

Examination of the Tunbridge Wells
Borough Local Plan

Tunbridge Wells Borough Council
Hearing Statement

**Matter 2: Housing and
Employment Needs (Policy
STR1)**
Issue 3: Employment Needs

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Matter 2 – Housing and Employment Needs (Policy STR1)

Issue 3 – Employment Needs

Inspector's Question 1: [re. assessment of economic and employment needs]

The PPG advises that strategic policy making authorities will need to develop an idea of future economic needs based on a range of data which is current and robust. This includes analysis of labour demand, labour supply, past take-up and from consultation with relevant organisations. Does the Council's assessment of economic and employment needs reflect the methodology in the PPG?

TWBC response to Question 1

Introduction

1. The Council has developed and maintained a robust and up to date understanding of business needs in accordance with Paragraph 2a-025-200190220 of the relevant [Planning Practice Guidance](#) (PPG), through the production and consideration of a thorough Economic Needs Study (ENS) [[CD 3.87](#)], following the methodology set out in the PPG, and updated where necessary to reflect more recent circumstances.
2. The relevant studies are set out within Section 3 of the Economic Development Topic Paper [[CD 3.84](#)] for the Pre-Submission Local Plan (March 2021) and summarised in the table within **Appendix 1** for information and ease of reference.
3. It is important to note that the ENS was undertaken alongside the Strategic Housing Market Assessment (SHMA) [[CD 3.80](#)] at the outset of Local Plan production, but the Council has undertaken further work and monitoring of data and trends throughout the plan-making process to ensure that the Local Plan is robust and up to date. It is also worth highlighting that the recent period of plan preparation has been impacted by the COVID 19 pandemic, which is discussed further in response to Question 5 of this statement.

Consideration

4. The [PPG](#) requires local planning authorities to “*prepare a robust evidence base to understand existing business needs*” (paragraph 025 Reference ID: 2a-025-20190220). Paragraphs 26 and 27 (Reference ID: 2a-026-20190220 and 2a-027-20190220) of the PPG set out the detailed methodology by which local economic needs should be assessed, including as referenced at paragraph 26, determining the ‘Functional Economic Market Area’, assessing the existing stock of employment land, recent pattern of employment land supply and loss, evidence of market demand, wider market signals and any evidence of local market conditions and failure.
5. Paragraph 27 of the PPG goes on to specify how local authorities should identify future needs based on a range of data, which is current and robust, including consideration of sectoral and employment forecasts and projections taking account of skills (labour demand), demographically derived assessments of current and future local labour supply, analysis of past take-up of employment land and property and/or future property market requirements, and consultation with relevant organisations, businesses, etc.
6. The following table identifies the evidence that addresses each of the requirements of paragraphs 26 and 27 and is provided, firstly via the ENS and, subsequently, through further work and monitoring.

Table 1: Methodology carried out in accordance with requirements in the Planning Practice Guidance

PPG evidence requirements (paragraphs 26 and 27)	Evidence in Economic Needs Study	Further Evidence
The best fit functional economic market area	Section 2 of the ENS [CD 3.87]	No recent structural changes identified to amend this definition
The existing stock of land for employment uses within the area	Sections 5 and 9 of the ENS [CD 3.87]	Sections 3 and 4 of the Town Centre Office Market Review 2018 [CD 3.89] Section 6.0 of the Retail, Commercial Leisure and Town Centre Uses Study – 2021 [CD 3.86]

PPG evidence requirements (paragraphs 26 and 27)	Evidence in Economic Needs Study	Further Evidence
The recent pattern of employment land supply and loss; for example, based on extant planning permissions and planning applications (or losses to permitted development)	Sections 5 and 8 of the ENS [CD 3.87]	Section 6.0 of the Retail, Commercial Leisure and Town Centre Uses Study – 2021 [CD 3.86] The Authority Monitoring Report – January 2022 [CD 3.161] and previous versions produced on an annual basis
Evidence of market demand (including locational and premises requirements of particular types of business) – sourced from local data and market intelligence	Section 7 of the ENS [CD 3.87]	Section 4.0 of the Retail, Commercial Leisure and Town Centre Uses Study 2021 [CD 3.86] Ongoing, through liaison with the Council’s Economic Development Team, corporate dialogue with the local business community via the SELEP and discussions with developers and businesses in relation to development proposals
Wider market signals relating to economic growth, diversification and innovation	Section 6 of the ENS [CD 3.87]	Sections 4.0 and 6.0 of the Retail, Commercial Leisure and Town Centre Uses Study 2021 [CD 3.86]
Any evidence of market failure, such as physical or ownership constraints that prevent the employment site being used effectively	Section 9 of the ENS [CD 3.87]	Section 6.0 and Appendix H of the Retail, Commercial Leisure and Town Centre Uses Study 2021 [CD 3.86] Brownfield and Urban Land Topic Paper [CD 3.83]
Sectoral and employment forecasts and projections which take account of likely changes in skills needed (labour demand)	Section 8 of the ENS [CD 3.87]	Economic and Employment data from KCC, including Bulletins

PPG evidence requirements (paragraphs 26 and 27)	Evidence in Economic Needs Study	Further Evidence
Demographically derived assessments of current and future local labour supply (labour supply)	Section 8 of the ENS [CD 3.87]	As part of the ‘Review of Local Housing Needs’ [CD 3.75]
Analysis based on the past take-up of employment land and property and/or future property market requirements	Section 8 of the ENS [CD 3.87]	Sections 3 and 4 of the Town Centre Office Market Review: Tunbridge Wells 2018 [CD 3.89] and Section 6.0 of the Retail, Commercial Leisure and Town Centre Uses Study 2021 [CD 3.86] Yearly Tunbridge Wells Borough Council Authority Monitoring Report
Business trends and changing business models	Section 7 of the ENS [CD 3.87]	Sections 3.0, 4.0 and 6.0 of the Retail, Commercial Leisure and Town Centre Uses Study 2021 [CD 3.86]

7. Further information on the relevant studies is provided in the subsequent section.

The Economic Needs Study

8. The Council’s substantive Economic Needs Study (ENS) [[CD 3.87](#)] was produced in 2016 by Turley Economics in partnership with Colliers International, as a joint commission with Sevenoaks District Council (SDC), to provide the evidence base in relation to employment land to inform the Local Plan and forecast employment land needs to 2035. This study was carried out alongside the Strategic Housing Market Assessment 2015 (SHMA) [[CD 3.80](#)], which was also carried out jointly with SDC, demonstrating that the assessment of employment land needs was considered alongside the assessment of housing needs at the commencement of Local Plan preparation. The Planning Policy Team worked jointly with the Council’s Economic Development Team in the commissioning and production of this work, to ensure synergy and a robust and consistent approach between the Council’s planning and economic development roles and strategies.

9. The ENS [[CD 3.87](#)] followed a robust and recognised methodology for carrying out an assessment of economic land needs in line with the requirements of the National Planning Policy Framework (NPPF) and the PPG, as referred to above.
10. Specifically, Section 1 – Introduction, sets out the background and the methodology that was applied in assessing employment needs across the borough. The subsequent Sections 2-4 seek to define the study area and the ‘Functional Economic Market Area’, the policy and strategy context and the economic baseline position.
11. Following on from this, at Section 5 is an appraisal of the existing stock of employment floorspace, Section 6 considers the commercial market performance within the borough and the wider area, and Section 7 considers the views of existing businesses and stakeholders and refers to the stakeholder workshops which were carried out with local businesses and stakeholders to inform the assessment.
12. Section 8 undertakes a demand assessment and considers future economic development needs and land requirements, taking account of ‘*Labour demand*’, ‘*Labour Supply*’ and ‘*Past Take Up*’, and converts these into net employment land requirements.
13. In accordance with advice in the PPG, Section 9 conducts a site assessment of key existing employment sites as agreed with the Council (see paragraph 9.23 of the ENS [[CD 3.87](#)]), existing employment allocations, and potential new sites. This looked at the adequacy of the existing employment sites, the suitability of these and any other allocated employment land yet to be developed, and the identification of any potential new employment sites/locations to meet the future employment land needs identified. This considers a range of sites and locations across the borough, including the existing Key Employment Areas, as defined within the Core Strategy/Site Allocations Local Plan and further defined within the emerging Local Plan.
14. A conclusion is provided at Section 10, including a supply and demand balance and identification of the borough’s objectively assessed employment land needs and overarching policy recommendations to be taken forward within the Local Plan and through other Council plans and strategies. The overall findings of the study concluded that the Council should plan positively for economic growth and should ensure a choice of available and suitable allocations to deliver growth in a range of sectors over the plan period.

Updated evidence

15. While the ENS [\[CD 3.87\]](#) is dated 2016, in many respects it remains up to date; the industrial structure of the borough remains essentially the same, as does its relationship with surrounding areas, including London; the key infrastructure, notably transport links, (the dualling of the A21 had recently been completed at the time of the Study, as well as improvements to the road network at Longfield Road/North Farm) so therefore remains as previously; the status of the area in terms of access to national or regional funding programmes is unchanged; the stock of premises is essentially the same, albeit now somewhat older; unemployment figures are very similar (for example, in January 2016, unemployment in the borough was at 0.7%, whilst the latest data at January 2022, shows it to be 2.7%). This has remained fairly constant with the exception of during the COVID 19 pandemic when it peaked at 4.6% in August 2020 (Source: [KCC Unemployment Bulletins – Kent Analytics](#)).
16. The stock of premises, particularly in relation to town centre office space, has been the subject of change and this is considered in the updated studies: the Town Centre Office Market Review: Tunbridge Wells 2018 [\[CD 3.86\]](#); and the Retail, Commercial Leisure and Town Centre Uses Study 2021, section 6.0 [\[CD 3.86\]](#).
17. The Council has reviewed whether there have been any significant subsequent changes, both locally and more generally, that could bear on its assessment and overall findings. This has involved:
 - a) A review of recent industrial and commercial development activity, in terms of completions and planning permissions as set out within the Authority Monitoring Report - January 2022 [\[PS 018\]](#), to determine both whether there have been any unforeseen schemes that impact on further supply requirements and to inform the understanding of market demand.
 - b) Regular, and ongoing, updating of local intelligence in relation to business requirements, particularly any unfilled and latent demand.
 - c) An internal review of the most recent economic strategies and whether these impact on likely land and floorspace requirements as set out within the Economic Development Topic Paper [\[CD 3.84\]](#).

- d) Commissioning a Town Centre Office Market Review of Royal Tunbridge Wells Town Centre in 2018 [\[CD 3.89\]](#) and an updated Retail, Commercial Leisure and Town Centre Uses Study, including an update to the aforementioned study in 2021. This assessed the seemingly accelerated trend towards online sales and distribution and home working, considering implications of the changes to the Use Classes Order, as well as the potential implications of the COVID 19 pandemic.
 - e) A recalculation of the likely labour supply, as a consequence of up-to-date population estimates and the proposed housing provision provided within the updated work by Icen Projects: Review of Local Housing Needs – December 2020 [\[CD 3.75\]](#) and summarised within the Economic Development Topic Paper [\[CD 3.84\]](#).
 - f) Updating of the employment land needs, taking account of the findings of the above actions and the extension to the plan period as detailed within the Economic Development Topic Paper [\[CD 3.84\]](#).
18. The implications of the above further information for employment (essentially B class) land and buildings is contained in the Borough Council's Economic Development Topic Paper [\[CD 3.84\]](#) at Section 4.
19. Further elaboration is given in respect of the evidence on certain matters in response to subsequent questions but, in summary, it can be seen that the Council's assessment of economic and employment needs reflects the methodology in the PPG.

Inspector's Question 2: [re. differences between employment land projections]

Are there any significant differences in the projections when using labour demand, labour supply and past take-up?

TWBC response to Question 2

Introduction

20. The ENS [[CD 3.87](#)], at Section 8, details the approach that has been taken to estimating future economic development needs and land requirements, which involves the consideration of labour demand, labour supply and past take-up, as sought by the [PPG](#) (notably paragraph 2a-027-20190220).
21. The focus of the assessment in Section 8 of the ENS was to develop and test a number of scenarios which could then be used to assess economic needs and land requirements to inform the Local Plan. Each scenario is considered in detail as summarised below:
- Labour Demand – this considers sectoral and employment forecasts and projections that have been used to anticipate the future employment across the borough. It considers the growth in the work force and full-time equivalent jobs to estimate potential future floorspace and land requirements.
 - Labour Supply – this approach calculates future employment needs and land requirements based on an assessment of labour supply and provides an estimation of the number of workers expected to be employed over the plan period and allow for an estimation of future land requirements.
 - Past Take Up – monitoring data provides details of the scale of completed employment-related development across the borough over recent years, providing a useful proxy for considering future levels of demand by which to compare the requirements generated under the labour demand and labour supply scenarios.
22. Table 8.16 of the ENS [[CD 3.87](#)] details the Employment Land Requirements, broken down by the various forecasting approaches and is replicated for ease of reference below.

Table 8.16: Employment Land Required (2013-2033 and 2013-2035)

	Labour Demand	Labour Supply	Past Take Up
Land required 2013-2033 (ha)			
B1a/b Office	5.9	5.6	1.6
B1c/B2 Industrial	-1.4	-2.3	4.6
B8 Warehouse	9.5	7.7	8.2
Total B	14.0	11.1	14.5
Land required 2013-2035 (ha)			
B1a/b Office	6.3	6.0	1.8
B1c/B2 Industrial	-1.8	-2.7	5.0
B8 Warehouse	9.6	8.1	8.9
Total B	14.0	11.4	15.8

Source: Turley – Sevenoaks and Tunbridge Wells Economic Needs Study – Final Report for Tunbridge Wells Borough August 2016

23. As can be seen from Table 8.16 above, paragraph 8.84 of the ENS [[CD 3.87](#)] provides a useful commentary and overall assessment of the different approaches and states the following: *“When considered in overall terms, there is clear alignment between the labour demand and past take up scenarios, with the labour supply scenario generating a slightly lower requirement.”*
24. Paragraph 8.84 also explains that, in relation to the lower requirement for B1a/b space under the ‘past take up’ approach, this is considered to be more indicative of a lack of supply, with a strong latent demand. In relation to B1c/B2 space, it notes that both labour supply and labour demand forecasts are sensitive to forecasting scenarios of trends showing a decline in industrial uses, while the past take-up projection highlights that the industrial market actually remains active in the borough.
25. In relation to the slightly lower figure highlighted through the labour supply approach, the ENS [[CD 3.87](#)] was based on the ‘Objectively Assessed Need’ in the Strategic Housing Market Assessment (SHMA) [[CD 3.80](#)]. As noted at paragraph 4.12 of the Economic Development Topic Paper [[CD 3.84](#)], the then housing need was 648 dwellings pa, compared to the current standard method need figure of 678 dwellings pa.

26. In addition, a more up-to-date calculation of labour supply growth associated with 678 dwellings pa has been undertaken within the Review of Local Housing Needs [\[CD 3.75\]](#) report carried out by Icen Projects on behalf of the Borough Council in 2020 (see section 8 of the Icen report [\[CD 3.75\]](#)). This estimates a potential increase in labour supply of between 9,500 and 9,900 additional jobs over the plan period 2020-2038.
27. This is broadly in line with the ENS [\[CD 3.87\]](#) forecast (based on the previous SHMA figure), of an additional 8,928 FTE (full time equivalent) jobs for the period to 2035, allowing for commuting and existing workers converting to FTE.
28. This information gives reassurance that the labour supply associated with planned growth is likely to be of the same order and most likely somewhat higher than previously estimated. However, given that the labour supply-based calculation of employment land need in the ENS [\[CD 3.87\]](#) (11.4 ha) is slightly lower than the labour demand (14.0 ha) and the past take-up (15.8 ha) calculations, a need based on labour supply of 9,500-9,900 additional jobs will be greater than that for 2013-2023 as set out in the ENS, and therefore closer to the need suggested through the other approaches.
29. In respect of past take-up, in order to bring the need figures up to date, based on evidence of the past take-up rate provided in the ENS, it is assumed that take-up rates for 2035-2038 would remain similar to those considered within the ENS, although it is acknowledged that there has been a low/steady take-up of employment land in the years since the ENS was produced (see the Authority Monitoring Report [\[PS 018\]](#)), in part due to wider economic circumstances – primarily the impact of Brexit and more recently COVID 19.
30. Paragraph 8.84 of the ENS [\[CD 3.87\]](#), however, also recognises that when comparing the individual requirements for office and industrial floorspace there are a number of key differences. Further to this, paragraph 8.85 considers that, on the basis of the above, *“and in accordance with the NPPF’s promotion of positive planning, it is recommended that the Council plans on the basis of the labour demand scenario with a view of accommodating, as a minimum, the borough’s objectively assessed need...”*
31. Therefore, from this, it can be concluded that the previous estimates and assessments of need as set out within the ENS [\[CD 3.87\]](#) remain valid and there is not a significant difference between the projections.

Inspector’s Question 3: [re. projected decline in industrial uses]

What are the reasons for the projected decline in industrial uses over the plan period? Does this accurately reflect the local market?

TWBC response to Question 3

Introduction

32. There are a number of reasons for the projected decline in industrial uses over the plan period, including sectoral changes, implications of advances in technology and employment make-up of the local market. These factors are expanded upon below.
33. Sectoral and employment forecasts and projections have been used to anticipate the extent and needs of future employment needs across the borough. As part of this process, employment forecasts are broken down to a sectoral level, and forecasts are provided based on different types of employment premises and land.
34. Table 8.1 of the ENS [\[CD 3.87\]](#) sets out the forecast change in employment by sector from the period 2013-2035. Tables 8.2 and 8.3 then set out those sectors that are expected to experience the ‘strongest forecast growth’ and ‘strongest forecast decline’, over the plan period. From these tables, it is evident that those sectors expected to grow over the course of the plan period are professional services, education, finance, construction, and retail. Conversely, those sectors expected to decline are primarily industrial uses: manufacturing – transport equipment, manufacturing – general; as well as agriculture, land transport, and public administration.
35. As a result of the above, the ENS [\[CD 3.87\]](#) considers the impact this will have on the employment profile of Tunbridge Wells borough. This is then considered alongside the past take-up rates of land and premises within the borough and consideration of patterns of economic and business development, changes to business practices, market conditions, technological changes, etc.
36. Paragraph 8.69 of the ENS [\[CD 3.87\]](#) refers to the fact that, in recent years, there have been significant advances made in manufacturing technologies and business practices that have resulted in declining demand for industrial land in many areas, which is reflected within the past take-up rates referred to in the ENS [\[CD 3.87\]](#).

37. Also of note at paragraph 8.7 of the ENS [\[CD 3.87\]](#), it identifies that “*these local forecasts are derived from and consistent with Oxford Economics World, UK national and regional forecasts, and reflect the areas ‘historic specialisms in particular sectors to provide an unconstrained view of future change in economic, labour market and demographic factors which could be expected if historic trends continue’.*”
38. Also, paragraph 8.19 of the ENS [\[CD 3.87\]](#) refers to the fact that the labour demand forecasts are based to a degree on past observed trends and it is considered that the borough has, in recent years, experienced higher employment growth than in the past and may not be reflective of recent performance or the borough’s economic potential.
39. The most recent publication from Kent County Council – ‘Kent Analytics’ in relation to ‘Manufacturing Industries in Kent’ - February 2022 looks at the number of manufacturing enterprises in Kent’ [\[PS 017\]](#). This considers the county-wide position, but also broken down by local authority. Of note is the following:
- Tunbridge Wells has a relatively low percentage of employment in manufacturing.
 - Only Tunbridge Wells and Dartford have had reductions in the number of manufacturing enterprises.
 - Table 10 of the above report provides information on manufacturing jobs and percentage change between 2015 and 2020 – Tunbridge Wells borough displayed a percentage fall of -29.9%, while comparative figures for KCC was -5.1%, the South East was -0.6%, and England -0.2%.
 - Table 11 of the same report provides further information in relation to the Makeup of Manufacturing Industry employees as at 2020. This illustrates that, for Tunbridge Wells borough, the total number of employees in manufacturing in 2020 was only 2,100, with only Canterbury and Gravesham having a lower figure. An assessment of time series data produced by Kent County Council illustrates that this figure has been declining steadily within the borough from 3,300 in 2015 to a steady 2,100 in 2019/2020 (Strategic Commissioning Statistical Bulletin – January 2020 – KCC) [\[PS 017\]](#).
 - Chart 4 of the report compares the number of employees in manufacturing jobs across England. The figure for Tunbridge Wells borough is just 4.2% as compared

to England at 7.7%, putting Tunbridge Wells borough in the bottom 20% of local authorities across England (those with 4.4% or less).

40. As is evidenced above, there is likely to be a continuing overall decline in industrial uses over the plan period, which is shown in the evidence in terms of a general decline of the industrial/manufacturing sector and is reflective of the local market. However, it is also recognised that this is a 'net' picture, as there is evidence locally of some continuing demand, not least as existing space is becoming increasingly outmoded or otherwise not suitable for companies' needs, such that a 'gross' demand will still likely exist.

Inspector's Question 4: [re. currency and robustness of the Economic Needs Study]

The Sevenoaks and Tunbridge Wells Economic Needs Study¹ was produced in 2016. Is it based on data which is 'current and robust', as advised by the PPG?

TWBC response to Question 4

Introduction

41. As referred to in response to Question 1 above, the ENS [\[CD 3.87\]](#) was produced in 2016 and followed the detailed guidance and methodology as advocated within the [PPG](#). It is considered that the study is still robust in its assessment and findings.
42. As also highlighted under Question 1 above, in response to changes in economic factors and circumstances, as well as a change to the Local Plan period, further work has been carried out by the Council in order to bring the ENS [\[CD 3.87\]](#) up to date and further forecast employment land needs for the Local Plan period to 2038. The scope of the further work is summarised in the above Question 1 response, with key updates set out in the Economic Development Topic Paper [\[CD 3.84\]](#) – March 2021, at paragraphs 4.7-4.15.
43. Further work in respect of labour demand and sectoral trends has been outlined in the responses to Questions 2 and 3 above.
44. Additionally, a number of other evidence base documents deal with wider employment issues and uses, as referred to in Table 1 of this statement; in particular the Tunbridge Wells Retail, Commercial Leisure and Town Centre Uses Study – February 2021 [\[CD 3.86\]](#), which incorporates an update to the previous Retail and Leisure Study 2017 [\[CD 3.86a\]](#) and Town Centre Office Market Review: Tunbridge Wells, 2018 [\[CD 3.89\]](#). The 2021 study includes an 'Office Market Review' by local commercial agent, Durlings, and includes an assessment of the Royal Tunbridge Wells Town Centre office market – including the current position on the available space within the town centre, losses, gains and take up trends, as well as consideration of supply in the wider area. The

¹ Core Document 3.87

wider study also considers the changes to the Use Classes Order, in particular with regard to Commercial Use Class E.

45. This updated work has informed the strategy set out in the Local Plan and in particular the strategy for Royal Tunbridge Wells Town Centre, which will be taken forward within the Town Centre Plan in accordance with Policy STR/RTW 2: The Strategy for Royal Tunbridge Wells Town Centre.
46. To summarise, it is considered that the ENS [\[CD 3.87\]](#) is current and robust with regard to the identification of employment needs across the borough for the reasons as set out in response to Question 1 of this statement, but in short:
 - the industrial structure of the borough remains essentially the same;
 - the borough's relationship with surrounding areas and wider economic geographies and relationships remains the same;
 - key infrastructure is much the same as it was in 2016 following the improvements around the A21 at Royal Tunbridge Wells and the improvements around the Longfield/North Farm area;
 - the status of the borough in terms of access to national or regional funding remains the same;
 - unemployment figures are similar, albeit a slight blip during the COVID 19 pandemic in recent years;
 - the stock of premises, particularly in relation to the town centre office market has changed, although this has been the subject of additional assessment through two subsequent studies carried out by a local property agent – Town Centre Office Market Review: Tunbridge Wells 2018 [\[CD 3.87\]](#) and the Retail, Commercial Leisure and Town Centre Uses Study 2021 [\[CD 3.68a\]](#).

Inspector's Question 5: [re. impacts of COVID 19 on economic assumptions]

What implications has the current Coronavirus pandemic ('COVID-19') had on the assumptions in the Economic Needs Study, especially around projections for office space? Or is it too early to predict any longer-term changes in employment needs and patterns?

TWBC response to Question 5

Introduction

47. As referred to at Questions 1 and 2 above, it is considered that the ENS [[CD 3.87](#)] is a robust document for forecasting employment needs across the borough, and it has been updated through the subsequent work as set out within Table 1 within this statement and explained within the Economic Development Topic Paper [[CD 3.84](#)].
48. The significant and unprecedented occurrence of the COVID 19 pandemic has undoubtedly had profound impacts on the local and wider economy, which would have been impossible to forecast at the early stages of the preparation of the Local Plan. Furthermore, it is difficult to predict with any certainty the longer-term consequences of the COVID 19 pandemic at the present time, as referred to at paragraph 6.451 of the Submission Local Plan. However, the Council has sought to update, where appropriate, the relevant evidence considered necessary to inform the Local Plan and ensure that it is up to date with a resilient strategy for the duration of the plan period.
49. Notwithstanding this, the Council has been pro-active in its short-term response to COVID 19, both in terms of 'on the ground' assistance to local businesses and maximising any unexpected opportunities, and also in its early consideration of the potential impacts, enabling it to inform the Local Plan accordingly.
50. Anticipating the most likely implications being on the future demand for both office and retail space, the Council commissioned an update to its 2017 Retail and Leisure Study [[CD 3.85a](#)], and its Town Centre Office Market Review: Tunbridge Wells 2018 [[CD 3.89](#)] by way of the Retail, Commercial Leisure and Town Centre Uses Study [[CD 3.86a](#)] carried out by Nexus Planning in 2021, with field work and engagement taking place in the summer of 2020 and informed by the changes to 'Class E' permitted development rights.

51. The scope of this study was widened from the previous Retail and Leisure Study 2017 [[CD 3.86a](#)] to include an assessment of Town Centre Office provision, which updated the previous Town Centre Office Market Review: Tunbridge Wells 2018 [[CD 3.28](#)]. This updated work takes into account current market trends and the ongoing impact and implications on town centres of the COVID 19 pandemic, accelerating previous retail, leisure and office trends.
52. Of particular note with regard to the assumptions in the ENS [[CD 3.87](#)] is the updated Retail, Commercial Leisure and Town Centre Uses Study, 2021, as mentioned above, which included an update of the Royal Tunbridge Wells Town Centre office supply, the existing office market, a consideration of the wider Kent office market and summary of findings within section 6.0 of this report. This updated work fed into the overall findings and policy recommendations of the study to inform the Local Plan. It also informs the strategy for Royal Tunbridge Wells Town Centre set out at Policy STR/RTW 2, as well as the early work on the Town Centre Plan (covered in more detail below).
53. Some of the key findings of the Retail, Commercial Leisure and Town Centre Uses Study 2021 in relation to town centre office provision are summarised below:
- there is still a relatively high level of office space in the Royal Tunbridge Wells town centre, although the majority of the purpose-built stock is between 25 and 40 years old and is of the poorest quality in terms of BREEAM ratings;
 - on a Kent level, there has been caution in respect of town centre office lettings during the 'lockdown' periods; however, rents have remained stable and there was some evidence of companies looking to the county as an alternative to, or to supplement, a central London presence;
 - as a result of the changes to working patterns as a result of COVID, co-working space is likely to become more important as fewer people are commuting; therefore, flexible working practices and new formats should be encouraged through planning policies supporting the amalgamation or sub-division of existing town centre units and workspace to encourage investment;
 - the consolidation of the Royal Tunbridge Wells town centre in retail terms so that other complementary uses such as office space can occupy areas closer to the centre;

- the recommendation for the Council to carry out a Town Centre Area Plan for Royal Tunbridge Wells (which has been taken forward (and has subsequently been agreed to be referred to as the Royal Tunbridge Wells Town Centre Plan) and is discussed in more detail below).

54. As above, it is relevant to consider that the Local Plan and the evidence base that informs it has been prepared during the course of the COVID 19 pandemic. The ENS [\[CD 3.87\]](#) was prepared prior to this, although it is still considered to be robust, which this statement demonstrates. The Council has sought to update the evidence base, in part, as evidenced in Table 1 above, where considered appropriate; however, it is recognised that there are still uncertainties with regard to the ongoing and future impacts of COVID 19 which are difficult to predict. The Council has sought to continue with its Local Plan preparation during this time of uncertainty in accordance with advice from the Department for Levelling Up, Housing and Communities and has factored this into the approach taken in the Local Plan, as discussed in subsequent questions. Inevitably, there will be some continuing uncertainties which the Local Plan cannot plan for at this stage as the post-pandemic conditions are still to be seen.

Ongoing and future work

55. Specifically, in relation to Town Centre Office provision, the Council has also had regard to the introduction of Permitted Development Rights and the amendments made to the Use Classes Order enabling the conversion of Class E(g) uses (formerly Class B1) office space to residential use or other uses within Class E without the need for planning permission. The Council has been pro-active in serving a number of Article 4 Directions on existing office locations (20 in total) across Royal Tunbridge Wells town centre and the wider urban area where appropriate, in order to protect the existing office stock. There are a number of other key offices which are listed buildings and therefore do not benefit from these rights. Both the Town Centre Office Market Review: Tunbridge Wells 2018 [\[CD 3.89\]](#) and the Retail, Commercial Leisure and Town Centre Uses Study 2021 [\[CD 3.86\]](#) have fed into this work.
56. It is also of relevance to highlight that the Council is in the early stages of the preparation of a 'Royal Tunbridge Wells Town Centre Plan' as set out in the Local Development Scheme, October 2021 [\[CD 3.143\]](#). The Council is working in partnership with the local Business Improvement District, residents' groups, Kent County Council

and other stakeholders on a Town Centre Plan for Royal Tunbridge Wells (RTW) (the key town centre in the borough).

57. The Town Centre Plan will provide the land use planning element of an aligned 'framework' of strategies, including economic development, parking, and culture. Together this framework will masterplan the town centre and coordinate with other initiatives (outside of the land use planning system), such as the support for town centre events, commissioning of community-led public art and murals, and other parallel initiatives.
58. The partnership is frontloading this work by engaging with businesses, residents, visitors, and users of the town centre, to develop a vision built on strong foundations, followed by a strategy to deliver that vision.
59. Work on the Town Centre Plan commenced in January 2022, and it is anticipated that the evidence-gathering stage, including commissioning of masterplanning consultants, will take place in May 2022-April 2023 with an Issues and Options Consultation to follow over the summer of 2023. Adoption of the Town Centre Plan is scheduled for winter 2025, as set out in the Local Development Scheme (October 2021) [[CD 3.143](#)]. The Terms of Reference and minutes of these meetings can be supplied to the Inspector if appropriate.
60. Alongside the work on the Local Plan, the Council's Economic Development Team is in the process of conducting additional survey work with local businesses, through the procurement of an emerging 'Economic Recovery Strategy' to feed into a review of its Economic Development Strategy, to support businesses in Tunbridge Wells as they recover from the COVID 19 pandemic and align with the Town Centre Plan. This work will feed into a review of the Council's current Economic Development Strategy 2018 (see the [Economic Development Strategy](#)).
61. A particular objective of this study is to understand the impact of the COVID 19 pandemic on local businesses, and how this has impacted on their short-term economic position and on their plans for the future. This will provide evidence for further engagement with businesses and other stakeholders in the preparation of a sustainable Economic Development Strategy. Funding for this work has been secured through the 'Welcome back fund initiative'.

Inspector's Question 6: [re. correlation between the Economic Needs Study projections and the plan period]

The projections in the Economic Needs Study cover the period between 2013 and 2035. How does this correlate with the plan period?

TWBC response to Question 6

Introduction

62. As referred to above, the ENS [\[CD 3.87\]](#) recommended that the Council should allocate sites to accommodate at least 14 hectares of new employment land (taking into account any residual capacity of existing employment allocations) over the plan period to 2035. The Economic Development Topic Paper produced for the Pre-Submission Local Plan – March 2021 [\[CD 3.84\]](#), at paragraphs 4.7-4.15, provides commentary on 'Employment Land Requirements' and an explanation of how the requirements have been considered in response to the plan period being extended to 2038, in order to align with the Submission Local Plan period.
63. It is also important to note that the ENS [\[CD 3.87\]](#) provides an objectively assessed need for employment land forecast to 2033 and 2035 – see Table 8.17 of the above document. This took into account the differing Local Plan periods of the two commissioning authorities; Tunbridge Wells Borough Council, who were working towards a plan period of 2033 at the time and Sevenoaks District Council, who were working towards a plan period of 2035. It was therefore considered prudent to break down the forecasts to reflect this.
64. Paragraph 4.9 of the Economic Development Topic Paper [\[CD 3.84\]](#) states that it has been necessary to review the employment land requirements to take account of further site-based evidence work, the evolution of the overall development strategy, any impacts of the COVID 19 pandemic, and the extension of the plan period – this is covered in Questions 1, 4 and 5 above.
65. The Topic Paper concludes this consideration at paragraph 4.14, where it states that it would still be appropriate that there should be a minimum of 14ha of employment land identified within the Local Plan to meet needs over this extended plan period, 2020-2038, in line with the emerging overall development strategy.

Inspector's Question 7: [re. justification for employment land allocations above projections]

In contrast to the identified need for 14 hectares of land, the Plan allocates sites sufficient to provide around 26.5 hectares of new employment land. What is the justification for this?

TWBC response to Question 7

Introduction

66. In accordance with paragraph 11b) of the National Planning Policy Framework (NPPF) (2021), the Submission Local Plan (SLP) [\[CD 3.128\]](#) sets out how it should, “as a *minimum*, provide for objectively assessed needs for housing and other uses, as well as any needs that cannot be met within neighbouring areas...” (paragraph 11b, NPPF, 2021, with Council emphasis).
67. Section 6 of the NPPF provides further guidance and policy for the approach to building a strong and competitive economy as follows: “*Planning policies and decisions should help create the conditions in which businesses can invest, expand and adapt. Significant weight should be placed on the need to support economic growth and productivity, taking into account both local business needs and wider opportunities for development*” (paragraph 81).
68. It is acknowledged that the Local Plan provides an over-supply of employment land; however, this is considered appropriate and proportionate in respect of the requirements of the NPPF at paragraphs 82 and 83 in planning “*positively and proactively*” for sustainable economic growth over the plan period and allowing for changes in economic circumstances.
69. In terms of the allocations for meeting employment land needs, these are set out in Table 1 of the Local Plan – ‘Employment allocations identified in the Local Plan’ and replicated within Table 1 of the Economic Development Topic Paper [\[CD 3.84\]](#). For ease of reference, they are included in Table 2 below, setting out the location, area and with an additional column providing commentary on the current planning status of the sites. This clearly demonstrates the market demand for the sites allocated within the Local Plan for a range of employment uses and reflects current activity and the existing planning permission for the significant site at Land adjacent to Longfield Road, Royal

Tunbridge Wells (Policy AL/RTW 17) and Land East of Maidstone Road, Paddock Wood (Policy STR/SS 1), both of which are being promoted by developers who build speculatively, demonstrating their confidence that there is strong demand in the local market.

Table 2: Employment land allocations proposed

Settlement	Site	Net developable area	Planning Status
Royal Tunbridge Wells	AL/RTW 17 - Land adjacent to Longfield Road	13.4	Outline planning permission granted (September 2020) for the development of up to 74,000 sqm of employment floorspace for use classes E, B2 and B8. Reserved Matters Pre-application discussions are underway for part of the site for B8 use and access road for a known major local employer.
Paddock Wood	STR/SS 1 - Land East of Maidstone Road	4.6	Preparation of a planning application is at an advanced stage and due to be submitted in early summer 2022 for 20,000 sqm employment floorspace on the southern part of this site (Swatlands Farm, to south of Lucks Lane) and a Planning Performance Agreement is in place.
Paddock Wood	STR/SS 1 - Land East of Transfesa Road	7.3	Site is being actively promoted by the agent through the Local Plan and as part of the Strategic Sites Working Group and has input to the Paddock Wood Masterplan document.
Gill's Green	AL/HA 6 - Hawkhurst Station Business Park	1.2	This is being actively promoted by the landowner/developer through the Local Plan.

70. This over-supply in employment land provision, is fully justified and has taken the following factors into account:

- it is considered that there is constrained demand within the borough. This was evident from the stakeholder workshops which were carried out as part of the ENS [\[CD 3.87\]](#), where it was noted that the current lack of supply acts as a disincentive to potential investors and is constraining the growth of existing businesses and new investors to the borough;
- a distributional element is also important to consider. Given the size of the borough, there needs to be a sufficient size and range of sites across the borough serving both the urban and rural areas in order to provide flexibility for sites coming forward for a range of employment-generating uses;
- the employment land supply is very site-specific and only proposes sites to be allocated which are identified within the ENS [\[CD 3.87\]](#) in accordance with the policy recommendations at paragraph 10.27, which states “*Colliers consider there to be potential for the expansion of a number of Key Employment Areas. The identification of suitable land adjacent to Longfield Road/North Farm, Maidstone Road (Paddock Wood) and Gills Green has the potential to address the identified shortfall but would also help to create a balanced portfolio of employment land, ensuring the needs of businesses in the north and in rural areas are being catered for. It would also help to ensure that new job opportunities are being created alongside new housing provision – over time helping to mitigate out-commuting from the borough*”. Allocations are proposed, as referred to at Table 3 above, at Royal Tunbridge Wells, in the form of one large site at Land adjacent to Longfield Road (Policy AL/RTW 17), two medium sized sites at Paddock Wood (Policy STR/SS 1), and one site at Gill’s Green, Hawkhurst (Policy AL/HA 6). These all represent logical extensions to the identified Key Employment Areas;
- the Council is mindful of the need to stimulate early economic recovery following Brexit and the COVID 19 pandemic and would not wish to frustrate demand through a lack of supply of available employment land and therefore is seeking to plan ‘positively’ for economic growth;
- the sites allocated provide for a range of sites and opportunities, providing flexibility which is considered prudent in terms of the uncertainty in future demand;

- through the provision of the proposed employment land allocations, there is the potential to attract inward investment, especially at the allocation at Royal Tunbridge Wells through Policy AL/RTW 17 – Land adjacent to Longfield Road, Royal Tunbridge Wells, which provides a significant and unique opportunity with a flexible planning permission building immediately adjacent to this existing employment location;
- the strategy also takes into account the fact that there is a high proportion of older employment stock, particularly office stock which is no longer fit for purpose and has been lost from employment use as referenced within the ENS [CD 3.87] at paragraph 5.8 and within the updated work by Durlings as part of the Town Centre Office Market Review: Tunbridge Wells 2018 [CD 3.89] at Sections 4 and 8 and the Retail, Commercial Leisure and Town Centre Uses Study 2021 [CD 3.86] at paragraphs 6.48-6.52;
- there also appears to be a trend towards more B8 storage and distribution space, with the resultant lower employment densities of this use;
- the supply that is provided for within the Local Plan aligns with the standard method housing needs, as referred to at paragraph 8, above but is of course a ‘*minimum*’.

71. As referred to above, particular regard has been given to the identification of the Royal Tunbridge Wells North Farm/Longfield Road Key Employment Area and the expansion provided by the allocation of land adjacent to Longfield Road through Policy AL/RTW 17 as referred to above.

72. It is acknowledged that the above allocation provides a significant amount of employment floorspace in one location, which is recognised within Policy STR/RTW 1: the Strategy for Royal Tunbridge Wells, bullet point 4, which recognises the strategic importance of this allocation, as well as the supporting text at paragraphs 5.15-5.17. Further justification for this is provided within the Economic Development Topic Paper 2021 [CD 3.84] at paragraphs 4.23-4.24. This draws on the recommendations within the ENS [CD 3.87], in particular at paragraph 10.27 as above, but also paragraph 10.30 which highlights the importance of the A21 corridor as an area for significant growth potential (in employment terms), and states “*the identification and allocation of new sites in this area has the potential to significantly improve the choice of sites to the*

market and create the flexibility to respond to the needs of occupiers and investors operating across the full range of employment sectors”.

Inspector's Question 8: [re. implications if all of the employment land is taken up]

What are the implications if all of the planned employment land is taken up? Will there be sufficient labour to fill local jobs, or, will it lead to commuting from elsewhere?

TWBC response to Question 8

Introduction

73. The Local Plan is providing for a degree of 'oversupply' for flexibility to ensure a continuity of supply in the types and geographical distribution of employment land within the borough over the plan period, which is addressed in Question 7 and by reference to the Economic Development Topic Paper [[CD 3.84](#)].
74. There are a number of factors to highlight when considering this issue, as set out in the following paragraphs.
75. The assessment of labour demand through the ENS [[CD 3.87](#)] suggests that the full take up of the allocated space is unlikely; rather, the allocations provide for choice, as noted above. Also, the ENS [[CD 3.87](#)], at paragraph 6.94, states that most firms serve local needs; hence, actual employment growth is likely to correlate with population growth.
76. As stated in paragraph 74 above, it is also likely that some of the employment floorspace proposed will replace existing outdated accommodation lost to other uses, given that the ENS highlights this issue in Section 6. Therefore, this tends to reinforce the view that the increase in business space will not generate a proportional increase in labour demand.
77. One of the key employment land allocations as referred to above, is Policy AL/RTW 17 – Land adjacent to Longfield Road, which is a significant site providing opportunities for local businesses to expand or re-locate, and indeed one of the likely prominent occupiers of this site is a large local firm looking to expand to meet its continued high growth from the existing site located immediately adjacent.
78. It is important also to note the updated work that was carried out by Icen Projects on behalf of the local authority in its Review of Local Housing Needs – December 2020 [[CD](#)

[3.75](#)]. This document, at Section 8, refers to “*The link between housing and economic growth*”. This considers, at paragraphs 8.8-8.10, commuting patterns in the borough and the proportion of people “*in commuting*” and “*out commuting*”. Table 8.3 of this report provides evidence that there are over 22,349 residents who commute out of the borough as opposed to 20,132 who commute into the borough, indicating that there is net ‘*out commuting*’ of over 2,000 residents and so the potential to provide more local jobs to assist in reversing this trend is important in both economic and sustainability terms.

Inspector's Question 9: [re. regard to qualitative needs]

In determining the need for future employment land, how has the Council taken into account qualitative needs for different types of accommodation?

TWBC response to Question 9

Introduction

79. The NPPF is clear that local authorities should plan for sustainable economic growth and be flexible and enable a rapid response to changes in economic circumstances.
80. The Council has sought to plan positively for the quantum of employment floorspace; however, it has also sought to plan for the qualitative needs for employment land and premises. In response to the requirements of the NPPF, the Local Plan seeks to allocate a sufficient amount and range of sites to provide choice and flexibility. The fact that the plan seeks to 'over-provide' employment floorspace ensures that there is a good range of sites which can meet a variety of needs over the plan period.
81. As part of the evidence informing the ENS [[CD 3.87](#)], a variety of stakeholder input was considered, including a stakeholder workshop and consultation with other stakeholders such as 'Locate in Kent' (which provides free business support to businesses looking to locate or grow in the county of Kent). Paragraphs 7.14 and 7.15 helpfully summarise some of the key issues arising from the stakeholder engagement process. One of those highlighted was the lack of higher quality stock, in particular offices in the town centre where there is limited space and old stock. This view is further expressed through the updated assessments carried out by Durlings as referred to in previous sections of this statement.
82. In terms of the types of premises required, paragraph 8.41 onwards of the ENS [[CD 3.87](#)] discusses the types of employment premises that are required based on assumptions applied for individual sectors to produce a profile for future needs. This indicates that half of the additional FTE jobs forecast in the borough will require office, industrial or warehouse space. This is summarised in Table 8.5 of the ENS [[CD 3.87](#)].
83. This is then taken forward through the 'Site Assessment' at section 9 of the ENS [[CD 3.87](#)] which assesses the existing employment land portfolio across the borough.

Importantly, it considers not only the adequacy of existing employment sites and those which should be retained for future employment use, but also assesses the suitability of allocated employment land yet to be developed, as well as identifying potential new employment sites/employment locations to meet the identified future economic need. As part of this, a detailed appraisal was carried out of a number of key employment sites and premises as agreed with the Council.

84. Paragraphs 10.26-10.30 of the ENS [[CD 3.87](#)] details the policy recommendations, highlighting that the assessment carried out through the ENS [[CD 3.87](#)] provides both a strong *quantitative and qualitative* case for retaining existing employment areas and allocating additional land to accommodate the borough's future needs. Additionally, it seeks the following:

“Therefore, in order to ensure the needs of different employment sectors can be met over the plan period it is recommended that the Council plans positively and increases the choice of sites through new allocations” (paragraph 10.26).

85. Additionally, alongside the allocation of employment land to meet the projected needs, the Council has also planned to retain existing employment areas and sites as referred to above. The approach is set out in detail within section 6 (Development Management Policies) of the Local Plan – Economic Development at paragraph 6.442 onwards.
86. As part of the Council's overall approach to employment land provision, Policy ED 1: the Key Employment areas, designates areas for the provision of employment uses to serve the borough, including retention of existing, and proposals for new, employment provision within these areas. Policy ED 2: Retention of Existing Employment Sites and Buildings seeks to retain existing employment sites and buildings within existing or alternative employment-generating uses subject to detailed criteria, including location and suitability.
87. Other economic development policies also add to the qualitative employment offer – specifically within the rural areas. Policy ED 4: Rural Diversification promotes development and diversification of agricultural and other land based rural businesses and Policy ED 5: Conversion of Rural Buildings outside the Limits to Built Development promotes the retention and conversion of existing agricultural buildings in the countryside for business, recreation and tourism uses. Additionally, Policy ED 3: Digital

Communications and Fibre to the Premises (FTTP) seeks to improve the digital communications network across the borough, which plays an important role in sustainable economic growth.

88. Taking the above into account, the Council has addressed the qualitative employment needs provision through a number of means within the Local Plan, including:
- the allocation of a range of suitable sites for employment uses; and
 - a suite of development management policies relating to economic development and employment provision.

Appendices

Appendix 1: Evidence Base Studies in relation to employment needs

Evidence Base Document	Scope and period covered	Outputs
Sevenoaks and Tunbridge Wells Economic Needs Study: August 2016 [CD 3.87]	Carried out by Turley in association with Colliers and provides an objective assessment of the need for B1, B2 and B8 employment land to 2035.	Policy recommendations and enabling actions with recommendation of need to allocate sites to accommodate at least 14 hectares of new employment land.
Retail and Leisure Study 2017 [CD 3.85a]	Produced by Nexus Planning providing an assessment and recommendations in relation to retail and leisure across the borough to 2035.	Borough-wide recommendations and specific requirements in relation to comparison and convenience floorspace and leisure provision.
The Tunbridge Wells Hotel Capacity Study 2017 [CD 3.90]	Conducted by Nexus Planning providing a comprehensive assessment of current supply of accommodation, any gaps in provision and capacity for new development across the borough to 2035.	Borough-wide recommendations in relation to specific areas and type of accommodation.
Town Centre Office Market Review: Tunbridge Wells 2018 [CD 3.89]	Carried out by local property agent Durlings looking specifically at the Royal Tunbridge Wells Town Centre office market.	Analysis and assessment of stock and recommendation to Council to implement Article 4 Directions to protect existing valued office stock in the town centre.
Retail, Commercial Leisure and Town Centre Uses Study – February 2021 [CD 3.86a]	Update to the 2017 Retail and Leisure study by Nexus Planning (in partnership with AspinalVerdi, NEMS market research and Durlings) with scope widened to include assessment of wider town centre commercial uses and Town Centre office provision as an update to the 2018 study. Borough-wide study covering period to 2038, taking into account amendments to the changes to the use classes (2020 amendments) and consideration of ongoing impact of COVID 19.	Number of detailed borough-wide recommendations and identification of key priorities in relation to retail and leisure provision, town centre commercial uses and town centre offices. Further recommendations with regard to Royal Tunbridge Wells.