OTTERPOOL PARK

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DOCUMENTS SUBMITTED IN SUPPORT

OP5 APPENDIX 14.1 **– ECONOMIC STRATEGY**

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APPLICATION CONTENTS

Quod

Otterpool Park

Economic Strategy

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1 Executive Summary

1.1 New Garden Towns and Villages present an opportunity for a fresh approach to planning of new homes; a chance to consider the future of a new community in the round, from streets and spaces to community facilities, transport and space for jobs and business. New homes naturally generate jobs in schools, healthcare and in local shops and services. New Garden Towns also present an opportunity to think about new strategic employment sites that can provide jobs within walking distance of homes or serve a wider role in the economic growth and prosperity of the area.

1.2 Otterpool Park will deliver up to 10,000 new homes (8,500 new homes in the Outline Planning Application (OPA)). Otterpool Park LLP is planning a development with a strong economic base, providing jobs for new and existing local residents, expanding Folkestone and Hythe District Council (FHDC)'s economic strengths and supporting opportunities for flexible and home working to meet the needs of 21st century business. The Housing Strategy and the Economic Strategy are closely linked. The housing offer (mix of sizes and tenures) has been established to respond to identified housing needs – and these will contribute to the growth and resilience of the labour market. This strategy includes key worker housing, and a wide mix of affordability and home types meeting a range of incomes and likely life stages.

1.3 The LLP has commissioned Quod to provide an economic statement for Otterpool Park Garden Town. This report builds on the Lichfields Employment Opportunities Study (LEOS)[1] as well as the district's existing strengths and the types of industries that are supported in other similar comparator towns, in order to develop an economic growth strategy. It reflects more recent (2021) conversations with FHDC officers and Lichfields to ensure it is up to date with the latest aspirations, and concerns, of the Local Authority, including feedback from the previous submission of this Strategy in 2019. These concerns were particularly focused around the potential for growth at Otterpool to displace growth from, or limit the potential of, other local centres in FHDC and Kent. This Strategy has been updated to address this point. Additional detail has also been provided on the LLP's strategy for the type of employment floorspace that will come forward in the first phase.

1.4 FHDC benefits from good connectivity to economic hubs of the South East and to London. Its economy has some areas of concern, such as relatively low skills levels which are reflected in the median wages. The population is ageing, with a relatively low proportion of working age people. This could present challenges to sustainability and prosperity in the long term if working age people and families are not encouraged to stay or move here.

1.5 The Shepway (FHDC) Economic Development Strategy 2015-2020 sets out FHDC's ambitions for economic growth. This strategy has not been updated again as the Local Plan has progressed, but its core principles and aspirations stand, and it forms part of the evidence base for the Places and Policies Local Plan. The key priority is to 'boost the local economy and provide employment opportunities'. This will be achieved by building on current and emerging economic strengths, boosting productivity and supporting business growth

[1] Otterpool Park Garden Town Employment Opportunities Study, Lichfields, 2018.

promoting further investment by maximising the value of assets and stimulating confidence, and improving education and skills attainment. It identifies several key sectors for achieving this: financial services creative industries (including media and IT); business and professional services; energy; tourism, culture, retail and recreation; and advanced manufacturing.

1.6 The FHDC Core Strategy Review (2022) highlights the need for *"good quality flexible commercial space that meets modern occupier needs"* (Paragraph 4.23.). Creative industries and financial/business services are identified as potential growth sectors, which the district's location and transport links can help it attract.

1.7 The South East Local Enterprise Partnership (LEP) identifies opportunities and challenges in East Kent: the sub-region is well-connected, has a growing cultural and tourism offer and has significant capacity for growth, but also faces concentrations of deprivation. Folkestone Creative Quarter is identified as a continuing success story in attracting creative industries and creating a vibrant place to do business, and further development is encouraged.

1.8 The proposals for Otterpool Park have been developed to reflect and support these local and regional aspirations. They also reflect the government's vision for Garden Communities, which include the requirement to be vibrant, mixed-use and self-sustaining. Westenhanger Station is expected have significant station improvements and, subject to housing delivery and occupancy, become a stop on the high-speed route from Dover to St Pancras[2]. The LLP with FHDC has been active in working with Network Rail to achieve this.

1.9 The Otterpool Masterplan Framework (OMF) sets out the long-term ambition that Otterpool Park will deliver 10,000 homes, accommodating up to 25,000 people. The Amended OPA is for the first 8,500 of these homes and that this the focus of this strategy.

1.10 Up to 87,500 sqm GEA of employment floorspace (use class E and B2), 29,000 sqm GEA of retail and related uses (E and Sui Generis) and 8,500 sqm GEA of leisure floorspace (E and F) is planned (all within the OPA), in addition to hotel, community uses and services for housing which will also create jobs. Home and flexible working will be supported and promoted and is expected to accelerate in the light of the Covid-19 pandemic and as part of a strategy to reduce the need to commute.

1.11 The OPA will support approximately 8,605 headcount jobs, equivalent to 6,860 FTE jobs[3], over half of which are projected to be in office and light industrial jobs, based on the floorspace parameters proposed. The remaining employment is expected to be in retail and leisure, hotels, recreation and community, and in a wide variety of sector through home working. Employment will also be created during construction, and a separate employment and training strategy relevant to construction skills and supply chain is expected to be prepared by the LLP in partnership with local stakeholders.

1.12 Otterpool Park will have one primary employment district to provide a profile and critical mass for the new hub; this will provide a strategic employment function, not just serving the new development. This hub will be located close to Westenhanger Station to maximise the

[2] Kent Rail Strategy, 2021 p. 39-40.
[3] One part time job = 0.5 FTE as per the employment densities guide. Part time working is based on the industry breakdown of part time employment in FHDC (BRES 2020, ONS).

benefits of connectivity to the rest of the region (through both rail and road) and hence makes it an attractive location for people to work and businesses to locate.

1.13 High quality housing attracts skilled workers which results in local economic growth, improved productivity and local economic activity through expenditure in local cafes, shops, restaurants:

- GVA: Based on the types of jobs that are expected to be supported in Otterpool Park, it is anticipated that the Gross Value Added (GVA) for the OPA would be £343m. The majority of this would be within office and light industrial activities based on an illustrative mix.
- Local expenditure: Additional homes support additional expenditure in the local area as residents spend their income on shopping and leisure activities. For 8,500 homes, this is expected to be £120m.

1.14 The LEOS identified five growth sectors, of which we anticipate that the three most likely to facilitate growth in the employment hub are ‘advanced manufacturing’, ‘business, finance and professional services’ and ‘creative, digital and media industries’. Aligned with the Garden Community principles and objectives, the LLP is exploring options for employment and innovation in health, social care and the green economy, including green construction. Home working, supported by the most up to date technology and supporting infrastructure, is envisaged to be a key part of the employment offer at Otterpool Park.

1.15 To support the successful implementation and long-term economic sustainability for Otterpool Park, there is a need to attract highly skilled residents to the area and attract, grow and retain new businesses. The LLP has set out a framework of commitments and next steps. This includes the approach to engagement and marketing, curating of new tenants, building support and investor networks for new business, considering flexible and favourable lease terms and developing a business offer that is complementary and not competing with neighbouring centres, especially Folkestone.

1.16 Recognition for the importance of the commercial and community uses in new settlements is a key element of the Garden Town approach. Where traditional neighbourhood centres used to mean only convenience retail, Otterpool Park aims to develop a sustainable shift towards a mix of uses, including residential, workspace, healthcare and other community facilities.

1.17 Stakeholders have expressed concern about the net effects of the proposed employment floorspace – whether it will displace employment from elsewhere or whether it will contribute to growth of the economic base of FHDC and complement the existing off and local sector strengths. Understanding and establishing levels of demand from different non-residential uses is vital and will be part of the LLP’s role and will form key element of the early stages of delivery with the aim of ensuring the town centre and other commercial areas are relevant to the scale of the residential development and is crucial to its long-term success.

1.18 The LLP would put in place strategies to facilitate and encourage local business births and growth and will actively partner with FHDC and business stakeholders to seek opportunities net additional growth, rather than displacement of businesses from elsewhere in the district.

1.19 The Core Strategy 2022 makes a clear statement that “delivery of a garden town will provide significant opportunity for innovative types of employment development, that are 'super-connected' and which could form a cluster of excellence around junction 11 of the M20 and Westenhanger station. Masterplanning of the settlement will need to reflect the findings of the study, to ensure the settlement maximises employment opportunities within both existing and emerging key sectors, and provides for interim uses that support the growing town[4].”. The supporting text to the economic policies (paragraphs 4.55) clearly states that the Garden Town offers the opportunity to plan for a higher level of employment growth than the trend and accommodated inward investment opportunities.

1.20 Opening and activating a town and commercial centre from an early stage is beneficial to long term placemaking; it provides residents with the built infrastructure from the moment they move in. Rather than allowing people to create patterns in the absence of the town centre, the centre can set the tone for the rest of the development and start to build a community.

1.21 It can often be difficult to generate key occupier interest and engagement at an early stage and engagement with local and regional businesses is important during initial stages. The LLP is in a strong position to drive this engagement. Important to the success of the new town and commercial centre and its attractiveness is its ability to draw people in, creating footfall throughout the day and maximising dwell time and spend. In the earlier phases, before there is a natural critical mass, the LLP will explore ways to attract and support business on-site.

1.22 The LLP envisages that the strength of the commercial offer will build on the benefits in linking the town centre with schools, nurseries, care homes, doctors’ surgery, leisure centre, gyms, collection points and the like. Non-residential development needs to be designed and built with flexibility in mind, allowing uses to change over time, responding not only to the demands of the local communities which they serve but also the changing landscape of retail and technology. This will ensure the future sustainability of the centre.

1.23 As the application is currently at the Outline application stage, there will be opportunities to refine the employment space offer and the strategy of support and marketing as part of the detailed design process, at Tier 1 and at Tier 3/RMA for each phase.

[4] FHDC, Core Strategy Review 2022. Para 4.53.

2 Introduction

2.1 The Ministry of Housing, Communities and Local Government (MHCLG) released its prospectus for Garden Communities[5] in August 2018. The aim is to provide over 200,000 homes within 23 communities by 2050. Garden Communities are intended to be: *"vibrant, mixed-use, communities where people can live, work, and play for generations to come – communities which view themselves as the conservation areas of the future. Each will be holistically planned, self-sustaining, and characterful.".*

2.2 In June 2016, Folkestone and Hythe District Council (FHDC)[6] responded to the call for proposals for new Garden Communities and submitted an Expression of Interest for a new garden town at Otterpool Park. This proposed, amongst other ambitions, *"Maximising the opportunities for strategic new employment space in close proximity to… the M20, and to provide a range of modern employment types and spaces within the new settlement to support a mixed-use community."*.

2.3 FHDC has recognised the economic potential at Otterpool Park and included policies to deliver the Garden Town in its recently adopted Core Strategy Review (2022). The Local Plan states that Otterpool Park *"provides an opportunity to deliver a major change to the economy of the district by providing a focus for well-located strategic employment development."*[7]*.*

2.4 Otterpool Park is proposed to deliver 10,000 homes within the OMF, accommodating up to 25,000 people. 8,500 of these homes are the subject of this OPA. It is expected to form an important new part of the economy of FHDC, building and developing the local economy, providing employment opportunities for existing and new residents and opportunities for existing local businesses to grow. The LLP's ambition is for the development to support almost 9,000 jobs.

2.5 There are some core principles which the LLP hopes to deliver as part of the proposals, and which will help to realise the job target. These are:

- Plan for spaces that will allow business to be close to homes to promote the use of walking and public transport to work.
- Plan for businesses space to be an integral part of the Garden Town offer – providing a key part of a sustainable community and a key selling point for families seeking to move here.
- Support flexible and home working to allow 21st century businesses to thrive and support the growth of new enterprises.

[5] Garden Communities, MHCLG, August 2018.
[6] FHDC was known as Shepway District Council at the time of submission.
[7] Folkestone and Hythe District Council Core Strategy Review 2022, para 4.110.

- To build on FHDC's existing strengths including cultural and creative industries, with a Cultural Vision and strategy to make culture and creativity an integral part of the development.
- To engage with local public and business stakeholders to support net business growth and reduce displacement within the district.
- To make the most of the road and rail links, putting Otterpool Park on the map for firms in the South East and work with Network Rail to improve Westenhanger Station and add an HS1 stop here.

2.6 The LLP has commissioned Quod to provide this economic statement for Otterpool Park Garden Town. This report builds on the LEOS8 as well as the district's existing strengths and the types of industries that are supported in other similar comparator towns, in order to develop an economic growth strategy.

2.7 The planning approach for Otterpool Park is structured in three tiers:

- Tier 1: The OPA for the 8,500 homes;
- Tier 2: Detailed masterplan and design code for the development of each phase; and
- Tier 3: Reserved matter applications (RMAs) seeking approval for all reserved matters (access, appearance, landscaping, layout and scale).

2.8 The application is currently in Tier 1, which means that the LLP has indicated what amount and type of floorspace could be delivered and its broad location but has not set out the specific design or exact location of commercial uses. Therefore, employment proposals are currently high level and further detail will be added at each Tier.

2.9 The decisions made at each Tier will be influenced by contemporary and projected market conditions and engagement, with the aim of maximising the opportunities for sustainable growth at Otterpool. This process allows the development to respond to economic needs and opportunities that arise at the time of delivery and mean that the application is not too prescriptive about the nature of employment space at this early stage. In the context of the Tier-structure, this document provides a high-level overview of the current local economy and potential opportunities at Otterpool Park and presents a framework for approaching the delivery of future commercial floorspace and services for businesses. More detailed work will be undertaken, including working with delivery partners and future tenants, over the course of Tier 2 and Tier 3.

2.10 The remainder of this report is structured as follows:

- **The local economy today:** sets out the characteristics of the residents and the economy.
- **The value of housing for economic sustainability:** sets out the role housing plays in economic growth
- **Aspirations for growth:** sets out the aspiration for growth in FHDC, Kent and the SE LEP.

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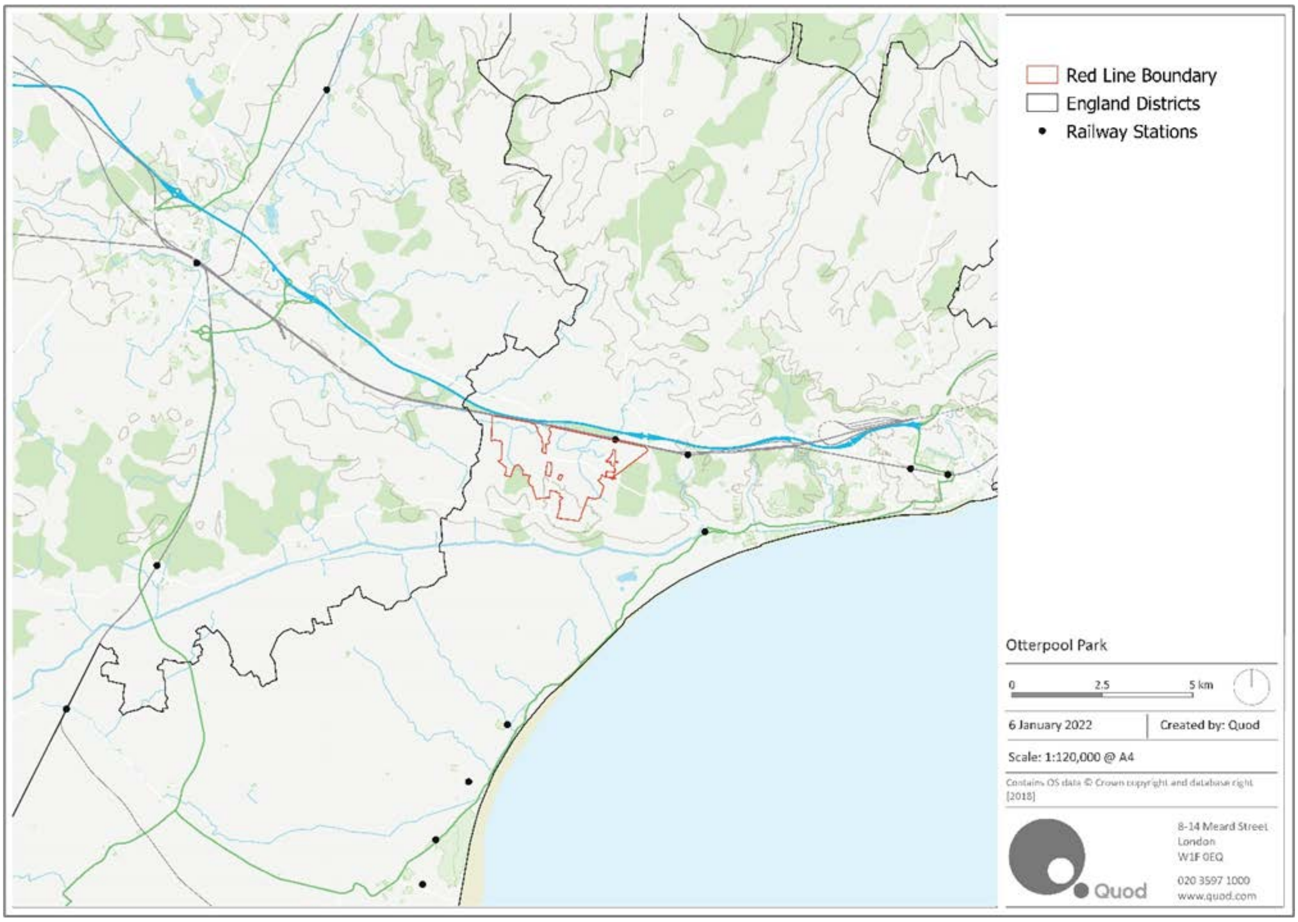
[8] Otterpool Park Garden Town Employment Opportunities Study, Lichfields, 2018.

- **Maximising the benefits of Otterpool Park:** considers the employment opportunities and the benefits of the housing provided at Otterpool Park.
- **The LLP's Commitments:** sets out a series of commitments that will ensure successful delivery of the development, including potential ways to reduce displacement.

3 The Local Economy Today

3.1 Otterpool Park is served by Westenhanger Station with good connectivity to the rest of the region. The station is connected to the South Eastern Main line, which provides services to London Bridge/Charing Cross/Kings Cross in one hour and twenty minutes. There are regular connections to Folkestone, Ashford and HS1, with a journey of approximately one hour to St Pancras International. The site is also located adjacent to Junction 11 of the M20 providing further accessibility by car. Figure 3.1 below sets out the spatial context of Otterpool Park.

Figure 3.1: Location of Otterpool Park



The redline boundary in the figures included in this document refers to an indicative site area.

Existing Residents – Economic Characteristics

3.2 According to the 2011 Census, there were 107,970 residents in FHDC in 2011.

3.3 The district has a relatively high proportion of older residents and a lower proportion of working age residents than county, regional and national averages (refer to Figure 3.2). This could be a concern from an economic point of view – a high dependency ratio (or a high proportion of children or older people in comparison to working age people) puts extra pressure on local social and health services, increases economic support payments and could signal recruitment challenges for local businesses. This is particularly pressing as the population is projected to engage significantly by 2030 (refer to Figure 3.3).

Figure 3.2: Age structure (ONS 2014)

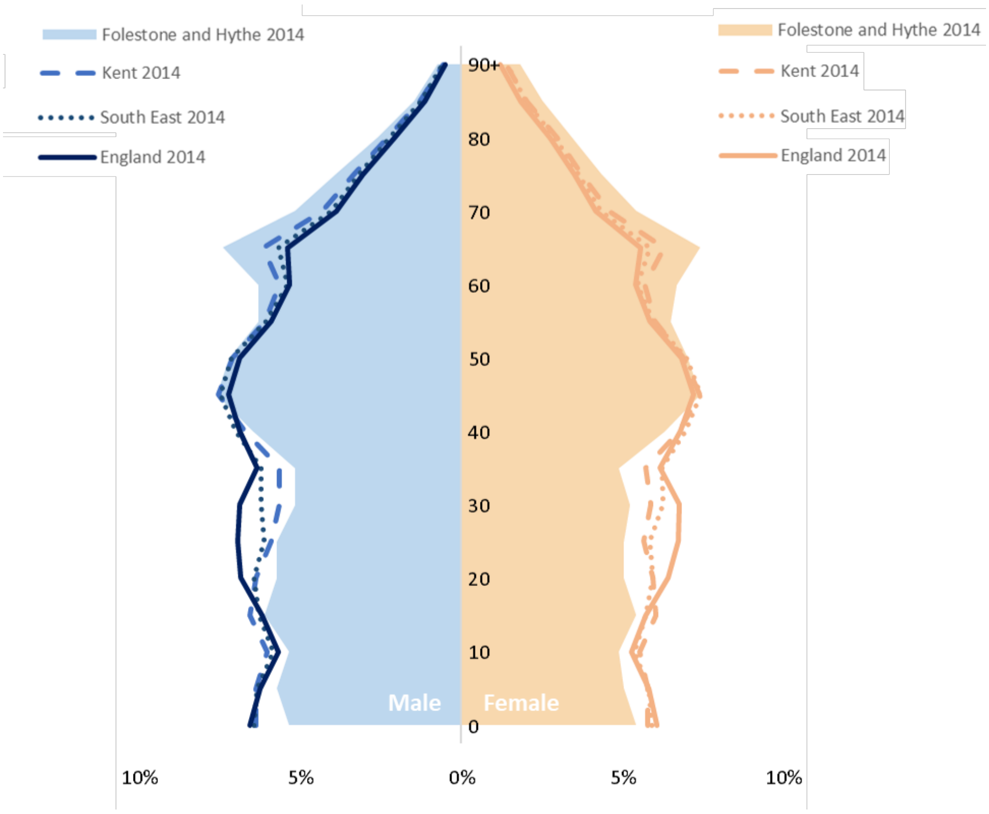
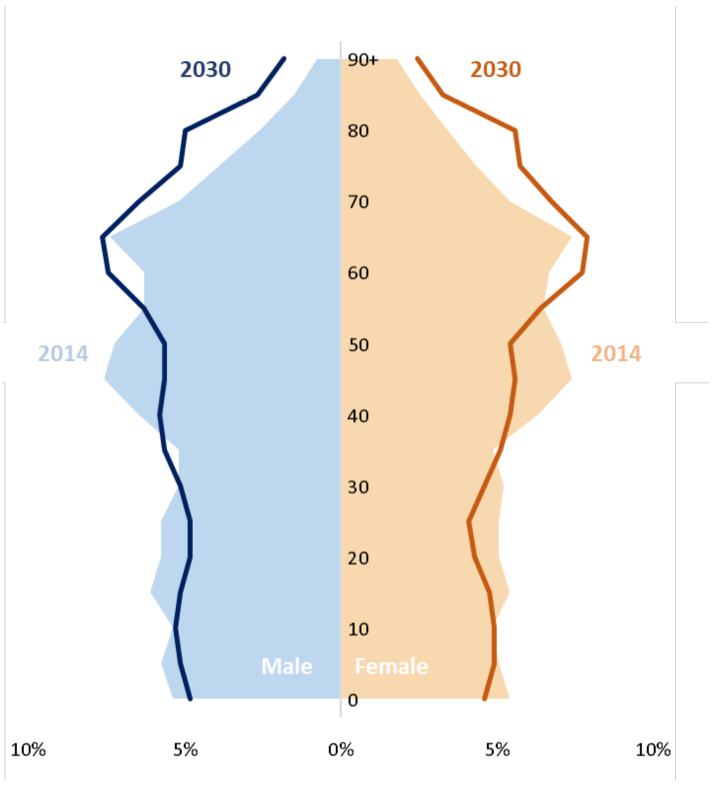


Figure 3.3: Age structure (2014) and projection (2030) for Folkestone & Hythe



3.4 A relatively high proportion of residents aged 16-74 are retired: 18% of FHDC residents, compared to 15% in Kent and 14% in the South East and in England. The proportion of over over-65s in FHDC grew slightly between 2001 and 2011 in line with growth across England.

3.5 FHDC has a lower proportion of economically active residents aged 16 to 74 (67%) compared Kent (70%), the South East (72%) and England (70%). This translates into slightly lower employment levels: 60% of FHDC residents (aged 16 to 74) were in employment, lower county, regional or national averages.

Table 3.1: Economic activity, residents aged 16-74, Census 2011

	FHDC	Kent	South East	England
Economically active	**67%**	**70%**	**72%**	**70%**
In employment	60%	63%	65%	62%
Unemployed	5%	4%	3%	4%
Full-time student	3%	3%	3%	3%
Economically Inactive	**33%**	**30%**	**28%**	**30%**
Retired	18%	15%	14%	14%
Student	4%	5%	5%	6%
Looking after home or family	4%	5%	4%	4%
Long-term sick or disabled	5%	4%	3%	4%
Other	2%	2%	2%	2%

Qualifications and Occupations of residents

3.6 Residents in FHDC have lower than average levels of qualifications[9]. 22% of residents have a degree or equivalent, compared to 30% across the region. 25% of residents have no formal qualifications (shown in Figure 3.4).

3.7 This pattern is reflected in occupations of residents. Fewer FHDC residents work in higher skilled managerial or technical roles than in the South East or Kent generally. Business growth and new housing provides an opportunity to retain skilled young residents who might otherwise move out of the district and attract new working age households. Thriving businesses create opportunities for career development and training.

[9] No qualifications: No academic or professional qualifications; Level 1 qualifications: 1-4 GCSEs or equivalent; Level 2 qualifications: 5+ GCSEs or equivalent; Level 3 qualifications: 2+ A-levels or equivalent; Level 4 qualifications: degree level or above; Other qualifications: vocational/work-related qualifications, qualifications gained outside the UK (NI) (Not stated/ level unknown).

Figure 3.4: Resident Qualifications, Census 2011

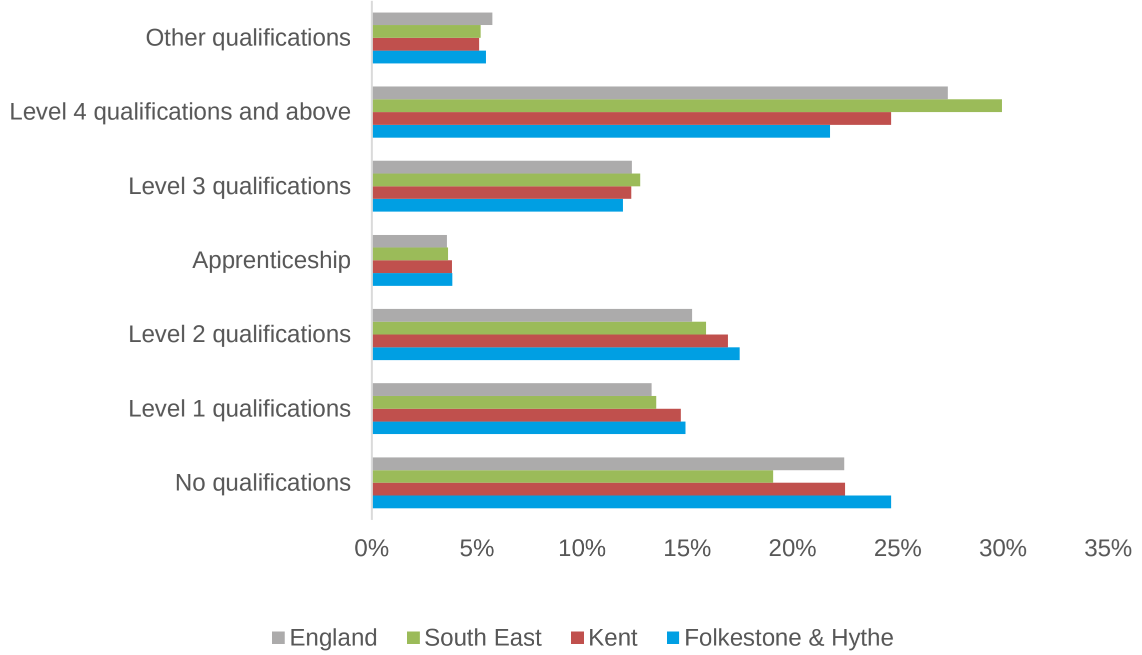
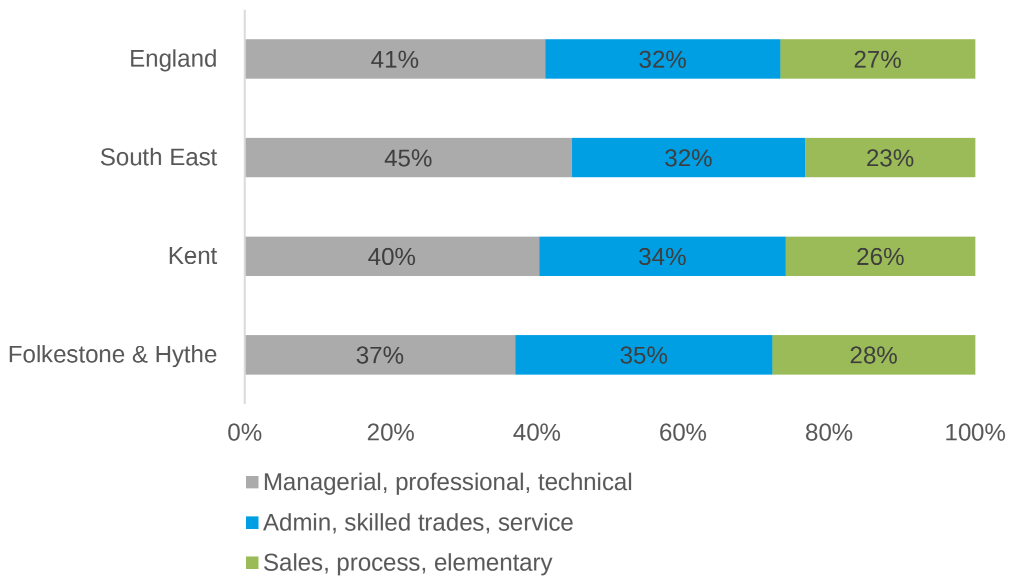


Figure 3.5: Resident Occupations, Census 2011



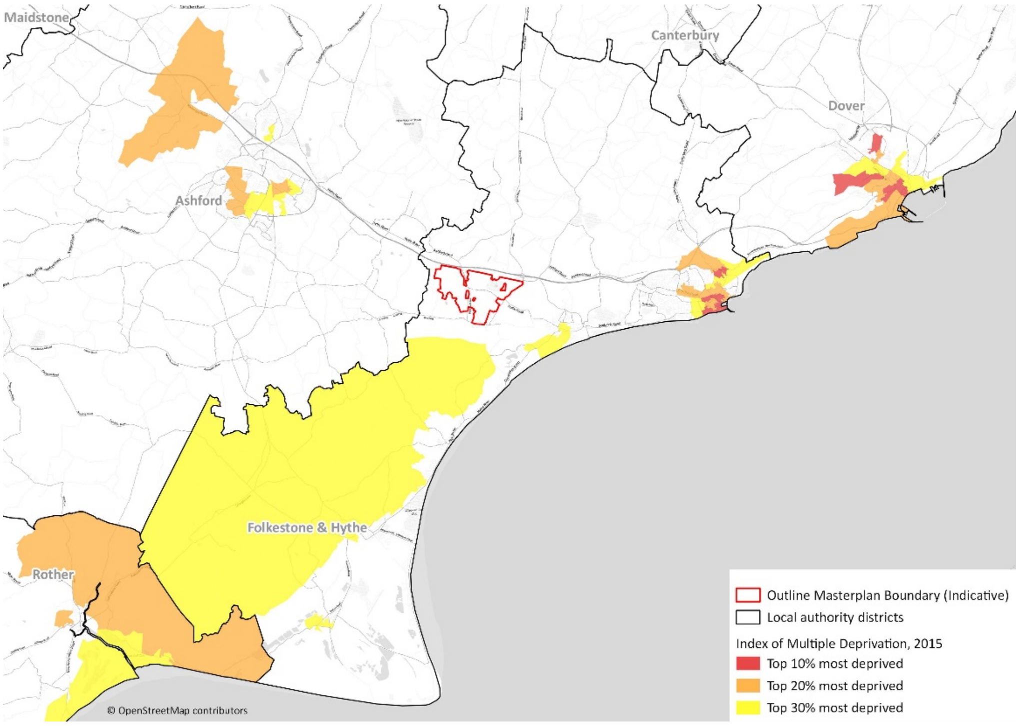
Deprivation

3.8 The 2015 Index of Multiple Deprivation (IMD) ranks small areas in England based on relative deprivation across several domains[10]. This data shows that there are pockets of concentrated deprivation in FHDC, in particular within parts of Folkestone, Hythe and areas around the Romney Marsh as shown in Figure 3.6 below. Data on deprivation in terms of employment and in education, skills and training also indicates concentrations of deprivation

[10] These domains are: income; employment; education, skills and training; health deprivation and disability; crime; barriers to housing and services; and living environment.

across these domains, with particularly strong education and skills deprivation in the south of the district as shown below.

Figure 3.6: IMD – all domains, 2015



The redline boundary in the figures included in this document refers to an indicative site area.

Figure 3.7: IMD - employment domain, 2015

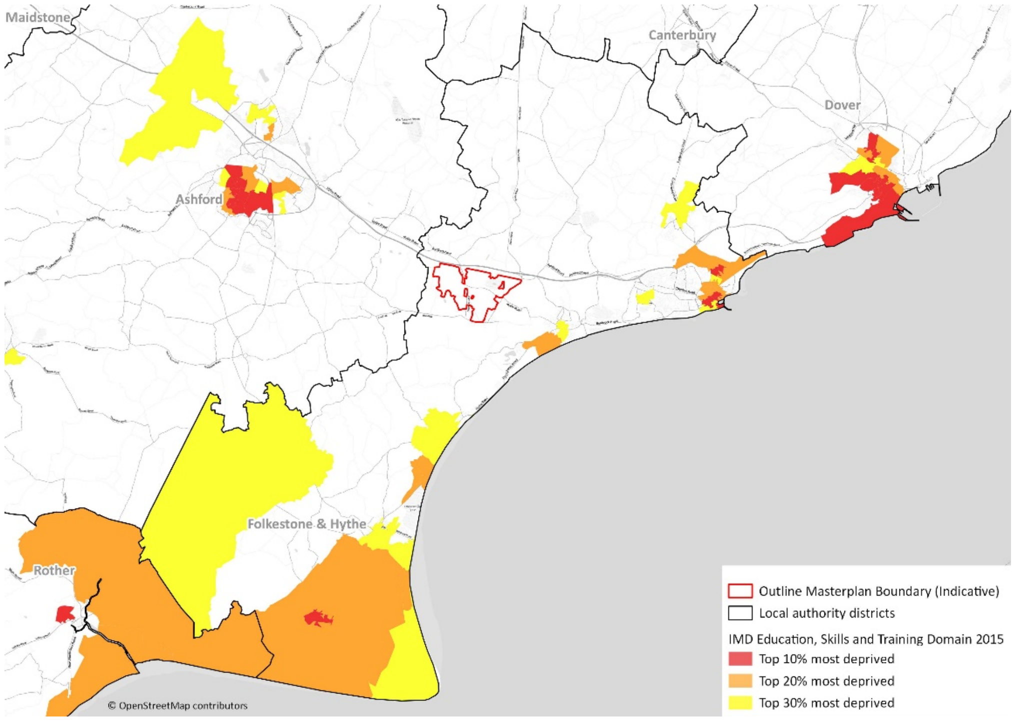


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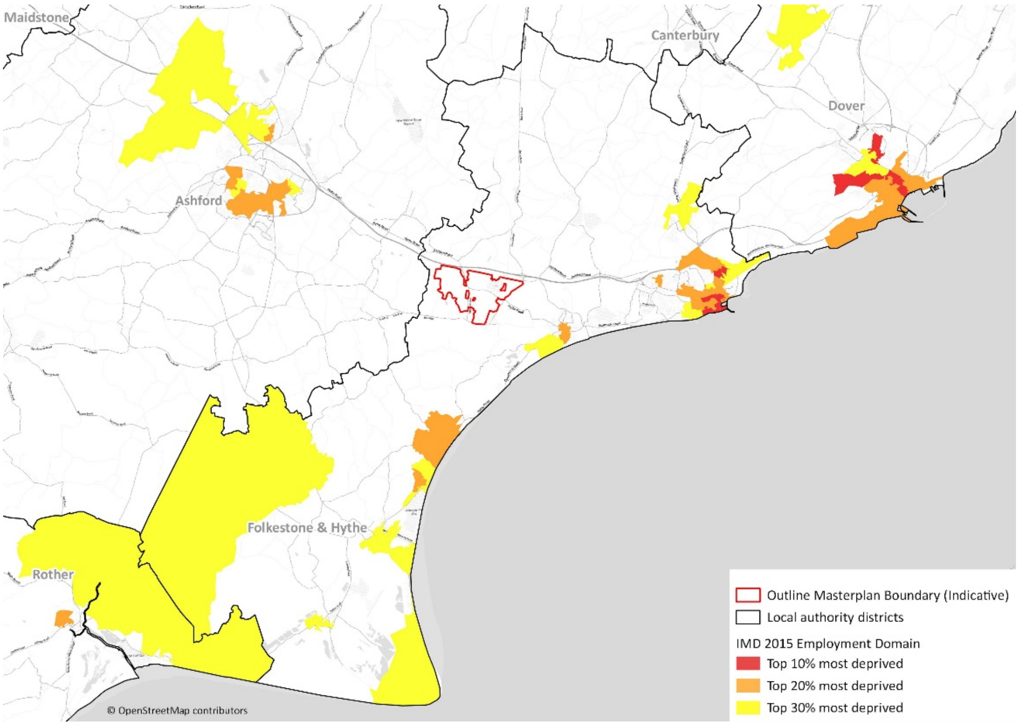
Figure 3.8: IMD education, skills and training domain, 2015



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3.9 This indicates that there are some key challenges that economic development in Otterpool Park can help address. The Shepway Economic Development Strategy 2015-2020 reflects this. While it notes that employment rates and the working age population compare well to some struggling districts in the region, it identifies issues including access to high-skilled jobs and relatively low economic activity rates as key issues to be tackled.

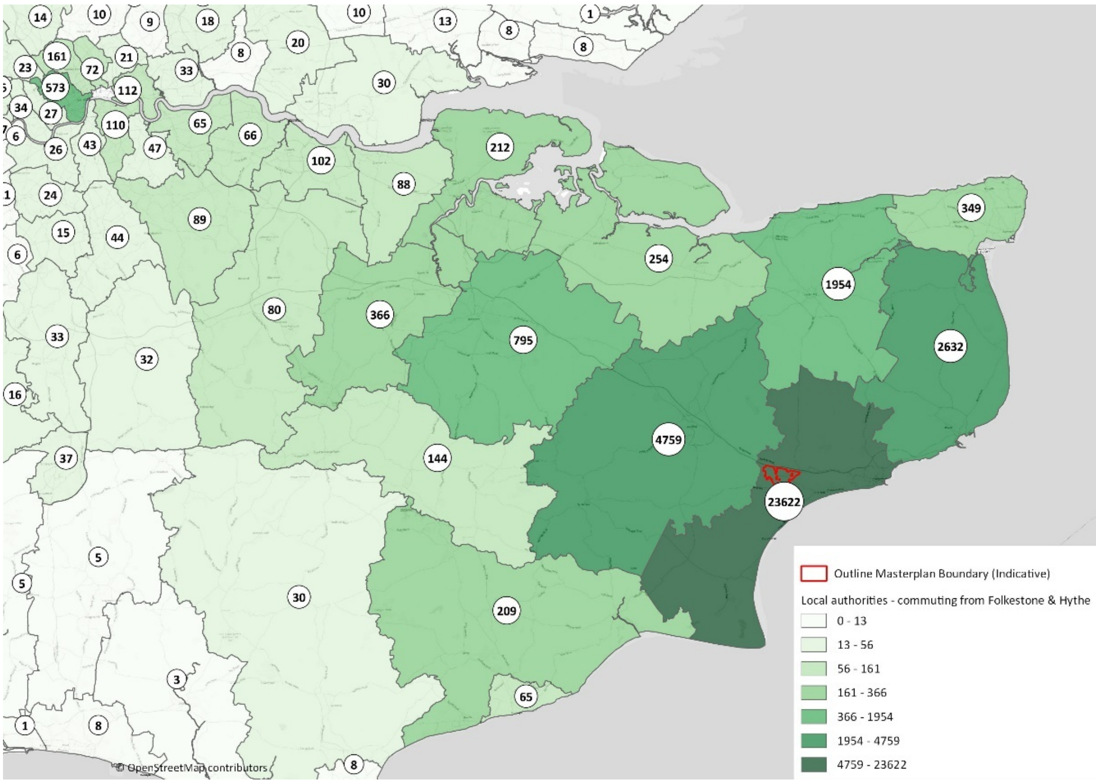
Commuting

3.10 Data from the 2011 Census indicates relatively high levels of commuting self-containment in FHDC (i.e. people both and living and working in the district). Just under half (49%) of FHDC working residents commute to jobs within FHDC, while a further 11% work mainly at or from home. A fifth (20%) travel less than 2km to work, compared to 16% in Ashford and 17% in Kent overall, the South East and England. A small proportion of residents commute further away, including Ashford (10%) and Dover (5%) as well a small proportion (4%) to London. This is shown in Figure 3.9.

3.11 Jobs within FHDC itself tend to be taken by FHDC residents: 68% of jobs in 2011 in FHDC were filled by FHDC residents, with a further 13% filled by residents of Dover and 8% from Ashford. This is shown in Figure 3.10.

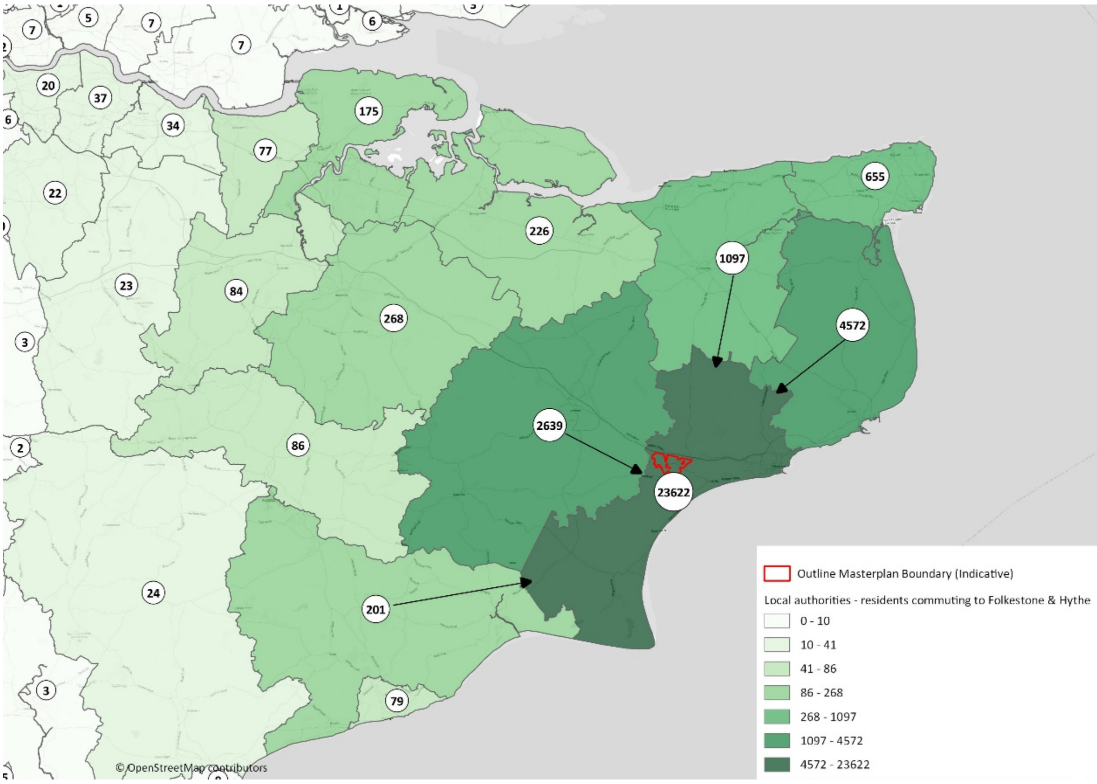
Figure 3.9: Commuting from Folkestone and Hythe – where residents work

(number of commuters in indicated in the circle for each district) (Census 2011)



The redline boundary in the figures included in this document refer to an indicative site area.

Figure 3.10: Commuting to FHDC – where workers live



The redline boundary in the figures included in this document refers to an indicative site area.

Wages

3.12 Resident wages in FHDC are higher than workers' wages, on average. This partly reflects a general trend that people are willing travel further to work for higher pay, but also reflects generally lower wage opportunities in the district. Both worker and residents of FHDC earn less than their counterparts in Kent and England (for both full time workers and all employment).

3.13 Resident wages in the district have not grown over the last 5 years but workplace wages have, indicating the FHDC residents are not necessarily benefiting from any wage growth in the district's jobs.

3.14 The five-year growth rates show an interesting picture: full time workers have experienced a decrease of 5%, while total workers have seen an increase of 8%. This suggest that salaries in part time jobs in the district are increasing.

3.15 A full analysis of wages is set out in Table 3.2.

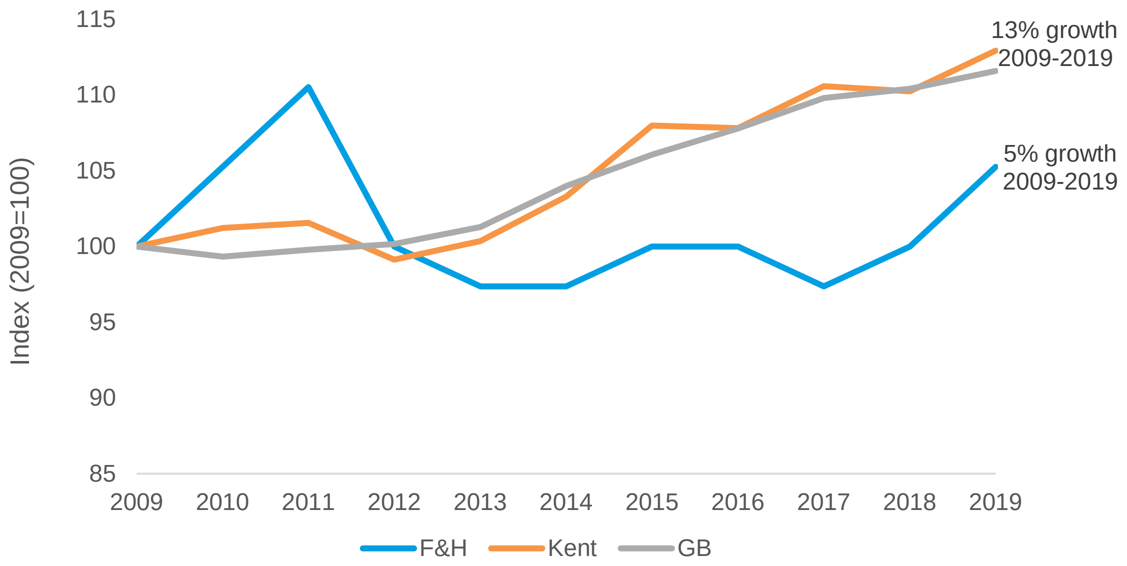
Table 3.2: Median Average Earnings

Residents				
	All workers		Full time workers	
	Median annual pay	5-year growth rate	Median annual pay	5-year growth rate
FHDC	£23,000	-1%	£27,300	0%
Kent	£24,200	5%	£30,000	4%
England	£23,700	9%	£29,100	8%
Workplace				
	All workers		Full time workers	
	Median annual pay	5-year growth rate	Median annual pay	5-year growth rate
FHDC	£22,100	8%	£25,300	-5%
Kent	£21,900	5%	£27,100	4%
England	£23,700	9%	£29,100	8%

Jobs and Businesses

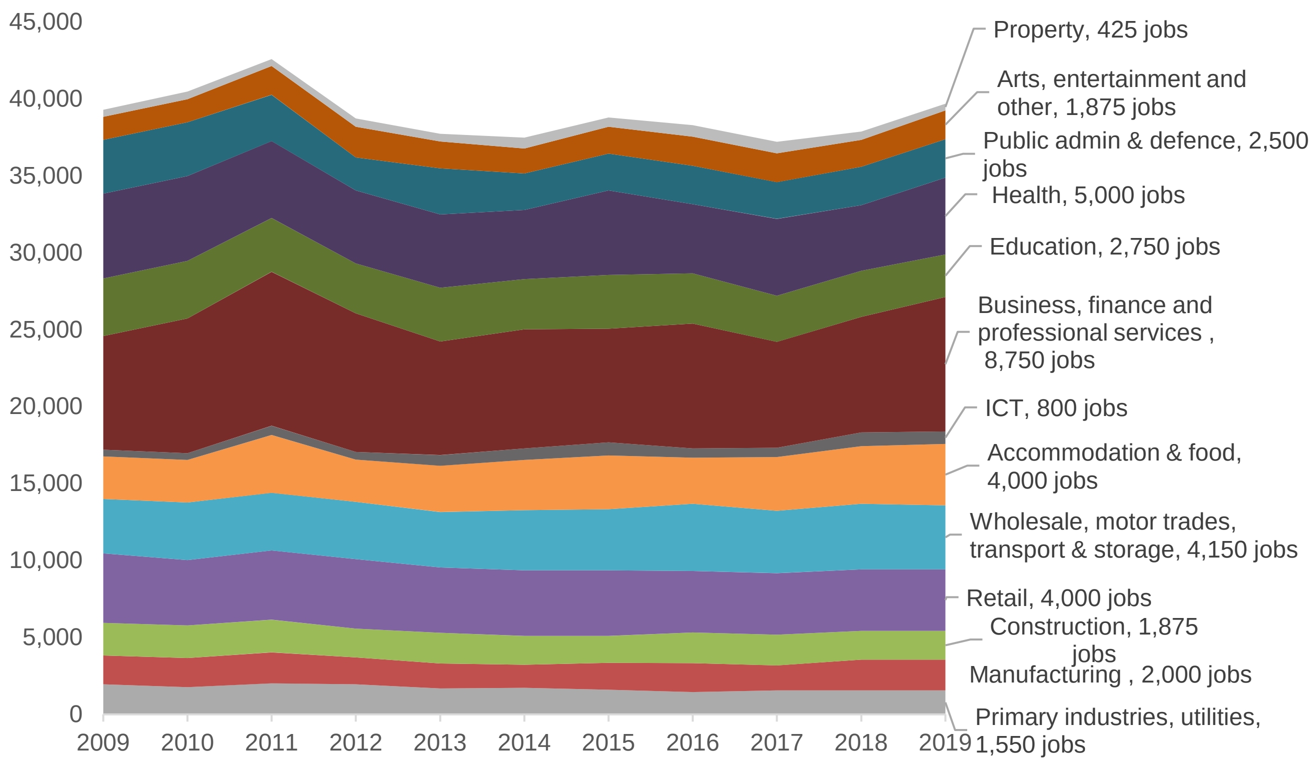
3.16 Data from the Business Register and Employment Survey (BRES) in 2019 indicates there are approximately 40,000 jobs in FHDC. Figure 3.11 shows that employment in FHDC has been fairly volatile between 2009 and 2019: there was growth between 2009 and 2011, but this was offset by a decline in employment between 2011 and 2013. Although BRES is survey based data and may be subject to errors at a local level for particular years, the data indicates 5% growth across the whole period (2009 to 2019); this compares to growth of 13% in Kent and 12% in Great Britain (GB). The employment growth is shown in Figure 3.11.

Figure 3.11: Index of employment growth (2009 = 100)



3.17 The largest sectors in FHDC are business, finance and professional services (8,750 or 22% of jobs) and health (5,000 jobs, 13% of the total). The fastest growing industries in terms of job numbers are business, finance and professional services (growth of 1,375 jobs or 19%) and accommodation & food (growth of 1,250 jobs or 45%). This is shown in Figure 3.12

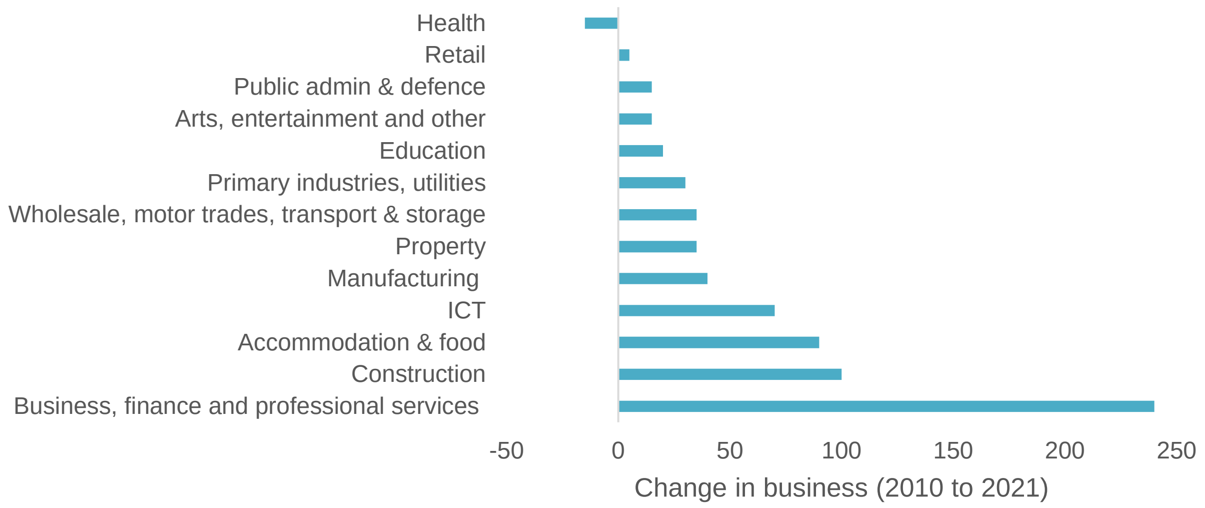
Figure 3.12: Employment in FHDC, 2009-2019 (BRES)



3.18 There are currently 3,785 businesses in FHDC, 90% of which have fewer than ten employees. This is an increase of 675 businesses in FHDC since 2010.

3.19 Figure 3.13 shows that the fastest-growing sector is business, finance and professional services, with the number of businesses in this sector growing by 240 between 2010 and 2021. This is followed by the construction sector (100 additional businesses), the accommodation and food sector (90 additional businesses) and ICT (70 additional businesses).

Figure 3.13: Number of businesses in FHDC, 2010-21



3.20 There is an opportunity to build on the successes of FHDC businesses, which have grown in recent years. FHDC has committed to support new businesses to set up and develop. The challenge is in maximising employment and investment, particularly in sectors which can boost local skills and productivity. The pull-out boxes overleaf review some of the key local leaders in the economy and in education and training. This shows the rich resources that are already serving the communities of FHDC and the potential for growth, innovation and upskilling in the district, particularly in the arts and technology sectors.

3.21 The section that follows reviews how FDHC and its partners have reflected on the local challenges and opportunities to develop a vision for Otterpool Park.

Local leaders – case studies

FHDC is home to many new and growing companies. Many of these are in dynamic, high-skilled growth sectors. These demonstrate the capacity of local businesses to thrive and grow in Folkestone and Hythe.

Folkestone Creative Quarter

The Folkestone Creative Quarter provides space for arts, creative industries and education. It was developed by the Creative Foundation, a charity launched in 2002. The Creative Foundation now leases space for 240 businesses and residences, including shops, flats, offices and artist studios.[11] The Creative Quarter hosts a range of small businesses including sound studios, film production, architects and art and design studios, as well as retail, food and drink and a new theatre and event space. It has successfully worked to help build Folkestone's reputation as an attractive place for business and creativity.

Saga

Saga is a company providing financial services, holiday and healthcare products, as well as other services. It was founded in Folkestone in 1951 as a travel company by Sidney de Haan, and has grown rapidly and expanded into new fields since then. It now has over 4,000 employees across the country[12], with its head office in Folkestone. It is one of the largest employers in the district, providing high-skilled jobs in finance and services.

Holiday Extras

Holiday Extras is a business selling travel extras such as airport hotels, airport travel, car hire and holiday insurance. The company was founded in 1983 and currently employs over 600 staff, with its head office bordering the Otterpool Park site in Newingreen. This company primarily sells through its website and through travel agents. The company has adapted to new market conditions (with the rise of the internet in place of travel agents) and expanded, adding an extension to its headquarters building in 2015/16.

Oak Creative Advertising and Design

This print and digital graphic design studio is based in a former pub public directly adjacent to the Otterpool Park site. The company is 25 years old and currently employs about 10 people, and has been on the site since 2001. The company provides web design, advertising and brand design services. Together with Holiday Extras, it is an example of a local company in a mid- to high-skilled growth sector making use of Otterpool Park's locational advantages, a characterful historic building and good transport connections.

[11] National Coastal Tourism Academy, 'Case study: Folkestone Creative Quarter', March 2018.
[12] Saga PLC. Annual report, 2018.

Education Partnerships

East Kent College, Folkestone

East Kent College in Folkestone is the main further education institution in FHDC, and also has campuses in Dover and Broadstairs. It provides a range of professional, vocational and technical further education courses, with a particular focus on developing skills and employability. The college offers apprenticeships, professional and vocational qualifications in areas such as computing/ICT, construction, art and design, teaching and health and social care. The Folkestone campus has particularly strong links with the town's Creative Quarter, with the EDGE School of Creative and Business offering courses in art, design, film, media and creative computing. The LLP has already been engaging with the college on future opportunities, in particular around construction training and this partnership will develop as the project progresses.

University for the Creative Arts, Folkestone

The University for the Creative Arts is based in several campuses around the country, including in Canterbury. It has a presence in Folkestone's Creative Quarter, occupying a renovated pub on Tontine Street. This is used as a project and exhibition space for postgraduate students.

The Sidney De Haan Research Centre for Arts & Health, Folkestone

Part of Canterbury Christ Church University Faculty of Health and Wellbeing and located in the heart of Folkestone's Creative Quarter, the Sidney De Haan Research Centre is dedicated researching the potential value of music and performing arts in promoting health and wellbeing. This centre brings together medical research with creative and performing arts.

Kent and Medway Medical School, Canterbury

Canterbury Christ Church University and the University of Kent are opening a joint medical school in Canterbury, which will be the first in Kent. This will provide important recruitment and support for the healthcare sector throughout Kent. The school will open in September 2020 with an initial intake of 100 undergraduates. It aims to work with local health organisations and address workforce shortages by developing doctors in specialities that are under-represented, with placements in community, primary and hospital care throughout Kent.

Response to the COVID-19 Pandemic

3.22 Covid-19 has created significant amounts of uncertainty in economic forecasting impacting projections of the medium- and long-term impacts of the pandemic, although it seems the vaccine will allow many aspects of the economy to revert, in many ways, to their previous status. Some trends that started prior to the pandemic have been accelerated and are likely to have some medium to long term effects. Based on evidence to date, these include:

- Increased home working;
- Increased importance of quality of place and local amenities within walking/cycling distance of homes;
- Increased internet shopping; and,
- Reduced demand for mid and upper scale town centre retail.

3.23 These changes do not present any challenges that are likely to significantly change the strategy for employment floorspace or design at Otterpool Park and in fact may reinforce many of the factors that are inherent in the original design vision such as an emphasis on active travel (e.g. cycling, walking, scooting etc.), support for home working and local working, and provision of local amenities within close access to home.

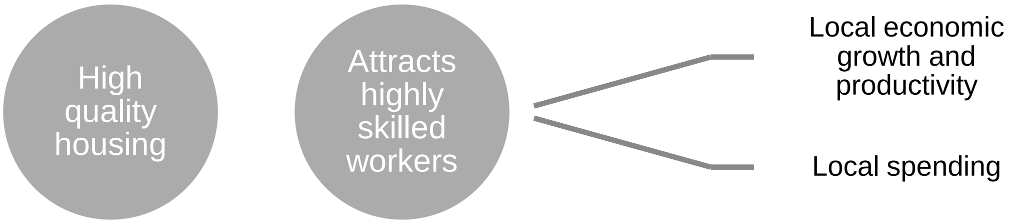
3.24 The detailed Tier 2 and Tier 3 design processes will allow the opportunity to make specific changes to the design and location of businesses, homes and services at a time when more about the long-term effects of the pandemic are understood. For now, this Tier 1 masterplan framework provides a flexible approach that can be responsive to changes over time.

4 The Value of Housing for Economic Sustainability

Supporting the Economy

4.1 High quality housing is one of the key criteria for growth in Otterpool. It attracts skilled workers which results in local economic growth/productivity and local economic activity through expenditure in local cafes, shops, restaurants. Figure 4.1 shows in which ways high quality housing contributes to economic sustainability.

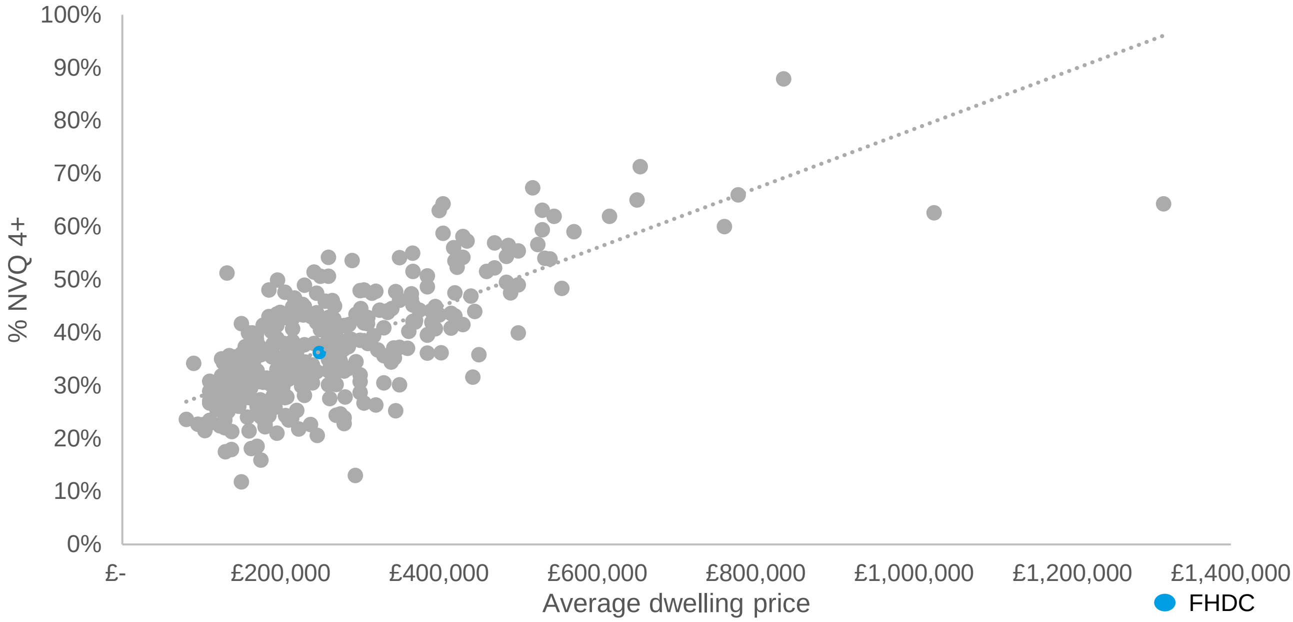
Figure 4.1: Impacts of high-quality housing



High quality housing attracts skilled workers who are typically in high value employment

4.2 Using average house prices as a proxy for quality of dwellings, Figure 4.2 shows that there is a strong correlation between housing quality and skill level. High skill level is defined as having qualifications of NVQ4 or above, which is equivalent to an undergraduate degree. Availability of high-quality housing is not the only factor which attracts highly skilled workers to an area, but this relationship suggests that it is important.

Figure 4.2: Qualification versus average dwelling price (2017)



Source: Annual population survey (January 2017 – December 2017) ONS; House Price Statistics for Small Areas (HPSSAs) 2017. NB: Excludes the Isles of Scilly

Highly skilled workers support the economy

4.3 Section 6 in this document includes further information on the types of employment that could be accommodated at Otterpool Park based on an illustrative scenario. Based on this, it is anticipated that the GVA supported would be £343m for the OPA. The majority of this (£208m) would be within office and light industrial activities.

Table 4.1: GVA at Otterpool Park (8,500 homes – this OPA)

	Jobs	GVA/head (worker)	GVA
Office and light industrial	4390	£47,300	£208m
Retail including F&B	1750	£29,600	£51m
Recreational and community uses	950	£33,800	£32m
Extra care and hotels	325	£28,300	£9m
Homeworking	1,190	£36,100	£43m
Total	**8,605**		**£343m**

Local expenditure

4.4 The new homes in Otterpool will support additional expenditure in the local area as residents spend their income on retail and leisure activities. This expenditure will be split between the spending within the region (including within Otterpool Park), and other spending (including internet shopping, spending elsewhere in the UK, and spending abroad).

4.5 The Retail Impact Assessment sets out projected retail expenditure on comparison and convenience goods. Based on these expenditure patterns, 8,500 households are expected to have annual expenditure of a£120m.

4.6 Shopping patterns are changing but while certain aspects such as online shopping has accelerated which could reduce local spend, many other aspects – including more localised patterns of spend on leisure and reduced commuting costs (due to increased homeworking) – would suggest potential increased amounts of local spending in the future, especially if local services and town centres are carefully planned and placemaking considered.

5 Aspiration for Growth

5.1 The vision for Otterpool Park is to create a vibrant new community providing homes and opportunities for its residents and the wider local area. It will fit within FHDC's wider plans for growth and investment in the local economy. This section sets out the broader local aspirations for growth, as set out in local policy.

5.2 The **Shepway Economic Development Strategy 2015-2020**[13] sets out FHDC's ambitions for economic growth. The key priority is to 'boost the local economy and provide employment opportunities'. This will be achieved by:

- Building on current and emerging economic strengths;
- Boosting productivity and supporting business growth;
- Promoting further investment by maximising the value of assets and stimulating confidence; and,
- Improving education and skills attainment.

5.3 It identifies the district's opportunities and challenges. FHDC is very well-located at the heart of a key UK-Europe corridor, with the Channel Tunnel, HS1 and the M20 motorway providing easy access to UK and European markets. The economy of Folkestone is increasingly vibrant, attracting investment and nurturing a Creative Quarter. Employment has grown in recent years while the number of residents out of work has fallen steadily. As set out in the earlier section, the district has relatively low economic activity rates, earnings and productivity are relatively low and there are not enough high-value, high-skilled jobs.

5.4 The strategy focuses on the need to boost skills, productivity and investment. It identifies several key sectors for achieving this, which are well-represented in the district or have potential to grow; these include:

- Financial Services (including insurance and pensions);
- Creative Industries (including media and IT);
- Business and Professional Services (including engineering-related scientific consultancy and R&D);
- Energy;
- Tourism, Culture, Retail and Recreation; and,
- Advanced Manufacturing.

5.5 The strategy proposes supporting business start-ups and survival rates, identifying and bringing forward sites for commercial development, and skills development through apprenticeships and partnerships with education/training providers including East Kent

[13] Shepway Economic Development Strategy 2015-2020, FHDC, 2015

College. It also proposes identifying employment land which is well-located near M20 junctions and mainline rail network to maximise the district's connectivity strengths.

5.6 The **Places and Policies Local Plan (2020)**[14] sets out the council's policies for achieving growth, investment and prosperity. This builds on the 2015 Economic Strategy by identifying need to improve education and skills attainment and boost productivity support business growth (Para 10.14). Key issues in the local economy include (Para 10.11):

- Jobs are generally lower paid and lower skilled;
- There is a deficit of opportunities and workers in the knowledge industries;
- Despite recent improvements the district still has relatively low economic activity and employment rates;
- Claims for Jobs Seeker's Allowance are higher than the South East average;
- Full time earnings are lower than the South East average and national wages; and,
- Productivity, as measured by gross value added (GVA) per job, has been running increasingly behind the South East over the last 12 years.

5.7 Creative industries and financial/business services are identified as potential growth sectors which the district's location and transport links can help it attract. The plan also identifies employment land which can meet the plan's aim of attracting high-skilled, productive industries – including Otterpool Park – drawing on the 2017 Employment Land Review.

5.8 Core Strategy Policy SS2 'Housing and Economy Growth Strategy' also sets out that "business activity and the provision of jobs will be facilitated through supporting employment opportunities in the garden settlement", highlighting Otterpool Park's role in delivering new jobs.

5.9 While the latest forecasts for growth, in the evidence base for the Core Strategy, indicate conservative prospects for general employment growth in the district, the Garden Town offers an opportunity for a step change:

"The creation of a new garden settlement offers a clear opportunity to plan for a higher level of employment growth to accommodate wider growth and inward investment opportunities that exist across the wider district, elsewhere in Kent and beyond" (Core Strategy Review 2022 Paragraph 4.56).

5.10 The South East LEP's **Growth Deal and Strategic Economic Plan (2014)**[15] set out regional aspirations for growth and investment in Kent, Essex and East Sussex, including 200,000 new jobs and £10 billion extra investment by 2021. It set a regional aspiration for boosting growth and productivity through attracting investment in high-skilled jobs. It identifies opportunities and challenges in East Kent: the sub-region is well-connected, has a growing cultural and tourism offer and has significant capacity for growth, but also faces concentrations of deprivation. The plan includes infrastructure proposals throughout Kent to develop the strategic road and rail network, and for Folkestone in particular it encourages the

[14] Places and Policies Local Plan, FHDC, September 2020.
[15] Growth Deal and Strategic Economic Plan, The South East LEP, March 2014.

development of the Creative Quarter and the Folkestone Seafront and Harbour. It also points to the Folkestone Creative Quarter as a continuing success story in attracting creative industries and creating a vibrant place to do business.

5.11 The South East LEP's **Economic Strategy Statement (2018)**[16] sets out that tackling housing shortages, as well as reliving pressure on infrastructure and improving skills across the workforce, will be key to realising ambitions and potential for the LEP. Particularly, it sets out that it will seek to develop the 'economic narrative' of new garden communities (including Otterpool Park), ensuring that the new homes are accompanied by jobs and infrastructure as well as long term economic opportunities which supports the growth across the LEP.

5.12 The latest strategy document, the **Economic Recovery and Renewal Strategy (2021)**[17] tackles the challenges raised by Covid-19 and exit from the EU. It sets out *"how SELEP will work with partners, across the private and public sector, to take clear and decisive action to support a path to recovery and renewal and to make clear the opportunities and needs of the SELEP area."* . The document spans matters related to allocation of Local Growth Funding and Covid recovery intervention; skills development; export markets and the new freeport designations; and support for business growth and R&D. In the section entitled Communities for the Future, Otterpool Park is highlighted and the strategy states, *"Through delivery of our garden communities and other significant infrastructure projects we will work to generate lasting economic and social benefits."*.

5.13 It goes on to state*: "it is vital this and our community developments reflect the shift in working patterns has led people to re-evaluate how they use their home, as well as the amenities in their local communities. This shift has also highlighted the need for the right infrastructure, both physical and digital, to be in place to enable people to work productive."*.

5.14 The South East LEP commits to "Lead[ing] the UK in reimagining, designing and creating communities that are fit for the accelerated changes in the way that people live and work. We will promote new thinking and research across the SELEP area, drawing on the learning from global concepts such as the 15-minute city and 20-minute neighbourhood and working with national organisations, like the Institute of Place Management, to better understand the implications for place shaping across the range of settlements that exist in SELEP."

5.15 FHDC's aspirations for growth through boosting investment and productivity are also backed by the **UK's Industrial Strategy (2018)**[18] and it successor documents under the Build Back Better programme. The Industrial Strategy identifies boosting productivity as the key to national economic success. Build Back Better[19] reinforces this focus on productivity and sets out a programme of infrastructure, skills and innovation targets accordingly. . This also feeds into the **National Planning Policy Framework (2021)**[20], which states that planning should *"should help create the conditions in which businesses can invest, expand and adapt"* in

[16] Economic Strategy Statement, The South East LEP, 2018.
[17] Economic Recovery and Renewal Strategy, The South East LEP, March 2021.
[18] UK's Industrial Strategy, HM Government, 2018.
[19] HM Treasury, 2021. Build Back Better: our plan for growth. Accessed online at: https://www.gov.uk/government/publications/build-back-better-our-plan-for-growth/build-back-better-our-plan-for-growth-html 17/02/22
[20] National Planning Policy Framework, Department for Levelling Up, Housing and Communities, 2021.

order for Britain to be *“a global leader in driving innovation”*, as well as setting the conditions for places to build and capitalise on higher productivity (Paragraph 81).

6 Maximising the Benefits of Otterpool Park

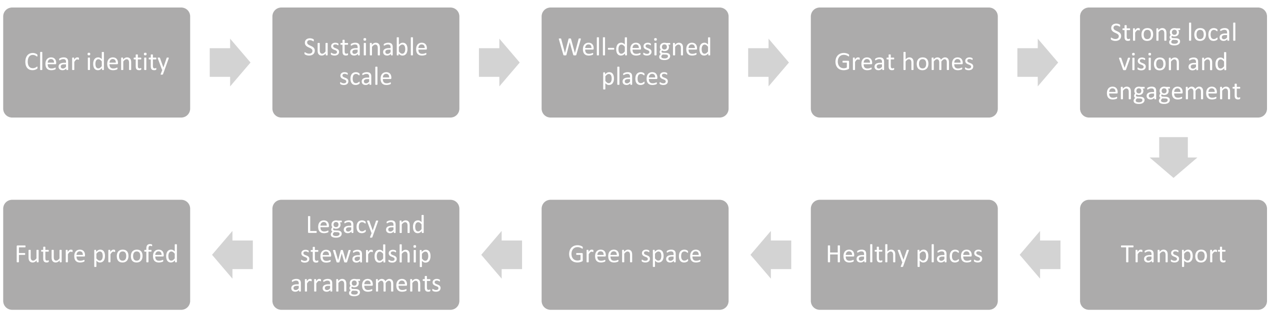
The role of Garden Communities

6.1 A range of guidance on establishing new garden towns has been published by both the (former) Ministry of Housing, Communities and Local Government (MHCLG) (now Department for Levelling Up, Housing and Communities, DLUHC) and the Town and Country Planning Association (TCPA). These set out some principles to guide the economic role of new garden towns.

6.2 The MHCLG released its prospectus for Garden Communities[21] in August 2018. The aim is to provide over 200,000 homes within 23 communities by 2050. Garden Communities are intended to be: *"vibrant, mixed-use, communities where people can live, work, and play for generations to come – communities which view themselves as the conservation areas of the future. Each will be holistically planned, self-sustaining, and characterful.".*

6.3 New Garden Towns with at least 10,000 homes, such as Otterpool Park, are to be prioritised. The prospectus outlines how new communities need to be locally-led and fit strategically with the local area in terms of housing needs and long-term economic growth. The key qualities identified by MHCLG are set out in Figure 6.1.

Figure 6.1: Key Qualities of a Garden Community



6.4 The TCPA[22] defines a garden city as a *'holistically planned new settlement that enhances the natural environment and offers high-quality affordable housing and locally accessible work in beautiful, healthy and sociable communities'*. It identifies nine principles which contribute to a successful garden community:

- Land value capture for the benefit of the community;
- Strong vision, leadership and community engagement;
- Community ownership of land and long-term stewardship of assets;

[21] Garden Communities, MHCLG, August 2018 (DLUHC has not published any update or revocation of this, or any other guidance or policy mentioned in this strategy and it is assumed that it still stands).
[22] Garden City Standards for the 21st Century, Guide 1, TCPA 2018

- Mixed-tenure homes and housing types that are genuinely affordable;
- A wide range of local jobs in the Garden City within easy commuting distance of homes;
- Beautifully and imaginatively designed homes with gardens, combining the best of town and country to create healthy communities, and including opportunities to grow food;
- Development that enhances the natural environment, providing a comprehensive green infrastructure network and net biodiversity gains, and that uses zero-carbon and energy-positive technology to ensure climate resilience; and,
- Strong cultural, recreational and shopping facilities in walkable, vibrant, sociable neighbourhoods; Integrated and accessible transport systems, with walking.

Construction Employment

6.5 Construction employment on this scale and over this time horizon provides the opportunity to make a lasting impact on the skills profile of local residents and on the structure and capacity of the supply chain.

6.6 A separate employment and training strategy relevant to construction skills and supply chain is expected to be prepared by the LLP in partnership with local stakeholders.

6.7 Construction employment has been calculated in the Socio-Economic Chapter of the ES, using regional data for employment and turnover within the construction sector based on Standard Industrial Classification 2007 subclasses, the 2019 Annual Business Survey (Office for National Statistics) and Output in the Construction Industry Sub-national and sub-sector data 2019 (Office for National Statistics). The construction of Otterpool Park is expected to support 18,567 gross direct construction job years in the construction industry as a whole.

6.8 The proportion of these jobs that are on-site, or within the wider area FHDC and Kent, will depend largely on the construction methodology (e.g. proportion of on vs off-site manufacturing). The extent of indirect and induced jobs that will be captured will depend on how the supply chain and the labour market responds to the opportunities on site. The LLP and FHDC can maximise these benefits by putting in place marketing, skills and training and business support to encourage local firms and residents to put themselves forward and by supporting them to be successful through access programmes. These are the types of initiatives that will be set out and agreed in the construction skills and supply chain strategy.

Providing space for business

6.9 The Otterpool Park Employment Opportunities Study (OPEOS) was produced by Lichfields for FHDC in March 2018. The report recommends that Otterpool Park's economic role *"must combine both local functions that support the garden town itself but also delivery of a more strategic employment function which the District currently lacks."* It sets out need for Otterpool Park to provide space for advanced manufacturing, a business park, an element of hybrid employment space and dispersed workspace hubs in local centres, which are largely absent from the existing district economy and can attract investment.

6.10 In order to develop an economic growth strategy, this report builds on the LEOS[23] as well as the district's existing strengths and the types of industries that are supported in other similar comparator towns.

6.11 Up to 87,500 sqm GEA of employment floorspace (Use class E and B2), 29,000 sqm GEA of retail and related uses (E and Sui Generis) and 8,500 sqm GEA of leisure floorspace (E and F) is planned (all within the OPA). In addition to hotel, community uses and services for housing which will also create jobs. More detail about these jobs is set out in the Community Development Facilities Strategy.

6.12 There will be a primary employment district to provide a profile and critical mass for the new hub. This hub will be located close to Westenhanger Station to maximise the benefits of connectivity to the rest of the region (through both rail and road) and hence makes it an attractive location for people to work and businesses to locate. A balance between the strategic town centre and neighbourhood offer will be supported by local employment centres, which will support predominantly retail and community employment uses.

6.13 The LLP has identified the five key Unique Selling Points at Otterpool.

- **The overall Otterpool Park vision:** the quality of place and identity that will be established.
- Regional, national and international **transport connections**: capitalising on the opportunity presented by the new HS1 stop at Westenhanger Station.
- **An attractive place to live for employees**: attracting a strong labour force, retaining skilled young people.
- Early commercial development to be a **creative response to reusing existing assets** such as the Farm buildings and Racecourse outbuildings to build a sense of place and character.
- **Building on the nascent demand for business space** in the area: popular industrial park at Lympne and strong demand in Kent for smaller flexible use units.

6.14 Based on these strengths and the other research in the LEOS and set out above, there are two main themes that form the core of the approach:

1. **Super-Connected:** Otterpool Park will be exemplary in transport and broadband connectivity making the most of opportunities to form local links within community and building networks with Folkestone, Ashford, London and the wider South East and capitalising on an improved station with potential for a new HS1 stop as soon as that is sustainable. For the full transport strategy see Appendix I of the Transport Assessment, which includes details of the bus service enhancements, and the improvements to Westenhanger Station that will support the case for the future additional HS1 services (subject to wider deliverability) at the Station as outlined in Kent's Rail Strategy 2021. The Overarching Delivery Management Strategy formalises the commitment to deliver a fibre-to-home broadband network.

[23] Otterpool Park Garden Town Employment Opportunities Study, Lichfields, 2018

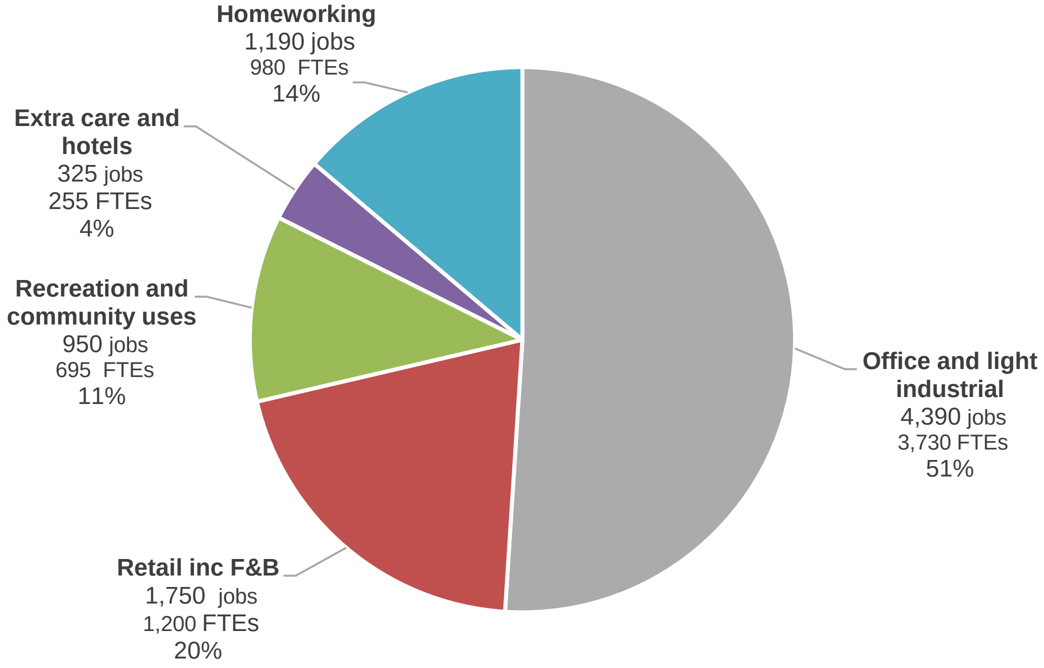
2. **Innovative:** Otterpool Park will offer new ways of working including exploring flexible models like incubator and shared working environments. More detail on this is set out in the Section 7 of this document, on the LLP's commitments. The quality of life offered at Otterpool Park will attract skilled workers and promote and support more flexible and creative ways of working where these can improve wellbeing.

Generating Employment at Otterpool Park

6.15 The employment that will be supported has been calculated by applying the standard job densities from the HCA Employment Density Guide (2015). The OPA would support around 8,605 direct headcount jobs, equivalent to 6,860 FTE jobs[24].

6.16 Figure 6.2 and Table 6.1 show the breakdown of employment by use class: over half of employment (4,390 headcount jobs) is expected to be supported in office and light industrial jobs. The remaining employment is expected to be in retail[25] (1,750), recreation and community uses (950) and in extra care and hotels (325). A further 1,190 jobs are expected to be supported through home working[26].

Figure 6.2: Projected new jobs at Otterpool Park (OPA - 8,500 homes)



[24] One part time job = 0.5 FTE as per the employment densities guide. Part time working is based on the industry breakdown of part time employment in Folkstone and Hythe (BRES 2016, ONS).
[25] Including F&B.
[26] This is based on the 14% UK-wide average of working 'mainly from or at home' as of the 2020 Annual Population Survey (APS). It is however anticipated that the Covid-19 pandemic will have accelerated homeworking (especially for office-based industries), but it is not yet possible to say what the long-term impact will be.

Table 6.1: Direct Employment at Otterpool Park (OPA – 8,500 homes)

<table>
<tr><th></th><th>Employment floorspace</th><th colspan="2">FTE jobs</th><th>% part time</th><th colspan="2">Headcount jobs</th></tr>
<tr><td rowspan="3">Employment (Use Class E and B2)</td><td>Commercial business in hubs*</td><td>810</td><td rowspan="3">3,730</td><td>30%</td><td>955</td><td rowspan="3">4,390</td></tr>
<tr><td>Commercial business in parks*</td><td>2,690</td><td>30%</td><td>3,165</td></tr>
<tr><td>Light industrial business park *</td><td>230</td><td>30%</td><td>270</td></tr>
<tr><td rowspan="2">Mixed retail and related uses (Use Class E and Sui Generis drinking establishments and hot food takeaway)</td><td>Business/café/restaurant/pub/takeaway</td><td>480</td><td rowspan="2">1,200</td><td>64%</td><td>705</td><td rowspan="2">1,750</td></tr>
<tr><td>Retail</td><td>720</td><td>63%</td><td>1,045</td></tr>
<tr><td rowspan="7">Education & Community Facilities (Use Class E and F)</td><td>Sports pavilion</td><td>15</td><td rowspan="7">695</td><td>50%</td><td>20</td><td rowspan="7">950</td></tr>
<tr><td>Indoor sports hall</td><td>55</td><td>50%</td><td>70</td></tr>
<tr><td>Secondary school (including sixth form)</td><td>185</td><td>32%</td><td>220</td></tr>
<tr><td>Primary school</td><td>230</td><td>71%</td><td>360</td></tr>
<tr><td>Nursery</td><td>90</td><td>55%</td><td>125</td></tr>
<tr><td>Community centre</td><td>65</td><td>50%</td><td>85</td></tr>
<tr><td>Primary care</td><td>55</td><td>40%</td><td>70</td></tr>
<tr><td>C2</td><td>Extra care</td><td>215</td><td rowspan="2">255</td><td>40%</td><td>270</td><td rowspan="2">325</td></tr>
<tr><td>C1</td><td>Hotel</td><td>40</td><td>64%</td><td>55</td></tr>
<tr><td>C3</td><td>Home working</td><td colspan="2">980</td><td>35%</td><td colspan="2">1,190</td></tr>
<tr><td></td><td>TOTAL</td><td colspan="2">6,860</td><td>41%</td><td colspan="2">8,605</td></tr>
</table>

**these elements could include health and social care research/training etc*

6.17 As per the role of garden communities set out previously, the size of Otterpool Park is substantial enough that the residents should be able to serve the needs of business (in terms of labour market) and vice versa, and hence the level of net commuting has the potential to be low. That said, the accessibility of the site to the rest of the region means that it is well placed to integrate with the rest of the region and provide a strategic employment function which the district currently lacks.

Identifying Growth Sectors

6.18 It is not possible to project with accuracy the businesses which will locate at Otterpool Park. The LEOS study, the work and ambition of the Local Plan and the LEP, community consultation, and the LLP's own local experience and understanding of the economy have influenced the economic vision for the Garden Town to date. The Application is in Outline and there is still significant flexibility to deliver a wide range of potential business and industry types and to adapt to changing needs over time as the development comes forward.

6.19 Quod has undertaken additional research into the economies of towns of a similar size to Otterpool Park to understand their structure. Ten towns were chosen based on size, all containing approximately 10,000 homes and 20-26,000 residents. These were chosen by analysing 2011 Census data for Built-Up Areas and are shown below.

Industries in comparator towns

6.20 These ten places represent a mix of towns across England. Newton Aycliffe was chosen as it is the closest new town[27] by size to Otterpool Park. These towns have varied economies, with some being prosperous market towns (Sudbury, Godalming), some with major industrial employment (Huntingdon, Newton Aycliffe) and some as centres of tourism (Truro, Buxton).

Table 6.2: Comparator Towns

Town	LPA	Region	Dwellings (Census 2011)	Population (Census 2011)	Jobs (Census 2011)	Jobs (BRES 2016)
Buxton	High Peak	East Midlands	10,000	22,100	9,400	10,500
Daventry	Daventry	East Midlands	10,000	23,900	13,500	14,000
Godalming	Waverley	South East	9,500	22,700	11,200	12,000
Huntingdon	Huntingdonshire	East	9,800	23,900	18,700	19,500
Hythe (Hampshire)	New Forest	South East	9,100	20,200	5,000	4,000 (8,470 including Holbury and Blackfield)
Market Harborough	Harborough	East Midlands	10,300	22,900	11,200	11,500
Newport	Isle of Wight	South East	10,300	24,900	18,800	19,500

[27] Founded in 1947 under the New Towns Act of 1946

Newton Aycliffe	County Durham	North East	11,400	26,000	13,100	14,500
Sudbury	Babergh	East	10,000	22,200	11,100	9,500
Truro	Cornwall	South West	10,800	23,000	25,900	29,000

NB: All census figures are rounded to the nearest 100; BRES data is only available to the nearest 100. It should be noted that the BRES figures are not available at BUA level and so the best approximation has been estimated using output areas.

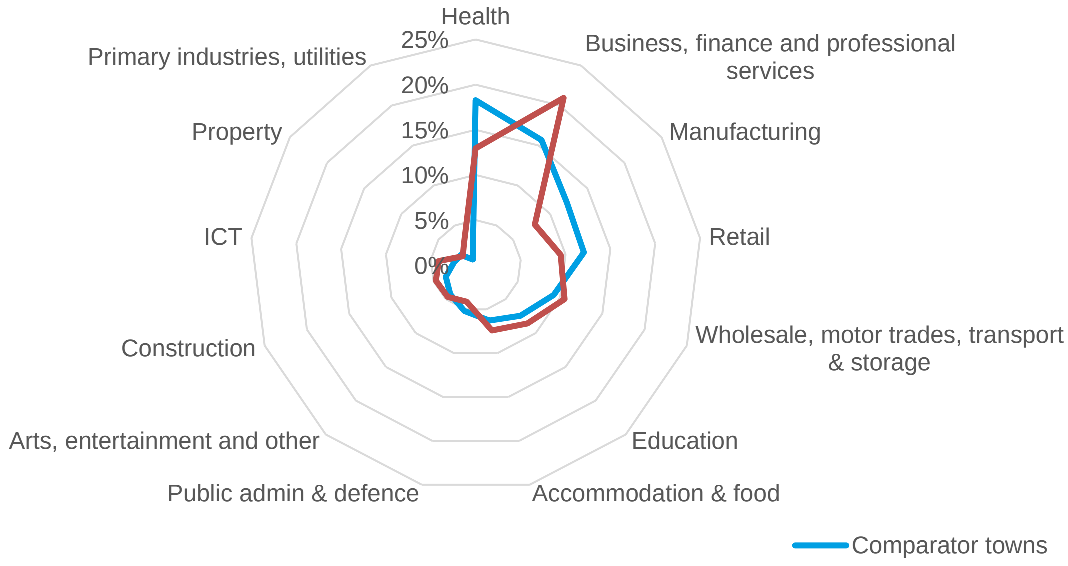
6.21 Some of these towns have considerable employment sectors. The 2011 Census recorded almost 26,000 people working in Truro, reflecting its status as a major town centre. The lowest employment level was in Hythe in Hampshire, with just under 5,000 jobs however neighbouring Holbury and Blackfield have significant industrial employment at Fawley Refinery (Esso) and gas and chemical activities. Including these locations, there are 8,470 jobs in the area immediately around Hythe.

6.22 BRES data from 2016 shows a diversity of sectors in these towns. Figure 6.3 shows the breakdown of employment across all ten comparator towns[28], compared to industrial breakdown of national (GB) employment.

- The health sector is the largest employer across the ten towns employing 18% of all people employed, compared to a national average of 12%. This sector supported the largest numbers of jobs in Truro (8,500 jobs), Newport (5,500), Huntingdon (4,550) and Buxton (1,750). Truro, Newport and Huntingdon have major hospitals within them. Buxton's health related employment is spread out across general practice, social care, residential care etc.
- Business, finance and professional services is the second largest sector across the ten towns, employing 16% of the workforce. This is still smaller a smaller proportion than the national average where 21% of people are employed in this sector. Business, finance and professional services is particularly prevalent in Huntingdon and Godalming which both support over 3,000 jobs.
- Manufacturing is the third largest sector across the ten towns, employing 13% of the workforce. This compares to a national average of 8%. It was the largest sector in Newton Aycliffe (6,000 jobs), Sudbury (2,500) and Daventry (2,750). Newton Aycliffe had a legacy of industry from munitions factories from Second World War. Beveridge's New Town built on this legacy moving into the chemical industry and manufacturing, including automotive.

[28] This adds up employment by industry across the ten towns, so towns with higher employment will be more highly weighted.

Figure 6.3: Industrial Breakdown – Comparator Towns



The Lichfields Employment Opportunities Study

6.23 The LEOS identified five different growth sectors based on market, policy and economic drivers. The criteria were based on:

- **Potential to service growing regional, national and international markets** in order to capitalise on the potential and locational advantages of a new garden town and to maximise the widest range of opportunities available.
- **Capacity to contribute to employment and GVA** growth in order to boost the Shepway local economy as envisaged in the Council's Corporate Plan and Economic Development Strategy.
- **Align with national policy and financial support**, for example in terms of the Government's emerging Industrial Strategy and associated funding mechanisms such as the National Productivity Investment Fund.
- **Evidence of inward investment track record** and/or enquiries that provide a potential platform for future growth.
- **Build on existing strengths within the Shepway local economy** as identified within the Council's Economic Development Strategy.

6.24 On this basis LEOS identified five key growth sectors: green construction; low carbon environmental goods and services; advanced manufacturing; creative digital and media industries; and business, finance and professional services. LEOS presented a scorecard which showed the extent to which the growth sectors satisfied the criteria (refer to Table 6.3: Growth Sector "Scorecard").

Table 6.3: Growth Sector "Scorecard"

	Potential to serve growing markets	Capacity to contribute to employment and GVA	Alignment with gov. policy and funding	Inward investment track record	Builds on existing Shepway strengths
Green construction	●	●	●	○	○
Low carbon environmental goods and services	●	●	●	◐	○
Advanced manufacturing	●	●	●	◐	◐
Creative, digital and media industries	●	●	●	◐	●
Business, finance and professional services	●	●	○	●	●

Source: Otterpool Park Employment Opportunities Study, Lichfields, 2018

6.25 This suggests that the three growth industries identified in the LEOS which are most likely to facilitate growth in the employment hub are 'advanced manufacturing', 'business, finance and professional services' and 'creative, digital and media industries'. As part of the health and wellbeing aspirations for Garden Towns at a local and national level, the LLPS also envisages health related employment as part of a new multi-speciality/extended service health hub, which could have links to education and training for health and social care professionals. The Green Economy also has potential for innovation and training links. The evidence for this is set out in more detail below.

Advanced manufacturing

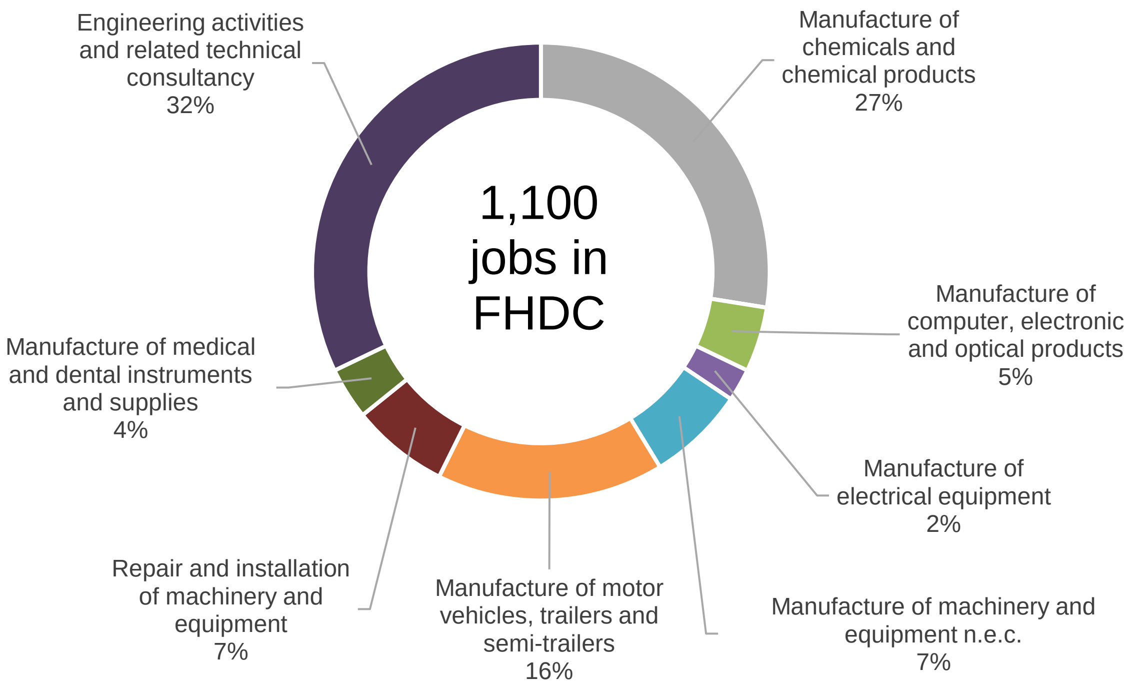
6.26 The LEOS identifies advanced manufacturing as including 'high-research intensive' subsectors such as pharmaceuticals, computer and electrical equipment, and engineering activities. This was identified as an opportunity to counterbalance the shortage of high-quality industrial premises catering for bespoke manufacturing in Kent and capture the benefit of businesses who are moving out of the constrained and expensive locations in London.

6.27 This finding in the LEOS is supported by the analysis of industries in similar sized towns in the previous section (refer to paragraph 6.226.18). This found that manufacturing was the largest employer across the ten comparator towns, employing 13% of the workforce. This compares to a national (GB) average of 8%.

6.28 There are currently approximately 1,100 people employed in FHDC in advanced manufacturing[29], which is 3% of total employment in the area. This is lower than the national (GB) average of 4% of people employed in advanced manufacturing. There is an opportunity for a cluster of health based advanced manufacturing businesses which benefit from the proximity to the new Kent and Medway Medical School and the onsite health facility. Our research supports the LEOS observation that this is a potential growth area for the district, but that availability of skilled workers will be key to growth in this area.

[29] This is based on the LEOS definition which includes the following SIC codes: 20: Manufacture of chemicals and chemical products; 21: Manufacture of basic pharmaceutical products and pharmaceutical preparations; 26: Manufacture of computer, electronic and optical products; 27 : Manufacture of electrical equipment; 28: Manufacture of machinery and equipment n.e.c.; 29: Manufacture of motor vehicles, trailers and semi-trailers; 30: Manufacture of other transport equipment; 33: Repair and installation of machinery and equipment; 325: Manufacture of medical and dental instruments and supplies; and 7112: Engineering activities and related technical consultancy

Figure 6.4: Advanced manufacturing in FHDC



6.29 There is a general shortage of good quality industrial premises across Kent, and particularly design and build opportunities for specific businesses wanting to invest in bespoke facilities (more common for advanced manufacturing operations). In addition, there is a general trend of some industrial activities being displaced from more constrained or expensive locations such as Greater London.

6.30 Research from Arcadis as part of this application indicates that there have been over 100 investments in this sector across Kent since 1997 indicating that there is growth potential.

Creative, digital and media industries

6.31 Creative, digital and media industries are 'those industries which have their origin in individual creativity, skill and talent and which have a potential for wealth and job creation through the generation and exploitation of intellectual property[30]'.This has been identified as a growth sector on the basis of existing strengths in the region (the Folkestone Creative Quarter and the University for Creative Arts in Folkestone), and due to the sector's ability to attract a young, highly mobile workforce from other towns and cities.

6.32 Creative industries do not fall neatly into the industrial breakdown presented previously. Based on the ONS's definition of creative industries[31], which included digital and media industries, it is estimated that there are currently 800 people employed in FHDC is creative industries. This is 2% of the workforce. This is lower than the national average (4%). As the

[30] Defined in Creative Industries Economic Estimates, Department for Culture, Media and Sport Creative Industries Economic Estimates, June 2016.
[31]Defined in Creative Industries Economic Estimates, Department for Culture, Media and Sport Creative Industries Economic Estimates, June 2016.

LEOS identifies, there is therefore an opportunity for growth in this sector, but it is dependent on flexible office/workspace, suitable environments, exemplary connectivity and superfast broadband.

6.33 The Creative Quarter in Folkestone is a good steppingstone to build on. Its current focus is on arts, media and design, but has also now started to see growth of related digital companies. The LLP does not want to displace uses from the Creative Quarter and wants to ensure its continued success alongside new provision of space at Otterpool Park. This means working in partnership with the Creative Quarter to establish a complementary and non-competing offer e.g., move-on space for businesses that outgrow the existing offer in Folkestone.

6.34 A vision and strategy for maximising the cultural and creative potential of Otterpool Park is set out in The Cultural and Creative Strategy for Otterpool Park Garden Town ("Create Otterpool"), submitted with the amended OPA. This aims to make culture and creativity an integral part of the development of Otterpool Park and promote creative learning and business. Proposed interventions include appointing a Cultural Champion and Creative Advisory Board, supporting cultural assets through long-term stewardship, a programme of community arts commissions and activities, public realm interventions, and an attractive living and working environment that weaves design into the public realm.

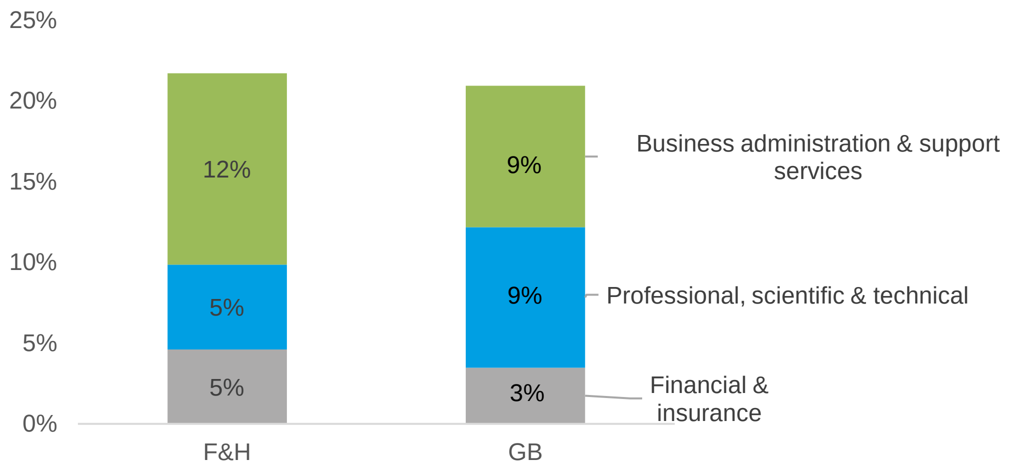
Business, finance and professional services

6.35 Business, finance and professional services is a broad sector which includes (although is not limited to) funding and finance, consultancy, architecture, legal and engineering. The LEOS identified it as a growth sector based on the existing strength of the sector in the local area, and the growth of the sector (at a national level).

6.36 This is supported by the evidence set out in the previous section (refer to paragraph 6.22) which showed that business, finance and professional services is the second largest sector across the ten comparator towns, employing 16% of the workforce (albeit at a lower proportion than the national level of 21%).

6.37 The proportion of FHDC'S employment in business, finance and professional services in FHDC (22%) is in line with the national average (21%). Figure 6.5 shows the breakdown between the three main industrial sectors which make up business, finance and professional services: FHDC has a higher proportion of people employed in 'business administration and support services' compared to the national average and a lower proportion in 'professional' scientific and technical' and 'finance and insurance'. Growing these latter subsections at Otterpool is an opportunity to attract higher value employment opportunities to the district.

Figure 6.5: Employment in business, finance and professional services



6.38 This sector is dependent on business-to-business relationships and therefore as is identified in the LEOS, the transport accessibility is crucial. The LEOS also identifies good quality office accommodation and high-quality housing stock (to attract the labour force) as essential for growth in this sector.

Health and social care

6.39 Kent and Medway has one of the lowest GP to patient ratios in the country as previously highlighted. This, alongside other employment generating uses in health, social care and education, are also dealt with in the Community Development and Facilities Strategy.

6.40 The data also shows the additional risk of large numbers of GPs, Practice Nurses, Practice Managers and Receptionists approaching retirement age and a significant reduction in the number of full-time equivalent staff across all staff groups in General Practice across Kent and Medway. Some of the key challenges include:

- A shortage of GPs in some areas of the county.
- 25% of GPs (the highest in England) and 55% of general practice nurses approaching retirement age.
- A low post-qualifying GP retention rate.

6.41 There are four key challenges which have been raised in respect to GP recruitment more generally in rural areas in the UK:

- The need for partners and other family members to be able to find work where GPs are posted
- The desire for GPs to work in larger, dynamic practices where there may be opportunities for continued learning or specialisation
- The relative likelihood for GPs to stay in the area where they trained (which means that places without any medical training facilities may struggle more to recruit.)
- The need for high quality places to live.

6.42 A major focus of the Training Hubs and workforce teams therefore is around recruitment and retention of the primary care workforce with a series of programmes and opportunities designed to recruit the brightest and the best to the area.

6.43 Canterbury Christ Church University and the University of Kent have opened a joint medical school in Canterbury, the first in Kent. This was granted government funding in March 2018 and opened in September 2020 with an initial intake of 100 undergraduates. Brighton and Sussex Medical School will act as a ‘parent’ institution to oversee teaching and organisation.

6.44 It offers a five-year undergraduate medical course (Bachelor of Medicine Bachelor of Surgery BM BS). The first two years will be based at university (on the campuses of both universities in Canterbury), with ‘early clinical placements’ in primary and community care settings in Kent and Medway for one day each week. Years 3-5 are clinical years, with students placed in secondary care setting such as in hospitals in Kent and Medway.

6.45 The universities have promoted this new medical school as supporting local healthcare provision in Kent and Medway. It aims to work with local health organisations and address workforce shortages by developing doctors in specialities that are under-represented, with placements in community, primary and hospital care. The placement model places students in community-based ‘hubs’ in their first two years and it begun in September 2020. Feedback from the first cohort of medical students has been very positive and has been fed back to primary care given the commitment and support shown by practices to support our future Doctors.

6.46 As of November 2021, 24 of the 42 Primary Care Networks across Kent and Medway were currently hosting medical students and work is underway by the Training Hubs in conjunction with KMMS to increase this further. In the East Kent, just over half, (10 of the 17) PCNs host medical students. The first undergraduates will graduate with degrees in Bachelor of Medicine and Bachelor of Surgery in 2025. To become GPs, they will then need to complete two years of foundation training followed by three years of specialist GP training. The universities have not yet detailed what postgraduate training they will develop.

6.47 Otterpool Park presents an opportunity to attract GPs to FHDC. The new homes will provide a wide range of possible options for GPs and other health and care staff to rent, part own or own their homes. The setting of a Garden Town will provide a high-quality environment which will attract skilled workers, including healthcare professionals. The employment space that will be delivered on-site, as well as the good transport connections, will help to ensure partners and families will also have employment opportunities, including opportunities in healthcare related sectors, which the LLP considers to be a very good fit with the aspirations and health and wellbeing agenda for the Garden Town.

6.48 Opportunities for education and training to be supported within the Otterpool Park Health Centre will be considered as plans are further developed.

6.49 The Otterpool Park LLP has also developed a housing strategy that includes specific housing delivery models and tenures that are designed to be appropriate for Key Workers, which would help to make the area even more attractive for future residents with relevant health and social care skills. More detail is set out in the Housing Strategy.

Homeworking

6.50 An estimated 40% of full-time workers in the UK have some form of flexibility about their working hours, meaning they can work remotely on some days of the week or for parts of the day[32]. Legally, anyone who has worked for an employer in the UK for a minimum of 26 weeks has the right to ask to work flexibly — a term that includes homeworking, part-time working, flexitime and job-sharing[33].

6.51 The experience of Covid-19 has revolutionised the way firms think about home working. The long-term effects are unknown, and we can expect that some, and probably a large proportion of, firms will return to office-based work as soon as it is practical. But trends that started before Covid such as more flexible hours and some days working from home are likely to be irreversible now that employers and employees alike have demonstrated that it can be made to work effectively and have benefits for both sides.

6.52 In addition to flexible working, 1 in 10 residents of FHDC worked mainly from home at the time of the 2011 Census. Data from the 2020 APS indicated this figure has increased nationwide to approximately 14%. It is also expected that the Covid-19 pandemic will continue to accelerate homeworking, particularly in office-based industries. 7% of residents are also self-employed (compared to 12% in Kent and across the South East[34]) which may mean they can operate in entirely or in part from home or their local area. In order for self-employment, home and flexible working to be a practical and productive choice for residents, Otterpool Park must provide superfast broadband to all homes and could provide a range of commercial services including co-working and flexible/shared office space; affordable conferencing and meeting room hire and facilities providing printing and business services.

The Green Economy and Net Zero investment

6.53 Large scale developments can be environmental test beds, to explore new technologies, ways of working, building and living. The UK government has also committed itself, pursuant to the Climate Change Act 2008, to the world's most ambitious climate change target, cutting emissions by 78% by 2035 compared to 1990 levels.

6.54 The design build and operation of the Garden Town provides the opportunity to implement and showcase green construction approaches as a fundamental part of achieving high sustainability credentials. Modern methods of construction and the associated training and manufacture of components is a growth area.

6.55 There is scope for 'smart city' principles relating to energy and waste management, health and social care, transport and many other service delivery platforms to be incorporated within Otterpool Park at the detailed design stage or as part of delivery.

6.56 This opportunity could provide the starting point for small-scale industries which can then grow and export goods and services to other parts of the country. Research by Arcadis for this application indicates that over 40 investments have been made in this sector across Kent

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32 Timewise/Deloitte, 2018. A Manifesto for Change: A Modern Workplace for a Flexible Workforce. Accessed 22.11.18
33 Financial Times, June 28 2018, Flexible working: here's what employees want. Accessed 22.11.18
34 Annual Population Survey, % aged 16-64 who are self-employed, June 2017-2018

since 1997 indicating that there is growth potential and with further enquiries in the pipeline. The “green economy” is changing rapidly and it is hard to project in detail how personal, business and government measures to control climate change will affect the shape of the economy but there is no doubt that will be an important economic sector over the period of Otterpool Park’s delivery that may well benefit from significant funding and regulatory support from government.

Housing and Employment Strategy Synergies

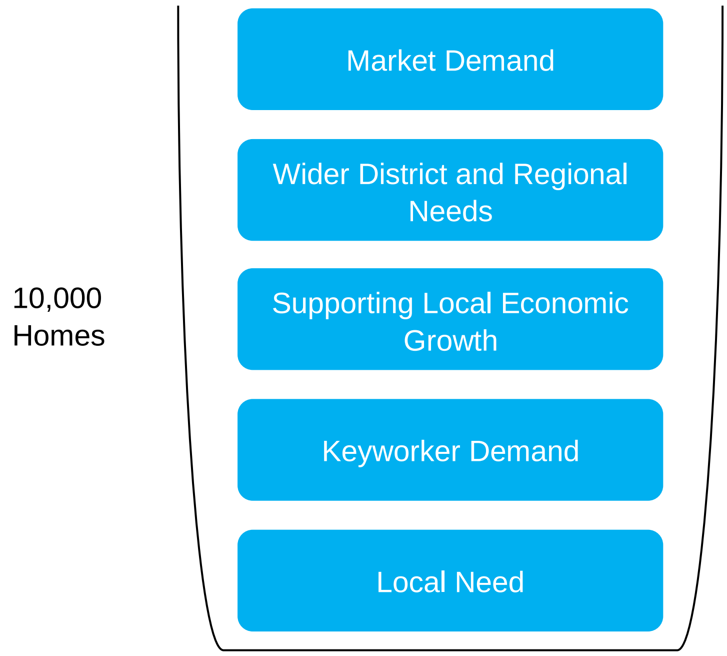
6.57 The Otterpool Park Housing Strategy – which sets out the intended approach to size and tenure of homes - takes account of economic aspirations and labour market pressures, including the views of businesses, obtained through a survey.

6.58 The Housing Strategy establishes that, while the addition of any new homes will be beneficial to the local economy, a specific focus has been placed on key housing gaps that may not typically be filled by the market. These were identified in two ways, first a survey of local businesses was conducted, which received 44 responses. Second, consideration was given to the types of industry that FHDC aims to attract, identifying gaps that may deter these from locating to the area.

6.59 The survey identified that gaps include smaller, quality homes as well as temporary accommodation. Smaller Build to Rent homes are therefore proposed to meet this need. Additional areas of need identified that may not be met by the market included live/work accommodation, and a small element of executive homes to ensure a mixed community.

6.60 The approach used to identify the housing mix has been designed to prioritise the supply of homes that benefit local people and ensure the sustainability of the Garden Town by both supporting the operation of services and supporting local economic growth. The approach is based on the principle of assuming that there is capacity for approximately 10,000 homes, then ‘filling up’ this space with different segments of need in order of priority. Figure 6.6 illustrates the approach and identified segments.

Figure 6.6: ‘Filling Up’ Housing Capacity



6.61 The industries that FHDC is aiming to attract have been discussed and several elements of unmet need have been identified by comparing the typical requirements of these sectors with the available housing in FHDC. These gaps are as follows and many are consistent with the results of the business survey:

- **Live Work Accommodation –** Attracting the creative sector was identified as a priority, with live work accommodation often being favoured by those in the creative sector. This type of housing enables a flexible life/work balance and creates activity in residential areas throughout the day.
- **High Quality Rental Accommodation –** The vast majority of rental homes in FHDC are managed by Buy to Let landlords, with a variable quality of stock and service. A high-quality Build to Rent offer will reduce barriers to labour mobility, providing a first step for those that want to move to the area with work. It will also provide long term homes for those that prefer the flexibility of renting, which is popular with a diverse range of employees in growing cities.
- **Executive Homes –** To attract new sectors and businesses to the area, senior management teams will need to be comfortable that the area meets their personal requirements. High quality housing will be a key decision-making factor for executives so ensuring there are homes to appeal to these individuals will be important. Including a mixture of higher end homes in the Garden Town will therefore be essential. It will also encourage a mixed and balanced community in the long term, rather than high end gated developments being built speculatively elsewhere.
- **Homeworking** - A significant shift towards home working has taken place out of necessity, but a significant industry shift is expected to remain in the long term. Ensuring homes can accommodate home working, with high-speed internet connections and dedicated study space will be essential to ensure the homes meet the needs of businesses.

Identified Needs Conclusions

6.62 In summary, the following needs are identified in this section:

- A mixture of small and medium homes, as well as more affordable homes – particularly for rent (see below paragraph)
- Live-work accommodation to achieve FHDC's ambition of attracting creative sectors
- Build to Rent homes to encourage labour mobility and attract those preferring to rent
- An element of larger high-quality homes to attract executives and ensure mixed communities
- Home working space and internet connectivity are critical to ensuring the homes meet the need for home working. These issues fall outside the scope of this document but will be picked up in the design specification.

6.63 More information on this approach is set out in the Housing Strategy.

Minimising Displacement

6.64 Stakeholders have expressed concern about the net effects of the proposed employment floorspace – whether it will displace employment from elsewhere or whether it will contribute to growth of the economic base of FHDC and complement the existing off and local sector strengths. "Displacement", as assessed in the Green Book[35], is the extent to which an increase in economic activity (or jobs, for example) is offset by other reductions in economic activity locally or close by. For example, where a new office block moves an employer from one area to another, rather than generating growth in total employment.

6.65 Levels of displacement and the extent of multiplier effects are sensitive to the type of goods and services and their market (whether they serve a local or a wider market); the elasticity of the local labour market (employment levels); skill and technology levels in industry; and public vs private sector growth. Industries that serve a local market would have a low level of displacement. A Garden Town with a focus on health, education, social care, local shops community uses – these so called "non-tradeable goods" are likely to support a large proportion local labour with low levels of displacement from elsewhere. Otterpool Park will also attract its own labour supply.

6.66 The Core Strategy Review (2022) makes a clear statement that "delivery of a garden town will provide significant opportunity for innovative types of employment development, that are 'super-connected' and which could form a cluster of excellence around junction 11 of the M20 and Westenhanger station"; "Masterplanning of the settlement will need to reflect the findings of the study, to ensure the settlement maximises employment opportunities within both existing and emerging key sectors, and provides for interim uses that support the growing town.". The supporting text to the economic policies (paragraphs 4.55) clearly states that the Garden Town offers the opportunity to plan for a higher level of employment growth than the trend and accommodate inward investment opportunities. In this way, it will provide a growth opportunity and offer that is distinct from, and therefore net additional to, much of

[35] The Green Book Central Government Guidance on Appraisal and Evaluation, HM Treasury, 2020.

what already exists in the district. By attracting new sectors and growth sectors, this will limit the amount of floorspace that is displaced from existing employment centres.

6.67 Inevitably there will be some displacement – some business will move from elsewhere in the district or region in order to benefit from the new floorspace, the quality of place and the potential of new, skilled local labour. This is part of the healthy functioning and churn of the commercial market. It will allow outdated employment space to be refurbished or repurposed and will provide space for local firms to grow and develop without leaving the district.

6.68 Part of the strategy to minimise displacement (or maximise the net benefits to the district as a whole) will be to engage with local economic development officers and stakeholders such as the LEP and business groups. A partnership approach can help to maximise the number of new businesses who are encouraged to start up at Otterpool as well as plan in advance to minimise any adverse effects of a business relocating.

6.69 The LLP already has a relationship with the Folkestone and Hythe Business Advisory Group and will maintain an open dialogue with them as well as planning officers, landowners and skills providers to manage the effects of change and ensure local people and businesses benefit. This will probably best be done through and Business Forum, which will be convened in partnership with the Advisory Group. Employment floorspace at Otterpool Park will be phased, and this will allow the LLP to respond to both the market and stakeholder strategies over the course of the build out period.

6.70 Engagement with local and regional businesses will also be important during the delivery and letting of the first employment space on-site and this will help develop a brand, establish a successful marketing campaign and meet market needs. The LLP is in a strong position to drive this engagement. Important to the success of the new town and commercial centre and its attractiveness is its ability to draw people in, creating footfall throughout the day and maximising dwell time and spend. This will support both the success and sustainability of Otterpool Park's employment centres and help support the step change required to attract new, rather than displace, investment.

6.71 In addition to start-up space, the LLP sees a clear role for Otterpool in providing grow-on space for local businesses who want to expand but for whom no suitable space is available in the district. Business stakeholders have advised the LLP that good quality mid-sized space for expanding enterprises is in very short supply.

6.72 Understanding and establishing levels of demand from different non-residential uses is vital and will be part of the LLP's role and will form key element of the early stages of delivery with the aim of ensuring the town centre and other commercial areas are relevant to the scale of the residential development and is crucial to its long-term success.

6.73 The LLP envisages that the strength of the commercial offer will build on the benefits in linking the town centre with schools, nurseries, care homes, doctors' surgery, leisure centre, gyms etc. Non-residential development needs to be designed and built with flexibility in mind, allowing uses to change over time, responding not only to the demands of the local communities which they serve but also the changing landscape of retail and technology. This will ensure the future sustainability of the centre and its attractiveness to both labour and employers.

6.74 Opening and activating a town and commercial centre from an early stage is beneficial to long term placemaking; it provides residents with the built infrastructure from the moment they move in. Rather than allowing people to create patterns in the absence of the town centre, the centre can set the tone for the rest of the development and start to build a community.

7 The LLP's Commitments

Site wide strategy

7.1 In order to support successful implementation and long-term economic sustainability for Otterpool Park, there is a need to attract highly skilled residents to the area and attract, grow and retain new businesses. Table 7.1 shows the commitments that will ensure successful delivery of the development.

7.2 As set out in the introduction, the plans and application are in Outline. This means the LLP is at the earliest stages of plans for the design and delivery of commercial space. The needs of local area and businesses may change as Tier 2 detail comes forward for each phase and then over the delivery period, but the list below sets out a framework of actions that the LLP and its partners will pursue in the post-Application period to build a strong economic base at Otterpool Park.

Table 7.1: LLP Commitments for Otterpool Park

Broad aims		Commitment
Attract, grow and retain new businesses	**Attract new business**	Seek to engage pioneer tenants to move within early phases.
		Curate new tenants to attract new growth sectors and spin-offs.
		High quality, flexible employment floorspace to accommodate a range of businesses and industries which may include small amounts of direct and/or speculative delivery by the LLP if there is a clear benefits and business case, including space at Westenhanger Castle.
		Engage with DLUHC on opportunities for grant funding and investment to deliver government priorities, including zero carbon growth sectors, at Otterpool Park.
	Minimising displacement	Focus medium and large units on providing grow-on space for existing FHDC businesses.
		Engage with the Business Advisory Board and FHDC officers on future lettings strategy.
	Growing new businesses	Allow for flexible/short term leases which provide new businesses with low barriers to entry to office/industrial.
		Provide supported workspaces and/or incubator-type models to support new businesses.
		Set up a forum with the Business Advisory Board to understand needs.
		Form a skills/education partnership which promotes a relationship between local education providers and the business community, with the aim to support local recruitment.

Retain businesses	Develop lease terms which favour internal movement.
	Provide a range of sizes of space to accommodate businesses as they grow.
Develop specialisms	Support clusters that play to Otterpool Park's strengths, as outlined in this report. Review options for preferential rents/lease options for certain sectors, co-locating new businesses and targeted support/partnership.
Attracting skilled residents	Provide a range of high-quality housing to suit a range of needs, including a range of tenures and sizes of homes.
	Provide high quality public realm to create a sense of space; this will be informed by a strategy to ensure to ensure there is a cohesive approach across the development.
	Provide community services (health, education) to meet the needs of the population.
	Provide alternatives to public transport; seek to provide car club cars onsite to reduce the need for ownership and provide cycle parking and cycle hire schemes.
Attract both skilled residents and attract, grow and retain new businesses	Continue to work with Network Rail to deliver the committed improvements to Westenhanger Station and to secure the HS1 stop.
	Develop a brand for Otterpool Park which reflects its unique selling point to both residents and businesses.
	Seek to provide ultrafast fibre broadband for both businesses and residents.

Phase 1 Commitments

7.3 Phase 1 of Otterpool Park will set the tone, help to establish a brand, build a service base and sense of place and help to establish sustainable working and travel patterns wherever possible. The Phase 1 masterplan is still in the process of being drawn up, in consultation with FHDC.

7.4 It is expected that the focus for the employment space in the first phase will be delivery of:

- The Folkestone and Hythe Civic Centre (c. 1,000 sqm) in frontloaded at the very start of development.
- c. 1,000 sqm speculatively built office/workspace to be let on flexible terms.
- Supermarket (limited to c. 500 sqm) and supporting retail units.

7.5 This is subject to that masterplan process.

7.6 The existing buildings and grounds at Westenhanger Castle will be renovated to improve the Castle setting and provide space for business and leisure activities at the heart of the community and early on in the development, establishing a long-term viable and sustainable use. Further details are set out in the Westenhanger Castle Conservation Management Plan (Purcell 2022, application document OP5 Appendix 9.25).

Next Steps

7.7 As part of the post-application period and into the detailed (Tier 2 and RMA) design phase the LLP will commit to a process of engagement, marketing and support that will help to achieve the commitments set out above. This will include:

- Actively engaging with FHDC economic development team which will be developing a strategy for employment delivery that aligns with strategic objectives.
- Engaging with the LEP and actively seeking feedback and partnership at a strategic level.
- Maintain the relationship with the Folkestone and Hythe Business Advisory Group and maintain an open dialogue with them as well as planning officers, landowners and skills providers to manage the effects of change and ensure local people and businesses benefit.
- Establish a Business Forum or similar, which will be convened in partnership with the Advisory Group which will include investor networks and marketing opportunities.
- Preparing a delivery strategy for the first phase of business space including the approach to disposal of sites, tenant curation, engagement with tenants/representative groups and the suite of options for flexible/supported lease terms.
- Preparing a marketing strategy for the first phase of business space, including potential lease terms and target industries.
- Developing a strong brand as part of the approach to placemaking.
- Building partnerships with public and private sector education bodies; understanding and making the most of potential synergies.
- Engaging with public sector bodies responsible for strategic infrastructure, including rail links, to promote the site and explore available opportunities to provide best practice in connectivity.
- Developing detailed designs that carry forward the principles of public realm, housing and services that have been committed to at Outline Stage.