State of Medway Report

Economy and Employment (inc. Employment Land)

July 2009

Serving You

- **Please note that this SOM (State Of Medway Report) was last updated in March 2009).**

- **Please also see our LDF evidence base studies. In some instances, these significantly update the information contained within SOM's.**

State of Medway Report: Economy and Employment (inc. Employment Land) July 2009

State of Medway Reports

This is one of a series of factual reports that are being produced to inform the preparation of Medway's Local Development Framework or LDF. Each deals with a specific topic and draws together available information from a variety of sources.

The reports are intended to establish the current position and a baseline for further work. They also help in highlighting gaps in the information base. We would be pleased to hear from any interested party about any information sources that have not been referred to or gaps that should be addressed in future work.

At this preliminary stage no attempt has been made to identify issues arising from this research or options for addressing such issues. That will follow over the next few months but we would be happy to receive any initial suggestions now.
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If you would like to comment on or respond to this report please use one of the methods set out in our 'Engagement Protocol', which is being widely publicised.

To monitor progress being made on the LDF please regularly check our website at www.medway.gov.uk/ldf.

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1. Introduction

1.1 Much of data in this report is taken from NOMIS Labour-market report for 2008[1], definitions and explanations are included at the end of the report.

Economic Development

1.2 The Medway economy is worth £3.3bn per year growing at a rate of 56% between 1998 and 2006. This is higher than the growth rate of the economy in the South East (+ 52%) and nationally (+49%).

1.3 Of the large urban areas in the country, Medway is among those with the lowest jobs to workforce ratio. Medway has a high proportion of employment in public sector administration, education and health, which accounts for almost a third of all jobs.

1.4 There were 8,100 business units in Medway in 2007, an increase of just over 18% since 1998.

[1] https://www.nomisweb.co.uk/reports/lmp/la/2038431810/report.aspx

2. 2001 Census

Economic activity

2.1 In Medway 64.5% of people aged 16-74 are in employment compared to 60.6% nationally. Medway is ranked 6th within the SE for people who are unemployed and it is ranked 9th for people who are long-term unemployed, which is a sub-set of unemployment. Medway scores 5th in the SE and 21st nationally because of its high proportion of residents who are economically inactive because they are looking after home / family.

Occupation

2.2 Medway has less people working in higher classed occupations such as ‘Managers and senior officials’ or ‘Professional occupations’ or ‘Associate professional and technical occupations’ than either nationally or regionally. In comparison it has a higher proportion of people who are working in occupations which have a lower occupational classification.

Industry

2.3 Key statistics includes the industry of employment for people in employment aged 16-74. These industries can be converted to the broad classifications of primary industries, construction and manufacturing, and service sector.

	Primary industries	*Construction and manufacturing*	*Service sector*
England and Wales	2.5	21.7	75.8
South East Region	2.4	19.3	78.4
Medway Council	1.9	23.3	74.8

2.4 As shown by the table above, Medway has noticeably fewer people working in primary industries than nationally or regionally. More people are employed in construction and manufacturing than the national figure with 4% more than the regional average. It has slightly less people in the service sector than nationally and 3.6% less than the regional average.

3. Earnings

3.1 The Annual Survey of Hours and Earnings (ASHE)[2] was developed to replace the New Earnings Survey (NES) in 2004. The latest data available is for 2007, providing data on Medway as a workplace and an area of residence.

3.2 Full-time earnings for residents of Medway are higher than those in Great Britain but are lower than average earnings across the South East. While the gap between male full-time earnings in Medway and the South East is quite large, the gap between female earnings is a lot smaller. Conversely males earn slightly more in Medway compared to nationally, however in comparison the female gap is considerably larger.

Earnings by residence (2008)

	Medway Towns (pounds)	South East (pounds)	Great Britain (pounds)
Gross weekly pay			
Full-time workers	506.2	523.2	479.3
Male full-time workers	533.2	584.4	525.0
Female full-time workers	446.5	437.4	412.7
Hourly pay			
Full-time workers	12.43	13.26	12.01
Male full-time workers	12.83	14.37	12.72
Female full-time workers	11.43	11.61	10.96

Source: ONS annual survey of hours and earnings - resident analysis
Note: Median earnings in pounds for employees living in the area.

3.3 People living in Medway earn more than people working in Medway. This suggests that out-commuting – typically to London – is pushing up the earnings of local residents.

Earnings by workplace (2008)

	Medway Towns (pounds)	South East (pounds)	Great Britain (pounds)
Gross weekly pay			
Full-time workers	479.1	499.8	479.1
Male full-time workers	498.4	555.8	523.5
Female full-time workers	411.3	421.6	412.4
Hourly pay			
Full-time workers	11.56	12.64	12.00
Male full-time workers	12.32	13.58	12.69
Female full-time workers	10.88	11.23	10.95

Source: ONS annual survey of hours and earnings - workplace analysis
Note: Median earnings in pounds for employees working in the area.

3.4 While earnings of people working in Medway are in line with national earnings, the disparity in hourly rates suggests that in Medway working longer hours are longer for the equivalent weekly pay.

[2] More information on ASHE is available via the following link http://www.statistics.gov.uk/StatBase/Product.asp?vlnk=13101&More=Y

4. Unemployment

4.1 The unemployment claimant rate in Medway stood at 3.1% in December 2008, this being above the claimant rate for Great Britain (3.0%), the South East (2.0%) and Kent (2.4%). In Medway 4,950 people were claiming Jobseekers Allowance.

4.2 In 1996 the claimant rate in Medway at 7.2% (10,790) was ten-percent higher than the national rate (6.4%). In the mid-1980's the unemployment rate in Medway was running at 16%.

4.3 In December 2008, the long term unemployed – those claiming over 12 months duration - account for 8.3% of claimants in Medway. This is lower than the rate nationally (8.9%) but higher than the rate in the South East (7.1%). Medway has a higher proportion of claimants claiming over 6 months than nationally, 23.6% against 22.5%, indicating that 'medium term' claims are a key issue in Medway.

4.4 Under 20-year olds account for 12.7% of all claimants in Medway, this is above the national rate of 10.7% of claimants.

5. LABOUR SUPPLY

Working Age

Working age population (2007)

	Medway Towns (numbers)	Medway Towns (%)	South East (%)	Great Britain (%)
All people - working age	159,100	63.1	61.3	62.2
Males - working age	82,800	66.7	65.4	66.2
Females - working age	76,300	59.6	57.4	58.3

Source: ONS mid-year population estimates
Notes: % is a proportion of total population
Working age includes males aged 16-64 and females aged 16-59

5.1 A higher proportion of residents in Medway are of working age than in the South East and Great Britain. While this pattern is evident for both males and females, the degree to which the female rate exceeds the rate in the South East and Great Britain is notable.

Economic Activity

Economically active (Jan 2007-Dec 2007)

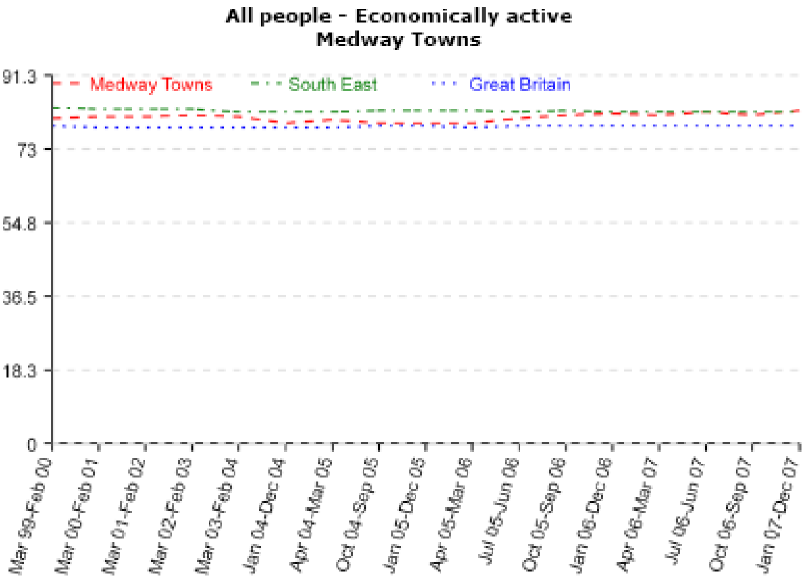
	Medway Towns (numbers)	Medway Towns (%)	South East (%)	Great Britain (%)
All people				
Economically active†	133,500	82.2	82.0	78.6
In employment†	126,200	77.7	78.4	74.4
Employees†	109,800	67.8	67.1	64.6
Self employed†	15,800	9.5	10.9	9.3
Model-based unemployed§	7,200	5.4	4.2	5.2
Males				
Economically active†	71,700	87.0	86.7	83.2
In employment†	68,500	83.0	82.7	78.6
Employees†	55,100	67.1	67.4	65.0
Self employed†	13,000	15.6	15.0	13.2
Unemployed§	3,300	4.6	4.5	5.5
Females				
Economically active†	61,700	77.1	76.9	73.5
In employment†	57,700	72.1	73.8	69.8
Employees†	54,700	68.7	66.8	64.2
Self employed†	2,700	3.0	6.5	5.1
Unemployed§	4,000	6.5	3.8	4.9

Source: ONS annual population survey
† numbers are for those aged 16 and over, % are for those of working age (16-59/64)
§ numbers and % are for those aged 16 and over. % is a proportion of economically active

5.2 Medway has a working age population of 159,100 and an economically active population of 129,500 (16-59/64). The economic activity rate is above the rate for Great Britain having a significantly sized active workforce.

5.3 Medway has a higher economic activity rate than the South East and Great Britain for all ages up to the age of 35. The biggest contrast is for 16 to 24 year olds, at 75% for Medway, 70% for the South East and 67% for Great Britain.

5.4 Since 1999 the number and percentage of the population who are economically active in Medway has been steadily increasing. In 2007, the economic activity rate in Medway exceeded the South East and Great Britain for the first time.



Date	Medway Towns	Medway Towns (%)	South East (%)	Great Britain (%)
Mar 99-Feb 00	123,000	80.4	83.0	78.5
Mar 00-Feb 01	127,000	80.9	82.9	78.3
Mar 01-Feb 02	129,000	80.7	82.6	78.3
Mar 02-Feb 03	130,000	81.4	82.8	78.3
Mar 03-Feb 04	130,400	80.8	82.1	78.2
Jan 04-Dec 04	128,800	79.5	82.0	78.2
Apr 04-Mar 05	129,300	79.9	82.1	78.3
Oct 04-Sep 05	128,500	79.3	82.2	78.4
Jan 05-Dec 05	129,600	79.5	82.2	78.4
Apr 05-Mar 06	129,200	79.2	82.3	78.3
Jul 05-Jun 06	130,600	80.6	82.1	78.4
Oct 05-Sep 06	132,100	81.4	82.2	78.4
Jan 06-Dec 06	132,000	81.5	82.1	78.6
Apr 06-Mar 07	131,500	81.1	82.1	78.6
Jul 06-Jun 07	133,200	81.9	82.0	78.6
Oct 06-Sep 07	132,200	81.3	82.0	78.6
Jan 07-Dec 07	133,500	82.2	82.0	78.6

Source: ONS annual population survey
Note: numbers are for those aged 16 and over, % are for those of working age (16-59/64)
WARNING: Data prior to the period Apr 06 - Mar 07 has not been reweighted in line with the latest ONS estimates. This will be done as soon as possible. For further details goto https://www.nomisweb.co.uk/articles/370.aspx

5.5 Economic activity rates are usually given for specific age bands and are expressed as the proportions of the population in those age bands, who are economically active. In recent years, male activity rates have been declining, while in contrast female activity rates have been increasing.

5.6 An ageing population with a likely reduced working age population could put pressure on the labour market. If job growth continues as predicted this may draw on those who are currently ‘inactive’ bringing them back into employment as job opportunities increase making labour relatively more scarce.

Qualifications

5.7 Residents of Medway have fewer qualifications when compared to the South East and Great Britain. Just 21% of the working age population in Medway have a degree/HND qualification (NVQ4) or above compared to 29% in Great Britain and 31% in the South East. Qualifications locally are concentrated at the lower level however fewer people have no qualifications in Medway than nationally.

5.8 With efforts locally to raise attainment levels in schools and with a number of higher education establishments within Medway towns, there is great potential for improvement in skills of the local population.

Qualifications (Jan 2007-Dec 2007)

	Medway Towns (numbers)	Medway Towns (%)	South East (%)	Great Britain (%)
NVQ4 and above	32,600	20.7	30.8	28.6
NVQ3 and above	63,900	40.6	49.6	46.4
NVQ2 and above	98,500	62.5	68.2	64.5
NVQ1 and above	127,500	81.0	82.3	78.1
Other qualifications	11,600	7.3	8.1	8.8
No qualifications	18,500	11.7	9.6	13.1

Source: ONS annual population survey
Notes: For an explanation of the qualification levels see the definitions section.
Numbers and % are for those of working age
% is a proportion of total working age population

6. LABOUR DEMAND

Job Density

Job Density
Medway Towns

Year	Medway Towns (density)	South East (density)	Great Britain (density)
2000	0.60	0.88	0.82
2001	0.63	0.87	0.83
2002	0.66	0.88	0.83
2003	0.63	0.87	0.83
2004	0.64	0.86	0.83
2005	0.68	0.88	0.84
2006	0.75	0.89	0.88

Source: ONS jobs density
Note: The density figures represent the ratio of total jobs to working-age population.

6.1 Of all the large urban areas in the country, Medway is among those with the lowest jobs to workforce ratio.

6.2 Job density provides a comparison between labour supply (working age population) and labour demand (number of jobs available). Job density is lower in Medway than in the South East and Great Britain. This indicates that there is a shortage of jobs in Medway, which is supported by the evidence of high levels of out-commuting locally.

6.3 However, it is apparent that since 2000, Medway's job density has been steadily increasing with a considerable improvement between 2005 and 2006. Job densities for Great Britain and the South East in comparison have improved but to a lesser degree.

Employment [3]

6.4 The table below shows a general upward trend in employee jobs in Medway between 1998 and 2007. Employment has increased by around 1000 jobs since 1998.

Total employee jobs
Medway Towns

Year	Medway Towns (employee jobs)	South East (employee jobs)	Great Britain (employee jobs)
1995	72,951	3,062,032	22,728,869
1996	69,428	3,213,283	23,137,135
1997	74,549	3,334,119	23,747,609
1998	83,700	3,425,100	24,355,000
1999	83,900	3,598,100	24,827,400
2000	81,100	3,663,500	25,214,600
2001	84,900	3,663,800	25,490,300
2002	90,500	3,677,200	25,593,700
2003	84,900	3,627,500	25,710,600
2004	85,400	3,657,400	26,067,500
2005	91,700	3,752,300	26,496,600
2006	86,500	3,673,100	26,351,600
2007	84,700	3,731,800	26,599,200

Source: ONS annual business inquiry employee analysis

6.5 Employment by industry sector shows a predominance of jobs in the service sector in Medway, which is in common with regional and national profiles. Public administration, education and health accounts for 30% of jobs in Medway, which is above the national and regional rate.

[3] There is a discontinuity between ABI 2005 and 2006 which results from a number of changes to the methodology used. Also between 1997 and 1998 the data source changes from the Annual Employment Survey to the Annual Business Inquiry. It should be noted that any changes in business unit numbers at these two points are likely account for shifts in employee numbers over this period.

Employee jobs (2007)

	Medway Towns (employee jobs)	Medway Towns (%)	South East (%)	Great Britain (%)
Total employee jobs	84,700	-	-	-
Full-time	56,000	66.2	69.2	69.0
Part-time	28,600	33.8	30.8	31.0
Employee jobs by industry				
Manufacturing	8,500	10.0	8.5	10.6
Construction	4,700	5.5	4.6	4.9
Services	69,900	82.6	85.3	83.0
Distribution, hotels & restaurants	20,600	24.3	24.7	23.3
Transport & communications	4,800	5.6	6.0	5.9
Finance, IT, other business activities	14,300	16.9	23.8	21.6
Public admin, education & health	25,300	29.9	25.5	26.9
Other services	5,000	5.9	5.4	5.2
Tourism-related†	6,100	7.1	8.0	8.2

Source: ONS annual business inquiry employee analysis
- Data unavailable
† Tourism consists of industries that are also part of the services industry (see the definitions section)
Notes: % is a proportion of total employee jobs
Employee jobs excludes self-employed, government-supported trainees and HM Forces

6.6 The construction industry has seen the largest proportional growth in jobs in Medway increasing by 56% since 1998.

6.7 The Manufacturing sector has seen the largest decrease in jobs in Medway, shrinking by over a third since 1998. This is just above the national trend.

Employment by occupation (Jul 2007-Jun 2008)

	Medway Towns (numbers)	Medway Towns (%)	South East (%)	Great Britain (%)
Soc 2000 major group 1-3	48,200	38.9	47.5	43.1
1 Managers and senior officials	16,400	13.2	17.3	15.4
2 Professional occupations	14,100	11.4	14.8	12.9
3 Associate professional & technical	17,600	14.2	15.4	14.6
Soc 2000 major group 4-5	31,800	25.7	21.7	22.4
4 Administrative & secretarial	15,600	12.5	11.4	11.6
5 Skilled trades occupations	16,200	13.1	10.3	10.8
Soc 2000 major group 6-7	20,900	16.9	15.0	15.8
6 Personal service occupations	10,900	8.7	7.8	8.1
7 Sales and customer service occs	10,000	8.1	7.2	7.6
Soc 2000 major group 8-9	23,000	18.5	15.8	18.7
8 Process plant & machine operatives	9,300	7.5	5.3	7.2
9 Elementary occupations	13,700	11.0	10.4	11.5

Source: ONS annual population survey
Notes: Numbers and % are for those of 16+
% is a proportion of all persons in employment

6.8 Medway has a lower proportion of employment in higher-level occupations. Employment in senior positions account for just 13.2% of jobs locally compared to 17.3% in the South East and 15.4% in Great Britain.

6.9 Employment in Skilled trades occupations at 13.1% is significantly higher in Medway than in the South East (10.3%) and Great Britain (10.8%).

6.10 Medway's relative under representation on higher skilled jobs will be contributing to Medway's lower levels of productivity (see GVA).

7. Businesses

BUSINESSES

VAT registered businesses (2007)

	Medway Towns (numbers)	Medway Towns (%)	South East (%)	Great Britain (%)
Registrations	640	10.7	10.0	10.2
Deregistrations	490	8.2	7.2	7.3
Stock (at end of year)	5,965	-	-	-

Source: BERR - vat registrations/deregistrations by industry
Note: % is a proportion of stock (at end of year)

7.1 VAT registrations and deregistrations are the best official guide to the pattern of business start-ups and closures. They are an indicator of the level of entrepreneurship and of the health of the business population. As such they are used widely in regional and local economic planning.

7.2 At the start of 2005, the VAT threshold was an annual turnover of £58,000; 1.8 million of the estimated 4.3 million enterprises in the UK were VAT registered. However, some businesses do voluntarily register for VAT even though their turnover is below the threshold. Data for 2005 shows that around a fifth of all registrations in the UK have turnover below the VAT threshold.

7.3 The number of VAT registered businesses in Medway increased by 145 in 2007, continuing the upward trend since 1996 (+1570).

7.4 The Annual Business Inquiry indicates there were just over 8,100 business units in Medway in 2007. Between 1998 and 2007 the number of business units in Medway increased by just over 18% (+1300) which is a higher rate of increase than in Great Britain (+16%).

7.5 In Medway, 85% of businesses employ less than 11 employees, which is generally consistent with the picture nationally. There are 26 businesses employing over 300 employees in Medway.

8. Migrant workers in Medway

8.1 In 2007/2008, 2,230 migrant workers registered in Medway; 1,260 of these came from EU Assession Countries, of which 490 came from Poland[4].

8.2 Migrant workers in Medway account for 1.4% of the working age population.

9. GVA

9.1 In 2006 GVA at £13,145m per capita of population was relatively low at 69% of the UK level.

9.2 Medway's economy grew by 5.3% between 2005 and 2006, this is in line with national economic growth.

9.3 Gross Value Added (GVA) is a measure of the value of the goods and services produced in the economy. It is primarily used to monitor the performance of the national economy and is now the measure preferred by the Office for National Statistics (ONS) to measure the overall economic well being of an area. More information on GVA is available on the ONS website http://www.statistics.gov.uk/CCI/nugget.asp?ID=254

9.4 GVA estimates are available for 12 regions and countries of the UK plus Extra-Regio (off-shore GVA that cannot be assigned to any region), 37 sub-regions (NUTS2 – mainly groups of counties and unitary authorities) and 133 local areas (NUTS3 – principally individual counties and unitary authorities).

9.5 Many factors mentioned in this report will be contributing to Medway's relatively low levels of productivity. High levels of employment in the service sector, a higher proportion of lower skilled jobs as well as significant out-commuting will all be playing a part though growth in manufacturing should work the other way boosting production levels.

10. Travel to work (2001 Census)

10.1 Report by DTZ to inform the SE Plan "Identifying the Local Housing Markets of South East England PART C: ANALYSIS AND INITIAL HYPOTHESIS"[5] considers the Travel to Work flows in the SE.

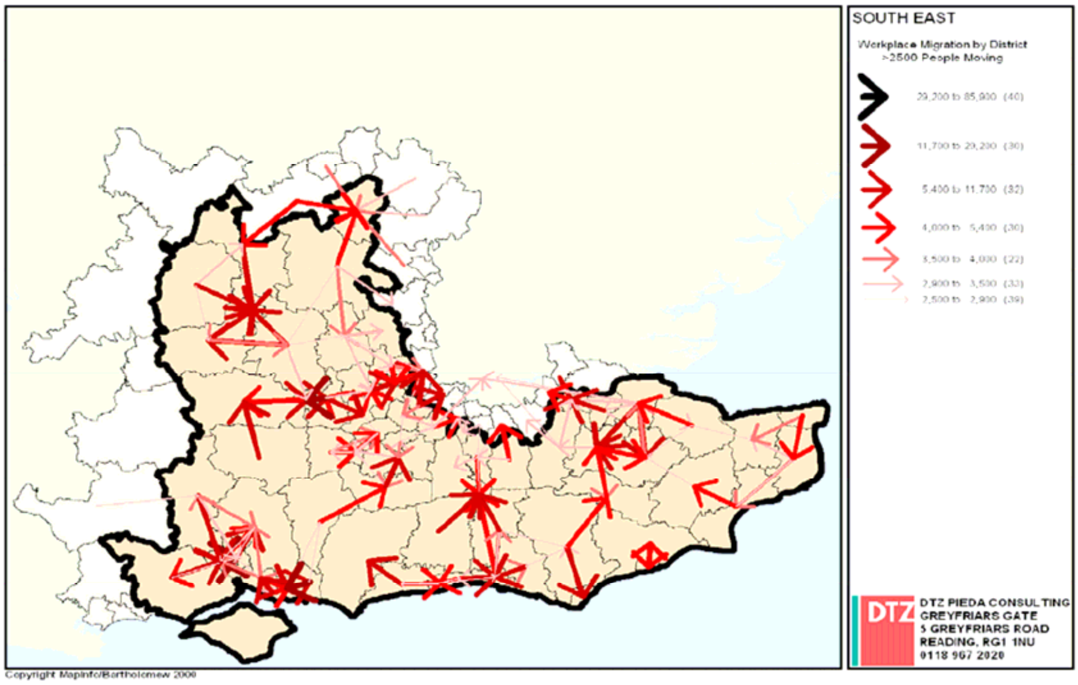
10.2 In broad terms, the maps in the report show that commuter flows centre upon the region's principal urban areas whilst there are also considerable movements of people along the London fringe. This highlights the inter-dependence of the districts on either side of the London- South East boundary. The report then lists the key areas where commuter flows are greatest including:

- Between Tonbridge and Malling, Maidstone and Medway

[4] http://www.kent.gov.uk/publications/community-and-living/migrant-workers.htm
[5] http://www.southeast-ra.gov.uk/documents/housing/dtz-part_c.pdf

- o Between Dartford, Gravesham and Bexley

Figure A.7: Travel to Work Journey Patterns (>2500 People)



10.3 Pages 25-27 of this report looks at commuting to London. It lists the districts which supply the largest absolute numbers of commuters to London with the usual number of commuters shown in brackets:

- Elmbridge (22,200)
- Spelthorne (18,100)
- Medway (17,600)
- Sevenoaks (17,500)
- Dartford (16,600)
- Reigate and Banstead (16,100)

10.4 Medway has the third highest level of commuting to London in absolute terms. However when the extent to which districts in the South East are reliant on employment from London (as a proportion of their workforce (population)) are considered[6], Medway is not listed as one of the authorities with the highest proportion of its residents commuting to London. Dartford with 40% of their total resident workforce who working in London and Sevenoaks with 35% are listed with the top 5.

[6] http://www.southeast-ra.gov.uk/documents/housing/dtz-part_c.pdf Figure A.17 on page 27

Figure A.16: Actual Commuting Flows into London

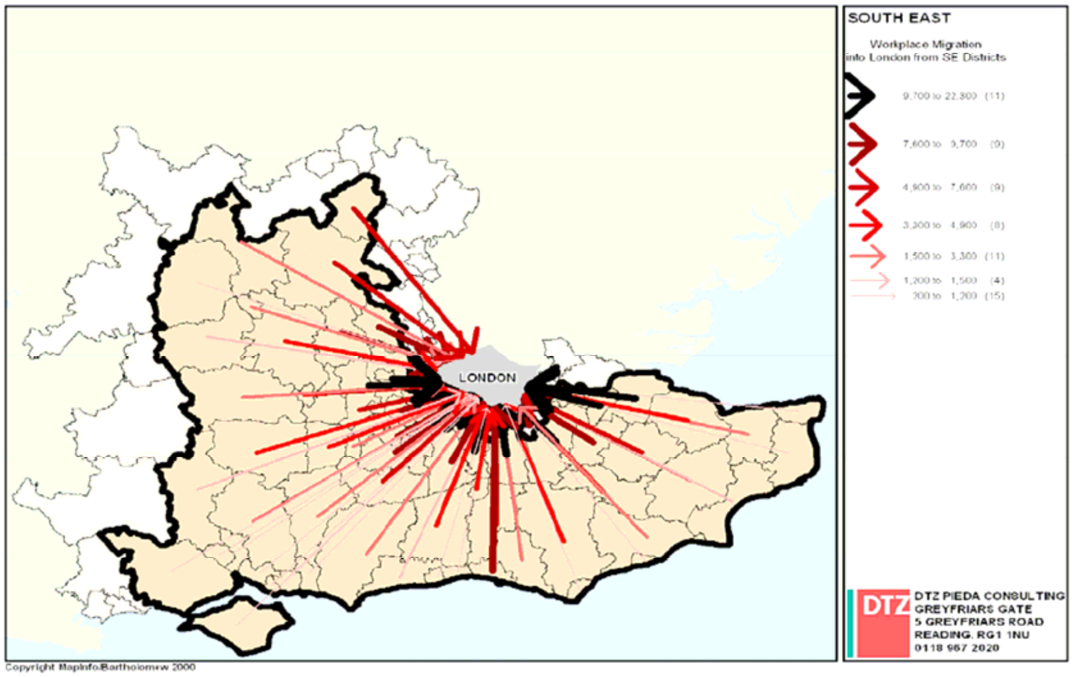
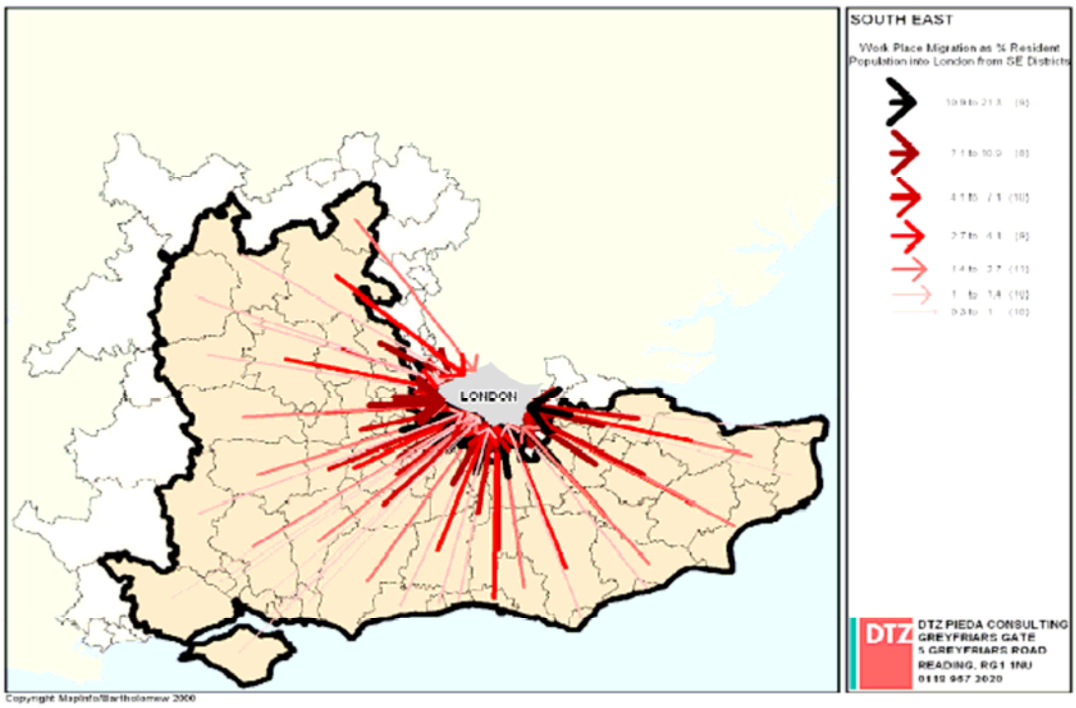


Figure A.17: Proportional Commuting Flows Into London



11. Future patterns of employment

11.1 Research underpinning the SE Plan "Drivers influencing the spatial decisions of where people choose to live and work: Final Report November 2006"[7]

[7] http://www.southeast-ra.gov.uk/southeastplan/publications/research/spatial_decisions/final%20report-nov06.pdf

11.2 This was distilled into six key points. Points 2, 3 and 4 have particular relevance when considering the future patterns of employment:

11.3 **2. More people with higher employment rates.** The growth in the region is likely to be characterised by more people working and a rise in employment rates. We can expect this to be clear with a rise in employment of older workers retiring later; and also of more women workers increasingly working in better paid and full-time jobs. However, it is unlikely the spatial impacts of this will be significant.

11.4 **3. Changing shape of work.** The shape of work is likely to change. Work will change through the composition of employment in terms of sectors and occupations but also by new working practices and take-up of new technologies. This in turn should enable the greater demand for a work-life balance with more flexible and part-time working; along with more teleworking and home working. However, it is unlikely the spatial impacts of this will be significant.

11.5 **4. More journeys to work but not necessarily different journeys.** More people and more jobs in the region may result in more journeys to work. The evidence on this is mixed and some of the topic we have considered such as teleworking and demands for a better work-life balance may influence how or when people travel in the future. However, we do not expect a major change in nature of travelling. The relative shares of people commuting by car, train, bus, cycling or walking is unlikely to change along with little change in average commuting distances. Therefore, it is unlikely that the spatial impacts of this will be significant compared to the current situation.

12. Employment Land

Policy context

12.1 One of the Government's key economic aims is to encourage continued economic development in a way, which is compatible with its stated environmental objectives.

12.2 PPG 4 (Industrial, Commercial Development and Small Firms) states that 'In allocating land for industry and commerce, planning authorities should be realistic in their assessment of the needs of business. They should aim to ensure that there is sufficient land available which is readily capable of development and well served by infrastructure. They should also ensure that there is a variety of sites available to meet differing needs'.

12.3 The South East Plan states that local authorities must have regard to strategic and local business needs. In planning for the location, quantity and nature of employment land and premises [local authorities] will facilitate a flexible supply of land to meet the varying needs of the economic sectors. At present, no employment land requirement figures have been set out in the South East Plan

12.4 In the Kent and Medway Structure Plan the total provision for net floor space for employment uses is 575,000 sq.m of which 70,000 sq.m is new employment land (Policy EP2).

12.5 Comparing the Medway Local Plan allocations (see table on last page) against the Kent Structure Plan guidelines show the following. The net provision of Class A2/B1 floor space gives a small deficit of 10,542sq.m. while B2/B8 provision represents a surplus of 19,271 sq.m . The total floor space represents a small surplus of 8999sq.m.

Introduction to Employment Land in Medway

12.6 Employment land is generally taken as land on business estates and other large employment sites. Traditionally this has been a fairly narrow definition which excludes retail and construction sites unless the ultimate use is industrial or commercial (A2/B1, B2, or B8).

12.7 Regional monitoring for SEERA for commercial has been extended to cover retail (A1) and hotel (C1) uses. These are covered by the Retailing, Leisure and Tourism SOM.

12.8 Between 1991 and 2008 the total supply of employment land totalled 373,427m². This consisted of 55,406 completed floor space, 55,050 of floor space with planning permission and 272,971 allocations in the Local Plan.

	A2-B1	B2-B8	Total
Completed floorspace 1991 - 2008	88,772	-33,366	55,406
Floorspace with planning permission as at 31/3/2008	29,746	25,304	55,050
Local Plan allocations	37,201	225,770	262,971
Total supply	**155,719**	**217,708**	**373,427**

12.9 In the last three years just over 2 hectares of employment land has been used for residential developments. One hectare from B2 use, and half a hectare from both B1 and B8.

Trends in employment land completions

Gross completions (sq.m)

	B1 (A2)	*B2*	*B8*	*Other/ Mixed B*	*TOTAL*
1992	53,820	8,132	10,069	-25,210	46,811
1993	11,313	853	1,670	-17,053	-3,217
1994	2,593	4,324	2,438	-6,618	2,737
1995	7,392	7,608	21,883	-12,675	24,208
1996	17,527	6,526	25,100	-43,193	5,960
1997	6,331	5,915	11,947	1,242	25,435
1998 est	7,077.5	20,398	22107	11,154.5	60,737
1999 est	7,077.5	20,398	22,107	27,475.5	77,058
2000	11,927	13,407	10,069	2,311	37,714
2001	6,843	3,460	4,829	965	16,097
2002	431	2,504	90	1,294	4,319
2003	1510	9668	1,852	4,199	17,229
2004	6,612 (773)	17,669	14,963	1464	40,708
2005	11,773 (425)	15,440	20,664	21,482	69,359
2006	7067 (1072)	3940	4,975	0	15,982
2007	12474 (656)	5646	10,290	212	28,622
2008	3265 (939)	4454	14,185	0	21,904

Notes: Prior to 2004, Medway did not report A2 separately from B1. The total column includes A2.

Net Completions (sq.m)

	B1 (A2)	*B2*	*B8*	*Other/ Mixed B*	*TOTAL*
1992	48,420	-7,779	6,170	0	46,811
1993	10,797	-14,732	718	0	-3,217
1994	1,202	138	1,397	0	2,737
1995	2,046	-14,583	21,083	0	8,546
1996	15,527	-4,513	22,306	0	33,320
1997	3,285	3,106	8,555	0	14,946
1998 ave	3,571	-8,854	5,277	-57	-63
1999 ave	3,571	-8854	5,277	-57	-63
2000	5,969	-1,386	5,910	0	10,493
2001	-416	-8,832	3,191	-743	-6,800
2002	-2,595	-2,317	-1,164	1,294	-4,782
2003	650	2,712	530	3,275	7,167
2004	2,703 (-132)	9,483	12,046	-4,073	20,159
2005	-2,994 (-371)	-18,056	10,140	18,045	7,135
2006	-1,737 (-598)	-6,866	-35,242	0	-43,845
2007	5,086 (-924)	-8,134	-937	212	-3,773
2008	-3,916 (-387)	-3964	4,191	-3,503	-7,192

Notes: Prior to 2004, Medway did not report A2 separately from B1. The total column includes A2.

12.10 In 2008 there was a decline in the amount of floorspace used for manufacturing (B2) use. This loss has been matched by a growth in warehousing (B8) floor space.

12.11 In 2007 the first phase of the hi-tech business development at Medway Innovation Centre opened providing significant B1 floor space.

12.12 There were big losses in 2006 mainly from B8 land use due to regeneration development at Rochester Riverside.

13. Medway Employment Land Review 2007

Main findings

13.1 The evidence shows that there is an inadequate supply of employment land & accommodation in terms of quantity, quality, type and location. Much of the accommodation is inflexible and outdated.

13.2 Fifty percent of Medway businesses will be looking for further accommodation in the next ten years.

13.3 There has been a reduction in B2 use on estates in Medway, being replaced by B1 and B8 use.

13.4 There has been an overall increase in area of just over 9% across all estates.

13.5 There has been significant occupier change on many estates for example as high as 40% on Medway City Estate between 1999 – 2006 (although this high figure might be partly due to company name changes).

13.6 Most sites in the urban area are fully developed and vacancy rates on non-estate sites are very low.

13.7 Within the urban area, the options for expanding employment land appear to be limited. Most brownfield sites seem to be allocated or potentially identified for other or mixed use

13.8 The potential shortage of suitable employment land particularly within the urban core as noted in the *Medway Economic Development Statement 2006* is a serious block to job creation.

Conclusion to Employment Land in Medway

13.9 There is clearly a scarcity of suitable employment land (particularly within the urban core), difficulties exist with bringing forward major potential employment sites (Isle of Grain and Kingsnorth). To achieve Medway's aim - to narrow the gap between jobs and workers - it is vital that Medway's capacity for jobs is increased.

13.10 To achieve this, it is necessary to plan effectively for the type of employment space that will be required over the long term. The following points should be considered: Mixed uses on key developments should include adequate A2/B1 provision. Land-intensive commercial uses should be encouraged outside of the urban core.Chatham needs to increase its role as the natural central business district for Medway.

Table 1 - Current capacity of employment sites allocated in the Medway Local Plan 2003

Proposed Local Plan Allocations and Existing Sites	**Site area (Hectares)**	**% of site**	**Site Areas used for calculation of floorspace**	Proposed % splits			Capacity m2 **(using Kent Structure Plan 1996 conversion figures)**				
				B1	**B2**	**B8**	**B1**	**B2**	**B8**	**B2-B8**	**Total**
Gillingham Business Park	1.75	20	0.35	80	0	20	1111	0	247	247	1358
Ex-Health Authority Land (Gillingham Business Park)	2.88	0	0	100	0	0	0	0	0	0	0
Civil Service Sports Council land (Gillingham Business	4.32	0	0	70	0	30	0	0	0	0	0
Gads Hill/Danes Hill, Gillingham	0.29	100	0.29	0	100	0	0	835	0	835	835
Former Depot, Otterham Quay Lane	1.29	0	0	100	0	0	0	0	0	0	0
Chatham Maritime	12.80	5	0.64	100	0	0	2539	0	0	0	2539
Kingsnorth	66.00	100	66.00	10	50	40	26182	95007	93166	188173	214355
Isle of Grain	192.00	0	0	0	0	0	0	0	0	0	0
Frindsbury Peninsula	9.60	25	2.4	10	40	50	952	2764	4235	6999	7951
Formby Road, Halling	9.50	100	9.5	0	50	50	0	13675	16763	30438	30438
Fort Bridgewood	2.10	0	0	20	30	50	0	0	0	0	0
Medway Valley Park/Morgans Timber Works	11.05	100	11.05	20	40	40	8767	12725	15598	28323	37090
Rochester Airfield	10.00	0	0	50	20	30	0	0	0	0	0
Total	**323.58**		**90.23**				**39551**	**125006**	**130009**	**255015**	**294566**
Losses			**9.5**				**2350**	**25710**	**3535**	**29245**	**31595**
Total Net			**80.73**				**37201**	**99296**	**126474**	**225770**	**262971**

80% of the allocated land at Gillingham Business Park is now developed
0% of Ex-Health Authority land has been used, as an outline planning consent exists on this land. (MC20010184)
0% of Civil Service Sports Council land has been used, now lost to retail warehouse
0% of Former Depot, Otterham Quay Lane has been used, as a planning consent exists on this land and construction has commenced. (MC20001413)
Most of allocated area at Chatham Maritime now has consent or has been developed or is earmarked for residential
0% of Isle of Grain has been used as this land does not count towards Structure Plan totals.
75% of allocated land at Frindsbury Peninsula is now developed
100% of the allocated land at Fort Bridgewood is now developed
Losses include all current floorspace at Formby Road only as Rochester Riverside now has planning consent.
All of the allocated land at Rochester Airfield is now developed or with planning consent.
No plan period limitations all sites assumed viable.