

# Tunbridge Wells Local Plan Examination

## Matter 4- The Strategy for Paddock Wood

Issue 6 - Employment Land

Iceni Projects Limited on behalf of Wrenbridge and Lambert and Foster June 2024

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### 1. QUESTION 1

What is the justification for the suggested change to the Plan? As suggested to be modified, will the strategy for employment be justified and consistent with national planning policy?

- 1.1 These representations are submitted on behalf of Wrenbridge and Lambert and Foster who are promoting Keylands Farm, Paddock Wood, for employment uses.
- 1.2 The Council's suggested changes to the Plan include:
  - reduction in number of homes from c. 3,500 homes in east and west Paddock Wood to c 2,500 dwellings a reduction of c. 30%;
  - removal of part of the employment land allocation within the wider strategic allocation, reducing the employment land to be delivered alongside the growth at Paddock Wood to just 8ha. The parcel to be removed is Keylands Farm; and
  - necessary amendments to the identified Key Employment Areas to reflect the changes to the employment allocation, including the reintroduction of the KEA to the north of the railway line.
- 1.3 We firmly believe that the reduction in the amount of employment floorspace, and more specifically, the removal of Keylands Farm as an employment allocation is not justified by the evidence base and is therefore unsound.
- 1.4 First, there is a significant need for employment floorspace within Paddock Wood, even with any reduction in homes proposed through the Council's revised strategy. The modelling undertaken by Iceni, as set out in our representations to the Council's consultation on its Initial Response to the Inspector's findings, indicates a need for between 17.0 17.8 ha of employment land to align with various scenarios for residential growth at Paddock Wood and east Capel. The Local Plan's proposed provision for 8.5 ha of employment land at Paddock Wood falls below the need identified. This is not positive planning nor sound.
- 1.5 Secondly, the proposed allocation complies with the sequential test in flood risk terms. The Council has confirmed that there are no suitable, available sites, within Paddock Wood to accommodate employment uses that are in a lower flood zone. Importantly the NPPF does not preclude the allocation of sites within a lower flood zone, as long as the sequential test has been passed.
- 1.6 We deal with each issue in turn. The detail behind this hearing statement is set out in our representations submitted in February 2024 to the Council's consultation of its proposed response to the Inspector's Initial Findings.

### Employment Need in Paddock Wood

- 1.7 At the outset we note that Paddock Wood is one of the key established employment areas in Tunbridge Wells Borough. It performs successfully, and the Tunbridge Wells and Sevenoaks Employment Needs Study (2016), concluded that there was potential expansion of a number of Key Employment Areas, including at Paddock Wood, with suitable land adjacent to Maidstone Road, Paddock Wood. This recommendation was made notwithstanding the significant amount of housing now proposed around Paddock Wood.
- 1.8 It is also noted, that in the SHELAA site assessments (CD3.77 Sites 340 and 347) Keylands Farm and Swatlands Farm are identified as suitable for employment development as they "would form a logical extension to a key employment area". It was against this backdrop that the sites were allocated in the SLP.
- 1.9 Following receipt of the Inspector's Initial Findings, the Council undertook additional masterplanning and flood modelling work. This has reduced the proposed level of residential development within the Paddock Wood and Capel strategic allocation (STR/SS1) to between 2,374-2,532 dwellings, with a midpoint of 2,453 dwellings.
- 1.10 As detailed in our submitted representations (February 2024) we have modelled all three growth scenarios, with the commitments at Paddock Wood (i.e. existing residential sites with planning consent) added alongside. Scenario A is the lower end of the range (3,137 dwellings), Scenario B the higher end (3,295 dwellings) and Scenario C the midpoint (3,216dwellings) which is the key scenario taken forwards by the Council.

Scenario	А	В	С
Commitments	1090	1090	1090
Strategic Growth	2472	2596	2534
Total Growth	3137	3295	3216

 Table 1.1
 Residential Growth Scenarios for Paddock Wood

- 1.11 The Council has reduced its plan period to 10 years. However this is not of specific relevance to the consideration of the homes/jobs balance. The important factor is the scale of residential growth envisaged at Paddock Wood and the alignment of this with employment land provision.
- 1.12 We next need to consider how many jobs each of the growth scenarios would deliver. To do so, Iceni has drawn on the Local Plan's housing needs evidence as set out in the Review of Housing Needs (CD3.75). Chapter 8 in that report considers 'the Link between Housing and Economic Growth.'
- 1.13 The Report sets out in Table 8.2 that the plan requirement, of 872 dwellings per annum (dpa) would support growth in the economically active population of 9,508 persons between 2020-37.

- 1.14 In Paragraph 8.11 it then considers double jobbing, with 4.2% of people holding down more than one job. Thus, the ratio of jobs to people was 0.958 (Para 8.12).
- 1.15 We can use this to calculate that, having regard to Tunbridge Wells' demographics, 0.86 additional jobs are supported for every home (or 86 jobs for each 100 homes delivered). This ratio is slightly higher than the 0.82 ratio used by the Council as it takes into account that a proportion of people will have more than one job consistent with the Council's housing needs evidence.

A	Homes per year	678
В	Homes, 2020-37 (A x 17)	11526
С	Growth in Economically Active Population	9508
D	Ratio jobs to people (C/D)	0.958
E	Job growth supported	9925
F	Jobs per home (B/E)	0.86

 Table 1.2
 Jobs per Home Calculation

- 1.16 Next, this ratio can then be applied to the scenarios for housing growth to calculate the level of employment which would be supported. We can also calculate the relationship between total and Full-time Equivalent (FTE) jobs. FTE jobs are used as the employment densities in the Council's Economic Needs Study uses this measure.
- 1.17 The Economic Needs Study (CD3.25) indicated 10,632 total jobs would be created over the 2013-35 period (Table 8.1) and then calculated that this would correspond to 9,732 FTE jobs (Table 8.4). This generates a ratio of FTE to total employment of 0.915.
- 1.18 The table below therefore takes the scenarios for housing growth, then applies the ratios for jobs per home and then converts total to FTE jobs.

Table 1.3	Calculating Employment Growth associated with the Housing Growth Scenarios
	for Paddock Wood

Scenario	А	В	С
Housing provision at Paddock Wood	3,137	3295	3216
Jobs-to-homes ratio	0.86	0.86	0.86
Jobs supported	2701	2837	2769
Total Jobs to FTE ratio	0.915	0.915	0.915
FTE Jobs supported	2472	2596	2534

1.19 No specific allowance for net commuting is justified based on the evidence that a broad balance exists now (as shown by the analysis in Section 3). It is appropriate to seek to maintain a balance between jobs and residents in work moving forwards to minimise the need to travel.

- 1.20 To calculate the proportion of employment which might be expected to relate to 'employment sites', we have first considered the existing situation which reflects the nature of the local economy in Paddock Wood. As set out in our representations, 65% of existing jobs took place in what might be termed 'B-class' sectors, but that taking account of home-based working it might be reasonable to assume 55% of jobs were associated with B-class employment land.
- 1.21 We have next cross-referenced this to the 2016 Economic Needs Assessment (CD3.25). This includes forecasts for future employment growth in the Borough's economy as a whole. It showed in Table 8.5 that 50% of future growth in FTE jobs across Tunbridge Wells Borough was expected to take place in B-class uses, albeit more focused to office-based activities.
- 1.22 Taking a cautious approach, we have assumed that 50% of jobs take place on B-class employment sites. Given the nature of the local economy, this could be higher (with 65% of current jobs in Paddock Wood in B-class sectors); but this assumption takes account of the potential for a proportion off people working in B-class sectors to work from home.
- 1.23 The next question relates to the assumed average employment density. Iceni has used CoStar to calculate the existing level of employment floorspace at Paddock Wood. CoStar shows that as of 2023, there is 145,000 sq.m of industrial space (1.6 million sq.ft) together with a modest 5,500 sq.m (60,000 sq.ft) of office space. This is compared to our estimates of B-class jobs.
- 1.24 The analysis points to the average density of employment space in Paddock Wood being 55 sq.m per FTE job. Cross-referencing this against the Economic Needs Study (CD3.25), this is consistent with the average jobs density for R&D activities, and sits between those for industrial uses (45 sq.m per FTE jobs) and warehousing (74 sq.m per job) and is therefore reasonable.

	Paddock Wood (E02005162)
Total Jobs in Paddock Wood, 2021	5,390
Estimated B-Class Jobs @ 55%	2,965
Estimated B-Class FTE Jobs	2713
Commercial Floorspace, 2021	150,500
Average Employment Density (sq.m per FTE job)	55

Table 1.4	Calculating Av	verage Employ	ment Densitv in	Paddock Wood
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1.25 As the Economic Opportunities Report sets out, it is likely that future employment floorspace delivery will focus on industrial space (rather than offices). The above average density is therefore considered reasonable for modelling purposes, and consistent with the local evidence. This does not imply that higher value activities including office and R&D cannot be accommodated on the employment land allocated.

- 1.26 We have therefore applied these modelling assumptions to the scenarios for housing growth. We assume:
  - 50% of future jobs growth takes place on B-class employment sites;
  - An average employment density of 55 sq.m per job;
  - An average plot ratio of 0.4, consistent with the Council's evidence in CD3.25.
- 1.27 The results of the modelling are shown below. The modelling indicates a need for between 17.0 17.8 ha of employment land would be needed to align with the scenarios for residential growth. The figures relate to the net developable area. The figure which aligns to the Council's current strategy for residential growth at Paddock Wood is 17.4 ha.

Table 1.5	Additional Employment Land needed at Paddock Wood to support Residential
	Growth

Scenario	А	В	C
FTE Jobs supported	2472	2596	2534
% B-class	50%	50%	50%
Estimated B-class Jobs	1236	1298	1267
Average employment density	55	55	55
Employment floorspace needed (sq.m)	67,969	71,393	69,681
Plot Ratio	0.4	0.4	0.4
Additional employment land needed (ha)	17.0	17.8	17.4

- 1.28 The need shown is higher than the need identified in the Economic Needs Study, which identified a need for at least 14 ha of land Borough-wide, as the modelling herein assumes that the employment land delivered is focused more towards industrial uses (rather than offices) reflecting the nature of the Paddock Wood economy and demand profile. This is consistent with the findings of the Paddock Wood Economic Opportunity Study. In contrast, the Borough-wide Study modelling was driven in particular by forecast growth in office-based sectors; and did not specifically consider or make quantitative provision for providing for modern commercial floorspace for industrial/ manufacturing activities. It did not adequately take account of market signals.
- 1.29 The Council's (Appendix A to PS-045) and Iceni's modelling use a similar approach. However, there are some key modelling assumptions which we would query:
  - **Proportion of B-Class Jobs**. The Council has assumed 40% of jobs take place in B-class floorspace based on the Council's own Economic Needs Assessment (CD3.25); but the existing situation in Paddock Wood is of a higher proportion in relevant sectors reflecting the particular

characteristics of the local economy (65% based on our figures and 59% based on the Council's own analysis). The 40% figure which the Council uses is unrealistically low.

- **Plot Ratio**. The Council's analysis uses a plot ratio of 0.5 based on a blended ratio for employment uses. However, there is not a market for town centre offices in Paddock Wood which might achieve plot ratios of 1.5 (noting that business park densities for offices are more commonly 0.3-0.4). Such development is unlikely to be viable. It is more realistic to expect a 0.4 ratio to be achieved.
- 1.30 On this basis, we consider that a more realistic assessment of the need is for between 17-18 ha of space as set out in Section 6.0. The higher end of the Council's scale for need is therefore significantly underestimated, and the **10.65-11.7ha should be treated as an absolute minimum**. It is therefore disappointing to see the Council only seeking to meet provision for the 8ha of employment floorspace in Paddock Wood. These is clear justification for a higher amount, notwithstanding the flood constraints identified.
- 1.31 The conclusions set out are based on seeking to balance provision of homes and jobs. The Local Plan's proposed provision for 8.5 ha of employment land at Paddock Wood falls below the need identified. This highlights that there is no evidential basis for reducing the quantum of employment land to be allocated through the Local Plan. The inclusion of the Paddock Wood employment allocations remains justified.

**Flood Risk Matters** 

- 1.32 It is noted that the employment allocations in Paddock Wood are located in flood zones 2 and 3.
- 1.33 The overarching aim of national planning guidance is to direct inappropriate development in areas at risk of flooding away from areas at highest risk (whether existing or future) where possible. Where development is necessary in such areas, the development should be made safe for its lifetime without increasing flood risk elsewhere (NPPF, para. 165).
- 1.34 In terms of Plan making, the NPPF (para. 167) requires plans to apply a sequential risk based approach to the location of development, so to avoid, where possible, flood risk to people and property. To do this, Plans should, inter alia, apply the sequential test and then, if necessary, the exception test.
- 1.35 With regard to the sequential test, the Strategic Housing and Employment Land Availability Assessment (CD 3.77) provides a detailed summary of the sites which were put forward for consideration as part of the Local Plan. This includes a large number of sites within Paddock Wood. These have been assessed in detail by the Council in terms of their suitability, availability and deliverability.

- 1.36 A number of sites were considered suitable for form part of the strategic allocation around Paddock Wood, and this was masterplanned accordingly by DLA, who took an ownership blind approach.
- 1.37 No other sites were considered suitable for allocation for employment purposes, or development, notwithstanding that to be commercially attractive, employment sites need to be located close to the main road network and accessible from the station. In our view the sequential test has been passed.
- 1.38 It is noted, in the Statement of Common Grounds signed by both the Environmental Agency and KCC (as LLFA) with TWBC that the EA considered development in flood risk terms is acceptable on these sites for employment purposes, assuming appropriate flood mitigation could be identified.
- 1.39 In this respect we note, as set out in the PPG, that employment uses are a less vulnerable use which are suitable for development in Flood Zones 2 and 3 subject to compliance with the sequential test.
- 1.40 Since the Stage 2 examination sessions, the Council has again reviewed the available sites for employment uses within Paddock Wood to ensure compliance with the Sequential Test. We agree this is appropriate to do so. The selection of sites reviewed by the Council includes the sites allocated in the Submission Local Plan along with potential sites within the western parcel of Paddock Wood. No additional sites have been identified, nor have any further sites been considered suitable or available for employment uses in Paddock Wood.
- 1.41 As part of this exercise, the Council has decided to remove Swatlands and Keylands as an allocation: both include land in flood zones 2 and 3. This is due to the worsening of the flood position in terms of higher swathes of both sites falling within flood zone 3 Swatlands will instead be identified as a commitment, as it benefits from outline planning permission. These sites will not form part of the Key Employment Area, which is contrary to the advice in the Council's evidence base (ENA, CD3.25). The approach here, in our view, is muddled and ignores the approach facilitated by the sequential test as set out below. There is nothing in Policy which states employment uses cannot be located in flood zones 2 and 3 as long as the sequential test is passed.
- 1.42 The Council has retained Land East of Transfesa Way, which falls mostly in Flood Zone 2. This is despite the deliverability concerns we highlight in our representations. This includes access and the requirement to upgrade the unmanned railway crossing which is a significant investment.
- 1.43 This results in the employment supply for Paddock Wood being just 8ha. The minimum baseline identified by the Council in its updated evidence base and the very lower end of the Council's identified requirements; a figure which in our view is significantly underestimated when looking at the employment needs for Paddock Wood as a whole.

- 1.44 Given the level of acknowledged need, and the sites which are available, it is confusing as to why the Council has decided to remove Keylands Farm as an employment allocation. The purpose of the sequential test is to direct development to flood zone 1 in the first instance. Importantly, it does not preclude development in flood zones 2 and 3 if there are no reasonable alternatives. The Council has demonstrated that this is the case and we agree with the conclusions reached in terms of there not being any additional sites. Accordingly, as long as development can be made acceptable in flood risk terms, the Council has demonstrated that the allocation of Keylands Farm complies with the sequential test and its removal as an allocation is not justified.
- 1.45 Whilst not relevant to the application of the sequential test, it is prudent to also note that Swatlands Farm, which has planning permission, has a similar context in flood risk terms. The Council notes at para. 6.19 (PS\_045) that a suitable solution has been identified in drainage terms and development can proceed safely.
- 1.46 We note the inclusion of land at Transfesa Way. Whilst we note in flood risk terms a larger proportion of the site is sequentially preferrable, its deliverability is questionable. The redevelopment of this site will require significant infrastructure delivery, namely, upgrade to the Network Rail unmanned railway crossing. The scale of development will not support the investment required for these improvements. We therefore do not believe that this parcel is deliverable. However, even if the Council is confident, it can be, based on the level of need demonstrated we consider this site and Keylands Farm is required. The Council should be positively planning for growth at Paddock Wood, and looking to achieve a level of floorspace which will drive forward sustainable growth.
- 1.47 There are no sequential preferrable sites in flood risk terms for employment purposes in Paddock Wood. The Keylands Farm allocation adheres to the sequential test and the removal of this allocation is not justified by the application of the sequential test.

### 2. QUESTION 2:

What are the implications for the provision of employment land? Will the Plan provide sufficient sites to meet needs over the plan period?

### Vision for Paddock Wood

- 2.1 The Plan identified the expansion of Paddock Wood and east Capel as providing a once-in-ageneration opportunity to address deficiencies in service provision, mobility and flooding infrastructure; revitalise its Town Centre; enhance its economy through delivery of new high quality employment premises; and deliver new health, supports and green infrastructure. The Plan would help establish and reinforce the town's role as a key business location for the borough (Para 5.184). New employment land was envisaged to facilitate business growth in part; but also provide replacement provision which enabled key sites adjacent to the town centre to be redeveloped for alternative uses – both adjacent to the railway but also potentially at Eldon Way (Para 5.184). The Plan aimed to improve the economic self-sufficiency of the settlement (Para 5.1857).
- 2.2 To create a sustainable new community it is prudent to model the employment land needs on the basis of seeking to balance the provision of homes and jobs.
- 2.3 The effect of the lower level of employment land provision would be to potentially limit the scope for economic growth and could result in increased out-commuting from Paddock Wood. It would not provide for sustainable development on garden settlement principles as sought through the transformational expansion of Paddock Wood. Growth of Paddock Wood should be seeking to support enhanced economic self-sufficiency.

#### Land to north of Railway Line

- 2.4 The proposed approach by the Council also includes the retention of the Key Employment Area (KEA) on land immediately to the north of the railway line, in part to ensure adequate employment land provision in the absence of the Keylands Farm allocation. This land currently comprises the outdated stock that the END refers to as noted above.
- 2.5 The SLP sought to remove this KEA allocation in order to facilitate redevelopment for residential and mixed-use development. The intention behind removing the KEA allocation to the north of the railway line was to provide a more permeable and attractive public realm and facilitate active travel movements from the Town Centre and railway station to the new housing areas in the northwest of Paddock Wood and to the employment area beyond.
- 2.6 With the growth proposed to the northwest of Paddock Wood, linkages between the proposed new allocations from the railway line to the north are key to ensuring a successful, sustainable location.

This is clear from the Town Centre Masterplan prepared by DLA; to help to support the successful delivery of the strategic growth.

- 2.7 We support this intention from the SLP and agree that in planning for the "once in a generation", "transformational" growth of the town, the policy framework needs to allow this to happen. It is therefore discouraging to see the Council retain the KEA on the land to the north to protect employment uses in light of the reduced number of allocated sites in the proposed modifications to this policy; this will act as a barrier to this vision. This again is not justified by the existing evidence base: both the ENA and Masterplanning and Infrastructure Study for Paddock Wood recognise the potential for the expansion of the KEA to the north (now removed) and a more vibrant mix of uses to the north of the railway line. We do not consider this approach is justified and will negatively influence the aspirations for Paddock Wood as this pivotal time of this masterplan.
- 2.8 Growing the scale of the town and its employment base provides the opportunity to increase the range and number of employment opportunities, which can help to reduce the need to travel and increase self-containment of commuting trips. Doing so has wider impacts in reducing energy use, addressing congestion and air quality concerns, and supporting increased use of travel by sustainable modes (including walking and cycling).

### **Relationship between Swatlands and Keylands**

- 2.9 Swatlands and Keylands are located to the east of Maidstone Road, and are connected in so far as they are located adjacent to each other; Swatlands to the south of Lucks Lane and Keylands to the north. At one time the sites were promoted as one development parcel. The high level masterplan, which was prepared by DLA, looked at both sites together to provide principles to be considered across both sites to provide a holistic development.
- 2.10 Swatlands Farm, a c. 8.5 ha greenfield site in agricultural use. Outline planning permission was granted on 12 January 2023 for c.20,000 sqm employment floorspace at Swatlands Farm (LPA Ref. 22/01929/OUT). The applicant is Gallagher Group.
- 2.11 As set out in the application submission, the scheme was developed in line with the aspirations of the SLP and the principles as set out in the masterplanning work.
- 2.12 The delivery of Swatlands is reliant on significant highway works to widen Lucks Lane. This is a highway mitigation which unlocks both Swatlands and Keylands for employment growth, and as noted in the Sweco Transport Assessment, this wider mitigation is required to accommodate growth elsewhere in the Borough.
- 2.13 It was anticipated at plan making stage that development at both Swatlands and Keylands would contribute to the cost of providing the widening of Lucks Lane. With Swatlands coming forward first,

a specific clause is included within the Swatlands S106 that offsets this highway cost from the active travel contribution with the intention that the Keylands development would provide in excess of the required contribution to recoup the shortfall.

2.14 Removing Keylands Farm as an allocation could threaten the delivery of the infrastructure as planned, and secure the necessary sustainable development principles for the growth at Paddock Wood.