance into one concise document which, when adopted, will replace most current planning guidance. It was published in July 2011.

2.8 It defines the purpose of the planning system as "delivering sustainable development", with planning for prosperity (an economic role) one of the three key elements alongside planning for people (a social role), and planning for places (an environmental role).

2.9 The presumption in favour of sustainable development is a central theme of the framework and local authorities are encouraged to "prepare Local Plans on the basis that objectively assessed development needs should be met, and with sufficient flexibility to respond to rapid shifts in demand or other economic changes." (para 14)

2.10 The draft NPPF promotes a strong growth agenda, requiring local authorities to set out a positive economic vision and strategy, plan for new and emerging clusters, and ensure that criteria based policies ensure that there are sufficient sites to meet anticipated requirements over their plan period. They should also promote new ways of working, such as live work, and the rural economy, (particularly tourism) where this can be achieved in a sustainable way.

2.11 It also suggests how the configuration of uses (including different types of economic generating uses) can minimise the need to travel and help create interesting and sustainable places. It states that planning policies should seek to minimise the need for travel through a "balance of land uses" and in larger scale residential developments afford opportunities to undertake day to day activities, including work, on site. It identifies the need to use town centres as hubs for retail, leisure and community activities, and that they need to be resilient enough to respond to future economic changes.

2.12 The draft NPPF cautions local authorities against being over-prescriptive and requires that policies use an up to date evidence base, including a consideration of market signals. It says that, when considering proposals for economic development, planning authorities should apply the presumption in favour of sustainable development, that policies should be flexible to react to changing market trends, that they should "avoid the long-term protection of employment land or floorspace" and that applications should be treated on their merits.

2.13 **Planning Policy Statement 4: Planning for Sustainable Economic Growth was published in 2009.** It promotes development which provides employment opportunities, generates wealth, or produces/generates an economic output or product.

2.14 For the purposes of this policy document, economic development is defined as including uses within B Use Classes (i.e. businesses, general industrial or storage and distribution), public and community uses and main town centre uses.

2.15 In order to achieve the overarching goal of sustainable economic growth, PPS4 states that planning should aim to reduce the gap in economic growth rates between regions, promote regeneration and tackle deprivation and deliver more sustainable patterns of development and reduce the need for travel.

Incentives for Local Authorities to Support Growth

2.16 The centralised system of local Government finance in England and Wales has meant that local authorities have had limited incentive to approve development as they did not always directly benefit from increased Council Tax or Business Rates in their areas.

2.17 In the case of Council Tax, the complexity of the funding system through which local authorities rely on central Government grants for the bulk of their funding meant that areas that saw growth in their Council Tax base often saw a loss in funding they received from Government.

2.18 The ***New Homes Bonus*** introduced by the Government in 2011 aims to change this by match funding the additional Council Tax potential from increases in effective housing stock, with an additional amount for affordable homes, for the following 6 years. This is worth around £9,000 per home over the six year period.

2.19 The ***Local Government Resource Review*** is intended to "consider the way in which local authorities are funded, with a view to giving local authorities greater financial autonomy and strengthening the incentives to support growth in the private sector and regeneration of local economies." The main focus is on the distribution of non-domestic rates, which are presently collected by local Government, but paid over to central Government which then re-distributes to local authorities using needs formulae. Initial proposals for allowing business rate retention were published in July 2011. This suggests that local authorities should, above a current baseline level, be allowed to retain a proportion of business rate growth.

2.20 These increased freedoms and flexibilities have the potential not only to allow Local Authorities to benefit from growth, but also the basis for them to help support and incentivise growth themselves. For example the Government is committed to introduce ***Tax Increment Financing*** through which they can borrow to invest in infrastructure to support development against anticipated increases in business rates arising from that investment.

2.21 The Government is also in the process of introducing ***Enterprise Zones*** to support investment through simplified planning regimes, infrastructure support and financial incentives to occupiers. Although this is currently a central Government led initiative it is likely that local authorities, working as part of Local Enterprise Partnerships (LEPs) will have the powers to establish their own zones should they choose.

2.22 These initiatives are intended to move from a position where local authorities have been dependent on bidding for central Government funding, or relying on investment decisions of national or regional agencies.

Reforming Sub-National Structures

2.23 The Government has also moved to decentralise responsibility for sub-national economic development work. The Regional Development Agencies (RDAs) which were based on Government Office boundaries are being abolished and will cease to operate entirely in March 2012.

2.24 They are being replaced by Local Economic Partnerships which are intended to reflect, as far as possible, "functional economic and travel to work areas", rather than arbitrary administrative boundaries. They have been voluntarily established by partnerships of local authorities and businesses and are intended to "*create the right environment for business and growth in their areas, by tackling issues such as planning and housing, local transport and infrastructure priorities, employment and enterprise and the transition to the low carbon economy*."

2.25 Working through Local Enterprise Partnerships will be one way in which local authorities will be able to demonstrate that they have met the "Duty to Co-operate" included in the Localism Bill and re-iterated in the draft NPPF. Medway is part of the South East Local Enterprise Partnership. This covers the counties of Essex and Kent, along with the Unitary Authorities which formed part of the historic counties, and the county of East Sussex.

Focussed Investment

2.26 The Government has prioritised investment in infrastructure to underpin the re-balancing of the economy and support improvements in UK productivity. The National Infrastructure Plan (2010) sets out key priorities for investment which include: low carbon energy production; transport; digital communications, including broadband; flood management, water and waste, and intellectual capital.

2.27 The Government has identified the need for around £200 billion of investment over the next five years of which the 2010 Spending Review committed £40 billion of public investment. A planning and prioritisation process is currently underway to identify the key outcomes required, the extent to which current approaches support this, and the need for new ways to deliver investment.

Sub-National & Local Policy

The Thames Gateway

2.28 Successive Governments have identified The Thames Gateway as the main area for development and growth in South East England. The area covers the Thameside areas of East London, South Essex and North Kent. Medway is part of the Thames Gateway North Kent and Chattenden (the previous name for Lodge Hill) is specifically identified as a growth location, for 5,000 to 6,000 homes as part of a mixed use development. The High Speed rail link to London St. Pancras has significantly improved access to central London from north Kent, including the Medway towns, and is intended to act as a catalyst for new development.

2.29 The Coalition Government has re-affirmed its commitment to the Thames Gateway[2] but confirmed that the approach to the development of the area will change. The Government has decided to simplify delivery arrangements, which had been criticised by the National Audit Office and Public Accounts Committee for being over-complex and bureaucratic, and suggested instead that decisions will be taken locally and not by national Government. The South East Local Enterprise Partnership is intended to take a lead role, along with its counterpart in London. Direct public funding for major development is likely to diminish significantly, with local partners instead needing to utilise some of the financial and other tools described in the national policy section above. If development targets are to be achieved, high levels of private investment will be required.

South East Local Enterprise Partnership

2.30 As noted above Medway is part of the South East Local Enterprise Partnership. This covers the counties of Essex and Kent, along with the Unitary Authorities which formed part of the historic counties, and the county of East Sussex.

2.31 The Partnership is in its early stages and has recently produced its Mission and Vision Statement (2011). This emphasises the importance of securing growth in the Thames Gateway (Strategic

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[2] Speech from Parliamentary Under-Secretary of State for Local Government to Thames Gateway Forum, 25 November 2010

Objective 1) and other key strategic growth locations, which include Medway (Strategic Objective 4). To do this it identifies four main enabling activities: the promotion of strategic transport infrastructure; development of universal Superfast Broadband; investment in skills; and the use of new financial instruments.

Medway Policy

2.32 Medway Council's economic development and planning policies set out an ambitious agenda for the long term transformation of Medway as a place and the Medway economy. The Medway Local Plan identifies Lodge Hill for its long-term development potential including business uses. This is expanded in the Local Development Framework Draft Core Strategy which sets a benchmark of 43,000 sqm of employment floorspace and an aim to balance the numbers of jobs with the number of homes, implying around 5,000 jobs, and retail hotels and community provision.

2.33 These aims are based on two key features of the current Medway economy. Firstly, that relative to the number of residents there are a relatively low number of jobs and consequently the area sees significant out-commuting. Secondly, that the historic structure of the Medway economy has meant that businesses in the area tend to be in lower skilled sectors which is reflected in the lower wages earned by people who work in Medway compared to those who commute out.

2.34 Therefore the Council, as well as generally trying to grow the economy in what are currently difficult national and international circumstances, is, over the economic cycle, seeking to increase the ratio of jobs to residents and to re-balance the economy towards higher skilled sectors: what it describes as "more and better jobs".

2.35 Medway's Economic Development Strategy (EDS) sets out immediate actions for the period to 2012 and a long term vision to 2026.

2.36 It identifies five strategic priorities:

- Sector development – including short-term potential in creative industries and tourism, and longer term opportunities in construction and environmental technologies;
- Skills development – including the need to up skill the existing workforce, link skills initiatives with new development, and partnership working, particularly with Mid-Kent College, to fully exploit all opportunities;
- Higher education – to build on the big success story of recent years – the development of the Universities at Medway, to encourage local people to access higher education, retain graduates and build links between universities and business;
- Employment space – to ensure that enough properties of the right types are available for businesses; and
- Image building – building a coherent approach to marketing Medway using its heritage, natural and built environment, things to do and see and its offer as a place to live, work and visit.

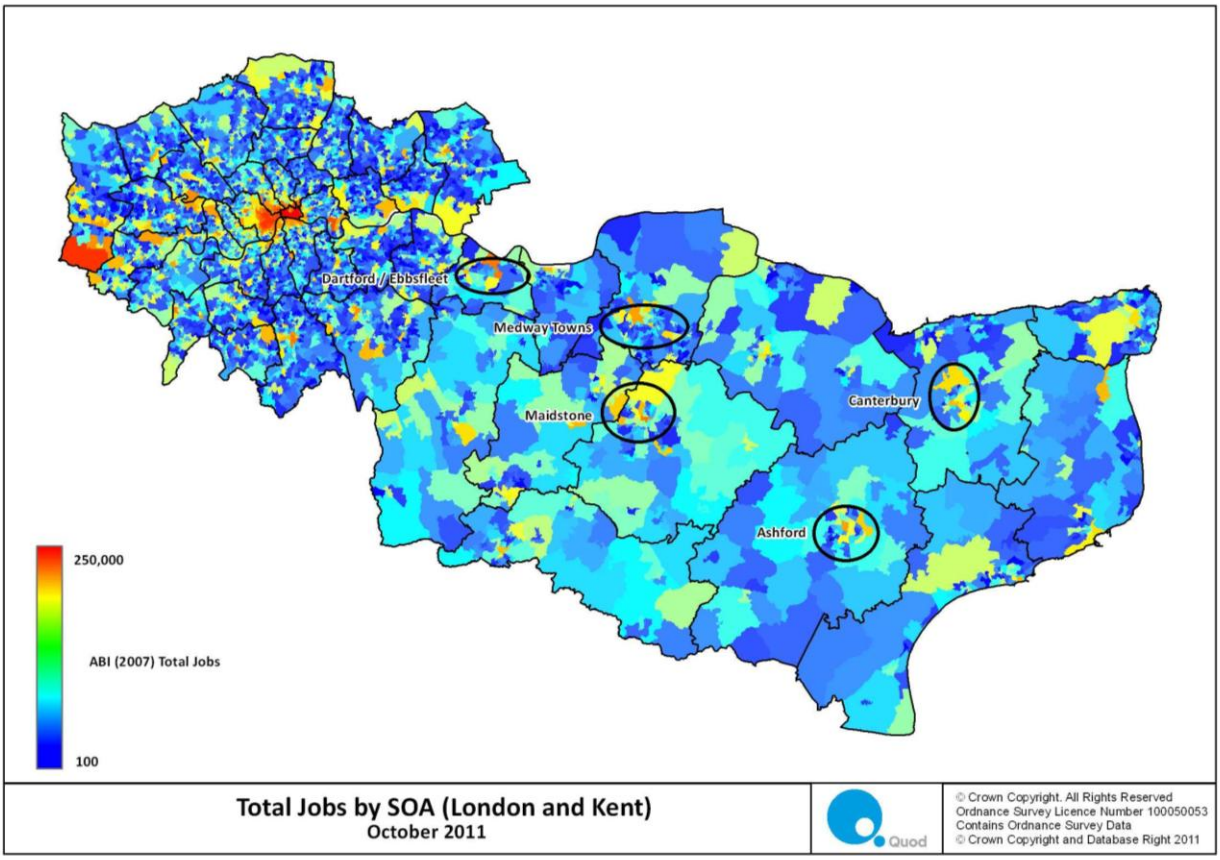
3 THE CURRENT ECONOMY

Economic & Market Context

3.1 Local economies do not follow administrative boundaries. The current economic role of Medway cannot therefore be considered in isolation from the wider economy of which it forms a part.

3.2 As shown on Figure 3.1 below, Medway is one of the five main clusters of employment in Kent, along with Dartford/Ebbsfleet (also known as Kent Thameside, and also part of Kent Thames Gateway), Maidstone, with which it shares a Travel to Work area, Canterbury and Ashford.

Figure 3.1: Employment Clusters in Kent and London

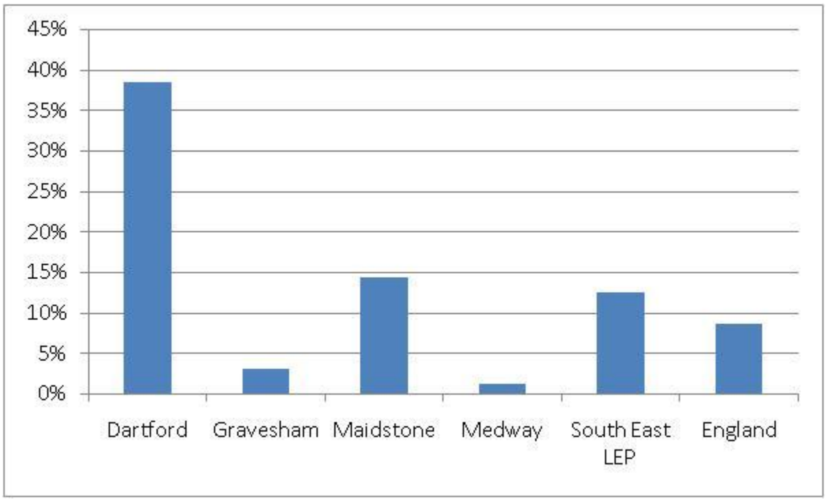


Source: ABI

3.3 There is major cross-district movement to work, with a large proportion of residents from Dartford (40%) and Gravesham (20%) working in London. Around 40% of Medway residents who are in employment work outside the district with 15% working in London and just under 25% in Maidstone/Tonbridge and Malling, or the other Kent Thames Gateway districts.

3.4 The wider Local Enterprise Partnership (LEP) area performed strongly over the last economic cycle with growth in jobs well above the national average. Growth rates varied with very strong growth in Dartford, due to its proximity to London and the M25, and Maidstone, due to its service based economy. By comparison Gravesham and Medway saw some employment growth but this was limited largely due to their historic reliance on declining sectors.

Figure 3.2: Growth in Employment, 1998 to 2007



Source: NOMIS (ABI)

3.5 Commercial property market trends, unsurprisingly, reflect this spatial breakdown. Maidstone is the largest office market in the north Kent area, with the Eclipse Business Park and Kings Hill being the benchmark developments. These have achieved rents of £20 to £25 per square foot. There has also been significant development at Crossways Business Park, with achieved rents of around £20 per square foot. Most office floorspace in Medway has been second hand, but even well located business park developments have commanded significantly lower rents. There is significant pipeline development with further supply available at Crossways, Kings Hill and Eclipse Business Park, as well as very substantial consented floorspace at Ebbsfleet Valley.

3.6 The area is also a major distribution and logistics centre given its proximity to the M25 and to ports and heavy industrial users. There is substantial available distribution floorspace around the M25 in Dartford, in the London Borough of Bexley (in Sittingbourne) and in Medway on the Hoo Peninsula close to the Lodge Hill site, associated with the port and utilities.

3.7 The economic downturn has resulted in a decline in employment and in occupier demand across the area. There has been little speculative development and as a result there is, certainly in the short to medium term, substantial potential commercial floorspace supply in the pipeline.

The Medway Economy

3.8 Medway's Economic Development Strategy summarises the current position of the economy across Medway as a whole. It finds that:

- Medway is one of the largest authorities in the South East with a growing population and a relatively young age profile;
- Rates of economic activity are close to the South East region average, and slightly higher than the national average;
- Job numbers in Medway fell between 2002 and 2007, compared to rises in the rest of Kent and the South East (although this may in part reflect changes in data collection);
- Medway has relatively low numbers of jobs per resident (0.75) compared to regional and national averages (0.9), meaning that there is significant out-commuting to London and the rest of Kent;
- Unemployment is rising and higher than the South East average but close to the national average;
- People living in Medway have higher average wages than the national and South East averages although this is largely concentrated in those who commute to higher paid jobs outside of the area as wages for those working within Medway are lower than regional and national rates;

- Gross Value Added (GVA) per head, the equivalent measure of GDP available at the local level is 69% of the national average and 64% of the South East average. This is the lowest for anywhere in South East England;
- Medway ranks close to the middle of the range of deprived authorities in England on the Index of Multiple Deprivation, although it has some concentrations of severe deprivation; and
- The sectoral profile of the economy is close to the South East and national averages, with a slightly higher proportion of manufacturing (10% of the total compared to approximately 8%) and a slightly lower proportion of services (83% compared to between 84% and 86%).

3.9 Behind this snapshot picture is an economy which has been in a long-term transition from being based on defence, manufacturing and utilities to a more balanced service-based economy.

3.10 The total number of jobs in Medway bottomed out in 1984 with the final closure of the dockyards and grew strongly to the late 1990s. Within this overall change manufacturing employment has fallen significantly, from over 20,000 jobs in 1984 to under 10,000 now.

3.11 This has been more than counterbalanced by growth in three main sectors: finance and business services; health; and education. Together these sectors account for over half the jobs in Medway.

3.12 More recent data suggests that the 2007/8 period represented the peak of the economic cycle and employment has fallen since then. The Business Register and Employment Survey, which has replaced the ABI, shows a fall from around 88,500 employees in Medway in 2008 to 86,200 a year later. Total workforce jobs, which also include the self employed, those in the armed services and those on training scheme, fell from 100,000 in 2008 to around 95,000 in 2009.

3.13 The previous growth was supported by major public sector interventions, firstly through Enterprise Zones (EZ) and latterly through large scale investment in higher education.

Enterprise Zones

3.14 Enterprise Zones were established in Medway from 1984 onwards in response to the decline in traditional local industry. These form what is now Medway City Estate, the Temple Estate in Strood (both of which accommodate a mix of industrial, workshop and office uses), Gillingham Business Park and Chatham Maritime.

3.15 Businesses locating in the zones were provided with a number of financial incentives including capital allowances and exemptions from business rates. Significant Government investment was made in the provision of infrastructure (including the Medway tunnel), site preparation and provision of premises.

3.16 This programme enhanced space provision and improved the visual environment of the area by raising the quality of the stock and by 1996 it was estimated that 2,500 to 3,000 jobs had been created. The outcome of the EZs was to re-shape Medway by bringing more service sector jobs into the local labour market, accelerating the shift from manufacturing to office and service-based sectors. Business premises within the former EZs remain the bulk of high quality employment floorspace within Medway.

Medway Campus

3.17 In the mid to late 1990s, an educational hub began developing in Medway as a result of public sector investment. This has been led by the Universities at Medway (University of Greenwich, the University of Kent, Canterbury Christ Church University and Mid-Kent College) who are located at a shared campus at Chatham Maritime. In addition to this, the University College for the Creative Arts has a campus at Rochester.

3.18 The expansion of further education and higher education employment sectors is at an advanced stage in Medway and is seen as a long-term economic driver for the local economy. This can include developing links with local business and innovation, upskilling the local workforce, making the area more attractive to young people and securing student expenditure in the local economy and through direct employment at the universities and their suppliers. Employment in higher, further and secondary education has risen by 3,000 jobs in Medway since the early 1990s.

Spatial Distribution of Employment and Employment Sites

3.19 Figures 3.3 and 3.4 show the spatial distribution of jobs and the main employment areas in Medway. These correlate closely and are mainly based on the core urban area and larger outlying enterprise zone and other sites.

3.20 Three of the four industrial/business park locations are former enterprise zones, with the fourth, Chatham Maritime, now being part of the urban core. The two more peripheral locations are Rochester Airfield and Gillingham Business Park. The remaining two large employment locations are on the Hoo Pensinsula/Isle of Grain. The Medway Economic Development Strategy and Employment Land Study note that these sites are largely under-used and suitable for “extensive” and “bad neighbour” uses in the B2/B8 Use Classes.

Figure 3.3: Total Jobs by Area (Medway)

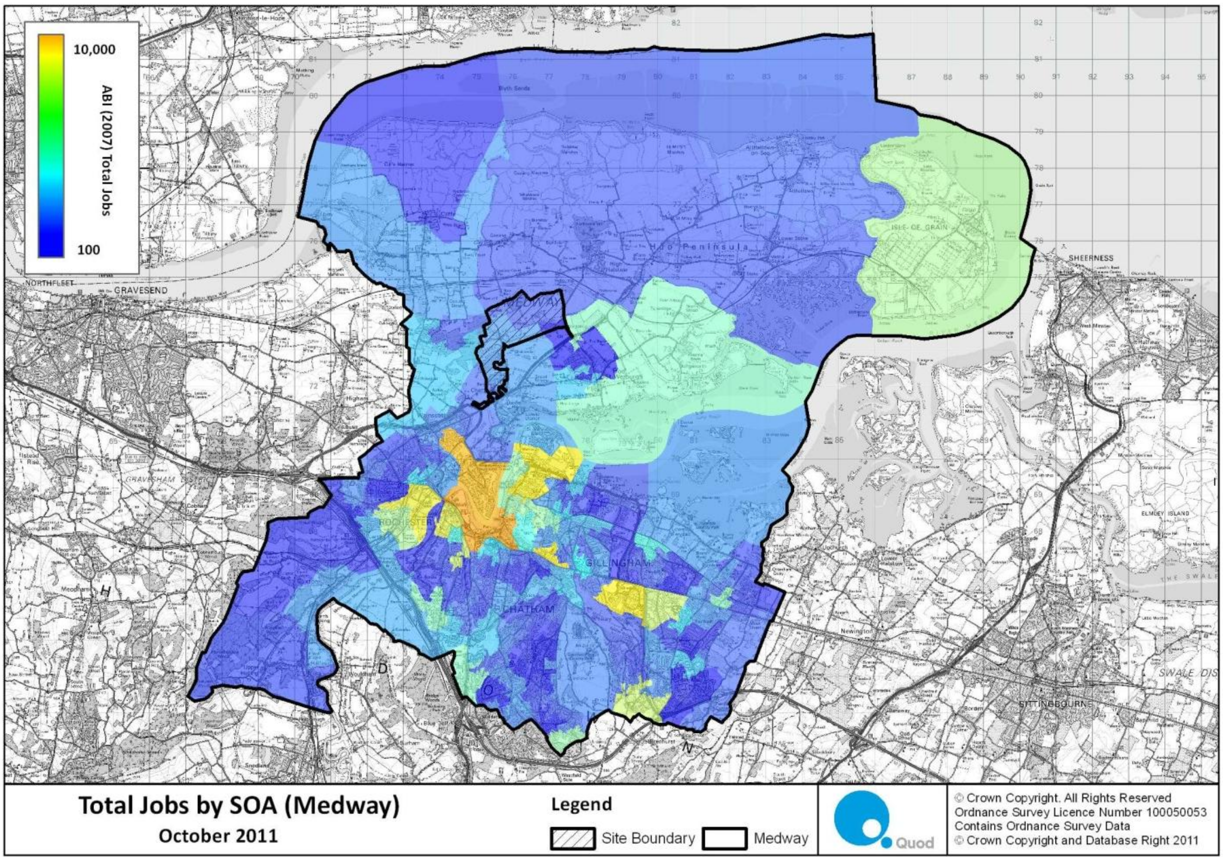
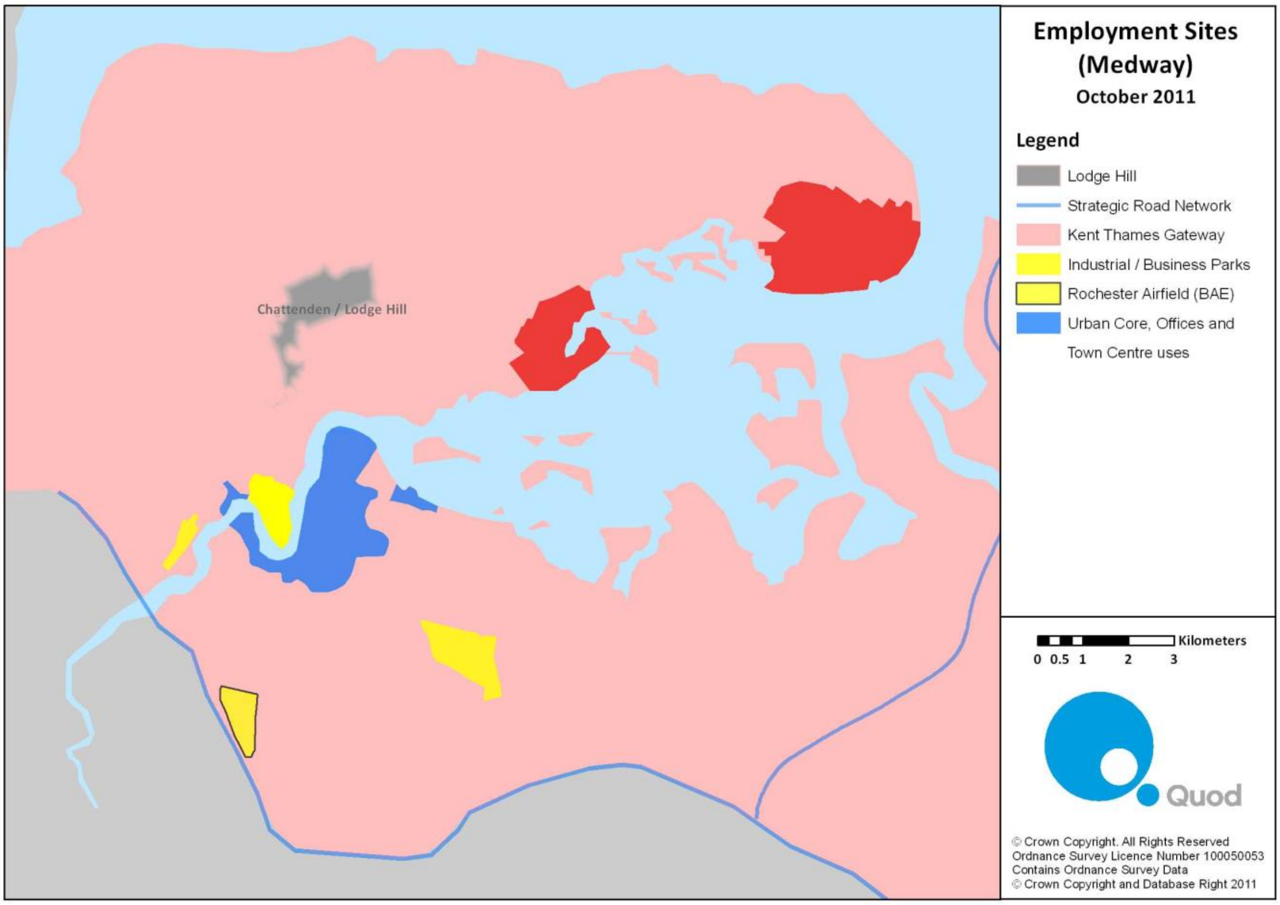


Figure 3.4: Employment Sites (Medway)



Hoo Peninsula and Grain

3.21 The Hoo and the Isle of Grain form a peninsula on the north side of the mouth of the river Medway which is currently made up of farmland, military uses (including Lodge Hill) and industrial activities. It has a number of small villages as well as the larger "rural service centre" at Hoo St Werburgh which is home to mainly public sector employment in the secondary school, leisure centre and other public facilities. The Lodge Hill site itself currently contains no civilian employment.

3.22 The industrial uses are concentrated on two sites. These are Kingsnorth (which is home to the power station of the same name) and Grain which includes two further power stations and a Liquid Natural Gas Terminal as well as Thamesport. There is significant spare site capacity for additional industrial uses which could involve fabrication for the energy and construction sectors, as well as distribution. There had been plans for a replacement power station at Kingsnorth, which had the potential to retrofit “Carbon Capture and Storage” should a commercially viable technology be identified but these plans have since been put on hold.

3.23 The total areas covered by these industrial uses are 595 hectares for the Isle of Grain and 243 hectares at Kingsnorth.

3.24 **Future Projections**

3.25 Various projections for overall employment and the capacity of specific sites, for the South East region, Thames Gateway and Medway have been produced. They cover different time periods and policy assumptions, and therefore show considerable variation.

3.26 The target for the Kent Thames Gateway, set out in the South East Plan, is for 58,000 additional jobs to 2026. Of these around 28,000 were based on (pre-recession) employment projections for the South East, including around 9,000 in Medway. The balance were based on assumptions about housing (and therefore labour force) growth and site capacity.

3.27 The Thames Gateway Interim Plan (TGIP) (2007) identifies an aspirational target of 80,000 additional jobs over a twenty year period, with specified site capacity for 60,000. The largest single site is Ebbsfleet Valley with capacity for 20,000 jobs although the site has planning consents that could house significantly more than this. Medway sites with specific employment potential attributed to them have capacity for around 11,000 jobs.

3.28 The TGIP assumed, therefore, that site capacity was not a significant constraint and instead focussed on considering whether the trend rate of growth could be increased, particularly in the latter half of the plan period. It adopts a higher trend rate (of an additional 20% per annum from 2016 to 2026) giving an overall target of an additional 58,000 jobs for 2006 to 2026. It is noted that this is ‘aspirational’ and should be tested at the local level. It should also be noted that the trend figure is based on pre-recession projections and could be up to 50% lower now.

3.29 Medway Council’s Economic Development Strategy also seeks to identify future economic trends and translate this into demand for employment land. This assessment uses Oxford Economics’ forecasts of future growth which apply national trends to the local economic structure to produce total employment forecasts that by sector. This shows an overall projected increase of just under 3,000 jobs from the peak of the boom in 2008 to 2026, an increase of approximately 2.7 per cent to 103,000. This is significantly lower than the Experian projections for the South East Plan, which will in part reflect its post 'credit crunch' timing.

3.30 The Medway Employment Land Consolidation Study notes Oxford Economics' low trend growth projected in the Medway EDS, but argues that these projections do not include planned growth as part of the Thames Gateway. Combinations of these assumptions provide a range of targets: a "low" 6,500 and a main target of 21,500. This latter target is adopted in the draft Core Strategy for the purposes of identifying employment land requirements.

3.31 These "policy based" targets set an ambitious approach for growth in Medway and the Thames Gateway. They suggest the need to achieve a significant "step change" in previous trends which will be as much about creating a new image and new markets for Medway with developers, investors and the public sector working together, as simply allocating physical space.

Spatial Spread of Future Growth

3.32 Medway Council's Publication Draft Core Strategy sets the spatial framework for economic growth within the area. This identifies:

- Chatham as a centre of regional significance with both major town centre business uses and 50,000 sqm of comparison retail;
- Further re-development and regeneration of Waterfront sites and Town Centres, including mixed use, business space and retail, in Rochester, Gillingham and Strood;
- Tourism, including hotel development, and the evening economy, particularly in Rochester, Chatham and the urban centres;
- Isle of Grain and Kingsnorth, with a potential focus on low carbon and associated technologies, logistics and distribution, off-site manufacture for the construction sector, environmental technologies and waste management, and value added port activities.

3.33 Within this broader picture Lodge Hill potentially has a specific role, firstly as a "new settlement" which can provide a unique and direct "inward investment" offer in a semi rural location and secondly bridging between those uses in the "urban core" and those proposed at the Isle of Grain and Kingsnorth. In addition, the new community at Lodge Hill will generate demand for retail and services which will also contribute to economic development, within the definition set out in planning policy.[3] This would suggest the following types of uses might be appropriate:

- High density B Class uses, ranging from incubation and small office space up to larger business and science park space for single occupiers;
- Small scale workshop and service provision, but not large scale B2 to B8 warehouse or distribution space;
- Education uses including further and higher education which could link with business floorspace, as well as schools provision;

[3] PPS4 (2009) Planning for Sustainable Economic Development

- Retail, particularly that which services the development and local area;
- Hotels, particularly those specialising in supporting rural tourism, or business travel, including ancillary uses such as conferencing;
- Sport, recreation and leisure provision, again including specialist rural tourism activities;
- Community and cultural facilities and health provision; including that linked with specialist elderly housing;
- Other forms of business based at home, which could include teleworking but also many other personal services from hairdressing to cleaning and personal care, and mobile self employed businesses such as the construction sector.

3.34 This list of potential uses, and their interaction, has informed the market assessment for Lodge Hill and the economic vision described below so that it will complement rather than compete with the wider vision for Medway.

4 THE ECONOMIC VISION FOR LODGE HILL

Vision

4.1 The Economic Vision for the proposed development reflects the policy objectives and the potential growth sectors and use types described above. The aim is that Lodge Hill will:

- Be a prosperous community, part of a prosperous Medway;
- Be a genuinely mixed use development where there are synergies between uses, and people can live and work;
- Provide options and choices for business which complement the wider Medway offer and support growth sectors;
- Be a well connected place with excellent communication infrastructure;
- Provide a unique offer which can help change perceptions of Medway as a business environment;
- Provide employment opportunities which maximise employment rates and reduce the need to travel for Lodge Hill residents, and provide jobs for residents of the Hoo Peninsula and Medway;
- Work with schools and the further and higher education sectors to ensure that local people have the skills to work in the construction of Lodge Hill and strengthen links between education and business.

4.2 In doing so, the development will directly address the key priorities set out in Medway's Economic Development Strategy and the early work of the South East Local Enterprise Partnership.

Growth Clusters and Sectors

4.3 At this stage in the economic cycle it is difficult to predict with any accuracy what the key growth sectors and clusters will be during the next upturn. However a combination of long-term economic trends, and the desire of the Government to re-balance the economy towards infrastructure investment and a low carbon economy suggests that key sectors for Lodge Hill could include:

- General business and other services sectors, which are likely to continue to be a key driver for growth in the south-east economy;
- Low carbon technology – including those businesses whose operations are likely to be located at Grain and elsewhere on the north Kent coast, associated with power generation and renewable energy;
- Construction sector – which is likely to be a significant source of growth in north Kent relating to low carbon as well as the need for new homes and business space. Previous major construction projects such as the channel tunnel rail link have used the large sites on Grain for fabrication. Medway has relatively high levels of construction employment and is promoting a University Technical College in construction engineering which could add to this specialism.

4.4 Proximity to production facilities or major operations are rarely a driving factor in the location of Research and Development or Higher Value Added activities. Therefore, both for 'general' inward investment and for industries which might have a Medway specific focus, there will still be a requirement to provide competitive, high quality flexible provision to meet occupier needs.

4.5 For major growth sectors this is likely to require single use or multi-occupancy buildings, which have flexible floorplates and, could potentially be used by education providers as well as business occupiers. For the purposes of an outline planning application, this requires the identification of appropriate quantities of floorspace in broad locations with the flexibility for it to be brought forward in a range of configurations.

Small Business Growth and Development

4.6 As important for Lodge Hill, particularly in the early stages, will be the promotion of small business growth and development. Businesses with fewer than 50 employees account for almost half of UK employment, and small businesses account for a high proportion of new jobs created.

4.7 As part of a broader trend, homeworking has been growing significantly in recent years as a result of improved communications technology and structural changes to the way businesses operate. The number of homeworkers rose from 2.2 million in 1997 to 3.1 million in 1995, a 40% increase, and representing 11% of the workforce. At 15% of the workforce it was highest in south-east England. Furthermore, according to BERR, a third of small businesses were started in the home.

4.8 This suggests that, alongside capacity for larger floorspace provision, Lodge Hill will, by its nature, include a proportion of residents who work from home but will also need to provide a range of business space from small offices and start up space to larger "move-on" units. Again this will need to be included as broad floorspace quantum in the outline planning application with flexibility to deliver in response to market demand. It should, as far as possible, be located close to other "mixed" uses including local retail and hotels to allow home workers and small businesses to network and use wider facilities.

Consultation

4.9 DIO and Land Securities (LS) have undertaken extensive consultation with local stakeholders to discuss these emerging themes and issues. This has included meetings with the University of Greenwich, University for the Creative Arts, Mid-Kent College, and also with the other major landowners – Hutchison Ports, National Grid Property, and EoN.

4.10 All partners have expressed an interest in working with DIO, LS and the Council to develop ideas for economic development of the Hoo Peninsula and the Medway Towns. This does not have any specific implications for the Proposed Development as the discussions are still at an early stage but the indicative masterplan has the spatial capacity to host a wide range of business and educational uses.

Market Assessment

4.11 A market report was prepared for LS by CB Richard Ellis (CBRE) as part of a broader suite of documents and studies prepared to inform the indicative masterplan for the site. The market report was augmented by a more recent overview for LS provided by Savills. Both documents were submitted to the Council as part of the evidence base for Lodge Hill feeding into the Core Strategy.

4.12 In relation to business uses the report notes that Lodge Hill is not currently part of any established "market area", and that such uses at Lodge Hill will need to be taken forward as part of the long-term development of the site, and the wider image of Lodge Hill.

4.13 In the wider north Kent market most demand for new floorspace has been in the main office centres of Maidstone, Sevenoaks, West Malling, Dartford, Gravesend, Gillingham, Rochester and Chatham. There is substantial pipeline development including major consented schemes in Medway and also in Dartford, Maidstone and Ebbsfleet Valley, although recent development has been very limited due to market conditions.

4.14 CBRE therefore recommend a strategy through which early commercial elements should be integrated into "hubs" which can provide small scale office and workshop units close to other amenities, including shops and services, encouraging, in the first instance incoming residents and local businesses to establish themselves in the area.

4.15 Larger units can then be introduced which are flexible enough from a planning perspective to provide for workshop and/or office, hi-tech production, and Research and Development. The details for the indicative masterplan should also allocate provision for larger office buildings, which would be likely to be brought forward in later phases, but could be accelerated should specific occupiers be identified. Such space also has the potential to be used by a further or higher education institution, possibly in partnership with business.

4.16 The assessment also considers other potential employment generating uses. The location of Chattenden in its current state is considered to be secondary for hotel development. The location of hotels within the wider north Kent area, are currently mainly located either within the principal towns or on main infrastructure arteries. Therefore hotel development at Lodge Hill would be driven by the settlement creating its own market.

4.17 The report identifies two main opportunities in this regard. A limited service to mid-market hotel and a Country Club style hotel. The offer in each would be dependent on the operator but the latter would be likely to have a small business/conferencing/hospitality offer to complement its main function.

4.18 The report also identifies potential opportunities in further/higher education, in specialist care for the elderly and retail, all of which would bring further economic benefits.

5 THE DEVELOPMENT PROPOSALS

5.1 The proposed uses at Lodge Hill included in the Outline Planning Application build on the above assessment and seek to maximise jobs and economic activity on the site, compatible with its role as a new mixed use settlement.

5.2 Uses are described individually below, but are brought together within the indicative masterplan around the core concept of hubs of activity in sub-centres and the main centre, through which shops, offices, health facilities, schools, and leisure provision are located close together to create a sense of place, and promote demand for one another. There is the potential for the different hubs to take on different characters with the potential for further and higher education and business uses to come together to create a knowledge quarter in a later phase of the development.

Business Uses

5.3 The proposed process for the development of business uses is one of incremental growth, given the current limited market demand and profile of the site.

5.4 The aim is to gradually establish a vibrant community in which people will want to live and work, from small business enterprise units for one or two person businesses right up to larger offices/ and or research park type facilities which could become viable when the whole development is properly established.

5.5 The masterplan provides for 44,100 sqm (GEA) of employment floorspace. This is comprised of 36,750 of B1 floorspace and 7,350 sqm of B2 floorspace. The floor area is based on a medium density configuration of business space, and can be supported by the proposed transport and utilities infrastructure. This is the central assessment case for the Outline Planning Application.

5.6 A high density solution would have the spatial capacity to provide up to 70,000 sqm. The notion of accommodating additional floorspace is described further in the Design and Access Statement. However, this additional floorspace is not proposed as part of this Outline Planning Application but demonstrates that (subject to the necessary testing and planning process) that an opportunity exists to respond to additional demand in the future, should it arise, without undermining the principles that underpin the masterplan vision.

5.7 The current indicative plan involves:

- High quality ICT links built into homes to maximise home working and home based business;
- Office units clustered into the village hub, which may provide managed workspace, incubation space or small business units acting as a hub for local services and also the potential for home based businesses to grow;
- Workshops integrated throughout the residential phases including flextech units, single 2 storey workshop/office type units located closer to residential areas;
- Two larger areas, one in the Chattenden hub and one in the central hub, that could be developed as a small campus style office/knowledge quarter linked to R&D and environmental business. They are unlikely to attract investment until the later phases, but the indicative masterplan can have the flexibility to bring this forward at any point in the development period should demand be identified.

Tourism, Leisure, Retail and Hospitality

5.8 Proposed tourism, leisure, retail and hospitality uses are based on an assessment of the Site's unique offer in Medway of being a mixed use predominantly brownfield site in a rural setting, and playing a role as a rural centre, while seeking to complement other rural centres on the Hoo Peninsula (particularly Hoo St. Werburgh) and the offer of the main Medway Towns.

5.9 The Site has been identified as being of potential attraction for hotel operators and two hotels are included as part of the proposed development. Based on the indicative masterplan, these are:

- A limited service/mid-market hotel of between 100 and 120 rooms located in the southern part of the development close to the A228, taking advantage of high visibility here and close to the high density area within the settlement; and
- A country house style hotel attracting demand from hotel visitors and the local population within the new settlement. This might also include business and small conferencing use, ideal for small and home based businesses.

5.10 This provision would complement uses within the main Medway Urban area and provide a new high quality visitor offer for Medway.

5.11 This will be linked with rural tourism, sport and recreational opportunities. The indicative masterplan seeks to "stitch" Lodge Hill into the main walking and cycling routes (including national cycle routes and Medway's Green Grid) on the Peninsula in which it forms a major missing link. This will also provide good accessibility to the RSPB Nature Reserves at Cliffe Woods.

5.12 The proposed landscape vision for the Site, set out in the Landscape, Open Space and Recreation Strategy produced by Murdoch Wickham (landscape consultants), incorporates leisure, food, culture and education as its four cornerstones. It is anticipated that this will include organised and passive activities, and there will be extensive indoor and outdoor recreational activities.

5.13 New shops and local services are also needed to make Lodge Hill the kind of place where people want to live and work. It is intended that this provision is integrated with other mixed uses in the village hubs (such as schools, community facilities, and small offices) to create a critical mass of activity to sustain the development. A significant proportion of the proposal will be self supporting whereby expenditure is generated by residents/workers/visitors resulting in minimal impact on existing centres in the immediate vicinity. Furthermore, the retail proposal will provide a sustainable solution, meeting the daily needs of residents without detracting from the vitality and viability of nearby centres and reducing the need to travel.

Public Services: Education, Health and Other Community Provision

5.14 The proposed development provides for a range of community provision including three primary schools (one of which may take the form of an extension to the existing Chattenden primary school), a secondary school, healthcare, a library, community centres, and indoor sports provision. There is also potential for further or higher education provision linked either to the school or knowledge campus, subject to longer term demand from local providers.

5.15 It is likely there will be significant co-location between facilities, either through being clustered adjacent to one another or in multi-use buildings. These facilities will provide a large number of employment opportunities.

Working from Home and Positive Impact of Housing Development

5.16 As noted in paragraph 4.7, homeworking has been growing significantly in recent years. At the time of the 2001 Census 8% of the workforce of Strood Rural and Peninsula wards (the two adjacent to the site) worked from home, a proportion which is likely to have increased since then.

5.17 A very conservative assessment would suggest that 10% of the workforce at Lodge Hill, up to 500 people, might work from home. Given ongoing trends in growth in home working this is likely to be closer to 15% over the development period equating to 750 people.

5.18 The creation of village hubs and employment space for growing businesses would support this approach. The development of new homes as part of a mixed use development will also have major positive benefits. These will arise from expenditure from the households living in the development who will purchase goods and services within the site but also the wider Medway area. In addition Lodge Hill is intended to add a new dimension to the Medway housing offer which can help improve the image of the area and retain and attract economically active residents.

6 ECONOMIC IMPACTS

Employment on Site

6.1 Table 6.1, below, sets out the indicative levels of employment on site based on the proposed floor areas set out in the Outline Planning Application. Jobs to floorspace ratios are based on guidance from the HCA and Offpat on employment densities.[4]

6.2 This would total around 4,720 jobs, including those working from home.

Table 6.1: Total Employment (FTE) at Lodge Hill

Use	Ratio (sqm per job unless otherwise stated)	Total (FTE)	Total (Headcount)	Definition
Foodstore	17	150	220	Foodstore, NIA
Other A1/2	19	60	90	High Street
Food and Drink (A3 to 5)	19	20	40	Restaurants and Cafes
Office Village	10	2,380	2,700	B1 (A) Business park, FTE, NIA
Flextech/Business Park	10	600	680	B1 (A) Business park, FTE, NIA
Workshop/Creative	25	240	270	General B2
Hotel - Limited Service/Mid-Market	0.3/room	40	50	Jobs Per Room
Leisure Hotel	0.8/room	60	80	Jobs Per Room
Nursing Home/Close Care	0.5	60	80	Jobs Per Unit (FTE)
Primary Schools	25/FE	200	280	Per FE Including Nursery
Secondary Schools	15/FE	120	170	Per FE
Healthcare	50	30	40	Per sqm GEA
Other Community	50	20	20	Per sqm (GEA)
All Jobs (FTE)		3,970	4,720	
Working from Home	15% of homes	750	750	Proportion per dwelling
Total		**4,720**	**5,470**	

[4] *HCA and OFFPAT (2010) Employment Densities Guide, 2nd Edition*

6.3 The total number of jobs on site will exceed this as a proportion of jobs will be part-time. The table applies ratios of part time to FTE workers based on a conservative assessment of the relevant splits for each types of employment sector. This suggests high ratios for service sector jobs for retail and hotels, with limited uplift in office and other uses. In total, including homeworkers, this would equate to just under 5,500 people working on site.

6.4 As a whole this number of jobs would make a major contribution to employment growth in Medway. Given the projected trend growth described above and the market assessments undertaken this is regarded as a realistic and feasible approach to maximising the economic role of Lodge Hill in the context of a mixed use development. As noted above there is the physical capacity for additional business uses to be provided on site should demand exceed current expectations, which if taken up would provide additional employment opportunities.

6.5 Commercial floorspace will be brought forward in response to market demand, however, the indicative phasing plans for the development assume that it will be developed broadly in line with the residential development. Community provision will be developed to meet the requirements arising from new homes and employment opportunities in these facilities will therefore be aligned with housing development. Table 6.2, below, shows the indicative phasing of these jobs based on these assumptions.

Table 6.2: Indicative Employment Phasing: Total Headcount, Lodge Hill

Use	Total Headcount	Phase 1	Phase 2	Phase 3
Foodstore	220	220	-	-
Other A1/2	90	40	40	10
Food and Drink (A3 to 5)	40	20	20	-
Office Village	2,700	1,080	1,350	270
Flextech/Business Park	680	80	340	250
Workshop/Creative	270	130	130	-
Hotel - Limited Service/Mid-Market	50	-	50	-
Country House	80	80	-	-
Nursing Home/Close Care	80	-	40	40
Primary Schools	280	100	170	-
Secondary Schools	170	-	170	-
Healthcare	40	20	20	-

Other Community	20	10	10	10
All Jobs (Headcount)	4,720	1,780	2,350	570
Working from Home	750	290	310	150
Total Jobs	**5,470**	**2,070**	**2,650**	**730**
Phasing of Homes	5,000	1,934	2,034	1,033

*Figures may not add due to rounding

Construction Employment

6.6 As well as permanent employment the development will also create opportunities over a twenty year period in the construction sector. They will cover a range of construction sub-sectors and across construction trades and crafts. These will include:

- Infrastructure and utilities, comprised of:
- Site remediation and preparation;
- Utilities, including: drainage;
- Landscaping;
- Roads, Parking and access.
- Housing Development: Construction of flats and apartments.
- "Mixed-Use" Development including commercial, retail, community and other uses.

6.7 These different types of contract would have different skills mixes and requirements as they involve different construction techniques and would be delivered through a series of overlapping contracts throughout the development process.

6.8 Table 6.3 shows the total number of construction workers by each group. These are expressed as 1 year Full Time Equivalents (FTE). This shows that the bulk of construction employment would be in the house building sector, partly due to the scale of housing development and partly due to the more labour intensive nature of house building.

6.9 The actual total number of employment opportunities available on site would be significantly higher than the 1 year FTE figure as the construction process is characterised by a large number of skilled trades working on short specific contracts across a range of sites. Data on contract durations in the south east suggests that one 1 year FTE job could equate to 3.8 different jobs in a year on a single site. Therefore the total 5,600 on site jobs could equate to around 21,000 individual opportunities.

6.10 Not all of these workers would be employed on site. The proportions that are employed on site would depend on production processes that are used and the extent to which units are fabricated off site. This would vary depending on the approach taken by individual plot developers. Off site employment can vary from 20% to 50%, we have assumed the lower end of this range.

Table 6.3: Indicative Construction Employment: Full Time Equivalent Jobs, Lodge Hill

	Total	Site	Off-Site
Infrastructure	1,100	900	200
Housing	5,900	4,100	1,800
Mixed Use	800	600	200
All	7,800	5,600	2,200
Average Per Year	520	370	150

Expenditure and Multiplier Impacts

6.11 The development proposals would also bring significant additional expenditure to the local area and Medway which could stimulate economic growth and employment in the wider area. Additional expenditure would arise through:

- The expenditure of new households on goods and services in the local and district areas;
- Expenditure of wages from Medway residents working at Lodge Hill in the wider local economy;
- Expenditure of workers at Lodge Hill in the local economy;
- Supply chain linkages from employers and businesses based at Lodge Hill;

- Expenditure by hotel guests in the local, Medway and regional economy estimated at £46 a night for tourists. Average spend for business hotel guests range from £126 to £218 but can be as high as £400 per night.
- Expenditure by residents and employees accommodated by the scheme, with convenience expenditure alone forecast to be approximately £21 million per year.

6.12 These various expenditure items are likely to overlap so simply adding them may result in "double counting". It is therefore more appropriate, in seeking to quantify overall supply chain and expenditure effects to use standard multipliers. The English Partnerships Additionality Guide (2008) suggests that an appropriate composite multiplier at the local (in this case meaning District) level is 1.3 and a regional level approximately 1.45. This multiplier is applied to employment within the scheme after adjustments have been made for leakage (jobs taken by people from outside the area) and displacement (the re-location of jobs to the site from elsewhere in the area).

6.13 If we assume, in line with the current situation, that 70% of jobs are taken by Medway residents and that only a relatively small proportion of jobs are displaced from elsewhere (perhaps 20%) as it is assumed Lodge Hill would be bringing a unique offer to Medway, this would suggest around 2,200 of the on site FTE jobs would be additional and taken by Medway residents and a further 660 might be created elsewhere in the Medway economy.

Financial Benefits and New Economic Tools

6.14 The development of a major mixed use scheme at Lodge Hill will provide a significant boost to the income of Medway Council through the New Homes Bonus and, subject to the model adopted by central Government, through retention of business rates. This has the potential to provide a future income stream to enable Medway to benefit from the new financial mechanisms which the Government is proposing to introduce to support economic development and regeneration such as tax increment financing.

New Homes Bonus

6.15 Lodge Hill is proposed to have approximately 5,000 homes when completed of which 23% will be affordable. The average release of homes is anticipated at an average of around 300 per year. If we assume that all homes were in Council Tax band D, on the basis of current Council tax levels the New

Homes Bonus would be worth approximately £46 million to Medway, over a 20 year period – 15 years of development plus 5 years bonus for the last tranche after completion. Each tranche of 300 homes would be worth around £2.7 million over six years.

Non Domestic Rates

6.16 As noted above the Government is currently consulting on proposals for Business Rate retention so it is not possible to identify the extent to which at chosen approach will impact on any particular authority.

6.17 For the purposes of this strategy we have undertaken an initial assessment to identify the broad order of magnitude of the potential impact on Medway Council's Business Rate base. In order to do so we have identified comparable uses elsewhere in Medway and the local area and applied rateable values for those uses, from the Valuation Office Agency records, to the proposed floor areas in the outline planning application. This suggests an indicative rateable value of around £6 million. These figures should be treated with some caution as valuations can vary significantly and will depend on the specific types and quality of floorspace provided, however they do give a useful idea of the potential benefits to Medway.

Table 6.4: Lodge Hill Commercial Uses: Indicative Rateable Value

	Indicative Rateable Value
Retail	£500,000
Business Space (B Class)	£5,000,000
Hotels	£450,000
TOTAL	£5,950,000

7 IMPLEMENTING THE STRATEGY

7.1 The achievement of the vision for Lodge Hill, and the step change required in market perceptions of Medway, will require long term partnership working between all developers who will be active at Lodge Hill, and wider public and private sector partners. The key elements required to implement the strategy will be:

- Hoo Peninsula & Medway Partnership Working
- Lodge Hill Marketing Programme
- Lodge Hill Construction Training Programme
- Business and Enterprise Development Activities
- Jobs Brokerage and Training for Permanent Jobs

Hoo Peninsula and Medway Partnership Working

7.2 DIO and Land Securities have already worked closely with local partners in the development of the indicative masterplan and this Economic Strategy. This has included involvement in Medway Council's economic development events and in consultation with employers, landowners and education institutions.

7.3 DIO and Land Securities are committed to ongoing engagement in these activities at two levels. At a City-wide level they will engage with Medway's Economic Board and support the implementation of the Economic Development Strategy, working with partners from the private and higher education sectors. At the local level the applicant is working with the Council to bring landowners and other interests together to take an overview of needs and opportunities on the Hoo peninsula. Through this approach Lodge Hill will be connected into wider networks, including the Local Enterprise Partnership, and will be able to respond to emerging opportunities which may include joint projects and identification of businesses who wish to locate on the site.

Lodge Hill Marketing Programme

7.4 To supplement this partnership working the developer will also undertake a focussed marketing programme to put Lodge Hill on the property map, and begin to market the location to potential investors and occupiers. A Marketing Strategy and Plan will be produced (anticipated to be controlled through planning conditions or S106 Agreement) which includes:

- The establishment of a sounding board including Locate in Kent, the Council and local agents and businesses to test marketing initiatives and identify leads and contacts;
- A clear business focused brand for Lodge Hill;
- The appointment of specialist agent/agents to identify the detailed products for the first phases of the development and target markets for these products;
- A marketing programme including events and joint marketing with other partners.

7.5 This programme will be an ongoing feature of the development of Lodge Hill.

Lodge Hill Construction Training Programme

7.6 Construction employment will offer immediate opportunities for Medway residents to benefit from the Lodge Hill development, and the fifteen to twenty year construction programme means that a long term programme can be developed with contractors and training providers.

7.7 The lead developer will work with Medway Council, local training providers and public agencies to maximise local employment and supply chain benefits in the construction phase. In some cases land Securities will be directly procuring construction work but housebuilders and others will also need to be involved.

7.8 For the construction stage specific activities will be defined with partners at each phase but could include employment brokerage and support services for local residents, targeted training and support activities for those excluded from the labour market, training and progression activities for those already employed in the construction sector, and “meet the buyers” and other events to develop the supply chain.

7.9 Local partners are likely to include Mid-Kent College, Jobcentre Plus and the Council, and could also include the proposed Medway University Technical College if the bid is successful.

Business and Enterprise Development Activities

7.10 Land Securities will work with partners, including the Council, to promote business and enterprise development at Lodge Hill. This could include a range of activities such as support for business start ups and home based business, small business incubation space or serviced offices, and promotion of hotels and other venues for conferencing or business activities. This will link with the marketing strategy.

Jobs Brokerage and Training for Permanent Jobs

7.11 As tenants and occupiers are identified for business and commercial floorspace Land Securities will work with the Council and others to seek to identify opportunities which could be filled by local residents and with agencies such as Jobcentre Plus to identify training requirements and other initiatives to help local people access these jobs. In some cases this could operate as a general brokerage service whilst in others, for example a foodstore operator, there could be a dedicated recruitment and training programme.

8 SUMMARY

8.1 The Proposed Development at Lodge Hill provides the opportunity to create a new business offer and image for Medway, which complements the offer in the main Medway Towns and links with the wider Hoo Peninsula and Grain.

8.2 The Development Proposals are based on a detailed understanding of the policy objectives for the site, the wider economic context and robust market assessment. Given the considerable current economic uncertainties and need, emphasised in planning guidance, for flexibility the outline planning application adopts what is regarded as a realistic quantum of floorspace with spatial capacity on the site to provide higher density business space in the future (subject to a separate planning application) if demand were to be identified.

8.3 The proposals include a range of business floorspace which could meet the needs of key sectors (business services, environmental industries and construction) along with a wide range of small and growing businesses. There will also be significant employment in retail, hospitality, leisure and recreation and public and personal services and there will be many home based businesses. In total around 5,700 people could work on site. The scheme will therefore meet the policy requirements set out in the draft Core Strategy.

8.4 The implementation of the strategy will require close partnership working, a focussed marketing programme for the business offer, training programmes for the construction phase and completed development, and business and enterprise development.