



Report

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Economic Sensitivity Testing & Employment Land Forecast

Maidstone Borough Council

Final Report

February 2014

CONTENTS

- 1. Introduction..... 1
- 2. Socio – Economic Baseline 3
- 3. The Base Forecast 24
- 4. Sector Opportunities 28
- 5. Forecasting Future Growth..... 53
- 6. Translating the Employment Forecast..... 76

Appendices

- Appendix I Sensitivity 1 Outputs
- Appendix II Sensitivity 2 Outputs
- Appendix III Sensitivity 3 Outputs

1. Introduction

- 1.1 GVA have been commissioned by Maidstone Borough Council to prepare an economic forecast that analyses, understands and interprets the economic potential of the Borough and the implications this (and a range of appropriate sensitivities) has on future growth requirements within the Borough.
- 1.2 The scenarios have been developed to seek to model the opportunities for economic growth locally and are built upon our understanding of past economic performance locally, the strengths and weaknesses of the local economy, known and planned changes locally that will influence future growth and the wider macro-economic context for key sectors.
- 1.3 By bringing these together into a final employment growth scenario this work provides consistent base position upon which future planning policy and evidence can be developed. For the first time it offers the basis for both housing and economic strategy to be aligned and draw on the same common understanding of the Borough's economic potential.
- 1.4 The economic forecast has been developed to provide an assessment of future economic potential in line with the draft National Planning Policy Practice note and is based on an understanding of:
- Projected labour demand through sectoral and employment forecasts and projections;
 - An understanding of past take-up of employment floorspace and future property market requirements; and
 - Analysis of business trends, and business, economic and employment statistics.
- 1.5 The Study has been prepared whilst the Strategic Housing Market Assessment (SHMA) is at its draft Reporting stage, enabling the results to inform the final SHMA analysis, particularly through the provision of a base for the Proj 4 scenario, which is driven by employment growth projections.

- 1.6 It should be noted that, in line with recent draft guidance, the economic forecast alone cannot be used to justify or set the Borough's housing 'target' although the Borough Council and other authorities within the Housing Market Area and beyond will need to take into account the forecast in assessing how a reasonable balance between employment and housing development can be achieved.
- 1.7 The Report is structured to develop the understanding of the economic proposition and potential for the Borough before introducing the employment forecast and sensitivity testing:
- Section 2 – establishes a baseline understanding of the economy, population and property market, culminating in a SWOT analysis;
 - Section 3 – sets out the base employment growth forecast;
 - Section 4 – provides a review of future growth potential and identifies key drivers of future economic growth in terms of key sectors;
 - Section 5 – outlines the economic sensitivity tests; and
 - Section 6 – considers the implications of the 'preferred' scenario on employment floorspace requirements.

2. Socio – Economic Baseline

- 2.1 Within this section we provide a review of key economic, demographic and property market indicators to establish a robust understanding of the Maidstone context upon which we can base our understanding of future growth. We also consider the growth aspirations of the neighbouring local authority areas.
- 2.2 We draw this together at the end of the section through a SWOT analysis.

Sub-Regional Context

- 2.3 Maidstone does not operate in an isolated market. The delivery of growth within neighbouring local authorities will directly impact on the opportunities and demand for the Borough to attract and accommodate new development. In particular, businesses do not respect administrative boundaries and will locate on the most suitable site which enables them to serve their target market.
- 2.4 In this regard it is relevant to review Maidstone's immediate neighbours. The nature of economic activity within the Borough is predominantly locally-orientated, servicing a sub-regional demand and drawing on the sub-regional labour market. As such, it has strong inter-relationships with the neighbouring boroughs as a market, source of workers and supply chain.
- 2.5 In the main future growth is likely to mirror the current trend of predominantly locally orientated activity, as such businesses seeking to exploit the 'mid-Kent' market may seek to locate in Maidstone but could also consider opportunities in any of the surrounding districts, therefore understanding employment land supply and aspirations helps to evaluate both local competition and complementarity for future demand.
- 2.6 That is not to say that all businesses only operate locally, a number are servicing regional, national and international markets from Maidstone. These tend to seek locations with high quality environments and workspaces and good communications and infrastructure.
- 2.7 Again, understanding which neighbouring areas are focussing on similar opportunities will help to set the potential for Maidstone in context, highlighting where there are unique opportunities and considerable competition.

Summary of Key Aspirations

- 2.8 We have reviewed a full range of planning policy, evidence base and economic strategy documents for each of the neighbouring local authorities to understand their economic priorities, wider growth aspirations and sector focus.
- 2.9 Below we set out a summary of the key planning information, and explore in more detail below any specific, relevant considerations. Given plans and proposals in each of the neighbouring local authority areas are currently being revised or finalised it should be recognised that the following analysis could be subject to change.

Table 1- Summary of Neighbouring Authority Growth Targets

Local Authority	Housing Growth	Employment Growth	Key Sites	Plan Status
Medway	17,930	Jobs target of 21,500 Floorspace requirement of 392,610sqm	Isle of Grain Kingsnorth Rochester Airfield Chatham Maritime Chatham Town Centre	Core Strategy withdrawn Nov2013 Will now focus on preparation of a new Local Plan.
Swale	10,800	Jobs target of 7,053 Floorspace requirement of 175,531sqm	Sittingbourne Town Centre Port of Sheerness Kent Science Park Queeborough & Rushenden Eurolink and Kemsley	Draft Core Strategy Aug2013
Ashford	17,950	Jobs target of 16,700	Ashford Town Centre Proposed M20	Core Strategy Adopted Jul2008 Currently in the early stages of

Local Authority	Housing Growth	Employment Growth	Key Sites	Plan Status
			J10a Eureka, Henwood and Orbital Pak Urban extensions – Cheeseman's Green, Chilmington Green	preparing a new Local Plan
Tunbridge Wells	6,000	No requirement for additional employment land	North Farm/Longfield Road Tunbridge Wells Town Centre Paddock Wood (Transfesa Road)	Core Strategy adopted Jun2010
Tonbridge & Malling	6,375	No target set	Kings Hill Existing estates to the east of Tonbridge town centre. Employment growth is also likely to be accommodated at New Hythe and Larkfield	Core Strategy adopted Sep2007

Medway

- 2.10 Medway has a history of strategic promotion of its economic growth aims backed by considerable public sector investment in site assembly, infrastructure provision, direct delivery and inward investment promotion. Despite a challenging recent economic context a number of key schemes have begun to deliver employment opportunities.

- 2.11 Much of Medway's focus has been placed on regenerating land that was formerly occupied by the military at Chatham Dockyard and bringing forward a number of major brownfield opportunities linked to existing economic or infrastructure assets.
- 2.12 **Sector focus:** The economic approach outlined in the abandoned Core Strategy and supporting economic development strategy and employment land review include: Energy and environmental technology; engineering and manufacturing; building and construction; health and social care; creative industries; and tourism.
- 2.13 Rochester Airfield –underpinned by BAE Systems and the new Medway Innovation Centre the aspiration for the Airfield is to develop a cluster of high technology and advanced manufacturing activities. Spin outs for BAE are considered to be a key catalyst; the MIC and existing land provide some space for expansion however a comprehensive Masterplan is currently being developed.
- 2.14 Chatham Maritime – the B class employment component of a large, mixed use brownfield scheme has successfully attracted a number of large corporate and back office functions in professional, finance and business services. Future aspirations include continued growth in these activities and capturing greater spin out activities from the Universities at Medway Campus (such as value added research)
- 2.15 Kingsnorth/Grain – located to the north of the River Medway these large sites have long been identified as opportunities to accommodate 'heavy industry' and manufacturing activities linked to both the existing power station and port. Recent planning applications suggest the private sector now has more confidence to bring these sites forward, with an anticipation of demand from low carbon and port related activities.
- 2.16 Chatham Town Centre – principally a focus for major retail led regeneration with potential for 50,000sqm of new floorspace (this complements almost 35,000sqm elsewhere in the area). Strategy also identifies the potential to extend creative industries into Chatham town centre from the Universities at Medway.

Swale

- 2.17 Swale has experienced mixed success in terms of economic development and delivery. Major distribution space has been delivered along the A249 alongside new and refurbished space at Kent Science Park. However, major town centre plans have yet to be delivered.
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- 2.18 **Sector focus:** Building on existing strengths the employment land review and draft core strategy forecast employment and economic development will focus on retail, distribution, manufacturing (potential offshore wind/low carbon), life sciences, pharmaceuticals, biotechnology, land based and the visitor economy.
- 2.19 The Medway-Swale Arc provides an overarching and coordinated approach to promoting existing economic strengths and growth opportunities across the two local authority areas. It has a particular focus on stabilising and then growing the manufacturing base by coordinating a combined package of interventions including infrastructure, business financing and business support.
- 2.20 Kent Science Park – this site has attracted significant levels of occupier demand in a range of life science and other knowledge based sectors. The site already has permission for a modest expansion for ‘tech units’ plus stock redevelopment opportunities within the boundary. Owners have put forward major extension proposals, which the draft Core Strategy hold in ‘reserve’ pending the next review of the Local Plan.
- 2.21 Port of Sheerness – the port is the key economic driver for the Isle of Sheppey. Major proposals have been developed to accommodate offshore wind turbine manufacturing activities, although an operator has yet to be secured following the withdrawal of Vestas.
- 2.22 Eurolink and Kemsley – these large, established industrial estates have accommodated a significant level of manufacturing and distribution growth and can accommodate up to a further 300,000sqm of additional floorspace, predominantly in B"/B8 use classes.
- 2.23 Sittingbourne – the town centre strategy is for a major retail led scheme to underpin wider improvements that, over time, should attract an increased level of office activity.

Ashford

- 2.24 Ashford has long sought to maximise the benefits of its Growth Area designation based on its High Speed and international rail connections and strategic motorway access. Considerable public sector investment has supported inward investment and site assembly activity; although to date success has been mixed.
- 2.25 **Key focus:** Ashford has not directly pursued a sector based approach through policy or Economic Development Strategy, but has sought to achieve a more general up lift in value added activity across the town centre and out of centre sites. However,

development proposals and economic evidence bases have referenced potential 'opportunities' within corporate office (professional/business services), ICT, and digital/creative with a particular 'niche' for businesses seeking to maximise international and London links.

- 2.26 Ashford Town Centre – the town centre is the principal focus for growth with capacity to accommodate 94,000sqm of retail space and 8,000 jobs. County Square has delivered significant new retail space however the International Quarter has not come forward as envisaged. Recent momentum has stalled with key public sector anchor tenants not pursuing the proposals.
- 2.27 Eureka Business Park – Eureka has delivered a number of high quality headquarters style buildings and has the capacity to accommodate over 100,000sqm of B1 floorspace. The Strategic Employment Options Report suggests future development will continue to focus on office and R&D activities (with the potential to attract pharmaceuticals companies) but also notes interest from datacentre operators.
- 2.28 Sevington – this allocation is intrinsically linked to the delivery of Junction 10a on the M20 which would open up access to the site. At present the potential is not clearly defined although the opportunity for new distribution uses is recognised.
- 2.29 The Urban Extensions offer limited employment opportunities with jobs growth likely to be driven by retail development to support major residential proposals.

Tunbridge Wells

- 2.30 Tunbridge Wells is not pursuing a significant economic growth trajectory that would require new sites or major quantities of floorspace. The strategy focuses on maximising the attractiveness of existing sites, ensuring losses are minimised and selective redevelopment is encouraged.
- 2.31 **Key focus** – Insurance, finance, professional services, food production distribution
- 2.32 Tunbridge Wells Town Centre – the town centre seeks to maintain and enhance its office offer by improving the quality of floorspace and attracting further finance, insurance and professional services activities. Other town centre employment growth will be focussed within the retail sector.

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- 2.33 Paddock Wood (Transfesa Rd and Eldon Way) – infill development and intensification of these sites will deliver new distribution and light industrial space (with a potential to grow the food production cluster).
- 2.34 North Farm/Longfield Road – there is limited capacity to deliver new general light industrial space within this area although its character is being eroded by increased out of town retail provision.

Tonbridge & Malling

- 2.35 The economic strategy for Tonbridge and Malling is not clearly defined however we are aware that they are updating their economic and employment evidence base. At present we have not seen this new research and therefore not that the current position may be subject to change, particularly given age of the adopted Core Strategy.
- 2.36 **Sector Focus** – professional services (particularly HQs), manufacturing.
- 2.37 Kings Hill – is the sole major employment growth opportunity identified within the Borough. It currently performs a major regional scale office function having delivered 75,000sqm of high quality B1 floorspace. The original masterplan identifies significant future capacity of c.110,000sqm. However, we understand the site owners and developers have recently reviewed the original masterplan and submitted a new planning application that rebalances the commercial and residential zoned land. This dramatically reduces identified capacity to c.25,000sqm of B1 floorspace.

Commercial Market Review

- 2.38 The commercial property market within Maidstone has been subdued, particularly within the office market, for a considerable time. Key indicators reviewed below show limited delivery of new space which reflects low predominant values that make development challenging.
- 2.39 The most recent new development has tended to focus on light industrial and distribution floorspace, predominantly at Parkwood, but also with some new space at 20:20. The last major office floorspace delivered was at Eclipse, which completed in 2008.

Office Market Activity

- 2.40 PROMIS estimate that headline rents in Maidstone have remained stable over the first half of 2013, and currently stand at £200 psm, these values are distorted by the presence of King' Hill within the local market area (albeit not the local authority area). Town centre rents are lower at £188 psm, and have shown no change since 2012.
- 2.41 Rental values in Maidstone specifically remain 20% below the market peak of £248psm in 2008. In comparable towns across the South East, rents have recovered to just 7% below the peak, suggesting the office market in Maidstone is not recovering from the recession.
- 2.42 There has only been one office deal within Maidstone itself, involving a 420 sqm unit on the High Street let to HSBC for one year. As a comparison in the wider market area demand has been solely focussed at Tower View, Kings Hill, c.5 miles from Maidstone town centre and in the neighbouring Borough of Tonbridge and Malling. The most recent deal (30 Kings Hill Avenue) involved 660 sqm let to Comma Oil and Chemicals for £18psf.
- 2.43 Stock supply in Maidstone is stagnant, with no new development recorded during 2012 compared to a peak of 11,245 sqm in 2008 which reflected the completion of floorspace at Eclipse. PROMIS estimate a total office stock of approx. 213,700 sqm within Maidstone Borough, as at the end of 2012. Approximately 6.4% has been delivered since 2007 and is therefore considered 'new' in market terms – a supply position marginally below the South East average of 7%.
- 2.44 There is currently no space under construction in Maidstone, however planning permission has been granted for significant space at Springfield Park and further phases of Eclipse Business Park, although neither have shown signs of actually being delivered. It should be noted that the Springfield Park site is currently being promoted for alternative land uses and is therefore unlikely to be delivered as an office development.

Transaction Data

- 2.45 Over the past six and a half years there has been a total of 225 office deals recorded within Maidstone Borough, which equates to demand for 41,869 sqm of office floorspace.
- 2.46 Since a peak in activity in 2008, take-up in Maidstone has fallen significantly, however take-up levels have varied annually ranging 2,628sqm in 2009 to 8,844sqm in 2011.

Activity has fallen again since 2011, and as at October 2013 take up is below the 2012 level.

Table 2- Office Take Up by year and size (Jan 2007 - Nov 2013)

	2007	2008	2009	2010	2011	2012	2013	Grand Total
Total Deals	24	41	26	31	50	27	26	225
Total sqm	3,978	10,852	2,628	7,421	8,844	4,288	3,858	41,869
< 185 sqm	15	25	22	21	29	20	20	152
185 - 465 sqm	5	8	2	3	19	5	5	47
465 - 1,850 sqm	2	8	1	7	2	2	1	23
> 1,850 sqm	0	0	0	0	0	0	0	0

Source: CoStar

- 2.47 Since 2007 office activity (in terms of take up of built floorspace) has been dominated by small units (<185sqm), which represent 55% of the take-up. There have been no deals involving floorspace over 1,850sqm since 2007. This reflects the nature of the occupier market in the Borough which is dominated by smaller businesses rather than corporate operators.

Table 3- Office Take Up by Quality (Jan 2007 - Nov 2013)

	Total Units	Floorspace (sqm)
New or Refurbished	29	6,342
Second Hand	138	24,102
Not disclosed	58	11,425
Grand Total	225	41,869

Source: CoStar

- 2.48 In line with the stock portfolio in Maidstone, 60% of the deals since 2007 have involved second hand stock; with new or refurbished stock accounting for just 6,342 sqm of office floorspace.
- 2.49 In terms of available floorspace, there is currently 57,748 sqm of office space on the market; this includes the unimplemented permission at Eclipse Business Park.

Table 4- Office Floorspace Availability (Nov 2013)

	Total Units	Floorspace (sqm)
<185	61	5,160
185 - 465 sqm	29	7,774
465 - 1,850 sqm	22	21,138
>1,850 sqm	7	23,676
Grand Total	119	57,748

Source: CoStar

Industrial & Warehouse Market Activity

- 2.50 Maidstone does not have a particularly 'strong' borough specific market and forms part of the wider north-west Kent/London fringe market linked to the M20/M25. Similar to the office market there have not been major recent local deals.
- 2.51 However, manufacturing activity remains stable within the Borough with activity based on established markets, good infrastructure and a readily available local labour supply.
- 2.52 Maidstone does not have very large national scale distribution activity as a result of its geographic position. Whilst its position places it close to the major South East ports it is in effect 'too close' to act as a forwarding hub, making it an inefficient stop for road freight.

Transaction Data

- 2.53 Industrial take up in 2013 is significantly below the market peak of 88,299 sqm in 2008, although marginally above the 2012 level with two months of the year remaining despite total number of deals halving. The composition of the 2013 activity is dominated by two large deals (over 1,850sqm) which account for 16,000 sqm of the total take-up. By contrast only 2 deals have involved less than 185 sqm of floorspace, compared to 27 deals in 2012.

Table 5- Industrial Take Up by year and size (Jan 2007 - Nov 2013)

	2007	2008	2009	2010	2011	2012	2013	Total
Total Deals	42	34	22	24	59	50	16	247
Total sqm	24,017	88,299	23,080	54,076	44,031	21,315	21,881	276,699
< 185 sqm	11	7	8	4	17	27	2	76
185 - 465 sqm	12	6	8	9	25	12	3	75
465 - 1,850 sqm	15	12	3	6	14	10	9	69
> 1,850 sqm	4	9	3	5	3	1	2	27

Source: CoStar

- 2.54 Second hand stock has accounted for 68% of all industrial deals since 2007 (62% in terms of floorspace). There have only been two deals involving new or refurbished stock in 2013, compared to 15 deals in 2012.

Table 6- Industrial Take Up by Quality (Jan 2007 - Nov 2013)

Grade	Total Units	Floorspace (sqm)
New or Refurbished	47	29,389
Second Hand	169	173,990
Site with Agents	1	47,550
Under Construction	6	1,366
Not disclosed	24	24,404
Grand Total	247	276,699

Source: CoStar

- 2.55 There are currently 31 general industrial units on the market, Small units (less than 185sqm) make up 61% of deals in terms of number, yet only 5% in terms of total floorspace. The majority of available floorspace (over 85%) is contained within units over 1,850 sqm, which have been on the market for an average of 150 days.

Table 7- Industrial Floorspace Availability (Nov 2013)

	Total Units	Floorspace (sqm)
<185 sqm	19	2,798
185 - 465 sqm	3	799
465 - 1,850 sqm	5	3,416
>1,850 sqm	4	49,750
Grand Total	31	56,763

Source: CoStar

- 2.56 There are currently 70 warehouse units on the market. The supply of warehouse stock is more balanced across the size bands compared to general industrial stock in Maidstone. Large units (over 1,850 sqm) account for only 36% of the available warehouse stock in Maidstone in terms of floorspace, which is less than the 465-1850 sqm size band which accounts for 40%.

Table 8- Warehouse Floorspace Availability (Nov 2013)

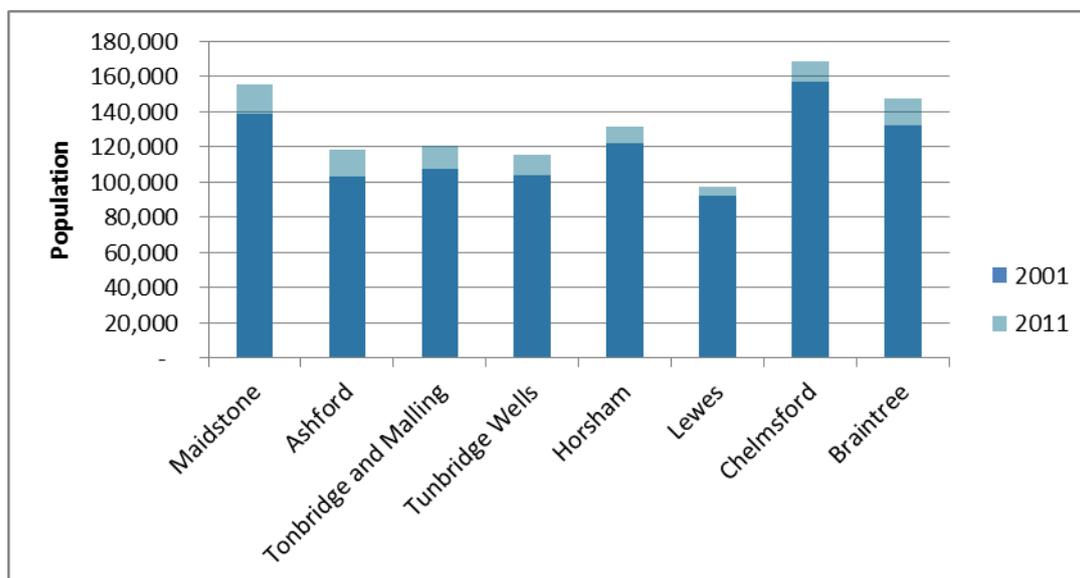
	Total Units	Floorspace (sqm)
<185	19	2,736
185 - 465 sqm	25	5,950
465 - 1,850 sqm	22	17,921
1,850 sqm	4	15,556
Grand Total	70	42,163

Source: CoStar

Socio-Economic Trends

Population and Household Trends

- 2.57 As recognised in the SHMA, Census 2011 data indicates that Maidstone has a population of just over 155,000 residents. 113,000 (73%) are of working-age, which is in line with the national average (73%) and the regional average (73%).
- 2.58 The population has grown by 12% over the past decade (2001-2011). This is significantly above the national growth rate (8%) and the South East (8%), but in line with the average for Ashford (15%), Tonbridge and Malling (12%) and Tunbridge Wells (11%). Longer term averages within the SHMA suggest that average annual population growth is 0.72%, below the County, Ashford and Tonbridge and Malling trends.

Figure 1- Population Change in Maidstone (and Surrounds) 2001-2011

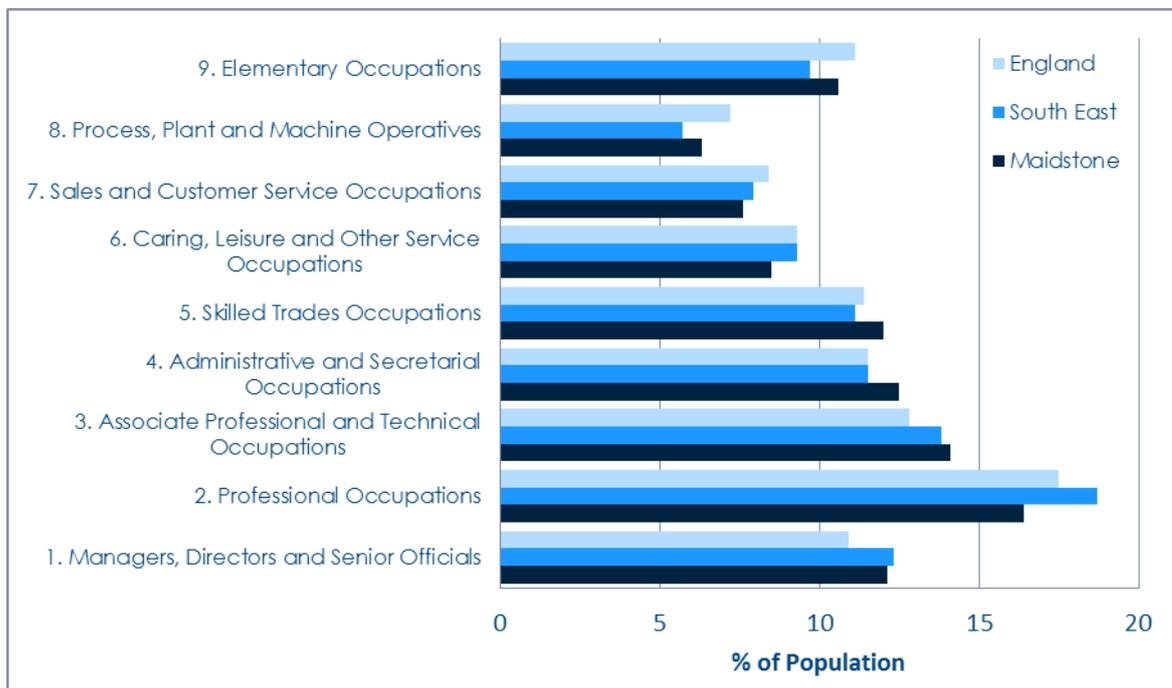
Source: Census 2011

- 2.59 The 60-74 cohort has experienced the most significant growth over the period from 2001-2011, increasing by 2.5%, compared to a fall of 2.8% amongst those aged between 30 and 59 years old. There has also been a population decrease of 1% amongst those aged 5-14 years old.

Occupation Structure

- 2.60 The occupation structure (residence-based) in Maidstone indicates a relatively high proportion of residents employed in associate professional and technical occupations, administrative and secretarial occupations and skilled trade occupations and a relatively low proportion in sales and customer service and caring, leisure and other service occupations compared to England and the South East.
- 2.61 The proportion of managers and senior officials in Maidstone is below that of the South East but above the England average. Whereas the proportion of residents in professional occupations is below both the South East and England as a whole.

Figure 2 - Occupational Structure



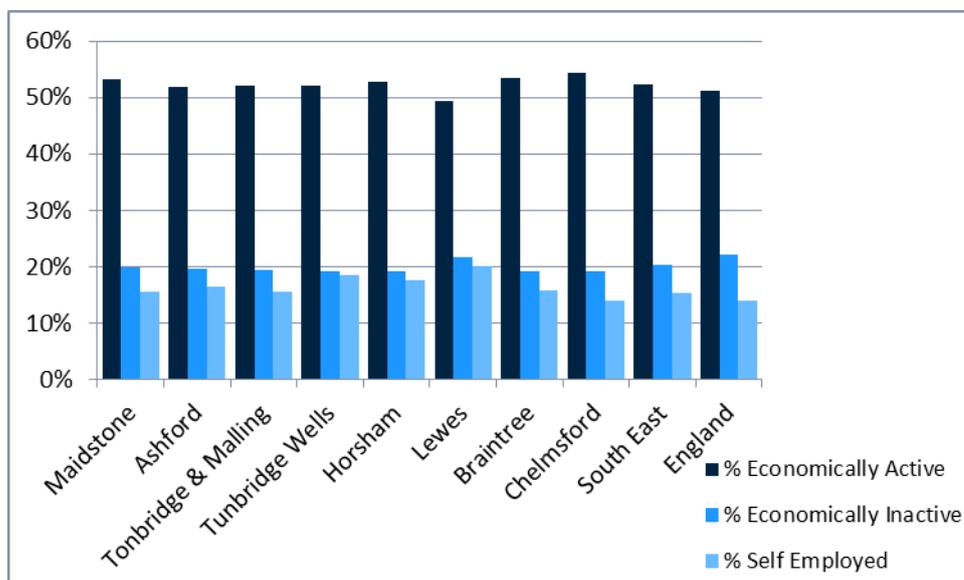
Source: Census 2011

Labour Market

2.62 Economic activity in Maidstone stands at 53% of the population which is marginally above the England (51%) and South East average (52%). Compared to the benchmark locations, the proportion of the population that is economically active ranges from just 49% in Lewes to 54% in Chelmsford and Braintree.

2.63 15% of the population in Maidstone is self-employed, which is line with the South East (15%) and England (14%). The proportion that is self-employed varies at the sub-regional level from 20% in Lewes to 14% in Chelmsford.

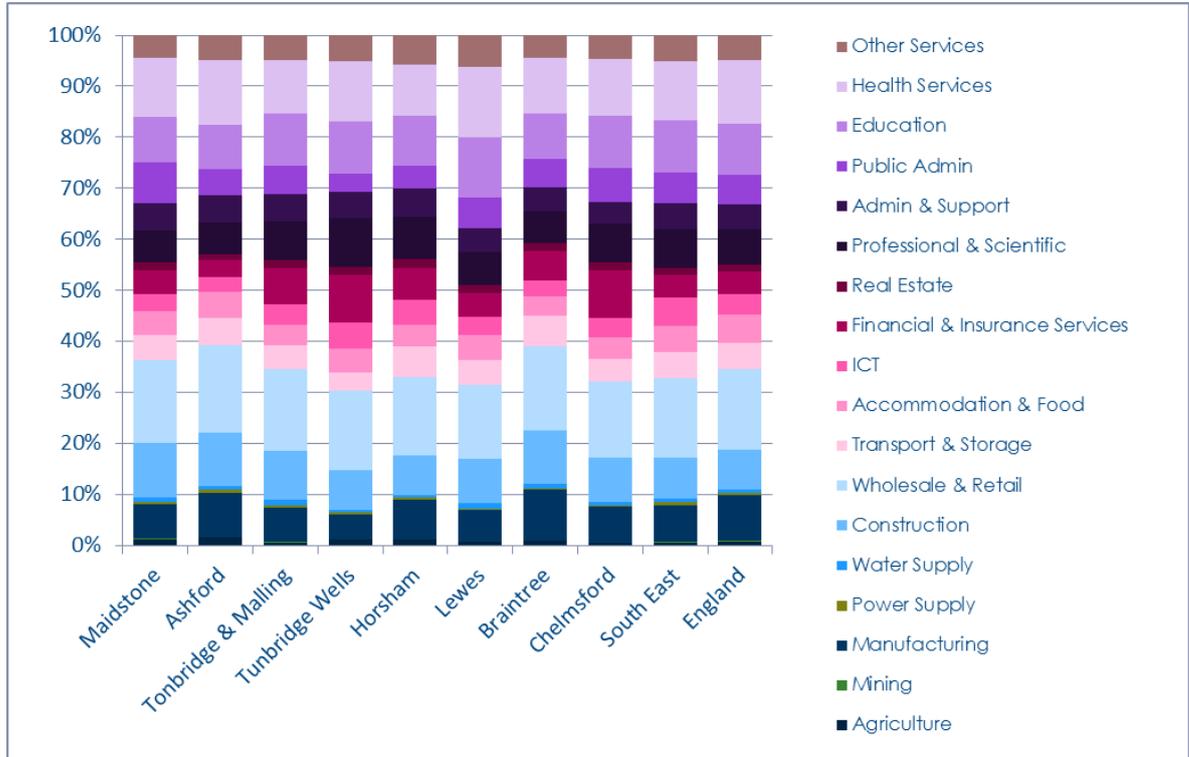
Figure 3 - Economic Activity



Source: Census 2011

- 2.64 In Maidstone, the largest industry is the wholesale and retail industry employing 16% of the population, in line with the South East (16%) and England (16%) average. Health Services represent 12% of the employment, also in line with the South East (12%) and England (12%) average.
- 2.65 The construction industry employs 11%, which is significantly above the national and regional average of 8%. The proportion working in Financial and Insurance services (5%) is also above the national and regional average of 4%, but low compared to neighbouring boroughs such as Tunbridge Wells (9%) and Tonbridge and Malling (7%).

Figure 4 - Employment by Industry



Source: Census 2011

Commuting

2.66 Understanding of commuting patterns is principally drawn from the 2001 Census, which provides the most comprehensive analysis of travel to work patterns until 2011 data is released. More recent estimates are provided by the Annual Population Survey for 2010 and 2011, although the data collation method differs significantly. A summary of the data is shown below.

Table 9- Travel to Work Patterns

		In-commuting		Out-commuting	
		2001		2001	
Number	Maidstone	42,009		42,009	
	Elsewhere	27,746		27,501	
	Total	69,755		69,510	
Proportion	Maidstone	60%		60%	
	Elsewhere	40%		40%	
		In-commuting		Out-commuting	
		2010	2011	2010	2011
Number	Maidstone	41,677	50,241	41,677	50,241
	Elsewhere	25,430	34,210	37,130	29,430
	Total	67,107	84,451	78,807	79,671
Proportions	Maidstone	62%	59%	53%	63%
	Elsewhere	38%	41%	47%	37%

Source: Census 2001, Annual Population Survey

- 2.67 As shown in Table 9 at the time of the 2001 Census Maidstone was a net 'importer' of labour, with 245 more workers travelling into the Borough to work than left the Borough every day. However, the APS suggests that this trend has reversed. Taking the average of the two survey years shows that just under 3,500 more residents commute out to work than the Borough attracts from other locations (average in-commute = 29,820, average out-commute = 33,280).
- 2.68 The 2001 Census showed that Maidstone had a 'self containment' rate of c.60%. Considering the make up of the remaining proportion of workers in the Borough every day 96% percent are drawn from other Kent districts, principally Medway, Tonbridge and Malling, Swale and Tunbridge Wells. This shows that the Borough has a sub-regional significance and draw.
- 2.69 Considering the 'out commuting' data 86% of workers commute within Kent, again with predominant destinations being the neighbouring authorities. Approximately 10% of trips terminated in London.
- 2.70 The more up to date Annual Population Survey results (albeit based on a much smaller sample size) show varying rates of self containment, but when an average is taken broadly reflect gross in/out commuting rates.

- 2.71 However, it estimates the 23% of workers in the Borough were drawn from neighbouring districts in 2010 with a further 4% from other Kent districts, representing a fall from the 2001 data on local labour draw, suggesting Maidstone employers are drawing workers from further afield. In 2011 almost 30% of in-commuting came from the neighbouring districts, with a total of 35% of workers coming from Kent.
- 2.72 Out-commuting flows for 2010 show 25% of workers commuting to neighbouring districts, in 2011 this fell slightly to 22%. The level of out-commuting to London in 2010 was 15%, higher than the rate in the 2001 Census. In 2011 this had fallen to 8%, below the 2001 Census rate. These figures highlight the volatility of the sample based methodology of the APS.
- 2.73 Whilst data fluctuates by source and year it does show that, predominantly, the Maidstone labour market relationship is with the neighbouring districts as a source of workers and also for out-commuting. Given the scale and nature of employment within the Borough these patterns are unsurprising.
- 2.74 By considering both travel to work patterns for employees in the Borough, and the nature of businesses within the Borough, it is reasonable to define the functional economic area of Maidstone Borough as focussed on the immediately surrounding districts.

Sector Specialisation

- 2.75 The table below identifies the particular sector strengths of Maidstone Borough in comparison to both Kent and national averages. These are calculated using location quotients, which estimate the proportion of employment locally to that within the benchmarks. In simple terms it highlights the concentration of employment in a particular sector in Maidstone. We then compare this to recent growth performance to understand which sectors may be strengthening and which receding.

Table 10- Sector Concentration in Maidstone Borough

	LQ to Kent	LQ to England	Growth 2009-2012
Agriculture, Forestry & Fishing	0.3	0.0	-74%
Food, Drink, Tobacco	0.8	0.5	58%
Textiles & Clothing	1.0	0.1	-53%
Wood & Paper	0.5	0.8	-54%
Printing & Reproduction of Recorded Material	0.7	1.0	-6%
Fuel Refining	0.0	0.0	-100%
Chemicals	0.5	0.7	-9%
Rubber, Plastic & Non-Metallic	1.7	2.1	36%
Metal Products	0.8	0.5	-15%
Computer & Electronics Products	0.4	0.4	98%
Machinery & Equipment	0.4	0.2	-42%
Transport Equipment	0.8	0.4	58%
Other Manufacturing	0.8	0.6	-22%
Utilities	0.8	0.9	18%
Construction of Buildings	0.7	0.9	-22%
Civil Engineering	1.1	1.3	-51%
Specialised Construction	1.1	1.6	-20%
Wholesale	1.0	1.1	13%
Retail	0.8	1.0	-4%
Land Transport, Storage & Post	0.7	0.8	-29%
Air & Water Transport	0.1	0.1	129%
Accommodation & Food Services	1.0	0.9	-2%
Recreation	0.8	0.8	-2%
Media Activities	1.1	0.9	45%
Telecomms	0.7	0.4	-5%
Computing & Information Services	1.2	0.9	23%
Finance	1.2	0.8	13%
Insurance & Pensions	0.3	0.4	39%
Real Estate	1.1	1.0	34%
Professional Services	0.9	0.8	0%
Admin & Support	1.2	1.2	14%
Other Private Services	0.8	0.9	-8%
Public Admin & Defence	2.6	2.4	-12%
Education	0.7	0.8	-10%
Health	1.3	1.1	1%
Residential Care & Social Work	1.0	1.3	-2%

Source: Business Register and Employment Survey

2.76 Outside of public administration and defence the table shows that there are no particularly strong concentrations of activity by sector, with a score of 1 representing

parity in terms of representation. Where Maidstone has a relative strength (however small) the LQ is highlighted in red.

- 2.77 Sectors that have both a local strength and have experienced employment growth (particularly through a recessionary period) offer significant opportunities for the future. Positive employment growth over the period 2009-2012 is highlighted in green.
- 2.78 Combing the two measures we can see the Borough has demonstrated relatively strong performance in a number of 'value added' sectors including Computing Services, Media Activities, Finance and Real Estate. Lower value sectors such as Wholesale and Admin/Support services have also seen growth.

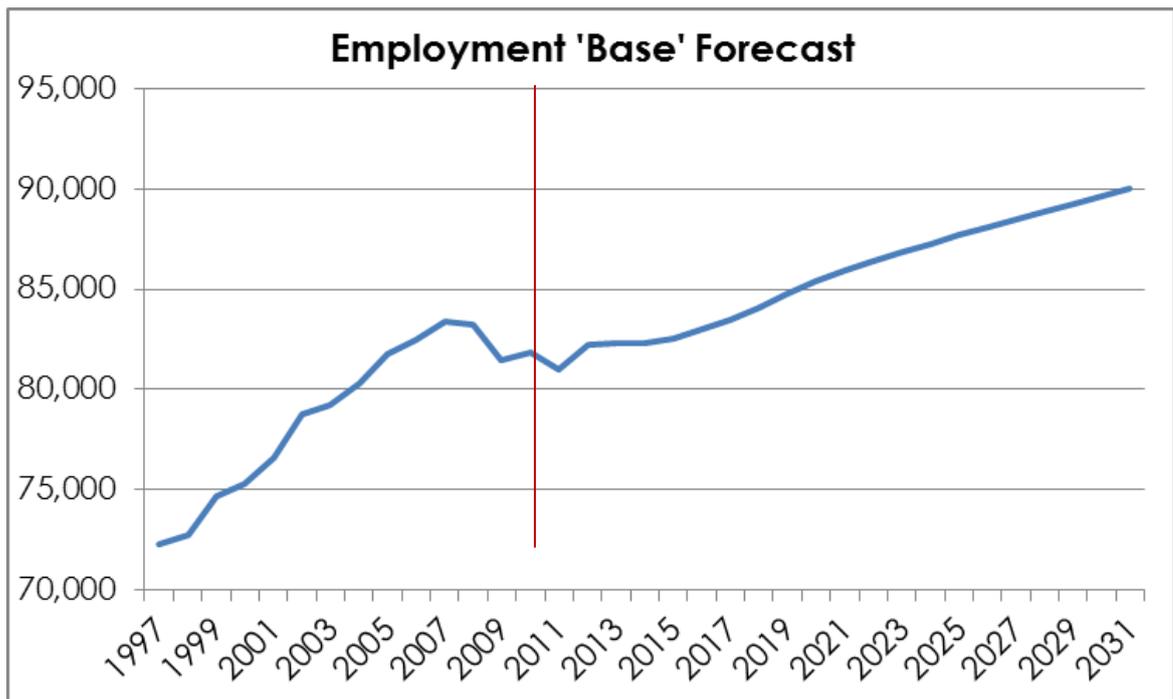
SWOT Analysis

<p>Strengths</p> <p>Significant proportion of economically active residents compared to benchmarks</p> <p>High proportion of residents employed in technical and associate professional occupations</p> <p>Critical mass of employment draws workers to the area</p> <p>Growth in a number of value added sectors compared to county and national benchmarks</p> <p>Part of a growing and dynamic market area</p>	<p>Weaknesses</p> <p>Low proportion of managerial level occupations</p> <p>Lack of employment in key knowledge sectors compared to neighbouring districts</p> <p>Stagnant office market demand pre and post recession</p> <p>Low town centre office rents</p> <p>Low delivery of new high quality floorspace across all types</p>
<p>Opportunities</p> <p>Potential delivery of existing permissions if market can be strengthened</p> <p>Potential to exploit 'niche' opportunities in the sub-regional economy</p> <p>Strong based of entrepreneurs which can be developed</p> <p>Out-commuting of higher skilled workers may provide business growth opportunities in the future</p> <p>Growth in other areas as part of the functional market area can grow 'market opportunities' for Maidstone businesses</p> <p>Ability to utilise the M20 accessibility to attract regional and nationally focussed activities.</p>	<p>Threats</p> <p>Decreasing population in 30-59 age band as a proportion of total population</p> <p>Major growth proposals in neighbouring authority area</p> <p>Competition from established locations for 'value added' sectors</p> <p>Limited scale market</p> <p>Dominance of Kings Hill in regional market</p>

3. The Base Forecast

- 3.1 The first stage of the forecasting process has been to prepare a base position drawing upon the employment growth forecast within the Experian Business Strategies Regional Planning Service Database. We have used the date September 2013 projections in order to provide the most up to date understanding of growth expectations. This forecast utilises a 'shift-share' analysis to identify the potential scale and share of employment growth across thirty eight economic sectors.
- 3.2 This 'base forecast' identifies potential employment growth of 7,818 workforce jobs between 2012 and 2031. Employment is forecast to grow from 82,220 jobs in 2012 to 90,038 in 2031.

Figure 5 - Base Forecast



Source: Experian Business Strategies, September 2013

- 3.3 In essence the 'base forecast' represents a 'business as usual' view of future economic growth and change within the Borough, taking into account historic sector performance and forecast demographic questions with a 'limited' understanding of intervention

through (for example) known major developments and no allowance for wider economic development initiatives.

- 3.4 The September release shows a more significant level of growth in the short term than previous Experian forecasts, reflecting recent updates and improvements in core economic performance indicators such as sector output, GDP and employment. These have increased market confidence and influenced an upwards revision in forecast growth levels within the UK. Both the Bank of England and Office for Budget Responsibility have altered their forecasts since the publication of the previous projections (May 2013). However, over the later phases of the forecast period rates of growth more closely align with previous forecasts, reflecting retained long term confidence in economic recovery.
- 3.5 For a number of sectors the Base Forecast does provide strong positive growth predictions reflecting the dynamism of the South East economy and Maidstone Borough more specifically. As such, whilst it is 'business as usual' this allows for a significant growth in the Borough economy and, in turn, employment profile.
- 3.6 The table overleaf sets out the scale of actual workforce jobs growth and percentage change between 2011 and 2031 for each sector within the Experian Base Forecast.

Table 11- Base Forecast Outputs

	Change 2011-2031	% Change 2011-2031
Accommodation & Food Services	736	14%
Administrative & Supportive Services	1,636	24%
Agriculture, Forestry & Fishing	2	1%
Air & Water Transport	1	16%
Chemicals (manufacture of)	-28	-87%
Civil Engineering	-38	-4%
Computer & Electronic Products (manufacture of)	-70	-44%
Computing & Information Services	593	44%
Construction of Buildings	180	11%
Education	1,568	25%
Extraction & Mining	2	6%
Finance	488	26%
Food, Drink & Tobacco (manufacture of)	38	10%
Fuel Refining	0	-46%
Health	1,128	16%
Insurance & Pensions	11	18%
Land Transport, Storage & Post	568	17%
Machinery & Equipment (manufacture of)	-62	-33%
Media Activities	12	2%
Metal Products (manufacture of)	-107	-25%
Non-Metallic Products (manufacture of)	-176	-16%
Other Private Services	235	13%
Pharmaceuticals (manufacture of)	-65	-100%
Printing and Recorded Media (manufacture of)	-81	-21%
Professional Services	1,365	27%
Public Administration & Defence	-1,825	-21%
Real Estate	635	55%
Recreation	182	10%
Residential Care & Social Work	1,546	29%
Retail	270	4%
Specialised Construction Activities	319	7%
Telecoms	-11	-5%
Textiles & Clothing (manufacture of)	-56	-90%
Transport Equipment (manufacture of)	29	16%
Utilities	6	1%

	Change 2011-2031	% Change 2011-2031
Wholesale	332	7%
Wood & Paper (manufacture of)	-192	-49%
Other Manufacturing	-136	-24%
Total	9,033	11%

Source: Experian Business Strategies, 2013

4. Sector Opportunities

- 4.1 The purpose of this section is to consider the locally relevant factors that could drive economic growth in the future within specific sectors. It responds directly to the requirement set out within the draft National Planning Practice Guidance for local authorities to take into account business cycles, economic forecasts, emerging sectors and property market trends in identifying and quantifying future land and floorspace requirements.
- 4.2 The analysis in this section evolves the understanding developed within the socio-economic baseline, considering in more detail the key sector opportunities. The analysis within this section will directly guide the development of the employment forecast sensitivities in latter sections.
- 4.3 To address the 'sector' requirements of the draft Guidance we consider both sectors that have traditionally demonstrated strong performance within the Borough and a set of sectors identified as offering potential new economic opportunities.
- 4.4 In order to understand the potential for economic growth we have considered:
- existing sectoral performance within the Borough, changes to employment rates and opportunities for future growth; and
 - the potential of a range of potential new growth drivers in the form of technological advances the UK is spearheading (largely identified within the Policy Exchange "Eight Great Technologies" paper) and the potential to capture related economic activity within Maidstone;

Sector Performance – Existing Strengths

- 4.5 To inform the preparation of the updated employment and economic growth scenarios for Maidstone Borough we have reviewed the recent performance of employment and job provision within the Borough to understand its strengths and identify how activity has changed during the recession. We also consider how the sector is forecast to grow over the period to 2031.

-
- 4.6 To identify sector trends we have used two principal data sources, the Business Register and Employment Survey and Experian Business Strategies Regional Planning Service data. The table overleaf summarises the findings for 'key sectors', these have been identified by considering their scale of employment within the Borough, their relative concentration locally and the change in employment between 2009 and 2012.
- 4.7 The 'key sectors' are those which, based on all the evidence considered, we feel will be the core employment sectors in the Borough in the future. This assessment is based upon the likely scale of employment that will be retained, the growth potential within the sector itself or a combination of both factors. Not all 'key sectors' are forecast to grow, indeed some are actually forecast to contract, however understand this dynamic within major employment sectors is equally important as identifying 'growth'.
- 4.8 It is important to note that the employment change component does reflect the period when the UK economy experienced a severe and lasting recession; therefore employment performance is likely to be less positive over this period than the longer term pre-2009. However, due to changes in long term data collection techniques (namely the shift from the Annual Business Inquiry to the Business Register and Employment Survey) long term data is not directly comparable. Therefore we have also considered the long term change (2002 to 2012) from Experian, which provides a consistent approach to data analysis.
- 4.9 This analysis feeds directly into the employment forecast scenarios by adjusting, where relevant, the base employment forecast set out in the previous section to reflect our understanding of the local economic potential.
- 4.10 In general, across the majority of sectors, we believe that the Experian model provides a fair assessment of the economic growth prospects for the Borough. Where we feel the opportunity may be underplayed/ overplayed in some of the Key Sectors, we have made adjustments to the relevant growth rates within the sensitivity tests set out in the following section. This adjustment is based on our wider understanding of sector (and sub-sector) prospects more widely and the existence of local factors that the Experian model may not fully account for.

Table 12- Key Sector Analysis Maidstone Borough (overleaf)

Experian Sector	Borough Employment in Sector	Relative Strength (LQ)	Jobs Change 2009-2012	Jobs Change 2002-2012	Projected Forecast Change 2012-2031	Sector Trends
	Source: BRES 2012	Source: BRES 2012	Source: BRES	Source: Experian	Source: Experian	
Accommodation & Food Services	4,410	To Kent 1.0 To England 0.9	-2%	5%	Jobs 556 10%	Maidstone Borough plays a key role within Kent as a 'hub' for both the evening and visitor economy. Its central location acts as a base for short visits to Kent as well as the Borough itself. This wider role alongside local drivers such as population growth could increase employment in the sector beyond forecast rates.
Administrative & Supportive Services	7,046	To Kent 1.2 To England 1.2	14%	2%	Jobs 1,266 17%	These services have been driven by growth in the wider economy, requiring increased servicing and support. Their continued growth is likely to be function of wider economic success, rather than a result of technological or other innovation. Importantly, given the nature of some activities within the sector there is the potential for increased start up opportunities as individuals seek more flexible working and technology enables greater independent and remote working. For

Experian Sector	Borough Employment in Sector	Relative Strength (LQ)	Jobs Change 2009-2012	Jobs Change 2002-2012	Projected Forecast Change 2012-2031	Sector Trends
	Source: BRES 2012	Source: BRES 2012	Source: BRES	Source: Experian	Source: Experian	
						example, 'virtual secretaries' could become more common, driven by more open software and cloud computing, which provides greater access to systems and storage. Again this is likely to be a function of growth rather than a driver. This sector excludes public sector employment, which is classified by Experian elsewhere.
Computing & Information Services	1,347	To Kent 1.2 To England 0.9	23%	53%	Jobs 418 27%	It is a truism that the world is increasingly reliant on ICT both as a driver and supporter of innovation. This ranges from leading edge soft and hardware design through to the adoption of increasingly computer orientated production methods. IT applications are increasingly permeating all sectors, providing new approaches to traditional activity as well as creating whole new forms of economic activity. As these activities continue to evolve and be adopted the sector itself will continue to grow

Experian Sector	Borough Employment in Sector	Relative Strength (LQ)	Jobs Change 2009-2012	Jobs Change 2002-2012	Projected Forecast Change 2012-2031	Sector Trends
	Source: BRES 2012	Source: BRES 2012	Source: BRES	Source: Experian	Source: Experian	
						<p>as greater IT support, servicing, hosting and maintenance is required.</p> <p>As the general economy grows, so will its reliance on ICT, and the need for greater levels of service provision.</p>
Education	1,568	To Kent 0.7 To England 0.8	-10%	63%	Jobs 1,460 23%	<p>There are counter-pressures on the scale of education provision. At one level the need to provide education (and therefore create jobs) is a function of population growth; therefore any 'growing place' will reasonably expect to create more jobs.</p> <p>However, cost pressures through government spending cuts and advances in technology are reducing teacher (and importantly teaching assistant) numbers per headcount.</p> <p>In further education funding models are reducing the breadth of courses on offer, in turn reducing staffing numbers.</p> <p>Future opportunity is therefore mixed, with major increases</p>

Experian Sector	Borough Employment in Sector	Relative Strength (LQ)	Jobs Change 2009-2012	Jobs Change 2002-2012	Projected Forecast Change 2012-2031	Sector Trends
	Source: BRES 2012	Source: BRES 2012	Source: BRES	Source: Experian	Source: Experian	
						unlikely outside of the new schools identified within the Borough, which includes at least two new primary schools within the town.
Finance	2,053	To Kent 1.2 To England 0.8	13%	-5%	Jobs 385 19%	Despite recessionary impacts the finance sector will continue to grow over the long term as the sector becomes more mature and products diversify. Growth opportunities will be moderated outside of the London City core for major business investment, whilst 'high street' banking is also being rationalised. However, given the base of businesses within Maidstone already it would be reasonable to anticipate a significant share of growth occurring within the Borough.
Health	1,128	To Kent 1.3 To England 1.1	1%	9%	Jobs 1,306 18%	The combination of an aging population, rapid innovation and increased private sector engagement are driving rapid growth in the health sector.

Experian Sector	Borough Employment in Sector	Relative Strength (LQ)	Jobs Change 2009-2012	Jobs Change 2002-2012	Projected Forecast Change 2012-2031	Sector Trends
	Source: BRES 2012	Source: BRES 2012	Source: BRES	Source: Experian	Source: Experian	
						Maidstone is witness to this given the KIMS development and the MMC proposal. The future forecast is unlikely to capture the KIMS and MMC developments, and the influence it will have on Maidstone's economic growth. As such we would expect growth to be more significant than currently forecast.
Insurance & Pensions	103	To Kent 0.3 To England 0.4	39%	-88%	Jobs 10 17%	As with the finance sector, this activity will grow as new products and services are developed. Insurance in particular is becoming more cost-competitive as a result of greater consumer access to information and comparison. Costs are therefore being driven down, with the potential for ongoing major relocations to areas where labour is cheaper. As such there is a risk that jobs will be lost to cheaper regions (or even cheaper locations within Kent) however this is likely

Experian Sector	Borough Employment in Sector	Relative Strength (LQ)	Jobs Change 2009-2012	Jobs Change 2002-2012	Projected Forecast Change 2012-2031	Sector Trends
	Source: BRES 2012	Source: BRES 2012	Source: BRES	Source: Experian	Source: Experian	
						<p>to be tempered by elements of the industry that are reliant on more skilled workers and less cost sensitive. Therefore, whilst growth is likely to be modest it is likely activity will be retained in this sector.</p> <p>The pensions sector is expected to grow as the public purse becomes increasingly unable to support an aging population and private products become more necessary. Employment and activity could therefore be expected to grow.</p> <p>Maidstone's relatively weak representation is reflected in low anticipated growth in terms of actual jobs (10 over the plan period). However, despite it not having a major presence there are key businesses within the Borough (such as Towergate) that may suggest this growth rate underestimates potential.</p>
Land Transport, Storage & Post	2,430	To Kent 0.7 To England 0.8	-29%	-12%	Jobs 431 12%	The logistics and distribution sector has seen unprecedented growth over the past decade,

Experian Sector	Borough Employment in Sector	Relative Strength (LQ)	Jobs Change 2009-2012	Jobs Change 2002-2012	Projected Forecast Change 2012-2031	Sector Trends
	Source: BRES 2012	Source: BRES 2012	Source: BRES	Source: Experian	Source: Experian	
						<p>representing almost 10% of UK GVA in 2009 (Source: HM Treasury). Future prospects indicate this growth will continue, the sector has proved resilient during the recession and output growth is forecast to outpace the wider economy over the next two decades.</p> <p>Growth in the sector has been driven primarily by a shift in the main source of demand for distribution services away from manufacturing to servicing retail activity. This shift has seen an increased focus on moving imported goods across the country, rather than more local component movements. As such locations with good accessibility to ports, airports and freight hubs have become a key focus for operators and developers.</p> <p>At a more local level increased internet trading is increasing the demand for localised distribution (i.e. local hubs for firms such as Yodel) as well as a new demand</p>

Experian Sector	Borough Employment in Sector	Relative Strength (LQ)	Jobs Change 2009-2012	Jobs Change 2002-2012	Projected Forecast Change 2012-2031	Sector Trends
	Source: BRES 2012	Source: BRES 2012	Source: BRES	Source: Experian	Source: Experian	
						<p>for 'dark' foodstores to service online grocery shopping.</p> <p>Increased mechanisation within the sector is moderating employment growth; however in some sectors jobs are becoming more skilled as a result.</p> <p>The nature of the market suggests that there is potential for Maidstone to grow as a locally orientated distribution 'hub', operating at a 'lower level' than major distribution centres such as Dartford and Swale. This will principally be linked to the servicing of retail demand and distribution of locally produced products from businesses in other sectors.</p>
Media Activities	724	To Kent 1.1 To England 0.9	45%	-34%	Jobs 77 15%	<p>Media activity is continuing to grow on the back of the 'liberalisation' of broadcasting through newer digital services, offering a larger platform for broadcast channels.</p> <p>Similarly the growth of online channels is reducing the 'entry cost' of the sector, enabling</p>

Experian Sector	Borough Employment in Sector	Relative Strength (LQ)	Jobs Change 2009-2012	Jobs Change 2002-2012	Projected Forecast Change 2012-2031	Sector Trends
	Source: BRES 2012	Source: BRES 2012	Source: BRES	Source: Experian	Source: Experian	
						<p>more start ups and entrepreneurs to gain exposure. As technology continues to rapidly evolve the range of media opportunities will continue to grow. Trends have seen a greater demand for 'shared' studio space, again driven by small businesses seeking to reduce entry costs. With some media strengths and production, Maidstone is likely to be able to benefit from continued sector growth.</p>
Professional Services	4,289	To Kent 0.9 To England 0.8	0%	11%	Jobs 941 17%	<p>The Experian sector covers a wide variety of activity, from legal services through to scientific R&D. Given the breadth of the sector it is unsurprising it is forecast to experience strong growth. The activities within the broad sector are those that have driven the shift in the UK economy towards a more service-based offer. It is likely that these will continue to grow. Activities such as architectural</p>

Experian Sector	Borough Employment in Sector	Relative Strength (LQ)	Jobs Change 2009-2012	Jobs Change 2002-2012	Projected Forecast Change 2012-2031	Sector Trends
	Source: BRES 2012	Source: BRES 2012	Source: BRES	Source: Experian	Source: Experian	
						<p>services, advertising and management consultancy will be driven by wider growth as much as drive it themselves, as has happened over the past two decades.</p> <p>As considered below, it is the R&D activities that offer significant growth potential by creating new technologies and applications. These will 'bleed' into other sectors (such as ICT) to drive their growth.</p> <p>Importantly for Maidstone the Maidstone Medical Campus jobs would fall into this category (Scientific Research and Development) and would therefore provide a key driver for future growth locally, increasing performance over the historic level and broadening the economic base.</p>
Public Administration	7,916	To Kent 2.6 To England 2.4	-12%	38%	Job -1,641 -19%	The public sector, under the coalition Government's austerity measures, is experiencing significant budget cut backs; this is having a direct impact on the

Experian Sector	Borough Employment in Sector	Relative Strength (LQ)	Jobs Change 2009-2012	Jobs Change 2002-2012	Projected Forecast Change 2012-2031	Sector Trends
	Source: BRES 2012	Source: BRES 2012	Source: BRES	Source: Experian	Source: Experian	
						<p>scale of employment within the public service sector. As the County town it is a core administrative centre with employment in organisations such as Kent and Maidstone Councils and the Kent headquarters for the police and fire services. The Borough also accommodated significant employment in the prison service, Passport office and the MOD.</p> <p>A number of these areas have experienced significant cuts, as demonstrated by a 12% fall in employment in recent years. Whilst cuts are now less severe they will continue.</p> <p>Experian forecast a fall in employment within the borough of almost a fifth. The forecast is derived from Experian's understanding of public sector contraction and the scale of employment within the borough already. At this point, with some public services experiencing modest growth in employment</p>

Experian Sector	Borough Employment in Sector	Relative Strength (LQ)	Jobs Change 2009-2012	Jobs Change 2002-2012	Projected Forecast Change 2012-2031	Sector Trends
	Source: BRES 2012	Source: BRES 2012	Source: BRES	Source: Experian	Source: Experian	
						the scale of contraction forecast by Experian appears a reasonable estimate.
Real Estate	1,282	To Kent 1.1 To England 1.0	34%	79%	Jobs 527 42%	<p>The real estate sector has grown exponentially over the past decade as the wider property sector grew. The sector has stalled during the recession, however, in London and the South East is showing signs of recovery.</p> <p>The future of the sector is intertwined with the potential of the construction sector; delivering new development will help to drive this sector.</p> <p>Identified housing need, major employment growth locations and previous commitment to development will support the sector locally.</p>
Recreation	1,310	To Kent 0.8 To England 0.8	-2%	11%	Jobs 181 10%	<p>The sector will remain consumer spending driven and therefore dependent on continued economic success. As people have experienced greater levels of disposable income, greater spending has occurred in the</p>

Experian Sector	Borough Employment in Sector	Relative Strength (LQ)	Jobs Change 2009-2012	Jobs Change 2002-2012	Projected Forecast Change 2012-2031	Sector Trends
	Source: BRES 2012	Source: BRES 2012	Source: BRES	Source: Experian	Source: Experian	
						recreation sector. Noticeably as the fiscal situation worsened employment in the sector fell. As a major leisure hub and regional centre Maidstone is well placed to attract any future growth in the sector, particularly as it draws spending from a relatively wide hinterland, with key areas of affluence.
Residential Care & Social Work	4,917	To Kent 1.0 To England 1.3	-2%	99%	Jobs 1,569 30%	Whilst recent public sector restructuring has seen contractions in employment the long term demographic trends suggest that employment will grow in this sector. The care of increasingly older population is driving new forms of sheltered and supported housing alongside traditional 'care homes' which are a major driver of development activity and employment growth.
Retail	6,979	To Kent 0.8 To England 1.0	-4%	-6.6%	Jobs 270 4%	The 'high street' retail sector has been through considerable changes in the past 5 years as a result of changing retailer requirements, increased

Experian Sector	Borough Employment in Sector	Relative Strength (LQ)	Jobs Change 2009-2012	Jobs Change 2002-2012	Projected Forecast Change 2012-2031	Sector Trends
	Source: BRES 2012	Source: BRES 2012	Source: BRES	Source: Experian	Source: Experian	
						<p>competition from online sales and significant contractions in consumer spending through the recession. These have manifested themselves in a contraction in retail employment and a loss of a number of retailers from the high street.</p> <p>However, Maidstone remains one of the largest retail centres in Kent and serves a large catchment. It has a critical mass which attracts shoppers to the town and has retained a number of the major high street chains despite the recession.</p> <p>Views of future growth need to be balanced between the potential for Maidstone as a major retail centre to continue to grow and the increasing competitive pressure both from large 'Mall' developments and online sales. Population growth and growing consumer confidence will both help to support an expansion of the retail sector locally.</p>

Experian Sector	Borough Employment in Sector	Relative Strength (LQ)	Jobs Change 2009-2012	Jobs Change 2002-2012	Projected Forecast Change 2012-2031	Sector Trends
	Source: BRES 2012	Source: BRES 2012	Source: BRES	Source: Experian	Source: Experian	
Manufacture of Transport Equipment	248	To Kent 0.8 To England 0.4	18%	-72%	Jobs 29 21%	<p>The sector is expected to grow as result of a number of factors including: new technologies, changing vehicle requirements, sustainable fuels and increasing costs.</p> <p>Commercial vehicles are increasingly specialised, generating a demand for greater ancillary products and adaptation business. As technology evolves this is likely to continue to be a 'niche' growth industry.</p> <p>The presence of major businesses in this sector will drive future growth in the sector locally rather than major new inward investment.</p>
Construction This covers three sectors within the Experian Forecast: Civil Engineering, Specialised & Construction of	4,370	To Kent 1.0 To England 1.4	-27%	1%	Jobs 923 14%	<p>The prospects of the construction industry are notoriously difficult to forecast given they are reliant on a wide range of external factors including government spending, planning regimes, access to finance etc.</p> <p>The sector has been through a</p>

Experian Sector	Borough Employment in Sector	Relative Strength (LQ)	Jobs Change 2009-2012	Jobs Change 2002-2012	Projected Forecast Change 2012-2031	Sector Trends
	Source: BRES 2012	Source: BRES 2012	Source: BRES	Source: Experian	Source: Experian	
Buildings						<p>huge contraction through what has been, to a large degree, a property led recession. Limited access to finance, stalling values, and increasing material costs all stalled construction activity.</p> <p>In the South East at least there are signs of recovery with recent GDP and employment figures showing that activity is increasing whilst Nationwide (amongst others) are reporting strong house price rises.</p> <p>Commercial values have been relatively stagnant outside of London, restricting confidence and development investment.</p> <p>For Maidstone, there continues to be strong demand for development, led principally by the private sector. Delivering residential development will drive the sector, with key opportunities (particularly in more specialised trades) within major commercial opportunities. Caution should be exercised</p>

Experian Sector	Borough Employment in Sector	Relative Strength (LQ)	Jobs Change 2009-2012	Jobs Change 2002-2012	Projected Forecast Change 2012-2031	Sector Trends
	Source: BRES 2012	Source: BRES 2012	Source: BRES	Source: Experian	Source: Experian	
						over the employment numbers in this sector. Whilst jobs may be created here the nature of the industry suggests a large proportion may not be permanent, and taken by workers moving to the area for a short period. However, this is likely to be minimised by the long term housing development requirements locally.

Sector Performance – New Opportunities

- 4.11 The UK is at the forefront of the development and adoption of new technologies across a number of sectors and fields. These technologies are being identified and developed by a range of means, including businesses seeking more efficient and resilient means of production, new discoveries in academic research and the conjoining of previously unrelated research fields and technical advances.
- 4.12 The UK is a particular hub of activity in the development of new health and life science techniques and approaches, high performance engineering and material design, genetics and green technologies. By utilising existing business strengths, education and research specialisms and a history of innovative adaption (and adoption) of technologies new business opportunities are being realised.
- 4.13 As recognised by the Policy Exchange many of the core technologies and innovative processes are at an early stage of development, with cutting edge research identifying exciting opportunities where the full commercial potential is yet to be realised. Whilst there are a range of applications currently under-development most are at a re-commercialisation stage, making understanding the likely economic impacts and effects difficult to predict.
- 4.14 UK Government (principally through the Technology Strategy Board) recognises the opportunity but also the challenge of these emerging technologies and is seeking to 'accelerate' the commercialisation process. In full or part it has begun to fund research programmes, shared facilities and mentoring/business coaching to enable 'spin outs' to reach beyond the laboratory and establish commercially viable businesses.
- 4.15 Given the stage of development and mix of funding sectors developing and beginning to utilise these technologies tend to have highly focussed geographic distribution, largely activity allied to core research capabilities of the UK's major academic research institutions. This has led to 'hotspots' of activity at Cambridge (life sciences and in particular biomedical), London (human health, digital technologies – and excitingly the cross over between the two), Norwich (food and agriculture) and Oxford (high performance engineering and aerospace).
- 4.16 However, it is unlikely that all activity will remain fixed over the long term as these practices are adopted into 'mainstream' production and service provision. The future dispersal of

activity will, in part, focus on areas with market opportunity. This will be in areas where a cluster of 'early adopter' companies are located (enabling technologies to be trialed and 'scaled' in the real world). Activity will also most likely focus on areas where specialists can co-locate with similar businesses (creating effective networks) and can therefore access both vertical and horizontal supply and market chains.

- 4.17 Given the early stage of the technologies and therefore unclear understanding of their application it is difficult to pinpoint exact markets and therefore the factors that will drive location decisions. However, given the above and the potential for certain factors to support commercially viable and attractive activity it is possible to identify the key factors within Maidstone that could drive opportunity and or potentially limit it.
- 4.18 Generally across all technologies it has to be recognised that the lack of major research orientated Higher Education provision within the Borough is a critical limiter on future opportunities in the short to medium term. Increasingly cutting edge technology users seek to locate close to strong research hubs, both to benefit from facilities and the labour pools they create. This over-riding factor has, for example, driven AstraZeneca to relocate its UK operations from Cheshire and Paddington to Cambridge, to collocate with Addenbrookes Hospital, Cambridge University and the MRC funded labs at Cambridge BioMedical Campus.
- 4.19 Life sciences in particular seek locations where there is a combination of Academic resources, Business innovation and Clinical opportunity, allowing products to be developed, tested and commercialised through a networked and iterative process. Whilst the KIMS/MMC cannot offer the high level academic capacity (although it is seeking to establish links to key institutions) it is likely to provide opportunities for both clinical and business activity to co-exist and work closely together.

Table 13- Analysis of New Technology Potential

Technology	Opportunities	Challenges
Synthetic Biology & Regenerative Medicine	<p>Growing medical sector specialism through KIMS and MMC</p> <ul style="list-style-type: none"> Support innovative clinical approaches 	<p>Focus of activity is within 'traditional' education cluster of London (UCL/Imperial) and Cambridge</p>

Technology	Opportunities	Challenges
	<ul style="list-style-type: none"> • Linked space for research • Developing HE links <p>Location can 'link' Kent Science Park, Discovery Park and London that are focussing on 'life sciences' more broadly</p>	<p>Lack of Higher Education research in Maidstone/Kent</p> <p>Specialist 'science parks' with world class facilities in Kent are competing with Maidstone for these activities and are arguably better placed in terms of existing workspace and activity, these include:</p> <ul style="list-style-type: none"> • Discovery Park, Sandwich • Kent Science Park, Sittingbourne <p>Increasingly linked to ICT skills and innovation, which has weaker representation locally</p>
Agricultural Technology	<p>Significant land-based sector in Borough and 'hinterland'</p> <ul style="list-style-type: none"> • Adoption & deployment of new techniques • Test locations <p>Further afield Thanet Earth is one of the UK's leading food producers – potential to link in technology.</p> <p>Hadlow College and East Malling Research in neighbouring Borough are centres for land based sector.</p> <p>Private sector driven activity at</p>	<p>Focus of activity around former public sector funded institutes, in particular Norwich.</p> <p>Planned investment in other locations by Hadlow College may divert investment to other locations</p> <ul style="list-style-type: none"> • Betteshanger Sustainable Park • Imperial College, Wye <p>Locations closer to key drivers seeking to promote growth and development</p>

Technology	Opportunities	Challenges
	Kent Science Park could drive 'spin outs'.	opportunities.
Advanced Materials	<p>Wide likely market, particularly in high performance engineering, therefore likely to be adopted by existing engineering/manufacturing activities.</p> <p>Companies such as ADL and Sacrab may be key users of advanced material technology in the future, evolving their product range to maximise the cost, resilience and strength benefits.</p> <p>More widely the KIMS/MMC provides another key market in this sector, with the medical and surgical applications of new materials likely to be core to their development.</p>	<p>Traditionally driven by high performance applications such as motorsport and aerospace, which has little representation in Kent. Focus on Northamptonshire, M4 corridor and Surrey. Likely to increase the HPE cluster around Silverstone through new education facilities and targeted workspace.</p>
Energy Storage	<p>Required by all high energy using activities, potential for key industrial activities to create a ready market.</p> <p>Kent becoming a leader in 'green' energy generation (wind, biomass etc).</p> <p>Clear links to land-based and distribution sector.</p>	<p>Reliant on strong research capability – particularly in computing – for technology development.</p> <p>Small number of core sectors driving development – weak representation in Borough at present.</p>

Conclusions

4.20 The distribution of new technologies and sectors is notoriously difficult to forecast with decisions driven by a range of factors that are often not clearly aligned to wider property dynamics. However, our experience suggests that there are a small number of key factors influencing future location decisions, these are:

- Proximity to research institutions and business activity;
- Scale of market;
- Presence of 'early adopters';
- Skill base;
- Presence of a 'cluster' of similar businesses; and
- Supportive planning and land positions.

4.21 It is arguable the scale at which Maidstone is able to meet these criteria. Clearly there are significant limitations relating to the presence of research activity and major business activities that are likely to be early adopters.

4.22 However, in the wider market area there are considerable opportunities, with strong sector presence and research capability provided by East Malling Research, Kent Science Park and Discovery Park. Allied to the emerging health cluster at Junction 7 there is a realistic opportunity to 'capture' activity across the medical and land based technologies identified above.

4.23 Furthermore the presence of leading 'manufacturing' activity and a relatively significant agricultural sector will also offer opportunities for the adoption of new technologies 'at scale'. The willingness and ability of existing businesses to engage in new processes and utilise new technologies will be a major factor in drawing additional activity to the Borough.

4.24 Maidstone is likely to face stiff competition for these activities from locations in Kent and the wider South East/London Fringe. However, its skilled labour pool, strategic connections and diverse business base do provide some key hooks upon which to develop an economic offer.

- 4.25 Each market considered is, at best, in its infancy, and therefore it is difficult to isolate specific opportunities outside of a wider growth in key sectors, particularly given these technologies are seen as being transferable and at the heart of a range of broader sector growth opportunities rather than 'sectors' in their own right. Therefore, whilst they can drive growth locally, this will be 'wrapped' within wider sector performance. In forecasting terms we would seek to 'boost' the relevant broad sectors to reflect the opportunity for Maidstone to grow beyond what past rates and performance would suggest.
- 4.26 Based on our current understanding of these emerging technologies and their potential applications the most realistic opportunity for Maidstone would appear to lie within new medical technologies, advanced materials and agriculture technology.
- 4.27 It is likely that much of the activity within these sectors will be 'absorbed' within existing business activities as they adopt new technology, therefore actual resultant jobs growth may be limited. However, early adopters will certainly be more likely to grow faster and new companies can be drawn to the Borough to work closely with existing businesses, the wider networks and institutions and (most notably) the KIMS and MMC.
- 4.28 These new technologies will combine with the existing sectoral strengths of the Borough to provide a multi-sector basis of employment growth. Industry trends indicate that existing key sectors such as professional services, 'leisure activities' (such as retail, recreation and accommodation/food services) and insurance/pension services will all grow as the economy recovers. Existing businesses and historic performance suggest there is a locational strength for the Borough in these activities which can form a foundation for future growth.
- 4.29 We believe that it is therefore reasonable to anticipate that employment growth will (in certain sectors) grow beyond what 'business as usual' or historic trends would suggest. Both historic sector performance and the potential to attract activity within some of the 'emerging sectors' provide an opportunity to drive economic growth beyond that presented within the Base Forecast.
- 4.30 In the following section we test potential alternative levels of growth within these key sectors.

5. Forecasting Future Growth

- 5.1 The purpose of this section is to set out the sensitivity tests of the Base Forecast presented in Section 3. They draw directly on the sector analysis presented in Section 4 and seek to model 'reasonable alternative' growth scenarios for each sector to the Base Forecast.
- 5.2 In addition to the sector analysis sensitivities have also been developed that identify the potential economic impact of proposed development within the Borough that, potentially, offers a new catalyst to grow activity within the knowledge sector.
- 5.3 The purpose of the forecasts is to provide a new detailed baseline for policy development which will be integrated into the SHMA to form a base employment forecast for Proj 4.

Sensitivity Test - Regional Comparisons

- 5.4 This Sensitivity Test provides an assessment of the potential to achieve greater rates of employment growth within the identified 'key sectors', modelling the impact of increased growth rates in these sectors over and above that within the Base Forecast.
- 5.5 Our analysis in Section 4 identified a series of sectors that have a specific strength in Maidstone Borough and have the opportunity to grow beyond the base forecast rate because of this. It should be noted here again that the wider Base Forecast is considered, based on the preponderance of evidence, to provide a reasonable assessment of future sector prospects, which includes some growth in other sectors (outside of the Key Sectors) alongside considerable contraction in others.
- 5.6 To provide a robust and evidenced assessment of the scale and outputs of enhanced growth within the 'key sectors' we have reviewed the forecast growth rates within each of the 'benchmark' locations identified in Section 2. This enables an understanding how sector performance differs in a range of economic geographies and what could be achieved within Maidstone Borough.
- 5.7 It is worth reiterating that the benchmarks have been identified given they demonstrate similar socio-economic, demographic and geographic characteristics. As such they do not accommodate significantly different factors that would drive growth in a particular sector in a form that Maidstone could not achieve. However, it should be recognised that there are no 'perfect' comparisons and some local factors will be a greater

influence in some locations than macro-economic trends for some sectors. To provide a wider context we have also considered the forecast growth rate for the South East.

- 5.8 Whilst the South East rates useful in providing a comparator we believe that they would overestimate the economic opportunity within the Borough across all key sectors. They fail to recognise some of the contextual constraints for some sectors and the presence of major drivers in other parts of the South East which aren't present locally.
- 5.9 It is for this reason that basing a scenario on the benchmarks is more appropriate as these have similar economic contexts and drivers, and are not heavily 'skewed' by infrastructure, economic or other factors that exist in more economically successful parts of the South East (such as the M4 corridor).
- 5.10 Forecast growth rates are drawn from Experian Business Strategies September 2013 RPS release to ensure consistency and comparability. They cover the period 2011-2031.

Table 14- Comparison of Benchmark Key Sector Growth Rates (overleaf)

	Maidstone	Ashford	Tonbridge & Malling	Tunbridge Wells	Horsham	Lewes	Braintree	Chelmsford	South East	Median
Accommodation & Food Services	14%	23%	4%	25%	17%	7%	17%	19%	25%	17%
Administrative & Supportive Services	24%	21%	23%	16%	20%	9%	28%	29%	36%	23%
Civil Engineering	-4%	1%	1%	4%	3%	-1%	7%	8%	6%	3%
Computing & Information Services	44%	53%	52%	38%	32%	28%	45%	46%	38%	44%
Construction of Buildings	11%	15%	7%	10%	14%	13%	16%	13%	14%	13%
Finance	26%	15%	38%	27%	11%	24%	39%	39%	25%	26%
Health	16%	22%	23%	20%	23%	20%	18%	19%	18%	20%
Insurance & Pensions	18%	10%	49%	13%	-2%	0%	-17%	-15%	27%	10%
Land Transport, Storage & Post	17%	59%	20%	-1%	10%	9%	29%	24%	29%	20%
Media Activities	2%	23%	-4%	1%	14%	13%	47%	37%	29%	14%

	Maidstone	Ashford	Tonbridge & Malling	Tunbridge Wells	Horsham	Lewes	Braintree	Chelmsford	South East	Median
Professional Services	27%	37%	28%	32%	32%	20%	35%	32%	52%	32%
Public Administration & Defence	-21%	-21%	-22%	-32%	-17%	-27%	-28%	-23%	-26%	-23%
Real Estate	55%	49%	40%	55%	52%	76%	46%	43%	45%	49%
Recreation	10%	14%	14%	12%	15%	14%	7%	4%	13%	13%
Residential Care & Social Work	29%	45%	26%	21%	30%	21%	26%	31%	18%	26%
Retail	4%	16%	13%	14%	11%	14%	22%	12%	12%	13%
Specialised Construction Activities	7%	13%	7%	12%	10%	13%	14%	15%	8%	12%
Transport Equipment (manufacture of)	16%	3%	11%	-2%	12%	2%	-7%	-5%	2%	2%

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- 5.11 As shown in the table above Maidstone's relative performance across all sectors compared to the Benchmarks is mixed, in some of the 'key sectors' Maidstone is forecast to outperform other areas whilst in others it is forecast to lag behind. However, the performance is not consistent for each sector against each benchmark; with (for example) Maidstone outperforming Horsham and Lewes in the Land Transport, Storage and Post sector, but growth in this sector significantly lower than that forecast in Ashford and Braintree.
- 5.12 To provide a growth forecast that takes into account the range of performance across the benchmarks we have calculated the Median level of growth. Against this Median the major existing local strengths become evident, with the Base Forecast showing stronger performance for the Borough than the benchmark. However, for sectors where there is further potential above what 'business as usual' would suggest we see that Median growth rates are higher.
- 5.13 Where the Median is greater than the Base Forecast growth rate for Maidstone we have applied it to the 2011 base position to 'reprofile' employment growth to a higher rate. The table below shows the sector by sector adjustments made under Sensitivity 1 compared to the Base Forecast for the Key Sectors. It should be noted that for all other sectors the base forecast growth rates have been applied.

Table 15- Comparison of Sensitivity 1 Key Sector Rates to Base Forecast (overleaf)

		Annual Growth Rate																			
		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Accommodation & Food	Base	3.5%	-3.8%	1.5%	1.7%	1.5%	1.2%	1.1%	0.9%	0.7%	0.6%	0.6%	0.6%	0.5%	0.5%	0.4%	0.4%	0.4%	0.4%	0.4%	
	Sensitivity 1	2.7%	-3.4%	1.6%	1.3%	1.2%	1.0%	1.0%	1.0%	0.9%	0.9%	1.0%	0.9%	0.9%	0.8%	0.8%	0.7%	0.7%	0.7%	0.7%	0.6%
Administrative & Support	Base	5.4%	-3.4%	1.9%	2.2%	2.0%	1.7%	1.5%	1.3%	1.1%	0.9%	0.8%	0.8%	0.8%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	
	Sensitivity 1	As Base Forecast																			
Civil Engineering	Base	-12.9%	0.2%	0.7%	1.6%	1.7%	1.2%	1.1%	1.2%	1.1%	0.7%	0.4%	0.2%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	-0.1%	-0.1%
	Sensitivity 1	-10.9%	0.1%	2.7%	2.6%	2.0%	1.1%	0.7%	0.7%	0.6%	0.5%	0.5%	0.5%	0.4%	0.4%	0.4%	0.3%	0.3%	0.3%	0.3%	0.2%
Computing & IT Services	Base	12.9%	7.2%	3.0%	3.0%	2.7%	1.9%	1.3%	0.9%	0.6%	0.4%	0.4%	0.4%	0.4%	0.4%	0.3%	0.4%	0.4%	0.4%	0.3%	
	Sensitivity 1	As Base Forecast																			
Construction of Buildings	Base	-4.9%	-0.6%	1.5%	2.2%	2.4%	2.2%	2.0%	1.8%	1.2%	0.6%	0.5%	0.4%	0.3%	0.3%	0.2%	0.2%	0.2%	0.1%	0.1%	0.1%
	Sensitivity 1	-9.1%	3.8%	0.8%	2.0%	2.3%	2.2%	2.1%	2.0%	1.4%	0.7%	0.6%	0.6%	0.5%	0.5%	0.4%	0.4%	0.4%	0.4%	0.3%	0.3%
Finance	Base	5.5%	5.9%	2.3%	2.1%	1.4%	1.1%	1.0%	0.8%	0.7%	0.5%	0.4%	0.4%	0.4%	0.3%	0.2%	0.2%	0.2%	0.1%	0.1%	0.1%
	Sensitivity 1	As Base Forecast																			
Health	Base	-2.5%	0.3%	-0.6%	0.2%	0.9%	1.2%	1.5%	1.5%	1.4%	1.2%	1.1%	1.1%	1.0%	1.0%	0.9%	0.9%	0.9%	0.9%	0.8%	0.8%
	Sensitivity 1	-0.4%	1.7%	0.4%	0.8%	1.1%	1.2%	1.4%	1.4%	1.3%	1.1%	1.0%	0.9%	0.9%	0.9%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%
Insurance & Pensions	Base	0.1%	-4.6%	1.2%	5.2%	5.3%	4.2%	2.9%	1.6%	0.7%	0.2%	-0.1%	-0.1%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	-0.1%
	Sensitivity 1	As Base Forecast																			
Land Transport, Storage & Post	Base	4.1%	-3.6%	0.9%	1.5%	1.5%	1.5%	1.5%	1.3%	1.1%	0.8%	0.7%	0.6%	0.6%	0.6%	0.5%	0.5%	0.5%	0.5%	0.5%	0.4%
	Sensitivity 1	6.0%	-2.9%	1.0%	1.2%	1.1%	1.1%	1.2%	1.1%	1.0%	0.9%	0.8%	0.8%	0.8%	0.8%	0.7%	0.7%	0.6%	0.6%	0.6%	0.6%
Media Activities	Base	-11.4%	-9.4%	1.7%	2.2%	2.1%	2.0%	1.9%	1.9%	1.5%	1.2%	1.1%	1.0%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	1.0%	1.0%
	Sensitivity 1	-7.2%	-7.9%	2.4%	2.4%	2.1%	2.0%	2.0%	2.0%	1.8%	1.5%	1.4%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%
Professional Services	Base	8.5%	-6.4%	1.1%	1.5%	1.4%	1.6%	1.8%	1.7%	1.5%	1.3%	1.2%	1.2%	1.1%	1.1%	1.1%	1.0%	1.0%	1.0%	1.0%	
	Sensitivity 1	2.5%	6.6%	2.0%	2.0%	1.5%	1.3%	1.2%	1.2%	1.1%	0.9%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.7%
Public Administration	Base	-2.1%	-1.2%	-7.1%	-8.3%	-6.2%	-5.1%	-2.6%	0.4%	0.9%	0.8%	0.8%	0.9%	0.9%	0.9%	0.8%	0.8%	0.8%	0.7%	0.7%	0.7%
	Sensitivity 1	As Base Forecast																			
Real Estate	Base	9.5%	11.7%	2.3%	2.2%	2.2%	1.7%	1.5%	1.4%	1.3%	1.2%	1.1%	1.1%	1.1%	1.1%	1.1%	1.0%	1.0%	1.0%	1.0%	0.9%
	Sensitivity 1	As Base Forecast																			
Recreation	Base	0.1%	0.3%	1.4%	1.4%	1.2%	1.0%	0.9%	0.8%	0.6%	0.4%	0.2%	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
	Sensitivity 1	-0.5%	-1.7%	1.2%	1.5%	1.3%	1.1%	1.1%	1.0%	0.9%	0.7%	0.6%	0.6%	0.6%	0.6%	0.6%	0.5%	0.5%	0.5%	0.5%	0.5%
Residential Care & Social Work	Base	-0.4%	5.5%	0.9%	1.8%	1.8%	1.5%	1.3%	1.1%	1.1%	1.0%	1.0%	1.1%	1.1%	1.1%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
	Sensitivity 1	As Base Forecast																			
Retail	Base	4.0%	1.1%	0.2%	0.6%	0.4%	0.2%	0.2%	0.1%	0.0%	-0.2%	-0.3%	-0.3%	-0.2%	-0.2%	-0.3%	-0.3%	-0.3%	-0.3%	-0.3%	-0.3%
	Sensitivity 1	4.7%	1.9%	0.8%	1.1%	0.9%	0.7%	0.6%	0.4%	0.3%	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.0%
Specialised Construction	Base	-5.6%	1.3%	1.5%	1.7%	1.6%	1.3%	1.1%	1.0%	0.7%	0.5%	0.4%	0.3%	0.3%	0.2%	0.2%	0.2%	0.1%	0.1%	0.1%	0.1%
	Sensitivity 1	-7.2%	1.0%	1.8%	2.2%	2.1%	1.7%	1.5%	1.4%	1.1%	0.8%	0.7%	0.6%	0.6%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
Transport Equipment (manufacture of)	Base	-3.9%	-2.2%	1.0%	3.2%	4.0%	3.8%	3.4%	2.7%	1.8%	0.9%	0.3%	0.1%	0.0%	0.0%	0.1%	0.1%	-0.1%	0.1%	0.1%	0.0%
	Sensitivity 1	As Base Forecast																			

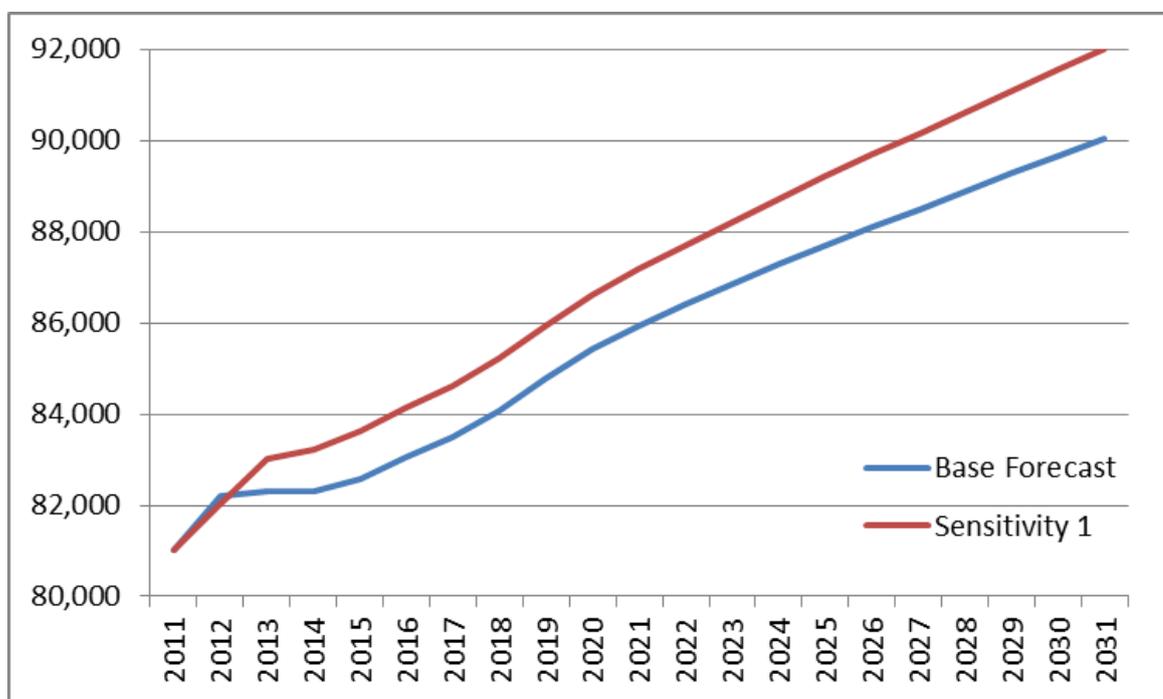
5.14 Based on the analysis within this section we believe there is future potential for additional growth with the following sectors, beyond the Base Forecast:

- Accommodation and food;
- Construction – (for forecasting purposes the sub-sectors of Civil Engineering, Specialised Construction and Construction of Buildings are dealt with individually);
- Health;
- Land Transport, Storage & Post;
- Media Activities;
- Professional Services;
- Recreation; and
- Retail.

5.15 Other Key Sectors will grow (or contract) in line with the Base Forecast.

5.16 The impact of applying these sector adjustments is shown in the figure below, and compared to the base forecast. The full forecast results are included within Appendix 1.

Figure 6 - Sensitivity 1 Total Employment Growth Output



5.17 As shown above the adjustment to growth rates in the 'key sectors' increases employment growth over the period to 2031, with employment within the Borough growing by 10,989 jobs, an increase of 1,956 jobs over the Base Forecast. Employment change by sector is set out below and compared to the Base Forecast rate.

Table 16- Sensitivity 1 Employment Growth Outputs

	Change 2011- 2031	Sensitivity 1 % Change 2011-2031	Base forecast % Change
Accommodation & Food Services	876	17%	14%
Administrative & Supportive Services	1,636	24%	24%
Agriculture, Forestry & Fishing	2	1%	1%
Air & Water Transport	1	16%	16%
Chemicals (manufacture of)	-28	-87%	-87%
Civil Engineering	31	3%	-4%
Computer & Electronic Products (manufacture of)	-70	-44%	-44%
Computing & Information Services	593	44%	44%
Construction of Buildings	204	13%	11%
Education	1,568	25%	25%
Extraction & Mining	2	6%	6%
Finance	488	26%	26%
Food, Drink & Tobacco (manufacture of)	38	10%	10%
Fuel Refining	0	-46%	-46%
Health	1,461	20%	16%
Insurance & Pensions	11	18%	18%
Land Transport, Storage & Post	679	20%	17%
Machinery & Equipment (manufacture of)	-62	-33%	-33%
Media Activities	81	14%	2%
Metal Products (manufacture of)	-107	-25%	-25%
Non-Metallic Products (manufacture of)	-176	-16%	-16%
Other Private Services	235	13%	13%
Pharmaceuticals (manufacture of)	-65	-100%	-100%
Printing and Recorded Media (manufacture of)	-81	-21%	-21%
Professional Services	1,600	32%	27%
Public Administration & Defence	-1,825	-21%	-21%
Real Estate	635	55%	55%
Recreation	239	13%	10%
Residential Care & Social Work	1,546	29%	29%

	Change 2011- 2031	Sensitivity 1 % Change 2011-2031	Base forecast % Change
Retail	970	13%	4%
Specialised Construction Activities	537	12%	7%
Telecoms	-11	-5%	-5%
Textiles & Clothing (manufacture of)	-56	-90%	-90%
Transport Equipment (manufacture of)	29	16%	16%
Utilities	6	1%	1%
Wholesale	332	7%	7%
Wood & Paper (manufacture of)	-192	-49%	-49%
Other Manufacturing	-136	-24%	-24%
Total	10,989	14%	10%

Source: *Experian Business Strategies, 2013*

Sensitivity 2 - The Impact of Proposed Development

- 5.18 This sensitivity considers specifically the potential impacts of proposed development in the Borough. It provides an investigation of the direct and indirect impacts of both the Kent Institute of Medicine and Surgery (KIMS) and the co-location Maidstone Medical Campus (MMC) close to the M20 Junction 7 and the Newnham Court Shopping Village. The current planning applications for the sites estimate a total of 4,000 direct jobs will be provided by the two developments.
- 5.19 Understanding the potential impacts of the proposed developments is vital at this stage given the linked developments (of which the KIMS is permitted and under construction) will provide a major new employment cluster within the Borough, introducing new sector drivers for the wider economy. Our analysis of the growth rates within the Base Forecast indicate that the potential impacts of such development are not fully accounted for.
- 5.20 Given the nature of the Experian sectors, we would anticipate that direct jobs generated within these two developments would largely lie within the Health and Professional Services sectors with indirect jobs delivered in these sectors and retail/recreation. As set out in Section 3, growth in these sectors is modest within the Base Forecast when compared with our estimation of potential employment generated by the developments.

- 5.21 To understand the potential 'under-estimate' within the Base Forecast and to provide a basis for Sensitivity 2 we have prepared a high level 'Impact' calculation based on the job creation figures presented in the planning application documents for each proposal.
- 5.22 The first stage is to assess whether the 'direct jobs' creation estimate is realistic. To do this we consider the likely 'density' of employment proposed within the Planning Statement against broader 'averages' as identified within the HCA Density Guide, 2010.
- 5.23 The MMC indicative Masterplan identifies c.43,000sqm of predominantly employment generating floorspace (including R&D facilities and medical care buildings); this would represent an employment density of c.11sqm per employee. This level would be considered high given the nature of activities undertaken on the site and is more akin to a higher density town centre office development. However, it does exclude the 'University campus' and the Neuro-rehabilitation village, both of which are likely to generate some (albeit modest) employment.
- 5.24 The Planning Statement identifies the potential to develop a total of 98,000sqm of floorspace across a range of uses, with flexibility sought in how this is divided; this includes residential uses which will not generate any employment. Taking an average employment density across the whole masterplanned floorspace this would generate an average employment density of c. 26sqm per employee. This density is more closely aligned with averages for large out of town employment locations which have high R&D and non-B class employment generating components.
- 5.25 Assuming that the development were to be delivered at an average out of town office density of 18sqm per employee (which also aligns with retail employment densities) this would require 75% of the floorspace to be employment generating. Given the range of employment generating uses proposed and the varying densities that would be achieved we assess the planning statement's assumptions to be reasonable at this stage of the development process.
- 5.26 Whilst we believe the assumptions and assessment within the Planning Statement are reasonable we do recognise that, at present, there are uncertainties around the share of floorspace by scale and activity type that may be delivered. However, we believe that the full employment creation figures should be assessed to ensure sufficient flexibility within future policy to capture all potential benefits.
-

- 5.27 It is important to note that impacts will be experienced in two ways, firstly through increased 'supply chain' activity and secondly through wider expenditure in the local economy. These impacts are summarised below.
- 5.28 To calculate the 'supply chain' impacts we first consider the total jobs created, the level of 'leakage' (jobs that will be taken by people living outside of Maidstone Borough), the additional 'multiplier' (i.e. how many additional jobs will be created for each direct job) and therefore the 'indirect' jobs created, enabling a calculation of total jobs created in the Borough (Total Local Jobs).
- 5.29 The leakage rate is based on the 'out-commuting' rate for the Borough established within the 2001 Census. As established in Section 2 whilst this data is significantly dated it does represent the most detailed analysis of commuting available until Census 2011 Travel to Work data is published. As a check in section 2 we have reviewed the Annual Population Survey Commuter Flows data for 2010 and 2011, which provides a sampled based estimate of commuting. These broadly align once allowances are made for differences in the year to year samples.
- 5.30 Importantly in this instance we have assumed there are no substitution or 'deadweight' ¹effects from the development given the unique nature of the development in the local context.

Table 17- Potential Supply Chain Impacts

	Gross Jobs	Leakage	Local Jobs	Multiplier	Indirect Local Employment
Kent Institute of Medicine & Surgery	400	42%	232	1.05	12
Maidstone Medical Campus	3,800	42%	2204	1.05	110

¹ Deadweight effect in this case relate to any employment creation that would have occurred even without the delivery of the KIMS/MMC. Given the nature of activity proposed and the current employment base in Maidstone Borough we do not believe this growth would have occurred without intervention.

- 5.31 The MMC will capture a significant amount of the supply chain opportunities and therefore much of the impact is already captured within the Gross Jobs figure. We have therefore reflected this through a relatively low additionality multiplier.
- 5.32 Given the nature of the economic activity within the KIMS and MMC we expect these additional jobs to be within the Professional Services sector – which incorporates scientific R&D activity. Direct employment from the KIMS will lie within the Health Sector and the MMS within Professional Services.
- 5.33 Secondly, increased expenditure will generate additional jobs in the wider economy, this is calculated below.

Table 18- Potential Expenditure Impacts

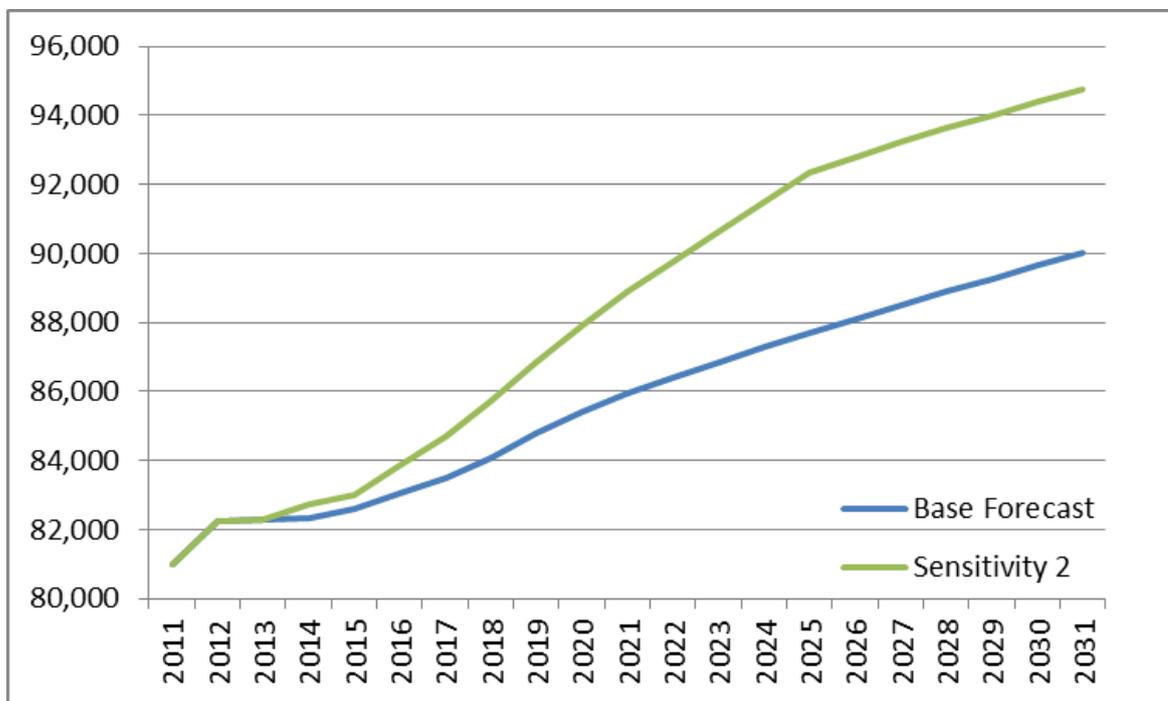
	Gross Jobs	Leakage	Local Jobs	Multiplier	Indirect Local Employment
Kent Institute of Medicine & Surgery	400	42%	232	1.15	35
Maidstone Medical Campus	3,800	42%	2204	1.15	331

- 5.34 The 'local' impact is likely to be greater than for 'supply chain' links given activity is more general. Given the impact is expenditure driven (by employees) we have distributed the employment impact between the Retail and Recreation sectors to reflect the relative employment proportions within the economy in 2012 (80:20 split).
- 5.35 The KIMS impact is attributed to the model as a 'one off' increase in 2014 (for the direct employment) and 2015 (for the indirect employment) to allow time for expenditure to 'filter' to the wider economy.
- 5.36 The MMC impact is phased over a 10 year period, starting in 2016 for the direct employment and 2017 for indirect employment, again allowing time for impacts to be felt in the wider economy. This reflects the anticipated delivery time within the planning statements, with the MMC expected to start on site following opening of the KIMS in 2014.
- 5.37 It should be noted that for all other sectors we have applied the Experian Base Forecast, this avoids 'double counting' of potential additional growth generated by the KIMS/MMC

development given the growth rates in the Base Forecast do not allow for growth driven by this identifiable source.

5.38 In total, we anticipate that the KIMS and MMC developments will have a total employment impact within Maidstone Borough of 4,687 jobs in addition to those within the Base forecast. This includes the total direct jobs created (as whilst they will not be occupied by Maidstone residents they will be located in the Borough) and the supply chain other indirect job creation calculated.

Figure 7 - Sensitivity 2 - Total Employment Growth Output



5.39 The impact of the proposed KIMS/MMC development would be an increase in total employment of 13,762 jobs from 2011 to 2031, 4,729 more jobs than the Base Forecast. The distribution of jobs growth under this scenario is set out in the table overleaf, with rates compared to the base forecast. Full forecast outputs are included in Appendix 2.

Table 19- Sensitivity 2 Employment Growth Outputs (overleaf)

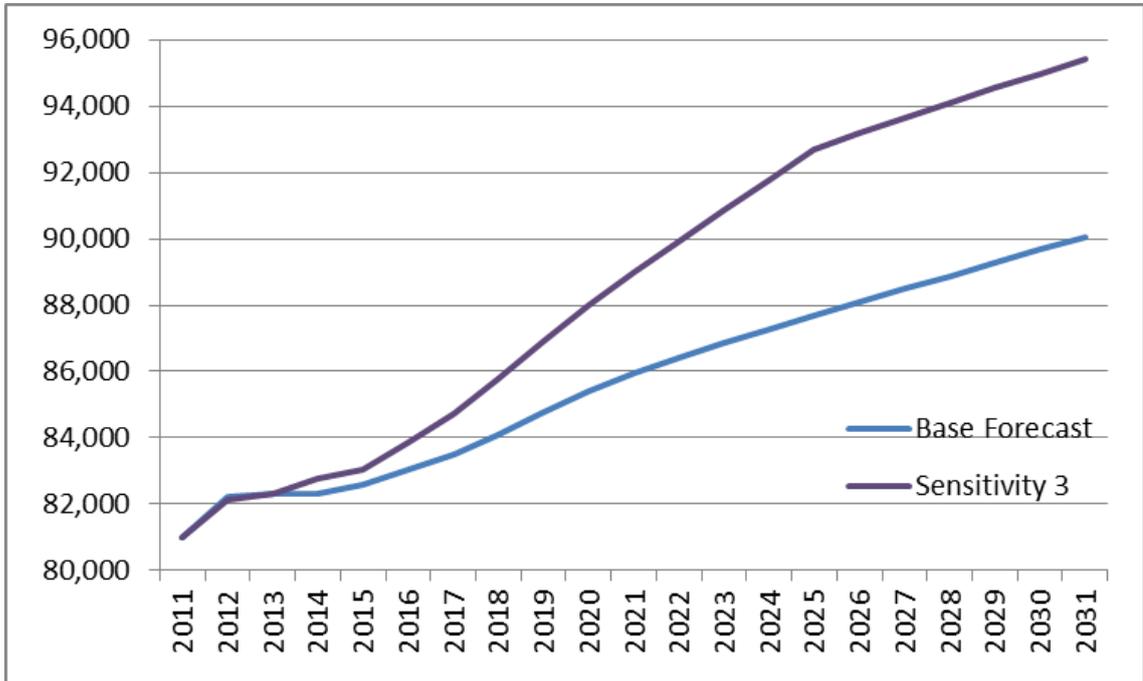
	Change 2011- 2031	Sensitivity 2 % Change 2011-2031	Base forecast % Change
Accommodation & Food Services	736	14%	14%
Administrative & Supportive Services	1,636	24%	24%
Agriculture, Forestry & Fishing	2	1%	1%
Air & Water Transport	1	16%	16%
Chemicals (manufacture of)	-28	-87%	-87%
Civil Engineering	-38	-4%	-4%
Computer & Electronic Products (manufacture of)	-70	-44%	-44%
Computing & Information Services	593	44%	44%
Construction of Buildings	180	11%	11%
Education	1,568	25%	25%
Extraction & Mining	2	6%	6%
Finance	488	26%	26%
Food, Drink & Tobacco (manufacture of)	38	10%	10%
Fuel Refining	0	-46%	-46%
Health	1,540	21%	16%
Insurance & Pensions	11	18%	18%
Land Transport, Storage & Post	568	17%	17%
Machinery & Equipment (manufacture of)	-62	-33%	-33%
Media Activities	12	2%	2%
Metal Products (manufacture of)	-107	-25%	-25%
Non-Metallic Products (manufacture of)	-176	-16%	-16%
Other Private Services	235	13%	13%
Pharmaceuticals (manufacture of)	-65	-100%	-100%
Printing and Recorded Media (manufacture of)	-81	-21%	-21%
Professional Services	5,275	106%	27%
Public Administration & Defence	-1,825	-21%	-21%
Real Estate	635	55%	55%
Recreation	259	14%	10%
Residential Care & Social Work	1,546	29%	29%
Retail	600	8%	4%
Specialised Construction Activities	319	7%	7%
Telecoms	-11	-5%	-5%
Textiles & Clothing (manufacture of)	-56	-90%	-90%
Transport Equipment (manufacture of)	29	16%	16%
Utilities	6	1%	1%

	Change 2011- 2031	Sensitivity 2 % Change 2011-2031	Base forecast % Change
Wholesale	332	7%	7%
Wood & Paper (manufacture of)	-192	-49%	-49%
Other Manufacturing	-136	-24%	-24%
Total	13,762	17%	10%

Sensitivity 3 – Combined Growth

- 5.40 To understand the full economic potential of Maidstone Borough the third sensitivity has been developed which integrates the key elements of Sensitivities 1 and 2. This draws together both the potential for growth driven by the existing sectors and emerging new technologies (Sensitivity 1) and the catalytic effect proposed development could also have (Sensitivity 2).
- 5.41 In drawing together Sensitivity 3 we have used the annual growth rates for all the 'Key Sectors' from Sensitivity 1 except for those where proposed development will have a direct or indirect impact on local employment change. This has the most significant impact on the Health and Professional Services sector.
- 5.42 Sensitivity 2 also included enhanced growth rates for both the Recreation and Retail sectors. In comparing the outputs of Sensitivity 1 and Sensitivity 2 for these sectors it is felt Sensitivity 2 is likely to provide a more reasonable assessment of growth in these sectors, given the underlying growth rates (outside of the indirect KIMS/MMC impacts). These reflect the an enhanced growth rate over the Base Forecast, but are more 'moderated' than the Median assumed under Sensitivity 1.
- 5.43 On balance this moderated growth level better reflects the opportunity for enhanced growth linked to new employment and population growth (over and above that in the Base forecast) but also the challenges Maidstone faces given its location close to Bluewater and Central London, which could limit the level of demand from some retailers.
- 5.44 The results of the combined growth rates are set out in the graph below.

Figure 8 - Sensitivity 3 - Total Employment Growth Output



5.45 Sensitivity 3 would result in an increase in total employment of 14,394 jobs from 2011 to 2031, 5,361 more jobs than the Base Forecast. The distribution of jobs growth under this scenario is set out in the table overleaf, with rates compared to the base forecast. Full forecast outputs are included in Appendix 3.

Table 20- Sensitivity 3 Employment Growth Outputs (overleaf)

	Change 2011- 2031	Sensitivity 3 % Change 2011-2031	Base forecast % Change
Accommodation & Food Services	876	17%	14%
Administrative & Supportive Services	1,636	24%	24%
Agriculture, Forestry & Fishing	2	1%	1%
Air & Water Transport	1	16%	16%
Chemicals (manufacture of)	-28	-87%	-87%
Civil Engineering	31	3%	-4%
Computer & Electronic Products (manufacture of)	-70	-44%	-44%
Computing & Information Services	593	44%	44%
Construction of Buildings	204	13%	11%
Education	1,568	25%	25%
Extraction & Mining	2	6%	6%
Finance	488	26%	26%
Food, Drink & Tobacco (manufacture of)	38	10%	10%
Fuel Refining	0	-46%	-46%
Health	1,540	21%	16%
Insurance & Pensions	11	18%	18%
Land Transport, Storage & Post	679	20%	17%
Machinery & Equipment (manufacture of)	-62	-33%	-33%
Media Activities	81	14%	2%
Metal Products (manufacture of)	-107	-25%	-25%
Non-Metallic Products (manufacture of)	-176	-16%	-16%
Other Private Services	235	13%	13%
Pharmaceuticals (manufacture of)	-65	-100%	-100%
Printing and Recorded Media (manufacture of)	-81	-21%	-21%
Professional Services	5,275	106%	27%
Public Administration & Defence	-1,825	-21%	-21%
Real Estate	635	55%	55%
Recreation	259	14%	10%
Residential Care & Social Work	1,546	29%	29%
Retail	600	8%	4%
Specialised Construction Activities	537	12%	7%
Telecoms	-11	-5%	-5%
Textiles & Clothing (manufacture of)	-56	-90%	-90%
Transport Equipment (manufacture of)	29	16%	16%
Utilities	6	1%	1%

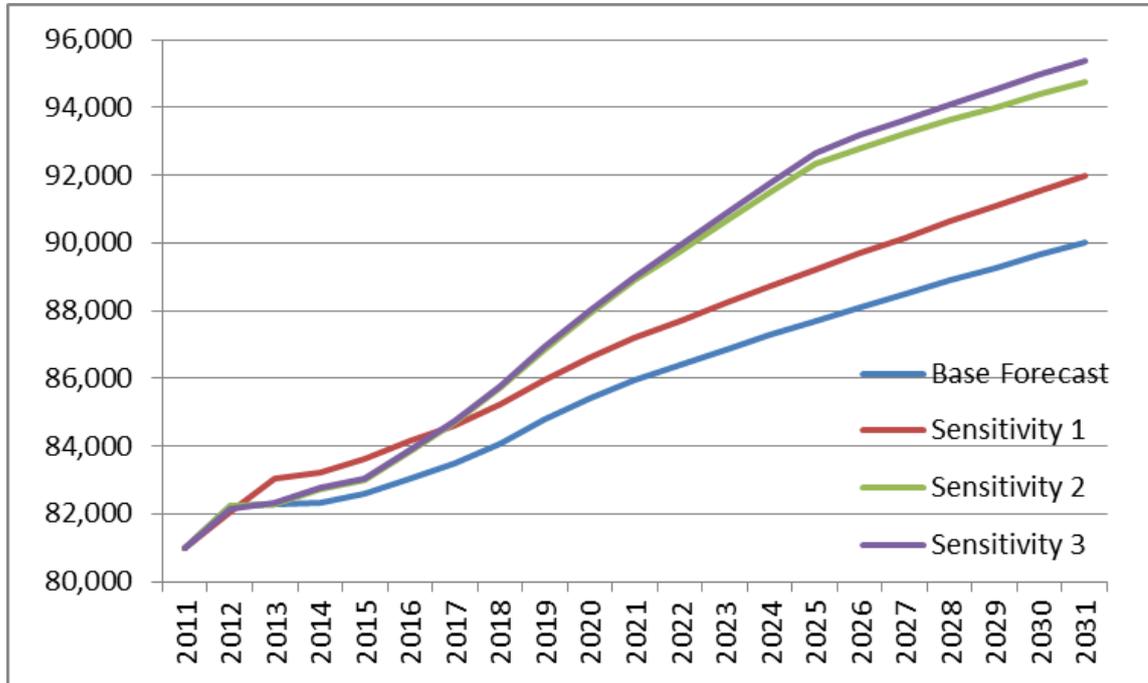
Wholesale	332	7%	7%
Wood & Paper (manufacture of)	-192	-49%	-49%
Other Manufacturing	-136	-24%	-24%
Total	14,394	18%	10%

- 5.46 It should be noted that the outputs of Sensitivity 3 do not match the sum of Sensitivity 1 plus the additional employment created by Sensitivity 2 in the Health, Professional Services, Recreation and Retail sectors specifically. In developing Sensitivity 3 the forecast for these sectors is changed from the approach in Sensitivity 1 (i.e. applying a higher growth rate based on the Median benchmark) to that used in Sensitivity 2 (i.e. applying the additional direct/indirect employment created by the KIMS/MMC development to the Base Forecast annual growth forecast).
- 5.47 The Base Forecast has a lower rate of growth forecast in the 4 relevant sectors than Scenario 1. Based on our analysis of sector growth potential we believe that of the two sensitivities tested Sensitivity 2 provides a better reflection of growth prospects within the Borough, linking growth forecasts to a key economic driver. It also avoids the 'double-counting' of growth opportunity in key sectors that may occur if the KIMS/MMC impact were applied to the enhanced growth rates of Sensitivity 1.

Scenario Comparison

- 5.48 Each of the sensitivity tests of the base forecast produce different levels of employment growth within the Borough. The outputs are shown in the graph below.

Figure 9 - Total Employment Growth Output Comparison



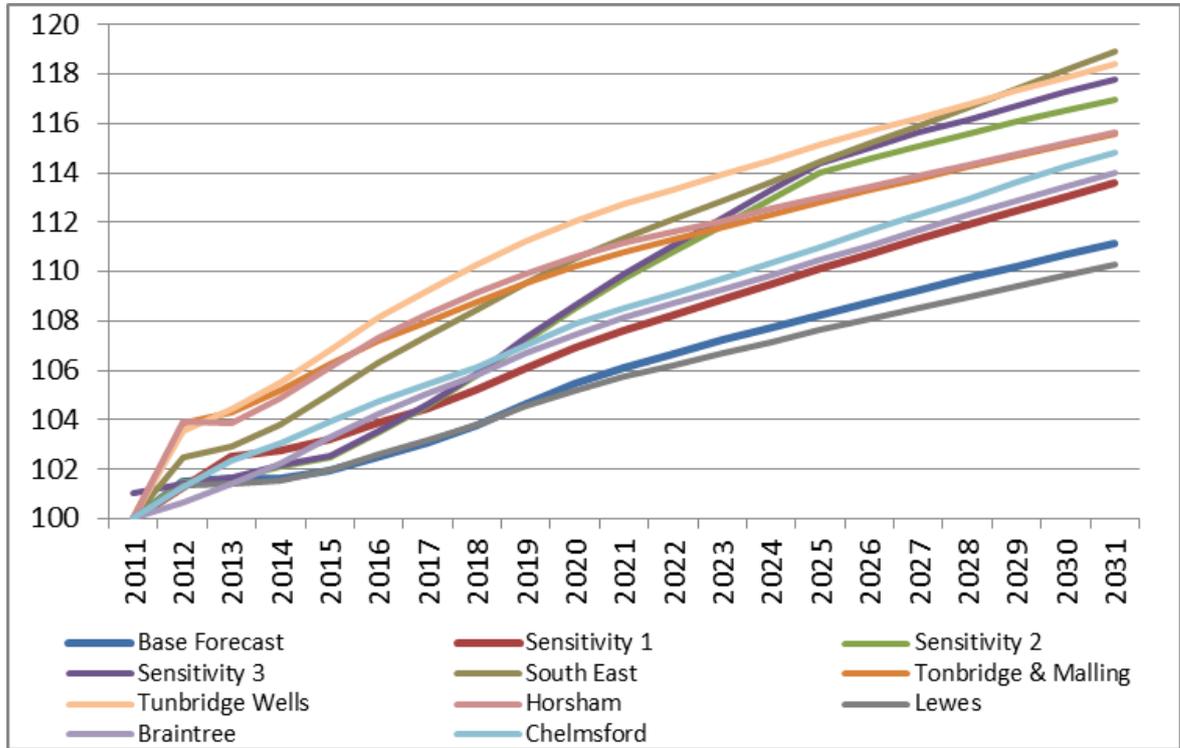
5.49 Sensitivity 3 has the most significant impact on economic growth in both absolute and proportion terms, creating a significant uplift in employment over both the Base Forecast and Sensitivity 1, as shown overleaf.

Table 21- Total Employment Growth by Size and Percentage

Scenario	Total Jobs	Percentage Change
Base Forecast	9,033	10%
Sensitivity 1	10,989	14%
Sensitivity 2	13,762	17%
Sensitivity 3	14,394	18%

5.50 By comparing the forecasts for each benchmark area and the various sensitivities for Maidstone Borough we can see how each may affect the comparative position of the Borough. As shown below the Base Forecast demonstrates a low rate of growth across the plan period within Maidstone, with proportional growth lower than all of the comparators except Lewes.

Figure 10 - Comparison of Scale of Growth (to Base Year)



5.51 However, under Sensitivity 1 growth within Maidstone correlates much more closely with the benchmarks. Whilst over the plan period the scale of growth is one of the lowest and the Borough’s relative position remains unchanged the difference in performance is reduced.

5.52 Under Sensitivity 2 and Sensitivity 3 the Borough’s comparative performance can be seen to increase significantly, moving the scale of growth from well below most benchmarks to well above. Indeed at 18% growth over the period it is the third highest lagging behind only the South East and Tunbridge Wells.

5.53 Realistically this level of growth can only be achieved by the delivery of the KIMS/MMC proposals in a manner that includes either a high proportion of employment generating space or B class floorspace that achieves high employment densities.

5.54 At present the proposals for the MMC have been granted an outline permission, as such the Borough should plan for the full aspirations of the development to be delivered as a ‘maximum’ growth scenario for Maidstone Borough. Without taking account of the

maximum scenario it may be that future supply of employment land choice could restrict the full impact of the opportunity being realised within Maidstone Borough.

- 5.55 The wider growth forecast within Maidstone Borough will require the appropriate quantum and nature of floorspace to be provided at the appropriate time, as such careful consideration of existing and future employment land supply is required. Realigning the office stock in particular will be required to accommodate and attract new economic activity.

Conclusion

- 5.56 Overall it is our opinion, based on the detailed sectoral and wider economic analysis undertaken, that the Experian 'base forecast' provides a reasonable and robust assessment of the economic potential of the Borough over the period to 2031 across a number of economic sectors.

- 5.57 However, it is clear from our review of the strengths and opportunities of the Borough's economy that there is the potential for employment to grow at a more significant scale in 'key sectors' which already have a strong concentration, have demonstrated strong recent performance, or there are specific interventions that could introduce new economic drivers to the Borough. these sectors are:

- Accommodation & Food
- Administrative & Support
- Civil Engineering
- Computing & IT Services
- Construction of Buildings
- Finance
- Health
- Insurance & Pensions
- Land Transport, Storage & Post
- Media Activities
- Professional Services

-
- Real Estate
 - Recreation
 - Residential Care & Social Work
 - Retail
 - Specialised Construction
 - Transport Equipment (manufacture of)

5.58 The opportunity for a major employment generating hub at Junction 7 of the M20 can provide a catalyst for employment growth across a number of sectors and should not be underestimated.

5.59 That being said, it has to be recognised that the realisation of some of this potential will be offset by the weaknesses of the Borough. In particular the high concentration of public sector employment will provide a particular drag on economic growth locally given ongoing cuts to public sector budgets. The Base Forecast identifies this as a challenge for Maidstone, forecasting a 21% reduction in employment in the Public Administration and Defence sector.

5.60 Furthermore the commercial property market has historically been weak and the ability to deliver new stock to accommodate forecast growth (and replace outmoded existing stock) will be tempered at least in the short term by the willingness of the private sector to deliver schemes which are, at best, of marginal viability.

5.61 On balance, whilst we recognise there are risks to the realisation of the economic potential for the Borough, it is appropriate to plan for growth in line with Scenario 3 so that the Borough can plan effectively for the maximum level of growth and not, therefore, restrict this economic potential.

5.62 It is likely that the delivery of the KIMS/MMC would provide the only realistic catalyst to achieve greater levels of economic performance within the Borough and change its relative position to the benchmark locations. As identified, the proposed development of the main employment floorspace within the MMC is tied to the ability to co-locate it with KIMS. As such there is a significant chance that the potential employment growth will either be delivered on a new site at Junction 7 or lost to the Borough altogether.

- 5.63 Given that the KIMS/MMC employment is intrinsically tied to a specific site we should recognise the need to plan for the full site-specific employment potential and also the more 'footloose' indirect benefits that can be attracted to the Borough.
- 5.64 By following the scale of growth in Sensitivity 3 we also provide sufficient allowance for a broader base of economic growth, which is more closely tied to the existing economic context, both in terms of growth drivers and constraints on potential. This ensures that the Borough is not wholly reliant on the full achievement of the jobs forecast at the KIMS/MMC site.
- 5.65 To place the forecast level of growth in context Experian data shows that employment in the ten year period from 2001-2011 grew by almost 4,391 jobs. The scale of growth in Sensitivity 3 reflects an 'ambitious' target, requiring a scale of growth that is greater than past performance. Growth based on this trend alone would deliver 'additional' employment of 8,782 jobs over a 20 year period; as such Sensitivity 3 requires almost a two-thirds increase in employment growth above historic trend.
- 5.66 Given the weaknesses of the commercial market and the contraction in some sectors (which is factored into the forecasting model) achieving this growth will be challenging, however the opportunities presented by proposed developments, existing businesses and strategic economic growth in emerging technologies and sectors should combine with public sector interventions to achieve this over the plan period.

6. Translating the Employment Forecast

- 6.1 In order to consider the implications for future planning policy of the revised economic sensitivity and growth scenario for the Borough it is important to translate the employment growth forecast into an estimate of employment floorspace.

The Employment Land Model

- 6.2 The revised economic scenario provides a new and updated employment growth forecast for the Borough. This in turn has potential implications for the delivery of and need for new employment floorspace and land over the period to 2031. To understand the floorspace requirement resulting from the new scenario we have translated this into B class employment floorspace using assumptions of employment density consistent with those used in previous employment land related work in the Borough.
- 6.3 The approach taken is based on our established employment land method which accords with DCLG (formerly ODPM) guidance and has been found sound at examination in public. The translation from employment growth to floorspace requirements provides a robust approach to establishing the objectively assessment need for employment space in the Borough, and complies with draft National Planning Policy Guidance and the direction set by the NPPF.
- 6.4 It is important to note that the model used to calculate the resultant employment floorspace requirement differs from that previously used in the Borough's employment land review studies. There are a number of reasons for making this change at this time:
- 6.5 Firstly, the previous model had housing growth assumptions as an intrinsic part of the calculation. This required the housing 'target' for the Borough to be an input of the model to ensure the workforce created by population growth were adequately accommodated. Clearly, this approach would be at odds with the current position where the economic growth opportunities need to be assessed objectively and then used to inform housing growth discussion.
- 6.6 Secondly, the nature of the economy across the UK is changing rapidly, with new technologies driving economic growth and traditional strengths continuing to face challenges. This has changed dramatically both the sectoral make up of the economy and also property requirements. Whilst still an important factor past trends are less decisive and instructive than they once were in deciding future opportunity. The

previous model placed significant weight on past property market and employment structure performance to inform future requirements, potentially placing a constraint on the ability to 'forecast' future potential.

- 6.7 Thirdly, the new approach provides greater flexibility to model potential at a detailed sector level and translate this into different types of employment floorspace. The previous model utilised a traditional approach to allocating sectors to particular land use types, whilst guidance compliant the approach (in comparison) was rather coarse. By converting employment at a more detailed sector level floorspace requirements can be forecast at a finer grain, enabling a better understanding of the 'mix' of floorspace required by a particular sector. This reflects the changing needs and operational activities of even traditional activities. For example it could be over-simplistic to allocate all requirements within the construction sector to industrial premises (as they would have been traditionally) given modern techniques often require significant IT and design stages. As such, many larger building firms seek premises that combine traditional storage and yards with office space.
- 6.8 Fourthly, the new approach is also adaptable by time period, something which following the recession is increasingly important, allowing growth factors to be altered between years to better reflect wider economic fluctuations. The previous model for Maidstone produced 'straight line' forecasts based on long term averages, the new model provides more variation by year, enabling more sensitive planning approaches to be developed.
- 6.9 Given the above, using the revised forecasting model from this point forward will allow for a consistent base understanding and approach to economic potential to be utilised across Maidstone Borough's policy and evidence base. Both the SHMA and ELR can be aligned in the future to ensure both housing and employment growth respond to the same drivers.

Allowing for the KIMS/MMC Development

- 6.10 As set out in Section 5 the major driver of economic growth within Maidstone Borough, and hence the employment growth scenario, is the potential to accommodate a new medical science campus close to Junction 7 of the M20. This is estimated to have the potential to deliver up to 4,200 new jobs within the borough over the Plan Period. As discussed above it will also have the potential to create a significant number of indirect jobs within the wider economy.

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- 6.11 It is recognised that these development proposals are linked and therefore will not be delivered anywhere other than the identified site, which provides sufficient capacity for all uses to be co-located. As such, translating all employment growth into the floorspace requirement calculation could result in an over-estimation of employment land need.
- 6.12 The employment land forecast needs to take into account those jobs that are not 'tied' to the Junction 7 location and could be attracted and accommodated within any appropriate employment floorspace in the Borough. Therefore the employment land forecast should only include the 'footloose' indirect jobs, with a separate allowance made for the KIMS/MMC specifically.
- 6.13 This results in the removal of 4,200 direct jobs from the Sensitivity 3 forecast, leaving an allowance of 487 indirect jobs shared between the Health, Professional Services, Recreation and Retail sectors.
- 6.14 Overall, the employment land forecast can therefore inform the allocation of sufficient land across the Borough to accommodate the wider employment growth forecast under Sensitivity 3, with the KIMS/MMC allocation being decided on its own merits.

Contingency for Market 'Churn'

- 6.15 In order for future employment forecasts to be based on more than economic growth 'predictions' and to better reflect the fluid nature of land allocations, the forecasting model makes an additional 'allowance' for market churn.
- 6.16 This allowance is made for the fact that locational and premises needs of businesses change over time. This requires businesses to move. In other instances an existing business might cease its operations and a new business take over a site for redevelopment. For this to happen smoothly there is a need for certain level of available vacant land. This type of demand has been called 'churn' demand or 'frictional vacancy'.
- 6.17 An allowance for 'churn' is calculated from the average annual construction rate of space within the District as recorded within the Annual Monitoring Report, as shown in the table below.

Table 22-Allowance for Churn

	Office (sqm)	Industrial (sqm)	Warehouse (sqm)
2008/09	11,651	6,800	19,749
2009/10	1,675	10,752	4,853
2010/11	466	5,336	1,016
2011/12	1,519	1,656	13,334
Median Annual Completion	1,597	6,068	9,094

Source: KCC CIA,

- 6.18 It typically takes two years to achieve a planning consent, site preparation and construction after a site has changed hands. For these reasons the annual net delivery of new employment floorspace is multiplied by two to estimate the churn demand. This is, in effect, an allowance for the necessary frictional vacancy to allow the market and relocation chains to operate.
- 6.19 This allowance for churn, allows the commercial property market realities to be added to the baseline economic forecast.

The Impact of Changing Working Practices

- 6.20 Occupational demands are changing. Businesses are seeking more efficient space types, facilitated by improved information and communication technologies enabling a greater number of workers to be accommodated within a fixed space. These efficiencies have been achieved through greater electronic storage of information, more flexible working (including hotdesking and increased working from home) and the adoption of open plan space rather than cellular offices.
- 6.21 However, these trends are not universal, with their impact limited both by sectoral activity and job role. For example the nature of some activities, such as call centres, will prevent the introduction of increased flexible working. Professional service activities (such as legal and accounting practices) are unlikely to be able to achieve high space efficiencies through higher occupational density as they need to accommodate greater provision of cellular offices and meeting spaces. Similarly firms engaged in sectors or activities that require access to specialist equipment or facilities (such as 'media' and 'healthcare') may have less flexibility with employees unable to work remotely.
- 6.22 Workspace efficiencies of this manner are therefore linked almost solely to office-based economic activity where the onus is on human capital. Indeed, advances in production and warehousing technology has seen employment densities within manufacturing and warehousing fall dramatically with greater mechanisation enabling much greater levels

-
- of output per worker. Clearly in production and storage environments there is little scope for remote working.
- 6.23 Therefore, to understand the future impacts on space requirements through changing working practices the employment land forecast needs to focus solely on office provision. Given a lack of robust data to estimate the proportion of workers that are either employed remotely or have flexible work environments the most appropriate way to take account of these influences is to ensure an appropriate employment density is used.
- 6.24 Research for the British Council for Offices into occupier trends indicated that space efficiencies have reached a 'peak' at between 6 and 8 square metres per employee within City of London financial institutions. This is seen very much as a rate heavily influenced by the particular activities of the institutions themselves (usually containing large, computer-based trading floors) and the unique cost pressure on Grade A office space within the City. Both of which are conducive to encouraging occupiers to increase their occupation density.
- 6.25 However, the research noted that wider trends in London show density to be much lower. This reflected the nature of the businesses/sectors present and the high presence of headquarters activities, which both drive a need for large meeting suites and individual offices.
- 6.26 Considering non-London locations, research and occupier trends suggest that employment densities have reached a relatively steady level with average densities between 10 and 12 square metres per employee. This is in line with recent HCA guidance (via the Employment Densities, 2010, Guide) which identifies a 'general' office density of 12sqm per employee (NIA) and represents a significant decrease since the ODPM's original guidance in 2004 which recommended 18 square metres per employee.
- 6.27 Given the likely sectoral make-up of office-based employment growth within Maidstone we would consider an employment density of 12 square metres to be appropriate. This would balance the space efficiencies that can be achieved within a number of sectors (such as public administration) and higher density users (such as call centres and financial institutions) with the needs of sectors where remote working is less achievable (such as the creative/media sector) and the opportunity to attract more R&D based activities which require greater specialist equipment and/or laboratory space (which operates at a lower density).
-

6.28 As such, the employment land demand model uses the following employment density and plot ration assumptions:

Table 23- Employment Density and Plot Ratio Assumptions

	Employment density	Plot ratio
Office (B1a/b)	12 sqm per employee	1.5
Industrial (B1c/B2)	36 sqm per employee	0.4
Warehouse (B8)	70 sqm per employee	0.5

Employment Land Requirements

6.29 Based on the translation of Sensitivity 3 into B class employment space we anticipate floorspace demand as set out below.

Table 24-Employment Land Requirement 2011-2031

	Job Creation	Floorspace Demand 2011 - 2031 m ²	Allowance for Churn m ²	Change in floorspace m ²	Change in Land Ha
Office	3,053	36,636	3,194	39,830	2.7
Industrial	226	8,154	12,136	20,290	5.1
Warehouse	453	31,724	18,187	49,911	10.0
General Requirement	3,733	76,513	33,517	110,030	17.7
KIMS/MMC	4,200	tbc	0	0	19
Total	7,933				37

6.30 At present there is a gross requirement for an additional 18ha of employment land within the Borough resulting from the new employment forecast outside of the KIMS/MMC Site.

6.31 It should be noted that the employment land forecast job creation figure is lower than that within Sensitivity 3; this is because non-B class jobs are excluded from the figures. Excluding the direct KIMS/MMC jobs non-B class jobs will represent 64% of all jobs created within the Borough. Given the nature of the proposed MMC and KIMS the 4,200 jobs forecast will include a significant share which lie within non-B class activities, particularly within the healthcare sector.

6.32 Detailed analysis of historic losses should be undertaken to identify whether an additional allowance should be made for 'windfall' losses of land to non-B class uses, at present given the nature of stock within Maidstone we do not expect an allowance to be required.

Other Considerations

6.33 The demand forecast provides only one part of the employment land requirement model. To understand the planning 'requirement' and the need for future allocations this demand needs to be balanced against a detailed understanding of the existing and potential supply of floorspace within the Borough. This would include 'netting off':

- Known commitments,
- Land allocations; and
- Vacant supply.

6.34 As with previous employment land analysis detailed assessment of the vacant floorspace will need to be undertaken to ensure only the supply that can be reused is included. Outside of this the supply side analysis can also take into account the capacity of existing sites that could be 're-used' via redevelopment and intensification to provide more modern business accommodation.

6.35 These factors would not impact on the 'need' to support the delivery of the KIMS/MMC site in a manner that would realise its full employment generating potential



Appendix I

Sensitivity 1 Outputs

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Accommodation & Food Services	5,155	5,113	5,193	5,259	5,324	5,378	5,433	5,487	5,538	5,585	5,638	5,690	5,740	5,786	5,830	5,873	5,914	5,954	5,993	6,031	6,031
Administrative & Supportive Services	6,910	7,031	7,168	7,323	7,468	7,592	7,704	7,804	7,890	7,960	8,024	8,086	8,147	8,208	8,267	8,323	8,380	8,437	8,493	8,547	8,547
Agriculture, Forestry & Fishing	241	248	258	264	266	267	267	265	264	263	261	259	258	256	254	252	250	248	246	244	244
Air & Water Transport	8	8	8	8	8	8	8	8	8	8	9	9	9	9	9	9	9	9	9	9	9
Chemicals (manufacture of)	32	4	1	0	1	3	4	5	6	6	6	6	6	5	5	5	5	4	4	4	4
Civil Engineering	1,035	923	948	973	992	1,003	1,010	1,017	1,023	1,028	1,033	1,038	1,043	1,047	1,051	1,054	1,058	1,061	1,063	1,066	1,066
Computer & Electronic Products (manufacture of)	161	143	140	137	134	131	128	125	121	118	114	111	109	106	103	101	98	96	93	91	91
Computing & Information Services	1,353	1,637	1,686	1,736	1,782	1,815	1,838	1,856	1,868	1,876	1,883	1,890	1,897	1,904	1,911	1,917	1,925	1,932	1,939	1,946	1,946
Construction of Buildings	1,617	1,527	1,538	1,568	1,604	1,640	1,674	1,707	1,730	1,743	1,754	1,763	1,772	1,781	1,789	1,796	1,803	1,810	1,816	1,822	1,822
Education	6,176	6,438	6,444	6,491	6,531	6,563	6,603	6,661	6,734	6,809	6,885	6,967	7,052	7,140	7,234	7,331	7,431	7,534	7,638	7,744	7,744
Extraction & Mining	40	51	50	49	48	48	48	47	47	47	46	46	46	45	45	44	44	43	43	42	42
Finance	1,878	2,097	2,145	2,189	2,220	2,244	2,265	2,283	2,299	2,311	2,320	2,330	2,338	2,345	2,351	2,355	2,359	2,362	2,365	2,366	2,366
Food, Drink & Tobacco (manufacture of)	379	426	430	434	437	438	439	436	434	433	431	429	428	427	425	424	422	420	418	416	416
Fuel Refining	1	1	1	1	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Health	7,249	7,346	7,373	7,431	7,513	7,606	7,713	7,817	7,917	8,002	8,079	8,155	8,230	8,304	8,374	8,442	8,510	8,578	8,645	8,710	8,706
Insurance & Pensions	60	57	58	61	64	67	69	70	70	70	70	70	70	70	70	70	70	70	70	70	70
Land Transport, Storage & Post	3,359	3,457	3,491	3,534	3,574	3,612	3,654	3,695	3,732	3,766	3,797	3,828	3,858	3,887	3,914	3,940	3,965	3,989	4,014	4,037	4,037
Machinery & Equipment (manufacture of)	184	231	229	225	219	213	206	199	191	184	177	170	164	158	151	145	139	134	128	123	123
Media Activities	571	488	500	512	522	533	543	554	564	573	581	588	596	604	611	619	627	635	643	652	652
Metal Products (manufacture of)	436	410	403	401	401	402	401	399	396	391	385	379	373	367	360	353	347	341	335	329	329
Non-Metallic Products (manufacture of)	1,120	1,068	1,060	1,044	1,028	1,015	1,003	997	992	987	981	976	970	964	958	950	949	947	944	944	944
Other Private Services	1,877	1,990	1,994	2,014	2,042	2,071	2,097	2,120	2,135	2,143	2,145	2,145	2,143	2,141	2,137	2,132	2,128	2,123	2,118	2,112	2,112
Pharmaceuticals (manufacture of)	65	31	12	2	1	1	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0
Printing and Recorded Media (manufacture of)	382	392	390	389	387	384	380	374	369	363	356	350	343	337	331	325	319	312	306	300	300
Professional Services	4,994	5,452	5,562	5,671	5,753	5,828	5,900	5,971	6,036	6,090	6,140	6,192	6,243	6,295	6,346	6,397	6,447	6,497	6,546	6,593	6,593
Public Administration & Defence	8,706	8,422	7,823	7,174	6,731	6,384	6,219	6,245	6,299	6,352	6,406	6,463	6,520	6,577	6,630	6,682	6,734	6,784	6,833	6,881	6,881
Real Estate	1,147	1,403	1,434	1,466	1,499	1,524	1,547	1,568	1,589	1,608	1,626	1,644	1,662	1,680	1,697	1,715	1,732	1,749	1,766	1,782	1,782
Recreation	1,875	1,835	1,858	1,886	1,910	1,930	1,951	1,970	1,987	2,000	2,012	2,025	2,037	2,049	2,060	2,072	2,083	2,094	2,104	2,115	2,115
Residential Care & Social Work	5,311	5,577	5,627	5,726	5,830	5,915	5,989	6,056	6,123	6,187	6,250	6,316	6,384	6,453	6,520	6,587	6,655	6,722	6,790	6,857	6,857
Retail	7,348	7,837	7,902	7,990	8,062	8,115	8,163	8,198	8,225	8,240	8,248	8,258	8,269	8,280	8,289	8,296	8,303	8,309	8,314	8,318	8,318
Specialised Construction Activities	4,473	4,196	4,271	4,363	4,454	4,531	4,598	4,662	4,713	4,753	4,786	4,816	4,843	4,869	4,893	4,917	4,940	4,964	4,988	5,011	5,011
Telecoms	203	179	180	183	186	188	190	191	192	192	192	192	192	192	192	192	192	192	192	192	192
Textiles & Clothing (manufacture of)	62	63	57	50	44	38	33	29	26	23	22	20	18	17	15	13	11	10	8	6	6
Transport Equipment (manufacture of)	175	165	166	171	178	185	191	197	200	202	203	203	203	203	203	203	203	203	204	204	204
Utilities	733	695	707	719	729	737	743	747	749	750	750	749	748	747	746	744	743	741	740	738	738
Wholesale	4,742	5,088	5,124	5,173	5,213	5,239	5,258	5,266	5,268	5,262	5,249	5,234	5,219	5,202	5,183	5,162	5,141	5,120	5,097	5,073	5,073
Wood & Paper (manufacture of)	388	350	346	337	325	316	308	299	290	280	270	261	253	245	237	229	221	213	204	196	196
Other Manufacturing	559	648	661	664	660	651	637	619	602	584	567	550	533	515	499	483	468	453	438	423	423



Appendix II

Sensitivity 2 Outputs

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Accommodation & Food Services	5,155	5,335	5,133	5,210	5,297	5,377	5,441	5,503	5,552	5,593	5,626	5,659	5,691	5,721	5,750	5,776	5,800	5,823	5,847	5,869	5,891
Administrative & Supportive Services	6,910	7,281	7,031	7,168	7,323	7,468	7,592	7,704	7,804	7,890	7,960	8,024	8,086	8,147	8,208	8,267	8,323	8,380	8,437	8,493	8,547
Agriculture, Forestry & Fishing	241	290	248	258	264	266	267	267	265	264	263	261	259	258	256	254	252	250	248	246	244
Air & Water Transport	8	8	8	8	8	8	8	8	8	8	8	9	9	9	9	9	9	9	9	9	9
Chemicals (manufacture of)	32	12	4	1	0	1	3	4	5	6	6	6	6	6	5	5	5	5	4	4	4
Civil Engineering	1,035	902	903	910	924	940	952	962	974	984	992	996	998	999	999	999	999	999	999	998	997
Computer & Electronic Products (manufacture of)	161	149	143	140	137	134	131	128	125	121	118	114	111	109	106	103	101	98	96	93	91
Computing & Information Services	1,353	1,528	1,637	1,686	1,736	1,782	1,815	1,838	1,856	1,868	1,876	1,883	1,890	1,897	1,904	1,911	1,917	1,925	1,932	1,939	1,946
Construction of Buildings	1,617	1,538	1,529	1,552	1,586	1,624	1,660	1,693	1,723	1,744	1,755	1,763	1,770	1,776	1,781	1,785	1,789	1,792	1,794	1,796	1,798
Education	6,176	6,284	6,438	6,444	6,491	6,531	6,563	6,603	6,661	6,734	6,809	6,885	6,967	7,052	7,140	7,234	7,331	7,431	7,534	7,638	7,744
Extraction & Mining	40	56	51	50	49	48	48	48	47	47	47	46	46	46	45	45	44	44	43	43	42
Finance	1,878	1,981	2,097	2,145	2,189	2,220	2,244	2,265	2,283	2,299	2,311	2,320	2,330	2,338	2,345	2,351	2,355	2,359	2,362	2,365	2,366
Food, Drink & Tobacco (manufacture of)	379	413	426	430	434	437	438	439	436	434	433	431	429	428	427	425	424	422	420	418	416
Fuel Refining	1	1	1	1	1	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Health	7,249	7,071	7,092	7,447	7,475	7,536	7,622	7,732	7,844	7,951	8,045	8,129	8,210	8,290	8,367	8,440	8,510	8,581	8,652	8,721	8,789
Insurance & Pensions	60	60	57	58	61	64	67	69	70	70	70	70	70	70	70	70	70	70	70	70	70
Land Transport, Storage & Post	3,359	3,495	3,371	3,402	3,454	3,507	3,559	3,611	3,656	3,695	3,726	3,751	3,775	3,797	3,818	3,838	3,856	3,874	3,892	3,909	3,927
Machinery & Equipment (manufacture of)	184	218	231	229	225	219	213	206	199	191	184	177	170	164	158	151	145	139	134	128	123
Media Activities	571	506	458	465	476	486	496	505	515	523	529	535	540	545	550	555	561	566	571	577	582
Metal Products (manufacture of)	436	418	410	403	401	401	402	401	399	396	391	385	379	373	367	360	353	347	341	335	329
Non-Metallic Products (manufacture of)	1,120	1,141	1,068	1,060	1,044	1,028	1,015	1,003	997	992	987	981	976	970	964	958	950	949	947	944	944
Other Private Services	1,877	1,955	1,990	1,994	2,014	2,042	2,071	2,097	2,120	2,135	2,143	2,145	2,145	2,143	2,141	2,137	2,132	2,128	2,123	2,118	2,112
Pharmaceuticals (manufacture of)	65	61	31	12	2	1	1	1	1	0	0	0	0	0	0	0	0	0	0	0	0
Printing and Recorded Media (manufacture of)	382	371	392	390	389	387	384	380	374	369	363	356	350	343	337	331	325	319	312	306	300
Professional Services	4,994	5,418	5,073	5,131	5,206	5,659	6,136	6,622	7,103	7,579	8,044	8,504	8,963	9,420	9,877	9,953	10,017	10,080	10,143	10,206	10,269
Public Administration & Defence	8,706	8,523	8,422	7,823	7,174	6,731	6,384	6,219	6,245	6,299	6,352	6,406	6,463	6,520	6,577	6,630	6,682	6,734	6,784	6,833	6,881
Real Estate	1,147	1,256	1,403	1,434	1,466	1,499	1,524	1,547	1,568	1,589	1,608	1,626	1,644	1,662	1,680	1,697	1,715	1,732	1,749	1,766	1,782
Recreation	1,875	1,877	1,884	1,909	1,936	1,960	1,988	2,013	2,036	2,054	2,068	2,080	2,090	2,100	2,110	2,119	2,128	2,130	2,131	2,133	2,135
Residential Care & Social Work	5,311	5,288	5,577	5,627	5,726	5,830	5,915	5,989	6,056	6,123	6,187	6,250	6,316	6,384	6,453	6,520	6,587	6,655	6,722	6,790	6,857
Retail	7,348	7,639	7,727	7,742	7,785	7,818	7,867	7,913	7,949	7,976	7,992	8,001	8,011	8,022	8,032	8,041	8,047	8,024	8,000	7,975	7,948
Specialised Construction Activities	4,473	4,224	4,279	4,345	4,420	4,490	4,547	4,595	4,640	4,674	4,696	4,714	4,728	4,740	4,751	4,759	4,766	4,773	4,780	4,787	4,793
Telecoms	203	185	179	180	183	186	188	190	191	192	192	192	192	192	192	192	192	192	192	192	192
Textiles & Clothing (manufacture of)	62	71	63	57	50	44	38	33	29	26	23	22	20	18	17	15	13	11	10	8	6
Transport Equipment (manufacture of)	175	168	165	166	171	178	185	191	197	200	202	203	203	203	203	203	203	203	203	204	204
Utilities	733	685	695	707	719	729	737	743	747	749	750	750	749	748	747	746	744	743	741	740	738
Wholesale	4,742	4,846	5,088	5,124	5,173	5,213	5,239	5,258	5,266	5,268	5,262	5,249	5,234	5,219	5,202	5,183	5,162	5,141	5,120	5,097	5,073
Wood & Paper (manufacture of)	388	352	350	346	337	325	316	308	299	290	280	270	261	253	245	237	229	221	213	204	196
Other Manufacturing	559	616	648	661	664	660	651	637	619	602	584	567	550	533	515	499	483	468	453	438	423



Appendix III

Sensitivity 3 Outputs

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Accommodation & Food Services	5,155	5,292	5,113	5,193	5,259	5,324	5,378	5,433	5,487	5,538	5,585	5,638	5,690	5,740	5,786	5,830	5,873	5,914	5,954	5,993	6,031
Administrative & Supportive Services	6,910	7,281	7,031	7,168	7,323	7,468	7,592	7,704	7,804	7,890	7,960	8,024	8,086	8,147	8,208	8,267	8,323	8,380	8,437	8,493	8,547
Agriculture, Forestry & Fishing	241	290	248	258	264	266	267	267	265	264	263	261	259	258	256	254	252	250	248	246	244
Air & Water Transport	8	8	8	8	8	8	8	8	8	8	8	9	9	9	9	9	9	9	9	9	9
Chemicals (manufacture of)	32	12	4	1	0	1	3	4	5	6	6	6	6	6	5	5	5	5	4	4	4
Civil Engineering	1,035	922	923	948	973	992	1,003	1,010	1,017	1,023	1,028	1,033	1,038	1,043	1,047	1,051	1,054	1,058	1,061	1,063	1,066
Computer & Electronic Products (manufacture of)	161	149	143	140	137	134	131	128	125	121	118	114	111	109	106	103	101	98	96	93	91
Computing & Information Services	1,353	1,528	1,637	1,686	1,736	1,782	1,815	1,838	1,856	1,868	1,876	1,883	1,890	1,897	1,904	1,911	1,917	1,925	1,932	1,939	1,946
Construction of Buildings	1,617	1,471	1,527	1,538	1,568	1,604	1,640	1,674	1,707	1,730	1,743	1,754	1,763	1,772	1,781	1,789	1,796	1,803	1,810	1,816	1,822
Education	6,176	6,284	6,438	6,444	6,491	6,531	6,563	6,603	6,661	6,734	6,809	6,885	6,967	7,052	7,140	7,234	7,331	7,431	7,534	7,638	7,744
Extraction & Mining	40	56	51	50	49	48	48	48	47	47	47	46	46	46	45	45	44	44	43	43	42
Finance	1,878	1,981	2,097	2,145	2,189	2,220	2,244	2,265	2,283	2,299	2,311	2,320	2,330	2,338	2,345	2,351	2,355	2,359	2,362	2,365	2,366
Food, Drink & Tobacco (manufacture of)	379	413	426	430	434	437	438	439	436	434	433	431	429	428	427	425	424	422	420	418	416
Fuel Refining	1	1	1	1	1	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Health	7,249	7,071	7,092	7,447	7,475	7,536	7,622	7,732	7,844	7,951	8,045	8,129	8,210	8,290	8,367	8,440	8,510	8,581	8,652	8,721	8,789
Insurance & Pensions	60	60	57	58	61	64	67	69	70	70	70	70	70	70	70	70	70	70	70	70	70
Land Transport, Storage & Post	3,359	3,562	3,457	3,491	3,534	3,574	3,612	3,654	3,695	3,732	3,766	3,797	3,828	3,858	3,887	3,914	3,940	3,965	3,989	4,014	4,037
Machinery & Equipment (manufacture of)	184	218	231	229	225	219	213	206	199	191	184	177	170	164	158	151	145	139	134	128	123
Media Activities	571	529	488	500	512	522	533	543	554	564	573	581	588	596	604	611	619	627	635	643	652
Metal Products (manufacture of)	436	418	410	403	401	401	402	401	399	396	391	385	379	373	367	360	353	347	341	335	329
Non-Metallic Products (manufacture of)	1,120	1,141	1,068	1,060	1,044	1,028	1,015	1,003	997	992	987	981	976	970	964	958	950	949	947	944	944
Other Private Services	1,877	1,955	1,990	1,994	2,014	2,042	2,071	2,097	2,120	2,135	2,143	2,145	2,145	2,143	2,141	2,137	2,132	2,128	2,123	2,118	2,112
Pharmaceuticals (manufacture of)	65	61	31	12	2	1	1	1	1	0	0	0	0	0	0	0	0	0	0	0	0
Printing and Recorded Media (manufacture of)	382	371	392	390	389	387	384	380	374	369	363	356	350	343	337	331	325	319	312	306	300
Professional Services	4,994	5,418	5,073	5,131	5,206	5,659	6,136	6,622	7,103	7,579	8,044	8,504	8,963	9,420	9,877	9,953	10,017	10,080	10,143	10,206	10,269
Public Administration & Defence	8,706	8,523	8,422	7,823	7,174	6,731	6,384	6,219	6,245	6,299	6,352	6,406	6,463	6,520	6,577	6,630	6,682	6,734	6,784	6,833	6,881
Real Estate	1,147	1,256	1,403	1,434	1,466	1,499	1,524	1,547	1,568	1,589	1,608	1,626	1,644	1,662	1,680	1,697	1,715	1,732	1,749	1,766	1,782
Recreation	1,875	1,877	1,884	1,909	1,936	1,960	1,988	2,013	2,036	2,054	2,068	2,080	2,090	2,100	2,110	2,119	2,128	2,130	2,131	2,133	2,135
Residential Care & Social Work	5,311	5,288	5,577	5,627	5,726	5,830	5,915	5,989	6,056	6,123	6,187	6,250	6,316	6,384	6,453	6,520	6,587	6,655	6,722	6,790	6,857
Retail	7,348	7,639	7,727	7,742	7,785	7,818	7,867	7,913	7,949	7,976	7,992	8,001	8,011	8,022	8,032	8,041	8,047	8,024	8,000	7,975	7,948
Specialised Construction Activities	4,473	4,153	4,196	4,271	4,363	4,454	4,531	4,598	4,662	4,713	4,753	4,786	4,816	4,843	4,869	4,893	4,917	4,940	4,964	4,988	5,011
Telecoms	203	185	179	180	183	186	188	190	191	192	192	192	192	192	192	192	192	192	192	192	192
Textiles & Clothing (manufacture of)	62	71	63	57	50	44	38	33	29	26	23	22	20	18	17	15	13	11	10	8	6
Transport Equipment (manufacture of)	175	168	165	166	171	178	185	191	197	200	202	203	203	203	203	203	203	203	203	204	204
Utilities	733	685	695	707	719	729	737	743	747	749	750	750	749	748	747	746	744	743	741	740	738
Wholesale	4,742	4,846	5,088	5,124	5,173	5,213	5,239	5,258	5,266	5,268	5,262	5,249	5,234	5,219	5,202	5,183	5,162	5,141	5,120	5,097	5,073
Wood & Paper (manufacture of)	388	352	350	346	337	325	316	308	299	290	280	270	261	253	245	237	229	221	213	204	196
Other Manufacturing	559	616	648	661	664	660	651	637	619	602	584	567	550	533	515	499	483	468	453	438	423