North Kent SHENA
Gravesham Integrated Growth Needs Assessment

Purpose of the Document

This Integrated Growth Needs Assessment (IGNA) has been prepared as the final stage of the North Kent Strategic Housing and Economic Needs Assessment (SHENA). It draws on the detailed baseline report and the technical information prepared within each evidence base document to confirm the future growth requirements identified for Gravesham and Medway.

The SHENA’s technical workstreams and evidence base reports deal with the future requirements for housing, employment and retail for both Gravesham and Medway. They provide detailed analysis of key trends and drivers of future growth and use these to provide long term projections of need. Each sets out in detail the method and approach to forecasting and key assumptions made. This work has been underpinned by duty-to-cooperate workshops held with key stakeholders (please see Appendix 1 for further information).

In drawing together the technical workstreams the IGNA considers the inter-play between these future needs and the implications these have (in combination) on the scale, nature and location of future growth.

The IGNA also highlights strategic issues and dependencies for realising the scale and nature of growth required within the wider North Kent area. It confirms what elements of the identified growth needs are likely to be contingent on other interventions and where they may require active intervention by Gravesham and Medway Councils and their partners.

Importantly the IGNA is not intended as a defacto spatial strategy, nor does it model in detail infrastructure requirements or identify alternate or additional sites to meet growth needs. However, it does provide strategic guidance on whether the currently identified portfolio provides the appropriate capacity and appropriate conditions for accommodating growth.

The intention is therefore to identify and coordinate place-specific requirements, highlighting where activities identified within the technical workstreams can be complementary and also considering where they may place competing pressures on land resources.

In coordinating place specific requirements it also provides high level guidance on the shared dependencies and hence potential requirements for intervention, including the approach to future policy development, key infrastructure needs and the approach to development delivery.

Strategic Findings, Key Influences and Drivers

The technical work has highlighted the strategic needs for both local authority areas to grow, driven by a range of internal and external factors. Given the relative scales of both Medway and Gravesham both demonstrate significant growth potential.

What has become clear is that the key driver of future growth will be the significant shift in population and demographic profiles of both Gravesham and Medway. In both areas the population change is driven by a mix of international migration, domestic migration and (increasingly prominently) natural change - i.e. births outnumbering deaths within the existing population.

At the simplest level increases in population will drive a need for additional housing provision. This quantitative need will also be accompanied with qualitative needs to meet requirements of a diversifying population base, including specific provision to meet the needs of key sections of the population such as first time buyers, older persons and BME communities. As part of this overall housing need will be a considerable requirement for the provision of affordable housing,
again there will be a general need but also specific requirements and products to meet specific needs groups.

Population growth is not solely influencing the need for housing, but is also forecast to have a positive impact on the economic prospects of both Gravesham and Medway. The delivery of new residential development through currently planned schemes will link strongly to the existing town centres, enhancing the scale of catchment and potential spend within each centre. Moreover, the diversification of the housing offer and delivery of new, high quality development is attracting a broader mix of residents, particularly linked to enhanced commuting options. This not only enhances the spending power of the catchment but also diversifies the range of retail and leisure demand within the centres, creating new trading opportunities.

There are also opportunities for the population growth to drive further economic activity across a range of sectors, both directly through people seeking to locate their business close to where they live and indirectly through increased demand for a range of services. An increase in residents with high skills or active in higher level occupations could also, over time, increase business start-up rates as workers seek to align lifestyle and economic roles. With good connections to a range of markets the town centres in both Medway and Gravesham alongside Ebbsfleet Garden City are likely to offer attractive locations for small to medium size businesses provided appropriate commercial floorspace is delivered.

Population growth is not likely to be the only driver of economic and employment growth, both areas have a range of existing drivers and potential interventions that are also likely to generate demand in the future.

The economy of Gravesham has faced considerable challenges, during the 1980s, 1990s and 2000s major restructuring of the manufacturing sector occurred and this removed much of the economic foundations of the area. However, the borough has retained a core base of largely locally orientated businesses across a range of ‘industrial’ sectors. To some degree, economic growth has been constrained by a lack of good quality floorspace and land supply, with significant capacity tied up in long term, complex brownfield developments, which were intended to replace the lost employment floorspace and jobs through a higher quality and higher job density employment offer.

Where sites or premises have come forward there has been clear demand, demonstrated by the delivery a major new facility for Lidl, new small units at Lion Business Park and continuing high occupancy rates across most industrial estates. This suggests that, if sufficient land and premises can be delivered in the right locations, there is latent potential within the existing business and occupier market. An ‘improvement’ in the land supply position is likely to help Gravesham grow its remaining manufacturing base, particularly where there are key specialisms such as marine engineering, as well as attract new sectors and activities.

Significant economic growth is most likely to be driven by new opportunities created by major investment in new developments and infrastructure. For example through the delivery of Ebbsfleet Garden City, London Resort, Lower Thames Crossing, etc. The Lower Thames Crossing if located to the east of Gravesend, may provide opportunities for improving links to the existing strategic road network and accessibility to key markets in London and the wider South East. This could enable Gravesham to play a much enhanced role in the strategic distribution market and also as a potential location for other industrial businesses seeking to serve a regional market. Despite the potential employment land available and the borough’s strengths in both sectors these markets (at scale), occupiers have tended to focus on other parts of North Kent such as Crossways in Dartford. Again this will in part rely on the availability of appropriate land which offers good access to the strategic highway network but can also provide an additional demand driver for the utilisation of existing sites.

Gravesham like much of Kent has failed to capitalise on the introduction of High Speed 1 rail services to drive economic opportunity. Whilst the utilisation of the service is high, it provides for improved access to London and new commercial hubs in Stratford and Kings Cross rather than new opportunities in Ebbsfleet or Gravesend. The timing of service commencement coincided with the onset of major recessionary impacts within the UK which limited the immediate potential opportunities locally; however as the economy recovers good quality workspace close...
to Gravesend Station has the potential to make a significant contribution to the economy and the vitality of the town centre.

Given the proximity of the borough, and many employment land allocations, the proposed site of the London Resort in neighbouring Dartford has the potential for generating significant supply chain opportunities that would benefit existing Gravesham businesses and potentially bring new ones to the area. A range of sectors could also be boosted by the delivery of London Resort, linked directly to its operational needs and also to servicing the visitors attracted to the area. Further demand could accrue for employment land by businesses who occupy the Manor Way Estate and will be displaced by London Resort, however given the nature of the stock they occupy this impact is unclear. Some anecdotal evidence suggests that there has been an early influence on the housing market, with some agents indicating buy to let interest increasing close to the site, however it is too early to understand if this is a significant trend that will continue.

As noted in the adopted Core Strategy the future prospects for Ebbsfleet are intrinsically linked to the opportunities for economic growth within Gravesham and accommodating the forecast growth in resident population. Direct and indirect impacts from the delivery of significant commercial floorspace around Ebbsfleet Station in particular can provide a further boost to the local economy. At present the future plans and prospects for Ebbsfleet are somewhat in flux, however the Development Corporation are actively reviewing the economic proposition as part of a wider masterplan for the Garden City. Regardless of whether the outline permission or another form of commercial development is delivered, it is clear the Garden City will have a major influence on the Gravesham economy over the medium to long term which will increase the level of growth and potential land requirements.

Relationship with ‘Neighbouring’ Areas

Gravesham is a dynamic area, its proximity and connections to London mean there are a range of strategic linkages that intrinsically link its success to that of the capital but also mean it shares strategic relationships with neighbouring authorities. These relationships are not linear or consistent between areas or between markets and activities. The interactions in the housing market are not mirrored within economic trends, whilst retail dynamics are particularly influenced by accessibility to regional scale shopping centres, in this instance Bluewater and to a lesser degree Lakeside, Central London and Westfield Stratford.

Influence of London

As within much of the South East and East of England, London has a significant influence on Gravesham, particularly in terms of population migration and housing demand.

Migration data shows a clear trend for people moving out of London into Gravesham, indeed five of the top ten total migration ‘contributors’ to Gravesham’s population are London Borough’s – Bexley, Greenwich, Bromley, Lewisham and Southwark.

However, the inward moves are not reciprocated with similar moves from Gravesham into London, with only Bexley and Bromley appearing in the top 10 out-migration destinations for Gravesham residents. Indeed when net moves are considered, all but 2 (Dartford and Sevenoaks) of the net ‘contributors’ are London boroughs whilst only one of the net losses are to London (Enfield). The main net losses are boroughs laying to the east of Gravesham including Medway, Canterbury, Thanet, Maidstone and Swale.

Allied to house pricing and market trends these migration patterns provide a clear demonstration of the impact of London’s housing market, with a west to east migration along the Thames corridor. These factors distort local housing market trends, with a significant decoupling of the usual relationship between place of work and choice of place to live. Price pressures in London, improved rail connections and new housing stock have all contributed to a significant proportion of the population opting to live in North Kent whilst commuting to London for work. This manifests itself in peak hour pressures on transport infrastructure such as the A2, A20 and rail services.
Growth pressures in London are also challenging the provision of employment land and floorspace in many locations as sites are redeveloped for housing. This is displacing a number of businesses, particularly those that have traditionally occupied industrial properties in Zones 2 and 3. Whilst there is a long history of businesses being relocated out of more central areas of London, the growth pressures are now having an impact on areas which have traditionally retained considerable levels of economic capacity, reducing options for relocations within London. With its close proximity and good infrastructure links, the provision of appropriate land within Gravesham could provide an attractive option where businesses seek to relocate out of London.

**Ebbsfleet Garden City**

Dartford and Gravesham have long established links across a range of factors including labour market flows, shared sectors, population dynamics, housing market trends and shared infrastructure needs. Since the identification of the route of the Channel Tunnel Rail Link (now HS1), the two boroughs have also recognised the need to jointly plan the future of the Ebbsfleet Valley in order to secure maximum benefits for both areas.

The need for a comprehensive and coordinated approach to the delivery of Ebbsfleet has been recognised by the formation of a Development Corporation specifically focussed on bringing forward 15,000 new homes and a range of commercial/employment spaces. A new masterplan for the area is being developed that will establish a refreshed vision for the area and confirm development scales and types. It will form the basis of future planning guidance to be adopted by both local authorities.

Crucially significant funding has been identified to support and facilitate early stage delivery of the area, including £310mn announced as part of the Autumn Statement to deliver strategic infrastructure improvements to unlock delivery.

With this renewed impetus, it is clear that the delivery of Ebbsfleet will have significant impacts for Gravesham over the short, medium and long terms across a range of activities, including the direct delivery of additional housing and employment floorspace. The indirect impacts will also be important to understand with new residents driving new opportunities for retail and employment growth.

Whilst not formerly part of the Garden City area, the proposals for the London Resort at Swanscombe Peninsula will also influence the scale and nature of growth within Gravesham. Whilst the Resort development itself will lie within Dartford, the wider impacts in terms of employment opportunities, indirect economic impact and visitor spend may offer new opportunities for Gravesham.

However, the potential benefits will need to be carefully balanced against the challenges the development could create in terms of increased traffic movements, the displacement of existing businesses and the competition new retail and leisure provision may place on the existing town centre offer.

**Housing Market**

Leaving aside the influence of London and focusing on more local dynamics, the housing market relationships are relatively consistent across a range of indicators, allowing a clear definition of the Housing Market Area to be identified.

In considering patterns of migration in terms of aggregate flows, origin and destination movements, workforce commuting patterns and trends in house price levels, trends and relationships, it is clear that the housing market within which Gravesham lies is formed of itself and the two neighbouring authorities of Dartford (to the west) and Medway (to the East). Whilst the
role and influence of London means that this Housing Market Area cannot be truly defined as self-contained it is clear that the strongest relationships exist with these two authority areas.

In defining this housing market area we recognise that relationships are not equal across all data sets or whole local authority areas however there is sufficient commonality to demonstrate how closely related these areas are. Equally, this definition does not negate the significance of Gravesham’s links with other areas not included within the Housing Market Area such as Sevenoaks and Bexley where there are some clear parallels but key indicators are not sufficiently aligned.

Retail

The other key regional linkages are within the retail sector where the Kent-wide hierarchy of centres is having a significant influence on the health and vitality of Gravesend town centre, which has suffered mixed fortunes since the opening of Bluewater, particularly in terms of its comparison goods offer.

Estimates within the retail study suggest that at least 60% of comparison goods expenditure by Gravesham residents is lost to centres outside of the borough, with Bluewater drawing the single largest amount, with almost 25% of all expenditure in Medway and Gravesham going to Bluewater, more than Gravesend and Chatham town centres combined. Most challengingly for Gravesend town centre is the loss of over 30% of comparison goods expenditure to Bluewater from the area within which the town centre lies. However, expenditure is not solely lost to Bluewater, with significant shares lost to Medway, Maidstone and also to Lakeside, Thurrock.

Spending in the leisure sector is also significantly influenced by the offer at Bluewater in particular, with a significant share of expenditure on dining, cinema and other leisure activities lost to the Centre, with further theatre spending lost to other Kent authority areas and London. However, Gravesend has retained a reasonable share of expenditure largely focussed on the number of independent restaurants, the presence of the Woodville Halls Theatre and other leisure assets such as AMF Bowl.

The Long Term North Kent Growth Requirements

The technical workstreams identified positive opportunities for growth across all sectors, with a need for new housing, employment land and retail floorspace being clearly identified. Full methodological explanations, data sources and key assumptions are set out in each report.

At the headline level this indicates the following requirements over the projection period (2012-2037):

Table 1 - Identified Growth Requirements - 2012-2037

<table>
<thead>
<tr>
<th></th>
<th>Gravesham</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Housing</strong> (number of dwellings) (Adopted LPCS figure to 2014 + SHMA OAN of 495 per annum for 2014-37)</td>
<td>12,360</td>
</tr>
<tr>
<td><strong>Employment</strong> (m² floorspace requirement - rounded)</td>
<td></td>
</tr>
<tr>
<td>Office</td>
<td>54,000</td>
</tr>
<tr>
<td>Industrial</td>
<td>21,500</td>
</tr>
<tr>
<td>Warehousing</td>
<td>17,500</td>
</tr>
<tr>
<td><strong>Retail</strong> (m² floorspace requirement 2015-37 - excluding commitments)</td>
<td></td>
</tr>
<tr>
<td>Convenience</td>
<td>11,100</td>
</tr>
<tr>
<td>Comparison</td>
<td>24,300</td>
</tr>
</tbody>
</table>

N.B. These are ‘gross’ figures and do not take into account an floorspace that is ‘committed’ to meeting these needs
This level of future requirement places clear pressure on both areas’ land resources, requiring significant capacity to be provided to accommodate growth both in terms of its scale but also the nature and range of opportunities presented. A diverse portfolio of sites will be critical in order to provide a mix of housing types, accommodate the full range of employment opportunities and deliver additional retail space in locations where it will be successful.

Gravesham Remaining ‘Plan Period’ Growth Requirements

The figures presented above provide a long term view of growth requirements based on the full available projection period for each use. However, currently the preparation of the adopted Core Strategy is focussed on understanding and appropriately planning for growth over a shorter period to 2028.

To enable a clearer understanding of need over this period, and to provide a consistent and comparable set of requirements to the Core strategy, the table below sets out the housing and employment land requirements for the Plan Period from 2014 to 2028.

### Table 2 - Identified Growth Requirements - 2014-2028

<table>
<thead>
<tr>
<th></th>
<th>Gravesham</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing (number of dwellings)</td>
<td></td>
</tr>
<tr>
<td>OAN</td>
<td>6,930</td>
</tr>
<tr>
<td>Affordable</td>
<td>4,730</td>
</tr>
<tr>
<td>Employment (m² floorspace requirement - rounded)</td>
<td></td>
</tr>
<tr>
<td>Office</td>
<td>36,000</td>
</tr>
<tr>
<td>Industrial</td>
<td>16,000</td>
</tr>
<tr>
<td>Warehousing</td>
<td>10,000</td>
</tr>
<tr>
<td>Retail (m² floorspace requirement 2015-28 - excluding commitments)</td>
<td></td>
</tr>
<tr>
<td>Convenience</td>
<td>9,300</td>
</tr>
<tr>
<td>Comparison</td>
<td>13,200</td>
</tr>
</tbody>
</table>

The Existing Capacity

Gravesham has a number of sites identified for growth and development. A significant proportion of these are brownfield opportunities, principally within the existing urban areas and are a legacy of the retrenchment of major industrial activity within the area. However, there are also opportunities for development outside of these, with a small number of ‘greenfield’ sites identified.

Within the Core Strategy Gravesham, has identified a series of key opportunity sites which provide the major capacity for future growth across all land use classes.

Whilst this capacity has been identified in adopted planning policy, not all of it benefits from planning permission and therefore may not be deliverable in the short term. The permitted pipeline is shown below:
<table>
<thead>
<tr>
<th>Key Sites and Other Sites</th>
<th>Sub-Total 2011-2028</th>
<th>Total 2011-2028</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Northfleet Embankment &amp; Swanscombe Peninsula East Opportunity Area</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land East of Grove Road and Robin’s Creek Key Site</td>
<td>200</td>
<td></td>
</tr>
<tr>
<td>Old Northfleet Residential Extension Key Site</td>
<td>530</td>
<td></td>
</tr>
<tr>
<td>Northfleet Embankment East Regeneration Area Key Site</td>
<td>250</td>
<td></td>
</tr>
<tr>
<td>Other Sites</td>
<td>50</td>
<td>1,030</td>
</tr>
<tr>
<td><strong>Gravesend Riverside East &amp; North East Gravesend Opportunity Area</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Canal Basin Regeneration Area Key Site</td>
<td>650</td>
<td></td>
</tr>
<tr>
<td>North East Gravesend Regeneration Area Key Site</td>
<td>130</td>
<td>780</td>
</tr>
<tr>
<td><strong>Gravesend Town Centre Opportunity Area</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Heritage Quarter Key Site</td>
<td>330</td>
<td></td>
</tr>
<tr>
<td>Other Sites</td>
<td>560</td>
<td>890</td>
</tr>
<tr>
<td><strong>Ebbsfleet (Gravesham) Opportunity Area</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Springhead Quarter Key Site</td>
<td>690</td>
<td></td>
</tr>
<tr>
<td>Northfleet Rise Key Site</td>
<td>0</td>
<td>690</td>
</tr>
<tr>
<td><strong>Rest of Borough (Additional sites with known development potential)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land at Coldharbour Road Key Site</td>
<td>500</td>
<td></td>
</tr>
<tr>
<td>Other Sites (5 or more dwellings) – Urban</td>
<td>850</td>
<td></td>
</tr>
<tr>
<td>Other Sites (5 or more dwellings) – Rural</td>
<td>60</td>
<td></td>
</tr>
<tr>
<td>Projected completions of currently permitted schemes of 4 or less dwellings</td>
<td>140</td>
<td>1,550</td>
</tr>
<tr>
<td><strong>Borough-wide (Unidentified sites)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Small and large site windfalls</td>
<td>780</td>
<td></td>
</tr>
<tr>
<td>Unidentified sites to be allocated in Site allocations and Development Management Policies DPD</td>
<td>460</td>
<td>1,240</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>6,170</strong></td>
<td><strong>6,170</strong></td>
</tr>
<tr>
<td><strong>Housing Requirement</strong></td>
<td><strong>6,170</strong></td>
<td><strong>6,170</strong></td>
</tr>
</tbody>
</table>
Gravesham’s supply position is that there is a significant land supply already identified and permitted that offers significant capacity to accommodate development.

The capacity identified within the allocated but yet to be permitted Opportunity Areas provides a significant capacity for a range of commercial development types however majority of this floorspace is replacement floorspace, allocated to address significant losses that occurred during the 80’s, 90’s and 2000’s. Whilst in quantitative terms it may appear as though sufficient capacity to accommodate employment floor space requirements exists, in qualitative terms there is a need for the replacement floorspace to be delivered but there is also a need for the Borough to deliver floor space for SME’s in accessible locations such as Gravesend Town Centre. In housing terms there is likely to be a shortfall in the provision to meet the full OAN over the plan period.

Similarly there are likely to be qualitative requirements for retail space, both to diversify the nature of units provided within the town centre but also to provide a convenience role and leisure offer within major new development sites. However, the over-arching approach to retail development should be to reinforce Gravesend as the principal centre.
Emerging Specific Growth Needs

Building on these quantitative and qualitative requirements set out above the technical work has identified the following specific qualitative needs.

Specific market and affordable housing to meet the needs of key groups in and of themselves and to create greater movement within the market:

- Older Persons – particularly good quality smaller units to encourage downsizing. The housing needs survey suggests few residents are in need of supported or extra care housing, although this may be a more hidden need.

- Young first time buyers – again focused on good quality smaller units, with the potential to locate within key urban areas. This may also require some level of purpose built student houses.

- BME groups – with a need for larger properties to accommodate multi-generational homes.

In employment terms, the current portfolio is unlikely to meet all qualitative requirements with a need to diversify the offer to help better align demand and supply and drive the economic evolution of the borough. To secure greater knowledge economy activity and maximise the opportunities of HS1 a focus will need to be placed on delivering well serviced, flexible office spaces close to Gravesend town centre with good accessibility and quality ICT connections. There is evidence of a loss of some businesses from the town due to space limitations so building back this capacity is critical.

Key steps also need to be taken to address the current under-trading of Gravesend town centre. Clearly it will not be able to compete with the offer made by Bluewater for comparison goods, however it’s ‘top up’ and convenience focus can be strengthened. Enhancing the wider offer of the town centres will also help their vitality, particularly if the residential, dining and leisure offer can be enhanced.

Conclusions

In drawing together the findings of each technical workstream there are some key inter-linked themes that are beginning to shape the understanding of the qualitative requirements and potential geographic focus or priorities for growth in Gravesham.

In planning new capacity and making site allocation decisions the following factors should be considered:

Challenge of relying on large, complex sites

As discussed above the majority of residential and employment capacity is located within the former industrial sites along the riverfront. Given their historic uses, current activities and location these sites are particularly complex and expensive to deliver despite previous public sector investment to remediate contaminated land and enhance flood protection.

Value levels across the full range of uses mean that many of the challenges and complexities are unable to be overcome within traditional development models with site preparation and infrastructure costs outweighing gross development values in a number of cases. Whilst developments can absorb ‘normal’ contribution levels there are likely to be challenges in meeting strategic infrastructure needs and balancing costs and priorities on items such as major...
road investment on A2 junctions, enhanced utilities provision and new school capacity which have all been identified as needed to enable development of major sites.

For some of the key sites funding allocated for enabling infrastructure to support Ebbsfleet Garden City may alleviate some of the contribution requirements for strategic infrastructure, particularly for transport and highways, however it will not necessarily assist in providing additional utilities capacity or places within primary or secondary education.

Coupled with the marginal viability position the scale of the development opportunities may also present a barrier to delivery, with the scale and need for ‘up front’ enabling works providing significant risks that returns would not necessarily match. To help facilitate development a process which parcels up smaller sites and enables a range of smaller builders to participate may be necessary. This will need strategic coordination of infrastructure delivery across sites and may therefore require a more proactive role from the public sector in developing a funding and delivery model capable of addressing this. This role will require a long term commitment and potentially patient investment that seeks to achieve returns over a longer period.

Value will need to be built up over time to help achieve outputs on the most complex sites. For both housing and employment this may require the introduce of new sites into the portfolio with lower barriers to delivery to meet short term needs and also help to build momentum within markets.

Any additional sites need to be carefully orientated to ensure they address specific needs for identified activities rather than duplicate the offer in the existing portfolio; this could include sites in the town centre (potentially surface car parks), motorway corridor locations or sites linked to rural settlements.

**Their ability to assist in the reinvigoration of the Town Centres**

A further challenge for the major brownfield opportunities is their relationship to Gravesend town centre and the potential for them to help underpin the future viability and vitality of the town. Clearly as the principal town centre Gravesend should remain the focus of major retail and leisure activity and improved links need to be made between the town centre and major development sites. Good links should also be established to existing local centres to enhance their viability. Extensions to the Fastrack network will be critical in providing reliable, sustainable links.

Regeneration of the town centre itself should include the capacity to update and expand the retail offer through new, modern floorspace capable of accommodating new store formats. Currently units do not offer the quality or scale of space to accommodate modern retailer requirements and the public realm environment in shopping centres is also poor. Redevelopment should also seek to deliver more appropriate spaces for dining and leisure activities.

The delivery of new town centre living options and new forms of workspace within Gravesend will help to diversify the town’s offer and also attract a wider customer base for retailers. Schemes will need to be of good quality to attract residents and employees with higher disposable incomes that can be captured in the town centre and support a broader retail offer.

**The provision of a diverse geographic portfolio of sites**

As established it will be risky for the majority of supply to lie within large, complex sites and a mixed portfolio will be needed to support delivery in the short, medium, and long term. This identification of a portfolio of sites will be helped by the identification of some early win sites to demonstrate the market in some areas.
Whilst there needs to be a key focus on the reinvigoration of these sites, the town centre and delivery of sustainable development locations that maximise existing infrastructure the Housing Needs Survey demonstrated the ongoing desire for people to also be able to access housing in rural areas. Given existing provision the delivery of a range of property types, including some smaller units will help address these needs and also allow the growth and diversification of rural communities, helping to underpin their wider offer.

In employment terms there will be a need to secure a range of sites that provide capacity where the market is attracted. This will be different for different sectors and therefore require a mix of town centre sites, locations with good access to the strategic road network and large capacity industrial sites. Whilst the quantitative need may be able to be met it is equally important to ensure qualitative needs and choice is also provided for.

As recognised in the Local Plan Core Strategy – there is a need to review the role of the current Green Belt and identify any opportunities that may exist to meet development requirements. Undertaking such a review may provide opportunities for delivering commercial floorspace in locations closer to the strategic road network and for providing residential development to diversify the mix of housing in the rural area whilst addressing affordability issues and meeting local needs.

**Area Specific Approaches**

Having established the strategic growth requirements and the inter-linked themes a number of locations where the different elements considered within the SHENA come together have been identified. In these places there are relationships that need to be developed between use types to ensure opportunities are maximised and different activities work together over time to provide high quality mixed use environments.

Within the remainder of this paper we consider each of these locations in turn. This is not intended to provide site specific analysis or suggest the appropriateness of particular uses on particular sites. However it does provide strategic guidance on the broad locations of growth and how this development could ‘roll out’ over time.

**Gravesend Town Centre**

The permitted development of the Heritage Quarter will address many of the town centre’s residential and retail challenges. The new floorspace types will help attract different retailers whilst growth in the residential population will support a greater level of retail spend potential for a range of top up, convenience and leisure activities. A growth in the residential population may also help to support the evolution of the evening economy.

Whilst there are a number of strategic benefits to the proposals the pipeline for the town centre is somewhat limited at present in terms of the delivery of new, better quality workspace. The ELNA has identified a future need for new office accommodation capable of retaining small and start-up businesses within the borough across a range of professional and business services activity. These are unlikely to be large single occupiers but have a significant value in providing a range of employment and services locally.

The workspace should also provide well-connected opportunities for new residents coming to the borough who may seek to work locally or start their own business. A new business hub, potentially with some co-working spaces in close proximity to the station could be a significant driver of new activity. Again a greater working population will also help support the wider town centre.

In accommodating further residential and employment space development a strategic view of the town centre car park provision needs to be developed to identify where there may be capacity for growth and what car parks will need to be protected to meet future needs. These sites should not spread retail activity beyond the current core area and therefore weaken footfall flows.
As the town centre improves there may be opportunities to broaden the leisure offer with the potential introduction of further small cultural facilities; however this would need to be balanced against proposals for London Resort and an extended Bluewater offer. Clearly if London Resort is delivered there may be increased opportunities for hotel development, particularly given the High Speed connections to Ebbsfleet and London, which offers visitors a choice of destinations for their stay.

**Mixed use opportunity areas**

The nature and scale of the opportunity areas lend themselves to the creation of new mixed use communities, as recognised within the adopted Core Strategy. However each opportunity area will need a different approach that is sensitive to the character of activities and the assets it contains.

**Northfleet Embankment**

Northfleet Embankment will continue to be characterised by the large scale industrial and distribution uses that lie at the heart of the area. The Kimberly Clark facility, alongside the new Lidl distribution unit and the active Red Lion Wharf provide a demonstration of the market context for the site at present. The former cement works site which is now operating as a rail linked spoil facility for Crossrail will, once Crossrail construction ceases, provide a unique employment asset for the area with opportunities for inter-modal access. There are potential significant opportunities for the borough with this facility in place and accessible to other users, particularly as wharfage becomes increasingly scarce further west along the Thames.

However, the scale of this industrial activity provides some challenges to integrating a wider range of uses into the area with a need for significant buffering between different types of employment and residential uses. A traditional approach to this buffering would be to ‘step through’ from larger industrial uses via smaller business units (with a lower impact) through to residential and community uses.

In employment terms the environment being created is unlikely to attract smaller ‘cleaner’ business activity that are likely to occupy more office orientated spaces that would provide a good buffer to the residential activity. The scale of place suggests that it will continue to be a destination for industrial and light industrial activity, this is likely to mean that the size of the ‘buffer’ uses required to appropriately mitigate the transition would be of such a scale to exceed likely demand in the area.

That is not to say that a transitional buffer cannot be achieved as envisaged in the Core Strategy or that larger industrial uses cannot be located in similar areas to residential. Indeed development across Outer London in locations such as Enfield and Barking is demonstrating that, carefully managed, there are opportunities for co-location.

Clearly the existing alignment of Crete Hall road provides some level of sub-division between activities, however an open space buffer will be required that separates uses as it is unlikely the nature of employment activity will be suitable to direct adjacency. This should seek to provide active frontages to the western side of the buffer, ideally with office components of industrial buildings fronting the space. Smaller industrial units should also be encouraged within this buffer area to reduce the impact of building scale. To the east the residential frontage should be ‘softened’ by the location of community and amenity activities fronting the open space in order to manage the relationship and avoid future bad neighbour relationships, this will also help provide animation to the open space buffer.

The scale of industrial and the relative seclusion of the embankment area will allow a higher density of residential development to be achieved than in other parts of the town, however this will require improved connections in order to make it a sustainable and attractive location and reconnect existing communities to the river. Clearly making the connections into the wider Northfleet area and Gravesend town centre are challenged by the height of chalk escarpment.
and location of industrial activity up to the ‘cliff edge’, both making routes through the central area to the river virtually impossible to deliver.

However there are opportunities to enhance pedestrian/cycle access in addition to existing east-west connections along Grove Road, The Shore and Crete Hall Road. As the former cement works site is brought forward enhancement to Granby Road should be prioritised, as should its onward connections through the Kimberly Clark site to the east and along the river to the west. A further opportunity could be a new connection from Factory Road through the former cement works site again providing new connections to the river front and along to new residential development at Grove Road and Robins Creek. Level changes are less severe to the west of the area and therefore opportunities to link to and through the Hive and College Road are achievable in the short term and should be prioritised in order to enhance relationships with Northfleet High Street and the Station. A more strategic connection will be required to ensure the embankment benefits from links to Ebbsfleet in particular via Grove Road and the A226 (Thames Way), this will be critical for the success of the proposed residential development at Robins Creek. Enhancing this strategic link and the industrial capacity at Northfleet Embankment provides the potential to relocate uses from the Ebbsfleet Industrial Estate, Robins Creek and Stonebridge Road area to allow for more comprehensive approach. Over the longer term, as Ebbsfleet and London Resort drive major changes in the area this could provide additional capacity to integrate higher value activities and provide new connections for the football club.

Also in the longer term the changing context of the Embankment should provide the opportunity and context for a revised, comprehensive approach to the redevelopment, reconfiguration and potential intensification of the Walls Park estate. This should provide additional housing capacity but also open out the development to wider area to provide a better interface and maximise connections to Ebbsfleet and Northfleet Stations.

**Canal Basin and North East Gravesend**

The initial phases of the Canal Basin redevelopment have shown the potential to create a new residential location within the borough with significant capacity identified to further enhance the environment immediately around the Basin itself. Unlike the Northfleet Embankment area the scale of development and uses at the Canal Basin feels a bit more ‘human’ in scale which lends itself to a bigger range of development opportunities and the potential for a better integration of activity.

In many respects the previous phases have addressed the sites with lowest delivery barriers and future phases are more challenged in terms of existing active employment uses and site preparation issues. The value profile has changed since delivery of the first phases and may help overcome some barriers and therefore allow further residential growth to give the area a critical mass and character that will enhance values further.

Clearly much of the existing employment activity to the east of the Canal Basin will remain however there are opportunities to intensify activity in some sites and potentially bring forward new employment uses on the Gas Holders site to free up capacity closer to the basin for residential delivery. There will need to be some buffering of these uses across the area, however the creation of a mixed use environment at this scale will allow a much closer integration and could include some office/studio spaces within the development, particularly in locations where amenity leisure and retail activity is also provided.

New workspace concepts may need to be demonstrated and could be delivered through interim uses on sites that are currently underutilised but earmarked for longer term redevelopment. The environment at the Canal Basin would lend itself to this the provision of space similar to that at Trinity Buoy Wharf in the London Borough of Tower Hamlets, drawing on the maritime heritage of the area and also blending with existing industrial space. Intervention would require a strong public sector lead and potential investment but could help establish new demand sectors in the area, creating life and vibrancy and growing occupiers of the future.
A coordinated approach to business relocation will be required, with a particular opportunity to cluster marine based industries further east along Wharf Road/Mark Lane, where they can make better use of wharf facilities and complement the PLA hub of activity. Other uses could be accommodated along Norfolk Road but also potentially to the south of the North Kent Line at Dering Way where a number of industrial uses are located.

The successful delivery of North East Gravesend, including the relocation of uses and growth of marine industries, is reliant on enhancing accessibility to the area otherwise the potential scale and quality of development will be restricted by traffic impacts along Canal Road and onwards towards the town centre. Constraints at the Ordnance Road-Milton Road junction will limit the attractiveness to both economic and residential activity and keep the area isolated from the town centre, eroding the strategic benefits the regeneration of the Canal Basin can offer to wider town centre regeneration.

**Ebbsfleet Valley**

Clearly the delivery of Ebbsfleet Garden City will be critical to meeting the housing requirements within Gravesham and there is a separate process underway to confirm the scale, nature, type and phasing of development led by the Development Corporation. However, in terms of the growth objectives identified within the SHENA it is vital that the Garden City is well integrated into the existing urban fabric and where possible supports existing centres through enhanced connections.

In housing terms Ebbsfleet will need to deliver a range of typologies to meet identified future needs whilst there are higher density opportunities that can be focussed around the station (or where new connections to Northfleet High Street/Station can be established) the area should seek to accommodate a significant share of larger family units as there will be a growing demand for these units from population growth.

In providing a place for local families to locate, alongside attracting new residents to the area, the links between existing communities and new developments will be critical, in particular through Northfleet and onwards to Northfleet Embankment and the river. These links could also be enhanced by the provision of critical new infrastructure that is shared between existing and new residents including schools and healthcare. Opportunities may exist to deliver this within Northfleet in order to bring people from Ebbsfleet to the area, although greater capacity is likely to lie within Ebbsfleet and therefore will need good public transport and pedestrian access from Northfleet.

The economic component permitted at Ebbsfleet, as established by NLP in 2010, could have a major positive impact on the economy of Gravesham, however in its current guise it is a major challenge to realise given over-riding demand trends. The station area in particular would appear to be a long term opportunity however, as widely recognised by stakeholders, it most likely needs a refocused approach that delivers a different form of development and maximises the drivers in place to bring it forward. Clearly the Enterprise Zone status can help catalyse development, particularly with its focus on smaller businesses and innovation in sectors that are an integral part of the delivery of the growth agenda – such as modular construction.

The SHENA also provides some clarity on the nature of retail need and demand within Gravesham and future potential based on expected population growth and changes to socio-economic profiles. This clearly demonstrates that the strength of Bluewater and the negative impact it has on existing town centres such as Gravesend. Clearly there will be a need for some amenity and servicing provision within the Ebbsfleet area, however this should be focussed on meeting ‘local requirements’ generated by the resident population only, rather than trying to serve more strategic requirements. This would suggest a focus on smaller scale convenience activity and some café/dining provision; however provision should not undermine the existing network for comparison or leisure/dining activity.

As noted above, in the long term the delivery of Ebbsfleet will provide a catalyst for wider changes in the area and will require higher quality gateways from other parts of the borough.
particular connections to the river will be key and the opportunity to connect through via Robins Creek is a strategic opportunity that can be considered in tandem with development of Northfleet Embankment which could provide capacity for the relocation of some existing uses.
## North Kent Strategic Housing and Economic Needs Assessment

**Title:** Duty To Cooperate – Project Baseline  
**Date:** 09.30, Wednesday 11 March 2015  
**Held at:** Gravesend Civic Centre

<table>
<thead>
<tr>
<th>Time</th>
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<tr>
<td>09.30</td>
<td>Welcome &amp; Introductions</td>
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<tr>
<td>09.35</td>
<td>Project Approach</td>
<td></td>
</tr>
<tr>
<td></td>
<td>a. What is the SHENA?</td>
<td></td>
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<td>b. Strategic Considerations</td>
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<td>c. Approach</td>
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<tr>
<td>09.45</td>
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<tr>
<td></td>
<td>a. Population</td>
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<td>b. Economy</td>
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<td>c. Property Market</td>
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<tr>
<td>10.15</td>
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<tr>
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<td>a. Have the shared strategic issues been appropriately identified?</td>
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<td>b. Do domestic migration trends reflect wider experience?</td>
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<td>c. Are there other key factors that should be considered?</td>
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<tr>
<td></td>
<td>- Population dynamics</td>
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<td>- Economic trends</td>
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<td></td>
<td>- Supply chains</td>
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<td>- Infrastructure delivery</td>
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<td>d. What are the key complementary and competing factors?</td>
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<td></td>
<td>- Economic sectors</td>
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<td>- Retail provision</td>
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<td>- Labour supply</td>
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<td>e. What are the experiences of HS1 impacts</td>
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<tr>
<td>11.00</td>
<td>Any other Business</td>
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<tr>
<td>11.15</td>
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</table>
### DTC Workshop 11th March 2015

#### Attendance List

<table>
<thead>
<tr>
<th>Name</th>
<th>Organisation</th>
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</thead>
<tbody>
<tr>
<td>Richard Hatter</td>
<td>Thurrock Council</td>
</tr>
<tr>
<td>Sean Nethercott</td>
<td>Thurrock Council</td>
</tr>
<tr>
<td>Mark Aplin</td>
<td>Dartford Borough Council</td>
</tr>
<tr>
<td>Tania Smith</td>
<td>Dartford Borough Council</td>
</tr>
<tr>
<td>Richard Longman</td>
<td>Thames Gateway</td>
</tr>
<tr>
<td>Sarah Anderton</td>
<td>Maidstone Borough Council</td>
</tr>
<tr>
<td>Emma Boshell</td>
<td>Sevenoaks District Council</td>
</tr>
<tr>
<td>Wendy Lane</td>
<td>Gravesham Borough Council</td>
</tr>
<tr>
<td>Catherine Smith</td>
<td>Medway Council</td>
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<tr>
<td>Tim Stephens</td>
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<tr>
<td>Chris Hall</td>
<td>GVA</td>
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<tr>
<td>Martyn Saunders</td>
<td>GVA</td>
</tr>
<tr>
<td>Laura Gardner</td>
<td>GVA</td>
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</table>
North Kent Strategic Housing & Economic Needs Assessment

Duty to Cooperate Baseline Workshop

March 2015
Agenda

1. Welcome & Introductions
2. Project Approach
   - What is the SHENA?
   - Strategic Considerations
   - Approach
3. Baseline Understanding
   - Population
   - Economy
   - Property Market
4. Duty to Cooperate Discussion
5. Any Other Business
Objectives of the Assessment

• Basis for **Local Plan** progress
  - Medway Local Plan Reg 18 consultation
  - Gravesham Site Allocations and Development Management DPD
• Utilise **latest data** to appropriately plan for the future
• Capture fundamentals of **sub-regional and local market shifts** through and since the recession
• Inform strategic thinking for one of the South East’s **key growth areas**
• Basis for key decisions on the **scale and nature of growth**
• Anticipate full **London Plan review** in the medium term
• Meeting the **duty to cooperate** by understanding relationships and impacts
Strategic Considerations

- **Ebbsfleet** – new development corporation, share of Gravesham growth, role of contributions
- **Paramount Park** – employment and leisure role
- **Waterfront regeneration** – costs
- Gravesend, Chatham, Rochester, Gillingham **town centre development**
- **New Thames Crossings** – east or west options
- **Relationship to London** – the future commuting patterns
Key Issues: Housing

- Population and household projections
- Reduced household formation during recession
- Age structure: family forming or aging cohorts
- Domestic and international migration
- Relationship to London market
- SE Fringe – Bromley, Bexley, Dartford housing markets
- London commuters
- Local roles of waterfronts/centres, neighbourhoods and villages
Key Issues: Economy

- Office agglomeration in London through recession – business and financial services, ICT, creative industries
- Rising office costs at core
- Sub regional competition: Maidstone, Kings Hill
- North Kent growth aspirations: Dartford, Swale
- Logistics growth – Channel Tunnel, Thames Ports, QE2 Crossing
- UK Manufacturing – high value added
- Shifting employee densities
- Differing roles of Gravesham and Medway
Key Issues: Retail

- Growth of mega centres – Bluewater, Lakeside, Stratford, Croydon
- Internet retailing: comparison
- Growing urban populations
- Increasing demand for local services, convenience retail, click and collect
- Changing high street role – resident services, leisure, community, workspaces
- Positions in the retail hierarchy: Gravesend and Rochester, Chatham and Gillingham
## Study Approach

### Comprehensive Economic & Demographic Baseline

<table>
<thead>
<tr>
<th>Duty to Co-operate</th>
<th>Housing</th>
<th>Employment Land</th>
<th>Retail</th>
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<tbody>
<tr>
<td><strong>Housing</strong></td>
<td>Establishing the baseline</td>
<td>Establishing future need</td>
<td>Householder survey</td>
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<tr>
<td></td>
<td>The current housing market</td>
<td>Review of land &amp; floorspace supply</td>
<td>Sub-regional overview</td>
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<tr>
<td></td>
<td>The future housing market</td>
<td>Qualitative &amp; qualitative need</td>
<td>Qualitative assessment</td>
</tr>
<tr>
<td></td>
<td>Affordable housing need</td>
<td></td>
<td>Quantitative capacity forecast</td>
</tr>
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</table>

### Integrated Growth Needs Assessment

<table>
<thead>
<tr>
<th>Development &amp; land needs</th>
<th>Infrastructure dependencies</th>
<th>Character &amp; environment</th>
<th>Spatial implications</th>
<th>Policy</th>
</tr>
</thead>
</table>

### Policy Viability Assessment
Key Population Issues
Population Change 2001-2013

- **Total population**
  - Gravesham = 103,752
  - Medway = 271,105

- **Significant growth**
  - 8% in Gravesham = 7,961 people
  - 9% in Medway = 21,401 people

- **Growth dynamics**
  - Birth rate higher than mortality
  - Domestic migration shifting to positive trend
  - Increase in international migration

- **Differences in drivers**
  - International migration larger proportion in Gravesham
  - Domestic migration increasingly significant for Medway
Domestic Migration Trends – Gravesham

- Total inflow of 4,537 people
  - 57% of in-migration from ten areas
- Key sources of in-migration
  - 830 from Dartford (18%)
  - 423 from Medway (9%)
- Total outflow of 4,445 people
  - 53% of out-migration to ten areas
- Key destinations of out-migration
  - 737 people to Medway (17%)
  - 551 people to Dartford (12%)
- Net inflow from Dartford, Bexley, Greenwich
- Net outflow to Medway, Maidstone, T&M
Domestic Migration Trends - Medway

- Total inflow of 11,639 people
  - 43% of in-migration from ten areas

- Key sources of in-migration
  - 884 from Maidstone (8%)
  - 752 from Swale (6%)

- Total outflow of 10,666 people
  - 53% of out-migration to ten areas

- Key destinations of out-migration
  - 983 people to Maidstone (9%)
  - 911 people to Swale (9%)

- Net inflow from Gravesham, Bexley, Lewisham

- Net outflow to Swale, T&M, Thanet
Age Profile Dynamics 2001 & 2013

- Impacts of migration and domestic components of growth clear in age profile
- Significant share of the population within ‘working age’ categories
  - Lower impact of aging population
- Increase in 1-4, 15-29, 40-54 and 60+ age groups for both authorities
- Increase in all retirement age groups
- Decrease in 0-14 and 30-39 age groups
- Still much of population in working age section of both pyramids
DCLG 2012-based household projections - Kent Districts and Medway

Number of Households (thousands)

- Ashford
- Canterbury
- Dartford
- Dover
- Gravesend
- Maidstone
- Sevenoaks
- Shepway
- Swale
- Thanet
- Tonbridge and Malling
- Tunbridge Wells
- Medway UA
Key Implications

• **Significant population and household growth** forecast for both Gravesham and Medway over the next 10-25 years. Locations will influence scale of growth for town centres.

• Gravesham and Medway’s growth over last decade driven by positive natural change (fertility exceeding mortality) and inward international migration.

• **Inward domestic migration become positive contributor in last 2-3 years** (having previously resulted in net loss).

• Potential housing implications of reduction in 30-39 year age groups and their children (5-14 years) from 2001-11 in Gravesham and Medway, in stark contrast to growth in most other age groups:
  - Demand for small and larger units
  - Potentially less demand for standard family sized units i.e. 3 bedrooms

• Net migration and travel to work flows will inform definition of wider housing market area in technical workstream.
Economic Output (GVA) 2001-2014

- Significant differences in economic scale and performance
  - Medway’s output 3x greater than Gravesham
  - Growth since 2001 almost 4x higher

- Gravesham lags behind rest of North Kent and County

- Impact of recession more acute
  - Gravesham and Medway decline in output
  - Gravesham particularly slow to recover

- Low output per capita
  - Gravesham c. £13,100
  - Medway c. £15,400
  - Kent £19,800
GVA Contribution by Sector

- **Main Economic Drivers:**
  - **Professional/Private Services** 24-25% and **Public Services** 22-23%
  - Stronger utility sector in Medway (7%) than Gravesham (1.2%)
  - Manufacturing makes a higher contribution in North Kent than for the County
Business Stock

- Historically low levels of business start up and survival rates
  - Historic low comparative performance

- Significant recessionary impact in both areas
  - Strong growth in the period to 2007, then stock levelled

- Comparatively high growth rates since 2011
  - Greater than Kent and South East averages

- Slightly higher proportion of micro-businesses within Gravesham
Sector Strengths

• Gravesham
  - Primary industries
  - Low value manufacturing
  - Oil & petroleum processing
  - Water freight & transport

• Medway
  - Food production
  - Higher value manufacturing
  - ICT
  - Call Centres

• Alignment with wider area
  - Lower distribution and logistics activity
  - Advanced manufacturing
Travel to Work Patterns

- **Gravesham**
  - Retains 34% of all working residents locally
  - Represents 56% of total jobs in the Borough
  - Export to Dartford (17%), Westminster/City (6%), Medway (6%)
  - Import from Medway (14%), Dartford (8%), Sevenoaks (3%)

- **Medway**
  - Retains 51% of all working residents locally
  - Represents 70% of total jobs in the Borough
  - Export to Maidstone (7%), T&M (6%), Westminster/City (5%)
  - Import from Swale (6%), Maidstone (5%), T&M (3%)
## Future Sector Growth

### Gravesham
- 4,800 jobs (21%)

<table>
<thead>
<tr>
<th>Sector</th>
<th>Change 2013-2031</th>
<th>% Change</th>
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<tbody>
<tr>
<td>Utilities</td>
<td>250</td>
<td>179%</td>
</tr>
<tr>
<td>Construction of Buildings</td>
<td>240</td>
<td>67%</td>
</tr>
<tr>
<td>Administrative &amp; Supportive Services</td>
<td>1,270</td>
<td>62%</td>
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<tr>
<td>Real Estate</td>
<td>230</td>
<td>55%</td>
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<tr>
<td>Specialised Construction Activities</td>
<td>610</td>
<td>49%</td>
</tr>
<tr>
<td>Accommodation &amp; Food Services</td>
<td>670</td>
<td>48%</td>
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<tr>
<td>Professional Services</td>
<td>490</td>
<td>48%</td>
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<tr>
<td>Civil Engineering</td>
<td>160</td>
<td>42%</td>
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<td>Recreation</td>
<td>200</td>
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<td>Education</td>
<td>1,140</td>
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<tr>
<td>Extraction &amp; Mining</td>
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<tr>
<td>Finance</td>
<td>110</td>
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<tr>
<td>Retail</td>
<td>510</td>
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<tr>
<td>Health</td>
<td>160</td>
<td>19%</td>
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<tr>
<td>Air &amp; Water Transport</td>
<td>10</td>
<td>17%</td>
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<tr>
<td>Residential Care &amp; Social Work</td>
<td>220</td>
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### Medway
- 15,600 jobs (21%)

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<th>Change 2013-2031</th>
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<tr>
<td>Construction of Buildings</td>
<td>1,260</td>
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<td>Agriculture, Forestry &amp; Fishing</td>
<td>780</td>
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<tr>
<td>Specialised Construction Activities</td>
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<tr>
<td>Civil Engineering</td>
<td>670</td>
<td>89%</td>
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<tr>
<td>Air &amp; Water Transport</td>
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<td>Real Estate</td>
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<td>Wholesale</td>
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<td>Other Private Services</td>
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<tr>
<td>Education</td>
<td>240</td>
<td>3%</td>
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Key Implications - Economy

- Distinct differences in economic performance between the two local authority areas
  - Gravesham much smaller, less dynamic economy

- Economic base focused on lower value, less knowledge intensive activity
  - Weak foundation for economic growth
  - Reflects low levels of skills and occupations in local workforce

- Relatively strong forecast growth potential
  - However, driven by a mix low value sectors

- Forecast scenarios need to consider the role of alternative economic drivers
  - Knowledge sectors (BAE, Higher Education)
  - Population growth and diversification
  - Infrastructure provision

- Challenges in terms of ‘local’ working and skills/occupation levels
  - Ability to secure local economic growth,
  - Forecasts may be constrained by local talent
Key Property Market Issues
Residential Market - Gravesham

- Significant value growth since midway through 2013, flattened out in 2015
- Higher values in south and rural east of borough, and lowest values in the north
- Fewer transactions in rural area
Residential Market - Medway

- All sub-market areas followed similar value trend, with notable growth since 2013, before levelling off in 2015
- Average values highest in ME3 (Isle of Grain) and lowest in ME4 (Chatham)
- Significant variation between Rochester, St Mary Island and Chatham Maritime to rest of urban area
Office Market - Gravesham

- Limited quantity of office floorspace in Gravesham compared to neighbouring boroughs
- Key office location Gravesend Town Centre, limited ‘one off’ buildings elsewhere
- Limited quality and choice
Office Market - Medway

- Office market in Medway is weak, with shortage of good quality stock identified as a major barrier.
- Majority of stock located in Medway towns, particularly Chatham.
- Key office locations include: Chatham Maritime (58ha), Gillingham Business Park (56ha) & Medway City Estate (99ha).

Victory House, Chatham
Chatham Maritime
Gun Wharf
Gillingham Business Park
Industrial Market - Gravesham

- Majority of stock located in urban area, in north west of borough
- Key industrial locations include: Springhead Enterprise Park, Swanscombe Peninsula, Northfleet Embankment & NE Gravesend
- Total stock of 104 existing industrial buildings
- c.2,072,000 sqft of industrial floorspace
- Older industrial stock than regional average
- New construction at Lion Business Park and Northfleet Riverside


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<tr>
<td>12 Mo. Deliveries</td>
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</table>
Industrial Market - Medway

- Stock concentrated in Gillingham & Medway City Estate, with more mixed commercial offer in Rochester & Strood
- Predominantly SMEs with some major occupiers at Medway City
- Market skewed by availability of significant quantum of industrial land/floorspace on Isle of Grain
Retail Market - Gravesend

• Shopping population of Gravesend 69,000
• Gravesend Town Centre is the principal retail location in borough with local retail in rural areas (Istead Rise, Meopham, Vigo)
• Comparison retail provision below average for size of centre
• Competition from Bluewater, Lakeside, and Medway Town Centres
Retail Market - Medway

- Chatham is main retail centre in Medway - shopping population of 97,000 people
- Supported by network of District Centres of Strood, Gillingham, Rainham, Hempstead Valley Shopping Centre, Rochester, Dockside Outlet Centre
- Retail provision is in line with expectations given catchment characteristics
Key Implications

- Weak residential market (values and transactions) challenges development viability, particularly on complex sites
  - Potential implications for meeting housing need in the future

- Significant difference between values in new or rural communities and older stock

- Riverside residential currently ‘under valued’

- Medway more significant commercial market – regional scale
  - Competition to/from other major locations – Kings Hill, Maidstone, Thanet

- Impact of recent retail trends on town centre prospects

- Approach to future demand & supply needs to reflect respective roles internally and externally
  - How can town centres be reinforced?
  - Are new types of sites needed?
Key Implications

• Medway more significant market area
  - Scale of space provided
  - Levels of transactional activity
  - Rental values

• Impact of recent retail trends on town centre prospects

• Approach to future demand & supply needs to reflect respective roles

• Medway has grown its office offer in recent years, significant uplift in scale and quality of stock
  - Focussed outside of town centres – Chatham Maritime, Medway City Estate
  - Lack of town centre market for office activity – need to test opportunities for the future

• Gravesham property market largely stagnated
  - Limited new development – limited range and choice
  - Can quality and nature of stock meet future business requirements?
Duty to Cooperate Discussion
Duty to Cooperate

Covers strategic planning issues:

- the provision for new housing across a major conurbation or wider housing market area
- the provision of major retail, leisure, industrial and other economic development across a travel to work area
- the provision of infrastructure for transport, waste treatment, energy generation, telecommunications, water supply and water quality
- requirements for minerals extraction
- the provision of health, security, and major community infrastructure facilities
- measures needed to address the causes and consequences of climate change, including managing flood risk and coastal change
- protection and enhancement of the natural and historic environment, including townscape.
Key Questions

SHENA is primarily dealing with first two points

Needs to understand and address specific issues related to the North Kent area or wider sub-markets

- Are there other key factors that should be considered?
  - Population dynamics
  - Economic trends/ policy driven changes
  - Supply chains
  - Infrastructure delivery

- What are the key complementary and competing factors?
  - Economic sectors
  - Retail provision
  - Labour supply
Key Questions

Demographics / OAN / Workforce Requirements

• Have we considered the relevant demographic data?
  – ONS Population Projections
  – ONS Mid-Year Estimates
  – ONS Travel to Work data
  – DCLG Household Projections
  – Census / Nomis data

• Data needed from neighbouring areas:
  – Outline need for information (employment and housing)
  – Information on their OAN

• Will form basis for:
  – Establishing the extent of the Housing Market Area
  – Calculating OAN / Workforce

• Any other business?
North Kent SHENA: Duty to Cooperate Workshop Agenda

Title: North Kent Duty to Cooperate Workshop

Date 10:00, Thursday 22 October 2015

Held at: Gravesend Civic Centre

<table>
<thead>
<tr>
<th>Section</th>
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<td>Welcome &amp; Introductions</td>
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<td>a. Housing Needs</td>
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<td>c. Retail Needs</td>
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<td>b. Value Zones</td>
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<td>d. Further Considerations</td>
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North Kent
SHENA

Duty to Co-operate
Workshop

22/10/2015
Agenda

• Welcome & Introductions

• Strategic Requirements
  − Housing Needs
  − Employment Land
  − Retail Needs

• Headline Growth Implications

• Policy Viability Assessment
  − Approach
  − Value Zones
  − Initial outputs
  − Further Considerations

• Timetable
North Kent
SHENA

Key Findings
Strategic Findings

• **Range of factors suggest strong growth prospects**

• **Principally driven by population and demographic trends**
  - Increasing need for housing
  - Diversifying population base
  - Greater business opportunities
  - Increasing retail catchments

• **Drivers of economic opportunity**
  - London Paramount
  - Rochester Airfield
  - Higher education
  - Existing specialisms
  - Thames Crossings
Gravesham HMA

- **Strongest relationships with neighbouring authorities**
  - Dartford
  - Medway

- **Driven by**
  - Domestic migration
  - Commuting
  - Market/price trends

- **London influence reduces ability to be ‘self contained’**
  - Strong migration relationship to London
  - Commuting impact
Medway HMA

• Wide range of complex relationships with neighbouring authorities
  - Gravesham
  - Swale
  - Maidstone
  - Tonbridge & Malling

• Not consistent across whole LA area

• Key influences
  - Eastward migration
  - Employment draw of Maidstone / T&M
Housing Needs

- **Gravesham**
  - 450 – 475 units per annum
  - 12,000 – 14,000 units to 2037
  - Affordable requirement = c.9,680

- **Medway**
  - 1,200 - 1,300 units per annum
  - 30,000 – 32,000 units to 2037
  - Affordable requirement = c.17,000
Economic Needs

• **Two distinct economic roles**
  - Medway traditionally stronger
  - Gravesham significant loss of capacity

• **Informs different approach in each location**

• **Gravesham**
  - Rebuild lost capacity
  - Focus on existing strengths
  - Maximise new drivers

• **Medway**
  - Continue economic evolution
  - Growth in knowledge industries
  - Evolution of advanced manufacturing
Economic Needs

• Clear quantitative need
  – Gravesham up to 93,000sqm
  – Medway up to 392,000sqm

• Also a qualitative need
  – Raise quality and diversify stock
  – Better alignment between demand and supply

• Gravesham
  – Focus on SME space
  – Early delivery to overcome brownfield complexities

• Medway
  – Introduce choice
  – Flexible space close to town centres
Retail Needs

• Modest requirement for additional retail

• Considerable loss of trade to other locations

• Gravesend and Chatham ‘under-trading’

• Strong ‘over-trading’ at Hempstead Valley and Gillingham
  – Reflects stock offer

• Focus activity at major centres
  – Chatham
  – Gravesend

• Opportunities to enhance leisure role
  – Considered in the context of Bluewater and London Paramount
## Overall Growth Requirements

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<tr>
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<th>Medway</th>
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<td>OAN Plan Period</td>
<td>12,375 – 14,225</td>
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<td>Warehousing</td>
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Capacity for Growth

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<th>Employment Capacity (sqm)</th>
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<td>3,835</td>
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<td>1,031</td>
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<td>Medway</td>
<td>9,463</td>
<td>732,211</td>
<td>50,970</td>
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- Significant pipeline benefitting from planning consent
- Insufficient capacity for assessed housing needs
- Medway opportunity to meet need through SLAA sites
- Gravesham further capacity through key opportunity sites
Strategic Growth Strategy

• Need to reinvigorate Town Centres
  – Update and expand retail offer
  – New town centre living
  – Opportunity for workspace

• Move forward major brownfield sites
  – Main source of housing land
  – Unlock economic opportunities

• Need a diverse portfolio of sites
  – Employment land where market attracted
  – Greater capacity in ‘early win’ sites
  – New housing capacity in rural areas
Scope of Testing

• Affordable Housing
  – Range of scales & mixes
  – 70:30 SR/AR to Intermediate Gravesham
  – 60:40 SR/AR to Intermediate Medway

• Community Infrastructure Levy
  – Residential
    – Small ‘infill’
    – Strategic sites
  – Commercial
    – Office
    – Industrial
    – Town centre retail
    – Convenience / foodstore

• Benchmark Land values
  – Greenfield, brownfield, town centre
Value Zones
Affordable Housing

• **Initial Outputs**
  - Potential for c.25% delivery
  - Higher values zones could potentially support higher level

• **Further Considerations**
  - Testing around ‘threshold’
  - Impacts of Starter Home policy
  - Alternate mixes/densities
    - 100% flatted
  - Potential more detailed analysis of strategic sites
Community Infrastructure Levy

• Affordable Housing starting point
  – Additional residual s106

• Initial Outputs
  – Range for residential, varies by
    – Location
    – Development scale
  – Supermarkets support CIL
  – Industrial marginal
  – Office & town centre retail

• Further Considerations
  – Residential mix/schemes
  – Additional commercial typologies
  – Sensitivity of model inputs
    – Residual s106
    – Developer profits
North Kent
SHENA

Timetable
Key Deliverables

• **North Kent SHENA**
  – Technical reports end of October
  – Finalisation of viability modelling end of November

• **Medway Local Plan Process**
  – Cabinet meeting to approve Issues & Options
    – 24/11/2015
  – Issues & Options consultation
    – January / February 2016

• **Gravesham Site Allocations Process**
  – Initial report to Cabinet
    – Early 2016
  – Site Allocations consultation
    – Summer/Autumn 2016
North Kent SHENA

Duty to Co-operate Workshop

22/10/2015
North Kent SHENA: Stakeholder Workshop Agenda

Date: Friday 17 July - 1:30 – 3.30pm

Held at: Gravesham Borough Council, Council Chamber
Civic Centre
Windmill Street
Gravesend
DA11 0AU

Agenda

1:30pm: Welcome by Gravesham Borough Council and Medway Council
Covering: Purpose

1:35pm: Introducing the North Kent SHENA
Covering: Scope, timetable & stage of work

1:45pm: Theme 1: Strategic Housing Market Assessment
Covering: Functional Housing Market Area
Objectively Assessed Need
Calculating Affordable Housing Requirements

2:15pm: Break with refreshments

2:25pm: Theme 2: Employment Land Study
Covering: Forecasting employment growth scenarios
Considering the impact of London Paramount
Assessing the current and future employment land supply
Balancing employment supply and demand

3:00pm: Theme 3: Development Viability
Covering: Initial value assumptions
Typologies for testing

3:25pm: Q&A

3:30pm: Close
Interim Findings Workshop 17th July 2015

Attendance List

Chris Inwood  Gravesham Borough Council
Shazad Ghani  Gravesham Borough Council
Wendy Lane  Gravesham Borough Council
Caroline Allen  Medway Council
Tom Ashley  Medway Council
Tim Stephens  Medway Council
Catherine Smith  Medway Council
Mark Aplin  Dartford Borough Council
Richard Hatter  Thurrock Council
John Garbutt  Thurrock Council
Emma Boshell  Sevenoaks District Council
Michael Sears  Sealeys Commercial
Ellie Evans  Volterra
Philip Copsey  Northfleet Embankment West (David Lock Associates)
Lisa Shead  Moat Homes Ltd
Ian Hay  Lodge Hill (MOD)
James Amos  Persimmon Homes
Matthew Williams  Peel Port (NLP Planning)
Zoe Simmonds  NLP Planning
David Banfield  Redrow Homes Limited
Carla Donohue  Caxtons Chartered Surveyors
Andrew Thompson  Maidstone Borough Council
Nigel Dewit  Tonbridge and Malling Borough Council
Ed Tibbetts  London and Quadrant Housing Association
Richard Kidd  Medway Council
Alan Bent  Swale Borough Council
Chris Hall  GVA
Martyn Saunders  GVA
Tom Baker  GVA
Lucy Heath  GVA
North Kent
SHENA

Interim Findings
Workshop

17/07/2015
Agenda

• 1:30pm: Welcome
• 1:35pm: Introducing the North Kent SHENA - Purpose, timetable & current stage
• 1:45pm: Theme 1: Strategic Housing Market Assessment
  - Functional Housing Market Area
  - Objectively Assessed Need
  - Affordable Housing Requirements
• 2:15pm: Break with refreshments
• 2:25pm: Theme 2: Employment Land Study
  - Forecasting employment growth scenarios
  - Considering the impact of London Paramount
  - Assessing the current and future employment land supply
• 3:00pm: Theme 3: Development Viability
• 3:25pm: Next Steps
• 3:30pm: Close
Objectives of the Assessment

• Basis for **Local Plan** progress
  - Medway Local Plan Reg 18 Consultation
  - Gravesham Site Allocations and Development Management DPD
• Utilise **latest data** to appropriately plan for the future
• Capture fundamentals of **sub-regional** and **local market shifts** through and since the recession
• Inform strategic thinking for one of the South East’s key **growth areas**
• Basis for key decisions on the **scale and nature of growth**
• Anticipate full **London Plan** review in the medium term
• Meeting the **duty to cooperate** by understanding relationships and impacts
Strategic Considerations

- **Ebbsfleet** – new development corporation, share of Gravesham growth, role of contributions
- **London Paramount** – employment and leisure role
- **Waterfront regeneration** – costs
- Gravesend, Chatham, Rochester, Gillingham town centre development
- **New Thames Crossings** – east or west options
- **Relationship to London** – the future commuting patterns

- **Key Issues:**
  - Housing
  - Economy
  - Retail
## Study Approach

### Comprehensive Economic & Demographic Baseline

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<tr>
<th>Duty to Co-operate</th>
<th>Housing</th>
<th>Employment Land</th>
<th>Retail</th>
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<td>Establishing future need</td>
<td>Establishing future need</td>
<td>Householder survey</td>
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<td>The current housing market</td>
<td>Review of land &amp; floorspace supply</td>
<td>Qualitative assessment</td>
<td>Sub-regional overview</td>
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<td>The future housing market</td>
<td>Quantitative &amp; qualitative need</td>
<td>Quantitative capacity forecast</td>
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<td>Affordable housing need</td>
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### Integrated Growth Needs Assessment

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<th>Infrastructure dependencies</th>
<th>Character &amp; environment</th>
<th>Spatial implications</th>
<th>Policy</th>
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### Policy Viability Assessment
North Kent
SHENA

Strategic Housing Market Assessment (SHMA)
Functional Housing Market Areas

• Housing Market Areas (HMAs):
  - Geographical areas defined by household demand and preference for housing
  - Reflect key functional linkages between places where people live and work

• The functional HMA for each authority is defined by reviewing the following data:
  - Migration statistics
  - Travel to work patterns
  - House prices and rates of change

• This sets Gravesham and Medway within their wider housing context, reflecting their strongest relationships

• Detail SHMA outputs focus on Gravesham and Medway, rather than the wider HMAs, however wider HMA context will be available
Gravesham and Medway fall within the London Housing Market Area as defined by the DCLG / CURDS analysis (2009).

Source: CURDS Analysis 2009
Gravesham HMA

- Gravesham
- Medway
- Dartford

Source: Nomis 2015

- Swale is not included within this definition, due to weaker internal migration and commuting links with Gravesham
- However, it shows similarity in market signals (house price and rates of change)
- There could be an argument for its inclusion within the HMA
Medway HMA

- Medway
- Gravesham
- Swale
- Maidstone
- Tonbridge & Malling
- Dartford

Source: Nomis 2015
Objectively Assessed Need

- Demographic led projections have been identified
- Economic forecasts and assumptions are being agreed
- Results of demographic assessment of future labour force requirements and their link to household growth will be set out
- Demographic needs from wider HMA are considered (including Dartford, Swale, Maidstone and Tonbridge & Malling)
- Range of forecasting scenarios considered:
  - 2012 based household projections
  - Household growth reflecting long term migration trends
  - Household growth reflecting effect of un-attributable population change
  - Economic: Experian (baseline)
  - Economic: LP indirect
  - Economic: LP direct (requires further analysis)
Objectively Assessed Need

- Based on the **demographic scenarios** the following projected dwelling growth ranges has been calculated (including assumed vacancy rate):
  - Demographic based OAN range for Gravesham HMA = 2,000 - 2,321 dwellings pa
  - Demographic based OAN range for Medway HMA = 4,150 - 4,655 dwellings pa
- Reviewing forecast employment growth concludes a potential requirement for increased delivery above demographic needs to support higher economic growth
- Calculating employment growth likely generated from London Paramount directly requires further analysis due to complexities of commuting
Affordable Housing Requirements

- Affordable housing need is being calculated as the next step in the SHMA process
- The three core considerations of the calculation are:
  - Current housing need (gross backlog)
  - Future housing need (short and long term need)
  - Future affordable housing supply

\[
\text{Net Affordable Housing Need} = \text{Total Affordable Housing Need} - \text{Future supply from existing affordable housing stock}
\]

\[
\text{Total Affordable Housing Need} = \text{Total current housing need} + \text{Total newly arising need} - \text{Total new affordable housing stock available}
\]
Next Steps

- Finalise economic forecasting and assumptions
- Undertake further analysis of employment growth generation from London Paramount
- Refine OAN range for Gravesham and Medway
- Complete affordable housing requirement calculations for Gravesham and Medway
- Assess adjustments to OAN based on affordability and housing market demand (market signals)
Demand Assessment

• Baseline
  - Experian Business Strategies Q1 release

• ‘Advanced’ Manufacturing
  - Sector specific opportunity
  - Comparable locations analysis
  - National growth expectations

• Distribution & Logistics
  - Comparison to Thurrock, Dartford, Swale

• Demographic Base
  - Aligned to initial OAN Demographic Forecast
  - Jobs required to accommodate new residents

• London Paramount
  - Indirect employment impacts – supply chain
Forecast Total Employment Growth

Gravesham

![Forecast Total Employment Growth chart for Gravesham, showing projected employment growth from 2012 to 2037 across different categories such as Baseline, Demographic, London Paramount Impact, Distribution & Logistics Growth, and Manufacturing Growth.]
Future Needs

• Carry forward two ‘combined’ forecasts
  - Economic potential
    ↠ Sector growth expectations
  - Additional indirect impact of London Paramount

• Range of ‘requirement’ for each area
  - Gravesham: 13ha to 15ha
  - Medway: 89ha to 91ha

• Third element – direct employment impact of London Paramount
  - Not an employment land issue
  - Important to understand relationship between employment and housing need
  - Significant impact on Gravesham employment in particular (subject to further analysis)
Assessed Sites - Gravesham
Summary Supply Assessment

- Estates well occupied
  - Limited vacant units

- Accessibility the key weakness

- Lack of maintenance and investment

- Limited choice of stock
  - Scale, Type, Age

- Lack of office supply

- Opportunities for intensification
  - North East Gravesend
  - Northfleets Riverside

- Future opportunities lie in complex brownfield developments
Assessed Sites - Medway
Summary Supply Assessment

- Diverse, good quality portfolio
  - Medway Innovation Centre
  - Gillingham Business Park
  - Compass Centre/Chatham Maritime

- Localised quality issues for industrial

- Poor alignment between office stock and demand

- Medway City Estate
  - Good quality office, but weak image
  - Areas of weak industrial stock

- Significant supply of new land
  - Competitive position in the region
  - Similar type/focus
North Kent
SHENA
Viability Assessment
First Stage
Introduction

• Early stage of considering delivery and viability across all uses

• Future approach and potential levels of:
  - Community Infrastructure Levy
  - Affordable Housing

• Currently establishing test parameters
  - Value base
  - Development typologies
  - Site specific sensitivities
Value Zones - Residential

Value Zone Average Price Ranges (approx)

1
£170,000

2
£195,000 - £240,000

3
£335,000 - £350,000

4
£440,000

5
£260,000 - £280,000

6
£230,000

7
£270,000

8
£180,000 - £205,000

9
£220,000

10
£255,000

11
£125,000 - £210,000

12
£260,000 - £285,000

13
£160,000 - £210,000
Residential Value Zones

• Value Zones based on average property values
  – Postcode base June 2014 – May 2015

• Rural areas Mapped (3 and 4) significantly higher
  – c. £350,000 and £440,000 respectively

• More localised in Rochester (Area 9) (Rochester City) is
  – Average c. £220,000, however understand that
  – Historic Centre higher value area and figure seemingly
  – Average also skewed by high proportion of smaller unit sales (flats comprise 57% of sales, terraces 37%).

• Premium at St. Mary’s Island
  – Reflect age and nature of development
  – Approach expands values to other riverside locations
**Residential Value Zones**

- Analysis of Value Zones indicate the following, broad value areas in the two boroughs:

<table>
<thead>
<tr>
<th>Medway</th>
<th>Gravesham</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medway Rural</td>
<td>Gravesham Urban</td>
</tr>
<tr>
<td>Medway Towns</td>
<td>Gravesham Rural</td>
</tr>
<tr>
<td>Medway Towns High Value</td>
<td></td>
</tr>
</tbody>
</table>

![Map of Residential Value Zones](image)
Residential Value and Size Assumptions

- Based on analysis of comparable new build schemes and planning policy where available, we have made the initial assumptions of new build sizes and values for the different value areas:

<table>
<thead>
<tr>
<th></th>
<th>Medway Towns</th>
<th>High Value Medway</th>
<th>Rural Medway</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Size (sq m)</td>
<td>Size (sq ft)</td>
<td>£ / sq ft</td>
</tr>
<tr>
<td>1 bed flat</td>
<td>50</td>
<td>538</td>
<td>£240</td>
</tr>
<tr>
<td>2 bed flat</td>
<td>70</td>
<td>753</td>
<td>£240</td>
</tr>
<tr>
<td>2 bed house</td>
<td>83</td>
<td>893</td>
<td>£240</td>
</tr>
<tr>
<td>3 bed house (standard)</td>
<td>105</td>
<td>1130</td>
<td>£240</td>
</tr>
<tr>
<td>4 bed house (standard)</td>
<td>120</td>
<td>1292</td>
<td>£240</td>
</tr>
<tr>
<td>3 bed house (rural)</td>
<td>116</td>
<td>1250</td>
<td>N/A</td>
</tr>
<tr>
<td>4 bed house (rural)</td>
<td>139</td>
<td>1500</td>
<td>N/A</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Gravesham Urban</th>
<th>Gravesham Rural</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Size (sq m)</td>
<td>Size (sq ft)</td>
</tr>
<tr>
<td>1 bed flat</td>
<td>50</td>
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<td>1250</td>
</tr>
<tr>
<td>4 bed house (rural)</td>
<td>140</td>
<td>1500</td>
</tr>
</tbody>
</table>
Development Delivery

Schemes permitted in last 2 years
## Residential Typologies - Gravesham

### Potential Typologies - Gravesham

<table>
<thead>
<tr>
<th>Scheme</th>
<th>Number of Residential Dwellings</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Urban</strong></td>
<td></td>
</tr>
<tr>
<td>Scheme 1</td>
<td>1 residential dwelling (house)</td>
</tr>
<tr>
<td>Scheme 2</td>
<td>2 residential dwellings (flats)</td>
</tr>
<tr>
<td>Scheme 3</td>
<td>10 residential dwellings (flats)</td>
</tr>
<tr>
<td>Scheme 4</td>
<td>50 residential dwellings (mixed)</td>
</tr>
<tr>
<td>Scheme 5</td>
<td>125 residential dwellings (mixed)</td>
</tr>
<tr>
<td><strong>Strategic sites</strong></td>
<td></td>
</tr>
<tr>
<td>Scheme 6</td>
<td>400 residential dwellings (mixed)</td>
</tr>
<tr>
<td><strong>Rural</strong></td>
<td></td>
</tr>
<tr>
<td>Scheme 8</td>
<td>1 residential dwellings (house)</td>
</tr>
<tr>
<td>Scheme 9</td>
<td>2 residential dwellings (flats)</td>
</tr>
<tr>
<td>Scheme 10</td>
<td>100 residential dwellings (mixed)</td>
</tr>
</tbody>
</table>
# Residential Typologies - Medway

## Potential Typologies - Medway

<table>
<thead>
<tr>
<th>Medway Towns (Urban)</th>
<th>Scheme 1</th>
<th>1 residential dwelling (house)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scheme 2</td>
<td>2 residential dwellings (flats)</td>
<td></td>
</tr>
<tr>
<td>Scheme 3</td>
<td>10 residential dwellings (flats)</td>
<td></td>
</tr>
<tr>
<td>Scheme 4</td>
<td>75 residential dwellings (mixed)</td>
<td></td>
</tr>
<tr>
<td>Scheme 5</td>
<td>500 residential dwellings (mixed)</td>
<td></td>
</tr>
</tbody>
</table>

| Strategic Site                       | Scheme 6 | 1,000+ residential dwellings (mixed) |

<table>
<thead>
<tr>
<th>Medway Rural</th>
<th>Scheme 8</th>
<th>1 residential dwellings (house)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scheme 9</td>
<td>2 residential dwellings (flats)</td>
<td></td>
</tr>
<tr>
<td>Scheme 10</td>
<td>100 residential dwellings (mixed)</td>
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</tbody>
</table>
### Industrial Values and Locations

<table>
<thead>
<tr>
<th>Industrial Park</th>
<th>CoStar Survey</th>
<th>Recent Deals</th>
<th>Industrial Park</th>
<th>CoStar Survey</th>
<th>Recent Deals</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rent psf</td>
<td>Yield</td>
<td></td>
<td>Rent psf</td>
<td>Yield</td>
</tr>
<tr>
<td>1. Swanscombe Peninsula</td>
<td>£7.27</td>
<td>-</td>
<td>5. Rochester Road</td>
<td>£6.60</td>
<td>-</td>
</tr>
<tr>
<td>2. Spring Head enterprise Park</td>
<td>£6.37</td>
<td>-</td>
<td>6. Medway Industrial Estate</td>
<td>£5.64</td>
<td>£8.62</td>
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<tr>
<td>3. Gravesham Town Centre</td>
<td>£6.34</td>
<td>-</td>
<td>7. Gillingham Business Park</td>
<td>£6.21</td>
<td>-</td>
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</table>

Rent psf and Yield figures represent recent transactions in the indicated industrial parks.
### Office Values and Locations

<table>
<thead>
<tr>
<th>Region</th>
<th>CoStar Survey Rent psf</th>
<th>CoStar Survey Yield</th>
<th>Recent Deals Rent psf</th>
<th>Recent Deals Yield</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gravesham TC</td>
<td>£9.18</td>
<td>7.30%</td>
<td>£7.47</td>
<td>7.30%</td>
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<tr>
<td>Chatham Maritime</td>
<td>£15.57</td>
<td>-</td>
<td>£16.50</td>
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<tr>
<td>Chatham TC</td>
<td>£7.93</td>
<td>10%</td>
<td>£13.33</td>
<td>10%</td>
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<tr>
<td>Gillingham Business Park</td>
<td>£11.48</td>
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<td>£12.50</td>
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</table>
## CoStar Survey

<table>
<thead>
<tr>
<th>Location</th>
<th>Rent psf</th>
<th>Yield</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gravesham TC</td>
<td>£12.39</td>
<td>5.10%</td>
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<tr>
<td>Strood TC</td>
<td>£20.47</td>
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</tr>
<tr>
<td>Rochester TC</td>
<td>£21.35</td>
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<tr>
<td>Chatham TC</td>
<td>£19.83</td>
<td>9.30%</td>
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<tr>
<td>Gillingham TC</td>
<td>£9.50</td>
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### Retail Values and Locations
## Commercial Typologies - Gravesham

### Potential Typologies - Gravesham

<table>
<thead>
<tr>
<th>Scheme</th>
<th>Description</th>
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<tbody>
<tr>
<td>Scheme 11</td>
<td>Office - 500 sqm</td>
</tr>
<tr>
<td>Scheme 12</td>
<td>Office - 5,000 sqm</td>
</tr>
<tr>
<td>Scheme 13</td>
<td>Local Convenience Retail - 300 sqm</td>
</tr>
<tr>
<td>Scheme 14</td>
<td>Town Centre Convenience/Comparison Retail - 1,500 sqm</td>
</tr>
<tr>
<td>Scheme 15</td>
<td>Out of Town Large Convenience/Comparison Retail - 3,000 sqm</td>
</tr>
<tr>
<td>Scheme 16</td>
<td>Industrial - 10,000 sqm</td>
</tr>
<tr>
<td>Scheme 17</td>
<td>Hotel - 500 beds</td>
</tr>
<tr>
<td>Scheme 18</td>
<td>Leisure</td>
</tr>
<tr>
<td>Scheme 19</td>
<td>Extra Care</td>
</tr>
</tbody>
</table>
## Commercial Typologies - Medway

<table>
<thead>
<tr>
<th>Potential Typologies - Medway</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scheme 11</td>
</tr>
<tr>
<td>Scheme 12</td>
</tr>
<tr>
<td>Scheme 13</td>
</tr>
<tr>
<td>Scheme 14</td>
</tr>
<tr>
<td>Scheme 15</td>
</tr>
<tr>
<td>Scheme 16</td>
</tr>
<tr>
<td>Scheme 17</td>
</tr>
<tr>
<td>Scheme 18</td>
</tr>
<tr>
<td>Scheme 19</td>
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</table>
North Kent
SHENA
Timetable and Future Engagement
### Study Approach

#### Comprehensive Economic & Demographic Baseline

<table>
<thead>
<tr>
<th>Duty to Co-operate</th>
<th></th>
<th></th>
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<tbody>
<tr>
<td><strong>Housing</strong></td>
<td><strong>Employment Land</strong></td>
<td><strong>Retail</strong></td>
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<tr>
<td>Establishing the baseline</td>
<td>Establishing future need</td>
<td>Householder survey</td>
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<tr>
<td>The current housing market</td>
<td>Review of land &amp; floorspace supply</td>
<td>Sub-regional overview</td>
</tr>
<tr>
<td>The future housing market</td>
<td>Quantitative &amp; qualitative need</td>
<td>Qualitative assessment</td>
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<tr>
<td>Affordable housing need</td>
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<td>Quantitative capacity forecast</td>
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#### Integrated Growth Needs Assessment

<table>
<thead>
<tr>
<th>Development &amp; land needs</th>
<th>Infrastructure dependencies</th>
<th>Character &amp; environment</th>
<th>Spatial implications</th>
<th>Policy</th>
</tr>
</thead>
</table>

**Policy Viability Assessment**
Next Steps

- Completion of technical work
  - Finalisation of OAN – affordable housing, market signals
  - Viability modelling
  - Retail and town centre assessment

- Preparation of Integrated Growth Assessment
  - Policy and strategy recommendations

- Timetable
  - Technical work, late summer
  - Completion Autumn
Ongoing Engagement

• Market and viability consultation
  - One to one conversations with
    ➤ Landowners
    ➤ Developers
    ➤ Agents
  - Further test needs, assumptions and inputs
  - Potential further topic specific workshops

• Further engagement with stakeholders including neighbouring authorities

• Draft recommendations workshop
  - Across all SHENA outputs
  - Relationships between need and delivery

• LPA’s will take forward DTC discussions with relevant organisations and consult on outputs as part of future programmed consultations
<table>
<thead>
<tr>
<th>Time</th>
<th>Agenda Item</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.0</td>
<td>Welcome &amp; Introductions</td>
</tr>
<tr>
<td>2.0</td>
<td>Presentation from GVA on findings of the SHENA</td>
</tr>
<tr>
<td></td>
<td>a. Housing Needs</td>
</tr>
<tr>
<td></td>
<td>b. Employment Land</td>
</tr>
<tr>
<td></td>
<td>c. Retail Needs</td>
</tr>
<tr>
<td></td>
<td>d. Viability Assessment</td>
</tr>
<tr>
<td>3.0</td>
<td>Question &amp; Answers</td>
</tr>
<tr>
<td>4.0</td>
<td>Update on Local Plan timetables</td>
</tr>
<tr>
<td>5.0</td>
<td>Any Other Business</td>
</tr>
<tr>
<td>Yes</td>
<td>attendance</td>
</tr>
<tr>
<td>------------------------------------------</td>
<td>------------</td>
</tr>
<tr>
<td>Peter Price - Gravesham</td>
<td>yes</td>
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<tr>
<td>Sharon Donald - Gravesham</td>
<td>yes</td>
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<tr>
<td>Andrea Wright - Gravesham</td>
<td>yes</td>
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<tr>
<td>Richard Hart - Gravesham</td>
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<tr>
<td>Tony Chadwick - Gravesham</td>
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<tr>
<td>Gary Dewit - Gravesham</td>
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<tr>
<td>Bob Anderson - Gravesham</td>
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<tr>
<td>Chris Inwood - Gravesham</td>
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<tr>
<td>Wendy Lane - Gravesham</td>
<td>yes</td>
</tr>
<tr>
<td>Simon Hookway - Gravesham</td>
<td>yes</td>
</tr>
<tr>
<td>Sian Morley - Gravesham</td>
<td>yes</td>
</tr>
<tr>
<td>Geoff Baker - Gravesham</td>
<td>yes</td>
</tr>
<tr>
<td>Catherine Smith - Medway Council</td>
<td>yes</td>
</tr>
<tr>
<td>Prem Welayuham-Smith - Medway Council</td>
<td>yes</td>
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<tr>
<td>Tom Gilbert - Medway Council</td>
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<td>Tim Stephens - Medway Council</td>
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<tr>
<td>Sunny Ee - Medway Council</td>
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<tr>
<td>Chris Butler - Medway Council</td>
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<tr>
<td>Emma Boshell - Sevenoaks DC</td>
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<td>Nigel De Wit - Tonbridge &amp; Malling Borough Council</td>
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<tr>
<td>Richard Hatter - Thurrock Council</td>
<td>yes</td>
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<td>Morgan Slade - Thurrock Council</td>
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<tr>
<td>April Newing - Kent CC</td>
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<td>Mark Aplin - Dartford Council</td>
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<td>Michael Clarkson - Dartford Council</td>
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<td>Elliott Rogers - Walker Jarvis</td>
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<td>Gary Whatman - Walker Jarvis</td>
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<tr>
<td>Michael Alan Sears - Sealeys</td>
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<tr>
<td>Lenka Muir - Amicus Horizon</td>
<td>yes</td>
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<tr>
<td>Charlie Brown - David Lock Associates</td>
<td>yes</td>
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<tr>
<td>Joshua Mellor - Barton Willmore</td>
<td>yes</td>
</tr>
<tr>
<td>Liz Martin - Circle Housing</td>
<td>yes</td>
</tr>
</tbody>
</table>

Will Fletcher - GBC

Morgan Slade
North Kent SHENA: Key Findings

Duty to Co-operate Workshop

Thursday 11th August

Martyn Saunders
Adam Bunn
Agenda

• Welcome & Introductions
• Project Objectives & Approach
• Strategic Findings
  o Employment Land Requirements
  o Retail Needs
  o Housing Need
• Viability Assessment
• Conclusions & Strategic Directions
Study Objectives:

- Basis for Local Plan progress
- Utilise latest data to appropriately plan for the future
- Capture fundamentals of sub-regional and local market shifts through and since the recession
- Inform strategic thinking for one of the South East’s key growth areas
- Basis for key decisions on the scale and nature of growth
- Anticipate full London Plan review in the medium term
- Meeting the duty to cooperate by understanding relationships and impacts

Study Approach:
Headline findings

• Significant growth potential for both Gravesham and Medway authority areas
• Key driver of future growth: significant shift in population and demographic profiles
  o International migration
  o Domestic migration
  o Natural change (increasingly prominent)
• Population growth implications:
  o Need for significant additional housing (quantitative and qualitative needs)
  o Positive impact on economic prospects – town centre, resident mix, new trading opportunities
  o Further sector specific economic activity
• Range of other existing drivers of economic and employment growth
  o Infrastructure investment – Thames Crossing
  o London Paramount
  o Sector strengths in each authority
Factors Driving Needs

• London influence
  ○ Population migration – accommodating out-migration from London, but moves not reciprocated
  ○ Housing demand – eastward migration trend reflects London’s housing pressures
  ○ Employment land implications – accommodating the displacement of London businesses

• Ebbsfleet Garden City and London Paramount
  ○ Labour market and supply chain links
  ○ Housing need and employment floorspace implications

• Housing Market
  ○ Strong market relationships with neighbouring authorities (wholly and partly)

• Retail
  ○ Key regional linkages within the Kent-wide hierarchy
  ○ Local competition e.g. Bluewater
Long Term Growth Requirements

- Clear employment land requirement over the projection period (2012 – 2037)

<table>
<thead>
<tr>
<th></th>
<th>Gravesham</th>
<th>Medway</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office</td>
<td>44,286 – 53,881sqm</td>
<td>50,152 – 51,967sqm</td>
</tr>
<tr>
<td>Industrial</td>
<td>18,724 – 21,379sqm</td>
<td>163,198 – 163,914sqm</td>
</tr>
<tr>
<td>Warehousing</td>
<td>14,156 – 18,182sqm</td>
<td>174,235 – 175,907sqm</td>
</tr>
</tbody>
</table>

- Comparable office growth requirement for both authorities
- Medway has a much greater growth requirement for industrial and warehousing floorspace

Plan Period Growth Requirements

- Clear employment land requirement over the respective plan periods

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Office</td>
<td>35,633sqm</td>
<td>49,943sqm</td>
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<tr>
<td>Industrial</td>
<td>15,524sqm</td>
<td>155,748sqm</td>
</tr>
<tr>
<td>Warehousing</td>
<td>10,235sqm</td>
<td>164,263sqm</td>
</tr>
</tbody>
</table>
**Gravesham and Medway have a number of sites identified for growth and development**

- Significant proportion of brownfield opportunities

---

**Key Gravesham Opportunity Sites**

<table>
<thead>
<tr>
<th>Key Gravesham Opportunity Sites</th>
<th>B Class Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Northfleet Embankment &amp; Swanscombe Peninsula</td>
<td>114,000sqm</td>
</tr>
<tr>
<td>Gravesend Riverside East &amp; North East Gravesend</td>
<td>20,500sqm</td>
</tr>
<tr>
<td>Gravesend Town Centre</td>
<td>5,000sqm</td>
</tr>
<tr>
<td>Ebbsfleet (Gravesham)</td>
<td>17,000sqm</td>
</tr>
<tr>
<td>Rest of the Gravesham Borough</td>
<td>4,300sqm</td>
</tr>
<tr>
<td>Other Source (Windfall / Small Sites)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>160,800sqm</strong></td>
</tr>
</tbody>
</table>

**Employment Capacity (sqm)**

<table>
<thead>
<tr>
<th>Location</th>
<th>Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gravesham</td>
<td>206,437sqm</td>
</tr>
<tr>
<td>Medway</td>
<td>732,257sqm</td>
</tr>
<tr>
<td>Lodge Hill</td>
<td>44,100sqm</td>
</tr>
</tbody>
</table>
Supply Position

- **Gravesham** has a substantial land supply:
  - Potential over-supply of B class employment floorspace in quantitative terms
  - However, identified in different demand conditions
    - Qualitative need for other land capacity (much land capacity locked in complex brownfield sites suitable for industrial / distribution activity)

- **Medway** has a substantial land supply:
  - Potential over-supply of B class employment floorspace in quantitative terms
  - Over 50% of land capacity lies within large industrial and distribution sites within the Hoo Peninsula
    - Limited capacity and choice for occupiers seeking different offer / core urban area location
Retail Needs
Gravesend town centre – non-food turnover of £134.6m

- Non-food sales density (turnover per sq.m) of £5,000 – should be c. £6,000 per sq.m
- Losing market share to Bluewater

Gravesend comparison goods ‘need’ (all figures sq.m net)

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2025</th>
<th>2028</th>
<th>2031</th>
<th>2037</th>
</tr>
</thead>
<tbody>
<tr>
<td>With ‘commitments’</td>
<td>-3.500</td>
<td>1,400</td>
<td>4,700</td>
<td>8,600</td>
<td>16,600</td>
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<tr>
<td>Without ‘commitments’</td>
<td>3.200</td>
<td>8,100</td>
<td>11,400</td>
<td>15,600</td>
<td>23,600</td>
</tr>
</tbody>
</table>

Gravesend food (convenience) goods ‘need’ (all figures sq.m net)

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2025</th>
<th>2028</th>
<th>2031</th>
<th>2037</th>
</tr>
</thead>
<tbody>
<tr>
<td>With ‘commitments’</td>
<td>2,700</td>
<td>3,800</td>
<td>4,400</td>
<td>6,100</td>
<td>6,500</td>
</tr>
<tr>
<td>Without ‘commitments’</td>
<td>6,800</td>
<td>7,800</td>
<td>8,400</td>
<td>10,100</td>
<td>10,600</td>
</tr>
</tbody>
</table>

- Figures based on Experian population projections
- Alternative scenarios with SHMA projections:
  - Minimum requirement of 7,700 sq.m net by 2031
  - Maximum requirement of 14,200 sq.m net by 2031

- Growth in commercial leisure spend of £77.6m 2015-37
Strategic Recommendations – Gravesham

- Direct additional comparison goods floorspace need to Gravesend town centre (resist out-of-centre development)
- Implementation of Gravesend Town Centre Opportunity Area proposals
- Heritage Quarter development will address qualitative shortfalls in existing town centre offer
- Develop own identity rather than trying to complete with Bluewater (but monitor expansion of Bluewater)
- Improve physical appearance / enhance linkages at western end of town centre
- Consolidation of ‘town centre’ uses at eastern end of town centre
Chatham town centre – non-food turnover £168.3m
Hempstead Valley - £103.0m
Gillingham - £90.6m
Rochester, Strood, Rainham – <£30m
Chatham non-food sales density (turnover per sq.m) of £5,000 (Hempstead Valley £8,800 per sq.m)

Medway comparison goods ‘need’ (all figures sq.m net)

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2025</th>
<th>2028</th>
<th>2031</th>
<th>2037</th>
</tr>
</thead>
<tbody>
<tr>
<td>With ‘commitments’</td>
<td>-400</td>
<td>14,300</td>
<td>24,300</td>
<td>36,700</td>
<td>61,100</td>
</tr>
<tr>
<td>Without ‘commitments’</td>
<td>8,500</td>
<td>23,300</td>
<td>33,300</td>
<td>46,100</td>
<td>70,500</td>
</tr>
</tbody>
</table>

Figures based on Experian population projections
Alternative scenarios with SHMA projections:
- Minimum requirement of 32,100 sq.m net by 2031
- Maximum requirement of 41,500 sq.m net by 2031

Medway convenience goods ‘need’ (all figures sq.m net)

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2025</th>
<th>2028</th>
<th>2031</th>
<th>2037</th>
</tr>
</thead>
<tbody>
<tr>
<td>With ‘commitments’</td>
<td>6,000</td>
<td>8,000</td>
<td>9,200</td>
<td>12,300</td>
<td>13,200</td>
</tr>
<tr>
<td>Without ‘commitments’</td>
<td>8,500</td>
<td>23,300</td>
<td>33,300</td>
<td>46,100</td>
<td>70,500</td>
</tr>
</tbody>
</table>

Growth in commercial leisure spend of £237.0m 2015-37
Strategic recommendations – Medway

- **Chatham**
  - Direct additional comparison goods floorspace need to Chatham town centre
  - Improve primary retail area in Chatham town centre – refurbishment / amalgamation of units in Pentagon Centre (short term) / expansion (med term)
  - Support & bring forward regeneration of other opportunity sites – former Trafalgar Centre; High Street / Medway Street
  - Additional foodstore provision
  - Improved leisure function (especially bars/restaurants)
  - Resist out-of-centre development / further expansion at Chatham Dockside

- **Hempstead Valley** - Modernise centre and support enhancement of ‘day to day’ uses e.g. cafes, banks. No further expansion.
- **Rochester** - Consolidation rather than expansion; protect retail function of primary shopping area. Small foodstore if site becomes available.
- **Strood** – improve integration between district centre and Strood Retail Park / Morrisons / Tesco. ‘Smartening up’ of centre. No further expansion.
- **Gillingham** – redevelopment of Co-Op site (replacement foodstore). No non-food expansion.
- **Rainham** – Rainham Centre requires refurbishment/redevelopment. Additional foodstore provision if site arises. No non-food expansion.
Identified Growth Requirements

Long Term Growth Requirements

• Clear housing need over the projection period (2012 – 2037)

• Significantly higher housing need in Medway - reflecting larger existing population base

<table>
<thead>
<tr>
<th></th>
<th>Gravesham</th>
<th>Medway</th>
</tr>
</thead>
<tbody>
<tr>
<td>OAN</td>
<td>12,375</td>
<td>32,025</td>
</tr>
<tr>
<td>Affordable</td>
<td>8,600</td>
<td>18,590</td>
</tr>
</tbody>
</table>

Plan Period Growth Requirements

• Clear housing need over the respective plan periods

<table>
<thead>
<tr>
<th></th>
<th>Gravesham (2014 – 2028 remaining plan period)</th>
<th>Medway (2017 – 2035 new plan period)</th>
</tr>
</thead>
<tbody>
<tr>
<td>OAN</td>
<td>6,930</td>
<td>23,060</td>
</tr>
<tr>
<td>Affordable</td>
<td>4,820</td>
<td>13,390</td>
</tr>
</tbody>
</table>
Gravesham

- Considering affordability of affordable housing products, provision should be split as follows:
  - Affordable rent: 58% - 66%
  - Shared Ownership: 22% - 28%
  - Social Rent: 12% - 14%

Medway

- Considering affordability of affordable housing products, provision should be split as follows:
  - Affordable rent: 58% - 66%
  - Shared Ownership: 22% - 28%
  - Social Rent: 8% - 14%
Gravesham and Medway have a number of sites identified for growth and development

- Significant proportion of brownfield opportunities

Not all opportunity sites have planning permission

However, there is significant capacity for Gravesham and Medway in the permitted development pipeline

<table>
<thead>
<tr>
<th>Key Gravesham Opportunity Sites</th>
<th>Residential Capacity (units)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Northfleet Embankment &amp; Swanscombe Peninsula</td>
<td>1,028</td>
</tr>
<tr>
<td>Gravesend Riverside East &amp; North East Gravesend</td>
<td>780</td>
</tr>
<tr>
<td>Gravesend Town Centre</td>
<td>873</td>
</tr>
<tr>
<td>Ebbsfleet (Gravesham)</td>
<td>672</td>
</tr>
<tr>
<td>Rest of the Gravesham Borough</td>
<td>850</td>
</tr>
<tr>
<td>Other Source (Windfall / Small Sites)</td>
<td>462</td>
</tr>
<tr>
<td>Total</td>
<td>4,665</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Residential Capacity (units)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gravesham</td>
</tr>
<tr>
<td>Heritage Quarter</td>
</tr>
<tr>
<td>Medway</td>
</tr>
<tr>
<td>Lodge Hill</td>
</tr>
</tbody>
</table>
Supply Position

• Gravesham
  o Currently permitted (undeveloped) capacity to meet c.55% of the OAN, increased to 60% when the Heritage Quarter is included
  o However, there are likely to be shortfalls in the provision to meet the full OAN over the plan period
  o SHLAA process underway

• Medway
  o Currently permitted (undeveloped) capacity to meet c.20% of the OAN, increased to 37% when Lodge Hill is included
  o Need to identify further capacity – SHLAA process underway
Affordable Housing Testing

Medway

• Urban Areas
  o Flatted schemes (mix 1) can achieve 25% affordable housing
  o Predominantly house schemes (mix 2) can achieve 30% affordable housing
  o However heavily flatted schemes would be promoted in urban areas, so we recommend a rate of c.25% could be accommodated

• High Value
  o 75 dwelling scheme can support up to 35% affordable housing
  o 250 or 500 dwelling schemes can only support 20% and 0% affordable housing respectively

• Rural Area
  o Results are stronger, suggesting a rate of up to 30% affordable housing can be accommodated

• Largest schemes tested (250 and 1,000 dwellings)
  o Suggests the Rural Area can accommodate a policy of up to and including 35%
  o Suggests the Urban and High Value Area can not support affordable housing

• Suggest adopting a ‘tapered’ approach so the impact of the policy is imposed in steps as the scale of the scheme increases
• Flexibility in the affordable tenure units may be necessary when there are only a small number within a scheme
• Starter Homes may be able to help deliver affordable housing in urban areas where schemes shows that little or no affordable housing can be afforded
Gravesham

- **Urban Areas**
  - Flatted schemes (mix 1) can achieve 25% **affordable housing**
  - Predominantly house schemes (mix 2) can achieve 30% - 35% **affordable housing**
  - Alternatively, with a 25% - 35% range, a policy seeking 30% without introducing building type specific policies is reasonable

- **Rural Area**
  - Results are stronger, suggesting a rate of 35 – 40% **affordable housing** can be accommodated

- As for Medway, suggest adopting a ‘tapered’ approach so the impact of the policy is imposed in steps as the scale of the scheme increases
- **Flexibility** in the affordable tenure units may be necessary when there are only a small number within a scheme
- **Starter Homes may be able to help deliver affordable housing in urban areas** where schemes shows that little or no affordable housing can be afforded
CIL Testing – Medway

Residential Schemes
• A substitution of CIL for S106, allowing a small residual for S106 contribution, suggests a **CIL rate of c. £40 psm**
• For **urban schemes** a **higher figure of c. £50 - £60 could be applied** to seek higher contributions than currently required
• For **rural schemes** there is potential for a **higher figure** based on viability testing
  ○ However tests also show a higher affordable housing policy
  ○ It is not clear whether schemes could bear higher affordable housing and CIL rates
• For **large schemes** a number are not viable when tested on adopted assumptions
  ○ May generate their own requirements for S106 provisions – therefore CIL regulations constraint will not apply
  ○ Continued use of S106 agreements can provide flexibility that is absent from CIL
• A **final preferred rate has not been agreed with the Council** – expect it to be at least c. £40.

Commercial Schemes
• For **retail schemes** a **contribution targeted toward supermarkets** is deliverable
• For **industrial and other commercial schemes** it is **not recommended a CIL be charged**
In line with DCLG guidance, 2 CIL charging zones are suggested:

- CIL Testing - Medway

It is recommended the following CIL charges are applied within these 2 zones:

<table>
<thead>
<tr>
<th>Type of Development</th>
<th>Suggested Rural Tariff (psm)</th>
<th>Suggested Urban Tariff (psm)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential &lt;15 dwellings</td>
<td>£60</td>
<td>£60</td>
</tr>
<tr>
<td>Residential &gt; 15 dwellings</td>
<td>£70</td>
<td>£60</td>
</tr>
<tr>
<td>Retail – convenience &lt;500sqm</td>
<td>£125</td>
<td>£125</td>
</tr>
<tr>
<td>Retail – convenience &gt;500sqm</td>
<td>£60</td>
<td>£0</td>
</tr>
<tr>
<td>All other uses</td>
<td>£0</td>
<td>£0</td>
</tr>
</tbody>
</table>
CIL Testing – Gravesham

Residential Schemes
• A substitution of CIL for S106, allowing a small residual for S106 contribution, suggests a CIL rate of c.£40 psm
  ○ This is not a level considered to put scheme delivery at risk for urban or rural schemes, regardless of the affordable housing level
• For rural schemes there may be potential for a higher figure based on viability testing
  ○ However tests also show a higher affordable housing policy
  ○ It is not clear whether schemes could bear higher affordable housing and CIL rates
• For large schemes a number are not viable when tested on adopted assumptions
  ○ May generation their own requirements for S106 provisions – therefore CIL regulations constraint will not apply
  ○ Continued use of S106 agreements can provide flexibility that is absent from CIL

Commercial Schemes
• For retail schemes a contribution targeted toward supermarkets is deliverable
• For industrial and other commercial schemes it is not recommended a CIL be charged
• It is recommended the Council should adopt a monitor and manage approach to review BLVs and consider the need for commercial CIL in the future
In line with DCLG guidance, 2 CIL charging zones are suggested:

- Residential <15 dwellings: £60
- Residential > 15 dwellings: £70
- Retail – convenience <500sqm: £125
- Retail – convenience >500sqm: £125
- All other uses: £0

It is recommended the following CIL charges are applied within these 2 zones:
Strategic Directions

The following factors should be considered in planning new capacity and making site allocation decisions:

• **Reinvigorating Town Centres**
  - Provide capacity to update and expand the retail offer through new modern floorspace
  - Seek to deliver more dining and leisure space
  - Foster improved links between town centre and development sites
  - Support the delivery of new town centre living options and forms of workspace

• **Overcoming the challenges of large, complex sites**
  - Maintain momentum in brownfield site regeneration to achieve future housing delivery
  - Provide a mix of uses and activities to complement the residential offer
  - Ensure connectivity and integration of sites with Town Centres
  - Take advantage of allocated funding for enabling infrastructure for Ebbsfleet Garden City to meet strategic infrastructure and road investment contributions
  - Facilitate development by parcelling smaller sites - overcome the barrier of the requirement for upfront enabling works
  - Introduce new deliverable employment and housing sites into the portfolio – meeting short term needs/building momentum
Strategic Directions

• Providing a diverse portfolio of sites
  o Identify a balanced mixed portfolio with early win sites
  o Focus on housing delivery in rural areas, as well as in urban town centre locations
  o In rural areas seek the delivery of some smaller units to address needs and allow growth and diversification of rural communities
  o Secure a range of employment sites capable of providing capacity where the market is attracted
  o Ensure qualitative employment needs and choice are provided for

• Addressing specific needs
  o Key demographics: older persons, young first time buyers, BME groups
  o Qualitative employment requirements
  o Need to reverse retail under-performance in town centres
North Kent SHENA: Key Findings

Duty to Co-operate Workshop

Thursday 11th August

Martyn Saunders
Adam Bunn
# North Kent SHENA: Policy Viability Workshop Agenda

**Title:** North Kent Policy Viability Workshop  
**Date:** 11.30, Thursday 15 October 2015  
**Held at:** Gravesend Civic Centre

<p>| 1.0 | Welcome &amp; Introductions | 11.30 |
| 2.0 | Introduction to the Project | 11.35 |
|     | a. What is the SHENA? | |
|     | b. Drivers of growth | |
|     | c. Approach | |
| 3.0 | Key Outputs and Growth Requirements | 11.40 |
|     | a. Population &amp; housing | |
|     | b. Employment land | |
|     | c. Retail and leisure | |
| 4.0 | Policy Viability Assessment | 11.50 |
|     | a. Approach and key assumptions | |
|     | b. Initial outputs | |
|     | • Affordable housing | |
|     | • Community Infrastructure Levy | |
|     | c. Next steps &amp; further testing | |
| 5.0 | Discussion | 12.10 |
| 6.0 | Project Timetable &amp; AOB | 12.45 |</p>
<table>
<thead>
<tr>
<th>Name</th>
<th>Company</th>
<th>Attended?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paul Paulding</td>
<td>Esquire Developments</td>
<td></td>
</tr>
<tr>
<td>Iain Warner</td>
<td>Tetlow King Planning</td>
<td></td>
</tr>
<tr>
<td>Russell Drury</td>
<td>Moat Housing</td>
<td></td>
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<tr>
<td>Judith Ashton</td>
<td>Judith Ashton Associates</td>
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<tr>
<td>Steven Brown</td>
<td>Woolf Bond Planning</td>
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<tr>
<td>Jonathan Bolton</td>
<td>Synergy</td>
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<tr>
<td>Jonathan Rogers</td>
<td>Harrisons</td>
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<td>Andrew Street</td>
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<tr>
<td>Peter Wilkes</td>
<td>Nathaniel Litchfield</td>
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<td>James Amos</td>
<td>Persimmon Homes</td>
<td></td>
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<tr>
<td>Carla Donohue</td>
<td>Caxtons</td>
<td></td>
</tr>
<tr>
<td>Stephen Dukes</td>
<td>Kent County Council</td>
<td></td>
</tr>
<tr>
<td>Wendy Lane</td>
<td>Gravesham Council - Planning Policy</td>
<td></td>
</tr>
<tr>
<td>Geoff Baker</td>
<td>Gravesham Council - Planning Policy</td>
<td></td>
</tr>
<tr>
<td>Michael Jessop</td>
<td>Gravesham Council - Development Control</td>
<td></td>
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<tr>
<td>Chris Inwood</td>
<td>Gravesham Council - Economic Development</td>
<td></td>
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<tr>
<td>Catherine Smith</td>
<td>Medway Council - Planning Policy</td>
<td></td>
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<tr>
<td>Caroline Allen</td>
<td>Medway Council - Planning Policy</td>
<td></td>
</tr>
<tr>
<td>Frances Toomey</td>
<td>Medway Council - Economic Development</td>
<td></td>
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</tbody>
</table>
North Kent
SHENA

Viability Workshop

15/10/2015
Agenda

• Welcome & Introductions

• Introduction to the Project

• Key Outputs and Growth Requirements

• Policy Viability Assessment
  – Approach and key assumptions
  – Initial outputs
    – Affordable housing
    – Community Infrastructure Levy
  – Next steps & further testing

• Discussion
Objectives of the SHENA

• Basis for **Local Plan** progress
  - Medway Local Plan Reg 18 Consultation
  - Gravesham Site Allocations and Development Management DPD

• Utilise **latest data** to appropriately plan for the future

• Capture fundamentals of **sub-regional** and **local market shifts** through and since the recession

• Inform strategic thinking for one of the South East’s key **growth areas**

• Basis for key decisions on the **scale and nature of growth**

• Anticipate full **London Plan** review in the medium term

• Meeting the **duty to cooperate** by understanding relationships and impacts
Strategic Considerations

• **Population Growth**
  - Shifting demographics
  - In-migration

• **Development Drivers**
  - Ebbsfleet
  - London Paramount

• **Infrastructure**
  - High Speed 1
  - Thames Crossing

• **Complex Opportunities**
  - Waterfront regeneration
  - Town Centre

• **Relationship to London**
  - Housing demand
  - Economic competition & opportunity
## Study Approach

### Comprehensive Economic & Demographic Baseline

<table>
<thead>
<tr>
<th>Duty to Co-operate</th>
<th>Housing</th>
<th>Employment Land</th>
<th>Retail</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Establishing the baseline</td>
<td>Establishing future need</td>
<td>Householder survey</td>
</tr>
<tr>
<td></td>
<td>The current housing market</td>
<td>Review of land &amp; floorspace supply</td>
<td>Sub-regional overview</td>
</tr>
<tr>
<td></td>
<td>The future housing market</td>
<td>Quantitative &amp; qualitative need</td>
<td>Qualitative assessment</td>
</tr>
<tr>
<td></td>
<td>Affordable housing need</td>
<td></td>
<td>Quantitative capacity forecast</td>
</tr>
</tbody>
</table>

### Integrated Growth Needs Assessment

<table>
<thead>
<tr>
<th>Development &amp; land needs</th>
<th>Infrastructure dependencies</th>
<th>Character &amp; environment</th>
<th>Spatial implications</th>
<th>Policy</th>
</tr>
</thead>
</table>

### Policy Viability Assessment
North Kent
SHENA

Key Findings
Initial Findings

• Range of factors suggest strong growth prospects

• Principally driven by population and demographic trends
  – Increasing need for housing
  – Diversifying population base
  – Greater business opportunities
  – Increasing retail catchments

• Drivers of economic opportunity
  – London Paramount
  – Rochester Airfield
  – Higher education
  – Existing specialisms
  – Thames Crossings
Housing Needs

• **Complex relationships between areas**
  - Strong London influence

• **Gravesham HMA**
  - HMA = 2,200–2,300 units per annum
  - Gravesham = 450–475 units per annum
    - 12,000–14,000 units to 2037
  - Affordable requirement = c. 9,680

• **Medway HMA**
  - HMA = 4,500–4,650 units per annum
  - Medway = 1,200 and 1,300 units per annum
    - 30,000–32,000 units to 2037
  - Affordable requirement = c. 17,000
Economic Needs

• **Two distinct economic roles**
  - Medway traditionally stronger
  - Gravesham significant loss of capacity

• **Gravesham**
  - Focus on SME activity, largely in light industrial
  - 77,000sqm to 93,000sqm

• **Medway**
  - Ongoing growth in knowledge industries
  - Evolution of advanced manufacturing
  - 387,500sqm to 392,000sqm

• **Need to raise quality and diversify offer**
  - Better alignment between demand and supply
Retail Needs

• Modest requirement for additional retail

• Considerable loss of trade to other locations

• Gravesend and Chatham ‘under-trading’

• Strong ‘over-trading’ at Hempstead Valley and Gillingham
  – Reflects stock offer

• Focus activity at major centres
  – Chatham
  – Gravesend

• Opportunities to enhance leisure role
  – Considered in the context of Bluewater and London Paramount
Implications for Growth

- **Need to reinvigorate Town Centres**
  - Update and expand retail offer
  - New town centre living
  - Opportunity for workspace

- **Move forward major brownfield sites**
  - Main source of housing land
  - Unlock economic opportunities

- **Need a diverse portfolio of sites**
  - Employment land where market attracted
  - Greater capacity in ‘early win’ sites
  - New housing capacity in rural areas
Re-Cap: Land Uses Tested

Affordable housing

- **Residential** (C3) – houses & flats

Community Infrastructure Levy

- **Residential** (C3) – houses & flats
- **Retail**
  (A1, A2, A3, A4, A5 – local convenience retail / Out-of-town supermarket/ suburban food store)
- **Office**
  (B1a - urban centre fringe / business park)
- **Employment**
  (B2 and B8 – Industrial scheme)
North Kent SHENA
Affordable Housing
# Medway Residential Typologies

<table>
<thead>
<tr>
<th>Medway Towns Urban</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Scheme 4</td>
<td>75 residential dwellings (mixed)</td>
</tr>
<tr>
<td>Scheme 5</td>
<td>500 residential dwellings (mixed)</td>
</tr>
<tr>
<td>Scheme 6</td>
<td>1,000+ residential dwellings (mixed)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Medway Rural</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Scheme 9</td>
<td>100 residential dwellings (mixed)</td>
</tr>
</tbody>
</table>

- **20%, 25%, 30%, 35% and 40% Affordable Housing (60:40 Affordable Rent: Intermediate)**
- **S106 at £4,000 per unit**

<table>
<thead>
<tr>
<th></th>
<th>Profit level 1</th>
<th>Profit level 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private GDV</td>
<td>17.5%</td>
<td>20%</td>
</tr>
<tr>
<td>Affordable GDV</td>
<td>6%</td>
<td>6%</td>
</tr>
</tbody>
</table>
## Gravesham Residential Typologies

<table>
<thead>
<tr>
<th>Location</th>
<th>Scheme</th>
<th>Residential Dwellings (Mixed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gravesham Urban</td>
<td>Scheme 4</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td>Scheme 5</td>
<td>125</td>
</tr>
<tr>
<td>Strategic Site</td>
<td>Scheme 6</td>
<td>400</td>
</tr>
<tr>
<td>Gravesham Rural</td>
<td>Scheme 9</td>
<td>100</td>
</tr>
</tbody>
</table>

- **20%, 25%, 30%, 35% and 40% Affordable Housing** *(60:40 Affordable Rent: Intermediate)*

- **S106 at £1,500 per unit**

<table>
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<td>6%</td>
</tr>
</tbody>
</table>
Affordable Housing Outputs

Findings:

• Initial results suggest an affordable housing level of c 25%

• Potential for a higher level in High value/Rural areas

Issues to address in further testing:

• Split Rate - potential for higher value in Rural area (as per Gravesham policy)

• Threshold - A stepped threshold?

• Strategic Sites - testing done at a high level, additional testing needed

• Small Sites - these are unviable. Refinement of assumptions e.g. S106 contributions and land values
Affordable Housing Next Steps

Additional Residential Testing:

• Additional smaller schemes e.g. 15 units, 25 units, 50 units

• Urban flatted development

• Strategic Site - run with urban values and ‘urban extension’ (mid-way between urban and rural)
North Kent
SHENA
Community Infrastructure Levy
### Medway Residential CIL Assumptions

<table>
<thead>
<tr>
<th>Medway Towns (Urban)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Scheme 1</td>
<td>1 residential dwelling (house)</td>
</tr>
<tr>
<td>Scheme 2</td>
<td>2 residential dwellings (flats)</td>
</tr>
<tr>
<td>Scheme 3</td>
<td>10 residential dwellings (flats)</td>
</tr>
<tr>
<td>Scheme 4</td>
<td>75 residential dwellings (mixed)</td>
</tr>
<tr>
<td>Scheme 5</td>
<td>500 residential dwellings (mixed)</td>
</tr>
<tr>
<td><strong>Strategic Site</strong></td>
<td></td>
</tr>
<tr>
<td>Scheme 6</td>
<td>1,000+ residential dwellings (mixed)</td>
</tr>
<tr>
<td><strong>Medway Rural</strong></td>
<td></td>
</tr>
<tr>
<td>Scheme 7</td>
<td>1 residential dwellings (house)</td>
</tr>
<tr>
<td>Scheme 8</td>
<td>2 residential dwellings (houses)</td>
</tr>
<tr>
<td>Scheme 9</td>
<td>100 residential dwellings (mixed)</td>
</tr>
</tbody>
</table>

**S106 at £1,000 per unit**
### Gravesham Residential CIL Assumptions

**Gravesham Urban**

<table>
<thead>
<tr>
<th>Scheme</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1 residential dwelling (house)</td>
</tr>
<tr>
<td>2</td>
<td>2 residential dwellings (flats)</td>
</tr>
<tr>
<td>3</td>
<td>10 residential dwellings (flats)</td>
</tr>
<tr>
<td>4</td>
<td>50 residential dwellings (mixed)</td>
</tr>
<tr>
<td>5</td>
<td>125 residential dwellings (mixed)</td>
</tr>
</tbody>
</table>

**Strategic Sites**

<table>
<thead>
<tr>
<th>Scheme</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>400 residential dwellings (mixed)</td>
</tr>
</tbody>
</table>

**Gravesham Rural**

<table>
<thead>
<tr>
<th>Scheme</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>7</td>
<td>1 residential dwellings (house)</td>
</tr>
<tr>
<td>8</td>
<td>100 residential dwellings (mixed)</td>
</tr>
</tbody>
</table>

**S106 at £500 per unit**
Residential CIL Next Steps

• Additional Residential Testing that was suggested for Affordable Housing

• Run CIL Model at 20% Private Profit on GDV
## Medway Commercial CIL Assumptions

<table>
<thead>
<tr>
<th>Scheme</th>
<th>Description</th>
<th>Old (sqm)</th>
<th>New (sqm)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scheme 11</td>
<td>Small Office - Small urban office scheme (outside of core town centre)</td>
<td>500</td>
<td>500</td>
</tr>
<tr>
<td>Scheme 12</td>
<td>Office - Larger office unit in business park on edge of urban area)</td>
<td>2,500</td>
<td>1,500</td>
</tr>
<tr>
<td>Scheme 13</td>
<td>Local Convenience Retail - Extra/Local style convenience store</td>
<td>300</td>
<td>300</td>
</tr>
<tr>
<td>Scheme 14</td>
<td>Town Centre Comparison Retail</td>
<td>1,500</td>
<td>500</td>
</tr>
<tr>
<td>Scheme 15</td>
<td>Out of Town Supermarket</td>
<td>3,000</td>
<td>3,000</td>
</tr>
<tr>
<td>Scheme 16</td>
<td>Industrial</td>
<td>10,000</td>
<td>10,000</td>
</tr>
</tbody>
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<td><strong>Scheme 9</strong> Small Office - Small urban office scheme (outside of core town centre)</td>
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<td><strong>Scheme 10</strong> Office - Larger office unit in business park on edge of urban area</td>
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</tr>
</tbody>
</table>
Commercial CIL Next Steps

Required Additional Use Testing

- Leisure (Gravesham)
- Student (Medway) - 25 beds - Linked to university
- Hotel (Medway & Gravesham) - 100 beds Premier Inn Model